

Scotia Capital Financials Summit 2006

Réal Raymond, President and CEO

Toronto, September 12, 2006

YOUR TRUSTED PARTNER | today and tomorrow

Overview

Performance

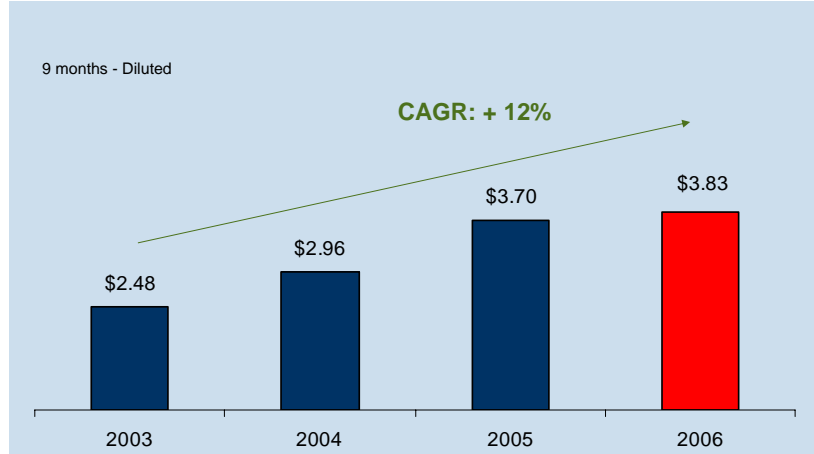
Mercer Top Worldwide Consistent Performers

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%

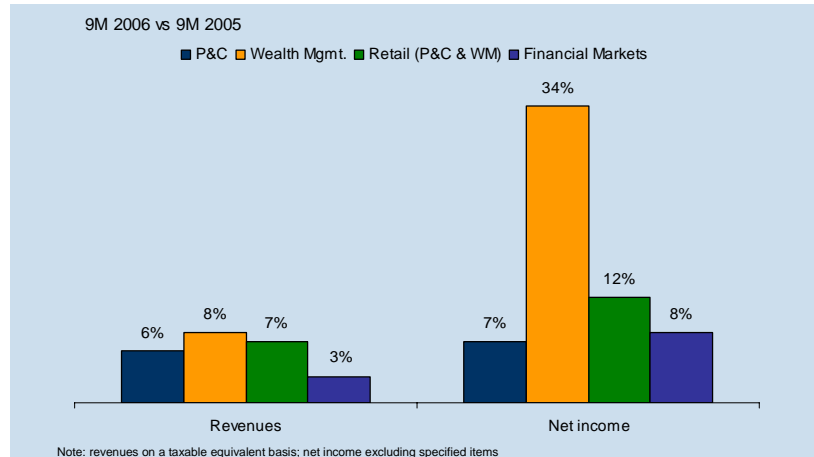
$$\text{Shareholder Performance index} = [\text{Sharpe Ratio (firm)} - \text{Sharpe Ratio (median firm)}] \times 1000 + 100$$

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

EPS Growth



Sector Growth



Keys to Future Growth

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

Partnerships

- Growth is still strong
- Now topping \$2.5B volume
- Contributing to net income

1. Geographical Diversification

Energy

- Better integration of lending and capital markets
- Actively participating to the oil and gas boom
- Manage risk to deepen client base

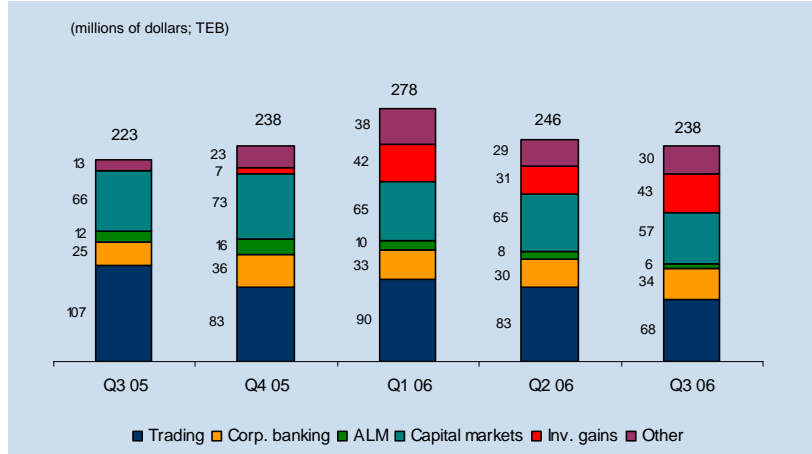
1. Geographical Diversification

Financial Markets

- Key to geographical diversification
- Results consistency

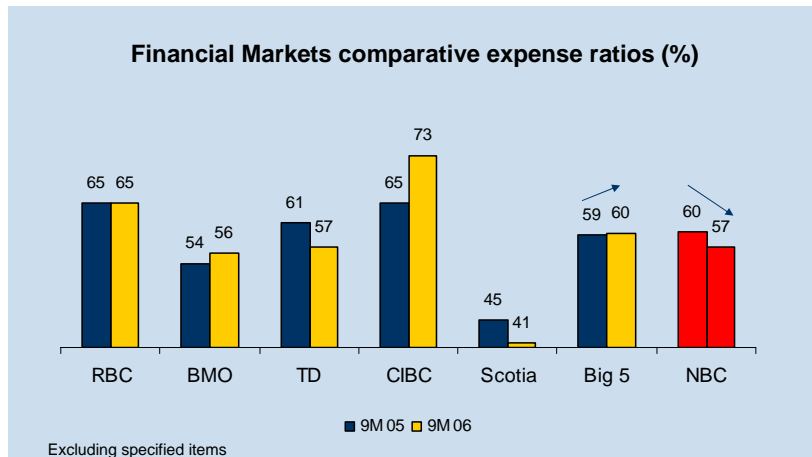
1. Geographical Diversification

Financial Markets Revenue Composition



1. Geographical Diversification

Financial Markets

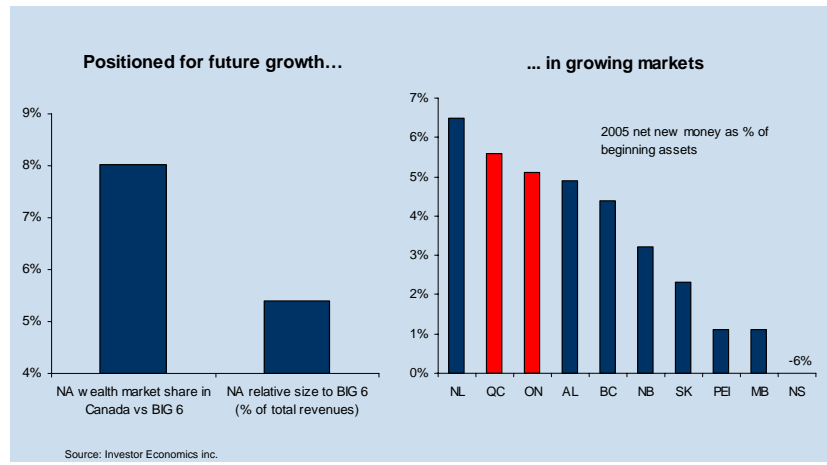


Wealth Management

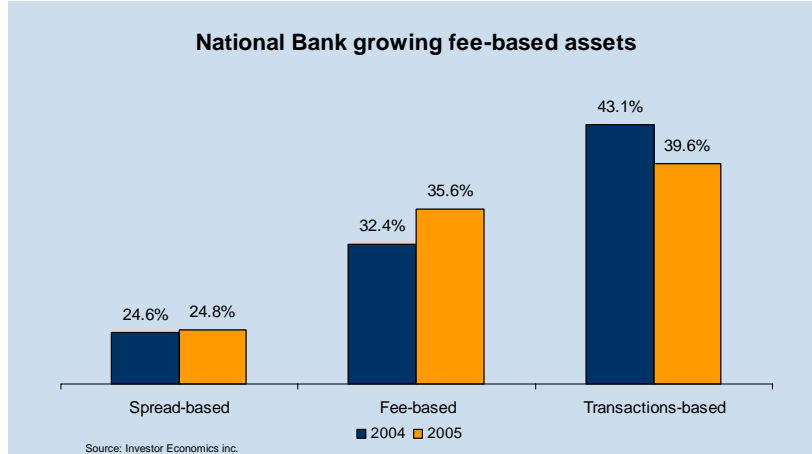
Quebec Stronghold

- Savings rate to rise in coming years
- Quebecers in a catch-up mode
- Strong relative position versus banks and non-banks

Wealth Management



Wealth Management



Wealth Management

National Bank Mutual Funds

- Long term funds assets up 20% (12 months to July 31)
- Fastest 3 years fund wraps growth among Big 6*
 - Spring launch of *Monthly income portfolios*
 - *Strategic Portfolios* 12 months asset growth: +30%

Altamira

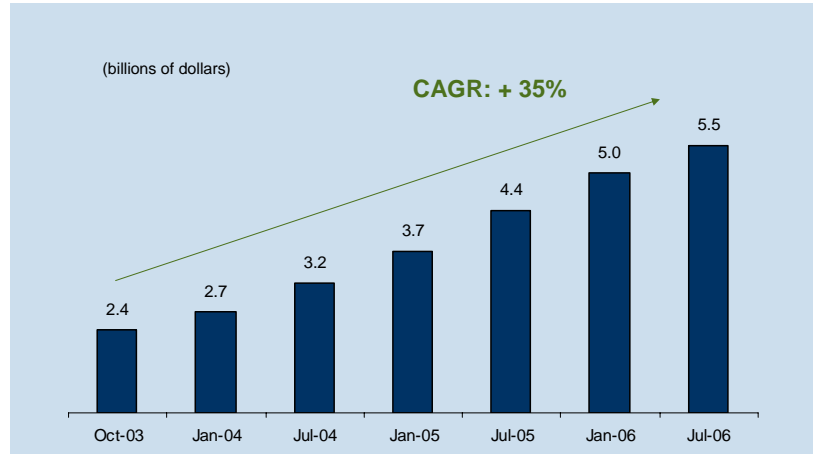
- Wholesalers team expanded
- Flagship *Equity Fund* performance raised
- Cash Performer: momentum is still on



Net income up
30% y/y (9 mo.)

* Investor Economics, *Insight* April 2006 report

AUM – Private Investment Management



Wealth Management

Retail Brokerage

- Slight revenue rise and cost containment lead to increased profitability
- Personal assets under administration rose 8% y/y

Discount Brokerage

- Average assets of \$58,000 (fourth in Canada)
- Margin loans up 21% y/y
- Automated transactions reached 54% in July, up 11% y/y

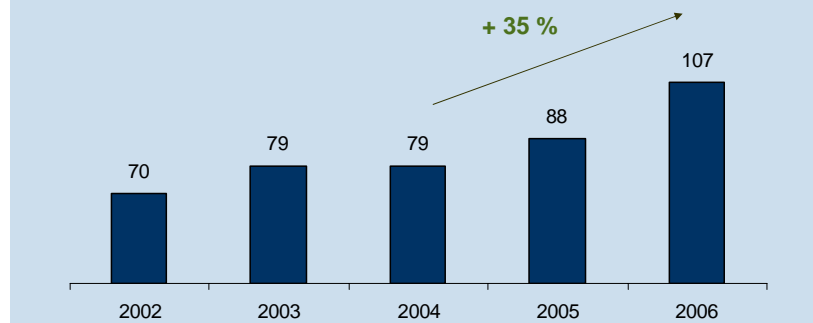
Insurance

- Efficiently leveraging strong brand recognition
- Association with partners to focus on core strengths
- 22% revenue growth in first nine months of year

Insurance


(Millions of dollars – before commissions)


Insurance revenues over first nine months




Insurance

▪ Building scale through:

1. Credit and individual life insurance 
 - High RAROC
 - All initiatives geared to be accretive from day one

2. Direct home and auto operation 
 - Rollout of home insurance highly successful : 800 clients added monthly
 - Branding power : 50% of auto insurance clients are National Bank customers

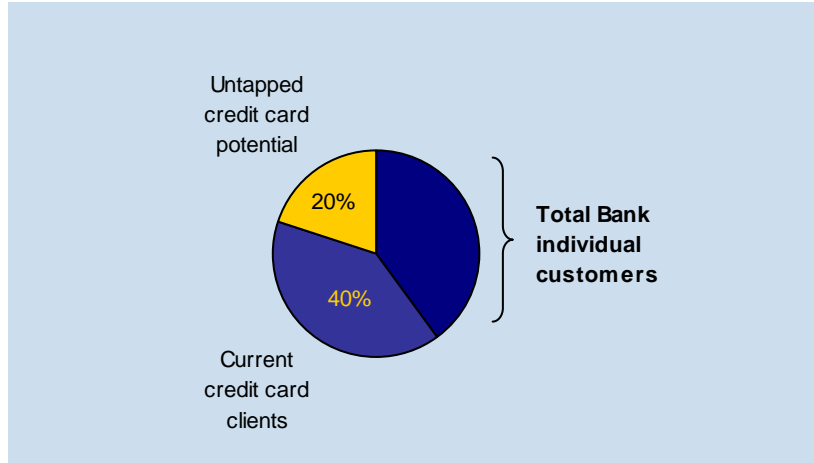
3. Group insurance brokerage 
 - Group insurance offensive : to be among top 3 in Quebec by 2011
 - Capturing fees in a market where distribution is still highly rewarded

Retail Asset Volume Growth

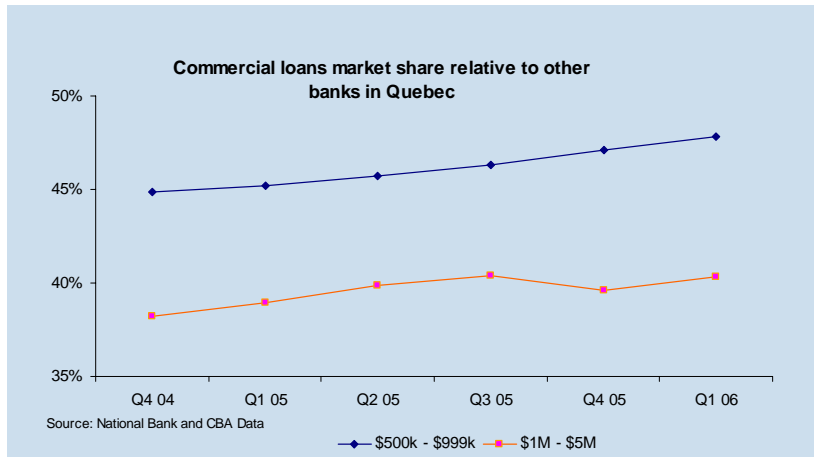
(\$ billions)	July 31, 2006	July 31, 2004	% change (2004-2006)
Cash resources and securities	50,660	36,061	40%
Managed loans, loan substitutes & BAs*	59,172	49,809	19%
Mortgage loans	21,317	19,236	11%
Personal credit	12,294	8,745	41%
Partnerships			183%
Credit cards			12%
Equity line of credit (HELOC)			115%
Other personal line of credit			30%
Other personal loans			1%
Mortgage loans & equity line of credit	23,843	20,410	17%
Business credit	25,561	21,828	17%
Other assets	6,042	5,294	14%
Total assets managed	115,874	91,164	27%

* Including securitization

Credit Cards



Commercial

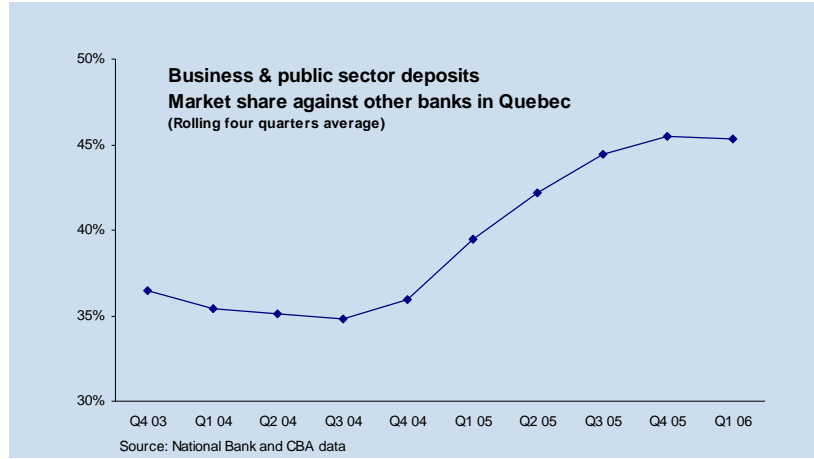


Source: National Bank and CBA Data

◆ \$500k - \$999k ■ \$1M - \$5M

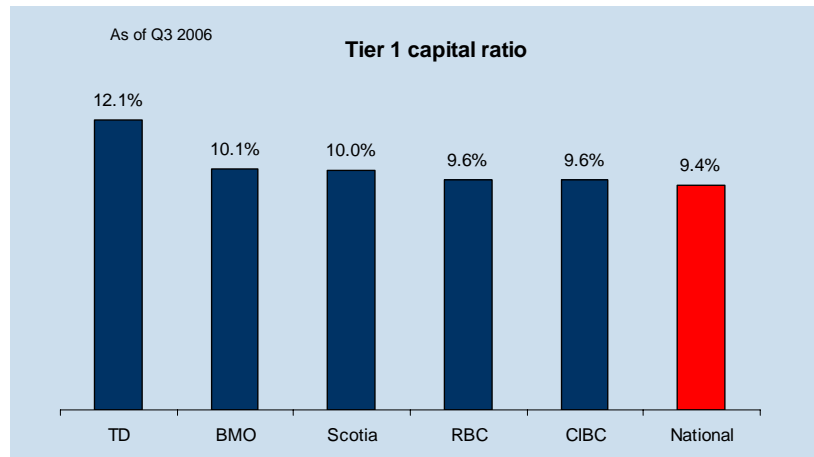
2. Structural growth markets

Commercial



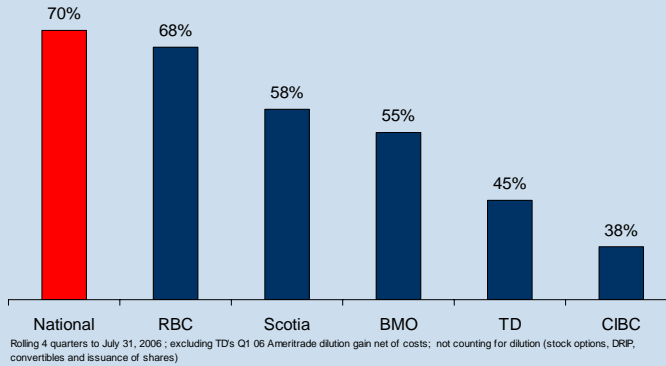
3. Efficient use of resources

Capital Management



Capital Management

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



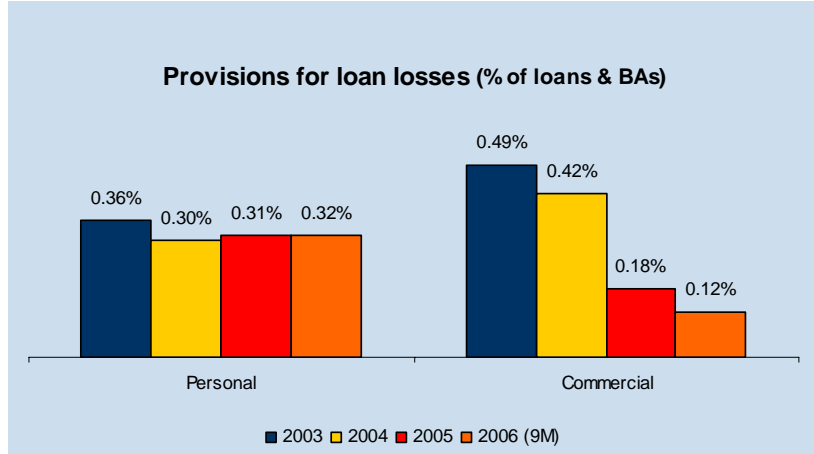
Credit Quality

As at Q3 06	NA	Big 5 ⁽²⁾	Difference
PCL % Loans & BA's, Q3 06 ⁽¹⁾	0.59%	0.62%	-0.03%
PCL % Loans & BA's, Q3 05 ⁽¹⁾	0.68%	0.70%	-0.02%
	-0.12%	-0.08%	-0.04%
Impaired loans, % of tangible equity	5.55%	6.32%	-0.77%
Net impaired loans, % of loans & BA's	-0.43%	-0.43%	0.00%

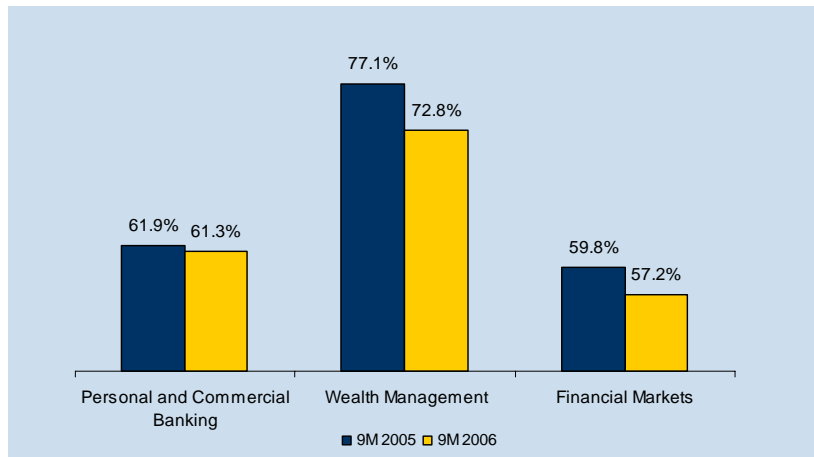
(1) Trailing 4 quarters, excluding reversals of general and sectoral allowances

(2) RBC, CIBC, TD, Scotia, BMO

Credit Quality



Expense Ratio



Key takeaways

- Stay focused on a disciplined execution of strategies
- Maintain our distinctive revenue and net income balance
- Grow without taking on excessive risks
- Keep up the momentum by leveraging all assets and opportunities



Q&A

Réal Raymond, President and CEO

Toronto, September 12, 2006

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.

This presentation may not be reproduced in whole or in part, or further distributed or published or referred to in any manner whatsoever nor may the information, opinions or conclusions contained in it be referred to without in each case the prior express consent of National Bank.