

NATIONAL BANK OF CANADA

SUPPLEMENTARY FINANCIAL INFORMATION

SECOND QUARTER 2007 REPORT

For more information:

Pierre Fitzgibbon, Senior Vice-President Finance, Technology, and Corporate affairs, phone: (514) 394-8610, fax: (514) 394-6196

Jean Dagenais, Vice-President and Chief Accountant, phone: (514) 394-6233, fax: (514) 394-6196

Hélène Baril, Director Investor Relations, phone: (514) 394-0296, fax: (514) 394-6196

This document is also available via the Internet on the Bank's web site: www.nbc.ca

 **Index**

Financial Highlights	page 1
Consolidated Statement of Income	page 2
Results of Operations as a Percentage of Average Assets	page 3
Net Income by Sector of Activities	page 4
Revenues	page 6
Non-Interest Expenses	page 7
Provision for Credit Losses	page 8
Condensed Consolidated Balance Sheet	page 9
Consolidated Statement of Changes in Shareholders' Equity	page 10
Consolidated Statement of Comprehensive Income.....	page 11
Assets Under Administration / Management	page 12
Impaired Loans	page 13
Formation of Gross Impaired Loans & Allowance for Credit Losses	page 14
Risk-Adjusted Capital Ratios	page 15
Financial Derivatives	page 16
Shareholders' Information	page 17
Global Trading Value At Risk	page 18



FINANCIAL HIGHLIGHTS

	2007				2006				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	2006	2005
Net income (\$000,000)			\$232.9	\$239.8	\$220.1	\$219.7	\$214.2	\$217.2	\$472.7	\$431.4	\$871.2	\$855.3
Earnings per share												
- basic			\$1.42	\$1.45	\$1.33	\$1.32	\$1.29	\$1.28	\$2.87	\$2.57	\$5.22	\$4.98
- diluted			\$1.40	\$1.43	\$1.31	\$1.30	\$1.26	\$1.26	\$2.83	\$2.52	\$5.13	\$4.90
Return on common shareholders' equity			20.3%	20.7%	19.7%	20.2%	20.4%	19.9%	20.5%	20.2%	20.1%	20.7%
Dividend per share			\$0.54	\$0.54	\$0.50	\$0.50	\$0.48	\$0.48	\$1.08	\$0.96	\$1.96	\$1.72
Net interest margin Personal & Commercial Banking			2.80%	2.90%	2.91%	2.88%	2.84%	2.87%	2.85%	2.85%	2.88%	2.96%
Productivity ratio (teb) ⁽¹⁾			63.48%	62.41%	64.11%	64.23%	63.75%	64.18%	62.94%	63.97%	64.07%	64.65%
Effective tax rate (teb)			30.72%	32.86%	35.74%	32.09%	32.87%	33.47%	31.79%	33.17%	33.59%	33.36%
Average loans and BA's (\$000,000)			\$50,197	\$49,518	\$49,613	\$49,822	\$49,509	\$48,629	\$49,852	\$49,062	\$49,392	\$45,926
Average assets (\$000,000)			\$129,817	\$119,917	\$109,412	\$106,680	\$105,389	\$103,591	\$124,785	\$104,475	\$106,275	\$90,902
Total Assets (\$000,000)			\$136,680	\$122,741	\$116,885	\$108,645	\$111,183	\$105,276	\$136,680	\$111,183	\$116,885	\$107,970
Average common shareholders' equity (\$000,000)			\$4,605	\$4,484	\$4,328	\$4,208	\$4,190	\$4,221	\$4,541	\$4,202	\$4,237	\$4,013
Number of common shares outstanding (000's)			159,418	161,367	161,512	161,918	161,882	164,313	159,418	161,882	161,512	165,335
Number of common shares (average) (000's)			160,588	161,681	161,969	161,927	162,598	164,903	161,144	163,770	162,851	166,382
Gross impaired loans (\$000,000)			236.2	239.5	233.9	214.3	242.2	259.2	236.2	242.2	233.9	260.0
Gross impaired loans/common equity-goodwill+reserves			5.64%	5.77%	5.91%	5.55%	6.42%	6.75%	5.64%	6.42%	5.91%	6.83%
Net impaired loans (\$000,000)			(197.5)	(196.0)	(192.6)	(209.6)	(197.1)	(194.6)	(197.5)	(197.1)	(192.6)	(190.7)
as a % of net loans and bankers' acceptances			-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%
Book value			\$28.92	\$28.34	\$27.17	\$26.57	\$25.77	\$25.72	\$28.92	\$25.77	\$27.17	\$25.39
Capital ratios - BIS Tier 1			9.3%	9.9%	9.9%	9.4%	9.1%	9.5%	9.3%	9.1%	9.9%	9.6%
Total			13.3%	14.0%	14.0%	12.4%	12.2%	12.7%	13.3%	12.2%	14.0%	12.8%
Tangible Shareholders' equity / Risk weighted assets			7.15%	7.50%	7.33%	6.94%	7.06%	7.36%	7.15%	7.06%	7.33%	7.37%

⁽¹⁾ Excluding revenues attributable to non controlling investors in the Innocap platform



CONSOLIDATED STATEMENT OF INCOME

2007				2006				YTD		Full Year	
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	2006	2005

(unaudited)(thousands)(taxable equivalent basis)

Net Interest Income			271,920	319,841	365,961	431,656	318,586	297,736	591,761	616,322	1,413,939	1,531,055
Other Income			792,377	733,735	688,499	537,499	649,011	694,110	1,526,112	1,343,121	2,569,119	2,294,461
Gross Revenues			1,064,297	1,053,576	1,054,460	969,155	967,597	991,846	2,117,873	1,959,443	3,983,058	3,825,516
Provision for credit losses			23,408	28,366	22,785	15,649	21,665	17,217	51,774	38,882	77,316	32,673
Non-Interest Expenses			660,963	656,953	672,824	622,232	615,045	635,575	1,317,916	1,250,620	2,545,676	2,472,244
<i>Income Before Income Taxes</i>			<i>379,926</i>	<i>368,257</i>	<i>358,851</i>	<i>331,274</i>	<i>330,887</i>	<i>339,054</i>	<i>748,183</i>	<i>669,941</i>	<i>1,360,066</i>	<i>1,320,599</i>
Income taxes			116,710	121,014	128,261	106,297	108,763	113,497	237,724	222,260	456,818	440,707
<i>Income Before Non-Controlling Interest</i>			<i>263,216</i>	<i>247,243</i>	<i>230,590</i>	<i>224,977</i>	<i>222,124</i>	<i>225,557</i>	<i>510,459</i>	<i>447,681</i>	<i>903,248</i>	<i>879,892</i>
Non-Controlling Interest			30,345	7,469	10,461	5,293	7,943	8,383	37,814	16,326	32,080	24,602
Net Income			\$ 232,871	\$ 239,774	\$ 220,129	\$ 219,684	\$ 214,181	\$ 217,174	\$ 472,645	\$ 431,355	\$ 871,168	\$ 855,290
Effective Tax Rate			30.7%	32.9%	35.7%	32.1%	32.9%	33.5%	31.8%	33.2%	33.6%	33.4%
Dividends on preferred shares			\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 10,700	\$ 10,700	\$ 21,400	\$ 26,571
Dividends on common shares			\$ 85,409	\$ 87,511	\$ 80,337	\$ 81,190	\$ 78,602	\$ 79,676	\$ 172,920	\$ 158,278	\$ 319,805	\$ 286,447
Number of common shares (avg.) (in thousands)			160,588	161,681	161,969	161,927	162,598	164,903	161,144	163,770	162,851	166,382

Tax equivalent adjustment

Net interest income			23,429	44,309	61,827	23,487	16,960	19,355	67,738	36,315	121,629	89,546
Other income			18,373	20,248	22,665	24,985	9,647	1,346	38,621	10,993	58,643	59,827
Income taxes			41,802	64,557	84,492	48,472	26,607	20,701	106,359	47,308	180,272	149,373

Net income by sector of activities

Personal and Commercial Banking			109,680	122,946	115,682	121,664	103,893	105,829	232,626	209,722	447,068	
Wealth Management			42,893	44,745	30,599	35,223	39,126	37,213	87,638	76,339	142,161	
Financial Markets			94,478	86,951	77,481	66,703	71,573	91,038	181,429	162,611	306,795	
Other Segments			(14,180)	(14,868)	(3,633)	(3,906)	(411)	(16,906)	(29,048)	(17,317)	(24,856)	



RESULTS OF OPERATIONS AS A PERCENTAGE OF AVERAGE ASSETS

2007				2006				YTD		Full Year	
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	2006	2005

(Taxable equivalent basis)
in % of average assets

Total revenues			3.36	3.49	3.82	3.60	3.77	3.80	3.42	3.78	3.75	4.24
Provision for credit losses			0.07	0.09	0.08	0.06	0.08	0.07	0.08	0.08	0.07	0.04
Non-interest expenses			2.09	2.17	2.44	2.31	2.39	2.43	2.13	2.41	2.40	2.75
Income taxes			0.37	0.40	0.47	0.40	0.42	0.43	0.38	0.43	0.43	0.48
Non-controlling interest			0.09	0.02	0.04	0.02	0.03	0.03	0.06	0.03	0.03	0.03
Net income			0.74	0.79	0.80	0.82	0.83	0.83	0.76	0.83	0.82	0.94
Average assets (\$000,000)			\$129,817	\$119,917	\$109,412	\$106,680	\$105,389	\$103,591	\$124,785	\$104,475	\$106,275	\$90,902
Average earning assets (\$000,000)			\$117,041	\$107,181	\$98,266	\$97,504	\$96,085	\$94,436	\$112,029	\$95,247	\$96,577	\$84,339

in % of Average Risk-Weighted Assets

Total revenues			8.65%	8.68%	8.72%	7.98%	8.40%	8.46%	8.66%	8.43%	8.39%	8.66%
Net income			1.89%	1.97%	1.82%	1.81%	1.86%	1.85%	1.93%	1.86%	1.83%	1.94%
Average Risk-Weighted Assets (\$000,000)			\$50,438	\$48,183	\$47,969	\$48,195	\$47,263	\$46,506	\$49,292	\$46,878	47,485	\$44,192

Prime rate			6.00%	6.00%	6.00%	5.94%	5.41%	4.92%	6.00%	5.16%	5.57%	4.30%
B/A's 30 days			4.32%	4.32%	4.33%	4.25%	3.72%	3.23%	4.32%	3.47%	3.89%	2.61%
Spread			1.68%	1.68%	1.67%	1.69%	1.69%	1.69%	1.68%	1.69%	1.69%	1.69%



NET INCOME BY SECTOR OF ACTIVITIES

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

(in millions of dollars) (taxable equivalent basis)

Personal and Commercial Banking

Net interest income			330	346	346	338	318	328	676	646	1,330
Other income			188	192	196	199	186	181	380	367	762
Total Income			518	538	542	537	504	509	1,056	1,013	2,092
Operating expenses			317	310	334	329	315	317	627	632	1,295
Provision for credit losses			35	43	33	24	33	31	78	64	121
Earning before income taxes			166	185	175	184	156	161	351	317	676
Income taxes			56	62	59	63	52	55	118	107	229
Non-controlling interest			-	-	-	-	-	-	-	-	-
Net Income			110	123	116	121	104	106	233	210	447
Net interest margin			2.80%	2.90%	2.91%	2.88%	2.84%	2.87%	2.85%	2.85%	2.88%
Expense ratio			61.2%	57.6%	61.6%	61.3%	62.5%	62.3%	59.4%	62.4%	61.9%
Average loans and BA's			47,705	46,798	46,373	45,832	45,283	44,593	47,244	44,933	45,523
Average assets			48,273	47,364	47,094	46,540	46,001	45,336	47,811	45,663	46,245
Average deposits			29,471	29,551	28,937	28,795	28,031	28,216	29,511	28,125	28,498

Wealth Management

Net interest income			32	34	33	32	32	31	66	63	128
Other income			195	190	169	165	182	175	385	357	691
Total Income			227	224	202	197	214	206	451	420	819
Operating expenses			161	156	155	144	154	148	317	302	601
Provision for credit losses			-	-	-	-	-	-	-	-	-
Earning before income taxes			66	68	47	53	60	58	134	118	218
Income taxes			22	21	15	16	20	19	43	39	70
Non-controlling interest			1	2	2	1	1	2	3	3	6
Net Income			43	45	30	36	39	37	88	76	142
Expense ratio			70.9%	69.6%	76.7%	73.1%	72.0%	71.8%	70.3%	71.9%	73.4%
Average loans and BA's			144	132	132	132	161	147	138	154	143
Average assets			449	434	345	654	752	705	442	728	613
Average deposits			7,484	7,618	7,754	8,337	7,781	6,601	7,552	7,181	7,617

Financial Markets

Net interest income			(43)	(3)	35	119	24	(6)	(46)	18	172
Other income			377	302	263	125	231	296	679	527	915
Total Income			334	299	298	244	255	290	633	545	1,087
Operating expenses			170	168	175	145	144	153	338	297	617
Provision for credit losses			-	-	1	1	1	1	-	2	4
Earning before income taxes			164	131	122	98	110	136	295	246	466
Income taxes			45	43	39	32	36	43	88	79	150
Non-controlling interest			24	1	5	-	2	2	25	4	9
Net Income			95	87	78	66	72	91	182	163	307
Expense ratio ⁽¹⁾			54.7%	56.4%	59.7%	59.5%	57.1%	53.0%	55.5%	54.9%	57.3%
Average loans and BA's (Corporate banking only)			5,446	5,336	5,300	5,069	4,898	4,379	5,390	4,634	4,912
Average assets			92,746	83,802	73,742	69,426	68,270	65,550	88,199	66,887	69,255
Average deposits			34,220	32,973	30,003	29,523	28,815	25,203	33,586	26,979	28,382

⁽¹⁾ Excluding revenues attributable to non controlling investors in the Innocap platform



NET INCOME BY SECTOR OF ACTIVITIES

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

(in millions of dollars)

Other Segments

Net interest income			(71)	(101)	(110)	(81)	(72)	(75)	(172)	(147)	(338)
Other income			14	29	38	24	40	41	43	81	143
Total Income			(57)	(72)	(72)	(57)	(32)	(34)	(129)	(66)	(195)
Operating expenses			13	23	9	4	2	18	36	20	33
Provision for credit losses			(12)	(15)	(12)	(9)	(12)	(15)	(27)	(27)	(48)
Earning before income taxes			(58)	(80)	(69)	(52)	(22)	(37)	(138)	(59)	(180)
Income taxes			(48)	(70)	(69)	(53)	(26)	(24)	(118)	(50)	(172)
Non-controlling interest			5	5	4	4	5	4	10	9	17
Net Income			(15)	(15)	(4)	(3)	(1)	(17)	(30)	(18)	(25)
Average loans and BA's			(12,472)	(12,431)	(12,310)	(11,716)	(11,260)	(9,975)	(12,451)	(10,607)	(11,316)
Average assets			(11,651)	(11,683)	(11,769)	(9,941)	(9,634)	(8,000)	(11,667)	(8,803)	(9,838)
Average deposits			(422)	(409)	(577)	(271)	(223)	(149)	(415)	(185)	(306)

Total

Net interest income			248	276	304	408	302	278	524	580	1,292
Other income			774	713	666	513	639	693	1,487	1,332	2,511
Total Income			1,022	989	970	921	941	971	2,011	1,912	3,803
Operating expenses			661	657	673	622	615	636	1,318	1,251	2,546
Provision for credit losses			23	28	22	16	22	17	51	39	77
Earning before income taxes			338	304	275	283	304	318	642	622	1,180
Income taxes			75	56	44	58	82	93	131	175	277
Non-controlling interest			30	8	11	5	8	8	38	16	32
Net Income			233	240	220	220	214	217	473	431	871
Expense ratio (teb) ⁽¹⁾			63.5%	62.4%	64.1%	64.2%	63.8%	64.2%	62.9%	64.0%	64.1%
Average loans and BA's			50,197	49,518	49,613	49,822	49,509	48,629	49,852	49,062	49,392
Average assets			129,817	119,917	109,412	106,680	105,389	103,591	124,785	104,475	106,275
Average deposits			70,753	69,732	66,117	66,385	64,403	59,871	70,234	62,099	64,192

⁽¹⁾ Excluding revenues attributable to non controlling investors in the Innocap platform



REVENUES

2007				2006				YTD		Full Year	
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	2006	2005

(unaudited) (thousands) (taxable equivalent basis)

Net Interest Income

<i>Interest Income</i>												
Loans			\$ 749,725	\$ 728,707	\$ 719,061	\$ 686,434	\$ 627,694	\$ 614,238	\$1,478,432	\$1,241,932	\$ 2,647,427	\$ 2,121,752
Securities			407,588	335,362	260,323	235,903	260,073	203,948	742,950	464,021	960,247	738,867
Deposits with regulated financial institutions			87,335	130,126	95,735	83,397	76,900	57,986	217,461	134,886	314,018	193,448
Total Interest Income			1,244,648	1,194,195	1,075,119	1,005,734	964,667	876,172	2,438,843	1,840,839	3,921,692	3,054,067
<i>Interest Expense</i>												
Deposits			636,100	658,821	558,224	433,319	446,585	438,586	1,294,921	885,171	1,876,714	1,109,063
Bank debentures			24,547	25,011	21,753	22,509	21,805	24,147	49,558	45,952	90,214	99,956
Other			335,510	234,831	191,008	141,737	194,651	135,058	570,341	329,709	662,454	403,539
Total Interest Expense			996,157	918,663	770,985	597,565	663,041	597,791	1,914,820	1,260,832	2,629,382	1,612,558
Tax equivalent adjustment			23,429	44,309	61,827	23,487	16,960	19,355	67,738	36,315	121,629	89,546
Net Interest Income			271,920	319,841	365,961	431,656	318,586	297,736	591,761	616,322	1,413,939	1,531,055

Other Income

Deposits and payment service charges			\$ 52,177	\$ 52,582	\$ 53,275	\$ 52,909	\$ 51,986	\$ 49,641	\$ 104,759	\$ 101,627	\$ 207,811	\$ 200,486
Commissions on loans and bankers' acceptances			75,619	76,302	73,496	87,162	78,961	79,030	151,921	157,991	318,649	307,216
Capital market fees			179,344	167,078	167,617	138,884	164,284	158,600	346,422	322,884	629,385	681,762
Foreign exchange revenues			20,145	29,108	25,721	24,577	23,355	24,377	49,253	47,732	98,030	76,061
Card service revenues			9,839	9,521	6,860	9,359	9,280	8,849	19,360	18,129	34,348	42,358
Trust services			52,689	48,241	39,568	45,320	45,377	42,989	100,930	88,366	173,254	146,123
Mutual funds			37,644	37,136	33,774	34,452	33,610	33,917	74,780	67,527	135,753	127,885
Securitization			47,857	47,911	57,974	37,688	38,532	39,927	95,768	78,459	174,121	193,972
Profit & Loss on trading			202,106	151,428	110,710	(14,234)	111,596	167,405	353,534	279,001	375,477	251,342
Profit & Loss other than trading			21,085	28,798	49,750	60,105	28,323	41,816	49,883	70,139	179,994	91,544
Other			93,872	85,630	69,754	61,277	62,685	48,581	179,502	111,266	242,297	175,712
Total			\$ 792,377	\$ 733,735	\$ 688,499	\$ 537,499	\$ 649,011	\$ 694,110	\$ 1,526,112	\$ 1,343,121	\$ 2,569,119	\$ 2,294,461
As a % of total revenues			74.5%	69.6%	65.3%	55.5%	67.1%	70.0%	72.1%	68.5%	64.5%	60.0%

(unaudited) (thousands)

Trading revenues

Net Interest Income			\$ (63,833)	\$ (38,940)	\$ 7,490	\$ 80,804	\$ (25,893)	\$ (74,178)	\$ (102,773)	\$ (100,071)	\$ (11,777)	\$ 107,488
Other Income			202,106	151,428	110,710	(14,234)	111,596	167,405	353,534	279,001	375,477	251,342
Minority Interest - Innocap			(23,084)	(1,006)	(4,972)	(461)	(2,862)	(1,535)	(24,090)	(4,397)	(9,830)	(1,351)
Total			\$ 115,189	\$ 111,482	\$ 113,228	\$ 66,109	\$ 82,841	\$ 91,692	\$ 226,671	\$ 174,533	\$ 353,870	\$ 357,479

Trading revenues by product

<i>Financial Markets</i>												
Equity			93,154	86,785	89,785	52,839	54,618	68,792	179,939	123,410	266,034	243,907
Interest rate			19,632	5,602	11,926	12,245	13,736	13,393	25,234	27,129	51,300	70,762
Commodity and foreign exchange			140	15,716	4,823	1,114	11,661	6,776	15,856	18,437	24,374	27,987
Trading revenues - Financial Markets			112,926	108,103	106,534	66,198	80,015	88,961	221,029	168,976	341,708	342,656
Other			2,263	3,379	6,694	(89)	2,826	2,731	5,642	5,557	12,162	14,823
Total Trading revenues			115,189	111,482	113,228	66,109	82,841	91,692	226,671	174,533	353,870	357,479

 **NON-INTEREST EXPENSES**

	2007				2006				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	2006	2005
<i>(unaudited) (thousands)</i>												
Non-Interest Expenses												
Salaries and Staff benefits												
Salaries			\$ 212,869	\$ 226,813	\$ 242,919	\$ 210,911	\$ 207,158	\$ 208,587	\$ 439,682	\$ 415,745	\$ 869,575	\$ 834,302
Commissions			111,558	101,603	96,806	87,959	97,411	110,469	213,161	207,880	392,645	417,064
Pension plan and other staff benefits			55,188	61,102	48,282	54,898	53,771	60,280	116,290	114,051	217,231	199,287
Total Compensation			379,615	389,518	388,007	353,768	358,340	379,336	769,133	737,676	1,479,451	1,450,653
Premises, Equipment & Furniture												
Rent			22,546	20,111	18,230	21,352	21,781	19,654	42,657	41,435	81,017	78,487
Taxes & insurance			4,137	3,998	3,937	4,186	4,163	4,130	8,135	8,293	16,416	16,465
Maintenance, lighting, heating			7,227	6,587	7,244	5,945	6,866	6,632	13,814	13,498	26,687	26,027
Technology			93,547	90,335	85,200	90,607	88,624	93,410	183,882	182,034	357,841	356,164
Depreciation			18,461	17,849	20,450	16,374	16,363	16,033	36,310	32,396	69,220	62,700
Total Premises, Equipment & Furniture			145,918	138,880	135,061	138,464	137,797	139,859	284,798	277,656	551,181	539,843
Other Expenses												
Professional fees			46,767	39,644	41,209	38,719	31,657	29,397	86,411	61,054	140,982	132,910
Taxes on capital & salaries			15,546	16,078	17,000	16,697	16,144	16,974	31,624	33,118	66,815	56,017
Travel & business development			27,214	21,878	27,874	23,135	27,325	21,930	49,092	49,255	100,264	99,201
Other			45,903	50,955	63,673	51,449	43,782	48,079	96,858	91,861	206,983	193,620
Total Other Expenses			135,430	128,555	149,756	130,000	118,908	116,380	263,985	235,288	515,044	481,748
TOTAL NON-INTEREST EXPENSES			\$ 660,963	\$ 656,953	\$ 672,824	\$ 622,232	\$ 615,045	\$ 635,575	\$ 1,317,916	\$ 1,250,620	\$ 2,545,676	\$ 2,472,244



PROVISION FOR CREDIT LOSSES

	2007				2006				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	2006	2005
<i>(millions of dollars)</i>												
Retail			11	11	10	9	10	8	22	18	37	35
Credit card			17	17	16	15	16	16	34	32	63	58
Commercial			7	15	7	-	7	8	22	15	22	23
Corporate			-	-	1	1	1	1	-	2	4	7
Real estate			-	-	-	-	-	(2)	-	(2)	(2)	1
Other			-	(3)	(1)	-	-	-	(3)	-	(1)	(2)
Credit card securitization			(12)	(12)	(11)	(9)	(12)	(14)	(24)	(26)	(46)	(47)
General			-	-	-	-	-	-	-	-	-	(42)
Total			23	28	22	16	22	17	51	39	77	33

**CONDENSED CONSOLIDATED BALANCE SHEET**

	2007				2006				End Of Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005

(unaudited)(millions of dollars)

Assets										
Cash and deposits with financial institutions			\$ 9,685	\$ 10,816	\$ 10,879	\$ 9,286	\$ 9,693	\$ 9,484	\$ 10,879	\$ 10,314
Securities			48,676	43,807	38,678	35,420	36,510	30,072	38,678	33,052
Securities purchased under reverse repurchase agreements			13,146	9,812	7,592	5,954	7,549	7,980	7,592	7,023
Loans										
Residential mortgages			15,140	14,945	15,228	15,438	14,887	15,345	15,228	15,675
Personal and credit cards			12,304	11,655	11,264	10,944	10,670	10,108	11,264	9,778
Business and government			21,801	17,993	20,271	19,541	20,113	19,517	20,271	18,616
Total Loans			49,245	44,593	46,763	45,923	45,670	44,970	46,763	44,069
Customers' liability under bankers' acceptances			4,001	4,162	3,725	3,598	3,677	3,468	3,725	3,242
Other assets			11,927	9,551	9,248	8,464	8,084	9,302	9,248	10,270
Total Assets			\$136,680	\$122,741	\$116,885	\$108,645	\$111,183	\$105,276	\$116,885	\$107,970
Liabilities										
Deposits										
Personal			\$ 29,708	\$ 29,511	\$ 29,164	\$ 29,178	\$ 28,270	\$ 27,103	\$ 29,164	\$ 26,385
Business and government			35,845	32,185	34,223	29,322	30,930	29,640	34,223	29,878
Deposit-taking institutions			11,238	10,699	8,602	9,594	10,918	8,177	8,602	5,956
Total Deposits			76,791	72,395	71,989	68,094	70,118	64,920	71,989	62,219
Others										
Acceptances			4,001	4,162	3,725	3,598	3,677	3,468	3,725	3,242
Other liabilities			48,941	39,269	34,934	30,652	31,217	30,662	34,934	36,810
Subordinated debentures			1,935	1,942	1,449	1,599	1,599	1,600	1,449	1,102
Total Others			54,877	45,373	40,108	35,849	36,493	35,730	40,108	41,154
Shareholders' equity										
Preferred shares			400	400	400	400	400	400	400	400
Common shares			1,576	1,583	1,566	1,563	1,558	1,573	1,566	1,565
Contributed surplus			29	24	21	19	17	15	21	13
Retained earnings			3,021	3,003	2,801	2,720	2,597	2,638	2,801	2,619
Accumulated other comprehensive income (loss)			(14)	(37)	-	-	-	-	-	-
Total Shareholders' equity			5,012	4,973	4,788	4,702	4,572	4,626	4,788	4,597
Total Liabilities & Shareholders' Equity			\$136,680	\$122,741	\$116,885	\$108,645	\$111,183	\$105,276	\$116,885	\$107,970
Mortgage securitization			\$ 6,286	\$ 6,262	\$ 5,761	\$ 5,313	\$ 5,507	\$ 4,937	\$ 5,761	\$ 4,581
Mortgage loans sold to third parties			\$ 533	\$ 573	\$ 529	\$ 566	\$ 614	\$ 652	\$ 529	\$ 551
Credit card securitization			\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Direct loans securitization			\$ 42	\$ 78	\$ 126	\$ 150	\$ 182	\$ 218	\$ 126	\$ 222
Mutual funds			\$ 13,391	\$ 12,781	\$ 11,907	\$ 11,438	\$ 11,786	\$ 11,657	\$ 11,907	\$ 11,157
Securities - excess of market value over book			\$ 230	\$ 162	\$ 126	\$ (28)	\$ 33	\$ 53	\$ 126	\$ 74
Equity Securities - excess of market value over book			\$ 234	\$ 174	\$ 129	\$ 10	\$ 80	\$ 82	\$ 129	\$ 66

Number of shares outstanding (000's)			159,418	161,367	161,512	161,918	161,882	164,313	161,512	165,335
--------------------------------------	--	--	---------	---------	---------	---------	---------	---------	---------	---------

Domestic Gap < 1 year			(927)	(1,239)	(1,113)	982	(1,844)	124	(1,113)	(243)
> 1 year			924	1,234	1,122	(991)	1,840	2,664	1,122	3,053



CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	2007				2006				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	2006	2005
<i>(unaudited)(millions of dollars)</i>												
Opening balance			4,973	4,788	4,702	4,572	4,626	4,597	4,788	4,597	4,597	4,204
Net income			233	240	220	220	214	217	473	431	871	855
Issuance of common shares			16	23	8	6	11	25	39	36	50	58
Issuance of preferred shares			-	-	-	-	-	-	-	-	-	200
Repurchase of common shares												
Repurchase of common shares			(22)	(7)	(5)	-	(26)	(17)	(29)	(43)	(48)	(39)
Premium paid on common shares purchased for cancellation			(121)	(39)	(29)	-	(142)	(90)	(160)	(232)	(261)	(185)
Repurchase of preferred shares			-	-	-	-	-	-	-	-	-	(175)
Dividends												
Common shares			(85)	(88)	(80)	(82)	(78)	(80)	(173)	(158)	(320)	(286)
Preferred shares			(6)	(5)	(5)	(5)	(6)	(5)	(11)	(11)	(21)	(26)
Initial adoption of AcG-15			-	-	-	-	-	-	-	-	-	1
Impact of initial adoption of new accounting standards on financial instruments			(1)	2	-	-	-	-	1	-	-	-
Stock options expense			6	5	2	2	3	2	11	5	9	6
Stock options exercised			-	(3)	-	-	(1)	-	(3)	(1)	(1)	-
Impact of shares acquired / sold for trading purposes			(1)	1	-	(1)	-	-	-	-	(1)	1
Other adjustments, net of income taxes			(3)	1	(15)	(5)	(1)	-	(2)	(1)	(21)	(1)
Unrealized foreign exchange gains (losses), net of income taxes			-	-	(10)	(5)	(28)	(23)	-	(51)	(66)	(16)
Reclassification of unrealized foreign currency translation adjustments to "Accumulated other comprehensive income"			-	92	-	-	-	-	92	-	-	-
Other comprehensive income (loss), net of income taxes			23	(37)	-	-	-	-	(14)	-	-	-
Closing balance			5,012	4,973	4,788	4,702	4,572	4,626	4,934	4,572	4,788	4,597
Shareholders' equity												
Preferred shares			400	400	400	400	400	400	400	400	400	400
Common shares			1,576	1,583	1,566	1,563	1,558	1,573	1,576	1,558	1,566	1,565
Contributed surplus			29	24	21	19	17	15	29	17	21	13
Unrealized foreign currency translation adjustment			-	-	(92)	(82)	(77)	(49)	-	(77)	(92)	(26)
Retained earnings			3,021	3,003	2,893	2,802	2,674	2,687	3,021	2,674	2,893	2,645
Accumulated other comprehensive income (loss)			(14)	(37)	-	-	-	-	(14)	-	-	-
Closing balance			5,012	4,973	4,788	4,702	4,572	4,626	5,026	4,572	4,788	4,597

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2007				YTD
	Q4	Q3	Q2	Q1	2007
<i>(unaudited)(millions of dollars)</i>					
Net income			233	240	473
Other comprehensive income (loss), net of income taxes					
Net unrealized gains (losses) on translating financial statements of self-sustaining foreign operations			(103)	79	(24)
Impact of hedging net foreign currency translation gains or losses			59	(47)	12
Net change in unrealized foreign currency translation gains and losses, net of hedging activities			(44)	32	(12)
Net unrealized gains (losses) on available for sale financial assets			71	18	89
Reclassification to net income of (gains) losses on available for sale financial assets			4	(1)	3
Net change in unrealized gains and losses on available for sale financial assets			75	17	92
Net gains (losses) on derivatives designated as cash flow hedges			(6)	(21)	(27)
Reclassification to net income of (gains) losses on derivatives designated as cash flow hedges			2	2	4
Net change in gains and losses on derivatives designated as cash flow hedges			(4)	(19)	(23)
Total other comprehensive income (loss), net of income taxes			27	30	57
COMPREHENSIVE INCOME			260	270	530

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	
								2007	2006

(millions of dollars)

as at April 30, 2007

Assets under administration									
Institutional	48,504	12,784	-	-	-	-	-	61,288	62,787
Personal	-	96,693	-	-	-	10,335	-	107,028	96,175
Mutual funds	13,669	-	9,023	4,368	-	-	-	27,060	24,078
Mortgage loans sold to third parties	-	-	-	-	-	-	6,286	6,286	5,507
Total assets under administration	62,173	109,477	9,023	4,368	-	10,335	6,286	201,662	188,547
Assets under management									
Personal	5,551	-	-	-	-	-	-	5,551	4,884
Managed portfolios	-	3,753	-	-	15,140	-	-	18,893	19,571
Mutual funds	-	-	-	-	16,898	-	-	16,898	15,944
Total assets under management	5,551	3,753	-	-	32,038	-	-	41,342	40,399
Total assets under administration / management	67,724	113,230	9,023	4,368	32,038	10,335	6,286	243,004	228,946

Total	
2006	2005

as at April 30, 2006

Assets under administration									
Institutional	51,385	11,402	-	-	-	-	-	62,787	53,534
Personal	-	86,641	-	-	-	9,534	-	96,175	88,312
Mutual funds	12,292	-	7,841	3,945	-	-	-	24,078	20,294
Mortgage loans sold to third parties	-	-	-	-	-	-	5,507	5,507	4,574
Total assets under administration	63,677	98,043	7,841	3,945	-	9,534	5,507	188,547	166,714
Assets under management									
Personal	4,884	-	-	-	-	-	-	4,884	3,727
Managed portfolios	-	3,103	-	-	16,468	-	-	19,571	17,116
Mutual funds	-	-	-	-	15,944	-	-	15,944	13,897
Total assets under management	4,884	3,103	-	-	32,412	-	-	40,399	34,740
Total assets under administration / management	68,561	101,146	7,841	3,945	32,412	9,534	5,507	228,946	201,454

IMPAIRED LOANS

2007				2006				End of Year
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2005

(\$ millions)

Gross Impaired Loans

Retail			56.3	50.3	48.7	46.7	45.0	41.9	45.1
Commercial			123.0	130.7	126.6	106.4	136.7	147.5	133.3
Corporate			54.7	56.2	56.4	57.9	57.2	63.0	65.1
Real estate			-	-	-	-	-	3.4	13.0
Treasury			2.2	2.3	2.2	3.3	3.3	3.4	3.5
Other			-	-	-	-	-	-	-
Total Gross Impaired Loans			236.2	239.5	233.9	214.3	242.2	259.2	260.0
As a % of loans and acceptances			0.4%	0.5%	0.5%	0.4%	0.5%	0.5%	0.5%

Net Impaired Loans

Retail			35.4	30.5	30.4	27.3	25.6	22.5	24.9
Commercial			54.3	58.6	62.6	44.9	60.1	63.7	55.1
Corporate			18.7	20.7	20.3	24.1	23.2	25.1	27.5
Real estate			-	-	-	-	-	-	7.6
Treasury			2.1	2.2	2.1	2.1	2.0	2.1	2.2
General allowance			(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)	(308.0)
Total Net Impaired Loans			(197.5)	(196.0)	(192.6)	(209.6)	(197.1)	(194.6)	(190.7)
As a % of loans and acceptances			-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%



FORMATION OF GROSS IMPAIRED LOANS & ALLOWANCE FOR CREDIT LOSSES

2007				2006				YTD		Full Year	
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2007	2006	2006	2005

(\$ millions)

Formation of Gross Impaired Loans

Opening balance			239	234	214	242	259	260	234	260	260	388
Write-off			(21)	(17)	(20)	(30)	(36)	(16)	(38)	(52)	(102)	(156)
Formation			18	22	40	2	19	15	40	34	76	27
Closing balance			236	239	234	214	242	259	236	242	234	260

Allowance for Credit Losses

Allowances at beginning			435	426	424	439	454	451	426	451	451	578
Provision for credit losses			23	28	22	16	22	17	51	39	77	33
Write-offs			(38)	(34)	(37)	(45)	(52)	(32)	(72)	(84)	(166)	(215)
Recoveries			14	15	17	14	15	18	29	33	64	55
Allowances at end			434	435	426	424	439	454	434	439	426	451

RISK-ADJUSTED CAPITAL RATIOS

2007				2006			
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1

(millions of dollars)

Tier I capital

Common shareholders' equity			\$4,521	\$4,550	\$4,388	\$4,302	\$4,172	\$4,226
Non-cum. preferred shares, permanent			400	400	400	400	400	400
Non-controlling interest			17	10	9	8	118	137
Innovative instruments			558	578	562	565	336	342
Less: goodwill			683	684	683	686	662	662
Less: Trading in short positions of own shares (gross)			4	3	2	-	4	6
Total Tier I			\$4,809	\$4,851	\$4,674	\$4,589	\$4,360	\$4,437
Tier II capital								
Bank debentures (1)			1,948	1,949	1,949	1,599	1,599	1,600
General provision			308	308	308	308	308	308
Unrealized gains on equity sales			121	49	-	-	-	-
Total Tier II			\$2,377	\$2,306	\$2,257	\$1,907	\$1,907	\$1,908
Other deductions			311	312	324	450	422	415
TOTAL CAPITAL			\$6,875	\$6,845	\$6,607	\$6,046	\$5,845	\$5,930
Risk-adjusted balance sheet items								
Cash resources			\$1,837	\$2,066	\$2,077	\$1,761	\$1,893	\$1,651
Securities			2,567	2,465	2,083	2,828	2,033	2,030
Mortgage loans			5,943	5,734	5,647	5,787	5,470	5,282
Other loans			24,892	21,437	22,035	22,855	23,367	23,049
Other assets			5,183	6,106	5,549	5,514	5,363	5,275
Total Risk-adjusted balance sheet items			\$40,422	\$37,808	\$37,391	\$38,745	\$38,126	\$37,287
Risk-adjusted off-balance sheet items								
Comitments to extend credit								
L/G, L/C and trans.-related contingent			1,176	1,110	1,096	1,156	1,059	1,082
Comitments to extend credit			4,770	5,240	5,085	5,009	4,767	4,794
Interest rate contract			106	112	122	110	95	105
Foreign exchange contract			250	320	234	217	218	249
Equity-linked contract			687	603	480	413	319	388
Commodity			18	12	19	88	48	65
Total Risk-adjusted off-balance sheet items			\$7,007	\$7,397	\$7,036	\$6,993	\$6,506	\$6,683
<i>Risk-adjusted market risk items</i>			\$4,380	\$3,862	\$2,871	\$2,902	\$3,117	\$2,806
TOTAL RISK-ADJUSTED ASSETS			\$51,809	\$49,067	\$47,298	\$48,640	\$47,749	\$46,776
Risk-adjusted ratios								
Tier I			9.3%	9.9%	9.9%	9.4%	9.1%	9.5%
Total			13.3%	14.0%	14.0%	12.4%	12.2%	12.7%

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

FINANCIAL DERIVATIVES

	2007				2006				End of Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2005
<i>(millions of dollars)</i>									
Foreign exchange related contracts									
Swaps			36,931	43,093	43,164	46,248	41,495	47,796	51,143
Options - purchased			9,895	10,191	9,094	8,820	6,885	6,537	7,463
Options - sold			13,397	13,463	11,651	13,082	9,031	7,318	6,862
Futures			13,494	10,375	7,304	6,636	3,886	6,829	6,788
Total Notional Amount			73,717	77,122	71,213	74,786	61,297	68,480	72,256
Replacement cost (1)			383	410	287	325	414	504	338
Future credit risk			612	736	685	542	543	549	513
Credit equivalent (2)			995	1,147	972	868	957	1,053	852
Risk-weighted equivalent			250	320	234	217	218	249	220
Interest rate related contracts									
Swaps			111,831	114,713	118,597	127,579	113,989	109,122	123,134
Options - purchased			95,369	80,729	116,255	77,385	72,863	76,552	86,008
Options - sold			100,575	71,467	111,357	87,304	76,949	76,786	67,882
Futures			8,679	14,200	9,732	5,780	2,293	11,000	9,082
Total Notional Amount			316,454	281,109	355,941	298,048	266,094	273,460	286,106
Replacement cost (1)			162	190	243	258	224	266	328
Future credit risk			334	329	346	361	313	312	296
Credit equivalent (2)			496	519	589	619	537	578	625
Risk-weighted equivalent			106	112	122	110	95	105	110
Financial futures									
Total Notional Amount			68,360	69,469	31,017	35,323	37,284	44,472	14,981
Equity and commodity contracts									
Total Notional Amount			43,148	41,463	36,798	25,254	15,894	26,980	29,593
Replacement cost (1)			1,053	769	671	605	636	684	653
Future credit risk			1,503	1,430	1,224	1,060	453	734	810
Credit equivalent (2)			2,556	2,199	1,895	1,665	1,088	1,418	1,463
Risk-weighted equivalent			705	615	499	500	368	454	418
Total derivatives									
Total Notional Amount			501,679	469,163	494,969	433,411	380,569	413,392	402,936
Replacement cost (1)			1,598	1,369	1,201	1,188	1,274	1,454	1,319
Future credit risk			2,449	2,495	2,255	1,963	1,309	1,595	1,619
Credit equivalent (2)			4,047	3,865	3,456	3,152	2,582	3,049	2,940
Risk-weighted equivalent			1,061	1,047	855	827	681	808	748

(1) Gross positive replacement cost after permissible netting

(2) Taking into account permissible netting

SHAREHOLDERS' INFORMATION

2007				2006			
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1

Credit Rating

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

Stock Trading Range and Other Information

High			\$ 65.87	\$ 66.59	\$ 62.86	\$ 62.69	\$ 65.60	\$ 63.90
Low			\$ 61.96	\$ 61.36	\$ 58.26	\$ 56.14	\$ 61.35	\$ 58.35
Close			\$ 61.96	\$ 64.29	\$ 61.25	\$ 58.55	\$ 62.34	\$ 61.75
Number of registered shareholders			25,147	25,316	25,531	25,644	25,845	26,049

Valuation

Market Capitalization (in millions of \$)			\$ 9,878	\$ 10,374	\$ 9,893	\$ 9,480	\$ 10,092	\$ 10,146
P/E Ratio (Trailing 4 Quarters)			11.22	11.93	11.73	11.46	12.49	12.68
Market price/Book value			2.14	2.27	2.25	2.20	2.42	2.40
Dividend payout (trailing 4 quarters)			37.68%	37.48%	37.55%	37.18%	36.87%	36.55%
Dividend yield (annualized)			3.49%	3.36%	3.27%	3.42%	3.08%	3.11%

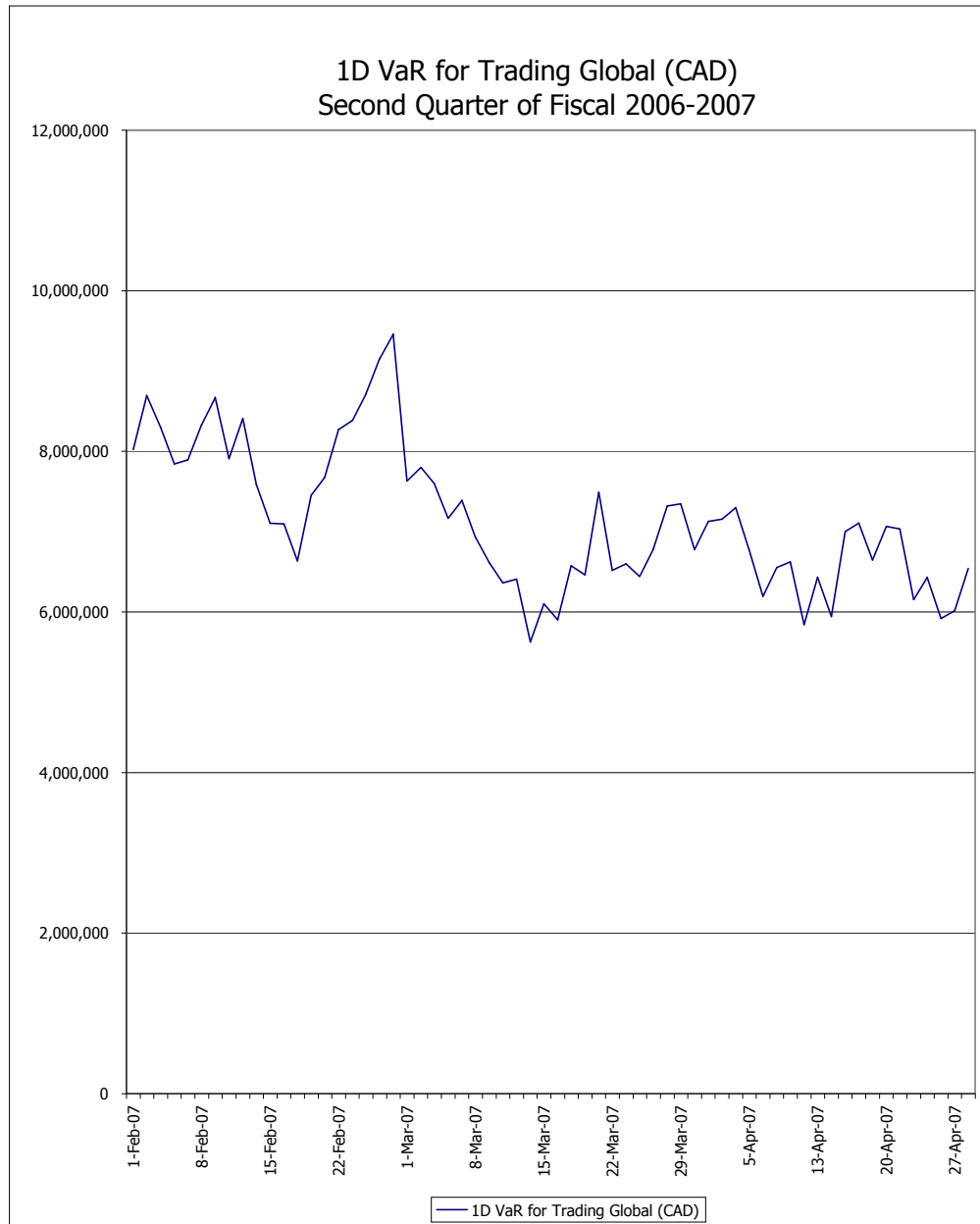
Other Information

Number of employees (full-time equivalent)			14,387	14,406	14,381	14,573	14,375	14,444
Number of Branches			450	450	451	453	455	455
Number of ATM'S			811	807	801	800	802	797

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



Risk measures used to monitor commodity trading:

1. VAR and limits (Global Trading VAR and Commodity VAR)
2. Wide range of stress tests (and limits)
3. Back-testing (Global trading and commodity)
4. Greeks (with limits) (Delta, Gamma, Vega, Theta, Rho)
5. Greeks analysis by time-bucket and by product
6. Daily PL decomposition analysis
7. Daily and monthly stop loss limits
8. Notional by index and time bucket
9. Authorized products and term limits for each commodity index *
10. Independent price validation with multiple quotes and ICE
11. Reserves assessment every month
12. Counterparty exposure (PFE) and limits

* All authorization will be discussed in New Product Committee and Market Risk Management Committee.
Model vetting is done before we trade the product