



Scotiabank expands presence in Latin America - Peru Investment

December 6, 2005



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 the Bank's objectives, strategies to achieve those objectives, expected financial results (including those in the area of risk management), and the outlook for the Bank's businesses and for the Canadian, United States and global economies. Forward-looking statements are typically identified by words or phrases such as "believe", "expect", "anticipate", "intent", "estimate", "plan", "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 in receptive markets; the Bank's ability to expand existing distribution channels and to develop and realize revenues from new distribution channels; the Bank's ability to complete and integrate acquisitions and its other growth strategies; changes in accounting policies and methods the Bank uses to report its financial condition and the results of its operations, including uncertainties associated with critical accounting assumptions and estimates; the effect of applying future accounting changes; global capital markets activity; 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, both from new entrants and established competitors; 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; the effects of disease or illness on local, national or international economies; disruptions to public infrastructure, including transportation, communication, power and water; 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. For more information see the discussion starting on page 54 in the Management's Discussion & Analysis section of the Bank's 2004 Annual Report.

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, and on the EDGAR section of the SEC's website at www.sec.gov.



Agenda

- Transaction Summary
- Investment Financial Impact
- Overview of Combined Entity
- Investment Rationale / Market Overview
- Summary

3



Transaction Summary

<input type="checkbox"/> Ownership	<ul style="list-style-type: none">➤ BNS acquires ~80% of combined entity➤ Intesa acquires ~20% of combined entity
<input type="checkbox"/> Investment	<ul style="list-style-type: none">➤ BNS invests US\$330 mm➤ Intesa US\$266 mm
<input type="checkbox"/> Application of Investment funds	<ul style="list-style-type: none">➤ Acquisition of majority position of BSA➤ Future Pagare write down➤ Repurchase of Common & Preferreds➤ Other provisions/write downs
<input type="checkbox"/> Required Approvals	<ul style="list-style-type: none">➤ OSFI, Peruvian Regulator - SBS, Italian Regulator
<input type="checkbox"/> Expected Closing	<ul style="list-style-type: none">➤ BSA & BWS Acquisition: March 2006➤ Merger: June 2006

4



Investment Financial Impact*

❑ Projected EPS

- \$0.03 in Year 1
- \$0.06 in Year 3



**EPS accretive
without synergies**

❑ Projected ROE

- 15% in Year 1
- 19% in Year 3



**Improving
returns**

❑ Capital Ratios Impact

- Tier 1: (0.2)%
- TCE: (0.2)%



**Minimal impact
on capital ratios**

❑ Purchase Price

- 1.3 x Book Value



**Reasonable
multiple**

* reflects 100% combined entity before consolidation adjustments and synergies

5



Balance Sheet – Pro Forma

(US\$ MM – Sep/05)

	BWS	BSA	Combined*
Assets	\$3,263	\$692	\$3,955
Loans	1,513	479	1,992
Deposits	2,442	450	2,892
Common Equity	266	56	322
TCE Capital Ratio	10.4%	10.5%	10.4%
Tier 1 Capital Ratio	12.8%	10.9%	12.5%

* reflects 100% combined entity before consolidation adjustments and synergies

6



Investment Rationale – Acquire Strong Position in Peru

1 Growing Economy

- Strong GDP Growth
- Low banking penetration

2 Expand Scale

- Combined bank 3rd largest - 18% share
- Nation-wide network
- Combined entity strengthens financials

3 Anticipated Synergies

- Integrate BNS cost and risk culture
- Increase cross-sell
- Reduce funding costs

7

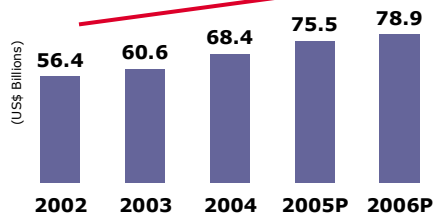


Peru: Strong, Growing Economy

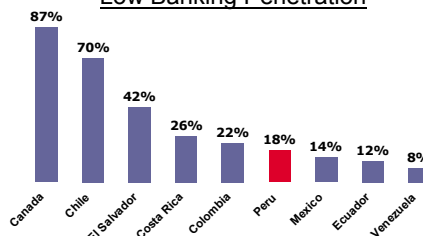
- 2004 GDP of US\$68 billion
 - 17 consecutive quarters of economic growth
- Expected GDP growth of 4.5% in 2005 & 2006
- Low, stable inflation at 3.5%
- Among lowest banking penetration in Latin America

Strong GDP Growth⁽¹⁾

CAGR Nominal GDP in USD = 8.8%



Low Banking Penetration⁽²⁾



(1) Source: Moody's Investors Service – June 05

(2) Source: Latin America Consensus Forecast, Latin America Monitor

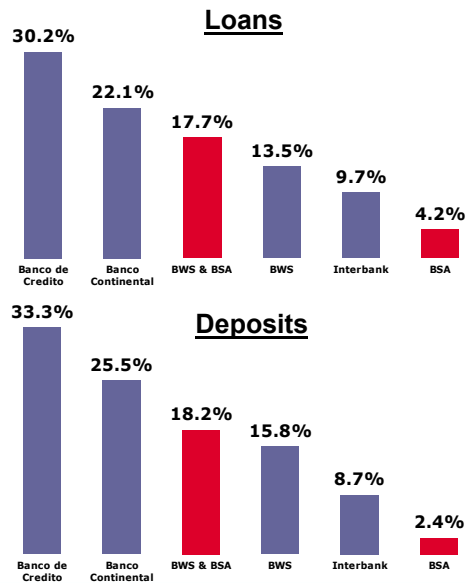
8



Combined Bank: Strong Market Position

Market share, Sept. 2005

- Combined bank ranks #3 in market share:
 - loans: 18%
 - deposits: 18%



9



Combined Bank: Leverage Nation-wide Network

Acquisition provides **nation-wide network** with **strong presence** in capital city, Lima



Branch Network^{1, 3}

Provincia	Banco Wiese Sudameris	Banco Sudamericano	Combined ²	BCP	Continental
Amazonas	–	–	–	2	0
Ancash	2	–	2	4	3
Apurimac	–	–	–	2	0
Arequipa	3	–	3	8	6
Ayacucho	–	–	–	1	0
Cajamarca	1	–	1	2	2
Callao	7	2	9	9	9
Cusco	1	–	1	3	4
Huanavelica	–	–	–	1	0
Huánuco	–	–	–	2	2
Ica	3	–	3	7	3
Junín	1	–	1	8	2
La Libertad	2	–	2	7	7
Lambayeque	3	–	3	5	3
Lima	75	28	103	119	115
Loreto	1	–	1	3	3
Madre de Dios	–	–	–	1	0
Moquegua	1	–	1	4	1
Pasco	–	–	–	2	1
Piura	3	–	3	6	5
Puno	2	–	2	2	2
San Martín	–	–	–	3	3
Tarma	2	–	2	3	1
Tumbes	–	–	–	1	1
Ucayali	1	–	1	1	1
TOTAL	108	30	138	206	174

Pro forma presence

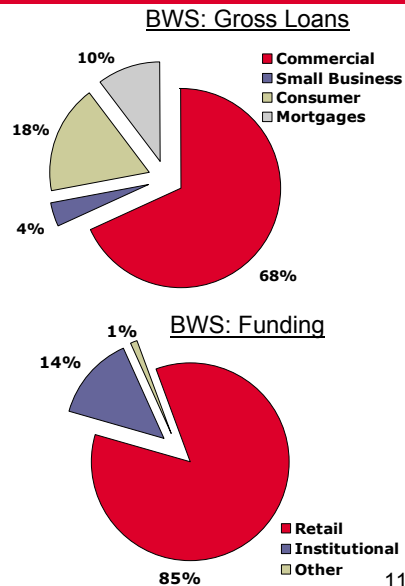
- Notes:
- 1 As of 09/30/05
 - 2 Before branch closings
 - 3 Excludes foreign branches

10



The Opportunity

- **Integrate BNS culture**
 - cost & risk management focus
 - commitment to sales & service
- **Gain critical mass in existing market**
 - compete as leading bank
 - economies of scale
 - lower funding costs
- **Cross-sell potential**
 - leverage strong BWS retail & commercial franchise



Figures as of September 2005

11



Summary

Existing market expansion

- Strong #3 competitor
 - 18% market share

Leverage BNS core strengths to grow franchise

- Revenue opportunities
- Cost savings
- Proven risk management strengths
- Integration/execution experience

Solid investment with growth potential

- Sound asset quality
 - following write downs
- Solid financials
- Accretive to earnings

12