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National Bank Financial
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Solid Performance in a Challenging Environment



- **Challenging environment**
 - ongoing volatility in global financial markets
 - major economies in deepening recession
- **Scotia - solid performance in Q1**
 - + good core growth across all businesses
 - + higher capital ratios, dividend maintained
 - increased PCLs, and funding costs
- **Canadian banking industry sound**

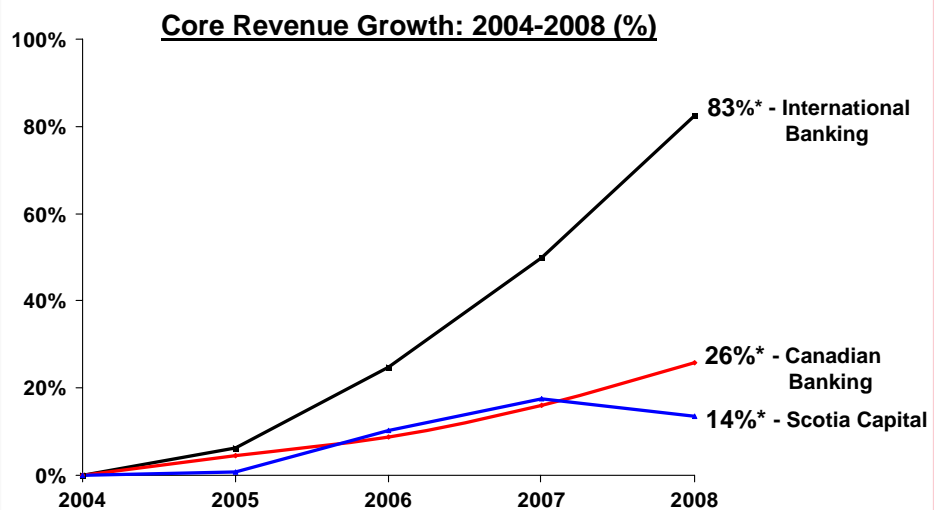
2009 Priorities



1. Sustainable revenue growth
2. Expense control
3. Strong focus on risk management
4. Prudent capital management
5. Leadership

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Sustainable Core Revenue Growth: Organic & Via Acquisition



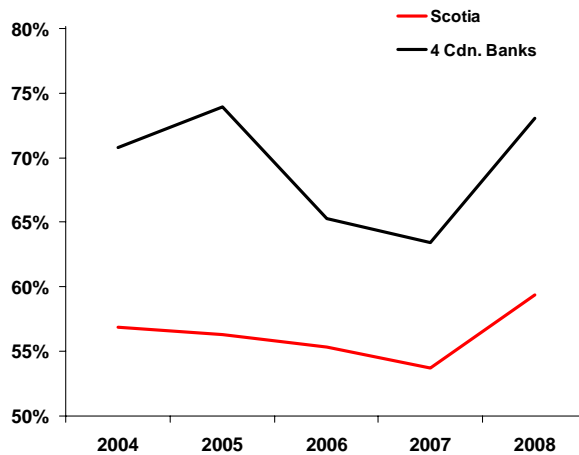
* Excludes 2008 and 2007 items of note detailed on Pg 25 of 2008 annual report

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Expense Control: Focus on Positive Operating Leverage



Productivity Ratio (TEB)



- Consistent leader in productivity
- Continue investing in revenue growth initiatives
- Defer non-critical projects

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Risk Management: More Diversified and Secured Portfolio



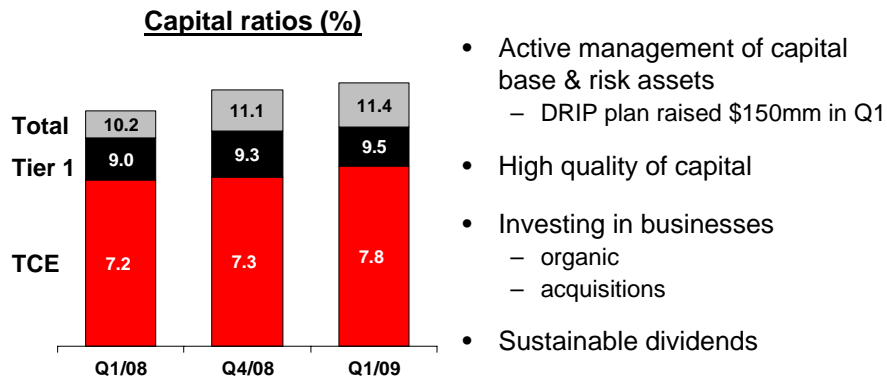
Total Retail	1990	Q1/09	Improvement?
% of total portfolio	37%	55%	<input checked="" type="checkbox"/>
Mortgages (%)	54%	73%	<input checked="" type="checkbox"/>
Secured (%)	83%	90%	<input checked="" type="checkbox"/>

Corporate/Commercial	1999	Q1/09	Improvement?
% of total portfolio	56%	45%	<input checked="" type="checkbox"/>
United States* (%)	16%	10%	<input checked="" type="checkbox"/>
Corporate loans - % I.G.	50%	73%	<input checked="" type="checkbox"/>

* United States as a % of total loan portfolio is 7% (September 30, 2008)

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Capital Management: Higher Ratios



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Well Positioned – Present and Future



1. Maintaining 2009 targets

- 7-12%* EPS growth
- 16-20% ROE

2. In good shape to withstand challenges

- Diversified earnings
- Improved mix in lending portfolios
- Strong capital ratios

3. Well positioned to grow once global crisis ends

- Multiple growth platforms
- Capitalize on relative strength vs. global competitors

* Based on 2008 reported EPS of \$3.05

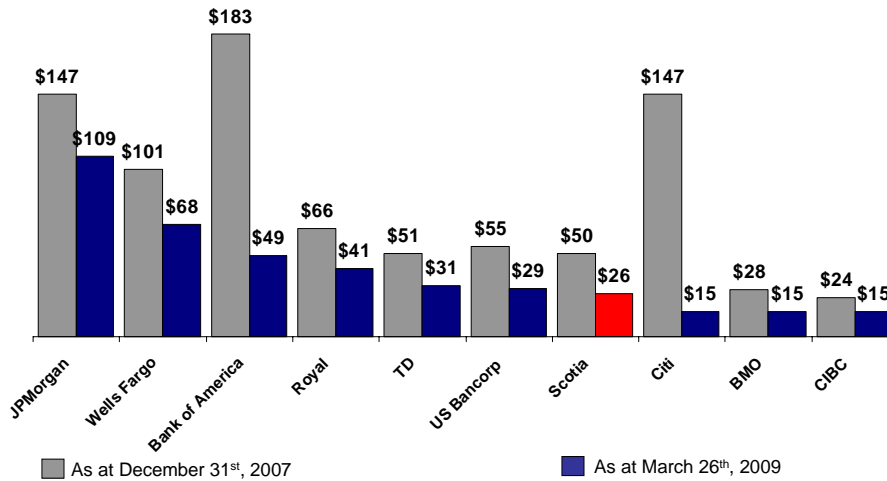
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Improved Relative Position*



Market Cap., US\$ Billions

Top 10 North American Banks*



* Excludes diversified financials & trust banks (Goldman Sachs, Bank of New York Mellon & Morgan Stanley)

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Caution Regarding Forward-Looking Statements



Forward-looking statements Our public communications often include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may include comments with respect to the Bank's objectives, strategies to achieve those objectives, expected financial results (including those in the area of risk management), and the outlook for the Bank's businesses and for the Canadian, United States and global economies. Such statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intent," "estimate," "plan," "may increase," "may fluctuate," and similar expressions of future or conditional verbs, such as "will," "should," "would" and "could."

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond our control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity; significant market volatility and interruptions; the failure of third parties to comply with their obligations to us and our affiliates; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; the effect of changes to our credit ratings; operational and reputational risks; the risk that the Bank's risk management models may not take into account all relevant factors; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; the Bank's ability to expand existing distribution channels and to develop and realize revenues from new distribution channels; the Bank's ability to complete and integrate acquisitions and its other growth strategies; changes in accounting policies and methods the Bank uses to report its financial condition and the results of its operations, including uncertainties associated with critical accounting assumptions and estimates; the effect of applying future accounting changes; global capital markets activity; the Bank's ability to attract and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure; unexpected changes in consumer spending and saving habits; technological developments; fraud by internal or external parties, including the use of new technologies in unprecedented ways to defraud the Bank or its customers; consolidation in the Canadian financial services sector; competition, both from new entrants and established competitors; judicial and regulatory proceedings; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments, including terrorist acts and war on terrorism; the effects of disease or illness on local, national or international economies; disruptions to public infrastructure, including transportation, communication, power and water; and the Bank's anticipation of and success in managing the risks implied by the foregoing. 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. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. For more information, see the discussion starting on page 62 of the Bank's 2008 Annual Report.

The preceding list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf.

The "Outlook" sections in this document are based on the Bank's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections.

Additional information relating to the Bank, including the Bank's Annual Information Form, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC's website at www.sec.gov.

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