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Vice Chairman & Chief Administrative Officer

Investing for Growth

Unique Opportunities

CIBC World Markets Frontenac Conference
September 22, 2005

 Scotiabank Group™



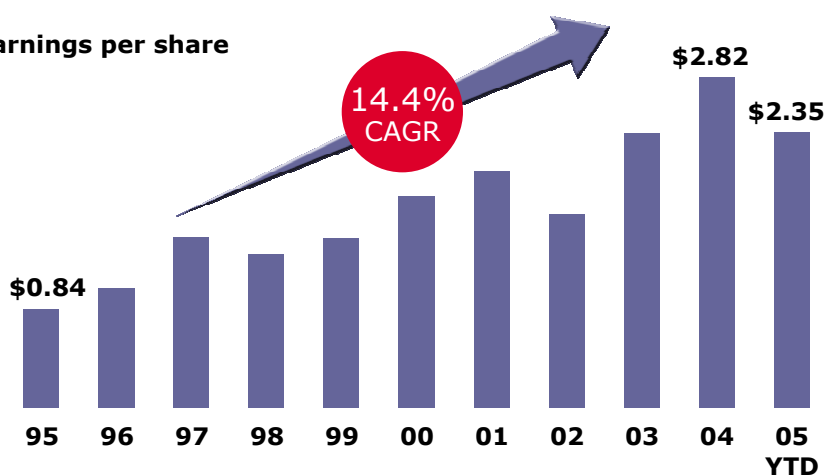
On Track to Meet 2005 Targets

	2005 Target	2005 YTD Performance
EPS growth	5-10%	10%
ROE	17-20%	21.0%
Productivity ratio	Below 58%	55.9%
Capital ratio	Maintain strong capital ratios	TCE 9.3%



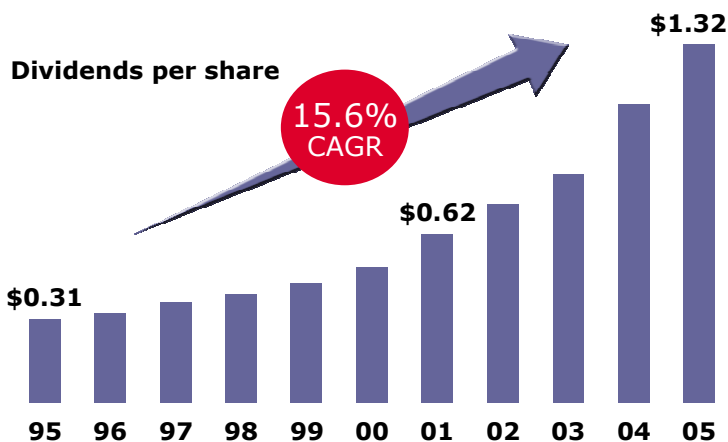
Record of Consistent Earnings Growth

Earnings per share





Record of Consistent Dividend Growth

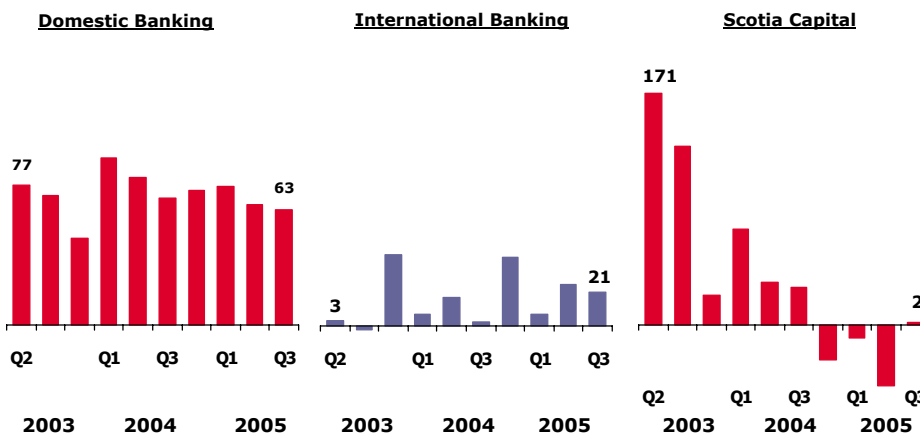


Target payout ratio of 35% to 45%



Lower Specific Provisions

Specific Loan Loss Provisions \$ mm





Strong Capital Base

- **Business growth**

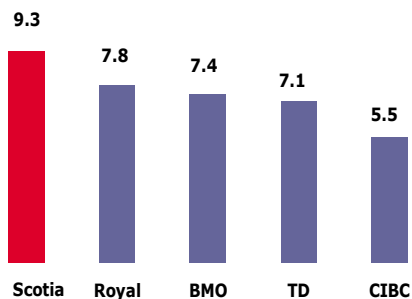
- acquisitions
- organic

- **Dividend increases**

- **Share buybacks**

Tangible Common Equity

July 31, 2005, %



Revenue Growth #1 Priority

Invest for **profitable** and **sustainable** revenue growth

- **Strategic external acquisitions**

- businesses
- portfolios

- **Organic growth**

- retain & grow share of wallet with existing customers
- new customer acquisition



Acquisition Criteria

- **Bring value**
 - leverage core strengths
- **Obtain value**
 - market share/scale
 - leverage distribution network
 - complementary businesses
- **Be opportunistic**
- **Maintain financial discipline**



Acquisition Challenges

- **Competing against global FI's with deep pockets**
- **Regulatory constraints in many foreign markets**
- **Prices remain high**



Growth Through Acquisitions

- **What types of businesses?**

- personal & commercial
- wealth management
- insurance
- capital markets – global specialties (mining, energy)

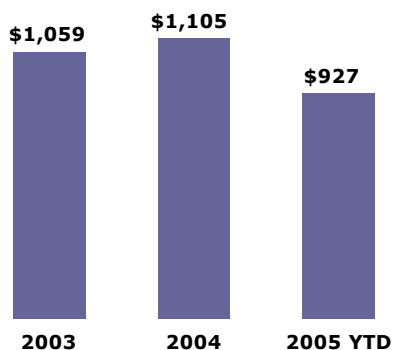
- **Where? Existing markets**

- Central America
- Mexico/Chile/Peru
- Caribbean
- Asia
- Canada



Domestic Banking: Strong Franchise

Net Income*
(\$ millions)



- **Consistent financial performance**
- **#1 retail credit quality**
- **#1 online banking**
- **Leading customer loyalty**
- **Strong customer service**
- **Leading customer analytics/ data warehouse**



* net income available to common shareholders



Domestic Banking: Retain & Grow

- **Continued focus on market-leading asset growth**
 - retention
 - product innovation
- **Significant focus on improving investment sales**
 - new automated financial planning sales tools
 - improved sales metrics
- **Revitalizing small business offering**

Market share gains* in key products

- mortgages – up 67 bp
- chequing/savings – up 14 bp

* June 2005 vs. June 2003



Domestic Banking: Expanding Customer Base

- **Increasing sales capacity in identified high priority markets**
 - additional sales staff
 - new branches and branch formats
- **Leverage indirect channels & small business alliances**
- **Increasing marketing efforts**



Expand Wealth Management

- **Opportunity: emerging affluent investor segment**
- **Improving quality of referrals**
- **Increase sales capacity**
 - expand ScotiaMcLeod sales force
 - double financial consultant sales force
- **Emphasis on mutual fund distribution**
 - strong sales – Partners Portfolio
 - new funds – *Scotia Vision™*
- **Pursue acquisition opportunities**

**Customer Investment
Balances**
(\$250K+ Investable Assets)



■ With Scotia ■ At Other FI's



Domestic Banking: Optimize Commercial Banking

- **Improve operating efficiencies**
 - enhance sales force productivity
 - reduce operating costs
- **Increase business and revenue per client**
- **Continued focus on credit quality**



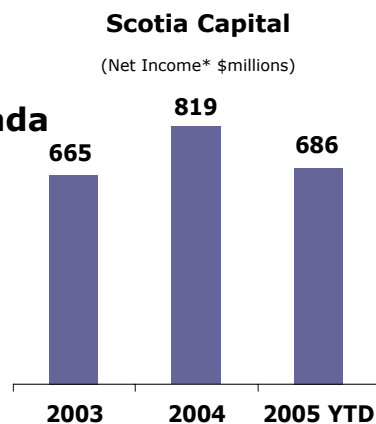
Scotia Capital: Strong & Improving Franchise

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

- **Best Investment Bank in Canada**
(*Global Finance Magazine*)

- **Established relationships**

- 260 clients in Canada
- 620 clients in U.S.



* net income available to common shareholders



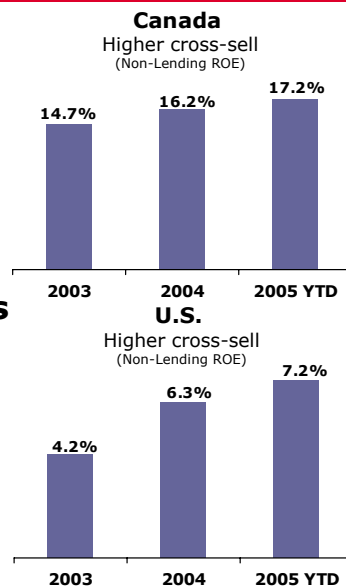
Scotia Capital: Focus on Cross-sell

- **Focus on revenue growth**

- higher cross-sell
- lending discipline
- improved credit quality

- **Grow global industry specialties**

- mining
- energy
- hospitality





Scotia Waterous: Leading Global Energy Advisor

- **Leading global energy advisory firm focused on mergers, acquisitions & divestitures**
- **Advised 24 of world's 30 largest private sector oil & gas companies over past three years**
- **In 2004, advised on transactions in excess of \$US 8 billion**
- **Expected synergies**
 - expanded client relationships
 - one-stop financing for M&A clients



Scotia Capital: NAFTA Platform

Integration of Inverlat's wholesale banking group with Scotia Capital now complete

- cross-sell to multi-national and Mexican clients
- increase activity in areas such as IPOs, structured deals, cash management, derivatives, fixed income, securitizations,
- coverage of 7 broad industry groups

 Minera México S.A. de C.V. US\$600,000,000 Senior Secured Credit Facility Joint Lead Arranger, Bookrunner and Syndication Agent October 2004	 Servicios Financieros Navistar, S.A. de C.V. P\$516,000,000 Truck Loan-Backed Securities mxAAA, AAA(mex), Aaa.mx Lead Manager December 2004	 Grupo Comercial Chedraui Acquisition of France's Carrefour Group's Mexican Operations Financial Advisors March 2005	 Comunicaciones Nextel de México, S.A. de C.V. US\$250,000,000 Senior Unsecured Multi Currency Credit Facility, Joint Lead Arranger, Bookrunner and Syndication Agent October 2004	 Cemex S.A. de C.V. US\$125,000,000 Equity Forward November 2004	 Gobierno del Distrito Federal P\$3,000,000,000 Interest Rate Swap August 2005
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International Banking: Significant Growth Opportunity

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



40+ Countries
840+ branches & offices
1,790+ ABMs
17,800+ employees



International Banking: Four Revenue Growth Drivers

1. **Acquisitions**
2. **Leverage Sales & Service platform**
3. **Develop complementary businesses**
4. **Improve efficiency platform**



* net income available to common shareholders



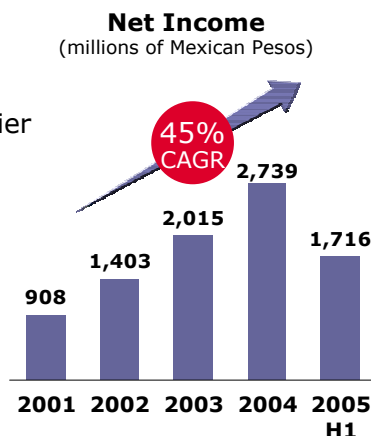
Central America: Attractive Market

- **Attractive market**
 - population of 40 million
 - low banking penetration
 - CAFTA agreement recently signed
 - strong GDP growth expected
- **Operations in 4 of 7 countries**
- **El Salvador acquisition**
 - expanded distribution network
 - increased market share to 17%
- **Future growth opportunities**



International Banking: Mexico – Engine for Growth

- **Customer acquisition**
 - specialized mortgage sales force
 - grow branch network – 20-30/yr
 - credit cards – partnered with premier loyalty program in Mexico
- **Sales & service platform**
- **Acquisitions – complementary businesses**
 - Insurance
 - AFORES (pension asset management)





Why Invest in Scotiabank?

Unique opportunity for growth

- ✓ **Record of consistent earnings & dividend growth**
- ✓ **Strong capital position**
- ✓ **Focused acquisition strategy**
- ✓ **Three diversified growth platforms**
– with unique opportunities



Forward-looking statements

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.”

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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