



SUPPLEMENTARY FINANCIAL INFORMATION

THIRD QUARTER 2008 REPORT

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FINANCIAL HIGHLIGHTS

	2008			2007				2006		YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007	2006
Net income (\$000,000)	\$285.9	\$164.6	\$255.4	(\$175.2)	\$243.3	\$232.9	\$239.8	\$220.1	\$219.7	\$705.9	\$716.0	\$540.8	\$871.2
Earnings per share													
- basic	\$1.73	\$1.01	\$1.58	(\$1.14)	\$1.49	\$1.42	\$1.45	\$1.33	\$1.32	\$4.32	\$4.36	\$3.25	\$5.22
- diluted	\$1.73	\$1.00	\$1.58	(\$1.14)	\$1.48	\$1.40	\$1.43	\$1.31	\$1.30	\$4.30	\$4.31	\$3.22	\$5.13
Return on common shareholders' equity	23.7%	14.3%	22.9%	-16.0%	20.6%	20.3%	20.7%	19.7%	20.2%	20.4%	20.6%	11.5%	20.1%
Dividend per share	\$0.62	\$0.62	\$0.62	\$0.60	\$0.60	\$0.54	\$0.54	\$0.50	\$0.50	\$1.86	\$1.68	\$2.28	\$1.96

Excluding specified items

Net income (\$000,000)	\$252.8	\$228.8	\$237.2	\$217.3	\$243.3	\$232.9	\$239.8	\$220.1	\$211.4	\$718.8	\$716.0	\$933.3	\$857.2
Earnings per share													
- basic	\$1.52	\$1.42	\$1.47	\$1.34	\$1.49	\$1.42	\$1.45	\$1.33	\$1.27	\$4.41	\$4.36	\$5.71	\$5.13
- diluted	\$1.52	\$1.41	\$1.46	\$1.34	\$1.48	\$1.40	\$1.43	\$1.31	\$1.25	\$4.39	\$4.31	\$5.65	\$5.05
Return on common shareholders' equity	20.9%	20.2%	21.3%	18.4%	20.6%	20.3%	20.7%	19.7%	19.5%	20.8%	20.6%	20.0%	19.7%
Dividend per share	\$0.62	\$0.62	\$0.62	\$0.60	\$0.60	\$0.54	\$0.54	\$0.50	\$0.50	\$1.86	\$1.68	\$2.28	\$1.96

Net interest margin Personal & Commercial Banking	2.64%	2.68%	2.66%	2.72%	2.80%	2.82%	2.88%	2.92%	2.92%	2.66%	2.83%	2.80%	2.91%
Productivity ratio (teb) ⁽¹⁾	62.24%	61.74%	61.42%	65.31%	63.51%	63.42%	62.41%	64.03%	65.01%	61.81%	63.12%	63.65%	64.34%
Effective tax rate (teb)	33.66%	30.31%	36.52%	32.01%	31.99%	30.72%	32.86%	35.74%	32.09%	33.50%	31.86%	31.80%	33.59%
Average loans and BA's (\$000,000)	\$53,158	\$52,655	\$50,711	\$51,120	\$50,791	\$50,197	\$49,518	\$49,613	\$49,822	\$52,171	\$50,168	\$50,408	\$49,392
Average assets (\$000,000)	\$129,547	\$127,984	\$122,853	\$125,387	\$128,998	\$129,750	\$119,846	\$109,412	\$106,680	\$126,786	\$126,159	\$125,964	\$106,275
Total assets (\$000,000)	\$121,931	\$123,608	\$120,124	\$113,085	\$123,353	\$135,172	\$121,402	\$116,801	\$108,552	\$121,931	\$123,353	\$113,085	\$116,801
Average common shareholders' equity (\$000,000)	\$4,615	\$4,516	\$4,337	\$4,486	\$4,576	\$4,605	\$4,484	\$4,328	\$4,208	\$4,486	\$4,552	\$4,530	\$4,237
Number of common shares outstanding (000's)	159,115	158,364	158,141	157,806	157,858	159,418	161,367	161,512	161,918	159,115	157,858	157,806	161,512
Number of common shares (average) (000's)	158,890	158,373	158,001	157,790	159,209	160,588	161,681	161,969	161,927	158,422	160,492	159,811	162,851
Gross impaired loans (\$000,000)	274.5	251.6	248.6	249.2	232.4	236.2	239.5	233.9	214.3	274.5	232.4	249.2	233.9
Gross impaired loans/common equity-goodwill+reserves	6.46%	6.14%	6.22%	6.57%	5.66%	5.64%	5.77%	5.91%	5.55%	6.46%	5.66%	6.57%	5.91%
Impaired loans, net of specific and general allowances (\$000,000)	(189.3)	(174.4)	(168.5)	(178.9)	(198.1)	(197.5)	(196.0)	(192.6)	(209.6)	(189.3)	(198.1)	(178.9)	(192.6)
as a % of net loans and bankers' acceptances	-0.3%	-0.3%	-0.3%	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.3%	-0.4%	-0.3%	-0.4%
Book value	\$29.44	\$28.76	\$28.13	\$26.85	\$28.70	\$28.92	\$28.34	\$27.17	\$26.57	\$29.44	\$28.70	\$26.85	\$27.17
Capital ratios - BIS Tier 1 ⁽²⁾	10.0%	9.2%	9.3%	9.0%	9.4%	9.3%	9.9%	9.9%	9.4%	10.0%	9.4%	9.0%	9.9%
Total	13.9%	13.3%	12.9%	12.4%	13.4%	13.3%	14.0%	14.0%	12.4%	13.9%	13.4%	12.4%	14.0%
Tangible shareholders' equity / Risk weighted assets	6.83%	6.56%	6.89%	6.77%	7.40%	7.15%	7.50%	7.33%	6.94%	6.83%	7.40%	6.77%	7.33%

⁽¹⁾ Excluding specified items and adjusted for gains or losses attributable to third parties using the Innocap platform.

⁽²⁾ Under Basel II for 2008.

CONSOLIDATED STATEMENT OF INCOME

	2008			2007			2006		YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007

(unaudited)(thousands)(taxable equivalent basis)

Net Interest Income	480,417	405,472	451,149	336,185	325,975	271,920	319,841	365,961	431,656	1,337,038	917,736	1,253,921	1,413,939
Other Income	618,489	536,756	525,493	118,255	724,912	790,803	733,735	686,078	535,607	1,680,738	2,249,450	2,367,705	2,561,103
Gross Revenues	1,098,906	942,228	976,642	454,440	1,050,887	1,062,723	1,053,576	1,052,039	967,263	3,017,776	3,167,186	3,621,626	3,975,042
Provision for credit losses	28,948	34,114	32,060	29,154	22,215	23,408	28,365	22,785	15,649	95,122	73,988	103,142	77,316
Non-Interest Expenses	658,231	634,554	631,906	636,691	672,707	659,389	656,953	670,403	620,340	1,924,691	1,989,049	2,625,740	2,537,660
<i>Income Before Income Taxes</i>	<i>411,727</i>	<i>273,560</i>	<i>312,676</i>	<i>(211,405)</i>	<i>355,965</i>	<i>379,926</i>	<i>368,258</i>	<i>358,851</i>	<i>331,274</i>	<i>997,963</i>	<i>1,104,149</i>	<i>892,744</i>	<i>1,360,066</i>
Income taxes	138,605	82,913	114,201	(67,673)	113,870	116,710	121,014	128,261	106,297	335,719	351,594	283,921	456,818
<i>Income Before Non-Controlling Interest</i>	<i>273,122</i>	<i>190,647</i>	<i>198,475</i>	<i>(143,732)</i>	<i>242,095</i>	<i>263,216</i>	<i>247,244</i>	<i>230,590</i>	<i>224,977</i>	<i>662,244</i>	<i>752,555</i>	<i>608,823</i>	<i>903,248</i>
Non-Controlling Interest	(12,728)	26,009	(56,945)	31,442	(1,240)	30,346	7,469	10,461	5,293	(43,664)	36,575	68,017	32,080
Net Income	\$ 285,850	\$ 164,638	\$ 255,420	\$ (175,174)	\$ 243,335	\$ 232,870	\$ 239,775	\$ 220,129	\$ 219,684	\$ 705,908	\$ 715,980	\$ 540,806	\$ 871,168
Effective Tax Rate	33.7%	30.3%	36.5%	32.0%	32.0%	30.7%	32.9%	35.7%	32.1%	33.6%	31.8%	31.8%	33.6%
Dividends on preferred shares	\$ 10,562	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 21,262	\$ 16,050	\$ 21,400	\$ 21,400
Dividends on common shares	\$ 98,649	\$ 98,220	\$ 97,969	\$ 94,702	\$ 95,799	\$ 85,409	\$ 87,511	\$ 80,337	\$ 81,190	\$ 294,838	\$ 268,719	\$ 363,421	\$ 319,805
Number of common shares (avg.) (in thousands)	158,890	158,373	158,001	157,790	159,209	160,588	161,681	161,969	161,927	158,422	160,492	159,811	162,851

(unaudited)(thousands)(taxable equivalent basis)

Excluding specified items

Net Interest Income	495,074	420,495	470,034	357,385	325,975	271,920	319,841	365,961	431,656	1,385,603	917,736	1,275,121	1,413,939
Other Income	527,700	609,405	493,397	693,254	724,912	790,803	733,735	686,078	523,090	1,630,502	2,249,450	2,942,704	2,540,068
Gross Revenues	1,022,774	1,029,900	963,431	1,050,639	1,050,887	1,062,723	1,053,576	1,052,039	954,746	3,016,105	3,167,186	4,217,825	3,954,007
Provision for credit losses	6,318	34,114	32,060	29,154	22,215	23,408	28,365	22,785	15,649	72,492	73,988	103,142	77,316
Non-Interest Expenses	654,446	627,112	629,949	666,365	672,707	659,389	656,953	670,403	620,340	1,911,507	1,989,049	2,655,414	2,537,660
<i>Income Before Income Taxes</i>	<i>362,010</i>	<i>368,674</i>	<i>301,422</i>	<i>355,120</i>	<i>355,965</i>	<i>379,926</i>	<i>368,258</i>	<i>358,851</i>	<i>318,757</i>	<i>1,032,106</i>	<i>1,104,149</i>	<i>1,459,269</i>	<i>1,339,031</i>
Income taxes	121,974	113,825	121,173	106,342	113,870	116,710	121,014	128,261	102,110	356,972	351,594	457,936	449,782
<i>Income Before Non-Controlling Interest</i>	<i>240,036</i>	<i>254,849</i>	<i>180,249</i>	<i>248,778</i>	<i>242,095</i>	<i>263,216</i>	<i>247,244</i>	<i>230,590</i>	<i>216,647</i>	<i>675,134</i>	<i>752,555</i>	<i>1,001,333</i>	<i>889,249</i>
Non-Controlling Interest	(12,728)	26,009	(56,945)	31,442	(1,240)	30,346	7,469	10,461	5,293	(43,664)	36,575	68,017	32,080
Net Income	\$ 252,764	\$ 228,840	\$ 237,194	\$ 217,336	\$ 243,335	\$ 232,870	\$ 239,775	\$ 220,129	\$ 211,354	\$ 718,798	\$ 715,980	\$ 933,316	\$ 857,169
Effective Tax Rate	33.7%	30.9%	40.2%	29.9%	32.0%	30.7%	32.9%	35.7%	32.0%	34.6%	31.8%	31.4%	33.6%
Dividends on preferred shares	\$ 10,562	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 21,262	\$ 16,050	\$ 21,400	\$ 21,400
Dividends on common shares	\$ 98,649	\$ 98,220	\$ 97,969	\$ 94,702	\$ 95,799	\$ 85,409	\$ 87,511	\$ 80,337	\$ 81,190	\$ 294,838	\$ 268,719	\$ 363,421	\$ 319,805
Number of common shares (avg.) (in thousands)	158,890	158,373	158,001	157,790	159,209	160,588	161,681	161,969	161,927	158,422	160,492	159,811	162,851

Tax equivalent adjustment

Net interest income	31,870	41,396	22,817	39,331	20,436	23,429	44,309	61,827	23,487	96,083	88,174	127,505	121,629
Other income	11,860	13,253	24,780	15,874	22,883	18,373	20,248	22,665	24,985	49,893	61,504	77,378	58,643
Income taxes	43,730	54,649	47,597	55,205	43,319	41,802	64,557	84,492	48,472	145,976	149,678	204,883	180,272

Net income by sector of activities

Excluding specified items

Personal and Commercial Banking	127,980	112,940	129,746	113,724	124,404	111,828	122,942	115,682	124,664	370,666	359,174	472,898	456,068
Wealth Management	36,506	44,035	43,059	39,594	40,022	45,311	45,823	31,599	36,223	123,600	131,156	170,750	149,161
Financial Markets	106,617	79,319	71,655	87,909	92,248	88,974	81,369	75,481	62,703	257,591	262,591	350,500	288,795
Other Segments	(18,339)	(7,454)	(7,266)	(23,891)	(13,339)	(13,243)	(10,359)	(2,633)	(12,236)	(33,059)	(36,941)	(60,832)	(36,855)

RESULTS OF OPERATIONS AS A PERCENTAGE OF AVERAGE ASSETS

	2008			2007			2006		YTD		Full Year		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007	2006

(Taxable equivalent basis)

in % of average assets

Excluding specified items

Total revenues	3.14	3.27	3.12	3.32	3.23	3.36	3.49	3.81	3.55	3.18	3.36	3.35	3.72
Provision for credit losses	0.02	0.11	0.10	0.09	0.07	0.07	0.09	0.08	0.06	0.08	0.08	0.08	0.07
Non-interest expenses	2.01	1.99	2.04	2.11	2.07	2.08	2.17	2.43	2.31	2.01	2.11	2.11	2.39
Income taxes	0.37	0.36	0.39	0.34	0.35	0.37	0.40	0.47	0.38	0.38	0.37	0.36	0.42
Non-controlling interest	(0.04)	0.08	(0.18)	0.10	(0.00)	0.10	0.02	0.04	0.02	(0.05)	0.04	0.05	0.03
Net income	0.78	0.73	0.77	0.69	0.75	0.74	0.79	0.80	0.79	0.76	0.76	0.74	0.81
Average assets (\$000,000)	\$129,547	\$127,984	\$122,853	\$125,387	\$128,998	\$129,750	\$119,846	\$109,412	\$106,680	\$126,786	\$126,159	\$125,964	\$106,275
Average earning assets (\$000,000)	\$113,195	\$113,471	\$106,737	\$109,191	\$112,515	\$117,042	\$107,181	\$98,266	\$97,504	\$111,117	\$112,193	\$111,436	\$96,577

in % of Average Risk-Weighted Assets

Excluding specified items

Total revenues	7.35%	7.85%	7.59%	8.29%	8.10%	8.64%	8.68%	8.70%	7.86%	7.59%	8.46%	8.42%	8.33%
Net income	1.82%	1.74%	1.87%	1.72%	1.87%	1.89%	1.97%	1.82%	1.74%	1.81%	1.91%	1.86%	1.81%
Average Risk-Weighted Assets (\$000,000)	\$55,350	\$53,371	\$50,468	\$50,253	\$51,490	\$50,438	\$48,183	\$47,969	\$48,195	\$53,061	\$50,032	50,088	\$47,485

Prime rate	4.75%	5.39%	6.07%	6.25%	6.06%	6.00%	6.00%	6.00%	5.94%	5.40%	6.02%	6.08%	5.57%
B/A's 30 days	3.15%	3.70%	4.52%	4.86%	4.44%	4.34%	4.34%	4.33%	4.30%	3.79%	4.38%	4.50%	3.94%
Spread	1.60%	1.69%	1.55%	1.39%	1.62%	1.66%	1.66%	1.67%	1.64%	1.61%	1.64%	1.58%	1.63%

NET INCOME BY SECTOR OF ACTIVITIES (EXCLUDING SPECIFIED ITEMS)

2008			2007				2006		YTD		Full Year
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007

(in millions of dollars) (taxable equivalent basis)

Personal and Commercial Banking

Net interest income	351	343	342	345	348	332	344	347	342	1,036	1,024	1,369
Other income	211	191	204	205	205	191	196	197	200	606	592	797
Total Revenues	562	534	546	550	553	523	540	544	542	1,642	1,616	2,166
Operating expenses	323	318	309	342	332	319	312	335	329	950	963	1,305
Provision for credit losses	46	45	44	40	33	35	43	33	24	135	111	151
Earning before income taxes and non-controlling interest	193	171	193	168	188	169	185	176	189	557	542	710
Income taxes	66	58	63	54	64	57	62	60	65	187	183	237
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	127	113	130	114	124	112	123	116	124	370	359	473
Net interest margin	2.64%	2.68%	2.66%	2.72%	2.80%	2.82%	2.88%	2.92%	2.92%	2.66%	2.83%	2.80%
Expense ratio	57.5%	59.6%	56.6%	62.2%	60.0%	61.0%	57.8%	61.6%	60.7%	57.9%	59.6%	60.2%
Average loans and BA's	52,075	51,259	50,332	49,590	48,715	47,706	46,799	46,373	45,832	51,222	47,740	48,207
Average assets	52,831	51,966	51,078	50,288	49,396	48,356	47,441	47,094	46,540	51,958	48,398	48,874
Average deposits	32,257	31,287	31,108	30,485	30,094	29,477	29,558	28,937	28,795	31,553	29,712	29,907

Wealth Management

Net interest income	36	36	34	33	31	32	33	33	32	106	96	129
Other income	175	177	188	180	190	201	195	174	169	540	586	766
Total Revenues	211	213	222	213	221	233	228	207	201	646	682	895
Operating expenses	158	149	157	153	160	164	159	157	146	464	483	636
Provision for credit losses	-	-	-	-	-	-	-	-	-	-	-	-
Earning before income taxes and non-controlling interest	53	64	65	60	61	69	69	50	55	182	199	259
Income taxes	15	20	20	19	20	23	21	16	18	55	64	83
Non-controlling interest	1	-	2	1	1	1	2	2	1	3	4	5
Net Income	37	44	43	40	40	45	46	32	36	124	131	171
Expense ratio	74.9%	70.0%	70.7%	71.8%	72.4%	70.4%	69.7%	75.8%	72.6%	71.8%	70.8%	71.1%
Average loans and BA's	119	98	120	119	124	144	132	132	132	112	133	130
Average assets	703	707	693	676	650	677	644	646	654	701	657	662
Average deposits	9,229	8,667	8,129	7,733	7,378	7,484	7,618	7,754	8,337	8,675	7,494	7,554

Financial Markets

Net interest income	158	82	150	32	(4)	(46)	(9)	33	114	390	(59)	(27)
Other income	113	197	66	300	306	371	297	258	121	376	974	1,274
Total Revenues	271	279	216	332	302	325	288	291	235	766	915	1,247
Operating expenses	157	156	169	184	176	167	165	173	143	482	508	692
Provision for credit losses	-	(2)	-	-	-	-	-	1	1	(2)	-	-
Earning before income taxes and non-controlling interest	114	125	47	148	126	158	123	117	91	286	407	555
Income taxes	35	31	40	34	39	45	41	37	28	106	125	159
Non-controlling interest	(27)	14	(64)	26	(6)	24	1	5	-	(77)	19	45
Net Income	106	80	71	88	93	89	81	75	63	257	263	351
Expense ratio ⁽¹⁾	52.4%	58.9%	60.8%	61.0%	56.7%	55.3%	57.5%	60.5%	61.0%	57.2%	56.5%	57.6%
Average loans and BA's (Corporate banking only)	6,696	6,550	6,280	5,844	5,618	5,446	5,336	5,300	5,069	6,508	5,467	5,562
Average assets	87,369	87,758	84,256	88,068	90,929	92,746	83,802	73,742	69,426	86,452	89,119	88,854
Average deposits	33,092	33,357	33,199	34,860	35,729	34,220	32,973	30,003	29,523	33,215	34,308	34,447

⁽¹⁾ Adjusted for gains or losses attributable to third parties using the Innocap platform.

NET INCOME BY SECTOR OF ACTIVITIES (EXCLUDING SPECIFIED ITEMS)

2008			2007			2006		YTD		Full Year	
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007

(in millions of dollars)

Other Segments

Net interest income	(81)	(82)	(79)	(92)	(69)	(70)	(92)	(109)	(80)	(242)	(231)	(323)
Other income	17	31	11	(8)	1	10	25	35	8	59	36	28
Total Revenues	(64)	(51)	(68)	(100)	(68)	(60)	(67)	(74)	(72)	(183)	(195)	(295)
Operating expenses	17	4	(5)	(12)	5	10	20	6	2	16	35	23
Provision for credit losses	(40)	(9)	(12)	(11)	(11)	(12)	(14)	(12)	(9)	(61)	(37)	(48)
Earning before income taxes and non-controlling interest	(41)	(46)	(51)	(77)	(62)	(58)	(73)	(68)	(65)	(138)	(193)	(270)
Income taxes	(37)	(50)	(49)	(56)	(52)	(50)	(68)	(69)	(57)	(136)	(170)	(226)
Non-controlling interest	13	12	5	4	4	5	5	4	4	30	14	18
Net Income (net loss)	(17)	(8)	(7)	(25)	(14)	(13)	(10)	(3)	(12)	(32)	(37)	(62)
Average loans and BA's	(11,810)	(12,722)	(13,787)	(13,687)	(12,486)	(12,473)	(12,432)	(12,310)	(11,716)	(12,773)	(12,464)	(12,772)
Average assets	(11,356)	(12,447)	(13,174)	(13,645)	(11,977)	(12,029)	(12,041)	(12,070)	(9,940)	(12,325)	(12,015)	(12,426)
Average deposits	(368)	(206)	(609)	(110)	(507)	(428)	(416)	(577)	(271)	(396)	(451)	(365)

Total

Net interest income	464	379	447	318	306	248	276	304	408	1,290	830	1,148
Other income	516	596	469	677	702	773	713	664	498	1,581	2,188	2,865
Total Revenues	980	975	916	995	1,008	1,021	989	968	906	2,871	3,018	4,013
Operating expenses	655	627	630	667	673	660	656	671	620	1,912	1,989	2,656
Provision for credit losses	6	34	32	29	22	23	29	22	16	72	74	103
Earning before income taxes and non-controlling interest	319	314	254	299	313	338	304	275	270	887	955	1,254
Income taxes	79	59	74	51	71	75	56	44	54	212	202	253
Non-controlling interest	(13)	26	(57)	31	(1)	30	8	11	5	(44)	37	68
Net Income	253	229	237	217	243	233	240	220	211	719	716	933
Expense ratio (teb) ⁽¹⁾	62.2%	61.7%	61.4%	65.3%	63.5%	63.4%	62.4%	64.0%	65.0%	61.8%	63.1%	63.7%
Average loans and BA's	53,158	52,655	50,711	51,120	50,791	50,197	49,518	49,613	49,822	52,171	50,168	50,408
Average assets	129,547	127,984	122,853	125,387	128,998	129,750	119,846	109,412	106,680	126,786	126,159	125,964
Average deposits	74,210	73,105	71,827	72,967	72,695	70,753	69,732	66,117	66,385	73,047	71,063	71,543

⁽¹⁾ Adjusted for gains or losses attributable to third parties using the Innocap platform.

NET INCOME BY SECTOR OF ACTIVITIES

Specified Items	Q3 2008			Q2 2008		Q1 2008			Q4 2007				Q3 2006	
	Adjustment to ABCP	Montreal Stock Exchange Gain	Total	Adjustment to ABCP	Other	Adjustment to ABCP	Nassau gain	Total	Adjustment to ABCP			Altamira	Total	MasterCard gain
									Financial Markets	Other	Sub-total			
(in millions of dollars)	Other	Financial Markets		Other		Other	Other							Other
Net interest income	(15)	-	(15)	(15)		(19)	-	(19)	(2)	(19)	(21)	-	(21)	-
Other income	3	88	91	(73)		-	32	32	(42)	(533)	(575)	-	(575)	13
Total Revenues	(12)	88	76	(88)		(19)	32	13	(44)	(552)	(596)	-	(596)	13
Operating expenses	2	2	4	7		2	-	2	(19)	(24)	(43)	13	(30)	-
Provision for credit losses	23	-	23	-		-	-	-	-	-	-	-	-	-
Earning before income taxes and non-controlling interest	(37)	86	49	(95)		(21)	32	11	(25)	(528)	(553)	(13)	(566)	13
Income taxes	(13)	29	16	(31)		(7)	-	(7)	(8)	(164)	(172)	(2)	(174)	4
Non-controlling interest	-	-	-	-		-	-	-	-	-	-	-	-	-
Net income	(24)	57	33	(64)		(14)	32	18	(17)	(364)	(381)	(11)	(392)	9

Notes: Net interest impact on ABCP represents funding cost.

	2008			2007			2006		YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007
(in millions of dollars)												
Total												
Net interest income	449	364	428	297	306	248	276	304	408	1,241	830	1,127
Other income	607	523	501	102	702	773	713	664	511	1,631	2,188	2,290
Total Revenues	1,056	887	929	399	1,008	1,021	989	968	919	2,872	3,018	3,417
Operating expenses	659	634	632	637	673	660	656	671	620	1,925	1,989	2,626
Provision for credit losses	29	34	32	29	22	23	29	22	16	95	74	103
Earning before income taxes and non-controlling interest	368	219	265	(267)	313	338	304	275	283	852	955	688
Income taxes	95	28	67	(123)	71	75	56	44	58	190	202	79
Non-controlling interest	(13)	26	(57)	31	(1)	30	8	11	5	(44)	37	68
Net Income	286	165	255	(175)	243	233	240	220	220	706	716	541
Expense ratio (teb) ⁽¹⁾	62.2%	61.7%	61.4%	65.3%	63.5%	63.4%	62.4%	64.0%	65.0%	61.8%	63.1%	63.7%
Average loans and BA's	53,158	52,655	50,711	51,120	50,791	50,197	49,518	49,613	49,822	52,171	50,168	50,408
Average assets	129,547	127,984	122,853	125,387	128,998	129,750	119,846	109,412	106,680	126,786	126,159	125,964
Average deposits	74,210	73,105	71,827	72,967	72,695	70,753	69,732	66,117	66,385	73,047	71,063	71,543

⁽¹⁾ Adjusted for gains or losses attributable to third parties using the Innocap platform.

REVENUES (EXCLUDING SPECIFIED ITEMS)

2008			2007			2006			YTD		Full Year	
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007	2006

(unaudited) (thousands) (taxable equivalent basis)

Net Interest Income

<i>Interest Income</i>													
Loans	\$ 721,908	\$ 752,832	\$ 762,164	\$ 767,867	\$ 784,531	\$ 749,725	\$ 728,707	\$ 719,061	\$ 686,434	\$2,236,904	\$2,262,963	\$ 3,030,830	\$ 2,647,427
Securities	281,961	247,455	292,430	285,967	326,970	407,588	335,362	260,323	235,903	821,846	1,069,920	1,355,887	960,247
Deposits with regulated financial institutions	34,231	70,602	93,295	101,867	103,601	87,335	130,126	95,735	83,397	198,128	321,062	422,929	314,018
Total Interest Income	1,038,100	1,070,889	1,147,889	1,155,701	1,215,102	1,244,648	1,194,195	1,075,119	1,005,734	3,256,878	3,653,945	4,809,646	3,921,692
<i>Interest Expense</i>													
Deposits	388,562	531,330	518,122	654,774	662,076	636,100	658,821	558,224	433,319	1,438,014	1,956,997	2,611,771	1,876,714
Bank debentures	28,187	19,724	20,363	24,875	25,401	24,547	25,011	21,753	22,509	68,274	74,959	99,834	90,214
Other	158,148	140,735	162,187	157,998	222,086	335,510	234,831	191,008	141,737	461,070	792,427	950,425	662,454
Total Interest Expense	574,897	691,789	700,672	837,647	909,563	996,157	918,663	770,985	597,565	1,967,358	2,824,383	3,662,030	2,629,382
Tax equivalent adjustment	31,871	41,395	22,817	39,331	20,436	23,429	44,309	61,827	23,487	96,083	88,174	127,505	121,629
Net Interest Income	495,074	420,495	470,034	357,385	325,975	271,920	319,841	365,961	431,656	1,385,603	917,736	1,275,121	1,413,939

Other Income

Deposits and payment service charges	\$ 52,709	\$ 52,287	\$ 51,733	\$ 54,207	\$ 54,480	\$ 52,177	\$ 52,582	\$ 53,275	\$ 52,909	\$ 156,729	\$ 159,239	\$ 213,446	\$ 207,811
Commissions on loans and bankers' acceptances	46,835	42,401	44,858	46,962	50,119	46,325	46,531	47,281	54,359	134,094	142,975	189,937	197,511
Insurance revenues	31,000	22,111	34,477	30,094	26,913	27,720	29,771	23,794	30,911	87,588	84,404	114,498	113,122
Securities brokerage commissions	60,633	60,710	58,886	59,972	66,580	71,356	68,864	61,782	58,750	180,229	206,800	266,772	256,652
Underwriting and advisory fees	73,620	93,620	95,123	75,589	98,854	107,988	98,214	105,835	80,134	262,363	305,056	380,645	372,733
Foreign exchange revenues	29,908	27,977	29,407	27,972	25,621	20,145	29,108	25,721	24,577	87,292	74,874	102,846	98,030
Card service revenues	10,163	13,544	9,743	3,025	11,494	9,839	9,521	6,860	9,359	33,450	30,854	33,879	34,348
Trust services	51,383	52,539	40,491	48,439	52,565	52,689	48,241	39,568	45,320	144,413	153,495	201,934	173,254
Mutual funds	37,682	36,557	38,102	39,302	40,611	37,644	37,136	33,774	34,452	112,341	115,391	154,693	135,753
Securitization	59,469	58,263	46,030	44,463	39,001	47,857	47,911	57,974	37,688	163,762	134,769	179,232	174,121
Profit & Loss on trading	(22,933)	80,334	(50,899)	155,639	119,357	202,106	151,428	110,710	(14,234)	6,502	472,891	628,530	375,477
Profit & Loss other than trading	9,947	5,471	30,467	32,743	43,100	21,085	28,798	49,750	47,588	45,885	92,983	125,726	167,477
Other	87,284	63,591	64,979	74,847	96,217	93,872	85,630	69,754	61,277	215,854	275,719	350,566	233,779
Total	\$ 527,700	\$ 609,405	\$ 493,397	\$ 693,254	\$ 724,912	\$ 790,803	\$ 733,735	\$ 686,078	\$ 523,090	\$ 1,630,502	\$ 2,249,450	\$ 2,942,704	\$ 2,540,068
As a % of total revenues	51.6%	59.2%	51.2%	66.0%	69.0%	74.4%	69.6%	65.2%	54.8%	54.1%	71.0%	69.8%	64.2%

(unaudited) (thousands)

Trading revenues

Net Interest Income	\$ 97,691	\$ 13,806	\$ 115,969	\$ (4,121)	\$ (37,758)	\$ (63,833)	\$ (38,940)	\$ 7,490	\$ 80,804	\$ 227,466	\$ (140,531)	\$ (144,652)	\$ (11,777)
Other Income	(22,933)	80,334	(50,899)	155,639	119,357	202,106	151,428	110,710	(14,234)	6,502	472,891	628,530	375,477
Non-controlling interest - Innocap	28,658	(14,178)	62,151	(30,317)	8,271	(23,084)	(1,006)	(4,972)	(461)	76,631	(15,819)	(46,136)	(9,830)
Total	\$ 103,416	\$ 79,962	\$ 127,221	\$ 121,201	\$ 89,870	\$ 115,189	\$ 111,482	\$ 113,228	\$ 66,109	\$ 310,599	\$ 316,541	\$ 437,742	\$ 353,870

Trading revenues by product

<i>Financial Markets</i>													
Equity	45,398	78,532	(20,107)	84,946	76,656	95,679	85,789	89,785	52,839	103,823	258,124	343,070	266,034
Fixed income	28,141	(9,056)	90,101	51,356	13,202	18,296	5,435	11,926	12,245	109,186	36,933	88,289	51,300
Commodity and foreign exchange	20,393	7,388	46,690	(20,697)	(2,489)	(1,048)	16,879	4,823	1,114	74,471	13,342	(7,355)	24,374
Trading revenues - Financial Markets	93,932	76,864	116,684	115,605	87,369	112,927	108,103	106,534	66,198	287,480	308,399	424,004	341,708
Other	9,484	3,098	10,537	5,596	2,501	2,262	3,379	6,694	(89)	23,119	8,142	13,738	12,162
Total Trading revenues	103,416	79,962	127,221	121,201	89,870	115,189	111,482	113,228	66,109	310,599	316,541	437,742	353,870

NON-INTEREST EXPENSES (EXCLUDING SPECIFIED ITEMS)

	2008			2007			2006		YTD		Full Year		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007	2006
<i>(unaudited) (thousands)</i>													
Non-Interest Expenses													
Salaries and Staff benefits													
Salaries	\$ 197,065	\$ 188,127	\$ 192,319	\$ 226,941	\$ 193,302	\$ 184,534	\$ 188,763	\$ 188,135	\$ 180,836	\$ 577,511	\$ 566,599	\$ 793,540	\$ 719,778
Variable compensation	120,776	121,392	129,556	102,073	143,087	139,893	139,653	151,590	118,034	371,724	422,633	524,706	542,442
Pension plan and other staff benefits	52,031	49,748	52,276	52,713	56,179	55,188	61,102	48,282	54,898	154,055	172,469	225,182	217,231
Total Compensation	369,872	359,267	374,151	381,727	392,568	379,615	389,518	388,007	353,768	1,103,290	1,161,701	1,543,428	1,479,451
Occupancy and Technology													
Rent	24,788	23,901	21,311	19,110	21,602	22,546	20,111	18,230	21,352	70,000	64,259	83,369	81,017
Taxes & insurance	4,176	4,378	3,624	3,845	3,641	4,137	3,998	3,937	4,186	12,178	11,776	15,621	16,416
Maintenance, lighting, heating	6,815	7,692	6,870	7,575	7,218	7,227	6,587	7,244	5,945	21,377	21,032	28,607	26,687
Technology	90,271	87,355	87,490	97,016	93,130	95,593	92,095	85,200	90,607	265,116	280,818	377,834	357,841
Depreciation	18,996	19,910	19,846	22,772	18,949	18,461	17,849	20,450	16,374	58,752	55,259	78,031	69,220
Total Occupancy and Technology	145,046	143,236	139,141	150,318	144,540	147,964	140,640	135,061	138,464	427,423	433,144	583,462	551,181
Other Expenses													
Professional fees	61,180	44,814	42,513	50,173	46,769	43,147	37,884	38,788	36,827	148,507	127,800	177,973	132,966
Taxes on capital & salaries	12,799	13,556	11,885	2,066	16,651	15,546	16,078	17,000	16,697	38,240	48,275	50,341	66,815
Travel & business development	18,913	22,071	17,579	27,899	20,590	27,214	21,878	27,874	23,135	58,563	69,682	97,581	100,264
Other	46,636	44,168	44,680	54,182	51,589	45,903	50,955	63,673	51,449	135,484	148,447	202,629	206,983
Total Other Expenses	139,528	124,609	116,657	134,320	135,599	131,810	126,795	147,335	128,108	380,794	394,204	528,524	507,028
TOTAL NON-INTEREST EXPENSES	\$ 654,446	\$ 627,112	\$ 629,949	\$ 666,365	\$ 672,707	\$ 659,389	\$ 656,953	\$ 670,403	\$ 620,340	\$ 1,911,507	\$ 1,989,049	\$ 2,655,414	\$ 2,537,660

PROVISION FOR CREDIT LOSSES

	2008			2007			2006		YTD		Full Year		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007	2006
<i>(millions of dollars)</i>													
Retail	10	10	11	10	9	11	11	10	9	31	31	41	37
Credit card	18	20	17	16	16	17	17	16	15	55	50	66	63
Commercial	18	15	16	13	8	7	15	7	-	49	30	43	22
Corporate	-	(2)	-	-	-	-	-	1	1	(2)	-	-	4
Real estate	-	-	-	1	-	-	-	-	-	-	-	1	(2)
Other	(29)	-	-	-	-	-	(3)	(1)	-	(29)	(3)	(3)	(1)
Credit card securitization	(11)	(9)	(12)	(11)	(11)	(12)	(11)	(11)	(9)	(32)	(34)	(45)	(46)
General	23	-	-	-	-	-	-	-	-	23	-	-	-
Total	29	34	32	29	22	23	29	22	16	95	74	103	77

CONDENSED CONSOLIDATED BALANCE SHEET

	2008			2007			2006		End Of Year		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2007	2006
<i>(unaudited)(millions of dollars)</i>											
Assets											
Cash and deposits with financial institutions	\$ 3,090	\$ 3,872	\$ 4,377	\$ 3,328	\$ 9,462	\$ 9,670	\$ 10,816	\$ 10,879	\$ 9,286	\$ 3,328	\$ 10,879
Securities	46,714	45,382	43,030	39,270	43,805	47,971	43,564	38,678	35,420	39,270	38,678
Securities purchased under reverse repurchase agreements	7,148	9,105	8,855	5,966	8,296	13,146	9,812	7,592	5,954	5,966	7,592
Loans											
Residential mortgages	15,722	15,104	15,042	15,893	15,999	15,140	14,945	15,384	15,596	15,893	15,384
Personal and credit cards	14,508	14,060	13,773	13,104	12,727	12,062	11,565	11,303	10,980	13,104	11,303
Business and government	19,906	20,098	18,747	18,963	19,071	21,797	17,991	20,258	19,527	18,963	20,258
Total Loans	50,136	49,262	47,562	47,960	47,797	48,999	44,501	46,945	46,103	47,960	46,945
Customers' liability under bankers' acceptances	4,760	4,770	4,533	4,085	3,954	4,001	4,162	3,725	3,598	4,085	3,725
Other assets	10,083	11,217	11,767	12,476	10,039	11,385	8,547	8,982	8,191	12,476	8,982
Total Assets	\$ 121,931	\$ 123,608	\$ 120,124	\$ 113,085	\$ 123,353	\$ 135,172	\$ 121,402	\$ 116,801	\$ 108,552	\$ 113,085	\$ 116,801
Liabilities											
Deposits											
Personal	\$ 32,777	\$ 31,760	\$ 31,522	\$ 30,215	\$ 29,666	\$ 29,751	\$ 29,628	\$ 29,092	\$ 29,100	\$ 30,215	\$ 29,092
Business and government	29,189	32,947	35,510	34,022	33,408	34,653	30,838	34,223	29,322	34,022	34,223
Deposit-taking institutions	6,702	5,663	6,090	6,561	8,206	11,238	10,699	8,602	9,594	6,561	8,602
Total Deposits	68,668	70,370	73,122	70,798	71,280	75,642	71,165	71,917	68,016	70,798	71,917
Others											
Acceptances	4,760	4,770	4,533	4,085	3,954	4,001	4,162	3,725	3,598	4,085	3,725
Other liabilities	40,863	41,659	35,964	31,960	41,307	48,582	39,160	34,922	30,637	31,960	34,922
Subordinated debentures	2,182	1,683	1,656	1,605	1,882	1,935	1,942	1,449	1,599	1,605	1,449
Total Others	47,805	48,112	42,153	37,650	47,143	54,518	45,264	40,096	35,834	37,650	40,096
Shareholders' equity											
Preferred shares	774	573	400	400	400	400	400	400	400	400	400
Common shares	1,633	1,599	1,590	1,575	1,567	1,576	1,583	1,566	1,563	1,575	1,566
Contributed surplus	36	34	33	32	33	29	24	21	19	32	21
Retained earnings	3,168	2,998	2,941	2,793	3,070	3,021	3,003	2,801	2,720	2,793	2,801
Accumulated other comprehensive income (loss)	(153)	(78)	(115)	(163)	(140)	(14)	(37)	-	-	(163)	-
Total Shareholders' equity	5,458	5,126	4,849	4,637	4,930	5,012	4,973	4,788	4,702	4,637	4,788
Total Liabilities & Shareholders' Equity	\$ 121,931	\$ 123,608	\$ 120,124	\$ 113,085	\$ 123,353	\$ 135,172	\$ 121,402	\$ 116,801	\$ 108,552	\$ 113,085	\$ 116,801
Mortgage securitization	\$ 7,156	\$ 7,526	\$ 7,534	\$ 6,624	\$ 6,076	\$ 6,286	\$ 6,262	\$ 5,761	\$ 5,313	\$ 6,624	\$ 5,761
Mortgage loans sold to third parties	\$ 419	\$ 382	\$ 414	\$ 450	\$ 487	\$ 533	\$ 573	\$ 529	\$ 566	\$ 450	\$ 529
Credit card securitization	\$ 1,200	\$ 1,223	\$ 800	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Direct loans securitization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42	\$ 78	\$ 126	\$ 150	\$ -	\$ 126
Mutual funds	\$ 12,721	\$ 13,034	\$ 12,381	\$ 12,955	\$ 13,532	\$ 13,391	\$ 12,781	\$ 11,907	\$ 11,438	\$ 12,955	\$ 11,907
Securities - excess of market value over book	\$ (6)	\$ 132	\$ 121	\$ 148	\$ 206	\$ 230	\$ 162	\$ 126	\$ (28)	\$ 148	\$ 126
Equity Securities - excess of market value over book	\$ (3)	\$ 120	\$ 122	\$ 161	\$ 252	\$ 234	\$ 174	\$ 129	\$ 10	\$ 161	\$ 129
Number of shares outstanding (000's)	159,115	158,364	158,141	157,806	157,858	159,418	161,367	161,512	161,918	157,806	161,512
Domestic Gap < 1 year	573	(699)	(618)	(984)	(1,477)	(927)	(1,239)	(1,113)	982	(984)	(1,113)
> 1 year	(594)	673	711	988	1,484	924	1,234	1,122	(991)	988	1,122

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	2008			2007				2006		YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007	2006
<i>(unaudited)(millions of dollars)</i>													
Opening balance	5,126	4,849	4,637	4,930	5,012	4,973	4,788	4,702	4,572	4,637	4,788	4,788	4,597
Net income	286	165	255	(175)	243	233	240	220	220	706	716	541	871
Issuance of common shares	34	9	15	10	9	16	23	9	5	58	48	58	50
Issuance of preferred shares	201	173	-	-	-	-	-	-	-	374	-	-	-
Repurchase of common shares													
Repurchase of common shares for cancellation	-	-	-	(2)	(18)	(22)	(7)	(5)	-	-	(47)	(49)	(48)
Premium paid on common shares purchased for cancellation	-	-	-	(13)	(93)	(121)	(39)	(29)	-	-	(253)	(266)	(261)
Dividends													
Common shares	(99)	(98)	(98)	(95)	(96)	(85)	(88)	(80)	(82)	(295)	(269)	(364)	(320)
Preferred shares	(10)	(6)	(5)	(5)	(5)	(6)	(5)	(5)	(5)	(21)	(16)	(21)	(21)
Impact of initial adoption on retained earnings of new accounting standards on financial instruments	-	-	-	1	-	(1)	2	-	-	-	1	2	-
Stock options expense	3	3	2	2	3	6	5	5	2	8	14	16	12
Stock options exercised	(3)	-	(1)	(2)	-	-	(3)	(3)	-	(4)	(3)	(5)	(4)
Impact of shares acquired / sold for trading purposes	-	-	-	-	-	(1)	1	(1)	-	-	-	-	(1)
Other adjustments, net of income taxes	(5)	(6)	(4)	9	1	(3)	1	(15)	(5)	(15)	(1)	8	(21)
Unrealized foreign exchange gains (losses), net of income taxes	-	-	-	-	-	-	-	(10)	(5)	-	-	-	(66)
Reclassification of unrealized foreign CTA to AOCI	-	-	-	-	-	-	92	-	-	-	92	92	-
Impact of initial adoption of financial instruments standards	-	-	-	1	-	(1)	(71)	-	-	-	(72)	(71)	-
Other comprehensive income (loss), net of income taxes	(75)	37	48	(24)	(126)	24	34	-	-	10	(68)	(92)	-
Closing balance	5,458	5,126	4,849	4,637	4,930	5,012	4,973	4,788	4,702	5,458	4,930	4,637	4,788
Shareholders' equity													
Preferred shares	774	573	400	400	400	400	400	400	400	774	400	400	400
Common shares	1,633	1,599	1,590	1,575	1,567	1,576	1,583	1,566	1,563	1,633	1,567	1,575	1,566
Contributed surplus	36	34	33	32	33	29	24	21	19	36	33	32	21
Unrealized foreign currency translation adjustment	-	-	-	-	-	-	-	(92)	(82)	-	-	-	(92)
Retained earnings	3,168	2,998	2,941	2,793	3,070	3,021	3,003	2,893	2,802	3,168	3,070	2,793	2,893
Accumulated other comprehensive income (loss)	(153)	(78)	(115)	(163)	(140)	(14)	(37)	-	-	(153)	(140)	(163)	-
Closing balance	5,458	5,126	4,849	4,637	4,930	5,012	4,973	4,788	4,702	5,458	4,930	4,637	4,788



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2008			2007			YTD		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007
<i>(unaudited)(millions of dollars)</i>									
Net income	286	165	255	(175)	243	233	240	706	716
Other comprehensive income (loss), net of income taxes									
Net unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	34	11	101	(195)	(80)	(103)	79	146	(104)
Impact of hedging net foreign currency translation gains or losses	(31)	-	(79)	159	40	59	(47)	(110)	52
Net change in unrealized foreign currency translation gains and losses, net of hedging activities	3	11	22	(36)	(40)	(44)	32	36	(52)
Net unrealized gains (losses) on available for sale financial assets	(25)	22	(17)	(18)	(20)	67	22	(20)	69
Reclassification to net income of (gains) losses on available for sale financial assets	(63)	(7)	(15)	10	(25)	4	(1)	(85)	(22)
Net change in unrealized gains and losses on available for sale financial assets	(88)	15	(32)	(8)	(45)	71	21	(105)	47
Net gains (losses) on derivatives designated as cash flow hedges	15	11	54	15	(43)	(6)	(21)	80	(70)
Reclassification to net income of (gains) losses on derivatives designated as cash flow hedges	(5)	-	4	5	2	2	2	(1)	6
Net change in gains and losses on derivatives designated as cash flow hedges	10	11	58	20	(41)	(4)	(19)	79	(64)
Total other comprehensive income (loss), net of income taxes	(75)	37	48	(24)	(126)	23	34	10	(69)
COMPREHENSIVE INCOME	211	202	303	(199)	117	256	274	716	647

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	
								2008	2007

(millions of dollars)

as at July 31, 2008

Assets under administration									
Institutional	35,481	13,149	-	-	-	-	-	48,630	60,766
Personal	-	97,640	-	-	-	11,164	-	108,804	108,030
Mutual funds	22,107	-	8,719	4,002	-	-	-	34,828	27,527
Mortgage loans sold to third parties	-	-	-	-	-	-	7,156	7,156	6,076
Total assets under administration	57,588	110,789	8,719	4,002	-	11,164	7,156	199,418	202,399
Assets under management									
Personal	6,227	-	-	-	-	-	-	6,227	5,748
Managed portfolios	-	3,726	-	-	10,089	-	-	13,815	17,403
Mutual funds	-	-	-	-	15,254	-	-	15,254	16,719
Total assets under management	6,227	3,726	-	-	25,343	-	-	35,296	39,870
Total assets under administration / management	63,815	114,515	8,719	4,002	25,343	11,164	7,156	234,714	242,269

Total	
2007	2006

as at July 31, 2007

Assets under administration									
Institutional	47,526	13,240	-	-	-	-	-	60,766	63,460
Personal	-	97,668	-	-	-	10,362	-	108,030	94,836
Mutual funds	13,995	-	9,153	4,379	-	-	-	27,527	24,273
Mortgage loans sold to third parties	-	-	-	-	-	-	6,076	6,076	5,313
Total assets under administration	61,521	110,908	9,153	4,379	-	10,362	6,076	202,399	187,882
Assets under management									
Personal	5,748	-	-	-	-	-	-	5,748	5,064
Managed portfolios	-	3,595	-	-	13,808	-	-	17,403	18,986
Mutual funds	-	-	-	-	16,719	-	-	16,719	15,767
Total assets under management	5,748	3,595	-	-	30,527	-	-	39,870	39,817
Total assets under administration / management	67,269	114,503	9,153	4,379	30,527	10,362	6,076	242,269	227,699

IMPAIRED LOANS

2008			2007				2006	
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3

(\$ millions)

Gross Impaired Loans

Retail	61.2	62.3	58.3	53.6	49.3	56.3	50.3	48.7	46.7
Commercial	195.2	170.5	146.3	136.1	126.6	123.0	130.7	126.6	106.4
Corporate	5.7	5.4	30.6	53.6	54.4	54.7	56.2	56.4	57.9
Real estate	10.0	11.0	11.1	3.7	-	-	-	-	-
Treasury	2.4	2.4	2.3	2.2	2.1	2.2	2.3	2.2	3.3
Other	-	-	-	-	-	-	-	-	-
Total Gross Impaired Loans	274.5	251.6	248.6	249.2	232.4	236.2	239.5	233.9	214.3
As a % of loans and acceptances	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.5%	0.5%	0.4%

Net Impaired Loans

Retail	44.7	46.3	44.4	39.2	34.6	35.4	30.5	30.4	27.3
Commercial	86.4	76.4	62.2	65.5	53.3	54.3	58.6	62.6	44.9
Corporate	-	-	21.9	19.4	20.0	18.7	20.7	20.3	24.1
Real estate	7.9	8.6	8.8	2.9	-	-	-	-	-
Treasury	2.3	2.3	2.2	2.1	2.0	2.1	2.2	2.1	2.1
General allowance	(330.6)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)
Total Impaired Loans, net of specific and general allowances	(189.3)	(174.4)	(168.5)	(178.9)	(198.1)	(197.5)	(196.0)	(192.6)	(209.6)
As a % of loans and acceptances	-0.3%	-0.3%	-0.3%	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%

FORMATION OF GROSS IMPAIRED LOANS & ALLOWANCE FOR CREDIT LOSSES

	2008			2007				2006		YTD		Full Year	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2008	2007	2007	2006

(\$ millions)

Formation of Gross Impaired Loans

Opening balance	252	249	249	232	236	239	234	214	242	249	234	234	260
Write-off	(15)	(23)	(43)	(28)	(22)	(21)	(17)	(20)	(30)	(81)	(60)	(88)	(102)
Formation	38	26	43	45	18	18	22	40	2	107	58	103	76
Closing balance	275	252	249	249	232	236	239	234	214	275	232	249	234

Allowance for Credit Losses

Allowances at beginning	426	417	428	430	434	435	426	424	439	428	426	426	451
Provision for credit losses	29	34	32	29	22	23	29	22	16	95	74	103	77
Write-offs	(33)	(44)	(59)	(44)	(38)	(38)	(34)	(37)	(45)	(136)	(110)	(154)	(166)
Recoveries	42	19	16	13	12	14	14	17	14	77	40	53	64
Allowances at end	464	426	417	428	430	434	435	426	424	464	430	428	426

RISK-ADJUSTED CAPITAL RATIOS

	2008			2007			2006		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
(millions of dollars)									
Tier I capital	Basel II			Basel I					
Common shareholders' equity	\$4,664	\$4,485	\$4,406	\$4,220	\$4,526	\$4,521	\$4,550	\$4,388	\$4,302
Non-cum. preferred shares, permanent	774	573	400	400	400	400	400	400	400
Non-controlling interest	28	15	18	18	20	17	10	9	8
Innovative instruments	830	763	721	508	545	558	578	562	565
Less: goodwill	722	707	702	703	680	683	684	683	686
Less: Trading in short positions of own shares (gross)	2	1	1	1	3	4	3	2	-
Less : Securitization related deductions (2)	38	39	27	-	-	-	-	-	-
Total Tier I	\$5,534	\$5,089	\$4,815	\$4,442	\$4,808	\$4,809	\$4,851	\$4,674	\$4,589
Tier II capital									
Subordinated debentures (1)	2,144	2,144	1,644	1,641	1,947	1,948	1,949	1,949	1,599
General allowance for credit risk	331	308	308	308	308	308	308	308	308
Unrealized gains on available-for-sale equity securities	-	51	48	80	104	121	49	-	-
Innovative instrument in excess of Tier 1	145	164	205	-	-	-	-	-	-
Total Tier II	\$2,620	\$2,667	\$2,205	\$2,029	\$2,359	\$2,377	\$2,306	\$2,257	\$1,907
Other deductions	424	403	377	355	320	311	312	324	450
TOTAL CAPITAL	\$7,730	\$7,353	\$6,643	\$6,116	\$6,847	\$6,875	\$6,845	\$6,607	\$6,046
Risk-adjusted balance sheet items									
Cash resources	\$460	\$592	\$713	\$488	\$1,790	\$1,837	\$2,066	\$2,077	\$1,761
Securities	3,291	3,160	3,244	3,050	2,119	2,567	2,465	2,083	2,828
Mortgage loans	4,293	4,159	4,106	6,205	6,311	5,943	5,734	5,647	5,787
Other loans	20,840	20,564	19,735	22,626	23,020	24,892	21,437	22,035	22,855
Other assets	6,571	6,818	6,069	5,371	6,080	5,183	6,106	5,549	5,514
Total Risk-adjusted balance sheet items	\$35,455	\$35,293	\$33,868	\$37,740	\$39,320	\$40,422	\$37,808	\$37,391	\$38,745
Risk-adjusted off-balance sheet items									
Letters of guarantee and documentary credit	1,622	1,563	1,409	1,107	1,078	1,176	1,110	1,096	1,156
Commitments to extend credit	4,091	3,881	4,049	5,174	4,693	4,770	5,240	5,085	5,009
Interest rate contracts	299	278	209	96	126	106	112	122	110
Foreign exchange contracts	468	490	463	428	312	250	320	234	217
Equity contracts	1,290	1,359	1,348	1,155	845	687	603	480	413
Commodity contracts	480	405	114	68	33	18	12	19	88
Total Risk-adjusted off-balance sheet items	\$8,250	\$7,976	\$7,591	\$8,028	\$7,087	\$7,007	\$7,397	\$7,036	\$6,993
Operational Risk (2)	\$5,877	\$5,912	\$5,913	-	-	-	-	-	-
Risk-adjusted market risk items	\$5,975	\$5,962	\$4,227	\$3,568	\$4,763	\$4,380	\$3,862	\$2,871	\$2,902
TOTAL RISK-ADJUSTED ASSETS	\$55,557	\$55,143	\$51,599	\$49,336	\$51,170	\$51,809	\$49,067	\$47,298	\$48,640
Risk-adjusted ratios									
Tier I	10.0%	9.2%	9.3%	9.0%	9.4%	9.3%	9.9%	9.9%	9.4%
Total	13.9%	13.3%	12.9%	12.4%	13.4%	13.3%	14.0%	14.0%	12.4%

(1) Taking into account the issuance of \$500 million of subordinated debentures on May 1, 2008 for Q2-2008 and on November 2, 2006 for Q4-2006.

(2) Basel II beginning in Q1-2008 (for informational purpose with Basel I methodology Tier 1 ratio is 9.9% and Total capital ratio is 14.3% for Q2-08)

FINANCIAL DERIVATIVES

	2008				2007			2006	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>(millions of dollars)</i>									
FOREIGN EXCHANGE RELATED CONTRACTS									
Swaps	34,691	30,838	37,689	32,542	37,299	36,931	43,093	43,164	46,248
Options - purchased	2,576	4,836	5,465	7,345	9,289	9,895	10,191	9,094	8,820
- sold	2,387	4,688	5,123	7,063	13,121	13,397	13,463	11,651	13,082
Futures	8,591	9,396	9,523	6,395	9,040	13,494	10,375	7,304	6,636
Total Notional Amount	48,245	49,758	57,801	53,345	68,749	73,717	77,122	71,213	74,786
Replacement cost (1)	383	442	512	1,094	528	383	410	287	325
Future credit risk	597	613	664	649	664	612	736	685	542
Credit equivalent (2)	980	1,055	1,177	1,744	1,192	995	1,147	972	868
Risk-weighted equivalent	468	490	485	428	312	250	320	234	217
INTEREST RATE RELATED CONTRACTS									
Swaps	168,284	163,531	154,629	126,792	120,725	111,831	114,713	118,597	127,579
Options - purchased	60,223	51,250	32,221	33,425	59,674	95,369	80,729	116,255	77,385
- sold	19,660	30,316	32,309	34,111	80,460	100,575	71,467	111,357	87,304
Futures	16,563	16,450	9,675	6,909	6,573	8,679	14,200	9,732	5,780
Total Notional Amount	264,730	261,547	228,834	201,237	267,432	316,454	281,109	355,941	298,048
Replacement cost (1)	609	632	439	193	251	162	190	243	258
Future credit risk	472	464	415	398	367	334	329	346	361
Credit equivalent (2)	1,081	1,096	853	591	618	496	519	589	619
Risk-weighted equivalent	299	278	210	96	126	106	112	122	110
FINANCIAL FUTURES									
Total Notional Amount	27,999	61,712	27,207	36,697	54,019	68,360	69,469	31,017	35,323
EQUITY AND COMMODITY CONTRACTS									
Total Notional Amount	38,513	41,048	41,220	51,640	50,640	43,148	41,463	36,798	25,254
Replacement cost (1)	1,249	1,116	974	1,439	1,046	1,053	769	671	605
Future credit risk	951	1,388	1,236	1,767	1,655	1,503	1,430	1,224	1,060
Credit equivalent (2)	2,200	2,504	2,210	3,205	2,701	2,556	2,199	1,895	1,665
Risk-weighted equivalent	1,628	1,561	1,340	1,128	878	705	615	499	501
CREDIT DEFAULT SWAPS (3)									
Total Notional Amount (trading only)	15,901	23,118	13,192	8,929					
Replacement cost (1)	75	66	75	48					
Future credit risk	678	1,004	608	466					
Credit equivalent (2)	753	1,070	684	514					
Risk-weighted equivalent	142	203	124	95					
TOTAL DERIVATIVES									
Total Notional Amount	395,388	437,183	368,254	351,848	440,840	501,679	469,163	494,969	433,411
Replacement cost (1)	2,316	2,256	2,000	2,774	1,825	1,598	1,369	1,201	1,188
Future credit risk	2,698	3,469	2,924	3,280	2,686	2,449	2,495	2,255	1,963
Credit equivalent (2)	5,014	5,725	4,924	6,054	4,511	4,047	3,865	3,456	3,152
Risk-weighted equivalent	2,537	2,532	2,159	1,747	1,316	1,061	1,047	855	828

(1) Gross positive replacement cost after permissible netting

(2) Taking into account permissible netting

(3) Before Q4-07 credit default swaps were included in Equity and commodity contracts

SHAREHOLDERS' INFORMATION

2008			2007				2006	
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3

Credit Rating

Moody's (Long Term Debt Senior)	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	A1	A1	A1
Standard & Poor's/CBRS (Long Term Debt)	A	A	A	A	A	A	A	A	A
DBRS (Senior Debt)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	AA (low)	A (high)
Fitch (Long-Term)	A+	A+	A+	A+	A+	A+	A+	A+	A+

Stock Trading Range and Other Information

High	\$ 54.63	\$ 53.73	\$ 54.25	\$ 60.28	\$ 66.14	\$ 65.87	\$ 66.59	\$ 62.86	\$ 62.69
Low	\$ 45.75	\$ 44.39	\$ 45.15	\$ 50.50	\$ 60.61	\$ 61.96	\$ 61.36	\$ 58.26	\$ 56.14
Close	\$ 50.00	\$ 53.73	\$ 50.53	\$ 54.65	\$ 60.93	\$ 61.96	\$ 64.29	\$ 61.25	\$ 58.55
Number of registered shareholders	24,419	24,544	24,629	24,780	24,935	25,147	25,316	25,531	25,644

Valuation

Market Capitalization (in millions of \$)	\$ 7,956	\$ 8,509	\$ 7,991	\$ 8,624	\$ 9,618	\$ 9,878	\$ 10,374	\$ 9,893	\$ 9,480
P/E Ratio (trailing 4 Quarters)	15.72	18.28	15.08	16.97	10.71	11.22	11.93	11.73	11.46
Market price/Book value	1.70	1.87	1.80	2.04	2.12	2.14	2.27	2.25	2.20
Dividend payout (trailing 4 quarters)	42.78%	42.66%	41.26%	40.00%	38.31%	38.03%	38.11%	38.21%	37.18%
Dividend yield (annualized)	4.96%	4.62%	4.91%	4.39%	3.94%	3.49%	3.36%	3.27%	3.42%

Other Information

Number of employees (full-time equivalent)	14,633	14,387	14,432	14,484	14,710	14,387	14,406	14,381	14,573
Number of Branches	445	446	446	447	448	450	450	451	453
Number of ATM'S	857	851	846	835	815	811	807	801	800

The Common Shares of the Bank as well as the First Preferred Series 15, Series 16, Series 20 and Series 21 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
Series 20	NA.PR.M	Natl Bk 20
Series 21	NA.PR.N	Natl Bk 21