



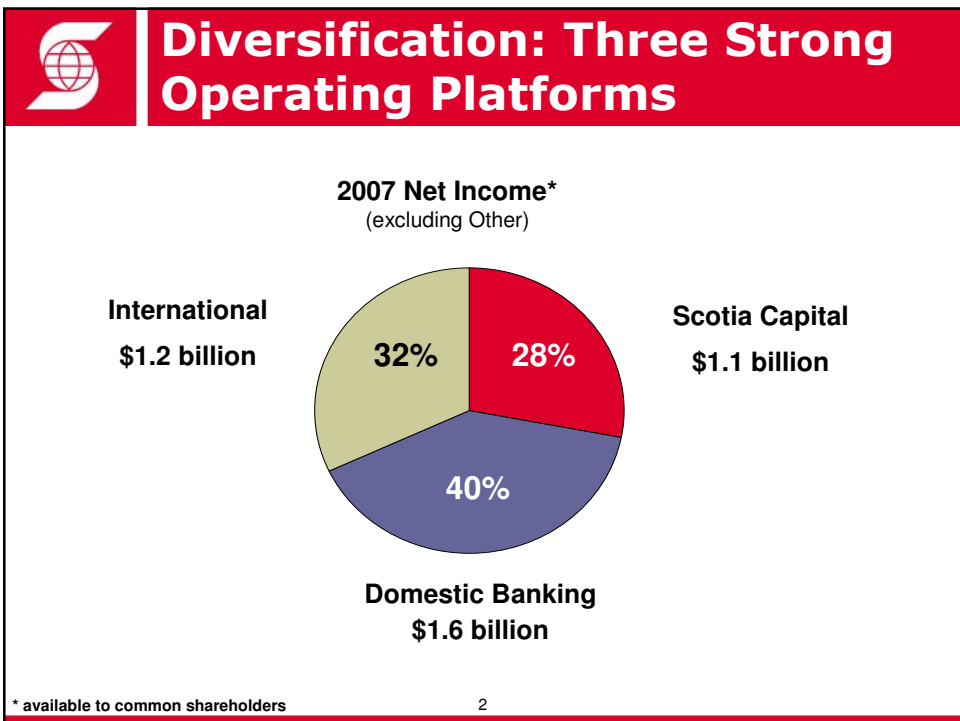
## National Bank Financial Conference

March 26, 2008

**Chris Hodgson**

EVP & Head of Domestic Personal Banking

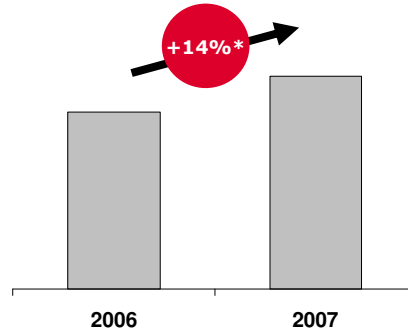
*Driving Sustainable Growth*





## Domestic Banking: Strong Financial Results in 2007

### Net Income 2007 vs. 2006



Positive operating leverage: +4%\*

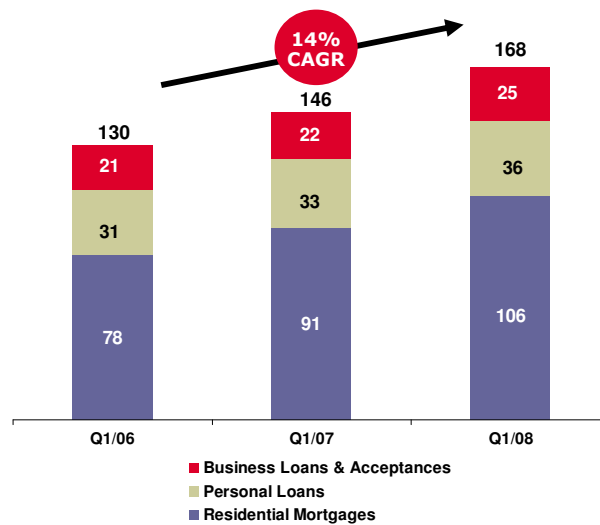
\*excludes VISA gain (\$111mm pre-tax, \$92mm post-tax)

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## Significant Asset Growth

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



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## Strong Market Share Gains

### Year-over-Year Change

Residential Mortgages	+18 basis points
Personal Term Deposits	+95 basis points*
Total Personal Deposits	+56 basis points
Mutual Funds	+24 basis points

\*Acquisition of Dundee Bank contributed +15 basis points

**Added 140,000 new customers in fiscal 2007**

Domestic market share figures as at December 2007

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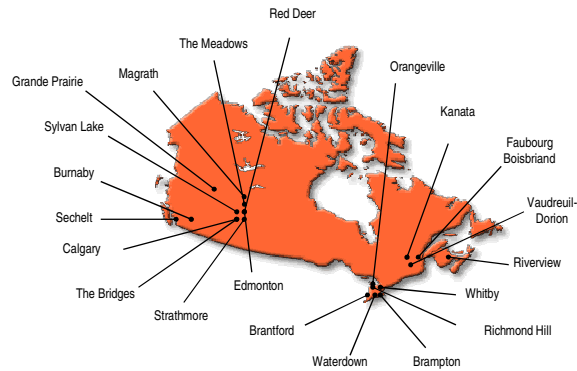
## Investments for Future Growth: Organic

- **Upgrading technology to drive sales growth**
  - investment platform & brokerage CRM
  - term lending system
  - commercial banking credit, support and operation systems
- **Business & brand development**
  - Scotiabank Nuit Blanche
  - CFL Sponsorship
  - Cineplex Odeon
  - Scotiabank Place in Ottawa
  - Scotiabank Giller Prize
  - NHL
- **New products**
  - 3 new GIC offers
  - ‘Scotia Blueprint Plus’
  - Advisor series of 14 funds
  - Euro savings account
  - Scotia Global Climate Change Fund
- **Expanding distribution & sales capacity**

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## Expand Distribution & Sales Capacity



*New branch openings:  
35 in 2007  
15-20 in 2008*

*Sales/Service force  
increases:  
1,000 in 2007  
500 in 2008*

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## Investments for Future Growth: Acquisitions

- **Maple Financial Group**
  - 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
- **Trade Freedom**
  - improved active trader platform
- **Dundee Bank**
  - broader range of product offerings for financial advisors

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## Priority: Accelerate Wealth Management Growth

<u>Objective</u>	<u>Performance in 2007</u>	
Increase mutual fund sales & market share	- \$2.3B in net sales - branch sales increased 4.5x	<input checked="" type="checkbox"/>
Improve business mix	- 86% of AUA in long-term funds - increased fee based assets	<input checked="" type="checkbox"/>
Enhance investment product suite	- strong fund performance - strengthened fund line-up	<input checked="" type="checkbox"/>
Pursue acquisitions & alliances	- Dundee Wealth (18%) - Trade Freedom	<input checked="" type="checkbox"/>

**Wealth Management revenues grew 14% in 2007**

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## Significant Wealth Management Opportunities

- **Mutual Funds**
  - capture +\$50B 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 & services

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## Driving Sustainable Growth

- Leverage existing platforms & investments
- Focus on higher margin products
  - mutual funds, small business, credit cards, insurance
- Pursue strategic acquisitions
- Positive outlook



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## 2008 Focus

**Maintain earnings momentum  
&  
positive operating leverage**

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## Forward-looking Statements

*Our public communications often include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may 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. Such 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. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond our control, 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, including changes in tax laws; operational and reputational risks; 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; fraud by internal or external parties, including the use of new technologies in unprecedented ways to defraud the Bank or its customers; consolidation in the Canadian financial services sector; competition, both from new entrants and established competitors; judicial and regulatory proceedings; acts of God, such as earthquakes and hurricanes; 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 56 of the Bank's 2007 Annual Report.*

*The preceding 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 preceding 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 its behalf.*

*The "Outlook" section in this document is based on the Bank's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing this section.*

*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).*