

NATIONAL BANK OF CANADA

RBC CM Bank CEO Conference
January 8, 2009



Louis Vachon, President and CEO

Caution Regarding Forward-Looking Statements

From time to time, the Bank makes written and oral forward-looking statements, notably in the *Major Economic Trends and Challenges* section and under the heading *Short-term objectives* in the *Overview* section of the 2008 Annual Report, in other filings with Canadian regulators and in other communications. All such statements are made pursuant to the safe harbor provisions under the laws of Canada and the United States. These forward looking statements include, among others, statements with respect to the economy (particularly the Canadian and American economy), market changes, observations regarding the Bank's objectives and its strategies for achieving them, projected Bank returns and certain risks faced by the Bank. These forward-looking statements are typically identified by future or conditional verbs or words such as "may," "could," "should," "would," "will," "project," "suspect," "outlook," "believe," "anticipate," "estimate," "expect," "intend," "plan" and words and expressions of similar import. By their very nature, such forward-looking statements require the Bank to make assumptions and involve inherent risks and uncertainties, both general and specific. The Bank recommends that readers not place undue reliance on these statements, as a number of important factors, many of which are beyond the Bank's control, could cause actual future results, conditions, actions or events to differ materially from the targets, projections, expectations, estimates or intentions expressed in the forward-looking statements.

These factors include, but are not limited to, the management of credit, market and liquidity risks; the strength of the Canadian and United States 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 United States Federal Reserve; the effects of competition in the markets in which the Bank operates; the impact of changes in the laws and regulations governing financial services (including banking, insurance and securities) and tax laws; judicial decisions and legal proceedings; developments with respect to the restructuring proposal relating to ABCP and the impact of a failure of the restructuring on the Bank's balance sheet and the likelihood that the Bank be subject to certain litigation and other related risks; liquidity in the ABCP market and the further deterioration of the credit spreads which may lead to impairment charges on the Bank's ABCP holding; the Bank's ability to obtain accurate and complete information from its clients or counterparties; the Bank's ability to successfully align 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 infrastructure 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 related to reserves; 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 related 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.

IG7 10-year Matrix

Maturity: December 20, 2016

Portfolio losses	Years to maturity	Years to maturity									
				12/20/09	12/20/10	12/20/11	12/20/12	12/20/13	12/20/14	12/20/15	12/20/16
		9	8	7	6	5	4	3	2	1	0
0%		3.72%	5.24%	6.41%	7.36%	8.96%	9.46%	10.89%	14.86%	15.94%	17.42%
2%		3.45%	4.93%	6.01%	6.84%	8.75%	9.14%	10.78%	14.76%	15.82%	17.30%
4%		3.19%	4.62%	5.61%	6.33%	7.58%	8.88%	10.65%	14.07%	14.57%	15.94%
6%		3.17%	4.56%	5.21%	5.74%	6.64%	7.88%	9.70%	12.86%	13.37%	14.64%
8%		2.23%	3.88%	5.08%	5.40%	5.61%	6.79%	7.42%	10.68%	12.89%	14.04%
10%		2.05%	3.21%	4.77%	4.86%	4.61%	5.92%	6.82%	10.59%	12.73%	13.95%
12%		1.72%	3.19%	3.96%	3.94%	3.62%	4.78%	6.08%	9.92%	11.98%	13.14%
12.1%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

↑
End of Moratorium

- Spreads (Jan 7, 2009): 180 bps
- Actual loss 46 bps



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