



## **Bob Chisholm**

Vice-Chairman, and Head of Domestic  
Banking & Wealth Management

National Bank Financial  
2005 Canadian Financial Services Conference

March 30, 2005

 Scotiabank Group™



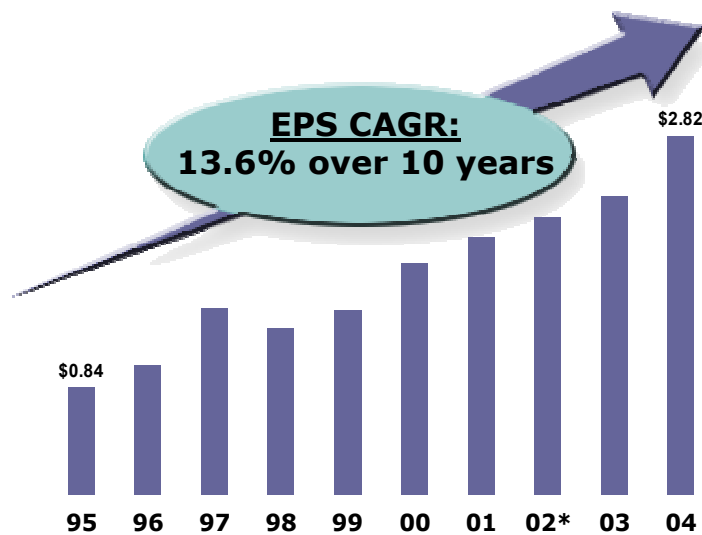
## One Team, One Goal

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

**Generate *profitable*  
and *sustainable* growth**



## Record of consistent earnings growth

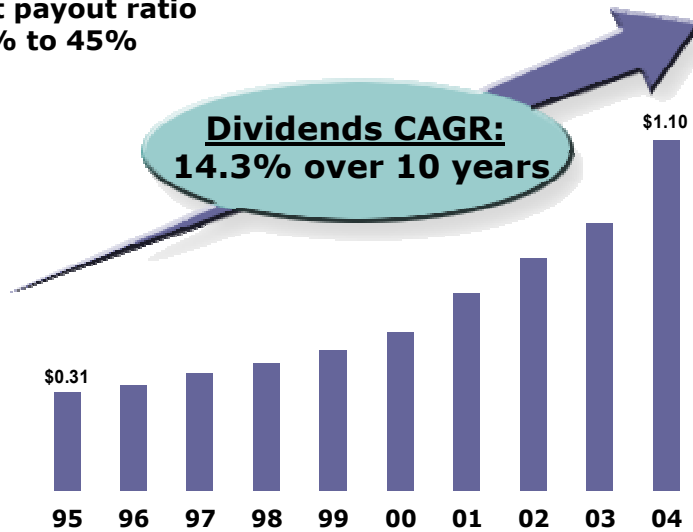


\* 2002 excludes impact of charges related to Argentina \$0.53



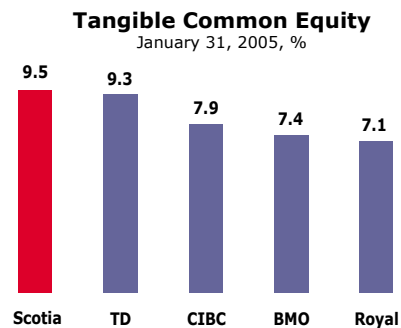
## Record of consistent dividend growth

Target payout ratio  
of 35% to 45%



## Strong capital

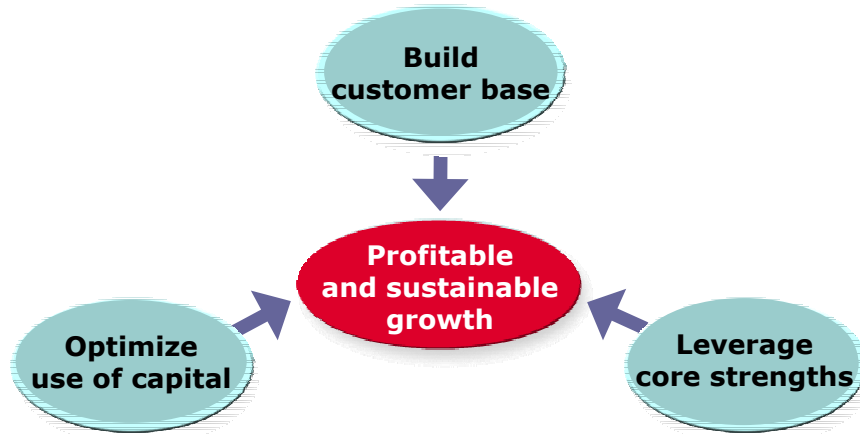
- Organic growth
- Acquisitions
- Dividend increases
- Share buybacks





## Strategy for sustainable growth

**Domestic / Scotia Capital / International**



## Domestic Build customer base

**1. Retain and grow profitable business with existing customers**

**2. Acquire new customers**



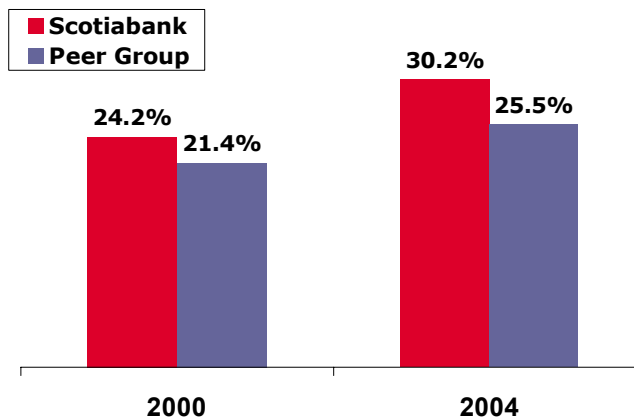
## Domestic - Retain and expand existing customer relationships

- Excellent customer service
- Customer segmentation & sales force alignment
- Needs-based selling
- Innovative bundled products
- Increasing sales force capacity & productivity



## Domestic Leverage service quality leadership

Overall Quality of Customer Service - % Excellent  
Scotiabank vs. Peer Group

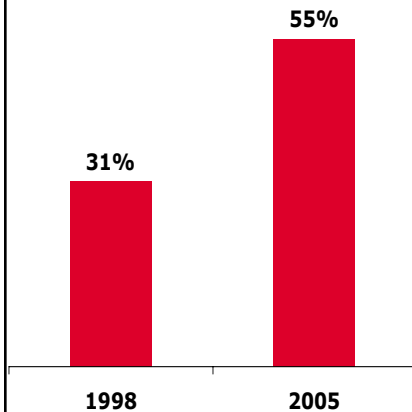


Source: Synovate (formerly Market Facts) CSI (2004)



## Domestic - Continuing improvements in sales capacity and productivity

### Sales Time Allocation



- **Increase focus on specific sales and referral activities**
- **Pre-authorized contribution plans – efficient way to build investment balances**
- **Further opportunities**
  - add sales staff in selected markets
  - increase Small Business sales force capabilities
  - additional training
  - investments in technology & tools



## Domestic - Market share gains in key products

### All-Bank Market Share

	<u>Oct. 2004</u>	<u>vs. Oct. 2003</u>
Residential Mortgages	16.32%	+ 69 bps
Core Deposits	13.25%	+ 20 bps
Current Accounts	13.62%	+ 48 bps
Small Business loans*	15.42%	+ 22 bps

\* Small business loans compares June 2004 to June 2003



## Domestic Build customer base

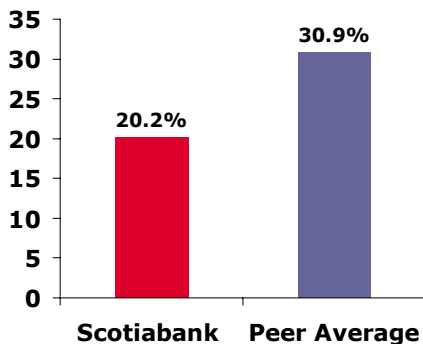
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2. Acquire new customers

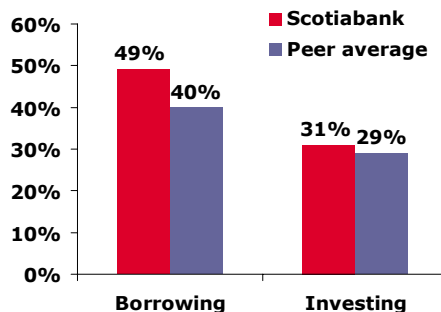


## Domestic opportunity

Household Penetration



Share of Wallet



All information is based on Financial Group.  
12months Oct04



## Domestic New customer acquisition

- **Focus on priority markets and customer segments**
- **Indirect retail channels**
  - mortgages
  - auto lending
- **Local area marketing**
- **Mass advertising and direct marketing**



## Expand Wealth Management

- **Aggressive Emphasis on Top Line Growth**
  - mutual fund sales growth - significant emphasis on balanced solutions (proprietary and 3rd party)
  - increase Retail Bank referrals to Wealth Management
  - expand ScotiaMcLeod sales force
  - continued strong growth of fee-based assets
  - build on leadership in private foundation sector
- **Continue to Improve Client Experience**
  - launch of premium service package (*Heritage*) for HNW Households in ScotiaMcLeod
  - continued emphasis on "Client Commitment" model to increase client satisfaction and share of wallet



*Retail Brokerage*

*Mutual Funds*

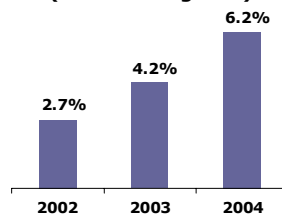
*Private Client*



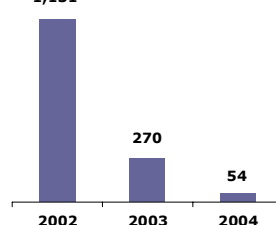
## Scotia Capital Strong & improving franchise

- Ranked in top 3 of all products offered in Canada
- Established relationships
  - 270 clients in Canada
  - 600 of the Fortune 1,000 in U.S.
- Global Trading capabilities
- Higher cross-sell
- Lending discipline – improved credit quality

### Scotia Capital U.S. Higher cross-sell (Non-Lending ROE)



### Lower loan losses (\$millions)



## 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

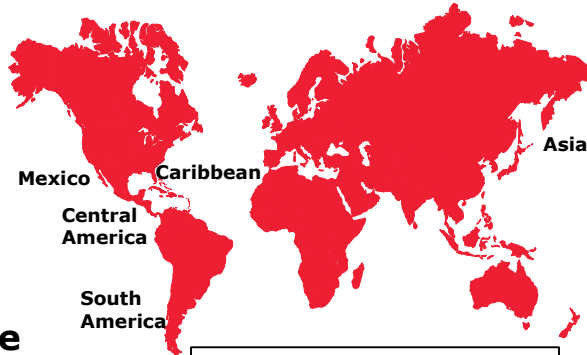
Joint Lead Arranger, Bookrunner and Syndication Agent

Scotia Inverlat



## International Banking Significant growth opportunity

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



**40+ Countries**  
**770+ branches & offices**  
**1,600+ ABMs**  
**16,000+ employees**



## International Banking Four key growth initiatives

Leverage Sales & Service	Develop Complementary Businesses	Improve Efficiency Platform	Make Selective Acquisitions
<ul style="list-style-type: none"><li>• <b>Recognition for excellence</b><ul style="list-style-type: none"><li>- Mexico</li><li>- Dominican Republic</li><li>- Jamaica</li><li>- Costa Rica</li><li>- Chile</li></ul></li></ul>	<ul style="list-style-type: none"><li>• <b>Strong growth in Insurance</b><ul style="list-style-type: none"><li>- Jamaica</li><li>- Trinidad &amp; Tobago</li></ul></li><li>• <b>Growing asset management business</b><ul style="list-style-type: none"><li>- Jamaica</li></ul></li></ul>	<ul style="list-style-type: none"><li>• <b>'World-Class' Operating Platform</b></li><li>• <b>Consolidated data centres</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Recent examples</b><ul style="list-style-type: none"><li>- <b>Dominican Republic</b> (39 branches + selected financial assets)</li><li>- <b>El Salvador</b> <b>Banco de Comercio</b> (17%+ consolidated market share) (awaiting regulatory approval)</li><li>- <b>India</b> <b>4.99% stake</b> <b>Bank of Punjab</b> (planned offer)</li></ul></li></ul>



## International Banking Strong growth in Mexico

- **Strong asset growth (yr/yr):**

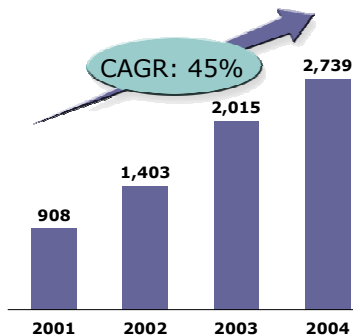
- retail loans up 20%
- high-margin credit card and auto loans up 10%
- commercial lending up 20%

- **Retail term deposits +9% yr/yr**

### Scotiabank Inverlat

#### Net Profit

(millions of Mexican Pesos)



## 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%
<b>3</b>	<b>Scotiabank</b>	<b>24%</b>
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%
<b>3</b>	<b>Scotiabank</b>	<b>66%</b>
4	U.S. Bancorp	52%
5	Bank of America	49%

<u>Rank</u>	<u>Company*</u>	<u>5 Year</u>
<b>1</b>	<b>Scotiabank</b>	<b>162%</b>
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%
<b>2</b>	<b>Scotiabank</b>	<b>509%</b>
3	BBVA	499%
4	WAMU	464%
5	Wells Fargo	432%

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

Source: Bloomberg



## Why invest in Scotiabank?

- Record of earnings and dividend growth
- 3 strong, diversified growth platforms
- Strong capital position to support future growth
- Motivated team of employees
- Strong execution capabilities
- Excellent shareholder returns



*This document includes forward-looking statements which are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. These statements include comments with respect to our objectives, strategies, expected financial results (including those in the area of risk management), and our outlook for our businesses and for the Canadian, U.S. and global economies. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intent," "estimate," "may increase," "may fluctuate," and similar expressions of future or conditional verbs such as "will," "should," "would" and "could."*

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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](http://www.sedar.com), and on the EDGAR section of the SEC's website at [www.sec.gov](http://www.sec.gov).*