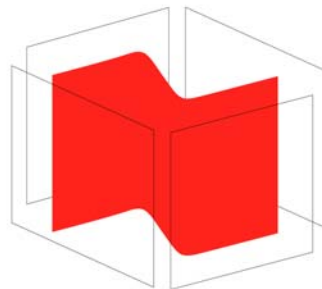


Analyst and Investor Presentation

Q4 and Fiscal 2004 Results Conference Call

December 2, 2004
www.nbc.ca/investorrelations



2004: Steady growth from a well-balanced business mix



Record Q4 04 results:

- Net income \$192 M; up 22% y/y
- EPS at \$1.11; +28% y/y
- ROE at 19.7%, was 16.4% as at Q4 03

Fiscal 2004:

- Net income +16% versus 2003
- EPS at \$4.10, +22%
- ROE at 18.8%, versus 16.5% a year ago

Quarterly dividend increased to \$0.42:

- Up from \$0.38 (+11%) since Q3 04, up from \$0.28 (50%) over the past 5 quarters

Credit risk provisioning remains low at \$27 M before reduction of \$35 M of general allowance for quarter

Continued solid volume growth in Retail Banking

Attained all 2004 Financial Objectives

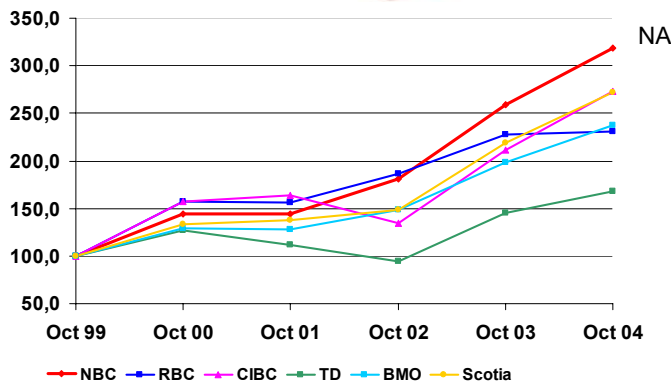


	2004 Objectives	Q4 04	YTD
Growth in earnings per share	5% to 10%	28%	22%
Return on common shareholders' equity	15% to 17%	20%	19%
Tier 1 capital ratio	8.75% to 9.50%	9.6%	9.6%
Dividend payout ratio ⁽¹⁾	35% to 45%	35%	35%

(1) Trailing 4 quarters



2004 Total Shareholder Return



Since 1999, NA has given returns comparable to the peer group, and surpassing them since 2002



Q4 04 Quarterly snapshot



in millions of dollars

	Q4 04	Q3 04	Q4 03	Change	
				Q4 04 / Q3 04	Q4 04 / Q4 03
Total Revenues	\$894	\$858	\$903	4%	-1%
Operating expenses	625	586	623	7%	0%
Provision for credit losses	-8	31	50	-126%	-116%
Net income	192	167	158	15%	22%
EPS	\$1,11	\$0,95	\$0,87	17%	28%
ROE	19,7%	17,2%	16,4%		

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2004 Performance



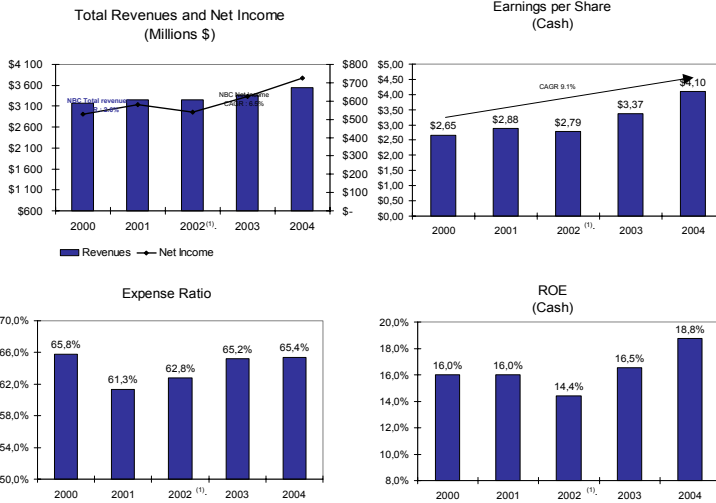
in millions of dollars

	2004	2003	Change
Total Revenues	\$3,549	\$3,362	6%
Operating expenses	2,392	2,257	6%
Provision for credit losses	86	177	-51%
Net income	725	624	16%
EPS	\$4.10	\$3.37	22%
ROE	18.8%	16.5%	

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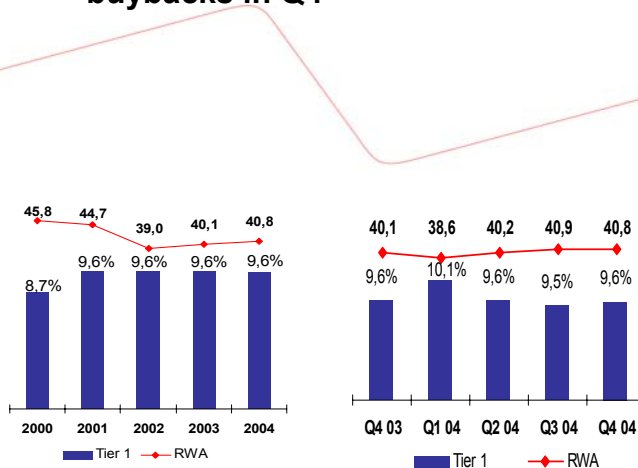
Impressive 5 year record



⁽¹⁾ Excluding Impairment charge on investment of \$113 M after taxes in Q3 2002.



Tier 1 ratio still above upper end of target range, after further share buybacks in Q4



3rd buyback program completed:

- Repurchased 8,700,000 shares:
- For an amount of \$382 M
- Average price of \$43.91

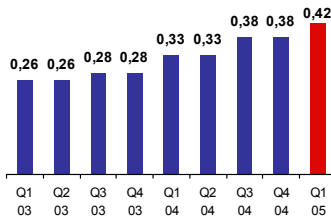


Commitment of returning excess capital to shareholders

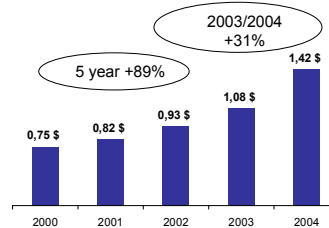


Dividend per share

Quarterly



Annual



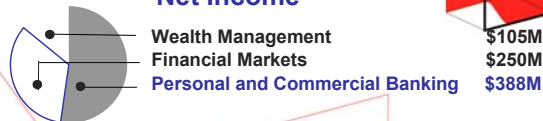
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Personal and Commercial Banking



Net Income



A successful sales and service culture

- Favourable positioning in high-potential customer segments and geographical regions
 - Client share of wallet now stands at 33%
 - Sustained strong contribution coming from Partnerships, recently announced agreement with Canada Life added to group
- Direct banking channels used extensively by customers
 - 27% increase y/y of Internet Solutions subscribers
- Number of clients using managed products on the rise
- 9% increase in new NBC credit card accounts y/y

Sustained Commercial activity

- Increased popularity of FlexBusiness banking, conversion rate 95%, over 14,000 clients
- Partnership with Investissement Quebec to support exporting companies

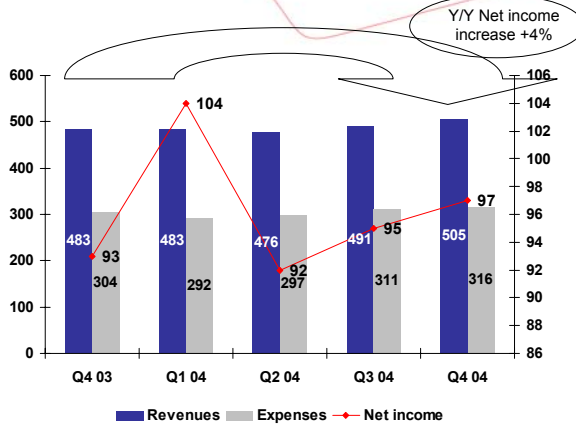
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Personal and Commercial Banking Quarterly



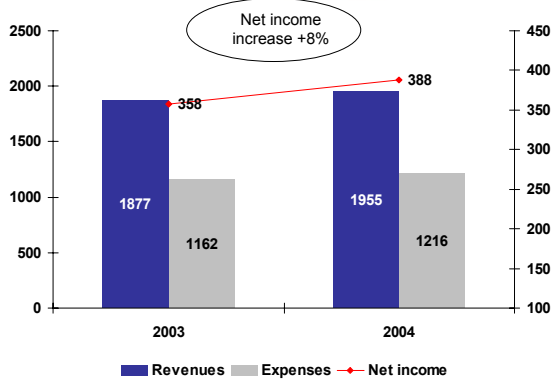
in millions of dollars



Personal and Commercial Banking 2004



in millions of dollars



Drivers:

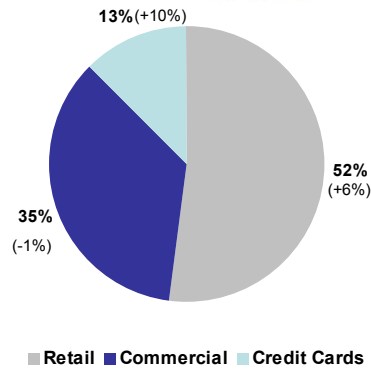
- Net income increase comes from all sub-sectors:
- Personal Banking +13%
 - Commercial +4%



Business Mix 2004



Revenue contribution
(y/y increase)



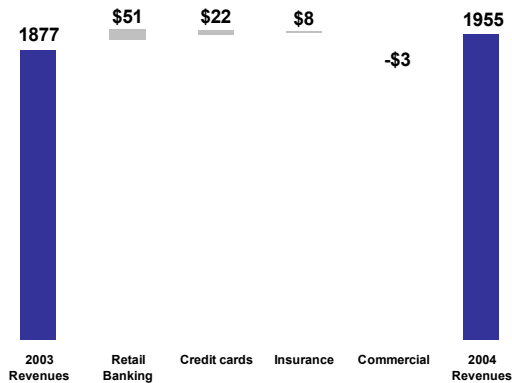
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Revenue line increase per contributor



2003 vs 2004 Evolution
in millions of dollars



Strengths:

\$51M contribution in Retail Banking is split 50% - 50% between NII and Other income

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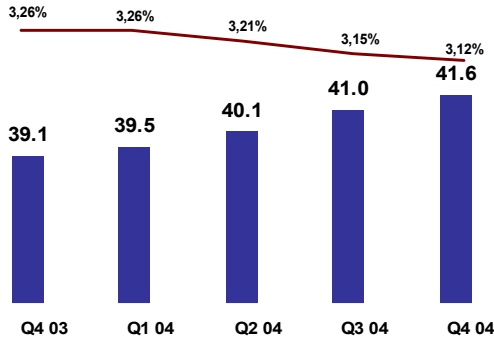
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Volume and Margin Evolution P&C Banking

in billions of dollars



■ Volume
■ Margin



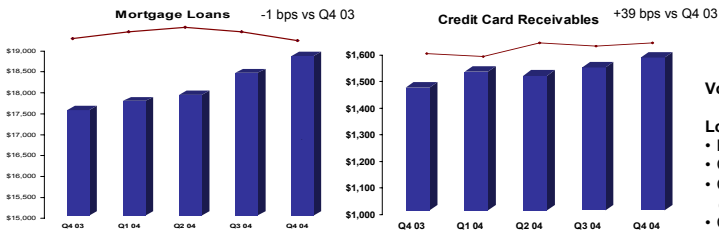
Volume continues to grow:
• +7.5% Q404/Q403

Margin a reflection of product mix in the mortgage portfolio and the personal loans portfolio



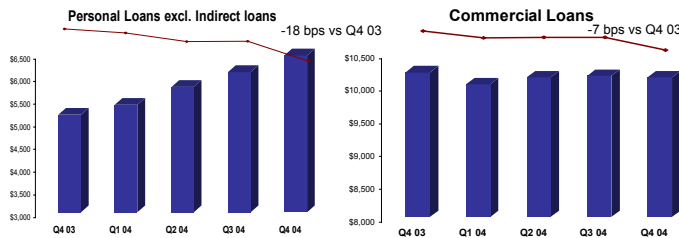
Loans & BAs and Margin Evolution

in millions of dollars



Volumes Oct. 04 vs Oct. 03

- Loans**
- Mortgage loans +8%
 - Credit card receivables +8%
 - Consumer loans +27% (excluding indirect loans)
 - Commercial loans and BAs +1%



- Deposits**
- Personal +0.7%
 - Commercial +5.3%

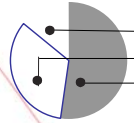
Personal margin trend reflects:
Slight margin deterioration attributed to product mix and volume generated by various partnerships, compensated by higher credit quality loans



— Margins ■ Loans and BAs

Wealth Management

Net Income



Wealth Management	\$105M
Financial Markets	\$250M
Personal and Commercial Banking	\$388M



A dynamic growth trend

Asset Management:

- In branch sales of savings products up 47% y/y
- NB Securities AUM up 18% y/y

Retail Brokerage:

- 745 brokers across Canada: 485 in Quebec, 97 in Ontario, 163 RoC

Discount Brokerage:

- +25% increase in total transactions y/y
- Ranked #1 by Dalbar for overall service quality
- Launch of new functionalities on NBDB and Altamira websites

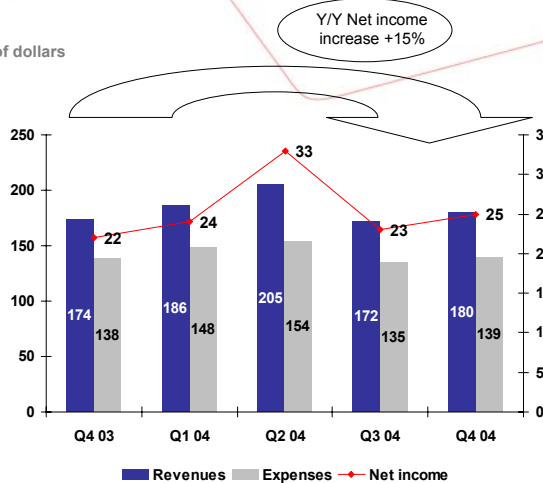


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Wealth Management Quarterly



in millions of dollars



Y/Y Net income increase +15%

Revenue increase:

- +3% Q404 vs Q403
- +5% Q404 vs Q304

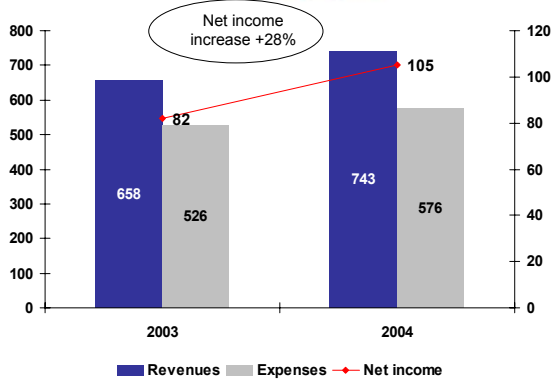


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Wealth Management 2004



in millions of dollars

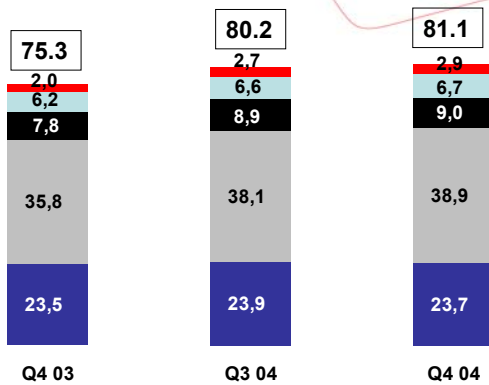


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Retail Assets under Management Composition



in billions of dollars



Year/year increases:

- Total growth rate Y/Y +8%
- Deposits +1%
- Retail Brokerage +9%
- Discount Brokerage +9%
- Mutual Funds +15%
- Segregated and private investment mgmt +47%

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Financial Markets



Appointments in Capital Markets Executive Committee effective January 2005:

- Louis Vachon to succeed Jean Turmel as Chairman; Kym Anthony President and CEO

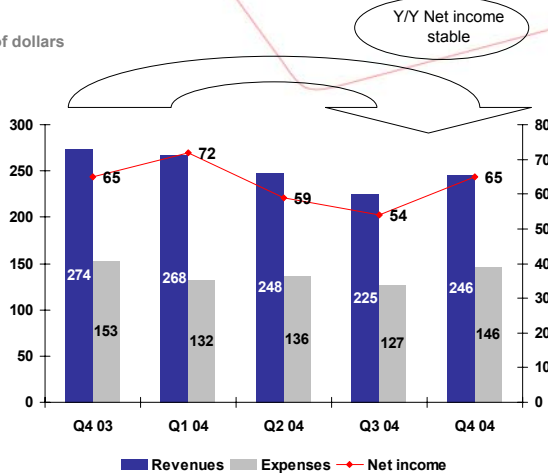
Capital Markets Activity:

- Banner year in Corporate Finance:
 - Alimentation Couche-Tard, CGI and Jean Coutu Group transactions show depth and strength of NBF
- Ranked first in Income Trust IPO financing
- Brendan Wood survey:
 - 1st for 2nd year in a row on client contact
 - NBF 2nd for research quality
 - 10 Analysts are in top 3 of sector they cover



Financial Markets Quarterly

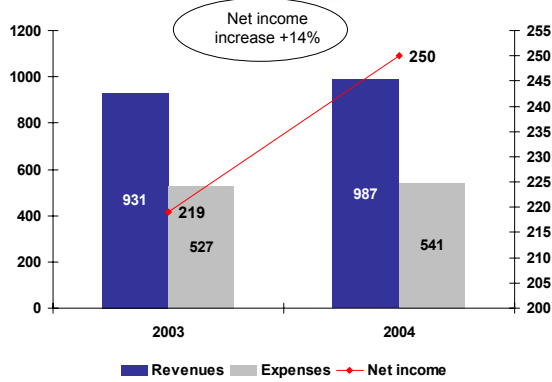
in millions of dollars



Financial Markets 2004



in millions of dollars

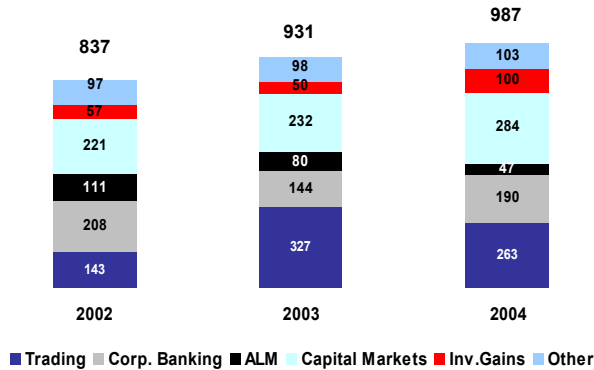


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Treasury and Capital Market Activity Revenue composition Y/Y



in millions of dollars

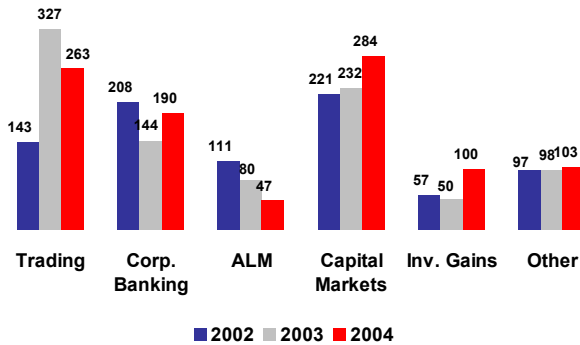


Trading revenues include interest on repo's and reverse repos

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Treasury and Capital Market Activity 2002 – 2004 performance

in millions of dollars



Securities – excess of market value over book:

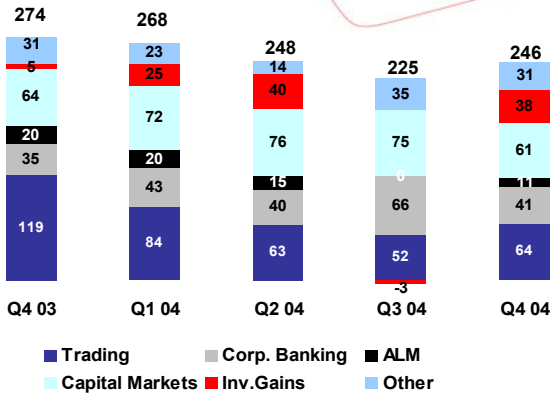
Q4 04 \$123 M vs
Q4 03 \$128 M

Trading revenues include interest on repo's and reverse repos



Treasury and Capital Market Activity Quarterly revenue composition evolution

in millions of dollars



Trading revenues include interest on repo's and reverse repos
Corporate Banking revenues includes CDS impact



2004 Trading Environment

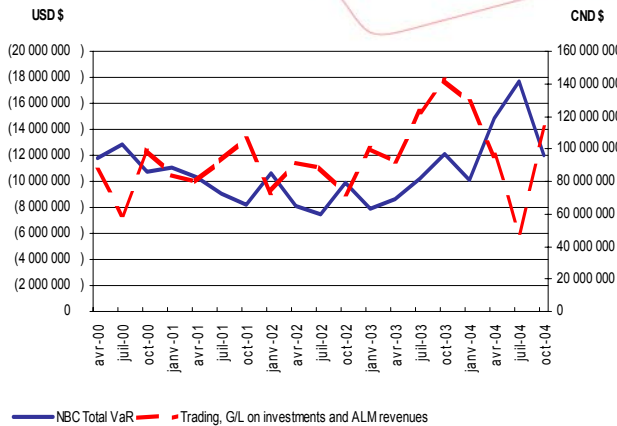
in millions of dollars



	Q4 04	Q3 04	Q4 03	2004	2003	2002
Equity	\$58	\$31	\$42	\$190	\$144	\$63
Fixed income and money markets	-2	12	19	43	87	55
Commodities and precious metals & Foreign exchange contracts	<u>8</u>	<u>9</u>	<u>58</u>	30	96	25
Total	\$64	\$52	\$119	\$263	\$327	\$143



NBC Trading/Securities Gains/ALM Revenues



VaR driven by reduction of interest rate market risk

Total VaR at 2000 levels despite additional activities



Diversification of Earnings 2004



Revenues



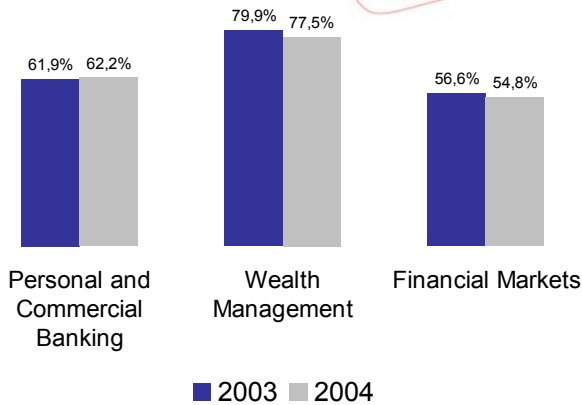
Net income



Excluding Other segment



Business Line Expense Ratio

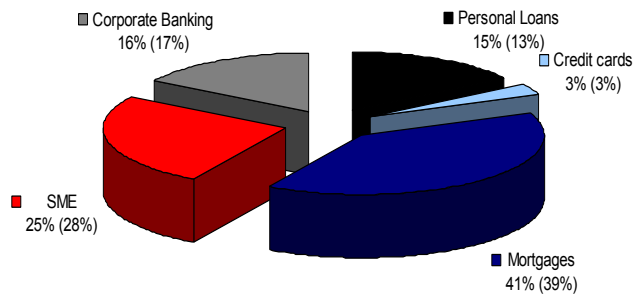




Risk Management

Global Portfolio Composition

As at September 30, 2004
(2003 figures)



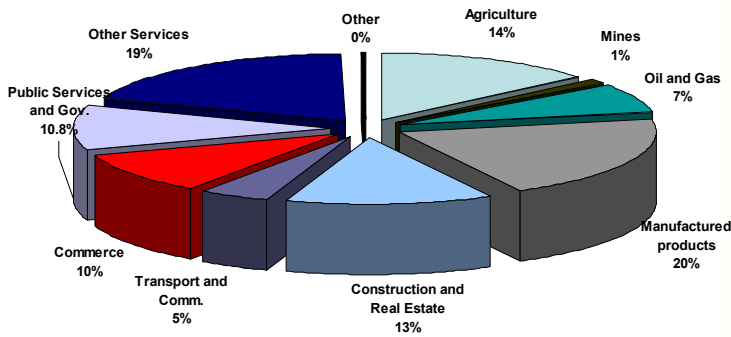
Adjusted for securitization

Industry Portfolio Composition

As at September 30, 2004



**Commercial Loans and BAs
Important Industry Segment**

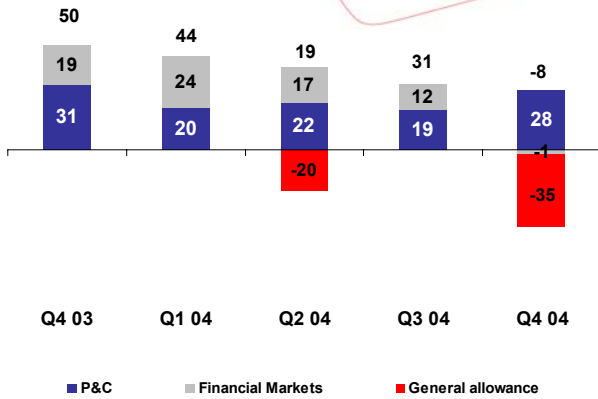


No sub-segment of the manufactured products segment is over 10%:
 Forest Products: 3.8%
 Food and Drink: 2.9%
 Planes and Auto Parts: 1.8%
 Metal Products: 1.1%
 Clothes and Textiles: 0.9%



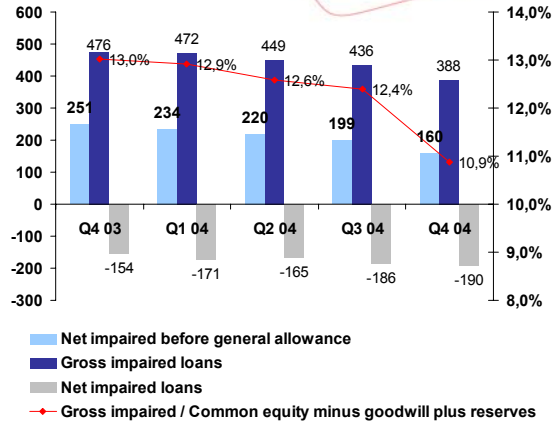
Risk provisioning remains very low

Actual credit losses per sector
in millions of dollars



Impaired loans

In millions of dollars



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Impaired loan formation

In millions of dollars



	Q4 03	Q1 04	Q2 04	Q3 04	Q4 04	2004	2003
Personal & Commercial *	(10.6)	14.6	24.5	20.2	7.3	66.6	40.4
Corporate	80.5	11.0	3.0	(6.0)	(19.7)	(11.7)	130.6
Treasury	(0.3)	0	0.1	(0.1)	(0.3)	(0.3)	(0.8)
Other	(4.5)	(8.8)	0.8	(1.7)	0.0	(9.7)	0.5
TOTAL	65.1	16.8	28.4	12.4	(12.7)	44.9	170.7

Formations include new accounts, disbursements, principal repayments and exchange rate fluctuation

* Includes Real Estate

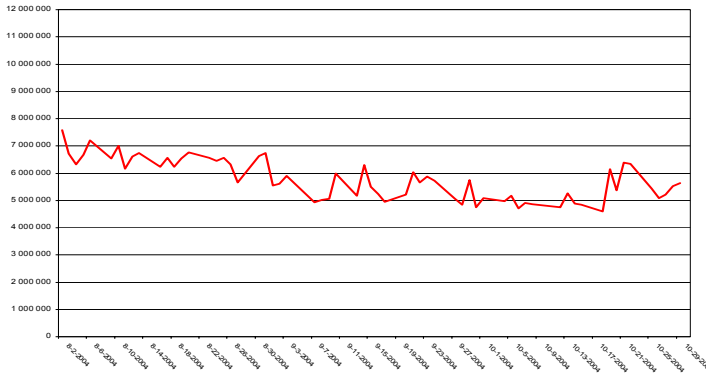
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VaR – Global Trading



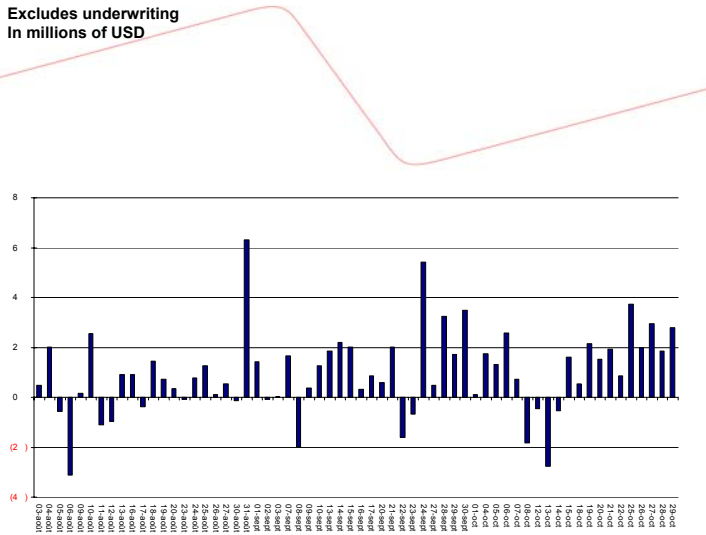
1D VaR for Global Trading (CAD)



Daily Trading P/L

Q4 04

Excludes underwriting
In millions of USD



2005 Financial Objectives



2005 Objectives	
Growth in earnings per share ⁽¹⁾	5% to 10%
Return on common shareholders' equity	16% to 18%
Tier 1 capital ratio	≥ 8.50%
Dividend payout ratio ⁽²⁾	35% to 45%

⁽²⁾ Trailing 4 quarters

⁽¹⁾ Based on \$3.90 cash EPS, excluding impact of reversal of general provision



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2005: Positioned for growth



- Focused on execution of strategic plan:
 - Developing existing client relationships in Quebec
 - Leveraging niche presence and partnerships for rest of Canada growth
- Financial markets likely to remain challenging near-term, diversification of revenues remains priority
- Credit environment remains positive with stable outlook
- Investing in technology to expand customer experience
- Will continue to redeploy to shareholders' excess capital



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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, National Bank of Canada makes written and oral forward-looking statements, included in this analyst and investor presentation, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission, in reports to shareholders, in press releases and in other communications. All such statements are made pursuant to the "safe harbor" 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, anticipations, 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 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.

