



Barb Mason

Executive Vice President, Wealth Management

**National Bank Financial Conference
March 21, 2007**



Domestic: Solid retail franchise

1. Performance in 2006

- strong market share gains & growth in new customers
- significant asset growth
- margin challenge

2. 2006: Investments for future growth

- organic
- acquisitions

3. Priorities

- drive sustainable revenue growth
- accelerate wealth management growth





Successes: Strong market share gains & significant growth in new customers

Year-over-Year Change

Residential Mortgages	+134 basis points
Total Personal Lending	+83 basis points
Personal Term Deposits	+49 basis points
Total Personal Deposits	+26 basis points
Mutual Funds	(2) basis points

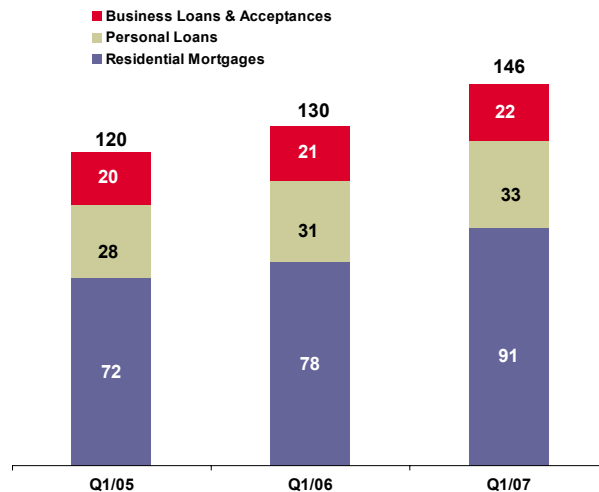
Domestic Banking added 191,000 new customers in past 12 months

Domestic market share figures as at January 2007



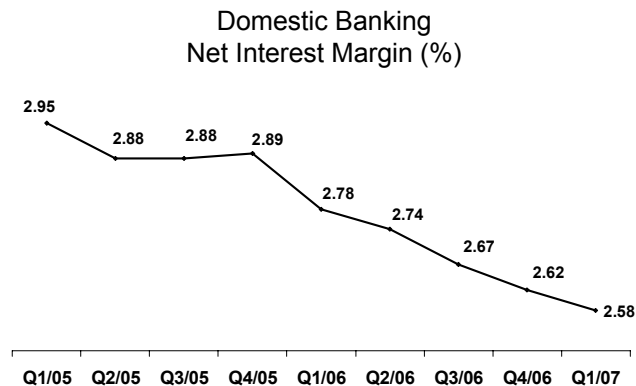
Successes: Market leading asset growth

average earning assets (incl. acceptances), \$ billions





Financial performance impacted by margin compression



- Margin compression reflects higher funding costs
- Expect margin pressure to moderate over course of 2007



2006 Investments for future growth: Organic

- Upgrading technology to drive sales growth
 - investment platform & brokerage CRM
 - term lending system
 - commercial banking credit, support and operation systems
- Advertising, sponsorships, business and brand development
 - Cineplex Odeon
 - Scotiabank Place
 - CFL Sponsorship
- New products
 - ScotiaOne Account
 - 100% Mortgage
 - Scene Reward Program
- Expanding distribution & sales capacity



2006 Investments for future growth: Acquisitions

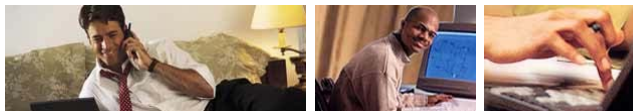
3 acquisitions worth ~\$500 million in 2006

- Maple Trust
 - improved position in fast growing mortgage broker channel
 - increased market share to #3 position
- National Bank of Greece
 - added 10 new branches in under-represented markets
- Travelers Leasing Corporation
 - immediate access to high-growth sector of auto market



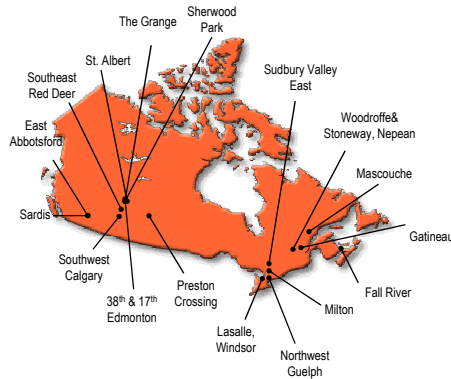
Priorities: Driving sustainable revenue growth

- Cross sell broader suite of products to new and existing customers
- Improve sales effectiveness in all channels through upgraded technology
- Focus on higher margin products
 - mutual funds, small business, credit cards
- Seek additional strategic alliances & acquisitions
- Expand distribution & sales capacity





Priority: Expand distribution & sales capacity



Open New Branches:
15 in 2006
35 in 2007

Increase Retail Sales Force by:
700 in 2006
200 in 2007

Increase Investment Focused Sales Force to more than 2,300 by the end of 2007



Priority: Accelerate Wealth Management growth

1. Increase mutual fund sales & market share
2. Improve business mix
3. Enhance investment product suite
4. Pursue acquisitions and alliances





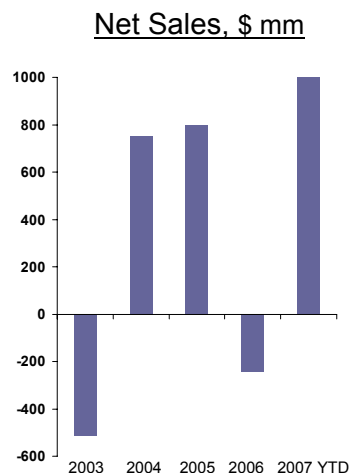
Significant Wealth Management opportunities

- Mutual Funds
 - capture +\$50 B of off-us mutual fund balances that our customers hold elsewhere
- ScotiaMcLeod
 - grow AUA per Investment Executive and continue to add IEs
 - focus on fee-based assets
- Scotia Private Client Group
 - increase cross-sell of counseling services, e.g.. foundations, private banking, etc
- ScotiaMcLeod Direct Investing
 - targeted self-service investor acquisition, add specific features and services



Priority: Increase mutual fund sales and market share

- Realize on distribution potential
 - enhanced training & sales support
 - increased focus on investment products
 - 2007 goal: increase retail branch net sales by more than 100%
- Leverage enhanced systems, tools and training
 - increase sales and consolidation of 3rd party funds
- Targeted wholesaling support to 3rd party
- Enhance retirement planning capabilities for mass market, mass affluent and pre-retirement investor segment

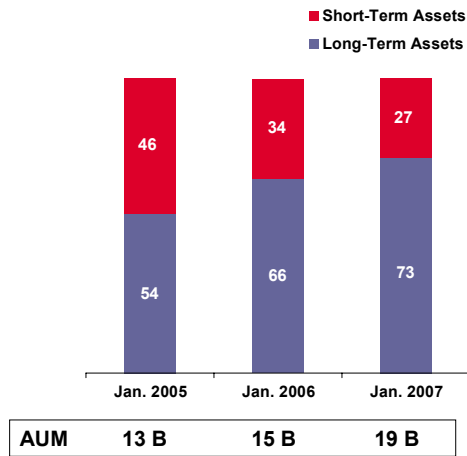




Priority: Improved business mix

- Shift to long-term assets
 - represents 73% of assets vs. 54% two years ago
- Emphasize asset gathering
 - SMDI average account size up 40% since 2005
 - ScotiaMcLeod AUA up 11% since 2005
- Focus on fee-based assets
 - doubled since 2002
 - increased from 10% to 21% of ScotiaMcLeod's assets

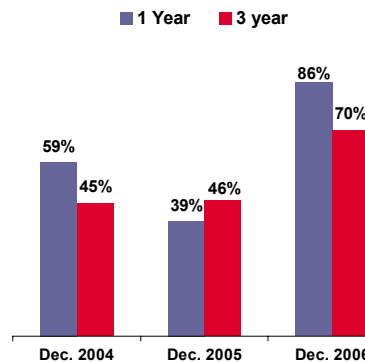
Assets under management (%)



Priority: Enhanced investment product suite

- Improved performance
 - 86% of fund assets in top 2 quartiles for 1 year period
 - 70% of fund assets in top 2 quartiles for 3 year period
- Enhanced investment product line
 - strengthened International fund offering
 - develop products to target key investor segments
- Increase SPCG product suite
 - Aqueduct, Personal Office, insurance

Fund Assets in top 2 Quartiles (%)



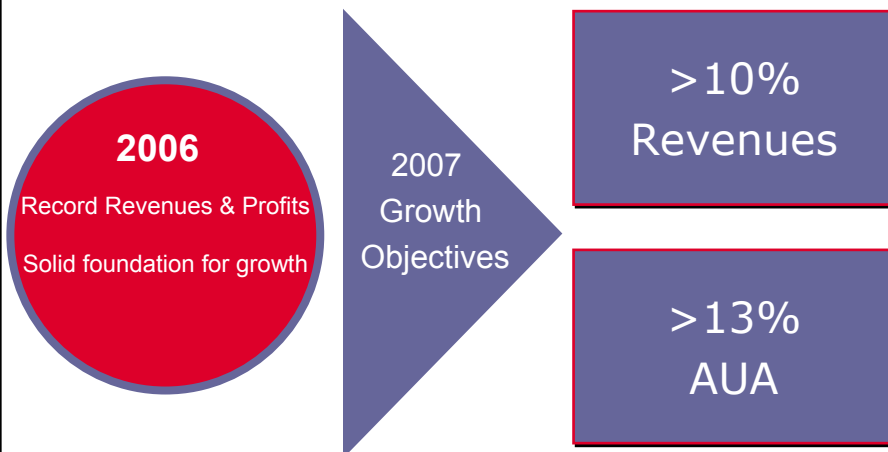


Acquisitions are an opportunity to accelerate growth

- Will pursue domestic acquisition opportunities
 - grow customer base
 - strengthen existing operations, product suite
- Disciplined program of smaller “bolt-on business” acquisitions
- Pursue strategic alliances



2007 Wealth Management Growth Objectives





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