

CIBC World Markets 5th Annual Institutional Investor Conference

Louis Vachon, Chief Operating Officer

Montréal, October 4, 2006

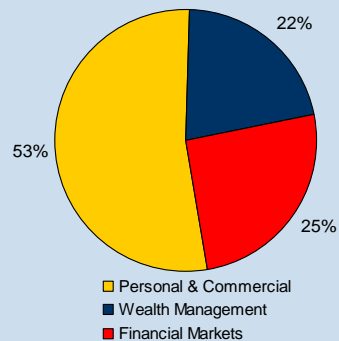
YOUR TRUSTED PARTNER | today and tomorrow

National Bank: Quebec Leading Bank

- Stronghold in Quebec growing rapidly in niches elsewhere in Canada
- At a glance – Q3 2006
 - Assets: \$108.6 billion
 - Market Cap: \$9.5 billion
 - Employees: 17,183
 - Branches: 453

Revenue Breakdown

9M 2006 - \$ 2,968 M (TEB)



Results Consistency

Mercer Top Worldwide Consistent Performers

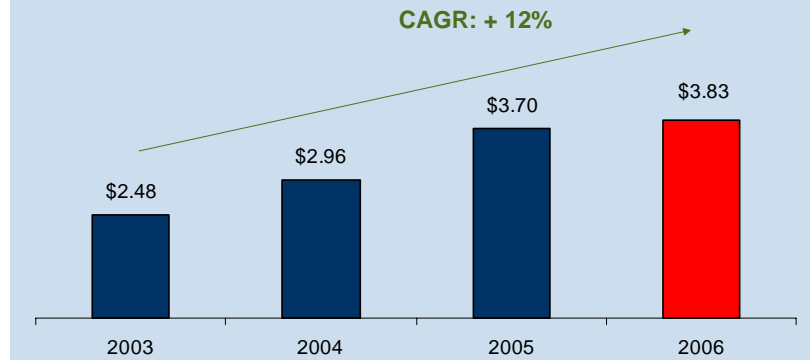
| Mid cap (n=258) | Avg 2005 Market V (US\$B) | Avg SPI over last five years | Avg 5-year TSR | Large Cap (n=142) | Avg 2005 Market V (US\$B) | Avg SPI over last five years | Avg 5-year TSR |
|---------------------------------------|---------------------------|------------------------------|----------------|--------------------------------------|---------------------------|------------------------------|----------------|
| 1. Anglo Irish Bank (Ireland) | 8.8 | 363 | 542% | 1. United Health Group (U.S.) | 70.4 | 363 | 409% |
| 2. ICAP (U.K.) | 3.4 | 362 | 700% | 2. St. George Bank (Australia) | 10.4 | 302 | 169% |
| 3. Gruppo Banca Carige (Italy) | 3.6 | 302 | 108% | 3. SLM (Sallie Mae) (U.S.) | 21.6 | 248 | 207% |
| 4. Brown & Brown (U.S.) | 3.3 | 298 | 367% | 4. Great-West Lifeco (U.S.) | 21.0 | 238 | 206% |
| 5. Housing Dev. Finance Corp. (India) | 5.0 | 277 | 383% | 5. Scotiabank (Can) | 34.3 | 231 | 141% |
| 6. Man Group plc (U.K.) | 8.4 | 269 | 384% | 6. North Fork Bancorporation (U.S.) | 13.1 | 230 | 152% |
| 7. Suncorp (Australia) | 8.1 | 254 | 160% | 7. Golden West Financial (U.S.) | 19.2 | 225 | 187% |
| 8. New York Community Bancorp (U.S.) | 4.7 | 251 | 214% | 8. RBC Financial Group (Can) | 41.5 | 224 | 118% |
| 9. RenaissanceRe (U.S.) | 3.2 | 246 | 240% | 9. Westpac Banking Corp. (Australia) | 28.1 | 221 | 115% |
| 10. NATIONAL BANK OF CANADA | 7.7 | 239 | 146% | 10. Erste bank (Austria) | 12.7 | 221 | 205% |

Shareholder Performance index = [Sharpe Ratio (firm) – Sharpe Ratio (median firm)] x 1000 + 100

Source: Mercer Oliver Wyman, *State of the Financial Services Industry 2006*

EPS Growth

9 months - Diluted



Keys to Future Growth

1. Geographical diversification
2. Focus on structural growth markets
3. Efficient use of resources

1. Geographical Diversification

- Partnerships
- Energy
- Financial Markets

2. Structural Growth Markets

- Personal and Commercial
 - Maximize synergies and cross-selling opportunities
- Wealth Management
 - Leverage relative strength in Canadian market place

2. Structural Growth Markets

Solid Asset Volume Growth

| (\$ billions) | Q3 2006 | Q3 2004 | Growth (2004-2006) |
|--|--------------|-------------|-----------------------|
| Cash resources and securities | 50.7 | 36.1 | 40% |
| Managed loans, loan substitutes & BAs | 59.2 | 49.8 | 19% |
| Mortgage loans | 21.3 | 19.2 | 11% |
| Personal credit | 12.3 | 8.7 | 41% |
| Partnerships | | | 183% |
| Credit cards | | | 12% |
| Equity line of credit (HELOC) | | | 115% |
| Other personal line of credit | | | 30% |
| Other personal loans | | | 1% |
| Mortgage loans & equity line of credit | | | 17% |
| Business credit | 25.6 | 21.8 | 17% |
| Other assets | 6.0 | 5.3 | 14% |
| Total assets managed | 115.9 | 91.2 | 27% |

3. Efficient Use of Resources

Effectiveness of BIS Assets

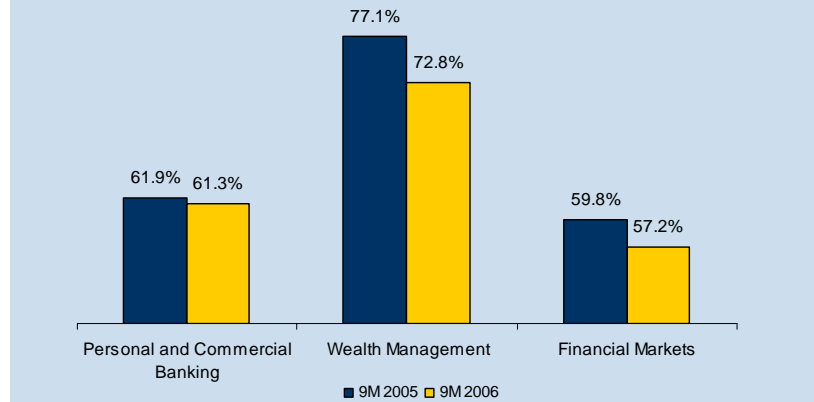
| | 2006 (annualized) | 2001 | Change | Change BIS Assets* | Change Net Income |
|-----------------------|----------------------|-------|--------|-----------------------|----------------------|
| Wealth Management | 9.29% | 2.73% | 6.56% | -36% | 119% |
| Personal & Commercial | 1.50% | 1.30% | 0.20% | 9% | 25% |
| Financial Markets | 1.43% | 1.11% | 0.32% | 30% | 67% |
| Total | 1.71% | 1.32% | 0.39% | 14% | 47% |

- Financial Markets as efficient as P&C
- All sectors increased their showing since year 2000
- Biggest increase in net income coming from non capital intensive Wealth Management sector

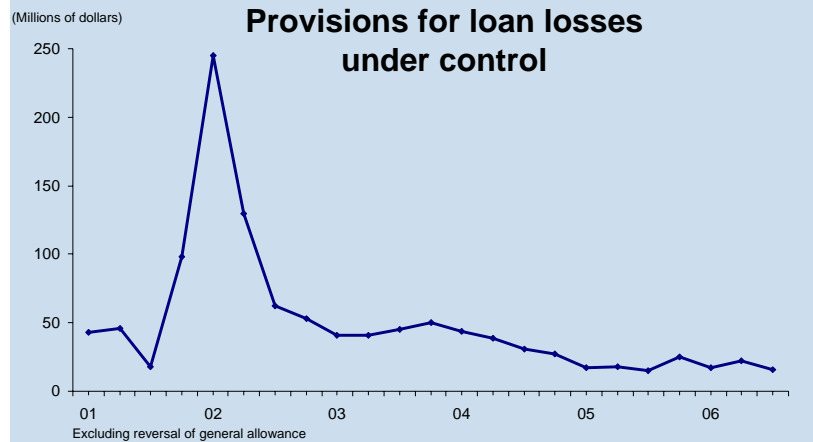
* BIS Assets variation mainly attributable to change in BIS weighting

3. Efficient Use of Resources

Sectoral expense ratios improving



3. Efficient use of resources



Key Takeaways

- Consistent performer
- Strong focus and discipline
- Distinctive revenue and net income balance
- High portfolio quality

Q&A

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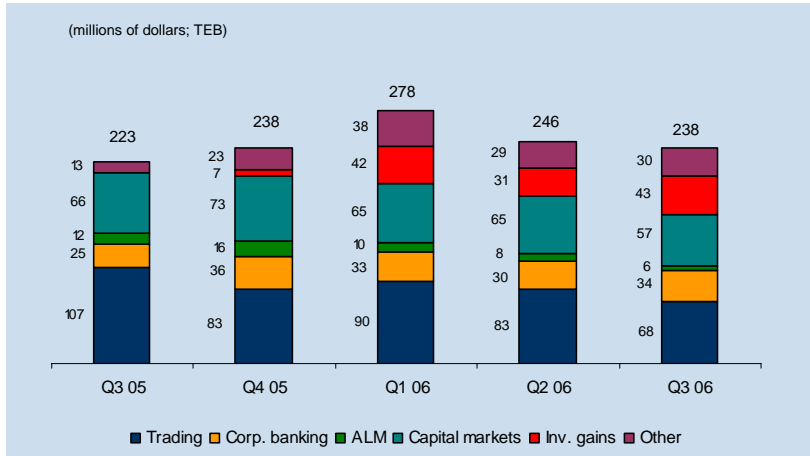
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ANNEX

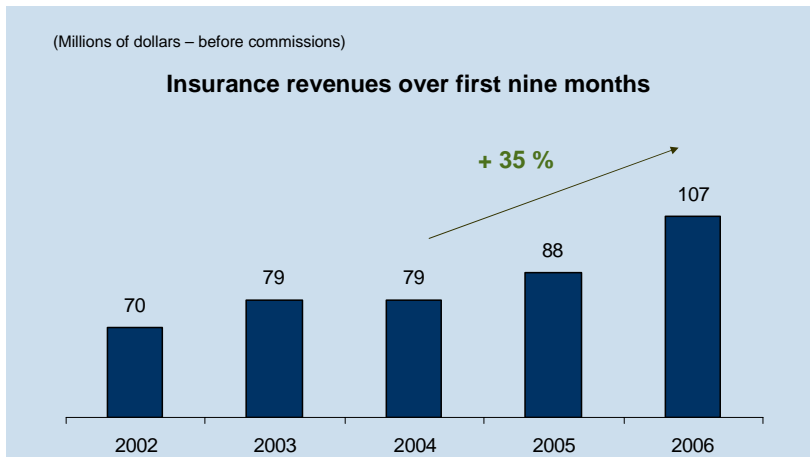
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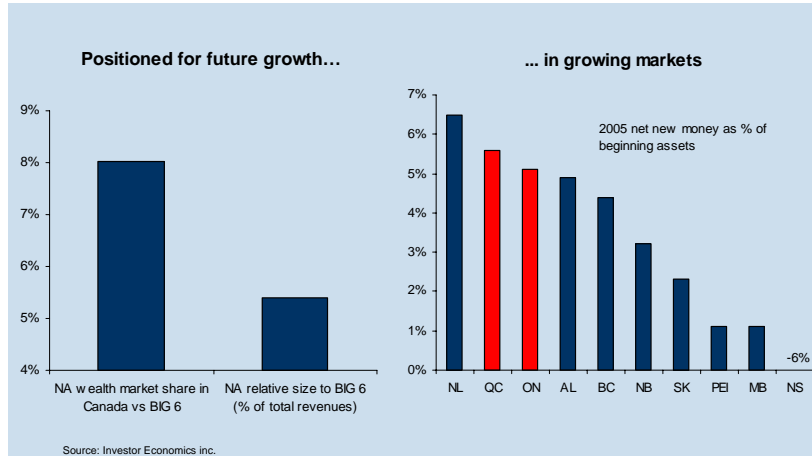
Financial Markets Revenue Composition



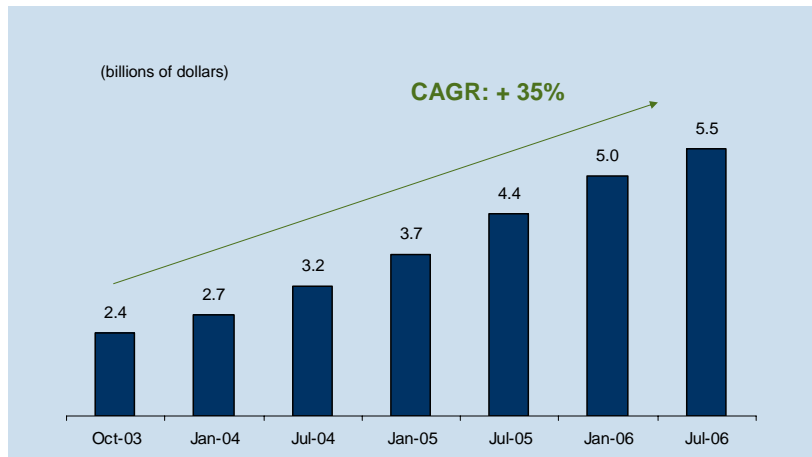
Insurance Growth



Wealth Management

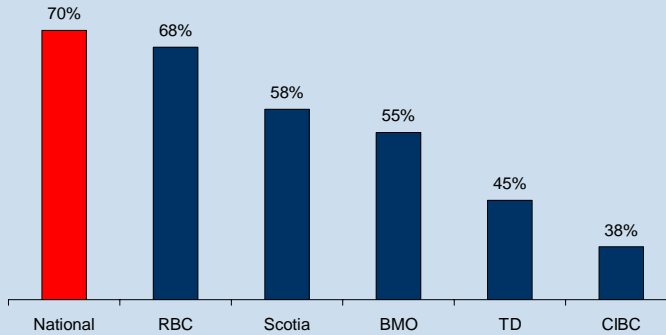


AUM – Private Investment Management



Capital Management

Total distribution rate to common shareholders (Common share dividends and buybacks to available net income)



Rolling 4 quarters to July 31, 2006; excluding TD's Q1 06 Ameritrade dilution gain net of costs; not counting for dilution (stock options, DRIP, convertibles and issuance of shares)

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, National Bank of Canada makes written and oral forward looking statements in this quarterly report, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in reports to shareholders, in press releases and in other communications. All such statements are made pursuant to Canadian securities regulations and the provisions of the United States Private Securities Litigation Reform Act of 1995. These forward looking statements include, among others, statements with respect to the economy, market changes, the achievement of strategic objectives, certain risks as well as statements with respect to our beliefs, plans, expectations, estimates and intentions. These forward-looking statements are typically identified by the words "may," "could," "should," "would," "suspect," "outlook," "believe," "anticipate," "estimate," "expect," "intend," "plan," and words and expressions of similar import.

By their very nature, such forward-looking statements require us to make assumptions and involve inherent risks and uncertainties, both general and specific. There is significant risk that express or implied projections contained in such statements will not materialize or will not be accurate. A number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Such differences may be caused by factors, many of which are beyond the Bank's control, which include, but are not limited to, the management of credit, market and liquidity risks; the strength of the Canadian and United States economies and the economies of other countries in which the Bank conducts business; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar; the effects of changes in monetary policy, including changes in interest rate policies of the Bank of Canada; the effects of competition in the markets in which the Bank operates; the impact of changes in the laws and regulations regulating financial services and enforcement thereof (including banking, insurance and securities); judicial judgments and legal proceedings; the Bank's ability to obtain accurate and complete information from or on behalf of its clients or counterparties; the Bank's ability to successfully realign its organization, resources and processes; its ability to complete strategic acquisitions and integrate them successfully; changes in the accounting policies and methods the Bank uses to report its financial condition, including uncertainties associated with critical accounting assumptions and estimates; operational and infrastructure risks; other factors that may affect future results, including changes in trade policies, timely development of new products and services, changes in estimates relating to reserves, changes in tax laws, technological changes, unexpected changes in consumer spending and saving habits, natural disasters; the possible impact on the business from public health emergencies, conflicts, other international events and other developments, including those relating to the war on terrorism; and the Bank's success in anticipating and managing the foregoing risks.

Additional information about these factors can be found under "Risk Management," "Risk Management Framework," "Credit Risk Management," "Market Risk Management," "Liquidity Risk Management," "Operational Risk Management," and "Factors that could affect future results" in the 2005 Annual Report.

The Bank cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Bank's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Bank also cautions readers not to place undue reliance on these forward-looking statements.

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