

PRODUCTS AND SERVICES FOR CORRESPONDENT BANKS

Accounts in Canada

Our correspondents have the option of opening a Canadian and/or US dollar account on our books. For transfers, letters of credit and cash letter services (Canadian and US items drawn on Canada), opening a correspondent account is not only the most reliable solution, but also the most economical.

Our correspondents can elect to open sub-accounts under a main account number. This structure allows them to maintain several differentiated accounts in Canadian and US dollars which they can manage for their clients.

Provided that they meet certain conditions, our correspondents can also open accounts in other currencies.

Drafts

With a National Bank of Canada Canadian and US dollar account, you can offer your clients drafts issued in either Canadian or US dollars. We also supply encoded drafts on request.

Payment Centre

For some years now, National Bank of Canada has been specializing in electronic transfer services. Our upgraded, high-performance system gives us the necessary flexibility to service the growing needs our financial institution clientele.

The International Payment Centre is fully integrated with our International Division. National Bank of Canada is a member of SWIFT (Society for Worldwide Interbank Financial Telecommunication) and one of the 14 Canadian members of the Large Value Transfer System (LVTS). We are also a full-fledged member of the Canadian Payments Association (CPA) (Canada's clearing and settlement system, see www.cdnpay.ca). Furthermore, the National Bank of Canada is the only Canadian member of the Eurogiro network, which connects the large postal and other member banks.

Clearing rank: 1st in Quebec, 6th in Canada

Commercial Payments

For instructions on preparing your payments according to Canadian standards, please call 1 888 322-1763.

Interbank Payments

National Bank of Canada processes thousands of incoming and outgoing payments each day in accordance with SWIFT standards on behalf its correspondents.

Mass Payments

This service is designed to handle large volumes of low value payments on behalf of corporations, government agencies and financial institutions. These payments, below \$10,000 in individual value, may be of a recurring (e.g.: pensions, dividends) or non recurring nature.

Mass Payment orders may be sent to National Bank of Canada in Canadian dollars or in any other freely convertible currency. Files containing bulk payments may be transmitted either by SWIFT, Eurogiro, Internet, Direct Electronic Connections or Magnetic Media (tape or disc), and will be routed through the Canadian payments system.

Cash Letter

Canada's cheque clearing system is a centralized system and interbank clearing is done by way of a final payment to the Bank of Canada.

National Bank of Canada offers to clear and settle all your cheques made out in Canadian or US dollars and drawn on a Canadian financial institution. This service will help you to meet your customers' requirements as it is prompt (faster than collection), reliable, economical and efficient in terms of value date crediting.

You may send your items directly to our Montreal centre or deal with one of our offices abroad.

Collections

National Bank of Canada's collection service is designed to pay irrevocable funds for items freely negotiable in Canada, but which cannot be cleared through the Canadian clearing systems or for which the correspondent bank requires a specific processing for irrevocable credit thereby eliminating the occurrence of returns. Customized solutions for large volumes are treated on a case-by-case basis.

Letters of Credit

National Bank of Canada issues Documentary (Import) and Standby Letters of Credit in favour of beneficiaries around the world. Our experienced staff can assist you in preparing these sometimes complex instruments so that you can avoid common pitfalls.

We can act as the issuing, advising and confirming bank. Export Letters of Credit in your favour can be advised through, and where required confirmed by, National Bank of Canada.

Bank Notes

To help you optimize your cash resources, National Bank of Canada's Cash Management Department is at your service. Each year, we process some 13 billion bank notes, making us one of the largest bank note providers in eastern North America. We supply and process Canadian and US bank notes for our institutional clientele around the world.

Our Correspondent Banking Department is the intermediary between your bank and our Cash Management Department.

CLS (*Continuous Linked Settlement*)

National Bank of Canada intends to participate in the CLS consortium as a third-party member. We will inform you of any changes as they occur. At the same, National Bank of Canada continues to offer interbank payment services to its third-party correspondents, as a member of the Canadian Payments System, and other CLS-related services such as MT 204 processing.

General services

As one of Canada's major banks, National Bank of Canada offers a complete line of banking services to individuals and businesses alike. Such services include opening bank accounts, cheque services, safe deposit box rentals, lines of credit and various other financing products.

Our business clients across Canada know that they can count on our Commercial Banking Centres for financial products, advisory services and effective support. The Correspondent Banking Department handles requests from clients of correspondent banks and acts as intermediary with its commercial financial services.

To find out more, please refer to the Business Services and Personal Services sections.

