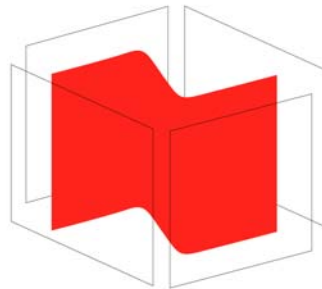


Scotia Capital Financials Summit 2004

Réal Raymond
President and CEO

Toronto, September 14, 2004



Financial Objectives Well on Way to Being Matched

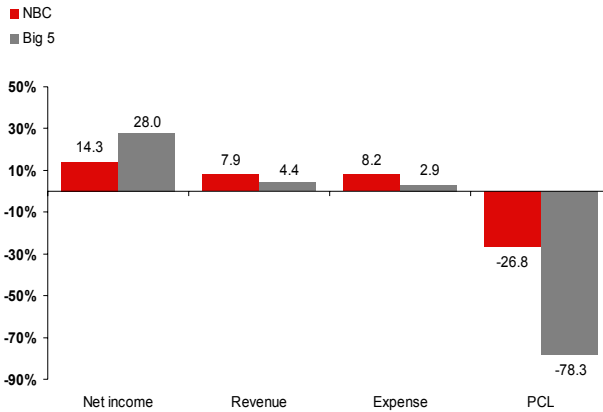


Excellent positioning for year end

	2004 Objectives	Q3 04	YTD
Growth in earnings per share	5% to 10%	7%	20%
Return on common shareholders' equity	15% to 17%	17%	18%
Tier 1 capital ratio	8.75% to 9.50%	9.5%	9.5%
Dividend payout ratio ⁽¹⁾	35% to 45%	34%	34%

⁽¹⁾ Trailing 4 quarters

Change in Net Income 9 MS 04 vs 9 MS 03



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3

Loan Losses and Provisioning



	9M04		9M03	
	NBC	Big 5	NBC	Big 5
Reported losses ¹	0.31%	0.12%	0.44%	0.54%
Specific provisions ¹	0.35%	0.33%	0.45%	0.46%
General provision ²	0.94%	0.80%	1.02%	0.92%

⁽¹⁾ As % of loans and BAs

⁽²⁾ As % of BIS assets, July 31

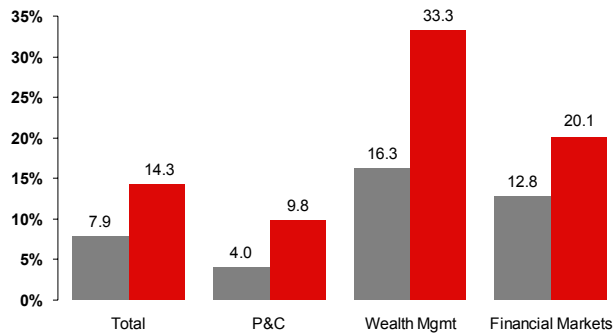
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4

Sectoral Growth 9 months 2004



■ Revenue
■ Net Income



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5

Today's Agenda



- Current business and economic environment in Canada
- NA's EPS drivers
- Bank valuation metrics

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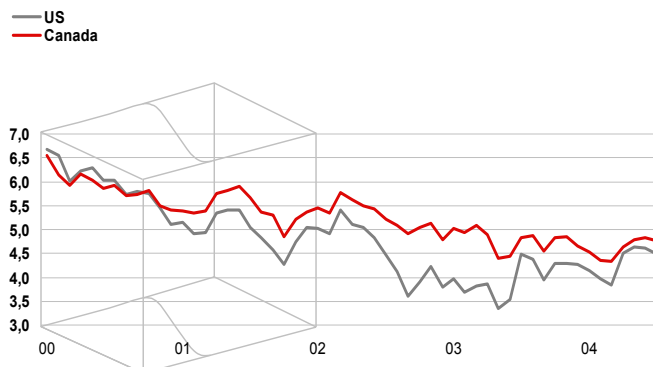
6

More Challenging Environment Ahead for Banks



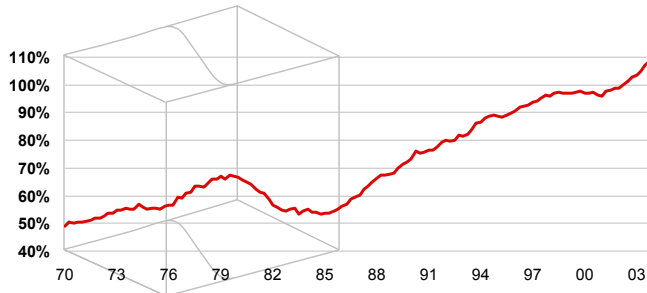
- Bottoming up in loan losses
- Slackening in personal credit growth
- Slower rebound in Wealth Management
- Tougher time for Financial Markets

Reversal of Monetary Conditions 10-year Treasury Bonds



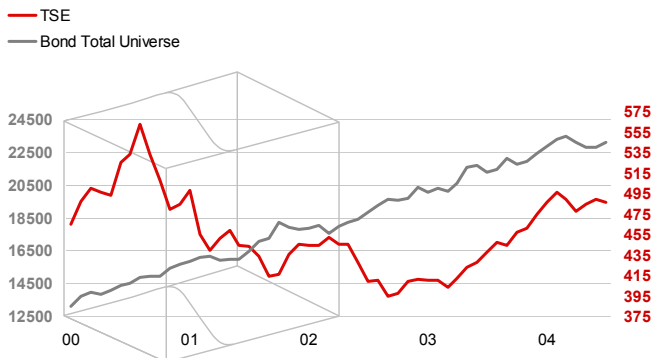
Consumers' Debt

% of Disposable Income

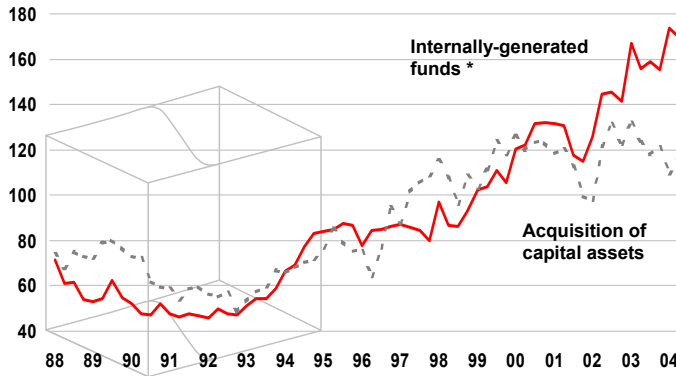


Tougher Market for Investors

Performance of equities vs bonds



Canada: Non Financial Businesses



* Undistributed profits and amortization

The Outlook for EPS Growth



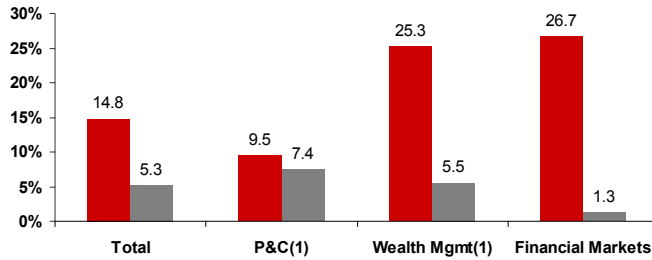
- Revenue enhancement
- Expense control
- Risk management
- Active capital utilization

Revenue Growth

9ms04+2003 vs 9ms03+2002



■ NBC
■ Big 5



(1) 4 banks excl. Scotia

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13

Dominant Position in Quebec Our core market

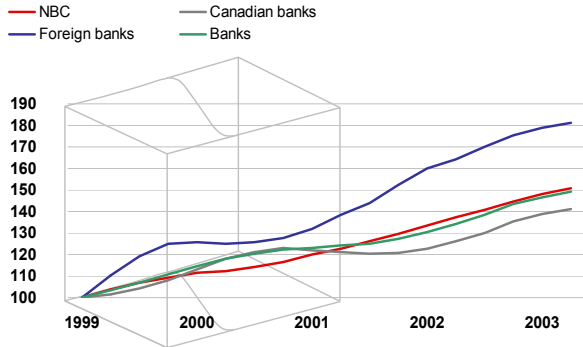


- Being #1 or #2 in all markets open to us remains priority
- Marketshare almost double of closest bank competitor

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14

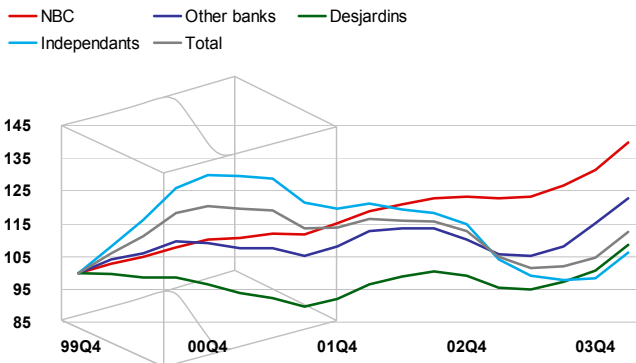
Credit Card Receivables Quebec



Moving average 1999=100



Mutual Funds AUM Quebec



Moving average 1999 = 100



Business Development: Quebec Initiatives



Wealth Management

- Goal of increasing clients' share of wallet
- Deployment 280 financial planners in high volume branches
- More than 50 structured products created



17

National Bank Family of Funds

Net sales 12 months



Growth

NA	18.1%
BMO	12.8%
RY	8.7%
TD	6.3%
BNS	4.2%
CM	1.4%
6 banks	7.3%
Mutual Funds Industry	3.8%

Results:

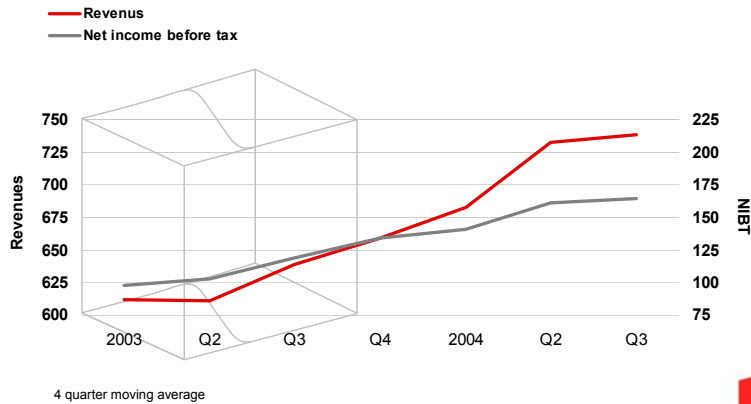
– 108,000 clients assigned to financial planners, 117,000 clients assigned to private bankers

– \$800 M new assets under management coming from outside Bank



18

Wealth Management \$ Millions



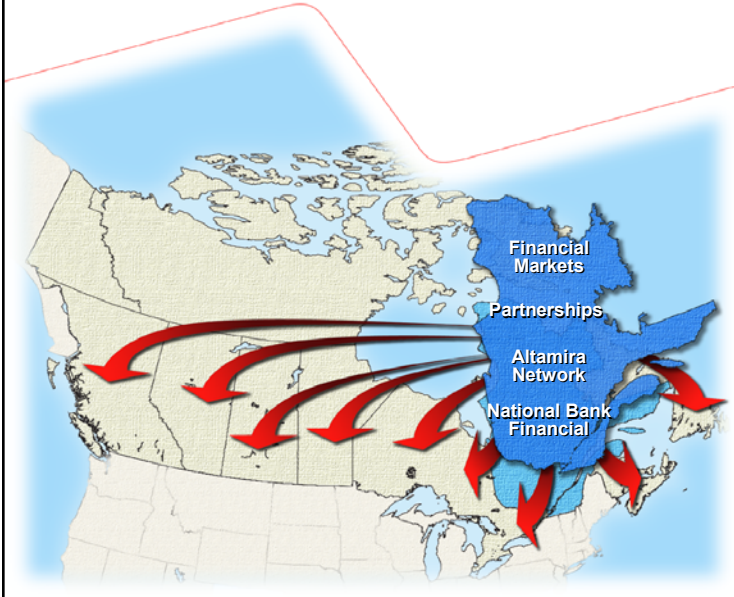
Business Development: Quebec Initiatives



P&C Insurance

- Direct insurance partnership with AXA continues to grow at 15% range
- 66,000 active car insurance policies, 40% from non-bank clients
- Ranked in #2 or #3 spot for brand recognition depending on the measure

Niche Strategy of National Bank Business Model

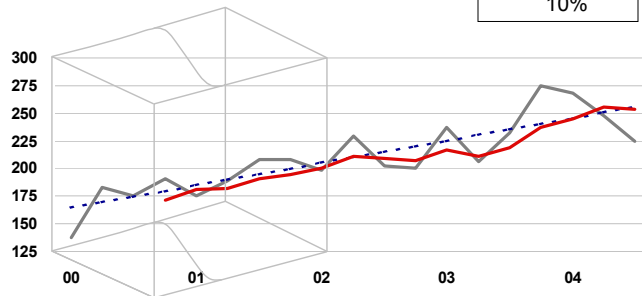


Quarterly Revenues Financial Markets, Millions \$

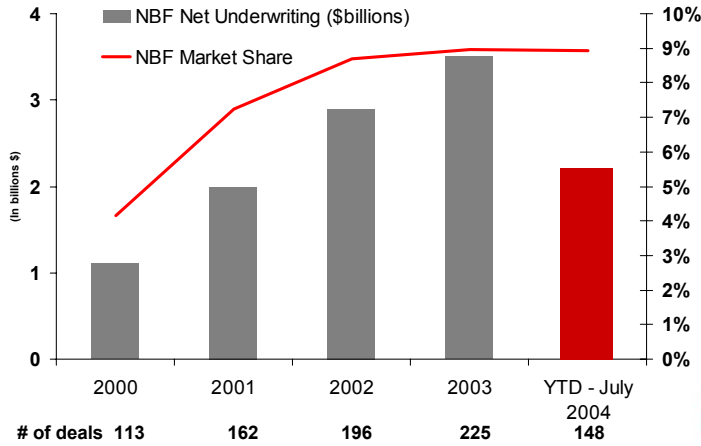


— Quarter
 - - - Trend
 — Average 4 quarters

Growth trend
 10%



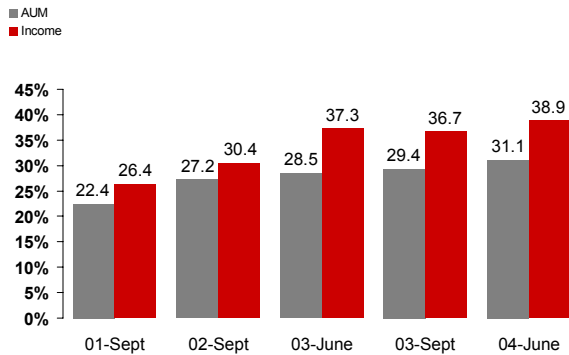
Competitive Positioning Equity Issues



Source: National Bank Financial database

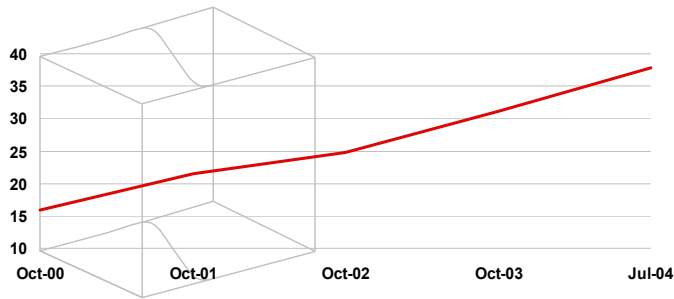


NBF Retail Outside Quebec



AUA NBCN

Billions \$

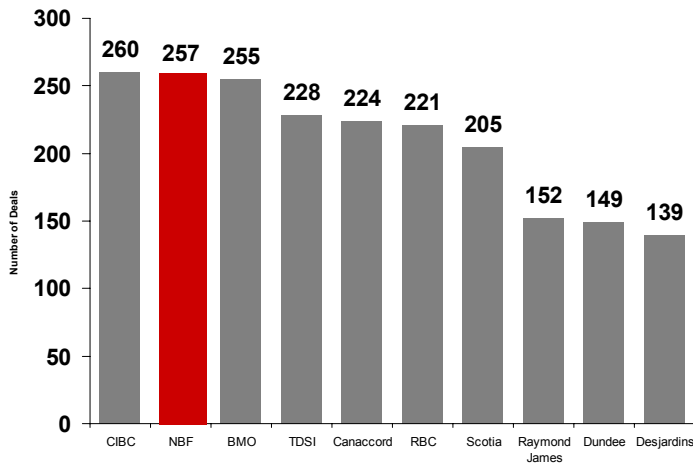


Investment Banking Group

New Issuance of Equities



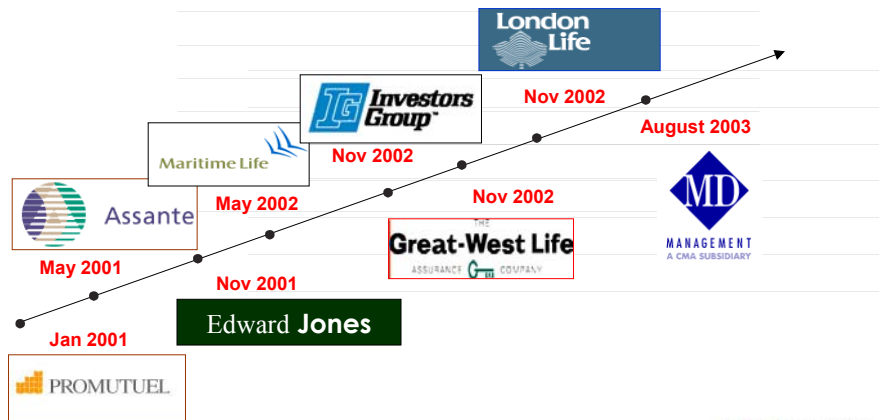
Corporate Equity Participation: July 1, 2003 – June 30, 2004



Source: National Bank Financial database



Partnerships – Key Business Development Strategy



27

Business Development: Outside Quebec



Partnerships

- \$70 M of new loans each month
- 75,000 new accounts
- \$850 M new loans represents 15% of non credit card personal loans



28

Revitalizing NBC Retail Operations West of Quebec



Net Sales – July YTD (In millions)

	2004	2003
Savings	136	39
Investment products	49	(1)
Credit	130	(45)



29

Altamira/Bank Connection



- Branch distribution of Altamira funds
- Use of Altamira channel to distribute Bank products
- Leveraging Altamira brand nationally

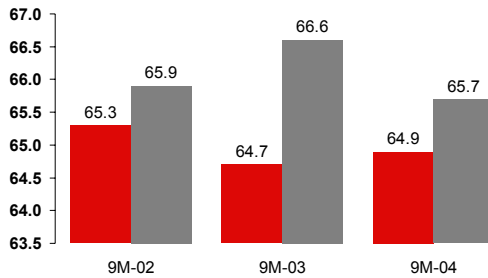


30

Efficiency Ratio Bank (%)



■ NBC
■ Big 5



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31

Risk Management Quality of assets



	9MS 2004		Y/E 2003	
	NBC	Big 5	NBC	Big 5
Net non-performing ¹	-0.46%	-0.28%	-0.38%	-0.19%
Provisions for loan losses ¹	0.35%	0.33%	0.45%	0.46%
Gross non-performing ²	12.4%	11.8%	13.0%	15.7%

⁽¹⁾ As % of loans and BAs

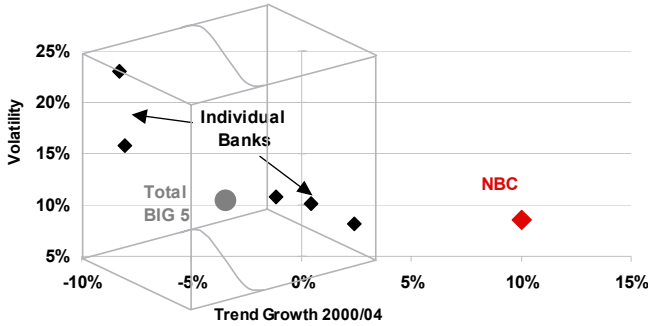
⁽²⁾ As % of tangible equity

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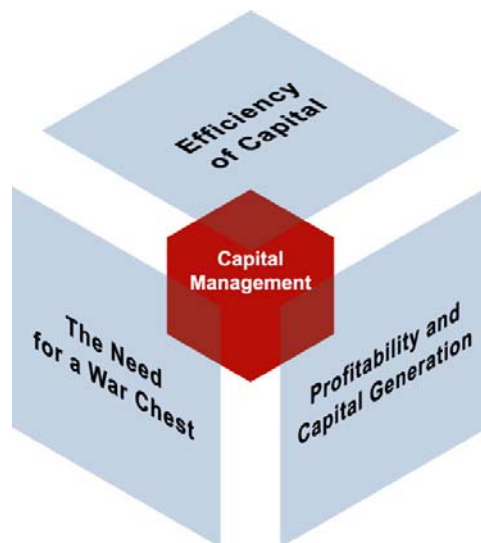
32

Growth and Volatility

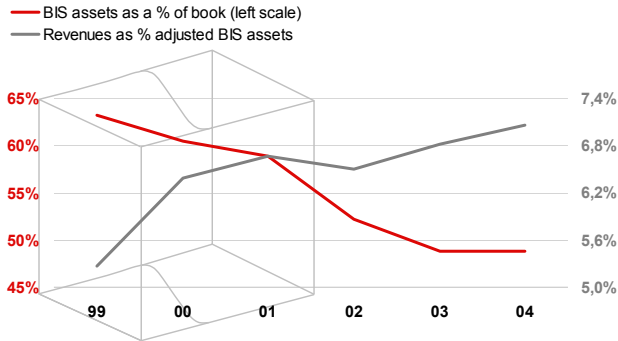
Financial Markets Revenue



Capital Management



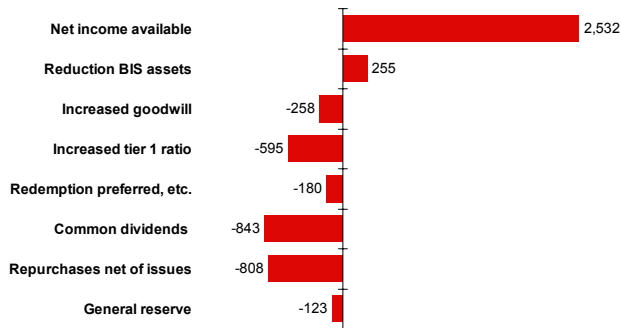
Capital Efficiency



Adjusted BIS assets equal BIS assets plus 12.5x gross goodwill and intangibles from acquisitions



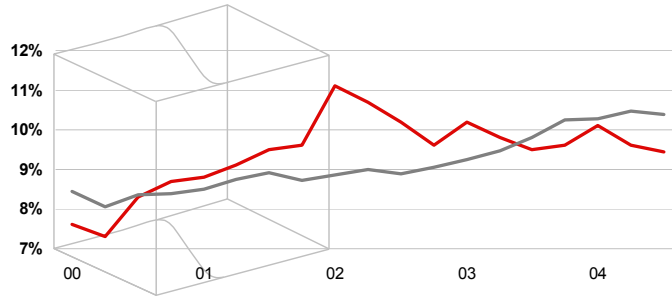
Capital Sources and Uses 2000-04, Millions \$



Tier 1 Capital Ratio



— NA
— Big 5

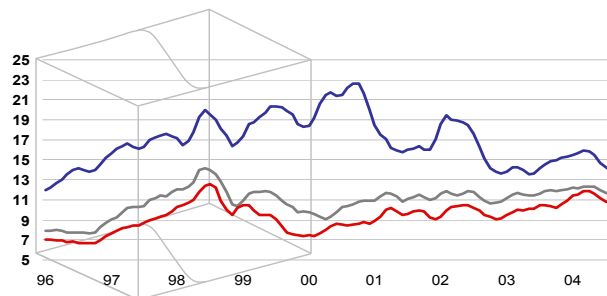


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P/E (12 Months Forward)



— Banks
— TSE
— NA



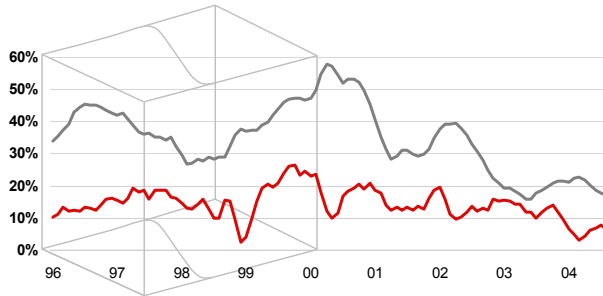
IBES; 3 months average

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P/E Discount



— Banks vs TSX
— NA vs Banks



IBES; 3 months average



New Reality of Banking Industry

Reduced impact of interest rate hikes



- Stronger balance sheet
- Better risk management tools
- Last loan loss cycle stemmed from tech bubble
- Increased liquidity of the corporate sector



New Reality of Banking Industry

Reduced impact of interest rates hikes



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In summary:

- Banks have been an excellent pick relative to the market during the past five years
- National Bank certainly deserves a closer look



41

Q&A

Réal Raymond
President and CEO

Toronto, September 14, 2004



42

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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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 Bank's control, which include, but are not limited to, changes in Canadian and/or global economic and financial conditions (particularly fluctuations in interest rates, currencies and other financial instruments), liquidity, market trends, regulatory developments and competition in geographic areas where the Bank operates, technological changes, consolidation in the Canadian financial services sector, the possible impact on our businesses of international conflicts and other developments including those relating to the war on terrorism and the Bank's anticipation of and success in managing the risks implied by the foregoing. 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 therefore cautions readers not to place undue reliance on these forward-looking statements. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of the Bank.

