



Optimizing Commercial Sales and Delivery to Drive Growth

Dieter Jentsch

Executive Vice-President, Commercial Banking



Agenda

- Overview
- Transforming the business model
- Opportunities for growth
- Summary





Strong Commercial Banking Platform

- \$800MM in revenue
- 15% of Domestic revenue
- Loans: \$18B
- Deposits: \$21B
- Market share: 13%
- 29,000 customers
- 500 mobile relationship managers covering 100 markets



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Building On Our Strengths

- Leadership in automotive, real estate, and agriculture sectors
 - over 30% share of Automotive
 - 80% of Top 25 builders in Canada deal with Scotia
- Leadership in client service and employee satisfaction
 - client satisfaction: 92% good to excellent
 - employee satisfaction: 84% favorable
- Strong credit culture
 - 36bps - 5 year average loan loss



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Agenda

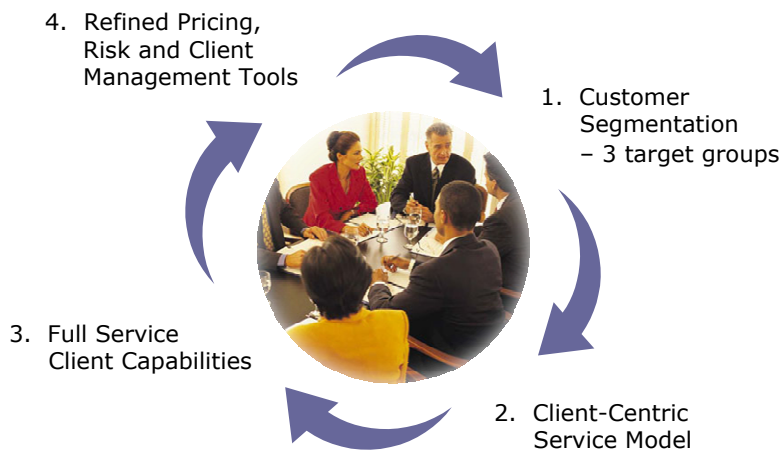
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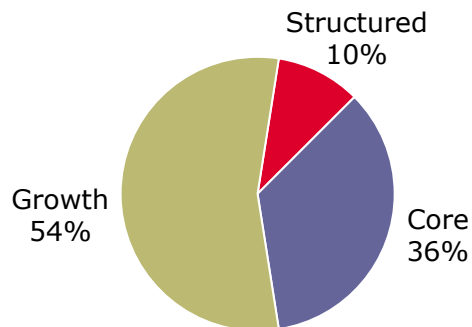
Transforming the Business Model



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Three Key Client Segments

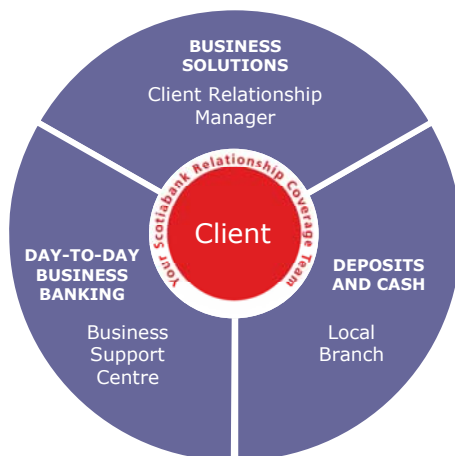


- Growth – smaller, high growth clients with basic product and service needs
- Core – mid-size clients with more complex needs
- Structured – larger clients requiring customized financial solutions

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Client Centric Service Platform

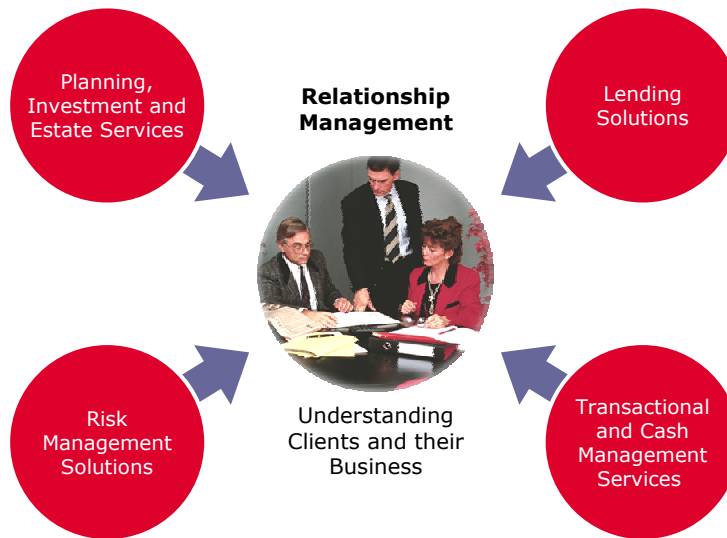


- Align resources and opportunities
- Increase sales capacity
- Efficiencies and cost savings

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Full-service Client Capability



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Refined Pricing, Risk, and Client Management Tools

- Introduced more granular measures and metrics

ClientNet – customer profitability tool

Moody's – risk management

i-Site – client management



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Early Successes from Pilot Project

Client-facing time

↑ 30%

Productivity improvement

↑ 15%

Reduced credit workload

↓ 50%

Client satisfaction ratings

Improved

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Three Key Opportunities

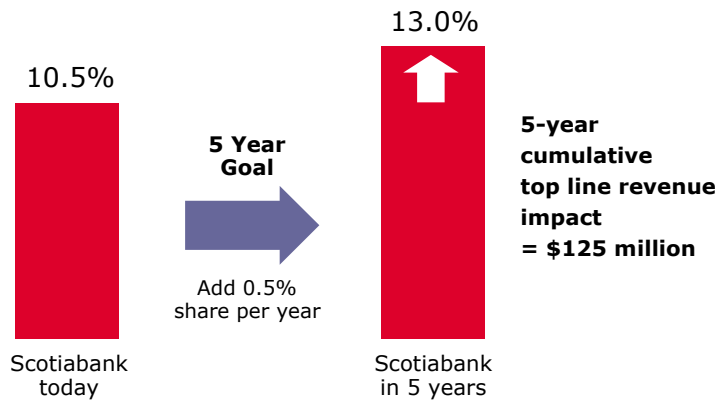
1. Increase share in the target market
2. Asset and pricing initiatives
 - asset-based lending
 - selective pricing strategies
3. Growth in agriculture
 - farm legacy
 - third party alliances



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1. Increase Target Market Share



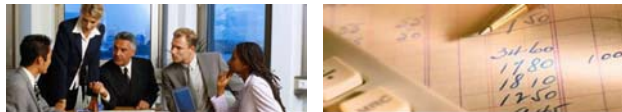
Source: Mar/05 CBA data

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2. Asset and Pricing Initiatives

- Asset-based lending
 - new growth opportunity
 - partner with major FI
- Selective pricing strategies



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3. Growth in Agriculture

- Farm Legacy
 - \$50B in farm assets changing hands
 - \$30B in loan demand
 - target 15% share
 - cross-sell to Wealth Management
- Third party alliances
 - access to new customer base
 - ability to develop specialist expertise



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Key Goals

	Current		Medium-term
ROE*	22%	➔	25% +
Productivity	52%	➔	below 50%
Revenue growth	Flat	➔	4-6%



*Based on normalized loan losses

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Revenue Set to Grow

- Transformation well underway
 - early results positive
 - to be completed in 2006
- Focused on key growth opportunities
- Continued leadership in client service and employee satisfaction

