



**NATIONAL
BANK**

FINANCIAL GROUP

SUPPLEMENTARY FINANCIAL INFORMATION

SECOND QUARTER 2008 REPORT

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FINANCIAL HIGHLIGHTS

	2008		2007				2006			YTD		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2008	2007	2007	2006
Net income (\$000,000)	\$164.6	\$255.4	(\$175.2)	\$243.3	\$232.9	\$239.8	\$220.1	\$219.7	\$214.2	\$420.0	\$472.6	\$540.8	\$871.2
Earnings per share													
- basic	\$1.01	\$1.58	(\$1.14)	\$1.49	\$1.42	\$1.45	\$1.33	\$1.32	\$1.29	\$2.59	\$2.87	\$3.25	\$5.22
- diluted	\$1.00	\$1.58	(\$1.14)	\$1.48	\$1.40	\$1.43	\$1.31	\$1.30	\$1.26	\$2.58	\$2.83	\$3.22	\$5.13
Return on common shareholders' equity	14.3%	22.9%	-16.0%	20.6%	20.3%	20.7%	19.7%	20.2%	20.4%	18.6%	20.5%	11.5%	20.1%
Dividend per share	\$0.62	\$0.62	\$0.60	\$0.60	\$0.54	\$0.54	\$0.50	\$0.50	\$0.48	\$1.24	\$1.08	\$2.28	\$1.96

Excluding specified items

Net income (\$000,000)	\$228.8	\$237.2	\$217.3	\$243.3	\$232.9	\$239.8	\$220.1	\$211.4	\$208.5	\$466.0	\$472.6	\$933.3	\$857.2
Earnings per share													
- basic	\$1.42	\$1.47	\$1.34	\$1.49	\$1.42	\$1.45	\$1.33	\$1.27	\$1.25	\$2.89	\$2.87	\$5.71	\$5.13
- diluted	\$1.41	\$1.46	\$1.34	\$1.48	\$1.40	\$1.43	\$1.31	\$1.25	\$1.23	\$2.87	\$2.83	\$5.65	\$5.05
Return on common shareholders' equity	20.2%	21.3%	18.4%	20.6%	20.3%	20.7%	19.7%	19.5%	19.9%	20.7%	20.5%	20.0%	19.7%
Dividend per share	\$0.62	\$0.62	\$0.60	\$0.60	\$0.54	\$0.54	\$0.50	\$0.50	\$0.48	\$1.24	\$1.08	\$2.28	\$1.96

Net interest margin Personal & Commercial Banking	2.68%	2.66%	2.72%	2.80%	2.82%	2.88%	2.92%	2.92%	2.87%	2.67%	2.85%	2.80%	2.91%
Productivity ratio (teb) ⁽¹⁾	61.74%	61.42%	65.31%	63.51%	63.42%	62.41%	64.03%	65.01%	64.25%	61.58%	62.92%	63.65%	64.34%
Effective tax rate (teb)	30.31%	36.52%	32.01%	31.99%	30.72%	32.86%	35.74%	32.09%	32.87%	33.42%	31.79%	31.80%	33.59%
Average loans and BA's (\$000,000)	\$52,655	\$50,711	\$51,120	\$50,791	\$50,197	\$49,518	\$49,613	\$49,822	\$49,509	\$51,672	\$49,852	\$50,408	\$49,392
Average assets (\$000,000)	\$127,984	\$122,853	\$125,387	\$128,998	\$129,750	\$119,846	\$109,412	\$106,680	\$105,389	\$125,390	\$124,716	\$125,964	\$106,275
Total assets (\$000,000)	\$123,608	\$120,124	\$113,085	\$123,353	\$135,172	\$121,402	\$116,801	\$108,552	\$111,083	\$123,608	\$135,172	\$113,085	\$116,801
Average common shareholders' equity (\$000,000)	\$4,516	\$4,337	\$4,486	\$4,576	\$4,605	\$4,484	\$4,328	\$4,208	\$4,190	\$4,423	\$4,541	\$4,530	\$4,237
Number of common shares outstanding (000's)	158,364	158,141	157,806	157,858	159,418	161,367	161,512	161,918	161,882	158,364	159,418	157,806	161,512
Number of common shares (average) (000's)	158,373	158,001	157,790	159,209	160,588	161,681	161,969	161,927	162,598	158,185	161,144	159,811	162,851
Gross impaired loans (\$000,000)	251.6	248.6	249.2	232.4	236.2	239.5	233.9	214.3	242.2	251.6	236.2	249.2	233.9
Gross impaired loans/common equity-goodwill+reserves	6.14%	6.22%	6.57%	5.66%	5.64%	5.77%	5.91%	5.55%	6.42%	6.14%	5.64%	6.57%	5.91%
Impaired loans, net of specific and general allowances (\$000,000)	(174.4)	(168.5)	(178.9)	(198.1)	(197.5)	(196.0)	(192.6)	(209.6)	(197.1)	(174.4)	(197.5)	(178.9)	(192.6)
as a % of net loans and bankers' acceptances	-0.3%	-0.3%	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%	-0.3%	-0.4%	-0.3%	-0.4%
Book value	\$28.76	\$28.13	\$26.85	\$28.70	\$28.92	\$28.34	\$27.17	\$26.57	\$25.77	\$28.76	\$28.92	\$26.85	\$27.17
Capital ratios - BIS Tier 1 ⁽²⁾	9.2%	9.3%	9.0%	9.4%	9.3%	9.9%	9.9%	9.4%	9.1%	9.2%	9.3%	9.0%	9.9%
Total	13.3%	12.9%	12.4%	13.4%	13.3%	14.0%	14.0%	12.4%	12.2%	13.3%	13.3%	12.4%	14.0%
Tangible shareholders' equity / Risk weighted assets	6.56%	6.89%	6.77%	7.40%	7.15%	7.50%	7.33%	6.94%	7.06%	6.56%	7.15%	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	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2008	2007	2007	2006

(unaudited)(thousands)(taxable equivalent basis)

Net Interest Income	405,472	451,149	336,185	325,975	271,920	319,841	365,961	431,656	318,586	856,621	591,761	1,253,921	1,413,939
Other Income	536,756	525,493	118,255	724,912	790,803	733,735	686,078	535,607	647,021	1,062,249	1,524,538	2,367,705	2,561,103
Gross Revenues	942,228	976,642	454,440	1,050,887	1,062,723	1,053,576	1,052,039	967,263	965,607	1,918,870	2,116,299	3,621,626	3,975,042
Provision for credit losses	34,114	32,060	29,154	22,215	23,408	28,365	22,785	15,649	21,665	66,174	51,773	103,142	77,316
Non-Interest Expenses	634,554	631,906	636,691	672,707	659,389	656,953	670,403	620,340	613,055	1,266,460	1,316,342	2,625,740	2,537,660
<i>Income Before Income Taxes</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>330,887</i>	<i>586,236</i>	<i>748,184</i>	<i>892,744</i>	<i>1,360,066</i>
Income taxes	82,913	114,201	(67,673)	113,870	116,710	121,014	128,261	106,297	108,763	197,114	237,724	283,921	456,818
<i>Income Before Non-Controlling Interest</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>222,124</i>	<i>389,122</i>	<i>510,460</i>	<i>608,823</i>	<i>903,248</i>
Non-Controlling Interest	26,009	(56,945)	31,442	(1,240)	30,346	7,469	10,461	5,293	7,943	(30,936)	37,815	68,017	32,080
Net Income	\$ 164,638	\$ 255,420	\$ (175,174)	\$ 243,335	\$ 232,870	\$ 239,775	\$ 220,129	\$ 219,684	\$ 214,181	\$ 420,058	\$ 472,645	\$ 540,806	\$ 871,168
Effective Tax Rate	30.3%	36.5%	32.0%	32.0%	30.7%	32.9%	35.7%	32.1%	32.9%	33.6%	31.8%	31.8%	33.6%
Dividends on preferred shares	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 10,700	\$ 10,700	\$ 21,400	\$ 21,400
Dividends on common shares	\$ 98,220	\$ 97,969	\$ 94,702	\$ 95,799	\$ 85,409	\$ 87,511	\$ 80,337	\$ 81,190	\$ 78,602	\$ 196,189	\$ 172,920	\$ 363,421	\$ 319,805
Number of common shares (avg.) (in thousands)	158,373	158,001	157,790	159,209	160,588	161,681	161,969	161,927	162,598	158,185	161,144	159,811	162,851

(unaudited)(thousands)(taxable equivalent basis)

Excluding specified items

Net Interest Income	420,495	470,034	357,385	325,975	271,920	319,841	365,961	431,656	318,586	890,529	591,761	1,275,121	1,413,939
Other Income	609,405	493,397	693,254	724,912	790,803	733,735	686,078	523,090	638,503	1,102,802	1,524,538	2,942,704	2,540,068
Gross Revenues	1,029,900	963,431	1,050,639	1,050,887	1,062,723	1,053,576	1,052,039	954,746	957,089	1,993,331	2,116,299	4,217,825	3,954,007
Provision for credit losses	34,114	32,060	29,154	22,215	23,408	28,365	22,785	15,649	21,665	66,174	51,773	103,142	77,316
Non-Interest Expenses	627,112	629,949	666,365	672,707	659,389	656,953	670,403	620,340	613,055	1,257,061	1,316,342	2,655,414	2,537,660
<i>Income Before Income Taxes</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>322,369</i>	<i>670,096</i>	<i>748,184</i>	<i>1,459,269</i>	<i>1,339,031</i>
Income taxes	113,825	121,173	106,342	113,870	116,710	121,014	128,261	102,110	105,914	234,998	237,724	457,936	449,782
<i>Income Before Non-Controlling Interest</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>216,455</i>	<i>435,098</i>	<i>510,460</i>	<i>1,001,333</i>	<i>889,249</i>
Non-Controlling Interest	26,009	(56,945)	31,442	(1,240)	30,346	7,469	10,461	5,293	7,943	(30,936)	37,815	68,017	32,080
Net Income	\$ 228,840	\$ 237,194	\$ 217,336	\$ 243,335	\$ 232,870	\$ 239,775	\$ 220,129	\$ 211,354	\$ 208,512	\$ 466,034	\$ 472,645	\$ 933,316	\$ 857,169
Effective Tax Rate	30.9%	40.2%	29.9%	32.0%	30.7%	32.9%	35.7%	32.0%	32.9%	35.1%	31.8%	31.4%	33.6%
Dividends on preferred shares	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 5,350	\$ 10,700	\$ 10,700	\$ 21,400	\$ 21,400
Dividends on common shares	\$ 98,220	\$ 97,969	\$ 94,702	\$ 95,799	\$ 85,409	\$ 87,511	\$ 80,337	\$ 81,190	\$ 78,602	\$ 196,189	\$ 172,920	\$ 363,421	\$ 319,805
Number of common shares (avg.) (in thousands)	158,373	158,001	157,790	159,209	160,588	161,681	161,969	161,927	162,598	158,185	161,144	159,811	162,851

Tax equivalent adjustment

Net interest income	41,396	22,817	39,331	20,436	23,429	44,309	61,827	23,487	16,960	64,213	67,738	127,505	121,629
Other income	13,253	24,780	15,874	22,883	18,373	20,248	22,665	24,985	9,647	38,033	38,621	77,378	58,643
Income taxes	54,649	47,597	55,205	43,319	41,802	64,557	84,492	48,472	26,607	102,246	106,359	204,883	180,272

Net income by sector of activities

Excluding specified items

Personal and Commercial Banking	112,940	129,746	113,724	124,404	111,828	122,942	115,682	124,664	104,893	242,686	234,770	472,898	456,068
Wealth Management	44,035	43,059	39,594	40,022	45,311	45,823	31,599	36,223	41,126	87,094	91,134	170,750	149,161
Financial Markets	79,319	71,655	87,909	92,248	88,974	81,369	75,481	62,703	66,573	150,974	170,343	350,500	288,795
Other Segments	(7,454)	(7,266)	(23,891)	(13,339)	(13,243)	(10,359)	(2,633)	(12,236)	(4,080)	(14,720)	(23,602)	(60,832)	(36,855)

RESULTS OF OPERATIONS AS A PERCENTAGE OF AVERAGE ASSETS

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

(Taxable equivalent basis)
in % of average assets

Excluding specified items

Total revenues	3.27	3.12	3.32	3.23	3.36	3.49	3.81	3.55	3.72	3.20	3.42	3.35	3.72
Provision for credit losses	0.11	0.10	0.09	0.07	0.07	0.09	0.08	0.06	0.08	0.11	0.08	0.08	0.07
Non-interest expenses	1.99	2.04	2.11	2.07	2.08	2.17	2.43	2.31	2.39	2.02	2.13	2.11	2.39
Income taxes	0.36	0.39	0.34	0.35	0.37	0.40	0.47	0.38	0.41	0.37	0.39	0.36	0.42
Non-controlling interest	0.08	(0.18)	0.10	(0.00)	0.10	0.02	0.04	0.02	0.03	(0.05)	0.06	0.05	0.03
Net income	0.73	0.77	0.69	0.75	0.74	0.79	0.80	0.79	0.81	0.75	0.76	0.74	0.81
Average assets (\$000,000)	\$127,984	\$122,853	\$125,387	\$128,998	\$129,750	\$119,846	\$109,412	\$106,680	\$105,389	\$125,390	\$124,716	\$125,964	\$106,275
Average earning assets (\$000,000)	\$113,471	\$106,737	\$109,191	\$112,515	\$117,042	\$107,181	\$98,266	\$97,504	\$96,085	\$110,067	\$112,030	\$111,436	\$96,577

in % of Average Risk-Weighted Assets

Excluding specified items

Total revenues	7.85%	7.59%	8.29%	8.10%	8.64%	8.68%	8.70%	7.86%	8.30%	7.72%	8.66%	8.42%	8.33%
Net income	1.74%	1.87%	1.72%	1.87%	1.89%	1.97%	1.82%	1.74%	1.81%	1.81%	1.93%	1.86%	1.81%
Average Risk-Weighted Assets (\$000,000)	\$53,371	\$50,468	\$50,253	\$51,490	\$50,438	\$48,183	\$47,969	\$48,195	\$47,263	\$51,903	\$49,292	50,088	\$47,485

Prime rate	5.39%	6.07%	6.25%	6.06%	6.00%	6.00%	6.00%	5.94%	5.41%	5.73%	6.00%	6.08%	5.57%
B/A's 30 days	3.65%	4.49%	4.84%	4.42%	4.32%	4.32%	4.33%	4.25%	3.72%	4.07%	4.32%	4.48%	3.88%
Spread	1.74%	1.58%	1.41%	1.64%	1.68%	1.68%	1.67%	1.69%	1.69%	1.66%	1.68%	1.60%	1.69%

NET INCOME BY SECTOR OF ACTIVITIES (EXCLUDING SPECIFIED ITEMS)

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

(in millions of dollars) (taxable equivalent basis)

Personal and Commercial Banking

Net interest income	343	342	345	348	332	344	347	342	322	685	676	1,369
Other income	191	204	205	205	191	196	197	200	187	395	387	797
Total Revenues	534	546	550	553	523	540	544	542	509	1,080	1,063	2,166
Operating expenses	318	309	342	332	319	312	335	329	317	627	631	1,305
Provision for credit losses	45	44	40	33	35	43	33	24	33	89	78	151
Earning before income taxes and non-controlling interest	171	193	168	188	169	185	176	189	159	364	354	710
Income taxes	58	63	54	64	57	62	60	65	54	121	119	237
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	113	130	114	124	112	123	116	124	105	243	235	473
Net interest margin	2.68%	2.66%	2.72%	2.80%	2.82%	2.88%	2.92%	2.92%	2.87%	2.67%	2.85%	2.80%
Expense ratio	59.6%	56.6%	62.2%	60.0%	61.0%	57.8%	61.6%	60.7%	62.3%	58.1%	59.4%	60.2%
Average loans and BA's	51,259	50,332	49,590	48,715	47,706	46,799	46,373	45,832	45,283	50,790	47,245	48,207
Average assets	51,966	51,078	50,288	49,396	48,356	47,441	47,094	46,540	46,001	51,517	47,891	48,874
Average deposits	31,287	31,108	30,485	30,094	29,477	29,558	28,937	28,795	28,031	31,197	29,518	29,907

Wealth Management

Net interest income	36	34	33	31	32	33	33	32	32	70	65	129
Other income	177	188	180	190	201	195	174	169	187	365	396	766
Total Revenues	213	222	213	221	233	228	207	201	219	435	461	895
Operating expenses	149	157	153	160	164	159	157	146	157	306	323	636
Provision for credit losses	-	-	-	-	-	-	-	-	-	-	-	-
Earning before income taxes and non-controlling interest	64	65	60	61	69	69	50	55	62	129	138	259
Income taxes	20	20	19	20	23	21	16	18	20	40	44	83
Non-controlling interest	-	2	1	1	1	2	2	1	1	2	3	5
Net Income	44	43	40	40	45	46	32	36	41	87	91	171
Expense ratio	70.0%	70.7%	71.8%	72.4%	70.4%	69.7%	75.8%	72.6%	71.7%	70.3%	70.1%	71.1%
Average loans and BA's	98	120	119	124	144	132	132	132	161	109	138	130
Average assets	707	693	676	650	677	644	646	654	752	700	660	662
Average deposits	8,667	8,129	7,733	7,378	7,484	7,618	7,754	8,337	7,781	8,395	7,552	7,554

Financial Markets

Net interest income	82	150	32	(4)	(46)	(9)	33	114	19	232	(55)	(27)
Other income	197	66	300	306	371	297	258	121	226	263	668	1,274
Total Revenues	279	216	332	302	325	288	291	235	245	495	613	1,247
Operating expenses	156	169	184	176	167	165	173	143	141	325	332	692
Provision for credit losses	(2)	-	-	-	-	-	1	1	1	(2)	-	-
Earning before income taxes and non-controlling interest	125	47	148	126	158	123	117	91	103	172	281	555
Income taxes	31	40	34	39	45	41	37	28	34	71	86	159
Non-controlling interest	14	(64)	26	(6)	24	1	5	-	2	(50)	25	45
Net Income	80	71	88	93	89	81	75	63	67	151	170	351
Expense ratio ⁽¹⁾	58.9%	60.8%	61.0%	56.7%	55.3%	57.5%	60.5%	61.0%	58.2%	59.9%	56.4%	57.6%
Average loans and BA's (Corporate banking only)	6,550	6,280	5,844	5,618	5,446	5,336	5,300	5,069	4,898	6,414	5,390	5,562
Average assets	87,758	84,256	88,068	90,929	92,746	83,802	73,742	69,426	68,270	85,988	88,200	88,854
Average deposits	33,357	33,199	34,860	35,729	34,220	32,973	30,003	29,523	28,815	33,277	33,586	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
Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2008	2007	2007

(in millions of dollars)

Other Segments

Net interest income	(82)	(79)	(92)	(69)	(70)	(92)	(109)	(80)	(71)	(161)	(162)	(323)
Other income	31	11	(8)	1	10	25	35	8	29	42	35	28
Total Revenues	(51)	(68)	(100)	(68)	(60)	(67)	(74)	(72)	(42)	(119)	(127)	(295)
Operating expenses	4	(5)	(12)	5	10	20	6	2	(2)	(1)	30	23
Provision for credit losses	(9)	(12)	(11)	(11)	(12)	(14)	(12)	(9)	(12)	(21)	(26)	(48)
Earning before income taxes and non-controlling interest	(46)	(51)	(77)	(62)	(58)	(73)	(68)	(65)	(28)	(97)	(131)	(270)
Income taxes	(50)	(49)	(56)	(52)	(50)	(68)	(69)	(57)	(29)	(99)	(118)	(226)
Non-controlling interest	12	5	4	4	5	5	4	4	5	17	10	18
Net Income (net loss)	(8)	(7)	(25)	(14)	(13)	(10)	(3)	(12)	(4)	(15)	(23)	(62)
Average loans and BA's	(12,722)	(13,787)	(13,687)	(12,486)	(12,473)	(12,432)	(12,310)	(11,716)	(11,260)	(13,260)	(12,452)	(12,772)
Average assets	(12,447)	(13,174)	(13,645)	(11,977)	(12,029)	(12,041)	(12,070)	(9,940)	(9,634)	(12,814)	(12,035)	(12,426)
Average deposits	(206)	(609)	(110)	(507)	(428)	(416)	(577)	(271)	(223)	(410)	(422)	(365)

Total

Net interest income	379	447	318	306	248	276	304	408	302	826	524	1,148
Other income	596	469	677	702	773	713	664	498	629	1,065	1,486	2,865
Total Revenues	975	916	995	1,008	1,021	989	968	906	931	1,891	2,010	4,013
Operating expenses	627	630	667	673	660	656	671	620	613	1,257	1,316	2,656
Provision for credit losses	34	32	29	22	23	29	22	16	22	66	52	103
Earning before income taxes and non-controlling interest	314	254	299	313	338	304	275	270	296	568	642	1,254
Income taxes	59	74	51	71	75	56	44	54	79	133	131	253
Non-controlling interest	26	(57)	31	(1)	30	8	11	5	8	(31)	38	68
Net Income	229	237	217	243	233	240	220	211	209	466	473	933
Expense ratio (teb) ⁽¹⁾	61.7%	61.4%	65.3%	63.5%	63.4%	62.4%	64.0%	65.0%	64.2%	61.6%	62.9%	63.7%
Average loans and BA's	52,655	50,711	51,120	50,791	50,197	49,518	49,613	49,822	49,509	51,672	49,852	50,408
Average assets	127,984	122,853	125,387	128,998	129,750	119,846	109,412	106,680	105,389	125,390	124,716	125,964
Average deposits	73,105	71,827	72,967	72,695	70,753	69,732	66,117	66,385	64,403	72,459	70,234	71,543

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

NET INCOME BY SECTOR OF ACTIVITIES

Specified Items	Q2 2008		Q1 2008			Q4 2007					Q2 2006	Q3 2006
	Adjustment to ABCP	Other	Adjustment to ABCP	Nassau gain	Other	Financial Markets	Other	Sub-total	Altamira Wealth Management	Total	Sale Shareholder activity	MasterCard gain
(in millions of dollars)											Other	Other
Net interest income	(15)		(19)	-	(19)	(2)	(19)	(21)	-	(21)	-	-
Other income	(73)		-	32	32	(42)	(533)	(575)	-	(575)	8	13
Total Revenues	(88)		(19)	32	13	(44)	(552)	(596)	-	(596)	8	13
Operating expenses	7		2	-	2	(19)	(24)	(43)	13	(30)	-	-
Provision for credit losses	-		-	-	-	-	-	-	-	-	-	-
Earning before income taxes and non-controlling interest	(95)		(21)	32	11	(25)	(528)	(553)	(13)	(566)	8	13
Income taxes	(31)		(7)	-	(7)	(8)	(164)	(172)	(2)	(174)	3	4
Non-controlling interest	-		-	-	-	-	-	-	-	-	-	-
Net income	(64)		(14)	32	18	(17)	(364)	(381)	(11)	(392)	5	9

Notes: Net interest impact on ABCP represents funding cost.

	2008		2007				2006			YTD		Full Year
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2008	2007	2007
(in millions of dollars)												
Total												
Net interest income	364	428	297	306	248	276	304	408	302	792	524	1,127
Other income	523	501	102	702	773	713	664	511	637	1,024	1,486	2,290
Total Revenues	887	929	399	1,008	1,021	989	968	919	939	1,816	2,010	3,417
Operating expenses	634	632	637	673	660	656	671	620	613	1,266	1,316	2,626
Provision for credit losses	34	32	29	22	23	29	22	16	22	66	52	103
Earning before income taxes and non-controlling interest	219	265	(267)	313	338	304	275	283	304	484	642	688
Income taxes	28	67	(123)	71	75	56	44	58	82	95	131	79
Non-controlling interest	26	(57)	31	(1)	30	8	11	5	8	(31)	38	68
Net Income	165	255	(175)	243	233	240	220	220	214	420	473	541
Expense ratio (teb) ⁽¹⁾	61.7%	61.4%	65.3%	63.5%	63.4%	62.4%	64.0%	65.0%	64.2%	61.6%	62.9%	63.7%
Average loans and BA's	52,655	50,711	51,120	50,791	50,197	49,518	49,613	49,822	49,509	51,672	49,852	50,408
Average assets	127,984	122,853	125,387	128,998	129,750	119,846	109,412	106,680	105,389	125,390	124,716	125,964
Average deposits	73,105	71,827	72,967	72,695	70,753	69,732	66,117	66,385	64,403	72,459	70,234	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	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2008	2007	2007	2006

(unaudited) (thousands) (taxable equivalent basis)

Net Interest Income

Interest Income													
Loans	\$ 752,832	\$ 762,164	\$ 767,867	\$ 784,531	\$ 749,725	\$ 728,707	\$ 719,061	\$ 686,434	\$ 627,694	\$ 1,514,996	\$ 1,478,432	\$ 3,030,830	\$ 2,647,427
Securities	247,455	292,430	285,967	326,970	407,588	335,362	260,323	235,903	260,073	539,885	742,950	1,355,887	960,247
Deposits with regulated financial institutions	70,602	93,295	101,867	103,601	87,335	130,126	95,735	83,397	76,900	163,897	217,461	422,929	314,018
Total Interest Income	1,070,889	1,147,889	1,155,701	1,215,102	1,244,648	1,194,195	1,075,119	1,005,734	964,667	2,218,778	2,438,843	4,809,646	3,921,692
Interest Expense													
Deposits	531,330	518,122	654,774	662,076	636,100	658,821	558,224	433,319	446,585	1,049,452	1,294,921	2,611,771	1,876,714
Bank debentures	19,724	20,363	24,875	25,401	24,547	25,011	21,753	22,509	21,805	40,087	49,558	99,834	90,214
Other	140,735	162,187	157,998	222,086	335,510	234,831	191,008	141,737	194,651	302,922	570,341	950,425	662,454
Total Interest Expense	691,789	700,672	837,647	909,563	996,157	918,663	770,985	597,565	663,041	1,392,461	1,914,820	3,662,030	2,629,382
Tax equivalent adjustment	41,395	22,817	39,331	20,436	23,429	44,309	61,827	23,487	16,960	64,212	67,738	127,505	121,629
Net Interest Income	420,495	470,034	357,385	325,975	271,920	319,841	365,961	431,656	318,586	890,529	591,761	1,275,121	1,413,939

Other Income

Deposits and payment service charges	\$ 52,287	\$ 51,733	\$ 54,207	\$ 54,480	\$ 52,177	\$ 52,582	\$ 53,275	\$ 52,909	\$ 51,986	\$ 104,020	\$ 104,759	\$ 213,446	\$ 207,811
Commissions on loans and bankers' acceptances	42,401	44,858	46,962	50,119	46,325	46,531	47,281	54,359	46,554	87,259	92,856	189,937	197,511
Insurance revenues	22,111	34,477	30,094	26,913	27,720	29,771	23,794	30,911	30,417	56,588	57,491	114,498	113,122
Securities brokerage commissions	60,710	58,886	59,972	66,580	71,356	68,864	61,782	58,750	69,876	119,596	140,220	266,772	256,652
Underwriting and advisory fees	93,620	95,123	75,589	98,854	107,988	98,214	105,835	80,134	94,408	188,743	206,202	380,645	372,733
Foreign exchange revenues	27,977	29,407	27,972	25,621	20,145	29,108	25,721	24,577	24,377	57,384	49,253	102,846	98,030
Card service revenues	13,544	9,743	3,025	11,494	9,839	9,521	6,860	9,359	9,280	23,287	19,360	33,879	34,348
Trust services	52,539	40,491	48,439	52,565	52,689	48,241	39,568	45,320	45,377	93,030	100,930	201,934	173,254
Mutual funds	36,557	38,102	39,302	40,611	37,644	37,136	33,774	34,452	33,610	74,659	74,780	154,693	135,753
Securitization	58,263	46,030	44,463	39,001	47,857	47,911	57,974	37,688	38,532	104,293	95,768	179,232	174,121
Profit & Loss on trading	80,334	(50,899)	155,639	119,357	202,106	151,428	110,710	(14,234)	111,596	29,435	353,534	628,530	375,477
Profit & Loss other than trading	5,471	30,467	32,743	43,100	21,085	28,798	49,750	47,588	28,323	35,938	49,883	125,726	167,477
Other	63,591	64,979	74,847	96,217	93,872	85,630	69,754	61,277	54,167	128,570	179,502	350,566	233,779
Total	\$ 609,405	\$ 493,397	\$ 693,254	\$ 724,912	\$ 790,803	\$ 733,735	\$ 686,078	\$ 523,090	\$ 638,503	\$ 1,102,802	\$ 1,524,538	\$ 2,942,704	\$ 2,540,068
As a % of total revenues	59.2%	51.2%	66.0%	69.0%	74.4%	69.6%	65.2%	54.8%	66.7%	55.3%	72.0%	69.8%	64.2%

(unaudited) (thousands)

Trading revenues

Net Interest Income	\$ 13,806	\$ 115,969	\$ (4,121)	\$ (37,758)	\$ (63,833)	\$ (38,940)	\$ 7,490	\$ 80,804	\$ (25,893)	\$ 129,775	\$ (102,773)	\$ (144,652)	\$ (11,777)
Other Income	80,334	(50,899)	155,639	119,357	202,106	151,428	110,710	(14,234)	111,596	29,435	353,534	628,530	375,477
Non-controlling interest - Innocap	(14,178)	62,151	(30,317)	8,271	(23,084)	(1,006)	(4,972)	(461)	(2,862)	47,973	(24,090)	(46,136)	(9,830)
Total	\$ 79,962	\$ 127,221	\$ 121,201	\$ 89,870	\$ 115,189	\$ 111,482	\$ 113,228	\$ 66,109	\$ 82,841	\$ 207,183	\$ 226,671	\$ 437,742	\$ 353,870

Trading revenues by product

Financial Markets													
Equity	78,532	(20,107)	84,946	76,656	95,679	85,789	89,785	52,839	54,618	58,425	181,468	343,070	266,034
Fixed income	(9,056)	90,101	51,356	13,202	18,296	5,435	11,926	12,245	13,736	81,045	23,731	88,289	51,300
Commodity and foreign exchange	7,388	46,690	(20,697)	(2,489)	(1,048)	16,879	4,823	1,114	11,661	54,078	15,831	(7,355)	24,374
Trading revenues - Financial Markets	76,864	116,684	115,605	87,369	112,927	108,103	106,534	66,198	80,015	193,548	221,030	424,004	341,708
Other	3,098	10,537	5,596	2,501	2,262	3,379	6,694	(89)	2,826	13,635	5,641	13,738	12,162
Total Trading revenues	79,962	127,221	121,201	89,870	115,189	111,482	113,228	66,109	82,841	207,183	226,671	437,742	353,870

NON-INTEREST EXPENSES (EXCLUDING SPECIFIED ITEMS)

	2008		2007				2006			YTD		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2008	2007	2007	2006
<i>(unaudited) (thousands)</i>													
Non-Interest Expenses													
Salaries and Staff benefits													
Salaries	\$ 188,579	\$ 196,090	\$ 229,438	\$ 201,128	\$ 184,534	\$ 195,982	\$ 188,082	\$ 183,449	\$ 189,739	\$ 384,669	\$ 380,516	\$ 811,082	\$ 730,265
Variable compensation	120,940	125,785	99,576	135,261	139,893	132,434	151,643	115,421	114,830	246,725	272,327	507,164	531,955
Pension plan and other staff benefits	49,748	52,276	52,713	56,179	55,188	61,102	48,282	54,898	53,771	102,024	116,290	225,182	217,231
Total Compensation	359,267	374,151	381,727	392,568	379,615	389,518	388,007	353,768	358,340	733,418	769,133	1,543,428	1,479,451
Occupancy and Technology													
Rent	23,901	21,311	19,110	21,602	22,546	20,111	18,230	21,352	21,781	45,212	42,657	83,369	81,017
Taxes & insurance	4,378	3,624	3,845	3,641	4,137	3,998	3,937	4,186	4,163	8,002	8,135	15,621	16,416
Maintenance, lighting, heating	7,692	6,870	7,575	7,218	7,227	6,587	7,244	5,945	6,866	14,562	13,814	28,607	26,687
Technology	87,355	87,490	95,338	91,471	93,547	90,335	85,200	90,607	88,624	174,845	183,882	370,691	357,841
Depreciation	19,910	19,846	22,772	18,949	18,461	17,849	20,450	16,374	16,363	39,756	36,310	78,031	69,220
Total Occupancy and Technology	143,236	139,141	148,640	142,881	145,918	138,880	135,061	138,464	137,797	282,377	284,798	576,319	551,181
Other Expenses													
Professional fees	44,260	41,961	51,851	48,428	45,193	39,644	38,788	36,827	29,667	86,221	84,837	185,116	132,966
Taxes on capital & salaries	13,556	11,885	2,066	16,651	15,546	16,078	17,000	16,697	16,144	25,441	31,624	50,341	66,815
Travel & business development	22,071	17,579	27,899	20,590	27,214	21,878	27,874	23,135	27,325	39,650	49,092	97,581	100,264
Other	44,722	45,232	54,182	51,589	45,903	50,955	63,673	51,449	43,782	89,954	96,858	202,629	206,983
Total Other Expenses	124,609	116,657	135,998	137,258	133,856	128,555	147,335	128,108	116,918	241,266	262,411	535,667	507,028
TOTAL NON-INTEREST EXPENSES	\$ 627,112	\$ 629,949	\$ 666,365	\$ 672,707	\$ 659,389	\$ 656,953	\$ 670,403	\$ 620,340	\$ 613,055	\$ 1,257,061	\$ 1,316,342	\$ 2,655,414	\$ 2,537,660

PROVISION FOR CREDIT LOSSES

	2008		2007				2006			YTD		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2008	2007	2007	2006
<i>(millions of dollars)</i>													
Retail	10	11	10	9	11	11	10	9	10	21	22	41	37
Credit card	20	17	16	16	17	17	16	15	16	37	34	66	63
Commercial	15	16	13	8	7	15	7	-	7	31	22	43	22
Corporate	(2)	-	-	-	-	-	1	1	1	(2)	-	-	4
Real estate	-	-	1	-	-	-	-	-	-	-	-	1	(2)
Other	-	-	-	-	-	(3)	(1)	-	-	-	(3)	(3)	(1)
Credit card securitization	(9)	(12)	(11)	(11)	(12)	(11)	(11)	(9)	(12)	(21)	(23)	(45)	(46)
General	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	34	32	29	22	23	29	22	16	22	66	52	103	77

CONDENSED CONSOLIDATED BALANCE SHEET

	2008		2007				2006			End Of Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2007	2006
<i>(unaudited)(millions of dollars)</i>											
Assets											
Cash and deposits with financial institutions	\$ 3,872	\$ 4,377	\$ 3,328	\$ 9,462	\$ 9,670	\$ 10,816	\$ 10,879	\$ 9,286	\$ 9,693	\$ 3,328	\$ 10,879
Securities	45,382	43,030	39,270	43,805	47,971	43,564	38,678	35,420	36,510	39,270	38,678
Securities purchased under reverse repurchase agreements	9,105	8,855	5,966	8,296	13,146	9,812	7,592	5,954	7,549	5,966	7,592
Loans											
Residential mortgages	15,104	15,042	15,893	15,999	15,140	14,945	15,384	15,596	15,046	15,893	15,384
Personal and credit cards	14,060	13,773	13,104	12,727	12,062	11,565	11,303	10,980	10,703	13,104	11,303
Business and government	20,098	18,747	18,963	19,071	21,797	17,991	20,258	19,527	20,099	18,963	20,258
Total Loans	49,262	47,562	47,960	47,797	48,999	44,501	46,945	46,103	45,848	47,960	46,945
Customers' liability under bankers' acceptances	4,770	4,533	4,085	3,954	4,001	4,162	3,725	3,598	3,677	4,085	3,725
Other assets	11,217	11,767	12,476	10,039	11,385	8,547	8,982	8,191	7,806	12,476	8,982
Total Assets	\$123,608	\$120,124	\$113,085	\$123,353	\$135,172	\$121,402	\$116,801	\$108,552	\$111,083	\$ 113,085	\$ 116,801
Liabilities											
Deposits											
Personal	\$ 31,760	\$ 31,522	\$ 30,215	\$ 29,666	\$ 29,751	\$ 29,628	\$ 29,092	\$ 29,100	\$ 28,185	\$ 30,215	\$ 29,092
Business and government	32,947	35,510	34,022	33,408	34,653	30,838	34,223	29,322	30,930	34,022	34,223
Deposit-taking institutions	5,663	6,090	6,561	8,206	11,238	10,699	8,602	9,594	10,918	6,561	8,602
Total Deposits	70,370	73,122	70,798	71,280	75,642	71,165	71,917	68,016	70,033	70,798	71,917
Others											
Acceptances	4,770	4,533	4,085	3,954	4,001	4,162	3,725	3,598	3,677	4,085	3,725
Other liabilities	41,659	35,964	31,960	41,307	48,582	39,160	34,922	30,637	31,202	31,960	34,922
Subordinated debentures	1,683	1,656	1,605	1,882	1,935	1,942	1,449	1,599	1,599	1,605	1,449
Total Others	48,112	42,153	37,650	47,143	54,518	45,264	40,096	35,834	36,478	37,650	40,096
Shareholders' equity											
Preferred shares	573	400	400	400	400	400	400	400	400	400	400
Common shares	1,599	1,590	1,575	1,567	1,576	1,583	1,566	1,563	1,558	1,575	1,566
Contributed surplus	34	33	32	33	29	24	21	19	17	32	21
Retained earnings	2,998	2,941	2,793	3,070	3,021	3,003	2,801	2,720	2,597	2,793	2,801
Accumulated other comprehensive income (loss)	(78)	(115)	(163)	(140)	(14)	(37)	-	-	-	(163)	-
Total Shareholders' equity	5,126	4,849	4,637	4,930	5,012	4,973	4,788	4,702	4,572	4,637	4,788
Total Liabilities & Shareholders' Equity	\$123,608	\$120,124	\$113,085	\$123,353	\$135,172	\$121,402	\$116,801	\$108,552	\$111,083	\$ 113,085	\$ 116,801
Mortgage securitization	\$ 7,526	\$ 7,534	\$ 6,624	\$ 6,076	\$ 6,286	\$ 6,262	\$ 5,761	\$ 5,313	\$ 5,507	\$ 6,624	\$ 5,761
Mortgage loans sold to third parties	\$ 382	\$ 414	\$ 450	\$ 487	\$ 533	\$ 573	\$ 529	\$ 566	\$ 614	\$ 450	\$ 529
Credit card securitization	\$ 1,223	\$ 800	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Direct loans securitization	\$ -	\$ -	\$ -	\$ -	\$ 42	\$ 78	\$ 126	\$ 150	\$ 182	\$ -	\$ 126
Mutual funds	\$ 13,034	\$ 12,381	\$ 12,955	\$ 13,532	\$ 13,391	\$ 12,781	\$ 11,907	\$ 11,438	\$ 11,786	\$ 12,955	\$ 11,907
Securities - excess of market value over book	\$ 132	\$ 121	\$ 148	\$ 206	\$ 230	\$ 162	\$ 126	\$ (28)	\$ 33	\$ 148	\$ 126
Equity Securities - excess of market value over book	\$ 120	\$ 122	\$ 161	\$ 252	\$ 234	\$ 174	\$ 129	\$ 10	\$ 80	\$ 161	\$ 129
Number of shares outstanding (000's)	158,364	158,141	157,806	157,858	159,418	161,367	161,512	161,918	161,882	157,806	161,512
Domestic Gap < 1 year	(699)	(618)	(984)	(1,477)	(927)	(1,239)	(1,113)	982	(1,844)	(984)	(1,113)
> 1 year	673	711	988	1,484	924	1,234	1,122	(991)	1,840	988	1,122

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	2008		2007				2006			YTD		Full Year	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2008	2007	2007	2006
<i>(unaudited)(millions of dollars)</i>													
Opening balance	4,849	4,637	4,930	5,012	4,973	4,788	4,702	4,572	4,626	4,637	4,788	4,788	4,597
Net income	165	255	(175)	243	233	240	220	220	214	420	473	541	871
Issuance of common shares	9	15	10	9	16	23	9	5	11	24	39	58	50
Issuance of preferred shares	173	-	-	-	-	-	-	-	-	173	-	-	-
Repurchase of common shares													
Repurchase of common shares	-	-	(2)	(18)	(22)	(7)	(5)	-	(26)	-	(29)	(49)	(48)
Premium paid on common shares purchased for cancellation	-	-	(13)	(93)	(121)	(39)	(29)	-	(142)	-	(160)	(266)	(261)
Dividends													
Common shares	(98)	(98)	(95)	(96)	(85)	(88)	(80)	(82)	(78)	(196)	(173)	(364)	(320)
Preferred shares	(6)	(5)	(5)	(5)	(6)	(5)	(5)	(5)	(6)	(11)	(11)	(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	2	2	3	6	5	5	2	3	5	11	16	12
Stock options exercised	-	(1)	(2)	-	-	(3)	(3)	-	(1)	(1)	(3)	(5)	(4)
Impact of shares acquired / sold for trading purposes	-	-	-	-	(1)	1	(1)	-	-	-	-	-	(1)
Other adjustments, net of income taxes	(6)	(4)	9	1	(3)	1	(15)	(5)	(1)	(10)	(2)	8	(21)
Unrealized foreign exchange gains (losses), net of income taxes	-	-	-	-	-	-	(10)	(5)	(28)	-	-	-	(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	37	48	(24)	(126)	24	34	-	-	-	85	58	(92)	-
Closing balance	5,126	4,849	4,637	4,930	5,012	4,973	4,788	4,702	4,572	5,126	5,012	4,637	4,788
Shareholders' equity													
Preferred shares	573	400	400	400	400	400	400	400	400	573	400	400	400
Common shares	1,599	1,590	1,575	1,567	1,576	1,583	1,566	1,563	1,558	1,599	1,576	1,575	1,566
Contributed surplus	34	33	32	33	29	24	21	19	17	34	29	32	21
Unrealized foreign currency translation adjustment	-	-	-	-	-	-	(92)	(82)	(77)	-	-	-	(92)
Retained earnings	2,998	2,941	2,793	3,070	3,021	3,003	2,893	2,802	2,674	2,998	3,021	2,793	2,893
Accumulated other comprehensive income (loss)	(78)	(115)	(163)	(140)	(14)	(37)	-	-	-	(78)	(14)	(163)	-
Closing balance	5,126	4,849	4,637	4,930	5,012	4,973	4,788	4,702	4,572	5,126	5,012	4,637	4,788

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2008		2007				YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007
<i>(unaudited)(millions of dollars)</i>								
Net income	165	255	(175)	243	233	240	420	473
Other comprehensive income (loss), net of income taxes								
Net unrealized gains (losses) on translating financial statements of self-sustaining foreign operations	11	101	(195)	(80)	(103)	79	112	(24)
Impact of hedging net foreign currency translation gains or losses	-	(79)	159	40	59	(47)	(79)	12
Net change in unrealized foreign currency translation gains and losses, net of hedging activities	11	22	(36)	(40)	(44)	32	33	(12)
Net unrealized gains (losses) on available for sale financial assets	22	(17)	(18)	(20)	67	22	5	89
Reclassification to net income of (gains) losses on available for sale financial assets	(7)	(15)	10	(25)	4	(1)	(22)	3
Net change in unrealized gains and losses on available for sale financial assets	15	(32)	(8)	(45)	71	21	(17)	92
Net gains (losses) on derivatives designated as cash flow hedges	11	54	15	(43)	(6)	(21)	65	(27)
Reclassification to net income of (gains) losses on derivatives designated as cash flow hedges	-	4	5	2	2	2	4	4
Net change in gains and losses on derivatives designated as cash flow hedges	11	58	20	(41)	(4)	(19)	69	(23)
Total other comprehensive income (loss), net of income taxes	37	48	(24)	(126)	23	34	85	57
COMPREHENSIVE INCOME	202	303	(199)	117	256	274	505	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	
								2008	2007

(millions of dollars)
as at April 30, 2008

Assets under administration									
Institutional	36,432	13,225	-	-	-	-	-	49,657	60,823
Personal	-	96,343	-	-	-	10,454	-	106,797	107,028
Mutual funds	22,076	-	8,844	4,190	-	-	-	35,110	27,060
Mortgage loans sold to third parties	-	-	-	-	-	-	7,526	7,526	6,286
Total assets under administration	58,508	109,568	8,844	4,190	-	10,454	7,526	199,090	201,197
Assets under management									
Personal	6,236	-	-	-	-	-	-	6,236	6,016
Managed portfolios	-	3,701	-	-	12,510	-	-	16,211	18,893
Mutual funds	-	-	-	-	15,628	-	-	15,628	16,898
Total assets under management	6,236	3,701	-	-	28,138	-	-	38,075	41,807
Total assets under administration / management	64,744	113,269	8,844	4,190	28,138	10,454	7,526	237,165	243,004

Total	
2007	2006

as at April 30, 2007

Assets under administration									
Institutional	48,039	12,784	-	-	-	-	-	60,823	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	61,708	109,477	9,023	4,368	-	10,335	6,286	201,197	188,547
Assets under management									
Personal	6,016	-	-	-	-	-	-	6,016	4,884
Managed portfolios	-	3,753	-	-	15,140	-	-	18,893	19,571
Mutual funds	-	-	-	-	16,898	-	-	16,898	15,944
Total assets under management	6,016	3,753	-	-	32,038	-	-	41,807	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

IMPAIRED LOANS

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

(\$ millions)

Gross Impaired Loans

Retail	62.3	58.3	53.6	49.3	56.3	50.3	48.7	46.7	45.0
Commercial	170.5	146.3	136.1	126.6	123.0	130.7	126.6	106.4	136.7
Corporate	5.4	30.6	53.6	54.4	54.7	56.2	56.4	57.9	57.2
Real estate	11.0	11.1	3.7	-	-	-	-	-	-
Treasury	2.4	2.3	2.2	2.1	2.2	2.3	2.2	3.3	3.3
Other	-	-	-	-	-	-	-	-	-
Total Gross Impaired Loans	251.6	248.6	249.2	232.4	236.2	239.5	233.9	214.3	242.2
As a % of loans and acceptances	0.5%	0.5%	0.5%	0.4%	0.4%	0.5%	0.5%	0.4%	0.5%

Net Impaired Loans

Retail	46.3	44.4	39.2	34.6	35.4	30.5	30.4	27.3	25.6
Commercial	76.4	62.2	65.5	53.3	54.3	58.6	62.6	44.9	60.1
Corporate	-	21.9	19.4	20.0	18.7	20.7	20.3	24.1	23.2
Real estate	8.6	8.8	2.9	-	-	-	-	-	-
Treasury	2.3	2.2	2.1	2.0	2.1	2.2	2.1	2.1	2.0
General allowance	(308.0)	(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	(174.4)	(168.5)	(178.9)	(198.1)	(197.5)	(196.0)	(192.6)	(209.6)	(197.1)
As a % of loans and acceptances	-0.3%	-0.3%	-0.3%	-0.4%	-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	
Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2008	2007	2007	2006

(\$ millions)

Formation of Gross Impaired Loans

Opening balance	249	249	232	236	239	234	214	242	259	249	234	234	260
Write-off	(23)	(43)	(28)	(22)	(21)	(17)	(20)	(30)	(36)	(66)	(38)	(88)	(102)
Formation	26	43	45	18	18	22	40	2	19	69	40	103	76
Closing balance	252	249	249	232	236	239	234	214	242	252	236	249	234

Allowance for Credit Losses

Allowances at beginning	417	428	430	434	435	426	424	439	454	428	426	426	451
Provision for credit losses	34	32	29	22	23	29	22	16	22	66	52	103	77
Write-offs	(44)	(59)	(44)	(38)	(38)	(34)	(37)	(45)	(52)	(103)	(72)	(154)	(166)
Recoveries	19	16	13	12	14	14	17	14	15	35	28	53	64
Allowances at end	426	417	428	430	434	435	426	424	439	426	434	428	426

RISK-ADJUSTED CAPITAL RATIOS

	2008		2007				2006		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<i>(millions of dollars)</i>									
Tier I capital	Basel II		Basel I						
Common shareholders' equity	\$4,485	\$4,406	\$4,220	\$4,526	\$4,521	\$4,550	\$4,388	\$4,302	\$4,172
Non-cum. preferred shares, permanent	573	400	400	400	400	400	400	400	400
Non-controlling interest	15	18	18	20	17	10	9	8	118
Innovative instruments	763	721	508	545	558	578	562	565	336
Less: goodwill	707	702	703	680	683	684	683	686	662
Less: Trading in short positions of own shares (gross)	1	1	1	3	4	3	2	-	4
Less : Securitization related deductions (2)	39	27	-	-	-	-	-	-	-
Total Tier I	\$5,089	\$4,815	\$4,442	\$4,808	\$4,809	\$4,851	\$4,674	\$4,589	\$4,360
Tier II capital									
Subordinated debentures (1)	2,144	1,644	1,641	1,947	1,948	1,949	1,949	1,599	1,599
General allowance for credit risk	308	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	164	205	-	-	-	-	-	-	-
Total Tier II	\$2,667	\$2,205	\$2,029	\$2,359	\$2,377	\$2,306	\$2,257	\$1,907	\$1,907
Other deductions	403	377	355	320	311	312	324	450	422
TOTAL CAPITAL	\$7,353	\$6,643	\$6,116	\$6,847	\$6,875	\$6,845	\$6,607	\$6,046	\$5,845
Risk-adjusted balance sheet items									
Cash resources	\$592	\$713	\$488	\$1,790	\$1,837	\$2,066	\$2,077	\$1,761	\$1,893
Securities	3,160	3,244	3,050	2,119	2,567	2,465	2,083	2,828	2,033
Mortgage loans	4,159	4,106	6,205	6,311	5,943	5,734	5,647	5,787	5,470
Other loans	20,564	19,735	22,626	23,020	24,892	21,437	22,035	22,855	23,367
Other assets	6,818	6,069	5,371	6,080	5,183	6,106	5,549	5,514	5,363
Total Risk-adjusted balance sheet items	\$35,293	\$33,868	\$37,740	\$39,320	\$40,422	\$37,808	\$37,391	\$38,745	\$38,126
Risk-adjusted off-balance sheet items									
Letters of guarantee and documentary credit	1,563	1,409	1,107	1,078	1,176	1,110	1,096	1,156	1,059
Commitments to extend credit	3,881	4,049	5,174	4,693	4,770	5,240	5,085	5,009	4,767
Interest rate contracts	278	209	96	126	106	112	122	110	95
Foreign exchange contracts	490	463	428	312	250	320	234	217	218
Equity contracts	1,359	1,348	1,155	845	687	603	480	413	319
Commodity contracts	405	114	68	33	18	12	19	88	48
Total Risk-adjusted off-balance sheet items	\$7,976	\$7,591	\$8,028	\$7,087	\$7,007	\$7,397	\$7,036	\$6,993	\$6,506
Operational Risk (2)	\$5,912	\$5,913	-	-	-	-	-	-	-
Risk-adjusted market risk items	\$5,962	\$4,227	\$3,568	\$4,763	\$4,380	\$3,862	\$2,871	\$2,902	\$3,117
TOTAL RISK-ADJUSTED ASSETS	\$55,143	\$51,599	\$49,336	\$51,170	\$51,809	\$49,067	\$47,298	\$48,640	\$47,749
Risk-adjusted ratios									
Tier I	9.2%	9.3%	9.0%	9.4%	9.3%	9.9%	9.9%	9.4%	9.1%
Total	13.3%	12.9%	12.4%	13.4%	13.3%	14.0%	14.0%	12.4%	12.2%

(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		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<i>(millions of dollars)</i>									
FOREIGN EXCHANGE RELATED CONTRACTS									
Swaps	30,838	37,689	32,542	37,299	36,931	43,093	43,164	46,248	41,495
Options - purchased	4,836	5,465	7,345	9,289	9,895	10,191	9,094	8,820	6,885
Options - sold	4,688	5,123	7,063	13,121	13,397	13,463	11,651	13,082	9,031
Futures	9,396	9,523	6,395	9,040	13,494	10,375	7,304	6,636	3,886
Total Notional Amount	49,758	57,801	53,345	68,749	73,717	77,122	71,213	74,786	61,297
Replacement cost (1)	442	512	1,094	528	383	410	287	325	414
Future credit risk	613	664	649	664	612	736	685	542	543
Credit equivalent (2)	1,055	1,177	1,744	1,192	995	1,147	972	868	957
Risk-weighted equivalent	490	485	428	312	250	320	234	217	218
INTEREST RATE RELATED CONTRACTS									
Swaps	163,531	154,629	126,792	120,725	111,831	114,713	118,597	127,579	113,989
Options - purchased	51,250	32,221	33,425	59,674	95,369	80,729	116,255	77,385	72,863
Options - sold	30,316	32,309	34,111	80,460	100,575	71,467	111,357	87,304	76,949
Futures	16,450	9,675	6,909	6,573	8,679	14,200	9,732	5,780	2,293
Total Notional Amount	261,547	228,834	201,237	267,432	316,454	281,109	355,941	298,048	266,094
Replacement cost (1)	632	439	193	251	162	190	243	258	224
Future credit risk	464	415	398	367	334	329	346	361	313
Credit equivalent (2)	1,096	853	591	618	496	519	589	619	537
Risk-weighted equivalent	278	210	96	126	106	112	122	110	95
FINANCIAL FUTURES									
Total Notional Amount	61,712	27,207	36,697	54,019	68,360	69,469	31,017	35,323	37,284
EQUITY AND COMMODITY CONTRACTS									
Total Notional Amount	108,402	56,412	51,640	50,640	43,148	41,463	36,798	25,254	15,894
Replacement cost (1)	1,116	974	1,439	1,046	1,053	769	671	605	636
Future credit risk	1,388	1,236	1,767	1,655	1,503	1,430	1,224	1,060	453
Credit equivalent (2)	2,504	2,210	3,205	2,701	2,556	2,199	1,895	1,665	1,088
Risk-weighted equivalent	1,561	1,340	1,128	878	705	615	499	501	367
CREDIT DEFAULT SWAPS (3)									
Total Notional Amount (trading only)	23,118	13,192	8,929						
Replacement cost (1)	66	75	48						
Future credit risk	1,004	608	466						
Credit equivalent (2)	1,070	684	514						
Risk-weighted equivalent	203	124	95						
TOTAL DERIVATIVES									
Total Notional Amount	504,537	383,446	351,848	440,840	501,679	469,163	494,969	433,411	380,569
Replacement cost (1)	2,256	2,000	2,774	1,825	1,598	1,369	1,201	1,188	1,274
Future credit risk	3,469	2,924	3,280	2,686	2,449	2,495	2,255	1,963	1,309
Credit equivalent (2)	5,725	4,924	6,054	4,511	4,047	3,865	3,456	3,152	2,582
Risk-weighted equivalent	2,532	2,159	1,747	1,316	1,061	1,047	855	828	680

(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		
Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2

Credit Rating

Moody's (Long Term Debt Senior)	Aa2	Aa2	Aa2	Aa2	Aa2	A1	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)	A (high)	A (high)
Fitch (Long-Term)	A+	A+	A+	A+	A+	A+	A+	A+	A+

Stock Trading Range and Other Information

High	\$ 53.73	\$ 54.25	\$ 60.28	\$ 66.14	\$ 65.87	\$ 66.59	\$ 62.86	\$ 62.69	\$ 65.60
Low	\$ 44.39	\$ 45.15	\$ 50.50	\$ 60.61	\$ 61.96	\$ 61.36	\$ 58.26	\$ 56.14	\$ 61.35
Close	\$ 53.73	\$ 50.53	\$ 54.65	\$ 60.93	\$ 61.96	\$ 64.29	\$ 61.25	\$ 58.55	\$ 62.34
Number of registered shareholders	24,544	24,629	24,780	24,935	25,147	25,316	25,531	25,644	25,845

Valuation

Market Capitalization (in millions of \$)	\$ 8,509	\$ 7,991	\$ 8,624	\$ 9,618	\$ 9,878	\$ 10,374	\$ 9,893	\$ 9,480	\$ 10,092
P/E Ratio (trailing 4 Quarters)	18.28	15.08	16.97	10.71	11.22	11.93	11.73	11.46	12.49
Market price/Book value	1.87	1.80	2.04	2.12	2.14	2.27	2.25	2.20	2.42
Dividend payout (trailing 4 quarters)	42.66%	41.26%	40.00%	38.31%	38.03%	38.11%	38.21%	37.18%	36.87%
Dividend yield (annualized)	4.62%	4.91%	4.39%	3.94%	3.49%	3.36%	3.27%	3.42%	3.08%

Other Information

Number of employees (full-time equivalent)	14,387	14,432	14,484	14,710	14,387	14,406	14,381	14,573	14,375
Number of Branches	446	446	447	448	450	450	451	453	455
Number of ATM'S	851	846	835	815	811	807	801	800	802

The Common Shares of the Bank as well as the First Preferred Series 15, Series 16 and Series 20 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