



NATIONAL BANK OF CANADA

SUPPLEMENTARY FINANCIAL INFORMATION

FOURTH QUARTER 2006 REPORT

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FINANCIAL HIGHLIGHTS

	2006				2005				YTD		Full Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2004
Net income (\$000,000)	\$220.1	\$219.7	\$214.2	\$217.2	\$207.1	\$207.1	\$202.2	\$238.8	\$871.2	\$855.3	\$724.7
Earnings per share											
- basic	\$1.33	\$1.32	\$1.29	\$1.28	\$1.22	\$1.20	\$1.17	\$1.39	\$5.22	\$4.98	\$4.10
- diluted	\$1.31	\$1.30	\$1.26	\$1.26	\$1.20	\$1.18	\$1.15	\$1.37	\$5.13	\$4.90	\$4.05
Return on common shareholders' equity	19.7%	20.2%	20.4%	19.9%	19.4%	19.6%	19.9%	23.6%	20.1%	20.7%	18.8%
Dividend per share	\$0.50	\$0.50	\$0.48	\$0.48	\$0.44	\$0.44	\$0.42	\$0.42	\$1.96	\$1.72	\$1.42
Net interest margin Personal & Commercial Banking	2.90%	2.89%	2.86%	2.89%	2.90%	2.93%	2.97%	3.02%	2.88%	2.96%	3.09%
Productivity ratio (teb)	63.71%	64.18%	63.66%	64.39%	66.97%	64.87%	66.48%	61.36%	63.98%	64.88%	65.40%
Effective tax rate (teb)	37.35%	33.52%	33.52%	33.47%	33.51%	33.18%	33.25%	33.49%	34.46%	33.36%	36.08%
Average loans and BA's (\$000,000)	\$49,610	\$49,819	\$49,508	\$48,628	\$48,607	\$46,702	\$44,719	\$43,638	\$49,390	\$45,926	\$41,060
Average assets (\$000,000)	\$109,408	\$106,677	\$105,388	\$103,590	\$98,930	\$95,444	\$86,972	\$82,135	\$106,273	\$90,902	\$78,672
Total Assets (\$000,000)	\$116,885	\$108,645	\$111,183	\$105,276	\$107,970	\$110,593	\$99,917	\$91,703	\$116,885	\$107,970	\$88,497
Average common shareholders' equity (\$000,000)	\$4,328	\$4,208	\$4,190	\$4,221	\$4,118	\$4,019	\$4,010	\$3,924	\$4,237	\$4,013	\$3,747
Number of common shares outstanding (000's)	161,512	161,918	161,882	164,313	165,335	165,096	165,744	168,050	161,512	165,335	167,430
Number of common shares (average) (000's)	161,969	161,927	162,598	164,903	165,176	165,363	167,327	167,693	162,851	166,382	170,918
Gross impaired loans (\$000,000)	233.9	214.3	242.2	259.2	260.0	260.9	271.1	303.6	233.9	260.0	387.5
Gross impaired loans/common equity-goodwill+reserves	5.91%	5.55%	6.42%	6.75%	6.83%	7.02%	7.42%	8.20%	5.91%	6.83%	10.88%
Net impaired loans (\$000,000)	(192.6)	(209.6)	(197.1)	(194.6)	(190.7)	(219.3)	(213.5)	(216.0)	(192.6)	(190.7)	(190.4)
as a % of net loans and bankers' acceptances	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.5%	-0.5%	-0.5%	-0.4%	-0.4%	-0.4%
Book value	\$27.17	\$26.57	\$25.77	\$25.72	\$25.39	\$24.70	\$24.19	\$23.97	\$27.17	\$25.39	\$22.87
Capital ratios - BIS Tier 1	9.9%	9.4%	9.1%	9.5%	9.6%	9.2%	9.5%	9.6%	9.9%	9.6%	9.6%
Total	14.0%	12.4%	12.2%	12.7%	12.8%	12.1%	13.3%	13.5%	14.0%	12.8%	13.0%
Tangible Shareholders' equity / Risk weighted assets	7.33%	6.94%	7.06%	7.36%	7.37%	7.01%	7.11%	7.13%	7.33%	7.37%	7.02%

CONSOLIDATED STATEMENT OF INCOME

2006				2005				YTD		Full Year
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2004

(unaudited)(thousands)(taxable equivalent basis)

Net Interest Income	365,961	431,656	318,586	297,736	431,533	331,323	403,384	364,815	1,413,939	1,531,055	1,424,552
Other Income	711,102	556,657	660,571	702,568	533,969	618,044	535,138	634,653	2,630,898	2,321,804	2,228,205
Gross Revenues	1,077,063	988,313	979,157	1,000,304	965,502	949,367	938,522	999,468	4,044,837	3,852,859	3,652,757
Provision for credit losses	22,785	15,649	21,665	17,217	(652)	14,979	1,207	17,139	77,316	32,673	85,483
Non-Interest Expenses	686,220	634,271	623,367	644,070	646,604	615,876	623,951	613,294	2,587,928	2,499,725	2,389,034
<i>Income Before Income Taxes</i>	<i>368,058</i>	<i>338,393</i>	<i>334,125</i>	<i>339,017</i>	<i>319,550</i>	<i>318,512</i>	<i>313,364</i>	<i>369,035</i>	<i>1,379,593</i>	<i>1,320,461</i>	<i>1,178,240</i>
Income taxes	137,468	113,416	112,001	113,460	107,070	105,698	104,200	123,601	476,345	440,569	425,371
<i>Income Before Non-Controlling Interest</i>	<i>230,590</i>	<i>224,977</i>	<i>222,124</i>	<i>225,557</i>	<i>212,480</i>	<i>212,814</i>	<i>209,164</i>	<i>245,434</i>	<i>903,248</i>	<i>879,892</i>	<i>752,869</i>
Non-Controlling Interest	10,461	5,293	7,943	8,383	5,360	5,705	6,925	6,612	32,080	24,602	28,175
Net Income	\$ 220,129	\$ 219,684	\$ 214,181	\$ 217,174	\$ 207,120	\$ 207,109	\$ 202,239	\$ 238,822	\$ 871,168	\$ 855,290	\$ 724,694
Effective Tax Rate	37.3%	33.5%	33.5%	33.5%	33.5%	33.2%	33.3%	33.5%	34.5%	33.4%	36.1%
Dividends on preferred shares	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 8,150	\$ 7,346	\$ 5,725	\$ 21,400	\$ 26,571	\$ 22,900
Dividends on common shares	\$ 80,337	\$ 81,190	\$ 78,602	\$ 79,676	\$ 72,202	\$ 73,067	\$ 70,527	\$ 70,651	\$ 319,805	\$ 286,447	\$ 243,060
Number of common shares (avg.) (in thousands)	161,969	161,927	162,598	164,903	165,176	165,363	167,327	167,693	162,851	166,382	170,918

Tax equivalent adjustment

Net interest income	61,827	23,487	16,960	19,355	26,371	23,812	23,393	15,970	121,629	89,546	61,784
Other income	31,872	32,104	12,886	1,309	7,583	36,266	15,352	624	78,171	59,827	45,728
Income taxes	93,699	55,591	29,846	20,664	33,954	60,078	38,745	16,595	199,800	149,373	107,512

Net income by sector of activities

Personal and Commercial Banking	123,313	129,942	111,042	114,443	109,568	116,488	105,761	111,171	478,740	442,988	392,833
Wealth Management	29,424	34,444	41,608	37,461	24,889	29,316	29,548	26,637	142,937	110,390	98,734
Financial Markets	74,936	60,074	64,924	83,117	52,528	54,520	60,468	76,754	283,051	244,270	245,209
Other Segments	(7,544)	(4,776)	(3,392)	(17,848)	20,135	6,785	6,462	24,260	(33,560)	57,642	(12,081)

RESULTS OF OPERATIONS AS A PERCENTAGE OF AVERAGE ASSETS

	2006				2005				YTD		Full Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2004

(Taxable equivalent basis)
in % of average assets

Total revenues	3.91	3.68	3.81	3.83	3.87	3.95	4.43	4.83	3.81	4.24	4.64
Provision for credit losses	0.08	0.06	0.08	0.07	(0.00)	0.06	0.01	0.08	0.07	0.04	0.11
Non-interest expenses	2.49	2.36	2.43	2.47	2.59	2.56	2.94	2.96	2.44	2.75	3.04
Income taxes	0.50	0.42	0.44	0.43	0.43	0.44	0.49	0.60	0.45	0.48	0.54
Non-controlling interest	0.04	0.02	0.03	0.03	0.02	0.02	0.03	0.03	0.03	0.03	0.04
Net income	0.80	0.82	0.83	0.83	0.83	0.86	0.95	1.15	0.82	0.94	0.92
Average assets (\$000,000)	\$109,408	\$106,677	\$105,388	\$103,590	\$98,930	\$95,444	\$86,972	\$82,135	\$106,273	\$90,902	\$78,672
Average earning assets (\$000,000)	\$98,263	\$97,501	\$96,084	\$94,435	\$92,197	\$88,572	\$81,137	\$75,346	\$96,575	\$84,339	\$70,447

in % of Average Risk-Weighted Assets

Total revenues	8.91%	8.14%	8.50%	8.53%	8.33%	8.40%	8.80%	9.40%	8.52%	8.72%	9.15%
Net income	1.82%	1.81%	1.86%	1.85%	1.79%	1.83%	1.90%	2.25%	1.83%	1.94%	1.82%
Average Risk-Weighted Assets (\$000,000)	\$47,969	\$48,195	\$47,263	\$46,506	\$46,005	\$44,856	\$43,725	\$42,168	\$47,485	\$44,192	\$39,901

Prime rate	6.00%	5.94%	5.41%	4.92%	4.43%	4.25%	4.25%	4.25%	5.57%	4.30%	4.05%
B/A's 30 days	4.33%	4.25%	3.72%	3.23%	2.73%	2.56%	2.57%	2.56%	3.88%	2.61%	2.34%
Spread	1.67%	1.69%	1.69%	1.69%	1.70%	1.69%	1.68%	1.69%	1.69%	1.69%	1.71%

NET INCOME BY SECTOR OF ACTIVITIES

2006				2005				YTD	
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005

(in millions of dollars) (taxable equivalent basis)

Personal and Commercial Banking

Net interest income	354	348	328	337	333	329	314	323	1,367	1,299
Other income	211	211	192	192	195	196	179	179	806	749
Total Income	565	559	520	529	528	525	493	502	2,173	2,048
Operating expenses	344	339	320	326	324	324	311	306	1,329	1,265
Provision for credit losses	33	24	33	31	38	26	26	27	121	117
Earning before income taxes	188	196	167	172	166	175	156	169	723	666
Income taxes	64	66	56	58	56	59	51	57	244	223
Non-controlling interest	-	-	-	-	-	-	-	-	-	-
Net Income	124	130	111	114	110	116	105	112	479	443
Net interest margin	2.90%	2.89%	2.86%	2.89%	2.90%	2.93%	2.97%	3.02%	2.89%	2.96%
Expense ratio	60.9%	60.6%	61.5%	61.6%	61.4%	61.7%	63.1%	61.0%	61.2%	61.8%
Average loans and BA's	47,620	47,094	46,363	45,466	44,789	43,855	42,629	41,647	46,638	43,235
Average assets	48,358	47,820	47,100	46,228	45,509	44,576	43,338	42,381	47,379	43,956
Average deposits	31,297	31,097	30,113	30,152	29,983	30,261	29,613	29,920	30,669	29,947

Wealth Management

Net interest income	32	30	30	29	28	25	25	23	121	101
Other income	178	174	200	185	177	174	182	169	737	702
Total Income	210	204	230	214	205	199	207	192	858	803
Operating expenses	163	152	165	155	160	150	160	151	635	621
Provision for credit losses	-	-	-	-	-	-	-	-	-	-
Earning before income taxes	47	52	65	59	45	49	47	41	223	182
Income taxes	16	17	22	19	19	19	16	14	74	68
Non-controlling interest	2	1	1	2	-	1	1	1	6	3
Net Income	29	34	42	38	26	29	30	26	143	111
Expense ratio	77.6%	74.5%	71.7%	72.4%	78.0%	75.4%	77.3%	78.6%	74.0%	77.3%
Average loans and BA's	365	370	401	379	360	356	349	316	378	345
Average assets	561	874	973	917	885	870	917	856	830	882
Average deposits	6,144	6,733	6,297	5,210	4,565	3,630	3,248	2,795	6,094	3,562

Financial Markets

Net interest income	28	111	15	(13)	129	19	103	58	141	309
Other income	268	127	231	291	109	204	142	216	917	671
Total Income	296	238	246	278	238	223	245	274	1,058	980
Operating expenses	174	143	142	151	151	140	150	154	610	595
Provision for credit losses	1	1	1	1	4	-	2	2	4	8
Earning before income taxes	121	94	103	126	83	83	93	118	444	377
Income taxes	41	34	36	41	31	29	31	41	152	132
Non-controlling interest	5	-	2	2	-	-	1	-	9	1
Net Income	75	60	65	83	52	54	61	77	283	244
Expense ratio	58.8%	60.1%	57.7%	54.3%	63.4%	62.8%	61.2%	56.2%	57.7%	60.7%
Average loans and BA's (Corporate banking only)	3,820	3,570	3,579	3,274	3,138	2,826	2,776	2,782	3,561	2,881
Average assets	72,185	67,860	66,892	64,388	58,937	55,456	48,432	44,302	67,839	51,809
Average deposits	30,484	33,283	28,089	24,842	25,323	25,281	24,385	21,416	29,183	24,099

NET INCOME BY SECTOR OF ACTIVITIES

2006				2005				YTD	
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005

(in millions of dollars)

Other Segments

Net interest income	(109)	(81)	(72)	(75)	(86)	(65)	(62)	(55)	(337)	(268)
Other income	22	13	25	33	46	7	17	70	93	140
Total Income	(87)	(68)	(47)	(42)	(40)	(58)	(45)	15	(244)	(128)
Operating expenses	6	-	(4)	12	11	2	3	2	14	18
Provision for credit losses	(12)	(9)	(12)	(15)	(42)	(11)	(27)	(12)	(48)	(92)
Earning before income taxes	(81)	(59)	(31)	(39)	(9)	(49)	(21)	25	(210)	(54)
Income taxes	(77)	(59)	(32)	(25)	(34)	(61)	(32)	(5)	(193)	(132)
Non-controlling interest	4	4	5	4	6	4	5	6	17	21
Net Income	(8)	(4)	(4)	(18)	19	8	6	24	(34)	57
Average loans and BA's	(12,313)	(11,720)	(11,261)	(9,976)	(8,483)	(7,388)	(7,226)	(6,826)	(11,318)	(7,483)
Average assets	(11,696)	(9,877)	(9,577)	(7,943)	(6,401)	(5,458)	(5,715)	(5,404)	(9,775)	(5,745)
Average deposits	(954)	(648)	(608)	(518)	(672)	(105)	(532)	(393)	(683)	(425)

Total

Net interest income	305	408	301	278	404	308	380	349	1,292	1,441
Other income	679	525	648	701	527	581	520	634	2,553	2,262
Total Income	984	933	949	979	931	889	900	983	3,845	3,703
Operating expenses	687	634	623	644	646	616	624	613	2,588	2,499
Provision for credit losses	22	16	22	17	-	15	1	17	77	33
Earning before income taxes	275	283	304	318	285	258	275	353	1,180	1,171
Income taxes	44	58	82	93	72	46	66	107	277	291
Non-controlling interest	11	5	8	8	6	5	7	7	32	25
Net Income	220	220	214	217	207	207	202	239	871	855
Expense ratio (teb)	63.7%	64.2%	63.7%	64.4%	67.0%	64.9%	66.5%	61.4%	64.0%	64.9%
Average loans and BA's	49,610	49,819	49,508	48,628	48,607	46,702	44,719	43,638	49,390	45,023
Average assets	109,408	106,677	105,388	103,590	98,930	95,444	86,972	82,135	106,273	90,902
Average deposits	66,971	70,464	63,890	59,685	59,199	59,068	56,714	53,738	65,264	57,183

REVENUES

2006				2005				YTD		Full Year
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2004

(unaudited) (thousands) (taxable equivalent basis)

Net Interest Income

<i>Interest Income</i>											
Loans	\$ 719,061	\$ 686,434	\$ 627,694	\$ 614,238	\$ 568,496	\$ 538,145	\$ 505,944	\$ 509,167	\$2,647,427	\$2,121,752	\$ 1,883,063
Securities	260,323	235,903	260,073	203,948	189,055	188,791	182,186	178,835	960,247	738,867	588,545
Deposits with regulated financial institutions	95,735	83,397	76,900	57,986	66,586	52,252	46,782	27,828	314,018	193,448	113,132
Total Interest Income	1,075,119	1,005,734	964,667	876,172	824,137	779,188	734,912	715,830	3,921,692	3,054,067	2,584,740
<i>Interest Expense</i>											
Deposits	558,224	433,319	446,585	438,586	264,750	330,981	253,013	260,319	1,876,714	1,109,063	800,638
Bank debentures	21,753	22,509	21,805	24,147	21,665	24,727	27,717	25,847	90,214	99,956	98,652
Other	191,008	141,737	194,651	135,058	132,560	115,969	74,191	80,819	662,454	403,539	322,682
Total Interest Expense	770,985	597,565	663,041	597,791	418,975	471,677	354,921	366,985	2,629,382	1,612,558	1,221,972
Tax equivalent adjustment	61,827	23,487	16,960	19,355	26,371	23,812	23,393	15,970	121,629	89,546	61,784
Net Interest Income	365,961	431,656	318,586	297,736	431,533	331,323	403,384	364,815	1,413,939	1,531,055	1,424,552

Other Income

Deposits and payment service charges	\$ 53,275	\$ 52,909	\$ 51,986	\$ 49,641	\$ 52,053	\$ 50,557	\$ 48,904	\$ 48,972	\$ 207,811	\$ 200,486	\$ 200,008
Commissions on loans and bankers' acceptances	73,496	87,162	78,961	79,030	79,690	81,178	71,995	74,353	318,649	307,216	323,005
Capital market fees	167,617	138,884	164,284	158,600	165,718	158,018	189,590	168,436	629,385	681,762	633,006
Foreign exchange revenues	25,721	24,577	24,377	23,355	19,440	20,245	18,283	18,093	98,030	76,061	71,626
Card service revenues	15,714	17,370	14,092	14,252	14,055	17,154	16,502	14,937	61,428	62,648	49,298
Trust services	39,568	45,320	45,377	42,989	39,163	39,181	35,696	32,083	173,254	146,123	119,762
Mutual funds	38,319	38,480	37,120	37,007	36,028	33,905	32,532	32,611	150,926	135,076	124,124
Securitization	57,974	37,688	38,532	39,927	51,412	48,079	46,539	47,942	174,121	193,972	180,054
Profit & Loss on trading	110,710	(14,234)	111,596	167,405	18,071	132,111	17,226	83,934	375,477	251,342	233,699
Profit & Loss other than trading	49,750	60,105	28,323	41,816	5,140	(7,091)	16,400	77,095	179,994	91,544	101,683
Other	78,958	68,396	65,923	48,546	53,199	44,707	41,471	36,197	261,823	175,574	191,940
Total	\$ 711,102	\$ 556,657	\$ 660,571	\$ 702,568	\$ 533,969	\$ 618,044	\$ 535,138	\$ 634,653	\$ 2,630,898	\$ 2,321,804	\$ 2,228,205
As a % of total revenues	66.0%	56.3%	67.5%	70.2%	55.3%	65.1%	57.0%	63.5%	65.0%	60.3%	61.0%

(unaudited) (thousands)

Trading revenues

Net Interest Income	\$ 7,490	\$ 80,804	\$ (25,893)	\$ (74,178)	\$ 77,714	\$ (25,862)	\$ 57,324	\$ (1,688)	\$ (11,777)	\$ 107,488	\$ 37,559
Other Income	110,710	(14,234)	111,596	167,405	18,071	132,111	17,226	83,934	375,477	251,342	233,699
Total	\$ 118,200	\$ 66,570	\$ 85,703	\$ 93,227	\$ 95,785	\$ 106,249	\$ 74,550	\$ 82,246	\$ 363,700	\$ 358,830	\$ 271,258

Trading revenues by product

<i>Financial Markets</i>											
Equity	94,757	53,300	57,480	70,327	43,197	86,358	56,777	57,575	275,864	243,907	189,413
Interest rate	11,926	12,245	13,736	13,393	29,644	11,198	12,704	17,216	51,300	70,762	42,931
Commodity and foreign exchange	4,823	1,114	11,661	6,776	9,690	9,383	5,411	3,503	24,374	27,987	30,191
Trading revenues - Financial Markets	111,506	66,659	82,877	90,496	82,531	106,939	74,892	78,294	351,538	342,656	262,535
Other	6,694	(89)	2,826	2,731	13,254	(690)	(342)	3,952	12,162	16,174	8,723
Total Trading revenues	118,200	66,570	85,703	93,227	95,785	106,249	74,550	82,246	363,700	358,830	271,258

NON-INTEREST EXPENSES

2006				2005				YTD		Full Year
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2004

(unaudited) (thousands)

Non-Interest Expenses

Salaries and Staff benefits											
Salaries	\$ 242,919	\$ 210,911	\$ 207,158	\$ 208,587	\$ 230,606	\$ 209,812	\$ 195,482	\$ 198,402	\$ 869,575	\$ 834,302	\$ 780,132
Commissions	96,806	87,959	97,411	110,469	97,038	93,165	111,474	115,387	392,645	417,064	395,748
Pension plan and other staff benefits	48,282	54,898	53,771	60,280	43,092	52,250	50,144	53,801	217,231	199,287	183,362
Total Compensation	388,007	353,768	358,340	379,336	370,736	355,227	357,100	367,590	1,479,451	1,450,653	1,359,242
Premises, Equipment & Furniture											
Rent	18,230	21,352	21,781	19,654	20,095	19,017	19,829	19,546	81,017	78,487	104,620
Taxes & insurance	3,937	4,186	4,163	4,130	3,712	4,231	4,324	4,198	16,416	16,465	17,056
Maintenance, lighting, heating	7,244	5,945	6,866	6,632	7,413	5,909	6,775	5,930	26,687	26,027	26,398
Technology	85,200	90,607	88,624	93,410	94,085	85,161	93,264	83,654	357,841	356,164	334,221
Depreciation	20,450	16,374	16,363	16,033	16,702	15,388	15,173	15,437	69,220	62,700	52,312
Total Premises, Equipment & Furniture	135,061	138,464	137,797	139,859	142,007	129,706	139,365	128,765	551,181	539,843	534,607
Other Expenses											
Professional fees	42,420	39,572	32,523	30,323	46,258	32,575	31,760	25,167	144,838	135,760	117,752
Taxes on capital & salaries	17,000	16,697	16,144	16,974	6,034	16,883	16,363	16,737	66,815	56,017	64,595
Travel & business development	36,727	31,146	32,137	27,334	34,947	30,668	27,959	25,917	127,344	119,491	123,618
Other	67,005	54,624	46,426	50,244	46,622	50,817	51,404	49,118	218,299	197,961	189,220
Total Other Expenses	163,152	142,039	127,230	124,875	133,861	130,943	127,486	116,939	557,296	509,229	495,185
TOTAL NON-INTEREST EXPENSES	\$ 686,220	\$ 634,271	\$ 623,367	\$ 644,070	\$ 646,604	\$ 615,876	\$ 623,951	\$ 613,294	\$ 2,587,928	\$ 2,499,725	\$ 2,389,034

PROVISION FOR CREDIT LOSSES

	2006				2005				YTD		Full Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2004
<i>(millions of dollars)</i>											
Retail	10	9	10	8	10	9	8	8	37	35	28
Credit card	16	15	16	16	15	15	14	14	63	58	52
Commercial	7	-	7	8	12	2	4	5	22	23	57
Corporate	1	1	1	1	3	-	2	2	4	7	51
Real estate	-	-	-	(2)	1	-	-	-	(2)	1	-
Other	(1)	-	-	-	(2)	2	-	(2)	(1)	(2)	-
Credit card securitization	(11)	(9)	(12)	(14)	(14)	(13)	(10)	(10)	(46)	(47)	(47)
General	-	-	-	-	(25)	-	(17)	-	-	(42)	(55)
Total	22	16	22	17	-	15	1	17	77	33	86

CONDENSED CONSOLIDATED BALANCE SHEET

	2006				2005				Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2004
<i>(unaudited)(millions of dollars)</i>									
Assets									
Cash and deposits with financial institutions	\$ 10,879	\$ 9,286	\$ 9,693	\$ 9,484	\$ 10,314	\$ 12,031	\$ 9,297	\$ 7,036	\$ 5,777
Securities	38,678	35,420	36,510	30,072	33,052	34,690	31,162	27,720	28,007
Securities purchased under reverse repurchase agreements	7,592	5,954	7,549	7,980	7,023	8,270	6,843	5,566	4,496
Loans									
Residential mortgages	15,228	15,438	14,887	15,345	15,675	16,003	15,445	15,450	15,498
Personal and credit cards	11,264	10,944	10,670	10,108	9,778	9,274	8,671	8,191	7,808
Business and government	20,271	19,541	20,114	19,917	18,616	18,612	18,022	17,316	16,600
Total Loans	46,763	45,923	45,671	45,370	44,069	43,889	42,138	40,957	39,906
Customers' liability under bankers' acceptances	3,725	3,598	3,677	3,468	3,242	2,842	2,902	2,725	3,076
Other assets	9,248	8,464	8,083	8,902	10,270	8,871	7,575	7,699	7,235
Total Assets	\$116,885	\$108,645	\$111,183	\$105,276	\$107,970	\$110,593	\$ 99,917	\$ 91,703	\$ 88,497
Liabilities									
Deposits									
Personal	\$ 29,164	\$ 29,178	\$ 28,270	\$ 27,103	\$ 26,385	\$ 25,476	\$ 25,034	\$ 24,610	\$ 24,008
Business and government	34,223	29,322	30,930	29,640	29,878	28,474	27,786	24,999	23,966
Deposit-taking institutions	8,602	9,594	10,918	8,177	5,956	7,043	8,926	7,051	5,458
Total Deposits	71,989	68,094	70,118	64,920	62,219	60,993	61,746	56,660	53,432
Others									
Acceptances	3,725	3,598	3,677	3,468	3,242	2,842	2,902	2,725	3,076
Other liabilities	34,934	30,652	31,217	30,662	36,810	40,696	28,914	26,151	26,377
Subordinated debentures	1,449	1,599	1,599	1,600	1,102	1,409	1,770	1,764	1,408
Total Others	40,108	35,849	36,493	35,730	41,154	44,947	33,586	30,640	30,861
Shareholders' equity									
Preferred shares	400	400	400	400	400	575	575	375	375
Common shares	1,566	1,563	1,558	1,573	1,565	1,557	1,552	1,563	1,545
Contributed surplus	21	19	17	15	13	12	10	8	7
Retained earnings	2,801	2,720	2,597	2,638	2,619	2,509	2,448	2,457	2,277
Total Shareholders' equity	4,788	4,702	4,572	4,626	4,597	4,653	4,585	4,403	4,204
Total Liabilities & Shareholders' Equity	\$116,885	\$108,645	\$111,183	\$105,276	\$107,970	\$110,593	\$ 99,917	\$ 91,703	\$ 88,497
Mortgage securitization	\$ 5,761	\$ 5,313	\$ 5,507	\$ 4,937	\$ 4,581	\$ 4,058	\$ 4,210	\$ 4,020	\$ 3,813
Mortgage loans sold to third parties	\$ 529	\$ 566	\$ 614	\$ 652	\$ 551	\$ 452	\$ 364	\$ 292	\$ 220
Credit card securitization	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 900	\$ 900
Direct loans securitization	\$ 126	\$ 150	\$ 182	\$ 218	\$ 222	\$ 309	\$ 338	\$ 464	\$ 515
Mutual funds	\$ 11,907	\$ 11,438	\$ 11,786	\$ 11,657	\$ 11,157	\$ 11,221	\$ 10,646	\$ 10,545	\$ 10,564
Securities - excess of market value over book	\$ 126	\$ (28)	\$ 33	\$ 53	\$ 74	\$ 131	\$ 57	\$ 158	\$ 123
Equity Securities - excess of market value over book	\$ 129	\$ 10	\$ 80	\$ 82	\$ 66	\$ 60	\$ 34	\$ 68	\$ 55
Number of shares outstanding (000's)	161,512	161,918	161,882	164,313	165,335	165,096	165,744	168,050	167,430
Domestic Gap < 1 year	(1,113)	982	(1,844)	124	(243)	(24)	1,206	537	268
> 1 year	1,122	(991)	1,840	2,664	3,053	2,899	1,684	2,297	2,426

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	2006				2005				YTD		Full Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2004
<i>(unaudited)(millions of dollars)</i>											
Opening balance	4,702	4,572	4,626	4,597	4,653	4,585	4,403	4,204	4,597	4,204	4,097
Net income	220	220	214	217	207	207	202	239	871	855	725
Issuance of common shares	8	6	11	25	7	17	16	18	50	58	42
Issuance of preferred shares	-	-	-	-	-	-	200	-	-	200	-
Repurchase of common shares											
Repurchase of common shares	(5)	-	(26)	(17)	-	(13)	(26)	-	(48)	(39)	(80)
Premium paid on common shares purchased for cancellation	(29)	-	(142)	(90)	-	(62)	(123)	-	(261)	(185)	(302)
Repurchase of preferred shares	-	-	-	-	(175)	-	-	-	-	(175)	-
Dividends											
Common shares	(80)	(82)	(78)	(80)	(72)	(73)	(71)	(70)	(320)	(286)	(243)
Preferred shares	(5)	(5)	(6)	(5)	(5)	(8)	(7)	(6)	(21)	(26)	(23)
Initial adoption of AcG-15	-	-	-	-	(5)	-	3	3	-	1	-
Stock options expense	2	2	2	2	1	2	2	1	8	6	5
Impact of shares acquired / sold for trading purposes	-	(1)	-	-	1	1	(1)	-	(1)	1	-
Other adjustments, net of income taxes	(15)	(5)	(1)	-	1	6	(8)	-	(21)	(1)	(1)
Unrealized foreign exchange gains (losses), net of income taxes	(10)	(5)	(28)	(23)	(16)	(9)	(5)	14	(66)	(16)	(16)
Closing balance	4,788	4,702	4,572	4,626	4,597	4,653	4,585	4,403	4,788	4,597	4,204
Shareholders' equity											
Preferred shares	400	400	400	400	400	575	575	375	400	400	375
Common shares	1,566	1,563	1,558	1,573	1,565	1,557	1,552	1,563	1,566	1,565	1,545
Contributed surplus	21	19	17	15	13	12	10	8	21	13	7
Unrealized foreign currency translation adjustment	(92)	(82)	(77)	(49)	(26)	(10)	(1)	4	(92)	(26)	(10)
Retained earnings	2,893	2,802	2,674	2,687	2,645	2,519	2,449	2,453	2,893	2,645	2,287
Closing balance	4,788	4,702	4,572	4,626	4,597	4,653	4,585	4,403	4,788	4,597	4,204

ASSETS UNDER ADMINISTRATION / MANAGEMENT

	National Bank Trust Inc.	National Bank Financial & Cie.	National Bank Securities Inc.	Altamira	Natcan Investment Management Inc.	National Bank Direct Brokerage	Bank excluding subsidiaries	Total	
								2006	2005

(millions of dollars)

as at October 31, 2006

Assets under administration									
Institutional	47,841	11,464	-	-	-	-	-	59,305	68,029
Personal	-	89,069	-	-	-	9,703	-	98,772	87,551
Mutual funds	12,986	-	8,070	3,837	-	-	-	24,893	23,010
Mortgage loans sold to third parties	-	-	-	-	-	-	5,761	5,761	5,132
Total assets under administration	60,827	100,533	8,070	3,837	-	9,703	5,761	188,731	183,722
Assets under management									
Personal	5,081	-	-	-	-	-	-	5,081	4,358
Managed portfolios	-	3,366	-	-	15,371	-	-	18,737	18,117
Mutual funds	-	-	-	-	16,200	-	-	16,200	14,935
Total assets under management	5,081	3,366	-	-	31,571	-	-	40,018	37,410
Total assets under administration / management	65,908	103,899	8,070	3,837	31,571	9,703	5,761	228,749	221,132

Total	
2005	2004

as at October 31, 2005

Assets under administration									
Institutional	58,701	9,328	-	-	-	-	-	68,029	43,162
Personal	-	78,865	-	-	-	8,686	-	87,551	81,708
Mutual funds	11,853	-	7,448	3,709	-	-	-	23,010	18,592
Mortgage loans sold to third parties	-	-	-	-	-	-	5,132	5,132	4,033
Total assets under administration	70,554	88,193	7,448	3,709	-	8,686	5,132	183,722	147,495
Assets under management									
Personal	4,358	-	-	-	-	-	-	4,358	3,196
Managed portfolios	-	2,416	-	-	15,701	-	-	18,117	16,402
Mutual funds	-	-	-	-	14,935	-	-	14,935	13,505
Total assets under management	4,358	2,416	-	-	30,636	-	-	37,410	33,103
Total assets under administration / management	74,912	90,609	7,448	3,709	30,636	8,686	5,132	221,132	180,598

IMPAIRED LOANS

2006				2005				End of
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Year
2004								

(\$ millions)

Gross Impaired Loans

Retail	48.7	46.7	45.0	41.9	45.1	40.5	38.1	35.0	34.7
Commercial	126.7	106.7	137.0	147.8	133.6	135.2	144.0	166.7	205.9
Corporate	56.3	57.6	56.9	62.7	64.8	65.2	68.8	81.5	121.4
Real estate	-	-	-	3.4	13.0	16.4	16.4	16.4	21.5
Treasury	2.2	3.3	3.3	3.4	3.5	3.6	3.7	3.6	3.6
Other	-	-	-	-	-	-	0.1	0.4	0.4
Total Gross Impaired Loans	233.9	214.3	242.2	259.2	260.0	260.9	271.1	303.6	387.5
As a % of loans and acceptances	0.5%	0.4%	0.5%	0.5%	0.5%	0.6%	0.6%	0.7%	0.9%

Net Impaired Loans

Retail	30.4	27.3	25.6	22.5	24.9	20.2	18.4	15.4	16.1
Commercial	62.6	44.9	60.1	63.7	55.1	52.2	57.3	69.7	82.0
Corporate	20.3	24.1	23.2	25.1	27.5	28.1	30.6	36.6	48.8
Real estate	-	-	-	-	7.6	11.0	11.0	10.0	10.4
Treasury	2.1	2.1	2.0	2.1	2.2	2.2	2.2	2.3	2.3
General allowance	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(333.0)	(333.0)	(350.0)	(350.0)
Total Net Impaired Loans	(192.6)	(209.6)	(197.1)	(194.6)	(190.7)	(219.3)	(213.5)	(216.0)	(190.4)
As a % of loans and acceptances	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.5%	-0.5%	-0.5%	-0.4%

FORMATION OF GROSS IMPAIRED LOANS & ALLOWANCE FOR CREDIT LOSSES

2006				2005				YTD		Full Year
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2004

(\$ millions)

Formation of Gross Impaired Loans

Opening balance	214	242	259	260	261	271	304	388	260	388	476
Write-off	(20)	(30)	(20)	(16)	(36)	(14)	(34)	(72)	(86)	(156)	(132)
Formation	40	2	3	15	35	3	1	(12)	60	27	44
Closing balance	234	214	242	259	260	261	271	304	234	260	388

Allowance for Credit Losses

Allowances at beginning	424	439	454	451	480	485	520	578	451	578	630
Provision for credit losses	22	16	22	17	-	15	1	17	77	33	86
Write-offs	(37)	(45)	(52)	(32)	(44)	(37)	(48)	(86)	(166)	(215)	(197)
Recoveries	17	14	15	18	15	17	12	11	64	55	59
Allowances at end	426	424	439	454	451	480	485	520	426	451	578

RISK-ADJUSTED CAPITAL RATIOS

	2006				2005			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(millions of dollars)</i>								
Tier I capital								
Common shareholders' equity	\$4,388	\$4,302	\$4,172	\$4,226	\$4,197	\$4,077	\$4,010	\$4,028
Non-cum. preferred shares, permanent	400	400	400	400	400	400	400	375
Non-controlling interest	9	8	118	137	132	48	49	48
Innovative instruments	562	565	336	342	354	367	378	372
Less: goodwill	683	686	662	662	662	662	662	662
Less: Trading in short positions of own shares (gross)	2	-	4	6	7	6	-	-
Total Tier I	\$4,674	\$4,589	\$4,360	\$4,437	\$4,414	\$4,224	\$4,175	\$4,161
Tier II capital								
Bank debentures (1)	1,949	1,599	1,599	\$1,600	1,602	1,348	1,707	\$1,702
General provision	308	308	308	308	308	333	333	350
Total Tier II	\$2,257	\$1,907	\$1,907	\$1,908	\$1,910	\$1,681	\$2,040	\$2,052
Other deductions	324	450	422	415	399	364	353	360
TOTAL CAPITAL	\$6,607	\$6,046	\$5,845	\$5,930	\$5,925	\$5,541	\$5,862	\$5,853
Risk-adjusted balance sheet items								
Cash resources	\$2,077	\$1,761	\$1,893	\$1,651	\$1,306	\$1,648	\$1,820	\$1,376
Securities	2,083	2,828	2,033	2,030	2,269	2,123	2,246	2,179
Mortgage loans	5,647	5,787	5,470	5,282	5,121	5,603	5,565	5,625
Other loans	22,035	22,855	23,367	23,049	22,211	21,483	20,404	19,840
Other assets	5,549	5,514	5,363	5,275	5,650	5,287	4,721	5,275
Total Risk-adjusted balance sheet items	\$37,391	\$38,745	\$38,126	\$37,287	\$36,557	\$36,144	\$34,756	\$34,295
Risk-adjusted off-balance sheet items								
Comitments to extend credit								
L/G, L/C and trans.-related contingent	1,096	1,156	1,059	\$1,082	1,033	992	979	\$941
Comitments to extend credit	5,085	5,009	4,767	4,794	4,730	4,843	4,697	4,798
Interest rate contract	122	110	95	105	110	144	126	112
Foreign exchange contract	234	217	218	249	220	237	287	207
Equity-linked contract	480	413	319	388	362	328	241	206
Commodity	19	88	48	65	56	69	64	105
Total Risk-adjusted off-balance sheet items	\$7,036	\$6,993	\$6,506	\$6,683	\$6,511	\$6,613	\$6,394	\$6,369
Risk-adjusted market risk items	\$2,871	\$2,902	\$3,117	\$2,806	\$3,168	\$3,017	\$2,787	\$2,849
TOTAL RISK-ADJUSTED ASSETS	\$47,298	\$48,640	\$47,749	\$46,776	\$46,236	\$45,774	\$43,937	\$43,513
Risk-adjusted ratios								
Tier I	9.9%	9.4%	9.1%	9.5%	9.6%	9.2%	9.5%	9.6%
Total	14.0%	12.4%	12.2%	12.7%	12.8%	12.1%	13.3%	13.5%

(1) Taking into account the issuance of \$500 million of subordinated debentures on November 2, 2006 for the fourth quarter 2006 and on November 2, 2005 for the fourth quarter 2005

 **FINANCIAL DERIVATIVES**

	2006				2005				End of Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2004
<i>(millions of dollars)</i>									
Foreign exchange related contracts									
Swaps	43,164	46,248	41,495	47,796	51,143	56,895	50,733	27,605	29,559
Options - purchased	9,094	8,820	6,885	6,537	7,463	7,857	9,506	6,655	5,544
- sold	11,651	13,082	9,031	7,318	6,862	7,761	8,872	6,206	5,285
Futures	7,304	6,636	3,886	6,829	6,788	8,342	7,989	5,606	6,306
Total Notional Amount	71,213	74,786	61,297	68,480	72,256	80,855	77,100	46,072	46,694
Replacement cost (1)	287	325	414	504	338	395	549	511	480
Future credit risk	685	542	543	549	513	576	574	462	295
Credit equivalent (2)	972	868	957	1,053	852	972	1,123	972	775
Risk-weighted equivalent	234	217	218	249	220	237	287	207	166
Interest rate related contracts									
Swaps	118,597	127,579	113,989	109,122	123,134	115,629	112,025	116,536	116,760
Options - purchased	116,255	77,385	72,863	76,552	86,008	88,993	52,055	58,938	34,905
- sold	111,357	87,304	76,949	76,786	67,882	75,320	40,014	24,342	34,568
Futures	9,732	5,780	2,293	11,000	9,082	21,253	17,436	6,651	7,033
Total Notional Amount	355,941	298,048	266,094	273,460	286,106	301,195	221,530	206,467	193,266
Replacement cost (1)	243	258	224	266	328	515	470	514	501
Future credit risk	346	361	313	312	296	312	300	690	203
Credit equivalent (2)	589	619	537	578	625	826	770	1,205	704
Risk-weighted equivalent	122	110	95	105	110	144	126	112	129
Financial futures									
Total Notional Amount	31,017	35,323	37,284	44,472	14,981	35,213	44,351	35,741	34,139
Equity and commodity contracts									
Total Notional Amount	36,798	25,254	15,894	26,980	29,593	27,062	24,499	18,408	17,664
Replacement cost (1)	671	605	636	684	653	777	602	514	543
Future credit risk	1,224	1,060	453	734	810	759	824	690	694
Credit equivalent (2)	1,895	1,665	1,088	1,418	1,463	1,536	1,426	1,205	1,237
Risk-weighted equivalent	499	500	368	454	418	397	305	311	309
Total derivatives									
Total Notional Amount	494,969	433,411	380,569	413,392	402,936	444,325	367,480	306,688	291,762
Replacement cost (1)	1,201	1,188	1,274	1,454	1,319	1,687	1,621	1,539	1,524
Future credit risk	2,255	1,963	1,309	1,595	1,619	1,647	1,698	1,842	1,193
Credit equivalent (2)	3,456	3,152	2,582	3,049	2,940	3,334	3,319	3,382	2,717
Risk-weighted equivalent	855	827	681	808	748	778	718	630	604

(1) Gross positive replacement cost after permissible netting

(2) Taking into account permissible netting

SHAREHOLDERS' INFORMATION

2006				2005			
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1

Credit Rating

Moody's (Long Term Debt Senior)	A1	A1	A1	A1	A1	A1	A1	A1
Standard & Poor's/CBRS (Long Term Debt)	A	A	A	A	A	A	A	A
DBRS (Senior Debt)	AA (low)	A (high)	A (high)	A (high)	A (high)	A (high)	A (high)	A
Fitch (Long-Term)	A+	A+	A+	A+	A+	A+	A+	A+

Stock Trading Range and Other Information

High	\$ 62.86	\$ 62.69	\$ 65.60	\$ 63.90	\$ 61.47	\$ 58.21	\$ 55.24	\$ 49.75
Low	\$ 58.26	\$ 56.14	\$ 61.35	\$ 58.35	\$ 55.87	\$ 51.60	\$ 48.72	\$ 46.39
Close	\$ 61.25	\$ 58.55	\$ 62.34	\$ 61.75	\$ 59.14	\$ 57.30	\$ 52.41	\$ 49.19
Number of registered shareholders	25,531	25,644	25,845	26,049	26,235	26,398	26,542	26,785

Valuation

Market Capitalization (in millions of \$)	\$ 9,893	\$ 9,480	\$ 10,092	\$ 10,146	\$ 9,778	\$ 9,460	\$ 8,687	\$ 8,266
P/E Ratio (Trailing 4 Quarters)	11.73	11.46	12.49	12.68	11.88	11.77	11.34	11.03
Market price/Book value	2.25	2.20	2.42	2.40	2.33	2.32	2.17	2.05
Dividend payout (trailing 4 quarters)	37.55%	37.18%	36.87%	36.55%	34.54%	34.09%	34.63%	33.86%
Dividend yield (annualized)	3.27%	3.42%	3.08%	3.11%	2.98%	3.07%	3.21%	3.42%

Other Information

Number of employees (full-time equivalent)	14,381	14,573	14,375	14,444	14,372	14,596	14,278	14,175
Number of Branches	451	453	455	455	457	460	460	462
Number of ATM'S	801	800	802	797	788	774	770	768

The Common Shares of the Bank as well as the First Preferred Series 15 and Series 16 are listed on the TSX.

The ticker symbols and newspaper abbreviations for the Bank's shares listed are as follows:

	Ticker Symbol	Newspaper Abbreviations Toronto
Common Shares	NA	National Bk
First Preferred Shares		
Series 15	NA.PR.K	Natl Bk 15
Series 16	NA.PR.L	Natl Bk 16