



**NATIONAL BANK OF CANADA**

**SUPPLEMENTARY FINANCIAL INFORMATION**

**FIRST QUARTER 2006 REPORT**

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**FINANCIAL HIGHLIGHTS**


	2006				2005				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2005	2004
Net income (\$000,000)				\$217.2	\$207.1	\$207.1	\$202.2	\$238.8	\$217.2	\$238.8	\$855.3	\$724.7
Earnings per share												
- basic				\$1.28	\$1.22	\$1.20	\$1.17	\$1.39	\$1.28	\$1.39	\$4.98	\$4.10
- fully diluted				\$1.26	\$1.20	\$1.18	\$1.15	\$1.37	\$1.26	\$1.37	\$4.90	\$4.05
Return on common shareholders' equity				19.9%	19.4%	19.6%	19.9%	23.6%	19.9%	23.6%	20.7%	18.8%
Dividend per share				\$0.48	\$0.44	\$0.44	\$0.42	\$0.42	\$0.48	\$0.42	\$1.72	\$1.42
Net interest margin Personal & Commercial Bank				2.89%	2.90%	2.93%	2.97%	3.02%	2.89%	3.02%	2.96%	3.09%
Productivity ratio (teb)				64.39%	66.97%	64.87%	66.48%	61.36%	64.39%	61.36%	64.88%	65.40%
Effective tax rate (teb)				33.47%	33.51%	33.18%	33.25%	33.49%	33.47%	33.49%	33.36%	36.08%
Average loans and BA's (\$000,000)				\$48,628	\$48,607	\$46,702	\$44,719	\$43,638	\$48,628	\$43,638	\$45,926	\$41,060
Average assets (\$000,000)				\$103,590	\$98,930	\$95,444	\$86,972	\$82,135	\$103,590	\$82,135	\$90,902	\$78,672
Total Assets (\$000,000)				\$105,276	\$107,598	\$110,593	\$99,917	\$91,703	\$105,276	\$91,703	\$107,598	\$88,497
Average common shareholders' equity (\$000,000)				\$4,221	\$4,118	\$4,019	\$4,010	\$3,924	\$4,221	\$3,924	\$4,018	\$3,747
Number of shares outstanding (000's)				164,313	165,335	165,096	165,744	168,050	164,313	168,050	165,335	167,430
Gross impaired loans (\$000,000)				259.2	260.0	260.9	271.1	303.6	259.2	303.6	260.0	387.5
Gross impaired loans/common equity-goodwill+reserves				6.75%	6.84%	7.03%	7.43%	8.20%	6.75%	8.20%	6.84%	10.88%
Net impaired loans (\$000,000)				(194.6)	(190.7)	(219.3)	(213.5)	(216.0)	(194.6)	(216.0)	(190.7)	(190.4)
as a % of net loans and bankers' acceptances				-0.4%	-0.4%	-0.5%	-0.5%	-0.5%	-0.4%	-0.5%	-0.4%	-0.4%
Book value				\$25.72	\$25.39	\$24.70	\$24.19	\$23.97	\$25.72	\$23.97	\$25.39	\$22.87
Capital ratios - BIS												
Tier 1				9.5%	9.6%	9.2%	9.5%	9.6%	9.5%	9.6%	9.6%	9.6%
Total				12.7%	12.8%	12.1%	13.3%	13.5%	12.7%	13.5%	12.8%	13.0%
Tangible Shareholders' equity / Risk weighted assets				7.36%	7.37%	7.01%	7.11%	7.13%	7.36%	7.13%	7.37%	7.02%
Number of employees (full-time equivalent)				14,444	14,372	14,596	14,278	14,175	14,444	14,175	14,372	14,122
Number of Branches				455	457	460	460	462	455	462	457	462
Number of ATM'S				797	788	774	770	768	797	768	788	770

CONSOLIDATED STATEMENT OF INCOME



	2006				2005				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2005	2004
(unaudited)(thousands)(taxable equivalent basis)												
<i>Interest Income and Dividends</i>												
Loans				\$ 614,238	\$ 568,496	\$ 538,145	\$ 505,944	\$ 509,167	\$614,238	\$509,167	\$ 2,121,752	\$ 1,883,063
Securities				203,948	189,055	188,791	182,186	178,835	203,948	178,835	738,867	588,545
Deposits with regulated financial institutions				57,986	66,586	52,252	46,782	27,828	57,986	27,828	193,448	113,132
Total Interest Income and Dividends				876,172	824,137	779,188	734,912	715,830	876,172	715,830	3,054,067	2,584,740
<i>Interest Expense</i>												
Deposits				438,586	264,750	330,981	253,013	260,319	438,586	260,319	1,109,063	800,638
Bank debentures				24,147	21,665	24,727	27,717	25,847	24,147	25,847	99,956	98,652
Other				135,058	132,560	115,969	74,191	80,819	135,058	80,819	403,539	322,682
Total Interest Expense				597,791	418,975	471,677	354,921	366,985	597,791	366,985	1,612,558	1,221,972
Tax equivalent adjustment				19,355	26,371	23,812	23,393	15,970	19,355	15,970	89,546	61,784
<b>Net Interest Income</b>				<b>297,736</b>	<b>431,533</b>	<b>331,323</b>	<b>403,384</b>	<b>364,815</b>	<b>297,736</b>	<b>364,815</b>	<b>1,531,055</b>	<b>1,424,552</b>
Other Income (teb)				702,568	533,969	618,044	535,138	634,653	702,568	634,653	2,321,804	2,228,205
<b>Gross Revenues</b>				<b>1,000,304</b>	<b>965,502</b>	<b>949,367</b>	<b>938,522</b>	<b>999,468</b>	<b>1,000,304</b>	<b>999,468</b>	<b>3,852,859</b>	<b>3,652,757</b>
Provision for credit losses				17,217	(652)	14,979	1,207	17,139	17,217	17,139	32,673	85,483
Non-Interest Expenses				644,070	646,604	615,876	623,951	613,294	644,070	613,294	2,499,725	2,389,034
<i>Income Before Income Taxes</i>				339,017	319,550	318,512	313,364	369,035	339,017	369,035	1,320,461	1,178,240
Income taxes				113,460	107,070	105,698	104,200	123,601	113,460	123,601	440,569	425,371
<i>Income Before Non-Controlling Interest</i>				225,557	212,480	212,814	209,164	245,434	225,557	245,434	879,892	752,869
Non-Controlling Interest				8,383	5,360	5,705	6,925	6,612	8,383	6,612	24,602	28,175
<b>Net Income before disc. oper. and goodwill charges</b>				<b>\$ 217,174</b>	<b>\$ 207,120</b>	<b>\$ 207,109</b>	<b>\$ 202,239</b>	<b>\$ 238,822</b>	<b>\$ 217,174</b>	<b>\$ 238,822</b>	<b>\$ 855,290</b>	<b>\$ 724,694</b>
Discontinued Operations				-	-	-	-	-	-	-	-	-
<b>Net Income before goodwill charges</b>				<b>\$ 217,174</b>	<b>\$ 207,120</b>	<b>\$ 207,109</b>	<b>\$ 202,239</b>	<b>\$ 238,822</b>	<b>\$ 217,174</b>	<b>\$ 238,822</b>	<b>\$ 855,290</b>	<b>\$ 724,694</b>
Goodwill charges				-	-	-	-	-	-	-	-	-
<b>Net Income</b>				<b>\$ 217,174</b>	<b>\$ 207,120</b>	<b>\$ 207,109</b>	<b>\$ 202,239</b>	<b>\$ 238,822</b>	<b>\$ 217,174</b>	<b>\$ 238,822</b>	<b>\$ 855,290</b>	<b>\$ 724,694</b>
Effective Tax Rate				33.5%	33.5%	33.2%	33.3%	33.5%	33.5%	33.5%	33.4%	36.1%
Dividends on preferred shares				\$ 5,350	\$ 5,350	\$ 8,150	\$ 7,346	\$ 5,725	\$ 5,350	\$ 5,725	\$ 26,571	\$ 22,900
Dividends on common shares				\$ 79,676	\$ 72,202	\$ 73,067	\$ 70,527	\$ 70,651	\$ 79,676	\$ 70,651	\$ 286,447	\$ 243,060
Number of common shares (avg.) (in thousands)				164,903	165,176	165,363	167,327	167,693	164,903	167,693	166,382	170,918
<i>Tax equivalent adjustment</i>												
Net interest income				19,355	26,371	23,812	23,393	15,970	19,355	15,970	89,546	61,784
Other income				1,309	7,583	36,266	15,352	624	1,309	624	59,826	45,728
Income taxes				20,664	33,954	60,078	38,745	16,595	20,664	16,595	149,373	107,512

**RESULTS OF OPERATIONS AS A PERCENTAGE OF AVERAGE ASSETS**


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

(Taxable equivalent basis)  
in % of average assets

Total revenues				3.83	3.87	3.95	4.43	4.83	3.83	4.83	4.24	4.64
Provision for credit losses				0.07	(0.00)	0.06	0.01	0.08	0.07	0.08	0.04	0.11
Non-interest expenses				2.47	2.59	2.56	2.94	2.96	2.47	2.96	2.75	3.04
Income taxes				0.43	0.43	0.44	0.49	0.60	0.43	0.60	0.48	0.54
Non-controlling interest				0.03	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.04
<b>Net income</b>				<b>0.83</b>	<b>0.83</b>	<b>0.86</b>	<b>0.95</b>	<b>1.15</b>	<b>0.83</b>	<b>1.15</b>	<b>0.94</b>	<b>0.92</b>
Average assets (\$000,000)				\$103,590	\$98,930	\$95,444	\$86,972	\$82,135	\$103,590	\$82,135	\$90,902	\$78,672
Average earning assets (\$000,000)				\$94,435	\$92,197	\$88,572	\$81,137	\$75,346	\$94,435	\$75,346	\$84,339	\$70,447

in % of Average Risk-Weighted Assets

Total revenues				8.53%	8.33%	8.40%	8.80%	9.40%	8.53%	9.40%	8.72%	9.15%
<b>Net income</b>				<b>1.85%</b>	<b>1.79%</b>	<b>1.83%</b>	<b>1.90%</b>	<b>2.25%</b>	<b>1.85%</b>	<b>2.25%</b>	<b>1.94%</b>	<b>1.82%</b>
Average Risk-Weighted Assets (\$000,000)				\$46,506	\$46,005	\$44,856	\$43,725	\$42,168	\$46,506	\$42,168	44,192	\$39,901

Prime rate				4.92%	4.43%	4.25%	4.25%	4.25%	4.92%	4.25%	4.30%	4.05%
B/A's 30 days				3.23%	2.73%	2.56%	2.57%	2.56%	3.23%	2.56%	2.61%	2.34%
Spread				1.69%	1.70%	1.69%	1.68%	1.69%	1.69%	1.69%	1.69%	1.71%

**NET INCOME BY SECTOR OF ACTIVITIES**


	2006				2005				YTD		Full Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2005
(in millions of dollars) (taxable equivalent basis)											
<b>Personal and Commercial Banking</b>											
Net interest income				337	333	329	314	323	337	323	1,299
Other income				192	195	196	179	179	192	179	749
Total Income				529	528	525	493	502	529	502	2,048
Operating expenses				326	324	324	311	306	326	306	1,265
Provision for credit losses				31	38	26	26	27	31	27	117
Earning before income taxes				172	166	175	156	169	172	169	666
Income taxes				58	56	59	51	57	58	57	223
Non-controlling interest				-	-	-	-	-	-	-	-
Net Income				114	110	116	105	112	114	112	443
Net interest margin				2.89%	2.90%	2.93%	2.97%	3.02%	2.89%	3.02%	2.96%
Expense ratio				61.6%	61.4%	61.7%	63.1%	61.0%	61.6%	61.0%	61.8%
Average loans and BA's				45,466	44,789	43,855	42,629	41,647	45,466	41,647	43,235
Average assets				46,228	45,509	44,576	43,338	42,381	46,228	42,381	43,956
<b>Wealth Management</b>											
Net interest income				29	28	25	25	23	29	23	101
Other income				185	177	174	182	169	185	169	702
Total Income				214	205	199	207	192	214	192	803
Operating expenses				155	160	150	160	151	155	151	621
Provision for credit losses				-	-	-	-	-	-	-	-
Earning before income taxes				59	45	49	47	41	59	41	182
Income taxes				19	19	19	16	14	19	14	68
Non-controlling interest				2	-	1	1	1	2	1	3
Net Income				38	26	29	30	26	38	26	111
Expense ratio				72.4%	78.0%	75.4%	77.3%	78.6%	72.4%	78.6%	77.3%
Average loans and BA's				379	360	356	349	316	379	316	345
Average assets				917	885	870	917	856	917	856	882
<b>Financial Markets</b>											
Net interest income				(14)	129	19	103	58	(14)	58	309
Other income				291	106	209	142	214	291	214	671
Total Income				277	235	228	245	272	277	272	980
Operating expenses				151	151	140	150	154	151	154	595
Provision for credit losses				1	4	-	2	2	1	2	8
Earning before income taxes				125	80	88	93	116	125	116	377
Income taxes				41	31	30	31	40	41	40	132
Non-controlling interest				2	-	-	1	-	2	-	1
Net Income				82	49	58	61	76	82	76	244
Expense ratio				54.5%	64.3%	61.4%	61.2%	56.6%	54.5%	56.6%	60.7%
Average loans and BA's				12,759	11,941	9,879	8,967	8,501	12,759	8,501	9,829
Average assets				64,388	58,937	55,456	48,432	44,302	64,388	44,302	51,809

**NET INCOME BY SECTOR OF ACTIVITIES**


	2006				2005				YTD		Full Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2005
<i>(in millions of dollars)</i>											
<b>Other Segments</b>											
Net interest income				(74)	(86)	(65)	(62)	(55)	(74)	(55)	(268)
Other income				33	49	2	17	72	33	72	140
Total Income				(41)	(37)	(63)	(45)	17	(41)	17	(128)
Operating expenses				12	11	2	3	2	12	2	18
Provision for credit losses				(15)	(42)	(11)	(27)	(12)	(15)	(12)	(92)
Earning before income taxes				(38)	(6)	(54)	(21)	27	(38)	27	(54)
Income taxes				(25)	(34)	(62)	(32)	(4)	(25)	(4)	(132)
Non-controlling interest				4	6	4	5	6	4	6	21
Net Income				(17)	22	4	6	25	(17)	25	57
Average loans and BA's				(9,976)	(8,483)	(7,388)	(7,226)	(6,826)	(9,976)	(6,826)	(7,483)
Average assets				(7,943)	(6,401)	(5,458)	(5,715)	(5,404)	(7,943)	(5,404)	(5,745)
<b>Total</b>											
Net interest income				278	404	308	380	349	278	349	1,441
Other income				701	527	581	520	634	701	634	2,262
Total Income				979	931	889	900	983	979	983	3,703
Operating expenses				644	646	616	624	613	644	613	2,499
Provision for credit losses				17	-	15	1	17	17	17	33
Earning before income taxes				318	285	258	275	353	318	353	1,171
Income taxes				93	72	46	66	107	93	107	291
Non-controlling interest				8	6	5	7	7	8	7	25
Net Income				217	207	207	202	239	217	239	855
Expense ratio (teb)				64.4%	67.0%	64.9%	66.5%	61.4%	64.4%	61.4%	64.9%
Average loans and BA's				48,628	48,607	46,702	44,719	43,638	48,628	43,638	45,926
Average assets				103,590	98,930	95,444	86,972	82,135	103,590	82,135	90,902

**OTHER INCOME AND TRADING REVENUES**


	2006				2005				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2005	2004
<i>(unaudited) (thousands) (taxable equivalent basis)</i>												
<b>Other Income</b>												
Deposits and payment service charges				\$ 49,641	\$ 52,053	\$ 50,557	\$ 48,904	\$ 48,972	\$ 49,641	\$ 48,972	\$ 200,486	\$ 200,008
Commissions on loans and bankers' acceptances				79,030	79,690	81,178	71,995	74,353	79,030	74,353	307,216	323,005
Capital market fees				158,600	165,718	158,018	189,590	168,436	158,600	168,436	681,762	633,006
Foreign exchange revenues				23,355	19,440	20,245	18,283	18,093	23,355	18,093	76,061	71,626
Card service revenues				14,252	14,055	17,154	16,502	14,937	14,252	14,937	62,648	49,298
Trust services				42,989	39,163	39,181	35,696	32,083	42,989	32,083	146,123	119,762
Mutual funds				37,007	36,028	33,905	32,532	32,611	37,007	32,611	135,076	124,124
Securitization				39,927	51,412	48,079	46,539	47,942	39,927	47,942	193,972	180,054
Profit & Loss on trading				167,405	18,071	132,111	17,226	83,934	167,405	83,934	251,342	233,699
Profit & Loss other than trading				41,816	5,140	(7,091)	16,400	77,095	41,816	77,095	91,544	101,683
Other				48,546	53,199	44,707	41,471	36,197	48,546	36,197	175,574	191,940
<b>Total</b>				<b>\$ 702,568</b>	<b>\$ 533,969</b>	<b>\$ 618,044</b>	<b>\$ 535,138</b>	<b>\$ 634,653</b>	<b>\$ 702,568</b>	<b>\$ 634,653</b>	<b>\$ 2,321,804</b>	<b>\$ 2,228,205</b>
As a % of total revenues				<b>70.2%</b>	<b>55.3%</b>	<b>65.1%</b>	<b>57.0%</b>	<b>63.5%</b>	<b>70.2%</b>	<b>63.5%</b>	<b>60.3%</b>	<b>61.0%</b>

*(unaudited) (thousands)*

<b>Trading revenues</b>												
Net Interest Income				\$ (74,178)	\$ 77,714	\$ (25,862)	\$ 57,324	\$ (1,688)	\$ (74,178)	\$ (1,688)	\$ 107,488	\$ 37,559
Other Income				167,405	18,071	132,111	17,226	83,934	167,405	83,934	251,342	233,699
<b>Total</b>				<b>\$ 93,227</b>	<b>\$ 95,785</b>	<b>\$ 106,249</b>	<b>\$ 74,550</b>	<b>\$ 82,246</b>	<b>\$ 93,227</b>	<b>\$ 82,246</b>	<b>\$ 358,830</b>	<b>\$ 271,258</b>

**NON-INTEREST EXPENSES**


(unaudited) (thousands)

	2006				2005				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2005	2004
<b>Non-Interest Expenses</b>												
<b>Salaries and Staff benefits</b>												
Salaries				\$ 208,587	\$ 230,606	\$ 209,812	\$ 195,482	\$ 198,402	\$ 208,587	\$ 198,402	\$ 834,302	\$ 780,132
Commissions				110,469	97,038	93,165	111,474	115,387	110,469	115,387	417,064	395,748
Pension plan and other staff benefits				60,280	43,092	52,250	50,144	53,801	60,280	53,801	199,287	183,362
<b>Total Compensation</b>				<b>379,336</b>	<b>370,736</b>	<b>355,227</b>	<b>357,100</b>	<b>367,590</b>	<b>379,336</b>	<b>367,590</b>	<b>1,450,653</b>	<b>1,359,242</b>
<b>Premises, Equipment &amp; Furniture</b>												
Rent				19,654	20,095	19,017	19,829	19,546	19,654	19,546	78,487	104,620
Taxes & insurance				4,130	3,712	4,231	4,324	4,198	4,130	4,198	16,465	17,056
Maintenance, lighting, heating				6,632	7,413	5,909	6,775	5,930	6,632	5,930	26,027	26,398
Technology				93,410	94,085	85,161	93,264	83,654	93,410	83,654	356,164	334,221
Depreciation				16,033	16,702	15,388	15,173	15,437	16,033	15,437	62,700	52,312
<b>Total Premises, Equipment &amp; Furniture</b>				<b>139,859</b>	<b>142,007</b>	<b>129,706</b>	<b>139,365</b>	<b>128,765</b>	<b>139,859</b>	<b>128,765</b>	<b>539,843</b>	<b>534,607</b>
<b>Other Expenses</b>												
Professional fees				30,323	46,258	32,575	31,760	25,167	30,323	25,167	135,760	117,752
Taxes on capital & salaries				16,974	6,034	16,883	16,363	16,737	16,974	16,737	56,017	64,595
Travel & business development				27,334	34,947	30,668	27,959	25,917	27,334	25,917	119,491	123,618
Other				50,244	46,622	50,817	51,404	49,118	50,244	49,118	197,961	189,220
<b>Total Other Expenses</b>				<b>124,875</b>	<b>133,861</b>	<b>130,943</b>	<b>127,486</b>	<b>116,939</b>	<b>124,875</b>	<b>116,939</b>	<b>509,229</b>	<b>495,185</b>
<b>TOTAL NON-INTEREST EXPENSES</b>				<b>\$ 644,070</b>	<b>\$ 646,604</b>	<b>\$ 615,876</b>	<b>\$ 623,951</b>	<b>\$ 613,294</b>	<b>\$ 644,070</b>	<b>\$ 613,294</b>	<b>\$ 2,499,725</b>	<b>\$ 2,389,034</b>

**PROVISION FOR CREDIT LOSSES**



	2006				2005				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2005	2004
<i>(millions of dollars)</i>												
RETAIL				8	10	9	8	8	8	8	35	28
CREDIT CARD				16	15	15	14	14	16	14	58	52
COMMERCIAL				8	12	2	4	5	8	5	23	57
CORPORATE				1	3	-	2	2	1	2	7	51
REAL ESTATE				(2)	1	-	-	-	(2)	-	1	-
OTHER				-	(2)	2	-	(2)	-	(2)	(2)	-
CREDIT CARD SECURITIZATION				(14)	(14)	(13)	(10)	(10)	(14)	(10)	(47)	(47)
GENERAL				-	(25)	-	(17)	-	-	-	(42)	(55)
<b>Total</b>				<b>17</b>	<b>-</b>	<b>15</b>	<b>1</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>33</b>	<b>86</b>



	2006				2005				End Of Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2005	2004
<i>(unaudited)(millions of dollars)</i>										
<b>Assets</b>										
Cash and deposits with financial institutions				\$ 9,484	\$ 10,314	\$ 12,031	\$ 9,297	\$ 7,036	\$ 10,314	\$ 5,777
Securities				30,072	33,052	34,690	31,162	27,720	33,052	28,007
Securities purchased under reverse repurchase agreements				7,980	7,023	8,270	6,843	5,566	7,023	4,496
Loans										
Residential mortgages				15,345	15,675	16,003	15,445	15,450	15,675	15,498
Personal and credit cards				10,108	9,778	9,274	8,671	8,191	9,778	7,808
Business and government				22,314	21,665	20,518	19,430	18,653	21,665	18,192
<b>Total Loans</b>				<b>47,767</b>	<b>47,118</b>	<b>45,795</b>	<b>43,546</b>	<b>42,294</b>	<b>47,118</b>	<b>41,498</b>
Customers' liability under bankers' acceptances				3,468	3,242	2,842	2,902	2,725	3,242	3,076
Other assets				6,505	6,849	6,965	6,167	6,362	6,849	5,643
<b>Total Assets</b>				<b>\$ 105,276</b>	<b>\$ 107,598</b>	<b>\$ 110,593</b>	<b>\$ 99,917</b>	<b>\$ 91,703</b>	<b>\$ 107,598</b>	<b>\$ 88,497</b>
<b>Liabilities</b>										
<b>Deposits</b>										
Personal				\$ 27,103	\$ 26,385	\$ 25,476	\$ 25,034	\$ 24,610	\$ 26,385	\$ 24,008
Business and government				29,640	29,636	28,474	27,786	24,999	29,636	23,966
Deposit-taking institutions				8,177	5,956	7,043	8,926	7,051	5,956	5,458
<b>Total Deposits</b>				<b>64,920</b>	<b>61,977</b>	<b>60,993</b>	<b>61,746</b>	<b>56,660</b>	<b>61,977</b>	<b>53,432</b>
<b>Others</b>										
Acceptances				3,468	3,242	2,842	2,902	2,725	3,242	3,076
Other liabilities				30,662	36,680	40,696	28,914	26,151	36,680	26,377
Subordinated debentures				1,600	1,102	1,409	1,770	1,764	1,102	1,408
<b>Total Others</b>				<b>35,730</b>	<b>41,024</b>	<b>44,947</b>	<b>33,586</b>	<b>30,640</b>	<b>41,024</b>	<b>30,861</b>
<b>Shareholders' equity</b>										
Preferred shares				400	400	575	575	375	400	375
Common shares				1,573	1,565	1,557	1,552	1,563	1,565	1,545
Contributed surplus				15	13	12	10	8	13	7
Retained earnings				2,638	2,619	2,509	2,448	2,457	2,619	2,277
<b>Total Shareholders' equity</b>				<b>4,626</b>	<b>4,597</b>	<b>4,653</b>	<b>4,585</b>	<b>4,403</b>	<b>4,597</b>	<b>4,204</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>				<b>\$ 105,276</b>	<b>\$ 107,598</b>	<b>\$ 110,593</b>	<b>\$ 99,917</b>	<b>\$ 91,703</b>	<b>\$ 107,598</b>	<b>\$ 88,497</b>
Mortgage securitization				\$ 4,937	\$ 4,581	\$ 4,058	\$ 4,210	\$ 4,020	\$ 4,581	\$ 3,813
Mortgage loans sold to third parties				\$ 652	\$ 551	\$ 452	\$ 364	\$ 292	\$ 551	\$ 220
Credit card securitization				\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 900	\$ 1,200	\$ 900
Direct loans securitization				\$ 309	\$ 222	\$ 309	\$ 338	\$ 464	\$ 222	\$ 515
Mutual funds				\$ 11,657	\$ 11,157	\$ 11,221	\$ 10,646	\$ 10,545	\$ 11,157	\$ 10,564
Securities - excess of market value over book				\$ 53	\$ 74	\$ 131	\$ 57	\$ 158	\$ 74	\$ 123
Number of shares outstanding (000's)				164,313	165,335	165,096	165,744	168,050	165,335	167,430
Domestic Gap < 1 year				124	(243)	(24)	1,206	537	(243)	268
> 1 year				2,664	3,053	2,899	1,684	2,297	3,053	2,426

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**


	2006				2005				YTD		Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2005	2004
<i>(unaudited)(millions of dollars)</i>												
Opening balance				4,597	4,653	4,585	4,403	4,204	4,597	4,204	4,204	4,097
Issuance (redemption) of common shares				8	7	4	(10)	18	8	18	19	(38)
Issuance of preferred shares				-	-	-	200	-	-	-	200	-
Redemption of preferred shares, Series 12 and 13				-	(175)	-	-	-	-	-	(175)	-
Net income				217	207	207	202	239	217	239	855	725
Dividends on common shares				(80)	(72)	(73)	(71)	(70)	(80)	(70)	(286)	(243)
Dividends on preferred shares				(5)	(5)	(8)	(7)	(6)	(5)	(6)	(26)	(23)
Initial adoption of AcG-15				-	(5)	-	3	3	-	3	1	-
Share issuance expenses, net of income taxes				-	1	6	(8)	-	-	-	(1)	(1)
Unrealized foreign exchange gains (losses), net of income taxes				(23)	(16)	(9)	(5)	14	(23)	14	(16)	(16)
Stock options expense				2	1	2	2	1	2	1	6	5
Impact of shares acquired / sold for trading purposes				-	1	1	(1)	-	-	-	1	-
Premium paid on common shares purchased for cancellation				(90)	-	(62)	(123)	-	(90)	-	(185)	(302)
Closing balance				4,626	4,597	4,653	4,585	4,403	4,626	4,403	4,597	4,204
Shareholders' equity												
Preferred shares				400	400	575	575	375	400	375	400	375
Common shares				1,573	1,565	1,557	1,552	1,563	1,573	1,563	1,565	1,545
Contributed surplus				15	13	12	10	8	15	8	13	7
Unealized foreign currency translation adjustment				(49)	(26)	(10)	(1)	4	(49)	4	(26)	(10)
Retained earnings				2,687	2,645	2,519	2,449	2,453	2,687	2,453	2,645	2,287
Closing balance				4,626	4,597	4,653	4,585	4,403	4,626	4,403	4,597	4,204

**ASSETS UNDER ADMINISTRATION / MANAGEMENT**


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

(millions of dollars)

as at January 31, 2006

<b>Assets under administration</b>									
Institutional	54,539	10,612	-	-	-	-	-	65,151	48,002
Personal	-	84,413	-	-	-	9,305	-	93,718	86,444
Mutual funds	11,845	-	7,679	3,978	-	-	-	23,502	19,036
Mortgage loans sold to third parties	-	-	-	-	-	-	5,589	5,589	4,312
<b>Total assets under administration</b>	<b>66,384</b>	<b>95,025</b>	<b>7,679</b>	<b>3,978</b>	<b>-</b>	<b>9,305</b>	<b>5,589</b>	<b>187,960</b>	<b>157,794</b>
<b>Assets under management</b>									
Personal	4,640	-	-	-	-	-	-	4,640	3,436
Managed portfolios	-	2,924	-	-	20,411	-	-	23,335	16,983
Mutual funds	-	-	-	-	11,861	-	-	11,861	13,609
<b>Total assets under management</b>	<b>4,640</b>	<b>2,924</b>	<b>-</b>	<b>-</b>	<b>32,272</b>	<b>-</b>	<b>-</b>	<b>39,836</b>	<b>34,028</b>
<b>Total assets under administration / management</b>	<b>71,024</b>	<b>97,949</b>	<b>7,679</b>	<b>3,978</b>	<b>32,272</b>	<b>9,305</b>	<b>5,589</b>	<b>227,796</b>	<b>191,822</b>

Total	
2005	2004

as at January 31, 2005

<b>Assets under administration</b>									
Institutional	40,862	7,140	-	-	-	-	-	48,002	33,947
Personal	-	78,207	-	-	-	8,237	-	86,444	76,440
Mutual funds	8,491	-	6,676	3,869	-	-	-	19,036	16,540
Mortgage loans sold to third parties	-	-	-	-	-	-	4,312	4,312	4,298
<b>Total assets under administration</b>	<b>49,353</b>	<b>85,347</b>	<b>6,676</b>	<b>3,869</b>	<b>-</b>	<b>8,237</b>	<b>4,312</b>	<b>157,794</b>	<b>131,225</b>
<b>Assets under management</b>									
Personal	3,436	-	-	-	-	-	-	3,436	2,543
Managed portfolios	-	2,127	-	-	14,856	-	-	16,983	14,996
Mutual funds	-	-	-	-	13,609	-	-	13,609	13,429
<b>Total assets under management</b>	<b>3,436</b>	<b>2,127</b>	<b>-</b>	<b>-</b>	<b>28,465</b>	<b>-</b>	<b>-</b>	<b>34,028</b>	<b>30,968</b>
<b>Total assets under administration / management</b>	<b>52,789</b>	<b>87,474</b>	<b>6,676</b>	<b>3,869</b>	<b>28,465</b>	<b>8,237</b>	<b>4,312</b>	<b>191,822</b>	<b>162,193</b>

**GROSS IMPAIRED LOANS**


	2006				2005				End of Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2004
<i>(\$ millions)</i>									
RETAIL				41.9	45.1	40.5	38.1	35.0	34.7
COMMERCIAL				147.8	133.6	135.2	144.0	166.7	205.9
CORPORATE				62.7	64.8	65.2	68.8	81.5	121.4
REAL ESTATE				3.4	13.0	16.4	16.4	16.4	21.5
TREASURY				3.4	3.5	3.6	3.7	3.6	3.6
OTHER				-	-	-	0.1	0.4	0.4
GENERAL ALLOWANCE				-	-	-	-	-	-
<b>PRIVATE RISKS</b>				<b>259.2</b>	<b>260.0</b>	<b>260.9</b>	<b>271.1</b>	<b>303.6</b>	<b>387.5</b>
<b>AS A % OF LOANS AND ACCEPTANCES</b>				<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>0.9%</b>

	2006				2005				YTD	Full Year	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2006	2005	2004
Opening balance				260	261	271	304	388	260	388	476
Write-off				(16)	(36)	(14)	(34)	(72)	(16)	(156)	(132)
Formation				15	35	3	1	(12)	15	27	44
Closing balance				259	260	261	271	304	259	260	388

**NET IMPAIRED LOANS**


	2006				2005				End of year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2004
(\$ millions)									
RETAIL				22.5	24.9	20.2	18.4	15.4	16.1
COMMERCIAL				63.7	55.1	52.2	57.3	69.7	82.0
CORPORATE				25.1	27.5	28.1	30.6	36.6	48.8
REAL ESTATE				-	7.6	11.0	11.0	10.0	10.4
TREASURY				2.1	2.2	2.2	2.2	2.3	2.3
OTHER				-	-	-	-	-	-
GENERAL ALLOWANCE				(308.0)	(308.0)	(333.0)	(333.0)	(350.0)	(350.0)
<b>PRIVATE RISKS</b>				<b>(194.6)</b>	<b>(190.7)</b>	<b>(219.3)</b>	<b>(213.5)</b>	<b>(216.0)</b>	<b>(190.4)</b>
AS A % OF LOANS AND ACCEPTANCES				<b>-0.4%</b>	<b>-0.4%</b>	<b>-0.5%</b>	<b>-0.5%</b>	<b>-0.5%</b>	<b>-0.4%</b>

**RISK-ADJUSTED CAPITAL RATIOS**


	2006				2005			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(millions of dollars)</i>								
<b>Tier I capital</b>								
Common shareholders' equity				\$4,226	\$4,197	\$4,077	\$4,010	\$4,028
Non-cum. preferred shares, permanent				400	400	400	400	375
Non-controlling interest				137	132	48	49	48
Innovative instruments				342	354	367	378	372
Less: goodwill				662	662	662	662	662
Less: Trading in short positions of own shares (gross)				6	7	6	-	-
<b>Total Tier I</b>				<b>\$4,437</b>	<b>\$4,414</b>	<b>\$4,224</b>	<b>\$4,175</b>	<b>\$4,161</b>
<b>Tier II capital</b>								
Bank debentures (1)				\$1,600	1,602	1,348	1,707	\$1,702
General provision				308	308	333	333	350
<b>Total Tier II</b>				<b>\$1,908</b>	<b>\$1,910</b>	<b>\$1,681</b>	<b>\$2,040</b>	<b>\$2,052</b>
Other deductions				415	399	364	353	360
<b>TOTAL CAPITAL</b>				<b>\$5,930</b>	<b>\$5,925</b>	<b>\$5,541</b>	<b>\$5,862</b>	<b>\$5,853</b>
<b>Risk-adjusted balance sheet items</b>								
Cash resources				\$1,651	\$1,306	\$1,648	\$1,820	\$1,376
Securities				2,030	2,269	2,123	2,246	2,179
Mortgage loans				5,282	5,121	5,603	5,565	5,625
Other loans				23,049	22,211	21,483	20,404	19,840
Other assets				5,275	5,650	5,287	4,721	5,275
<b>Total Risk-adjusted balance sheet items</b>				<b>\$37,287</b>	<b>\$36,557</b>	<b>\$36,144</b>	<b>\$34,756</b>	<b>\$34,295</b>
<b>Risk-adjusted off-balance sheet items</b>								
Comitments to extend credit								
L/G, L/C and trans.-related contingent				\$1,082	1,033	992	979	\$941
Comitments to extend credit				4,794	4,730	4,843	4,697	4,798
Interest rate contract				105	110	144	126	112
Foreign exchange contract				249	220	237	287	207
Equity-linked contract				388	362	328	241	206
Commodity				65	56	69	64	105
<b>Total Risk-adjusted off-balance sheet items</b>				<b>\$6,683</b>	<b>\$6,511</b>	<b>\$6,613</b>	<b>\$6,394</b>	<b>\$6,369</b>
<b>Risk-adjusted market risk items</b>				<b>\$2,806</b>	<b>\$3,168</b>	<b>\$3,017</b>	<b>\$2,787</b>	<b>\$2,849</b>
<b>TOTAL RISK-ADJUSTED ASSETS</b>				<b>\$46,776</b>	<b>\$46,236</b>	<b>\$45,774</b>	<b>\$43,937</b>	<b>\$43,513</b>
<b>Risk-adjusted ratios</b>								
Tier I				9.5%	9.6%	9.2%	9.5%	9.6%
Total				12.7%	12.8%	12.1%	13.3%	13.5%

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



	2006				2005				End of Year
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2004
<i>(millions of dollars)</i>									
<b>FOREIGN EXCHANGE RELATED CONTRACTS</b>									
Swaps				47,796	51,143	56,895	50,733	27,605	29,559
Options - purchased				6,537	7,463	7,857	9,506	6,655	5,544
Options - sold				7,318	6,862	7,761	8,872	6,206	5,285
Futures				6,829	6,788	8,342	7,989	5,606	6,306
<b>Total Notional Amount</b>				<b>68,480</b>	<b>72,256</b>	<b>80,855</b>	<b>77,100</b>	<b>46,072</b>	<b>46,694</b>
Replacement cost (1)				504	338	395	549	511	480
Future credit risk				549	513	576	574	462	295
Credit equivalent (2)				1,053	852	972	1,123	972	775
Risk-weighted equivalent				249	220	237	287	207	166
<b>INTEREST RATE RELATED CONTRACTS</b>									
Swaps				109,122	123,134	115,629	112,025	116,536	116,760
Options - purchased				76,552	86,008	88,993	52,055	58,938	34,905
Options - sold				76,786	67,882	75,320	40,014	24,342	34,568
Futures				11,000	9,082	21,253	17,436	6,651	7,033
<b>Total Notional Amount</b>				<b>273,460</b>	<b>286,106</b>	<b>301,195</b>	<b>221,530</b>	<b>206,467</b>	<b>193,266</b>
Replacement cost (1)				266	328	515	470	514	501
Future credit risk				312	296	312	300	690	203
Credit equivalent (2)				578	625	826	770	1,205	704
Risk-weighted equivalent				105	110	144	126	112	129
<b>FINANCIAL FUTURES</b>									
<b>Total Notional Amount</b>				<b>44,472</b>	<b>14,981</b>	<b>35,213</b>	<b>44,351</b>	<b>35,741</b>	<b>34,139</b>
<b>EQUITY AND COMMODITY CONTRACTS</b>									
<b>Total Notional Amount</b>				<b>26,980</b>	<b>29,593</b>	<b>27,062</b>	<b>24,499</b>	<b>18,408</b>	<b>17,664</b>
Replacement cost (1)				684	653	777	602	514	543
Future credit risk				734	810	759	824	690	694
Credit equivalent (2)				1,418	1,463	1,536	1,426	1,205	1,237
Risk-weighted equivalent				454	418	397	305	311	309
<b>TOTAL DERIVATIVES</b>									
<b>Total Notional Amount</b>				<b>413,392</b>	<b>402,936</b>	<b>444,325</b>	<b>367,480</b>	<b>306,688</b>	<b>291,762</b>
Replacement cost (1)				1,454	1,319	1,687	1,621	1,539	1,524
Future credit risk				1,595	1,619	1,647	1,698	1,842	1,193
Credit equivalent (2)				3,049	2,940	3,334	3,319	3,382	2,717
Risk-weighted equivalent				808	748	778	718	630	604

(1) Gross positive replacement cost after permissible netting

(2) Taking into account permissible netting



2006				2005			
Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1

**Credit Rating**

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

**Stock Trading Range and Other Information**

High				\$ 63.90	\$ 61.47	\$ 58.21	\$ 55.24	\$ 49.75
Low				\$ 58.35	\$ 55.87	\$ 51.60	\$ 48.72	\$ 46.39
Close				\$ 61.75	\$ 59.14	\$ 57.30	\$ 52.41	\$ 49.19
Number of registered shareholders				26,049	26,235	26,398	26,542	26,785

**Valuation**

Market Capitalization (in millions of \$)				\$ 10,146	\$ 9,778	\$ 9,460	\$ 8,687	\$ 8,266
P/E Ratio (Trailing 4 Quarters)				12.68	11.88	11.77	11.34	11.03
Market price/Book value				2.40	2.33	2.32	2.17	2.05
Dividend payout (trailing 4 quarters)				36.55%	34.54%	34.09%	34.63%	33.86%
Dividend yield (annualized)				3.11%	2.98%	3.07%	3.21%	3.42%

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
<b>Common Shares</b>	<b>NA</b>	<b>National Bk</b>
First Preferred Shares		
Series 15	NA.PR.K	Natl Bk 15
Series 16	NA.PR.L	Natl Bk 16

