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**Note that the accompanying slides can be found in the
Investment Community Presentation section**

Title Slide – Slide 1

Thank you for that kind introduction.

It's my pleasure to be back here in New York to talk about the prospects for Scotiabank.

I consider New York to be my second home – as I spent eight wonderful years here running our U.S. operations from 1985 to 1993.

Scotiabank – Slide 2

At Scotiabank we pride ourselves on being Canada's most international bank with operations in more than 40 countries – a full service bank covering Canada, the United States, Europe, Asia, the Caribbean and Latin America.

We also pride ourselves on having a record of consistent earnings performance. In 2002, we reported a net income of \$1.8 billion Canadian dollars. This was after taking a \$540 million Canadian dollar charge against our Argentine operations. Even with this charge, we were still the second most profitable bank in Canada.

In terms of market capitalization, we rank number two among the Canadian banks, up from number five just six years ago.

We also have the highest capital ratio among the Canadian banks with Tangible Common Equity equal to 8.5%.

Looking ahead, I believe we have a solid foundation for growth – both in our home market, and particularly in our international operations – where we have a unique and defining strategy. This growth will come from leveraging our strengths, especially leveraging our people and our culture – we have a great team of people motivated to serve their customers. I'll have more to say on this later in the presentation.

Agenda – Slide 3

So today I'd like to focus on four main themes:

1. Our record of delivering consistent performance;
2. Our competitive strengths;
3. The growth drivers in our key businesses; and finally
4. Our targets for 2003.

Consistent Long-term Performance – Slide 4

First, on our earnings record.

As you can see from the next slide ...

Consistent Earnings Growth – Slide 5

... we have a track record of delivering consistent earnings growth – and we take great pride in this consistency. We've done it for more than a decade – excluding the extraordinary charge for Argentina last year – with an annual growth rate of over 11% - and we expect to have another record year this year.

Regular Dividend Increases – Slide 6

As a result of our consistent earnings, we have been able to deliver dividend increases virtually every year over the past 25 years.

More recently, we have increased dividends at an even faster rate - 18.6% annually over the last three years – tops among the Canadian banks – and we will continue to increase dividends in line with earnings growth.

Consistent long-term performance – Slide 7

By almost every metric, we have ranked either #1 or #2 in performance among the major Canadian banks over the past five years:

- #1 in productivity and capital strength
- # 2 in earnings growth and return on equity
- # 2 in internal capital generation – in fact, we are generating close to \$1.5 billion in capital per year; and, importantly
- #1 in customer service in virtually all of our markets.

As an aside, unlike many North American corporations, our pension plan is in a surplus position. In fact, of the companies in the TSX 60 index that have pension plans, we are one of only four that are over-funded.

Superior Returns – Slide 8

As a result, our shareholders have been rewarded with superior returns -- outperforming the major Canadian and U.S. banks over the past five years, as shown on this chart.

Competitive Strengths – Slide 9

This consistent performance has come from leveraging our strengths – strengths which we believe set us apart.

Earnings Diversification – Slide 10

As you can see on this slide, a key strength and an important element of our success has been the diversification of earnings across our three main business lines.

Domestic had a record year last year.

International, excluding Argentina charges, also had a record year. Together, these divisions have, on average, comprised more than 70% of earnings over the last three years, and they will continue to provide a steady – and growing – source of annuity-type income.

In **Scotia Capital**, two of the three units – Canada and Global Trading – have been solidly profitable, and we expect overall divisional profitability to rise as loan losses in our U.S. and European portfolios return to more normal levels.

Bank-wide Focus on Customer Service – Slide 11

We are also very proud of our leadership position in customer service – across the organization. As you can see from the slide, we have been ranked:

- #1 in customer service in Canada according to Market Facts – a third party research firm
- Best bank in the Caribbean – by *LatinFinance* magazine
- Tied for #1 in customer service in Mexico – by *Reforma* newspaper, and
- Best multinational company in Chile – by *El Diario* newspaper

We not only talk about customer service, but we are a leader — we practice it day-in, day-out — in Canada and around the world.

Productivity Leader – Slide 12

Another strength of the Bank is cost control and productivity leadership. We boast that no one in Canada manages costs better than Scotiabank – it is part of our culture. Our productivity ratio in 2002 of 55% is good by world standards.

We do this not only in Canada but elsewhere. In the Caribbean, our operations mirror what we do in Canada. The Caribbean region has an overall productivity ratio in the low 50s.

We have leadership in this area, and will definitely maintain it.

Industry-Leading Capital – Slide 13

We also have strong capital. As you can see on the slide, we have the highest tier one ratio of the major Canadian banks.

And, importantly, we are a leader in tangible common equity – which gives us one of the strongest balance sheets in the industry. Our capital base is not inflated by goodwill or other intangible assets generated by acquisitions.

We have been able to use this capital wisely and deliver consistently high ROE.

Uses of Capital – Slide 14

This strong capital base also gives us a great deal of flexibility – a great opportunity.

For example:

- it leaves us well positioned to participate in bank consolidation in Canada;
- it also provides a large cushion for credit or other risks;
- it allows us to confidently forecast dividend increases and share buy backs - to offset dilution and return capital to shareholders; and finally
- it enables us to expand our businesses through organic growth or acquisition.

For example, this morning we announced an exciting development – namely, an agreement to purchase the Mexican government’s 36% stake in Inverlat – our Mexican bank. Our excess capital position gave us the flexibility to do this transaction while still maintaining strong capital ratios. This increases our ownership of Inverlat to 91% -- and we would hope to acquire the remaining piece in the near future. The price we paid was a fair price, given that this was a minority block. It also reaffirmed our strong commitment to Mexico and, in particular, to Inverlat, where we see significant growth potential.

In terms of future acquisitions, we will continue to look at the possibility of purchasing a retail and commercial bank here in the United States. We have no timeline to do this investment – if we do it, it will be disciplined – the right bank, with the right culture, at the right price. It would need to be accretive to earnings within three years.

Growth Drivers in Key Businesses – Slide 15

Turning now to our growth drivers.

Growth Drivers in Key Businesses – Slide 16

In our **Domestic** operations we have made substantial investments in our delivery network and our customer data warehouse over the past three years.

We believe that we can successfully leverage these strengths and continue to win market share.

In **Scotia Capital** – our wholesale business – our focus is clearly on the United States and reducing loan losses. We also intend to do a better job of leveraging long-standing relationships with our core customers and thus improving the ROE of this business.

Our **International** operations will be a significant long-term engine for growth – something that clearly separates us from our Canadian peer group. In particular, building on our platforms in the Caribbean & Central America, and in Mexico – will give us opportunities for good organic growth. We will also look at in-market acquisitions that will be accretive to earnings.

Domestic Bank – Slide 17

First, reviewing our Domestic operations in more detail

We offer a full range of retail, small business, commercial and wealth management services to more than 7 million customers across Canada. In terms of distribution network, we have:

- Almost 1,000 bank branches
- More than 100 wealth management offices
- 2,200 ABMs
- Four call centers - which handled 45 million calls last year
- Telephone banking – over 1.3 million users with 36 million transactions in the past year; and
- Full Internet banking – close to 1 million users and 83 million transactions over the past 12 months.

Solid Earnings Growth – Slide 18

As you can see on this chart, earnings in Domestic have, on average, grown at more than 15% a year over the past four years. This is a great accomplishment in Canada's mature – yet very competitive – market, and we will continue to grow earnings going forward.

Strong Retail Franchise – Slide 19

This impressive growth results from closely managing risks and costs and our customer-focused approach to sales and service.

We are clearly the leader in retail credit quality with credit losses of only 20 basis points.

Similarly, we are the industry leader in productivity. In the Domestic Bank we are currently running at 56.5% versus the peer group average of just over 60% we have made major strides in this area during the past three years – consolidating over 300 branches. And as I said, we are also the industry leader in customer service.

As a result, we have been able to win all-bank market share in key products over the past year in personal loans, we have gained 58 basis points and, in core deposits, we have gained 67 basis points.

Industry-leading Retail Credit Quality – Slide 20

In retail credit quality, our losses have been well below those of our peer group thanks to best-in-class adjudication and great success with our secured lending products.

Service Excellence – Slide 21

In customer service, last year 31% of our customers rated us as excellent versus 24% for the other Canadian banks. This is the third year in a row we have led on this important measure – and, as you can see, we continue to widen the gap on our Canadian peers.

Leverage Customer Satisfaction – Slide 22

We believe good customer service starts with a motivated workforce – which is based on a strong foundation of teamwork and core values.

Our internal surveys tell us that 85% of our Domestic employees think Scotia is a “great place to work.”

Satisfied employees provide excellent service, which leads to satisfied customers.

Great service also increases customer loyalty. Loyal customers stay with you buy more products and services and generate more referrals.

Enhance Sales Capabilities with CRM Data Warehouse – Slide 23

All of our sales contact is driven by state-of-the-art, industry-leading data-warehouse and customer analytics.

We use a variety of inputs – market research, customer profiles, transaction information and third-party data, such as credit bureau scores – to identify and track our best customers, follow up on the best leads, and proactively manage marketing campaigns.

As well, our focus on sales productivity – including moving non-sales activity out of the branches – has resulted in sales time per person increasing by seven hours per week over the past 18 months – giving a lot more preparation and face-to-face time with customers.

Build Relationships With our Best Customers – Slide 24

Providing great service requires knowing your customers. We divide our customers into two broad groups based on 1) profitability, 2) relationship depth, and 3) potential. This segmentation drives our sales and marketing activities. The top 20% – about 1.2 million – are proactively contacted by personal banking officers and financial planners. On average these customers exhibit greater loyalty and produce more than 2.5 times as many accounts compared to the remaining 80%.

However, we do seek to identify high-potential customers in this second group, as we have found that when they are proactively managed, we typically see an immediate 7% increase in balances – which continue to grow. The 80% is a great source of future revenue.

Wealth Management – Key Priorities – Slide 25

Turning to Wealth Management, which is organized around three core businesses – Retail Brokerage, Mutual Funds and the Private Client Group.

The key for us is to take advantage of referrals, leveraging our customer base of 7 million customers in the retail bank. More than \$4 billion was referred from our branch and telephone networks in 2002, with two-thirds coming from assets previously managed by our competitors. This level of referrals is up significantly from \$2.5 billion only two years ago.

We also use financial planning and database marketing as tools to help build relationships at a lower cost with a higher level of service. Our key customer segment is the middle market – which holds 45% of investable assets in Canada and where the greatest opportunity lies.

In summary, we have a strong base to grow our wealth management businesses once the current market conditions become more favourable.

Scotia Capital – Profitable Despite U.S. Credit Challenges – Slide 26

Turning next to Scotia Capital, where we have been profitable despite some credit challenges – mainly in the U.S and, more recently, in Europe.

Credit Quality – Slide 27

In the U.S. and Europe, problem accounts have largely been confined to two sectors – cable and telecom and power and energy trading.

In cable and telecom, we believe the problems are largely behind us.

In power and energy trading, we have a limited number of problem accounts – several of which have been successfully restructured in recent months and the balance are in progress.

We believe that losses in the power sector will be less severe than in cable and telecom. We lend primarily at the operating company level, secured by hard assets and, in the long run, the energy business is a viable business. We are cautiously optimistic that the worst of the crisis has passed.

Regarding our airline exposure – it's modest, about \$400 million – more than half of which is secured by a combination of aircraft assets, government guarantees and cash.

We do not believe that our airline exposure will adversely impact this year's provision levels.

In fact, notwithstanding a less than robust economic outlook, we believe that our loan loss provisions will decline moderately in 2003.

Key Priorities – U.S. – Slide 28

Our results in the U.S. are clearly unsatisfactory, and the challenge for 2003 is to reduce loan losses and improve ROE.

To do this, we have significantly reduced single-name exposure and industry limits. We also created a portfolio management group based in New York, which looks at all transactions, and uses tools such as credit derivatives to manage industry exposures.

We've reorganized our U.S. operations, and segmented our client base. We are reviewing profitability on a name-by-name basis, which could result in our exiting up to one-third of the accounts, if we cannot earn satisfactory returns.

Because we have a thousand valuable relationships that go back over two decades, we are not exiting this market. Rather, we expect to generate a significant diversified stream of revenues from this customer base.

Going forward, we will be putting a much stronger focus on cross-selling non-credit products and ensuring customers do meet our profitability targets.

Scotia Capital – Key Priorities – Canada & Global Trading – Slide 29

Turning to Canada, our goal is to be a top-ranked full-service provider – a leader in each product – and we have met that goal in most areas, with a very acceptable overall return on equity. We have scored some significant successes – for example: we tied for #1 in overall quality of equity research; we were #1 in syndicated lending and #2 in the income trust market.

And our Global Trading operations – which are primarily client-driven had another record year revenues were up 14% in 2002. It is a business with good growth potential – through U.S. cross-sell and importantly through expanded activities in Mexico.

Overall, Scotia Capital has strong revenue generating capacity and we expect profitability in this business to improve in 2003, and even more so in 2004 as loan losses decrease.

International – Engine for Long-Term Growth – Slide 30

Finally, to our International operations, which we believe will be an engine of significant long-term growth – with compelling demographics and, in many markets, low banking penetration

We believe investing in International to be a good strategy. Why?

- 1) we can take advantage of favourable demographics in our selected markets;
- 2) we can build on more than 100 years of experience in operating successfully as a local bank in a local market;
- 3) we can leverage the strengths of the group – namely, industry-leading customer service, superior cost control and strong risk management.

Turning to the next slide, you can see the very strong growth in our international earnings.

International – Rising Earnings – Slide 31

Overall, these earnings have grown at a compound annual rate of 28% over the past four years thanks primarily to our expansion in the Caribbean and Central America, plus the consolidation of Scotiabank Inverlat in 2001.

Caribbean & Central America – Strong Earnings Growth – Slide 32

The “crown jewel” of our international franchise is, of course, our operations in the Caribbean and Central America. Earnings have increased at a compound rate of 15% over the past four years – to a record \$290 million in 2002. This growth rate mirrors our Canadian retail and commercial operations, for many of the same reasons – a focus on sales and service, improving productivity and strong risk management.

We have a unique market presence in the region as you can see on the slide:

- we are in 25 countries
- with more than 250 branches
- we have more than 7,500 staff
- and a growing network of more than 400 ABMs
- as well as \$17 billion in assets.

Our success comes from being a local bank in a local market – Jamaican in Jamaica Bahamian in the Bahamas – our country managers are local.

Caribbean & Central America Strengthening the network – Slide 33

And we are strengthening our network.

We are expanding our operations in Spanish-speaking markets such as the Dominican Republic, El Salvador and Costa Rica, to reach a potential 20 million new customers.

Earnings in each of these countries are growing at double-digit rates and we believe we can achieve the same long-run successes that we enjoy in other parts of the region.

We're also leveraging our technology, we have telephone banking available 24/7 in most countries, and we increased our ABM network by more than 20% last year.

And we're expanding our insurance and wealth management businesses in the region. For example, we recently added to our trust and private banking capabilities with the purchase of MeesPierson in the Bahamas.

We remain very pleased with our Caribbean operations. We are the dominant bank in the region, double the size of our nearest competitor. We believe we are very well positioned for future growth.

Mexico Compelling Demographics – Slide 34

Turning now to Mexico.... this indeed is a key market for us.

As I mentioned earlier, this morning we announced an agreement to acquire the Mexican government's 36% block in Inverlat, which increases our ownership in that bank to 91%. This should add close to \$100 million to our earnings annually on a go-forward basis.

We did this transaction because we believe Mexico has great potential – for example:

- it has a population of 100 million – with 50% under 22 years old;
- it has a faster-growing GDP than Canada;
- the demand for goods and services is increasing rapidly.

As a result, there is a need for a growing banking system that can provide credit products – such as car loans and mortgages.

And opportunities for continuing loan growth have improved with the recent government initiative to strengthen the legal framework for recovery of collateral.

As your fellow analyst Bruno Pereira wrote recently:

“ Consumer credit should continue to expand at rates seen in the past 18 months – nearly five to six times GDP”.

In short the potential is enormous! Mexico is all about growth in revenue and top-notch execution.

Scotiabank Inverlat Network Covering Key Markets – Slide 35

Turning to Scotiabank Inverlat. It is one of only six major financial institutions in Mexico with an extensive network of nearly 400 branches and 1,000 ABMs.

We are growing it organically, expanding the branch and ABM network to increase our share in the most attractive markets. We added 15 new branches last year and reconfigured another 15; we plan to add an additional 12 to 15 this year.

Our goal is to add 20 to 25% to our network over the next three years - which will give us a very strong footprint covering all the key markets.

Scotiabank Inverlat - Steady Organic Growth – Slide 36

Scotiabank Inverlat's earnings continue to grow strongly – our share of Inverlat's earnings was up 56% in Q1 versus the same period last year.

We've done well in growing our key retail business – by offering great service and competitive products, credit cards, car loans and mortgages, where we have been an industry leader. In 2002, we captured about 30% of all the new bank-financed car and residential mortgage business.

And we have also done well on the retail deposit side – increasing our share of core deposits by 120 basis points over the past 15 months.

We are also doing well in the commercial and corporate market, where loans are up 16% year over year.

Overall, Mexico is a key and exciting market for us, as we see tremendous opportunities and upside.

Targets – Slide 37

Finally, looking at our targets for 2003...

2003 Targets – Slide 38

We are targeting a return on equity of between 15 and 18% and EPS growth between 5 and 10%. Our productivity ratio will remain below 58%, and we will maintain our very strong capital position, with Tier 1 capital well in excess of 8%.

Looking ahead, we have solid growth prospects and considerable opportunity thanks to our extremely strong balance sheet and capital base.

We believe that we represent a good long-term investment opportunity for investors here in the United States and other countries. Why?

- 1) we have a track record of delivering consistent long-term performance;
- 2) we have excellent growth potential across a diversified group of key businesses;
- 3) we can and have leveraged our competitive strengths; and importantly
- 4) we have shown that we can execute well and consistently meet our targets.

Thank you, and I would now be pleased to answer your questions.