

2008 ANNUAL MEETING



**NATIONAL  
BANK**

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**FINANCIAL GROUP**

ADDRESS BY

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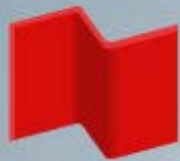
PRESIDENT AND CHIEF EXECUTIVE OFFICER

# Main themes

- ▶ Fiscal 2007
- ▶ Strategic development
- ▶ Asset-backed commercial paper (ABCP)

# Strategic development

- ▶ New management structure



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- ▶ Strategic update



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## Goals for next 5 years

- ▶ One client, one bank
- ▶ Seize the right opportunities
- ▶ Match or exceed the performance of our peers
- ▶ Maintain balance among stakeholders

One client, one bank

## Be the best-in-class in Quebec market



- ▶ 150 years in business
- ▶ Client satisfaction
- ▶ Culture and technology
- ▶ Remain one of the best employers in Canada

Seize the right opportunities  
**Growth accelerators**

**Niche markets & specialty finance**

- ▶ Partnerships
- ▶ Agribusiness across Canada
- ▶ Oil and gas
- ▶ Innocap

**Acquisitions & alliances**

- ▶ Contribution of acquisitions to results within 2 years

Financial performance

## Match or exceed our peers

Revenue  
growth



Expense  
growth

- ▶ Operating leverage target  $\geq 2\%$
- ▶ Adoption of a more robust growth profile
- ▶ Risk management

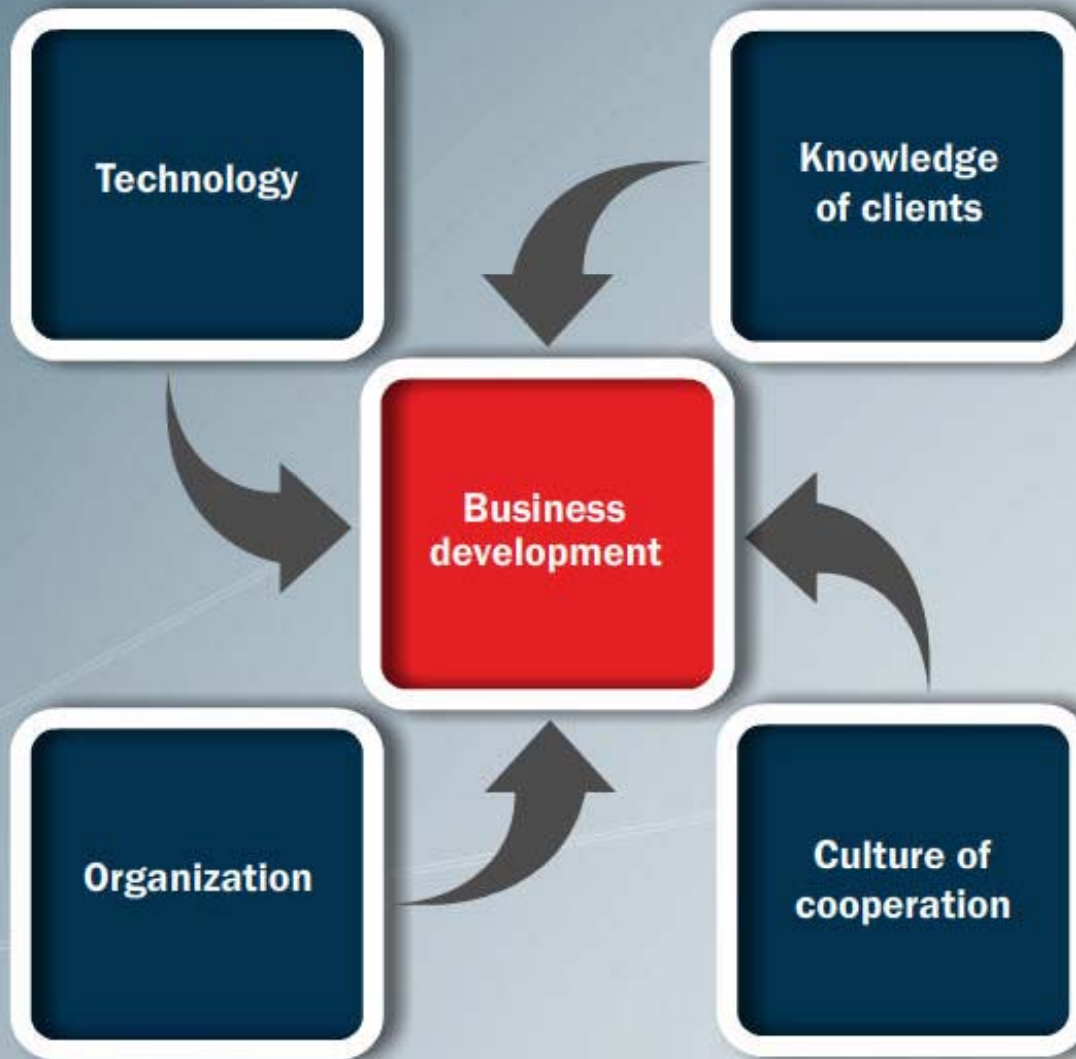
Stakeholders

## Maintain the balance



One client, one bank

## A step-by-step plan



- ▶ 2008: year of transition
- ▶ A more difficult economic environment
- ▶ Opportunities in each business segment

## A very solid financial group

- ▶ Financially solid
- ▶ Compound annual increase in dividend of **21%** over 5 years
- ▶ Sound business diversification

## **Our goal for the Bank**

**A bank that is ever more  
effective at serving the interests  
of clients and shareholders for  
the benefit of communities**

# Commercial paper

## ► Why?

- Organized market
- Similarity of both types of paper
- Mutual funds: comparable percentage

# Commercial paper

## ▶ Investment by officers and directors

- Chiefly indirect holdings
- Personal assets held in trust

## ▶ What we learned

- Better take into account shocks
- Continually improve risk management

# Commercial paper

- ▶ Quick, decisive action
- ▶ Concern for interests of clients not reimbursed
- ▶ Guidance from Independent Committee