



# Acquisition of Maple Financial Group's Mortgage Business

February 14, 2006



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*The Bank cautions that the foregoing 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 foregoing 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 behalf of the Bank.*

*Additional information relating to the Bank, including the Bank's Annual Information Form, can be located on the SEDAR website at [www.sedar.com](http://www.sedar.com), and on the EDGAR section of the SEC's website at [www.sec.gov](http://www.sec.gov).*



## Agenda

- Transaction Summary
- Strong Mortgage Growth
- Successful Operating Model
- Investment Rationale
- Summary

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## Transaction Summary

<input type="checkbox"/> <b>Acquiring</b>	➤ Mortgage business of Maple Financial Group
<input type="checkbox"/> <b>Investment</b>	➤ \$233 million for shares of Maple Trust ➤ Accretive to earnings
<input type="checkbox"/> <b>Staffing</b>	All Maple Trust employees – nearly 200, including ➤ 9 members of senior management team ➤ 45 Mortgage Development Managers (MDMs)
<input type="checkbox"/> <b>Required Approvals</b>	➤ Minister of Finance/OSFI ➤ Commissioner of Competition
<input type="checkbox"/> <b>Expected Closing</b>	➤ March 31, 2006

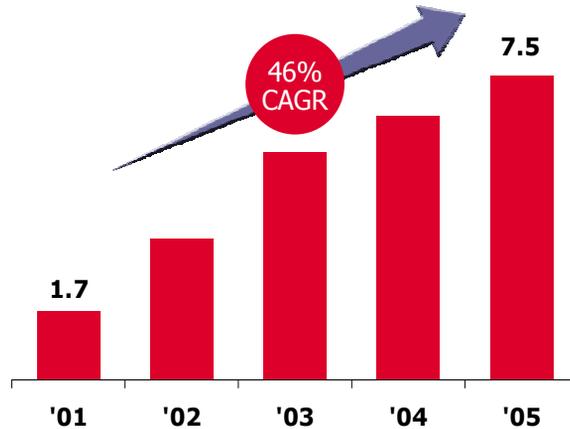
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## Strong Mortgage Growth

(\$ billion)

### Mortgages Under Administration



- **2005 Mortgage Originations: \$2.9 billion**
- **Mortgages on Balance sheet as of Oct. 31, 2005: \$1.6 billion**

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## Successful Operating Model

- Mortgages originated primarily through 45 MDMs
  - "high touch" service model
    - build deep relationships with high volume top-tier mortgage brokers (12-15 each)
  - empowered, experienced staff execute independently from remote locations
  - fast turnaround
- National brand
  - majority of borrowers in Ontario, Alberta and British Columbia
- Relationship, customer service and application processing

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## Investment Rationale

- 1 Enhance mortgage market position**
  - **Improves share in fast-growing mortgage broker segment**
    - Channel originates 25%
- 2 Cross-sell opportunity**
  - **42,000 new customers**
  - **Broader range of Scotia products**
- 3 Synergies**
  - **Lower funding & operational costs**
- 4 Innovative business model**
  - **Superior service**
- 5 Low risk**
  - **Low delinquency**

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## Enhanced Market Position

**Market share: Oct. 31, 2005**

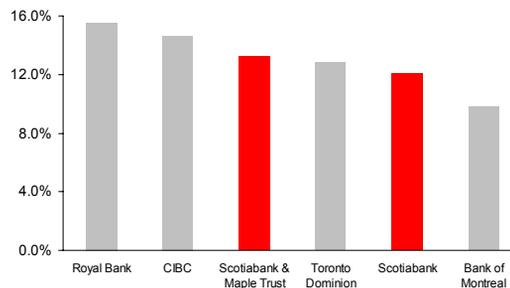
### Mortgage broker channel origination

- #2 with 15% share
- Doubles origination volumes

### Share of mortgage market

- #3 (up from #4)
- Up 110 bps to 13.2%

Overall mortgage market share



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## Summary

**Improve position  
in fast-growing  
mortgage broker channel**



**Successful  
business model**



**Significant  
synergy potential**

