

ANALYST AND INVESTOR PRESENTATION Q3 2009 RESULTS CONFERENCE CALL

August 27, 2009



CAUTION REGARDING FORWARD-LOOKING STATEMENTS



Caution Regarding Forward-Looking Statements

From time to time, National Bank of Canada (the Bank) makes written and oral forward-looking statements, such as those contained in the "Major Economic Trends and Challenges" section and under the heading "Medium-term objectives" in the "Overview" section of the 2008 Annual Report, in other filings with Canadian securities regulators and in other communications, for the purpose of describing the economic environment in which the Bank will operate during fiscal 2009 and the objectives it has set for itself for that period. All such statements are made pursuant to the "safe harbour" provisions of Canadian and U.S. securities legislation. These forward-looking statements include, among others, statements with respect to the economy (particularly the Canadian and U.S. economies), market changes, observations regarding the Bank's objectives and its strategies for achieving them, Bank projected financial returns and certain risks faced by the Bank. These forward-looking statements are typically identified by future or conditional verbs or words such as "outlook," "believe," "anticipate," "estimate," "project," "expect," "intend," "plan," and words and expressions of similar import. By their very nature, such forward-looking statements require assumptions to be made and involve inherent risks and uncertainties, both general and specific. Assumptions about the performance of the Canadian and U.S. economies in 2009 and how that will affect the Bank's business are material factors considered in setting the Bank's strategic priorities and objectives and in determining its financial targets, including provisions for credit losses. Given the current financial and credit crisis, fiscal 2009 is characterized by an overall slowdown in the world economy, although some signs of recovery have been observed, and this is affecting the United States, Canada's largest trading partner. The financial crisis may result in lower levels of activity on capital markets and a higher cost of funds for financial institutions. There is a strong possibility that personal and commercial bankruptcies could increase in the coming quarters. In determining its expectations for economic growth, both broadly and in the financial services sector, the Bank primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies. Tax laws in the countries in which the Bank operates, primarily Canada and the United States, are major factors it considers when establishing its effective tax rate. There is significant risk that express or implied projections contained in such statements will not materialize or will not be accurate. A number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Such differences may be caused by factors, many of which are beyond the Bank's control, which include, but are not limited to, the management of credit, market and liquidity risks; the strength of the Canadian and U.S. economies and the economies of other countries in which the Bank conducts business; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar; the effects of changes in monetary policy, including changes in interest rate policies of the Bank of Canada and the U.S. Federal Reserve; the effects of competition in the markets in which the Bank operates; the impact of changes in the laws and regulations regulating financial services and enforcement thereof (including banking, insurance and securities); judicial proceedings, regulatory proceedings or claims, class actions or other recourses of various nature; the situation with respect to asset-backed commercial paper (ABCP), in particular the realizable value of underlying assets; the Bank's ability to obtain accurate and complete information from or on behalf of its clients or counterparties; the Bank's ability to successfully realign its organization, resources and processes; its ability to complete strategic acquisitions and integrate them successfully; changes in the accounting policies and methods the Bank uses to report its financial condition, including uncertainties associated with critical accounting assumptions and estimates; the Bank's ability to recruit and retain key officers; operational risks, including risks related to the Bank's reliance on third parties to provide components of the Bank's business as well as other factors that may affect future results, including changes in trade policies, timely development of new products and services, changes in estimates relating to reserves, changes in tax laws, technological changes, unexpected changes in consumer spending and saving habits; natural disasters; the possible impact on the business from public health emergencies, conflicts, other international events and other developments, including those relating to the war on terrorism; and the Bank's success in anticipating and managing the foregoing risks. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition, or liquidity. The foregoing list of risk factors is not exhaustive. Additional information about these factors can be found under "Risk Management" and "Factors That Could Affect Future Results" in the 2008 Annual Report. Investors and others who base themselves on the Bank's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Bank also cautions readers not to place undue reliance on these forward-looking statements. Except as required by law, the Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time, by it or on its behalf. The forward-looking information contained in this document is presented for the purpose of interpreting the information contained herein and may not be appropriate for other purposes.

Q3 2009 HIGHLIGHTS



Record Net Income: \$303M (reported), up 6% vs. Q3 08
\$304M (adjusted), up 20% vs. Q3 08

EPS: \$1.78 (reported), up 3% vs. Q3 08
\$1.79 (adjusted), up 18 % vs. Q3 08

Provision for credit losses at \$46M or 32 bps

ROE: 22.1% (reported)
21.3% (adjusted)

Tier 1 ratio: 10.5%
Dividend payout: 40% (trailing 4 quarters)

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FINANCIAL REVIEW

Patricia Curadeau-Grou

Chief Financial Officer
Executive Vice-President
Finance, Risk and Treasury



PERFORMANCE SNAPSHOT



(millions of dollars)	Adjusted ²			Reported		
	Q3 09	Q3 08	Change	Q3 09	Q3 08	Change
Revenues¹	1,143	1,010	13%	1,137	1,086	5%
Expenses	668	656	2%	663	659	1%
Net Income	304	253	20%	303	286	6%
EPS	\$1.79	\$1.52	18%	\$1.78	\$1.73	3%
ROE	21.3%	20.9%		22.1%	23.7%	

Q3 2009 – YoY (adjusted)

- Revenues up 13%
- Operating leverage at 11%
- EPS growth at 18%

(1) Adjusted for gains or losses attributable to third parties using the Innocap platform
 (2) Details on specified items in Appendix 1

PERFORMANCE SNAPSHOT

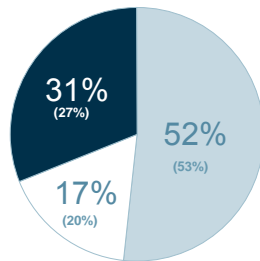


(millions of dollars)	Adjusted ⁽²⁾			Reported		
	9M 09	9M 08	Change	9M 09	9M 08	Change
Revenues⁽¹⁾	3,230	2,948	10%	3,053	2,949	4%
Expenses	1,964	1,913	3%	1,962	1,925	2%
Net Income	818	719	14%	613	706	(13%)
EPS	\$4.83	\$4.39	10%	\$3.55	\$4.30	(17%)
ROE	20.0%	20.8%		15.2%	20.4%	

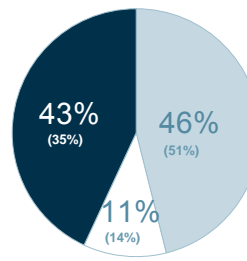
(1) Adjusted for gains or losses attributable to third parties using the Innocap platform
 (2) Details on specified items in Appendix 1

WELL-DIVERSIFIED BUSINESS MIX YTD 2009 vs. (YTD 2008)

REVENUES⁽¹⁾



NET INCOME⁽²⁾

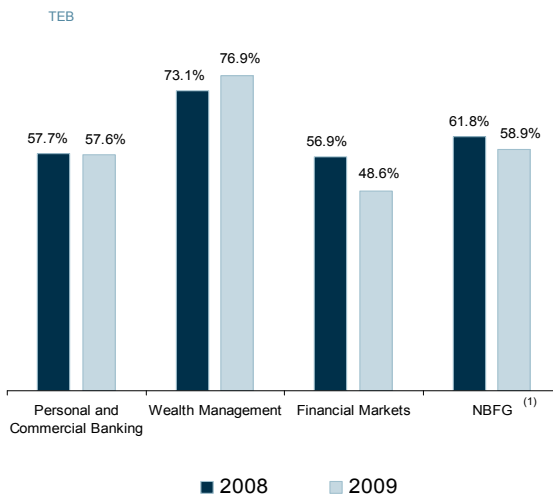


Personal and Commercial Banking
 Wealth Management
 Financial Markets

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

(2) Excluding specified items

BUSINESS LINE EFFICIENCY RATIO



YTD 2009 – YoY

- Efficiency ratio improved by 290 bps

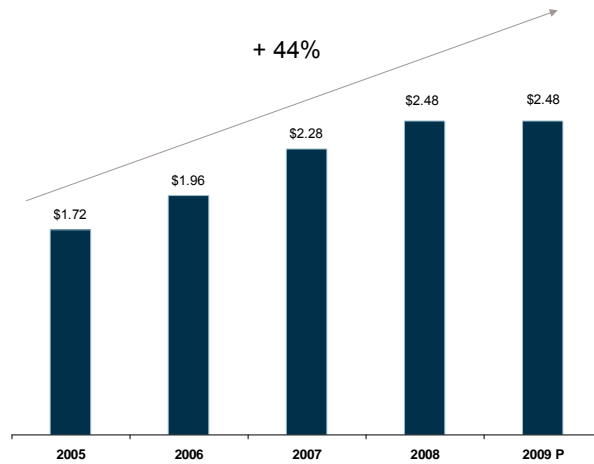
(1) Adjusted for gains or losses attributable to third parties using the Innocap platform

CAPITAL MANAGEMENT Dividend



ANNUAL

+ 44%

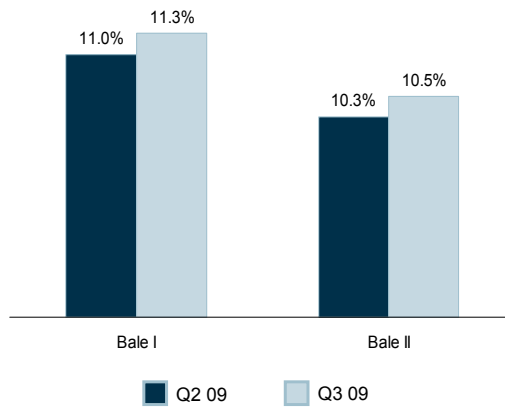


- Quarterly dividend stands at \$0.62
- Dividend payout of 40% (trailing 4 quarters)

CAPITAL MANAGEMENT Q3 2009



CAPITAL RATIO – Tier 1



Q3 2009 – QoQ

- Risk-weighted assets at \$58.3B

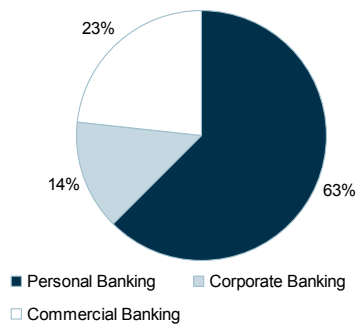
RISK MANAGEMENT



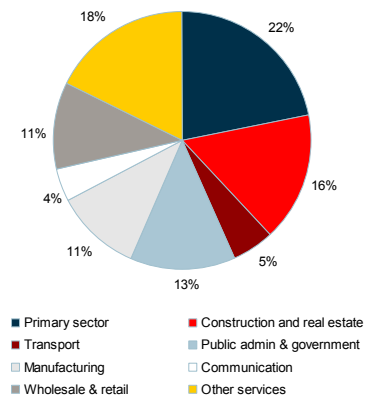
GLOBAL PORTFOLIO COMPOSITION As at July 31, 2009



PER BUSINESS SEGMENT



PER INDUSTRY (Corporate & Commercial)

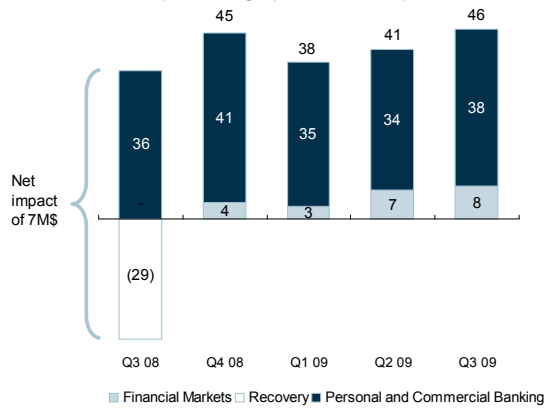


RISK PROVISIONING



(millions of dollars)

SPECIFIC PROVISION FOR CREDIT LOSSES (excluding specified items)



RISK PROVISIONING Q3 2009

Q3 : \$46M or 32 bps
YTD : \$125M or 30 bps

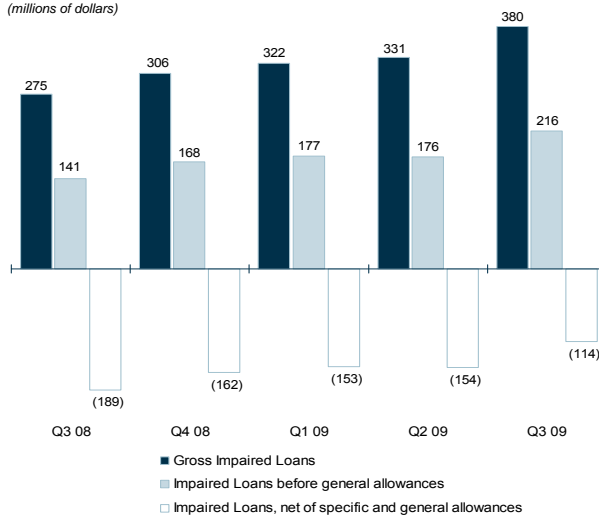
2009 PCL TARGET

33 bps to 38 bps

IMPAIRED LOANS



(millions of dollars)



IMPAIRED LOAN FORMATION⁽¹⁾



<i>(millions of dollars)</i>	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09
Personal & Commercial Banking	38	31	23	22	37
Corporate Banking	-	39	17	10	48
Total	38	70	40	32	85

(1) Formations include new accounts, disbursements, principal repayments and exchange rate fluctuation

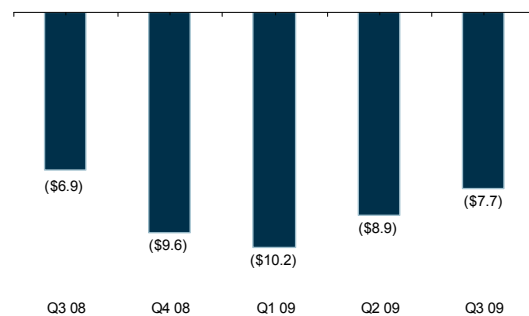
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SOUND MARKET RISK MANAGEMENT



(millions of dollars)

GLOBAL TRADING VAR⁽¹⁾



(1) Excluding ABCP VAR

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BUSINESS SEGMENT REVIEW

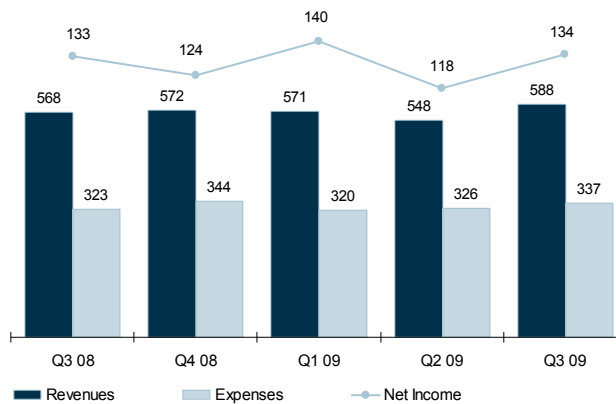
Jean Dagenais
 Senior Vice-President
 - Finance, Taxation and Investor Relations



PERSONAL AND COMMERCIAL BANKING Quarterly Results



(millions of dollars)
 TEB



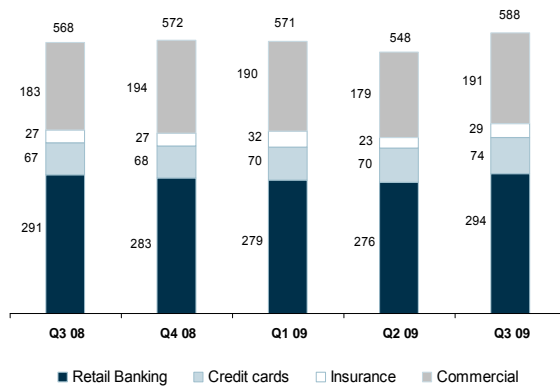
Q3 2009 – YoY

- Net revenues up 4% due to strong volume growth in personal loans and deposits offset by lower margins on deposits
- Net income up 1%
- Positive trend on revenues, up 7% - QoQ

PERSONAL AND COMMERCIAL BANKING Revenues Breakdown



(millions of dollars)
TEB



Q3 2009 - QoQ

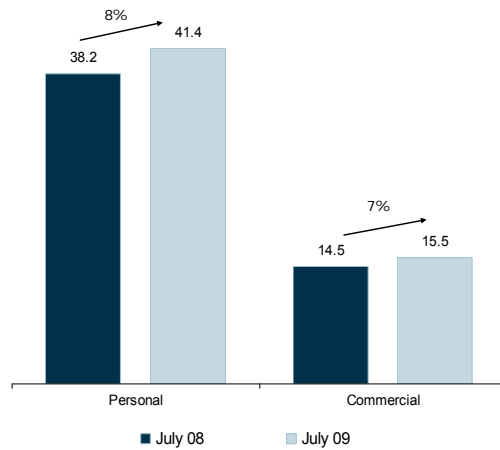
- Total revenues up 7 % (3 additional calendar days in Q3 09)
- Growing contribution from all sub-sectors
- Retail Banking: revenues up 6% due to good volume growth offset by lower spreads on deposits
- Commercial Banking: revenues up 7% due to solid growth in loans and other revenues
- Credit cards: up 6%

PERSONAL AND COMMERCIAL BANKING Loans & BAs Evolution



(billions of dollars)

AVERAGE VOLUME

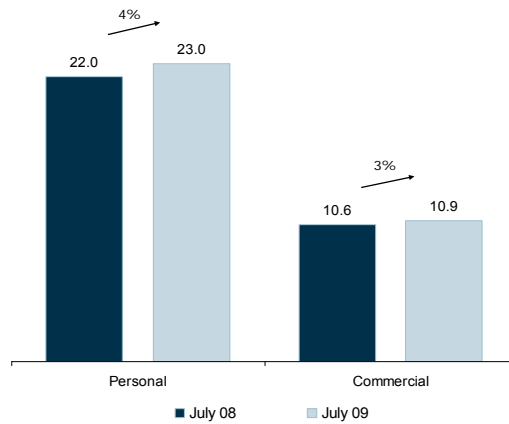


PERSONAL AND COMMERCIAL BANKING Deposits



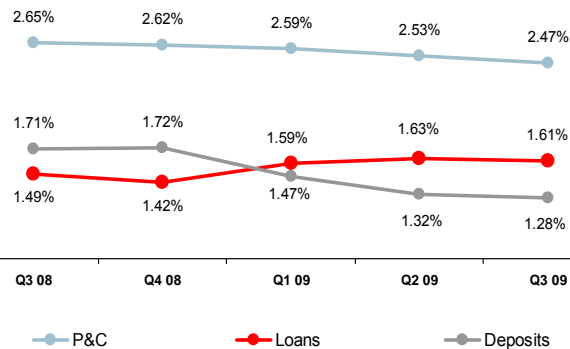
(billions of dollars)

AVERAGE VOLUME



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PERSONAL AND COMMERCIAL BANKING Margin Evolution



Q3 2009 - QoQ

- Deposits margins affected by lower short-term interest rates and more competitive environment
- Lower loans margin due to prime / BA's on variable loans
- Loans repricing in progress

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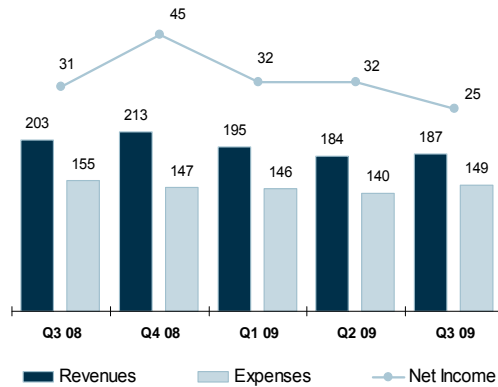
Good volume growth in Personal and Commercial Banking

Efficiency ratio maintained

One client, one bank

- On-going deployment of the new distribution retail model:
 - Progressive deployment of the MasterCard *Smartcard*
 - Completed recruitment of sales force (250 employees)
 - Training to be completed in October '09

(millions of dollars)
TEB



Q3 2009 – QoQ

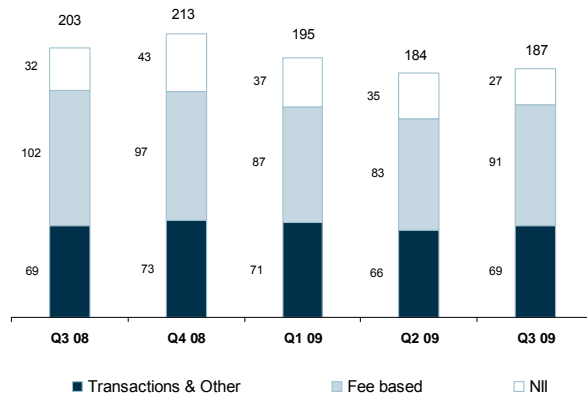
- Revenues slightly up
- Net income down as expenses are back to normal levels

(1) Excluding specified items

WEALTH MANAGEMENT Revenues Breakdown



(millions of dollars)
TEB



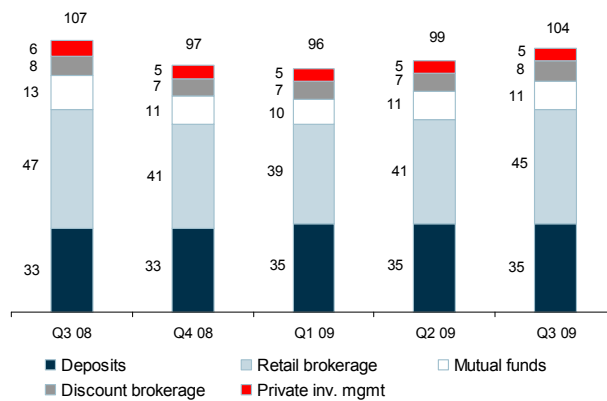
Q3 2009 – QoQ

- Revenues up 8%, excluding NII
- Fee-based revenues up 10% mainly due to equity market increase
- Transactions and other: revenues up 5%
- Tighter spread related to lower interest rate

WEALTH MANAGEMENT Retail Assets Under Management and Deposits



(billions of dollars)



Q3 2009 – QoQ

- Assets under management are up 5% mainly due to equity market conditions

WEALTH MANAGEMENT



Agreement with multiple partners to offer Banking solutions giving us access to more than 7,000 reps

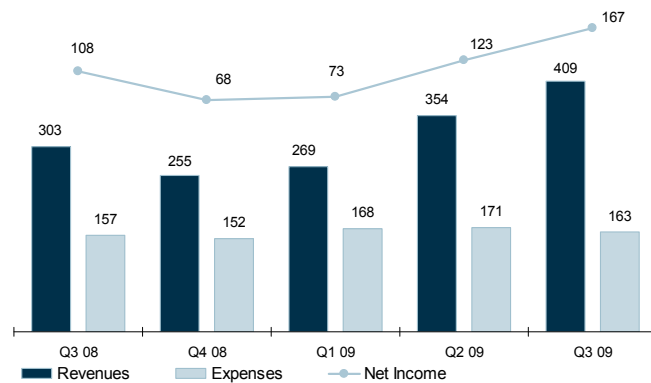
Completion of the Altamira integration

On a 3-year basis, 78% of managed solutions funds are performing above median

FINANCIAL MARKETS Quarterly Results⁽¹⁾



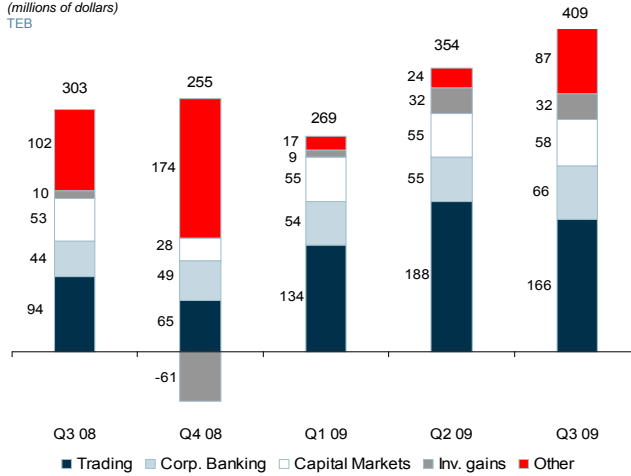
(millions of dollars)
TEB



(1) Excluding specified items and adjusted for gains or losses attributable to third parties using the Innocap platform

FINANCIAL MARKETS Revenues Breakdown⁽¹⁾

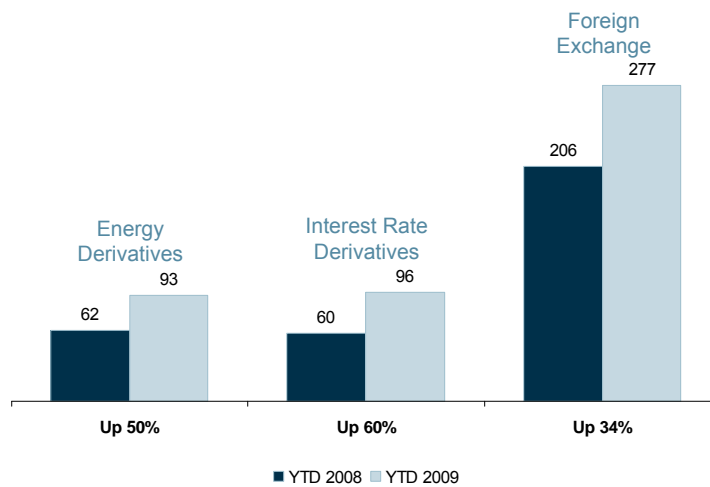
(millions of dollars)
TEB



(1) Excluding specified items and adjusted for gains or losses attributable to third parties using the Innocap platform

FINANCIAL MARKETS – ONE CLIENT, ONE BANK

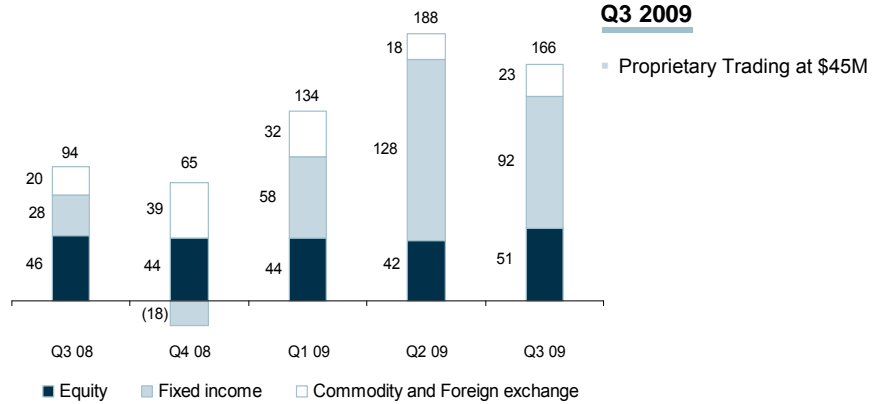
NUMBER OF CLIENTS



FINANCIAL MARKETS Trading Revenues Breakdown⁽¹⁾



(millions of dollars)
TEB



(1) Excluding specified items and adjusted for gains or losses attributable to third parties using the Innocap platform

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KEY TAKEAWAYS



Credit quality of portfolios is maintained due to disciplined approach and Quebec economy resiliency

One client, one bank deployment in line

Solid Q3 2009 results in Financial Markets

Sound capital position with Tier 1 at 10.5%

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APPENDIX 1 | DETAIL OF SPECIFIED ITEMS



(millions of dollars)

	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09
Gain on the sale of the Bank's subsidiary in Nassau	32	-	-	-	-	-	-
Gain on available for sale securities (Revenues \$88 M)	-	-	86	-	-	-	-
Projects radiations	-	-	-	(54)	-	-	-
Restructuration charge	-	-	-	(66)	-	-	-
Income taxes	-	-	(29)	40	-	-	-
Net Income	32	-	57	(80)	-	-	-
EPS	0.20	-	0.36	(0.50)	-	-	-
ABCP specified items							
Financing cost	(19)	(15)	(15)	(14)	49	(4)	(4)
Economic hedge transactions	-	(73)	15	57	(2)	(24)	(2)
Charges related to holding ABCP	-	-	(12)	(152)	(190)	0	0
Revenues	(19)	(88)	(12)	(109)	(143)	(28)	(6)
Provision for credit losses	-	-	23	4	126	0	0
other expenses	2	7	2	4	2	1	(5)
Income before income taxes	(21)	(95)	(37)	(117)	(271)	(29)	(1)
Income taxes	(7)	(31)	(13)	(39)	(87)	(9)	0
Net Income	(14)	(64)	(24)	(78)	(184)	(20)	(1)
EPS	(0.08)	(0.41)	(0.15)	(0.49)	(1.15)	(0.13)	(0.01)
Total EPS Items	0.12	(0.41)	0.21	(0.99)	(1.15)	(0.13)	(0.01)

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APPENDIX 2 | ABCP as at July 31, 2009



TRIGGER RISK

- NO TRIGGER RISK BEFORE JULY, 2010... AND REMOTE RISK AFTERWARDS
- US spreads would have to widen by **more than 542 bps** from current levels

Indicative Distance to Triggers Post Moratorium					
	CDX7 5yr	CDX7 7yr	CDX7 10yr	CDX5 10yr	iTraxx6 10yr
Trigger	779	746	675	753	472
Current Spread	163	152	133	161	117
Distance to Trigger Q3 09	616	594	542	592	355
Distance to Trigger Q2 09	553	542	509	555	341
Distance to Trigger Q1 09	443	469	458	501	275

Note: assuming no change in realized losses in the credit indices

- Triggers could also be breached if realized losses in the credit indices exceeded 12% (currently at 85 bps)

CORPORATE DEFAULT

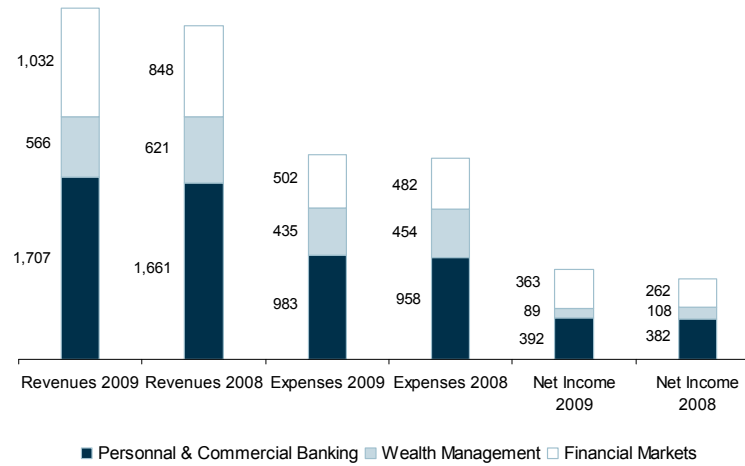
Corporate names (900)			
	Q3 2009	Q2 2009	Q1 2009
Defaulted	30	25	15
Above 1,000 basis points	40	53	83

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APPENDIX 3 | SECTORIAL RESULTS - YTD⁽¹⁾



(millions of dollars)
TEB



(1) Excluding specified items and adjusted for gains or losses attributable to third parties using the Innocap platform

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Investor Relations

Financial analysts and investors who want to obtain financial information on the Bank are asked to contact the Investor Relations Department.

600 De La Gauchetière Street West, 7th Floor
 Montreal, Quebec H3B 4L2
 Toll-free: 1-866-517-5455
 Fax: 514-394-6196
 E-mail: investorrelations@nbc.ca
 Website: www.nbc.ca/investorrelations

