

2008 ANNUAL MEETING



**NATIONAL  
BANK**

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**FINANCIAL GROUP**

RECEIPT OF THE CONSOLIDATED  
FINANCIAL STATEMENTS AND  
THE AUDITOR'S REPORT

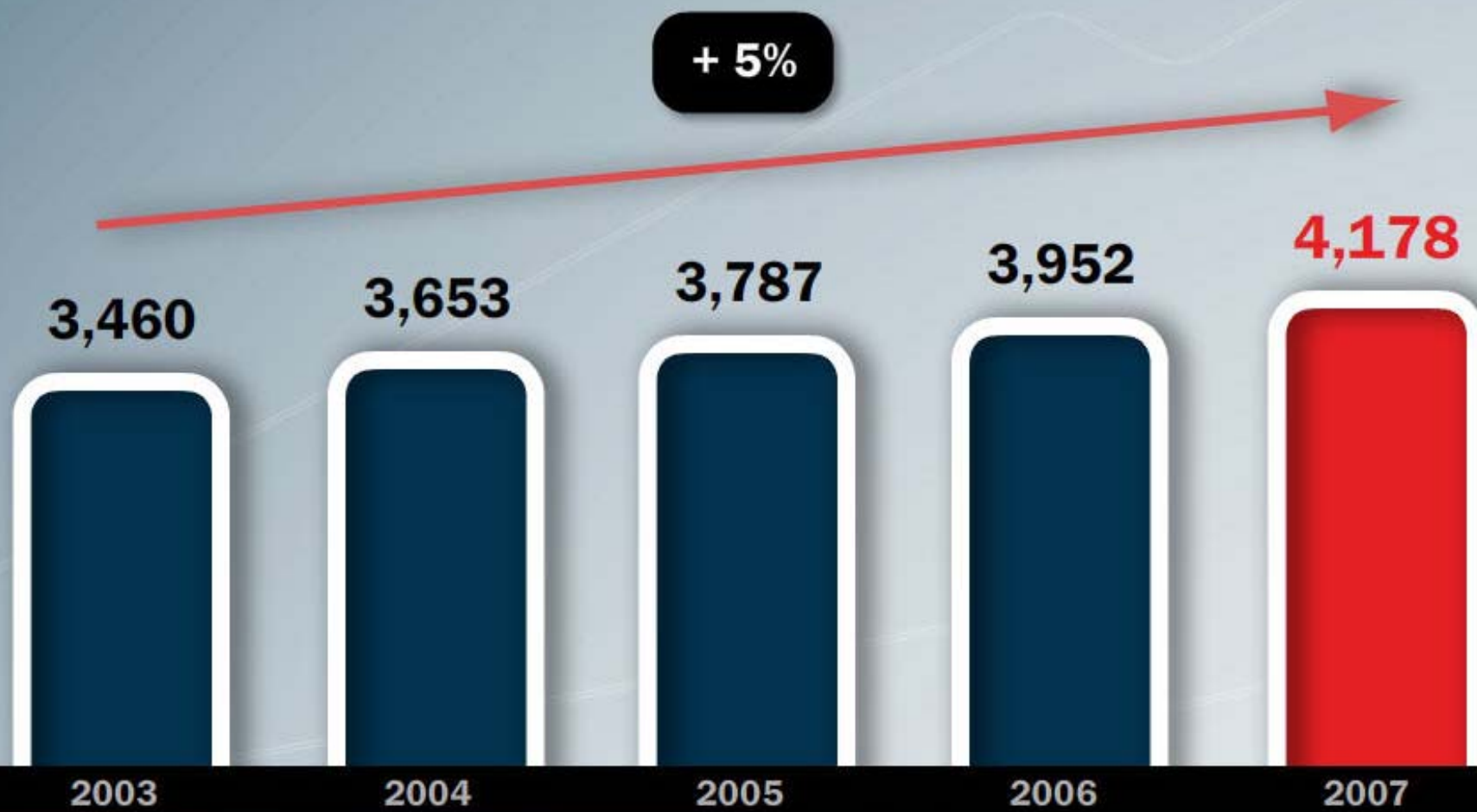
# Operating results

Millions of dollars, unless otherwise indicated

	2007	2006
Total revenues	3,423	3,803
Net income	541	871
Return on equity	11.5%	20.1%
Diluted earnings per share	\$3.22	\$5.13

# Total revenues <sup>(1)</sup>

Millions of dollars, taxable equivalent basis



The Bank's consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The Bank uses certain measurements that do not comply with GAAP to assess results, such as the taxable equivalent basis, a method that consists in grossing up certain tax-exempt income by the income tax that would have been otherwise payable. An equivalent amount is added to income taxes. The exclusion of certain specified items is another method that does not comply with GAAP. Please refer to pages 12 and thereafter of the 2007 Annual Report for an explanation of the financial reporting method and a reconciliation of measures not compliant with GAAP.

<sup>(1)</sup> Excluding specified items and net of non-controlling interest in Innocap

# Net income

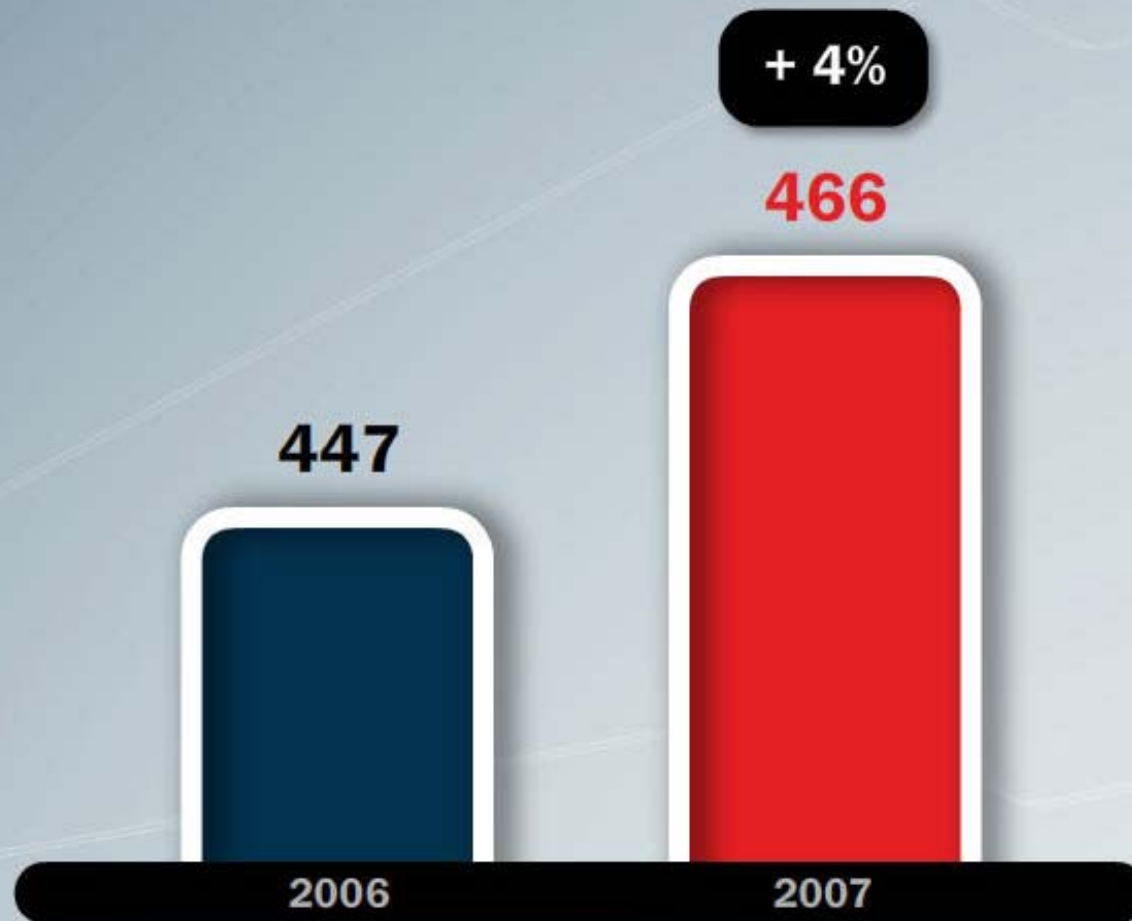
Millions of dollars, excluding specified items



Personal and Commercial

# Net income

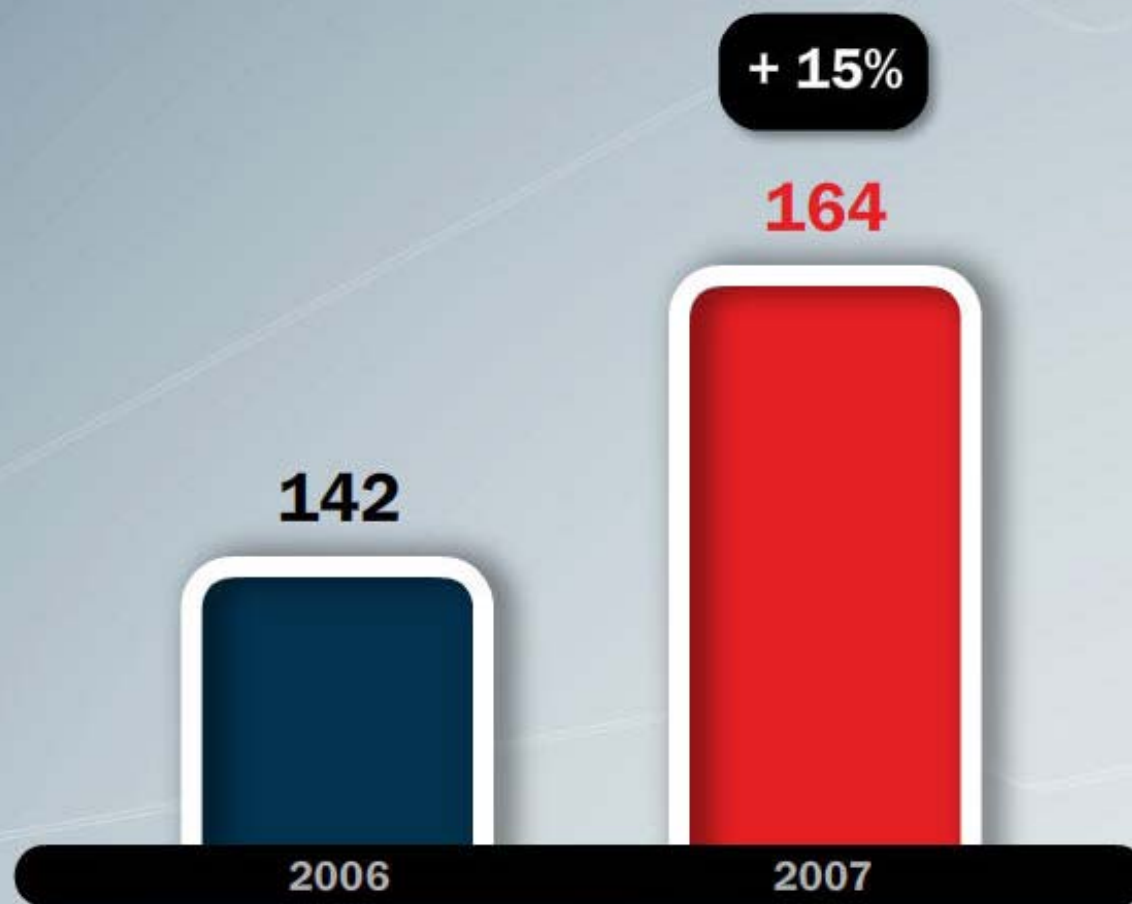
Millions of dollars



Wealth Management

## Net income

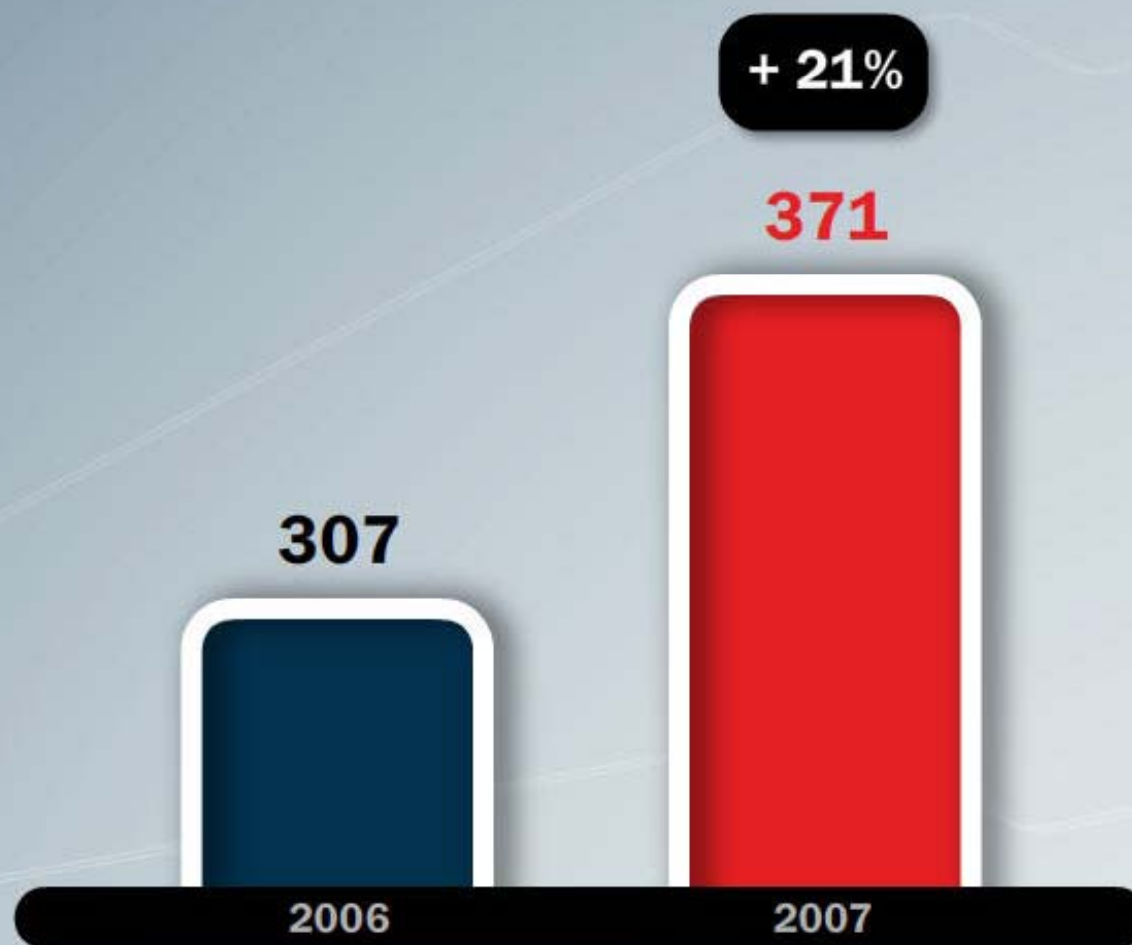
Millions of dollars, excluding specified items



Financial Markets

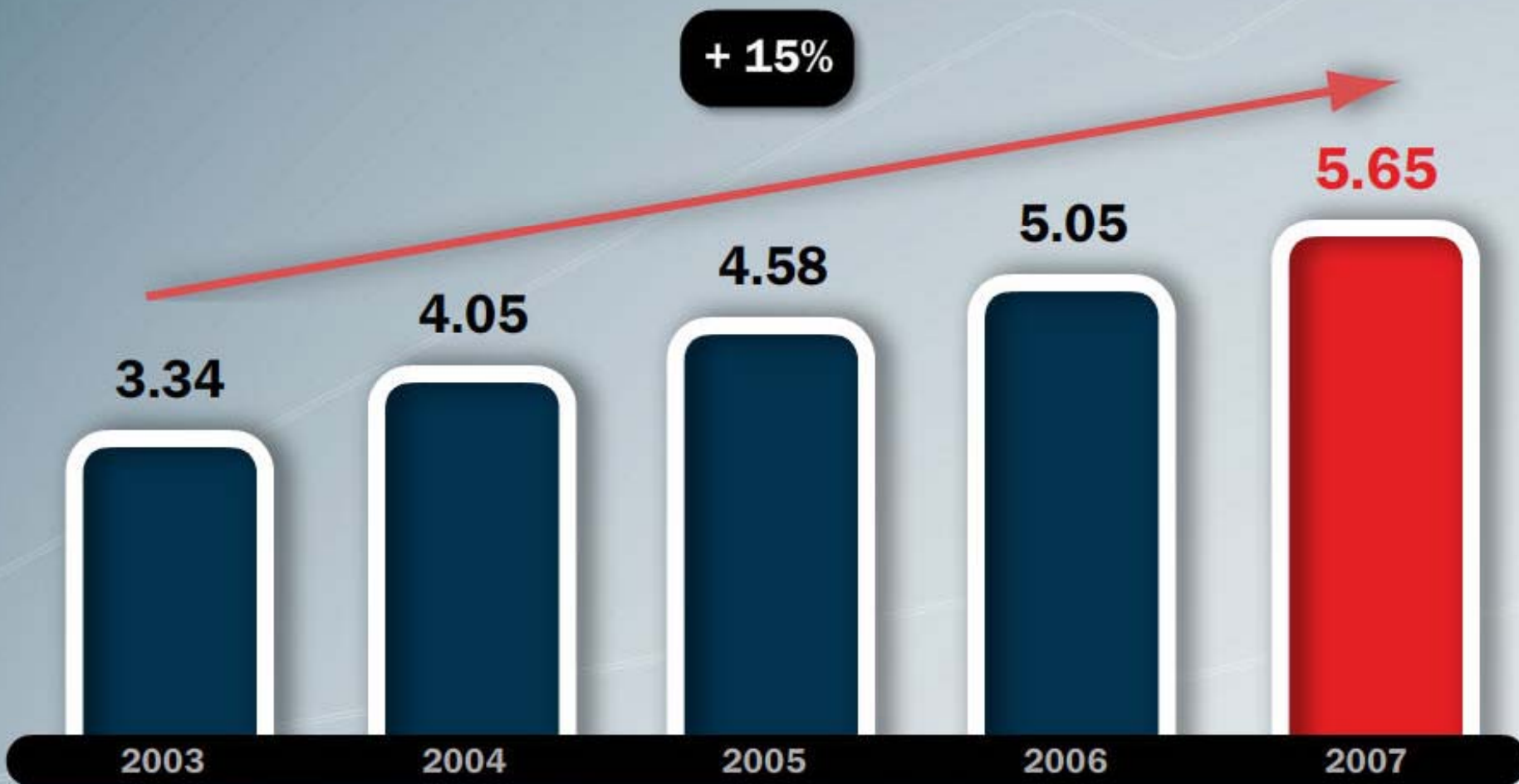
## Net income

Millions of dollars, excluding specified items



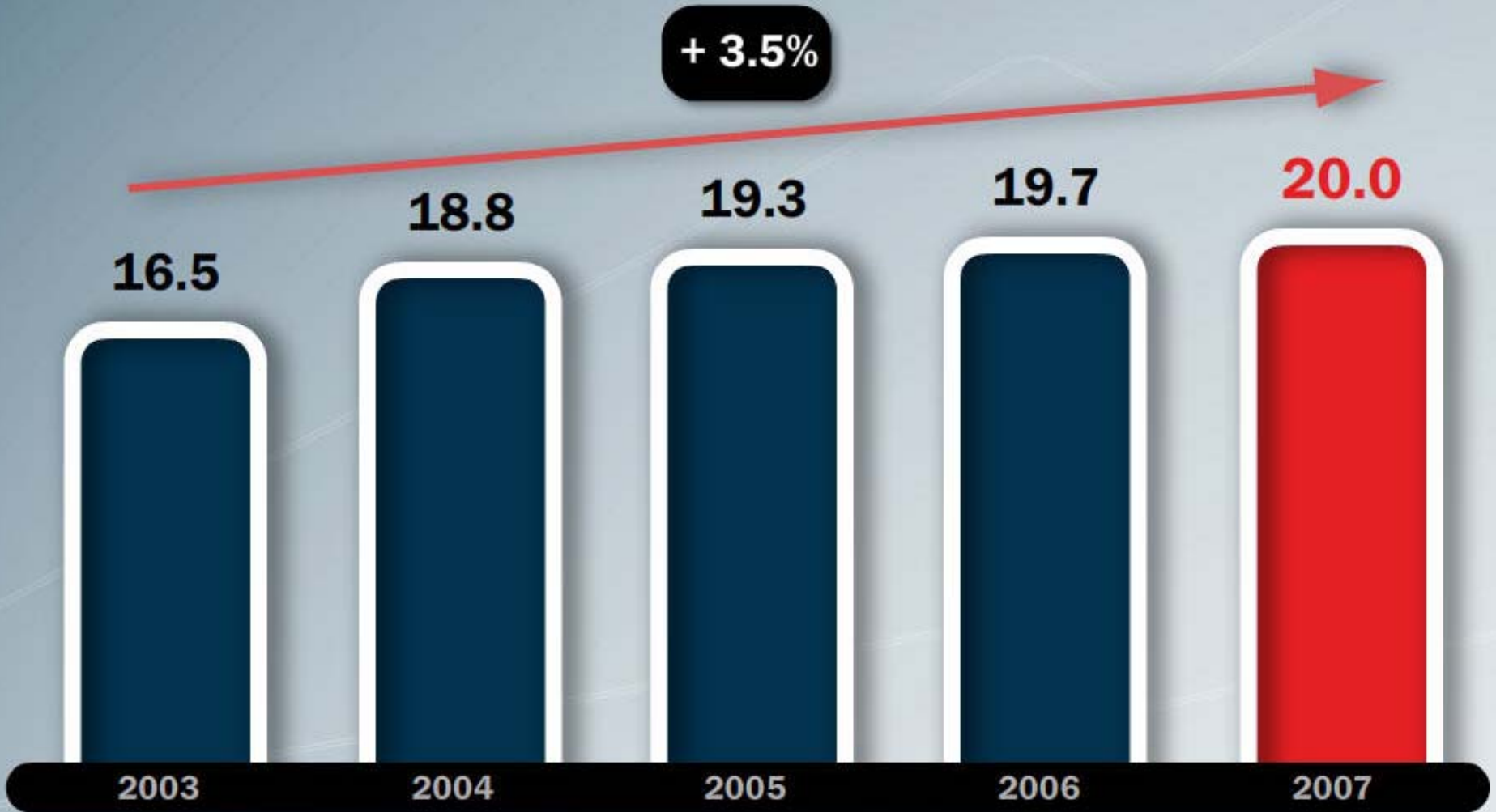
# Diluted earnings per share

Dollars, excluding specified items



# Return on equity

As a %, excluding specified items





# Dividend per share

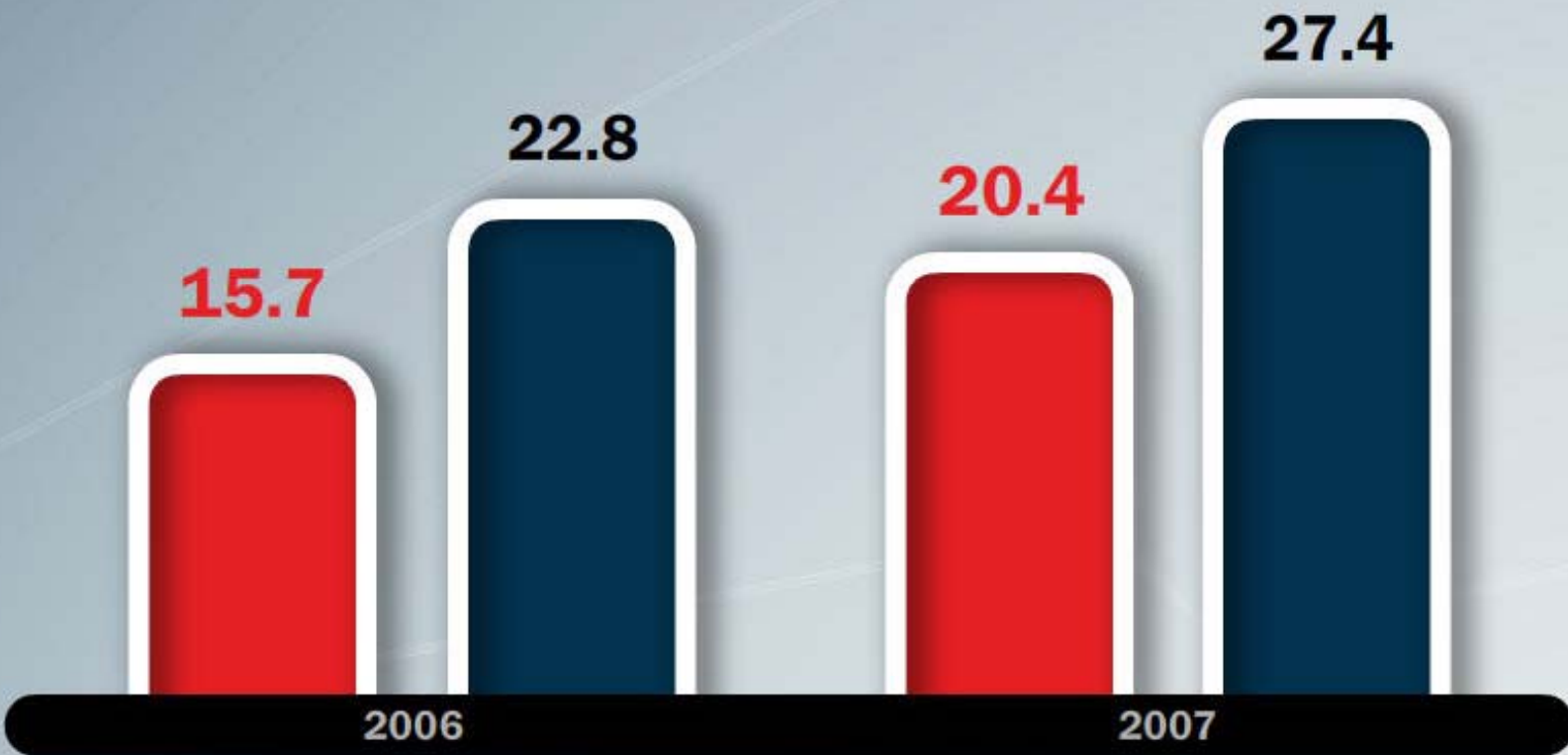
Dollars



# Loan losses

As a % of loans and acceptances (basis points)

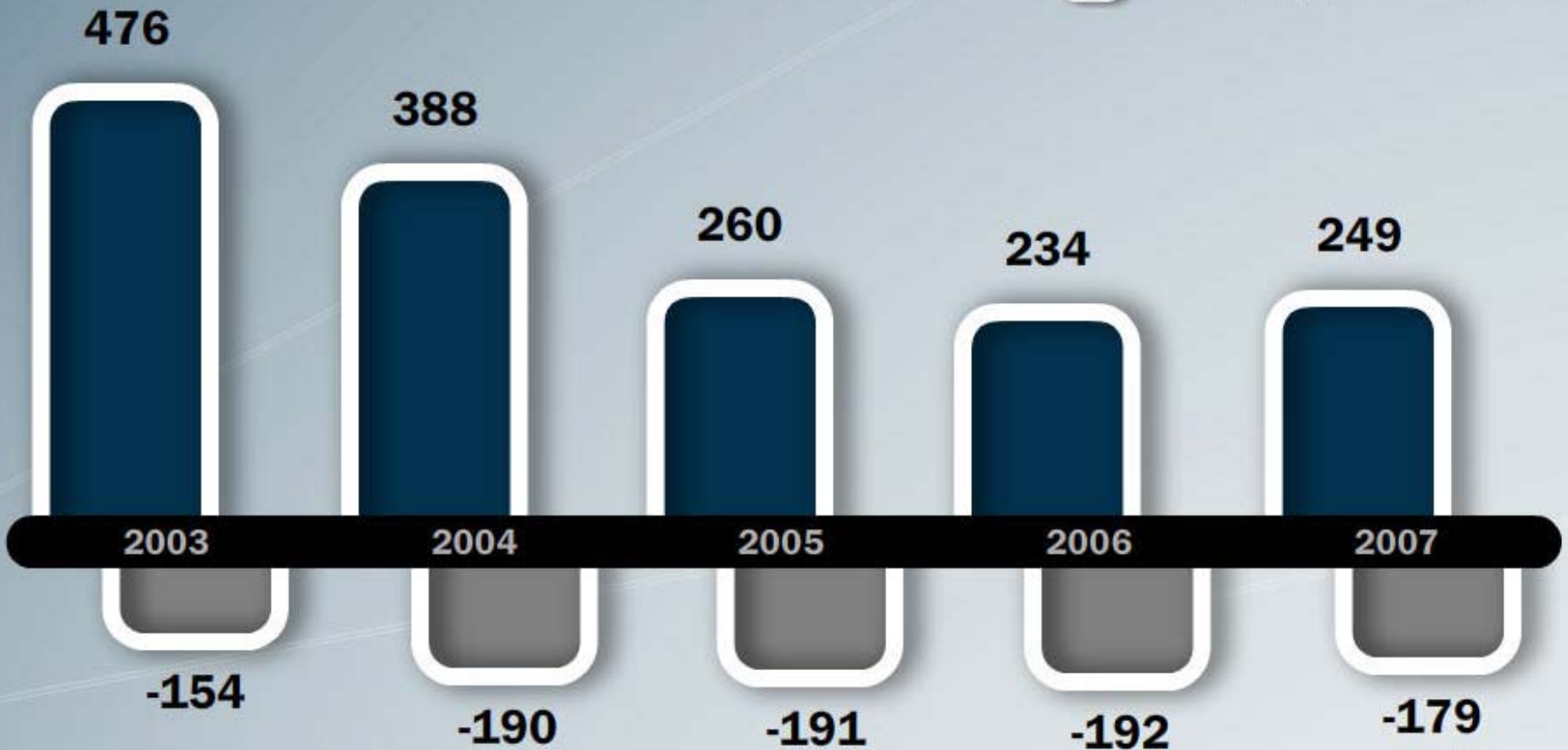
-  National Bank
-  Big 5 banks



# Impaired loans

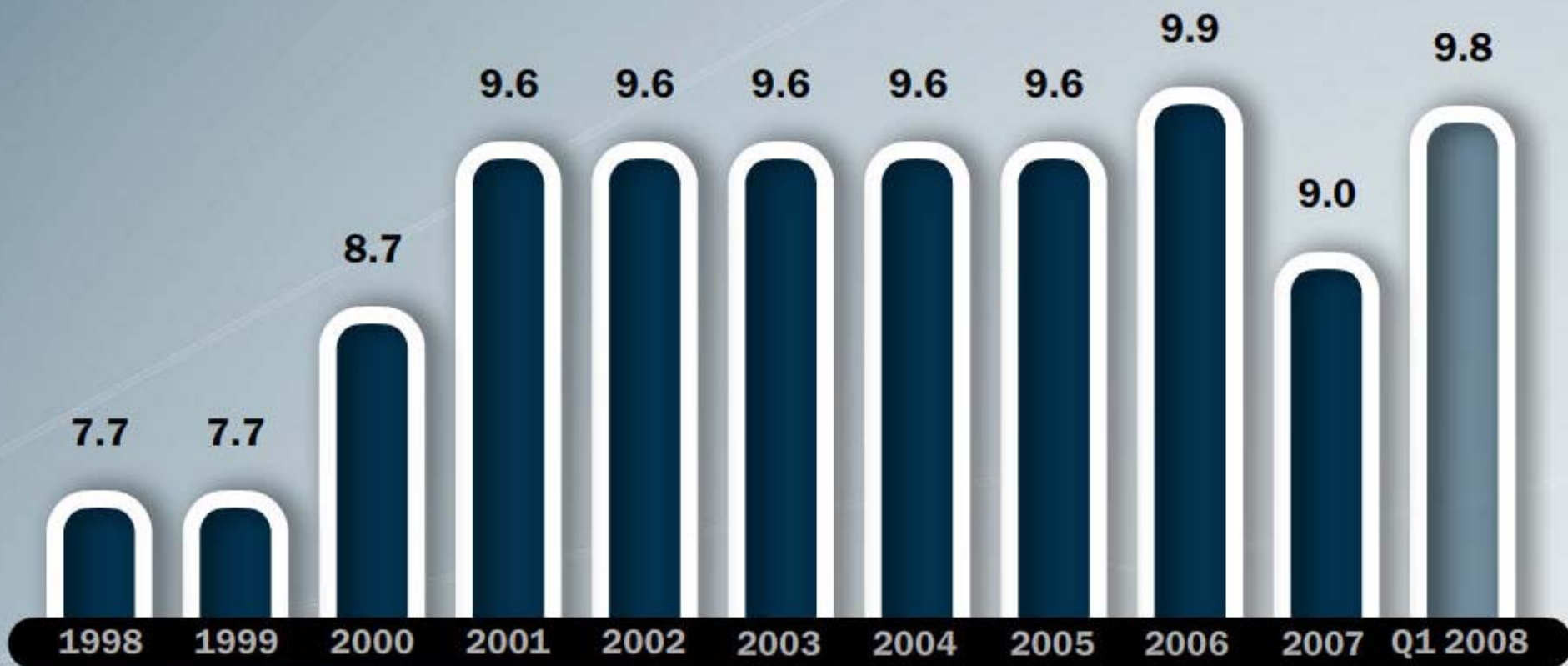
Millions of dollars

- Gross impaired loans
- Net impaired loans



# Tier 1 capital ratio

As a %, Basel I



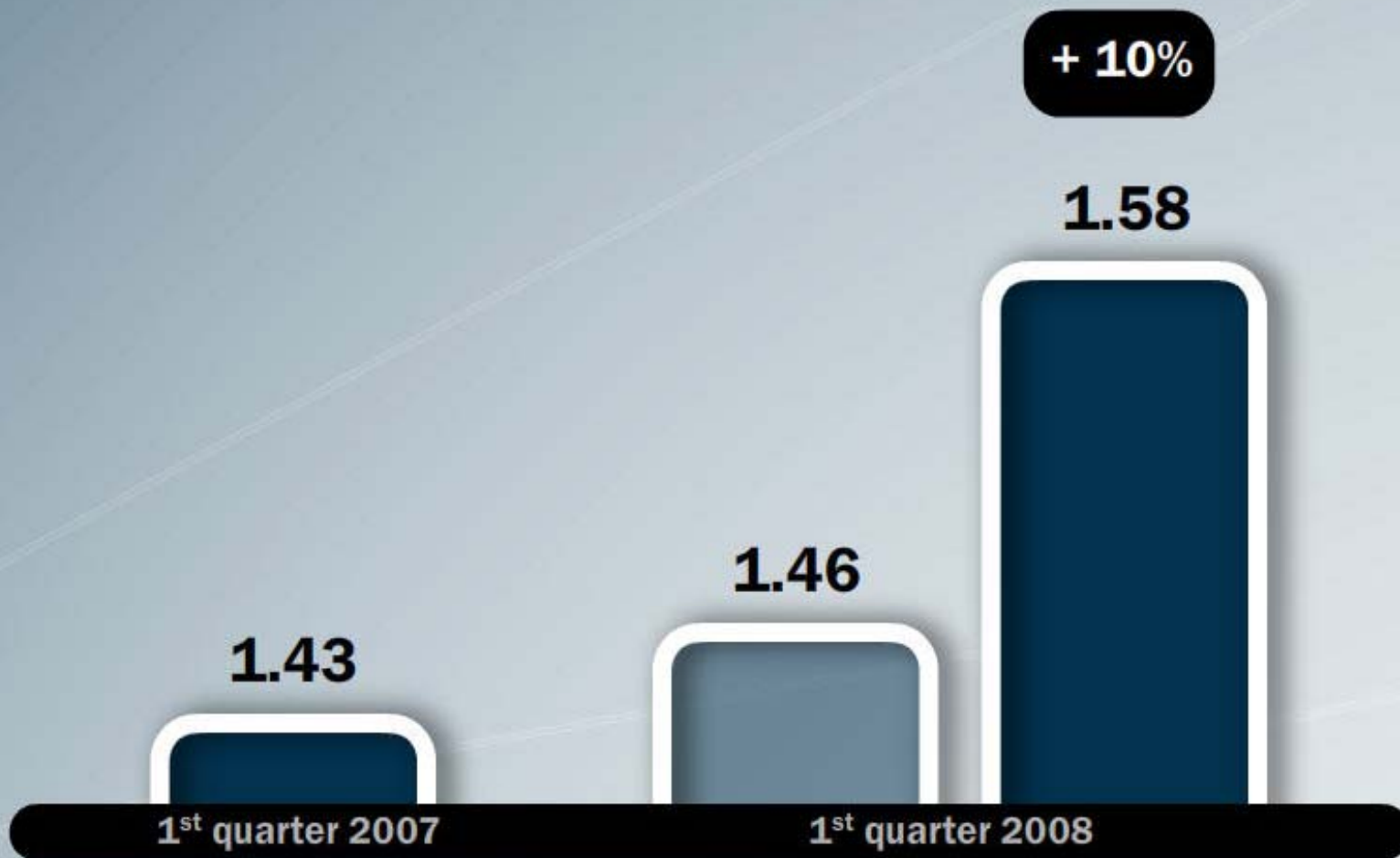
## 2008 objectives

	Objectives
Growth in earnings per share <sup>(1)</sup>	3% – 8%
Return on equity	16% – 21%
Tier 1 capital ratio	More than 8.0%
Dividend payout ratio	40% – 50%

<sup>(1)</sup> Excluding specified items

# Diluted earnings per share

Dollars



Excluding specified items

# Net income

Millions of dollars



Excluding specified items

# Total revenues <sup>(1)</sup>

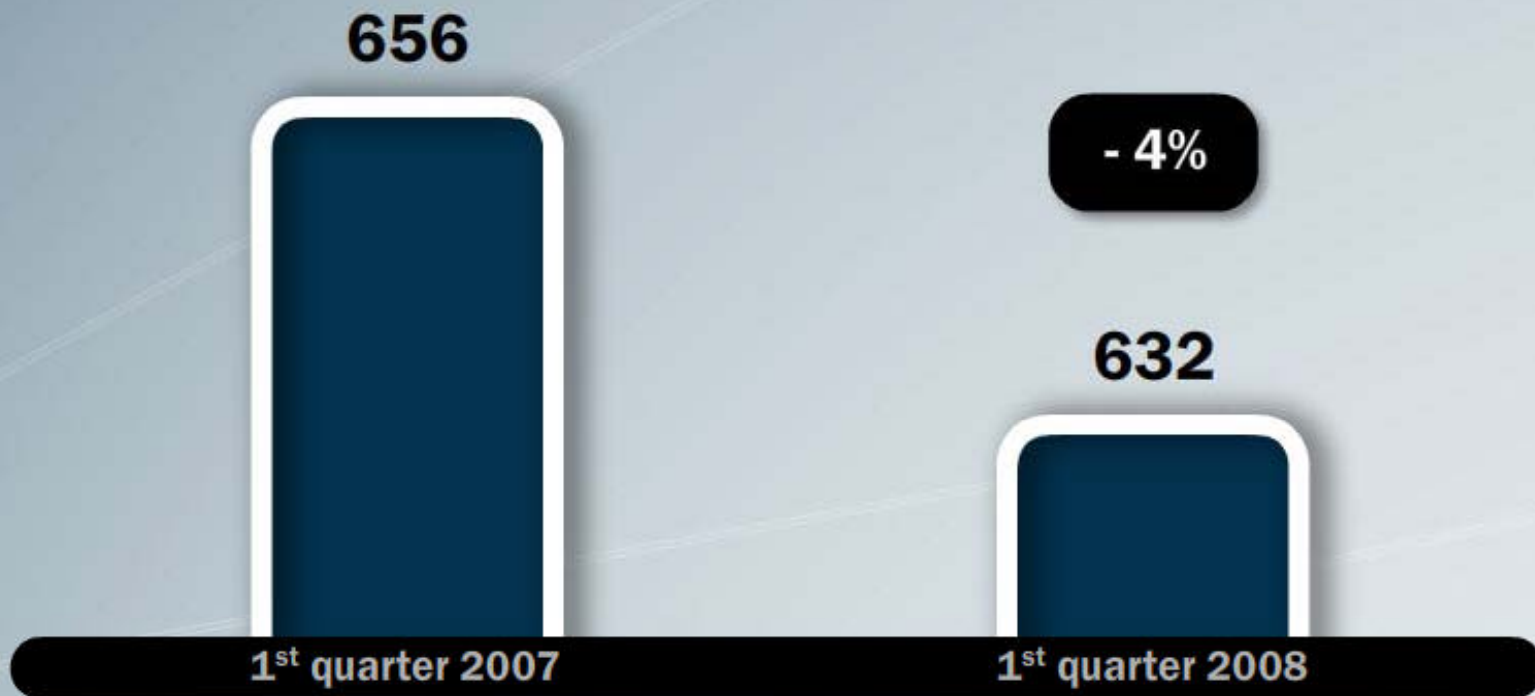
Millions of dollars



<sup>(1)</sup> Adjusted for non-controlling interest

# Operating expenses

Millions of dollars



# Return on equity

As a %



Excluding specified items

# Tier 1 capital ratio

As a %



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