



Rick Waugh

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RBC Capital Markets
2005 Bank CEO Conference

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 Scotiabank Group™



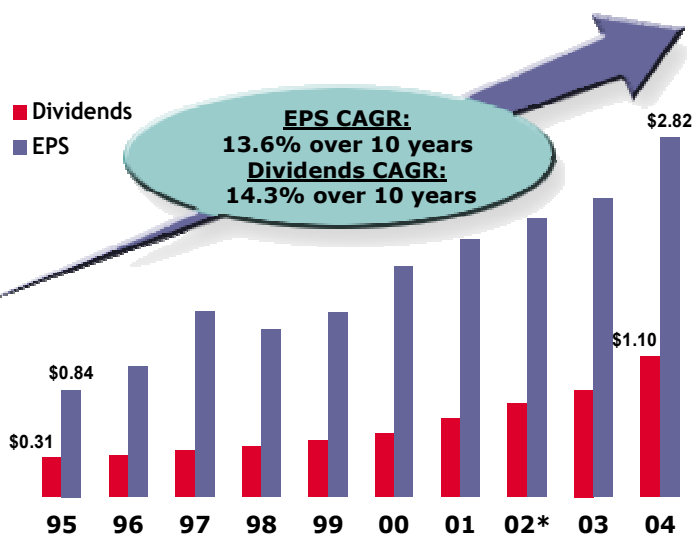
One Team, One Goal

Our Goal
To be the best
Canadian-based international
financial services company

Generate *profitable*
and *sustainable growth*



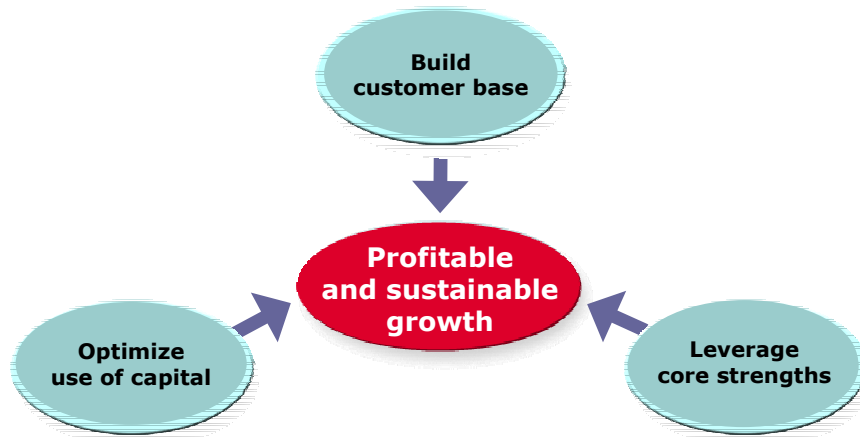
Record of consistent growth



* 2002 excludes impact of charges related to Argentina \$0.53



Strategy for sustainable growth



Build customer base

**Build deeper,
more profitable
relationships**

**Acquire new
customers**

Domestic / Scotia Capital / International



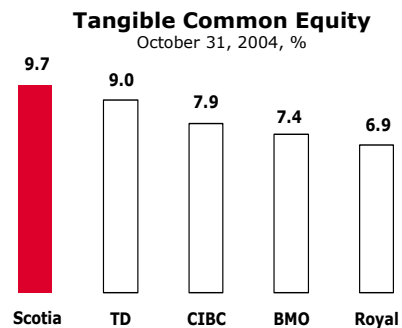
Leverage core strengths

- **Diversification**
- **Sales and customer service**
- **Risk management**
- **Expense management**
- **People**
- **Execution**



Optimize use of capital

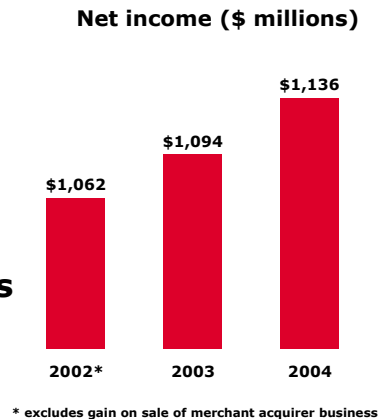
- **Organic growth**
- **Acquisitions**
- **Dividend increases**
- **Share buybacks**





Domestic – strong performance with existing customers

- **#1 customer service**
- **#1 online banking**
- **#1 retail credit quality**
- **Leader in database analytics and marketing**
- **Increased market share**



Domestic opportunity Acquire new customers

- **Targeting specific customer segments**
- **Expanding & leveraging indirect channels**
 - Mortgage sales force and brokers
 - Indirect auto lending
- **Building alliances & partnerships**
 - 20 small business organizations
- **Increasing advertising and community-based marketing**
 - Mass media advertising
 - “Find the Money” campaign





Expand Wealth Management

- **Partnership with Retail Bank**

- Increase referrals
- Leverage operating synergies



- **Continue to improve client experience**

- Enterprise-wide financial planning strategy
- New Premium service for high net worth clients in ScotiaMcLeod

- **Build scale**

- Grow Foundation/Charity/Philanthropic business
- Expand ScotiaMcLeod sales force
- Acquisitions

Retail Brokerage

Mutual Funds

Private Client



Scotia Capital Strong franchise

- **Ranked in top 3 of all products offered in Canada**

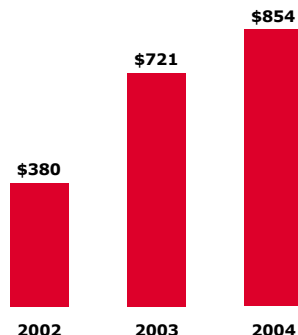
- **Established relationships with 600 of the Fortune 1,000 in U.S.**

- **Global Trading capabilities**

- **Lending discipline – improved credit quality**

- **2004 ROE of 20.3%**

Net income (\$ millions)





Scotia Capital Expand customer base

- **Investment grade clients increasing in U.S.**

– 70 new clients over 18 months

- **Increased cross-sell**

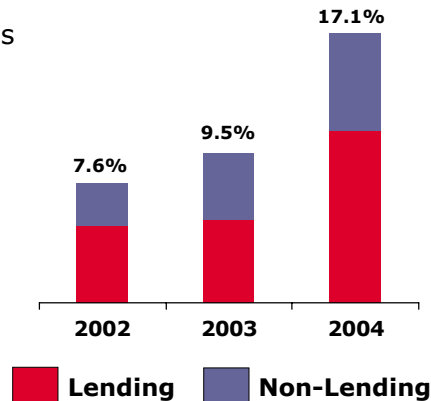
– Canada, U.S. & Mexico

- **New client segment for Global Trading products**

– pension and hedge funds

Scotia Capital U.S.

ROEE, All clients



Scotia Capital Leverage NAFTA capability

- **Expanding platform – Canada, U.S., Mexico**

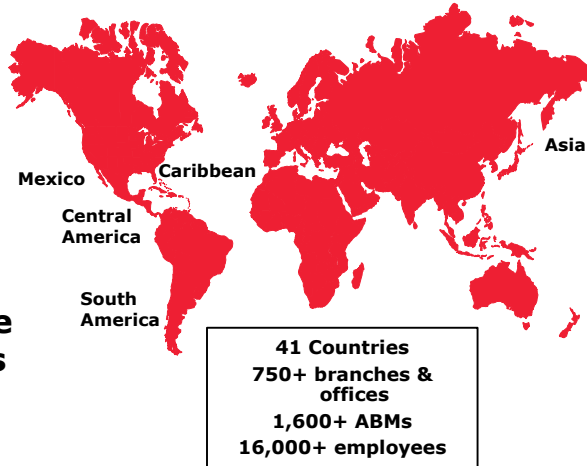
- **Leverage product expertise**

 \$5,000,000,000 Short Term Corporate Bond Lead Manager Scotia Inverlat	 \$2,500,000,000 Short Term Corporate Bond Lead Manager Scotia Inverlat	 \$4,000,000,000 Short Term Corporate Bond Distribution Group Scotia Inverlat	 \$4,000,000,000 Short Term Corporate Bond Joint Lead Manager Scotia Inverlat	 US\$125,000,000 Senior Secured Mexican Peso Credit Facility Joint Lead Arranger, Bookrunner and Syndication Agent Scotia Inverlat
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International Significant growth opportunity

- **Very attractive demographics**
- **Low banking penetration**
- **Strong presence in local markets**



Four Key Growth Initiatives

Leverage Sales & Service	Develop Complementary Businesses	Improve Efficiency Platform	Make Selective Acquisitions
<ul style="list-style-type: none">• Recognition for excellence- Mexico- Dominican Republic- Jamaica- Costa Rica- Chile	<ul style="list-style-type: none">• Strong growth in Insurance- Jamaica- Trinidad & Tobago• Growing asset management business- Jamaica	<ul style="list-style-type: none">• 'World-Class' Operating Platform• Consolidated data centres	<ul style="list-style-type: none">• Recent example- El Salvador: Banco de Comercio (17%+ market share)- Dominican Republic: (15%+ market share)



2005 targets

- EPS growth: 5-10%
- ROE: 17-20%
- productivity ratio – below 58%
- maintain strong capital ratios and credit ratings



Superior performance globally

Stock price performance - based on local currency

<u>Rank</u>	<u>Company*</u>	<u>1 Year</u>
1	Sumitomo Mitsui	30%
2	Nordea Bank	26%
3	Scotiabank	24%
4	Mitsubishi Tokyo	24%
5	UFJ Holdings	21%

<u>Rank</u>	<u>Company*</u>	<u>3 Year</u>
1	UFJ Holdings	115%
2	Wachovia	68%
3	Scotiabank	66%
4	U.S. Bancorp	52%
5	Bank of America	49%

<u>Rank</u>	<u>Company*</u>	<u>5 Year</u>
1	Scotiabank	162%
2	WAMU	145%
3	RBC Fin. Group	102%
4	ANZ Bank	94%
5	Bank of America	87%

<u>Rank</u>	<u>Company*</u>	<u>10 Year</u>
1	U.S. Bancorp	686%
2	Scotiabank	509%
3	BBVA	499%
4	WAMU	464%
5	Wells Fargo	432%

* All banks with current market cap over \$25 billion

Source: Bloomberg



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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. The Bank cautions readers not to place undue reliance on these statements, as a number of important factors 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; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services; the Bank's ability to complete and integrate acquisitions; 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; consolidation in the Canadian financial services sector; changes in tax laws; competition; judicial and regulatory proceedings; acts of God, such as earthquakes; the possible impact of international conflicts and other developments, including terrorist acts and war on terrorism; 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.

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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.