Investor Presentation
Fourth Quarter, 2003

December 2, 2003

Overview

Peter Godsoe
Chairman

2003 – performance highlights

Q4/03 Results (vs. Q4/02)

- **EPS**: $1.26 – up 15.6%
- **ROE**: 18.6% vs. 16.5%
- **Provision for credit losses**: $120mm vs. $429mm

2003 Results (vs. 2002 ex. Argentina)

- **EPS:** $4.69 – up 7.8%
- **ROE**: 17.6% vs. 16.6%
- **Provision for credit losses**: $893mm vs. $1,575mm

Capital Ratios

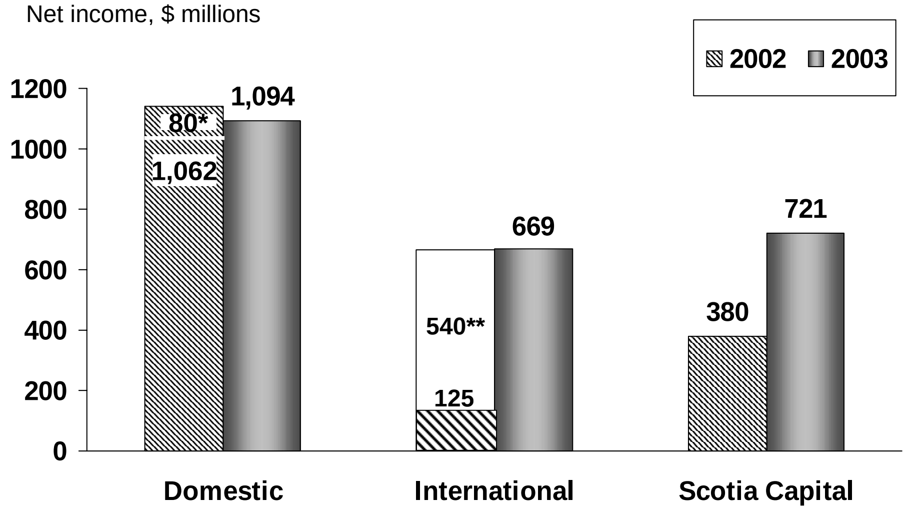
- **Tier 1:** 10.8%
- **TCE:** 8.9%

Dividend increase

- +6 cents to 50 cents/quarter

Significant improvement in Scotia Capital – solid results in Domestic & International

Net income, $ millions



* after-tax gain on sale of merchant acquirer business
** charges related to Argentina

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Met our performance targets

	2003		Target
ROE	17.6%	vs.	15-18%
EPS Growth*	7.8%	vs.	5-10%
Productivity	54.9%	vs.	<58%
Tier 1	10.8%	vs.	8%+

* excluding 2002 charges relating to Argentina

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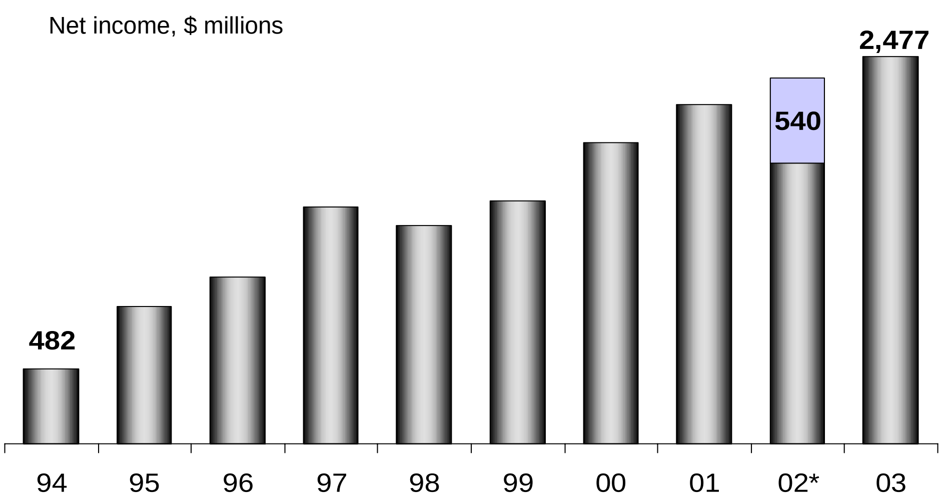
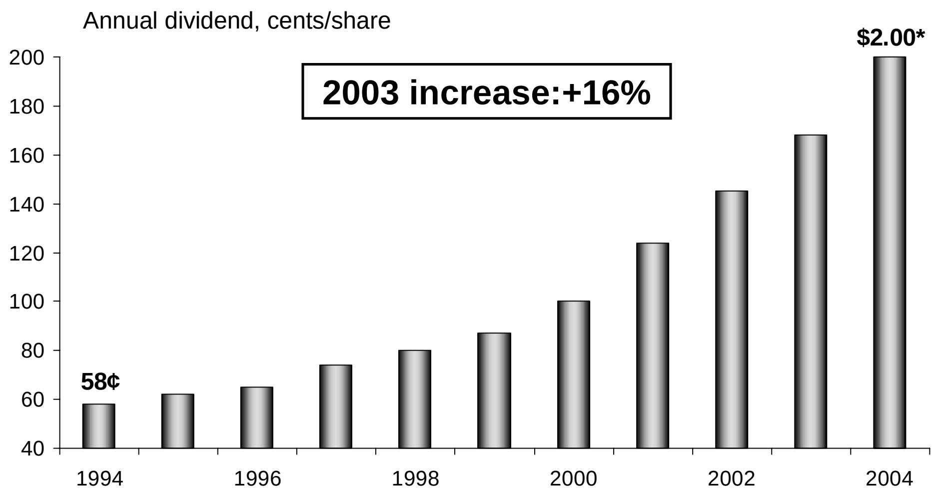
A record of consistent earnings growth



* includes charges related to Argentina

A record of consistent dividend growth – two increases this year



* based on current rate

Performance Review

Sabi Marwah
Senior Executive Vice-President &
Chief Financial Officer

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Results negatively impacted by stronger Canadian dollar

$ millions

Q4/03 vs. Q3/03	Q4/03 vs. Q4/02		2003 vs. 2002
(30)	(190)	Total Revenue	(550)
10	90	Expenses	270
(15)	(65)	Net income	(160)
(0.03)	**(0.13)**	**EPS impact ($)**	**(0.31)**

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Underlying revenue growth in 2003

$ millions (TEB)	2003	2002	Change $	Change %
Reported	10,443	10,885	(442)	(4)
Impact of Stronger Canadian dollar	550		550	
Sale of merchant acquirer business	(10)	(185)	175	
Sale of Quilmes/Argentine charges	19	(17)	36	
Underlying	**11,002**	**10,683**	**319**	**3**
Other Income	4,209	3,796	413	11
Net Interest Income	6,793	6,887	(94)	(1)

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Higher underlying other income…

Change Q4/03 vs. Q4/02 $ MM	%		Change 2003 vs. 2002 $ MM	%
(12)	**(1)**	**Reported**	**73**	**2**
60		Impact of stronger Canadian dollar	185	
114		Sale of merchant acquirer business	175	
(4)		Sale of Quilmes/Argentine charges	(20)	
158	**18**	**Underlying**	**413**	**11**

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…due to the following

Change Q4/03 vs. Q4/02 $ MM	%		Change 2003 vs. 2002 $ MM	%
158	**18**	**Underlying**	**413**	**11**
32		Investment Banking	128	
20		Trading	91	
10		Deposit & Payment services	65	
4		Credit Fees	53	
18		Card Revenues	36	
76		Security Gains	(19)	
(39)		Securitization Revenues	(22)	
37		Other	81	
158	**18**		**413**	**11**

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Lower margins

Q4/03	Change vs. Q3/03		2003	Change vs. 2002
2.22%	**(6) bps**	**Net interest margin**	**2.23%**	**(11) bps**
		Due to:		
	1	Funding margins (N.A./Europe)		(8)
	(5)	Canadian $ margin		(4)
	(3)	Trading		(3)
	1	Other		4

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Higher expenses in 2003…

$ millions

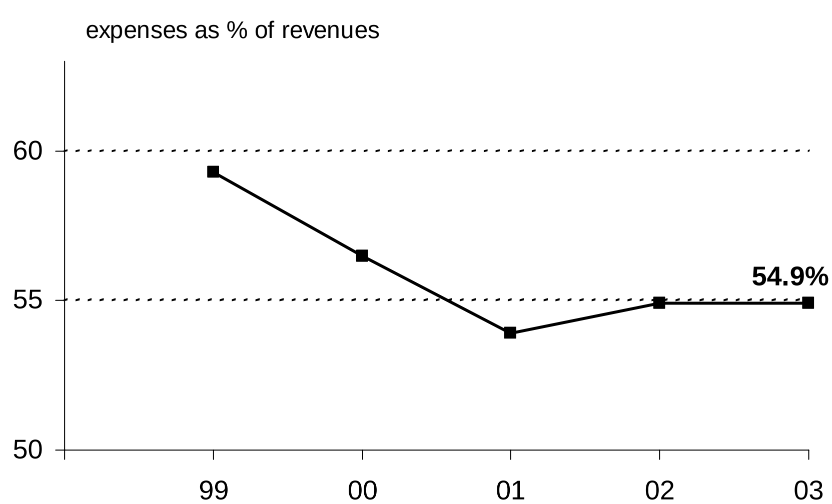
Change Q4/03 vs. Q4/02 $ MM	Change Q4/03 vs. Q4/02 %		Change 2003 vs. 2002 $ MM	Change 2003 vs. 2002 %
(68)	**(4)**	**Reported**	**(243)**	**(4)**
90		Impact of stronger Canadian dollar	270	
237		Sale of Quilmes/Argentine charges	311	
15		Sale of merchant acquirer business	54	
(63)		Expense recoveries/tax settlement	(63)	
211	**15**	**Underlying**	**329**	**6**

...due to the following

$ millions

Change Q4/03 vs. Q4/02 $ MM	%		Change 2003 vs. 2002 $ MM	%
211	**15**	**Underlying**	**329**	**6**
95		Stock & performance-based compensation	114	
4		Pension & post-employment benefits	42	
25		Litigation	25	
25		Technology	60	
62		Other	88	
211	**15**		**329**	**6**

Maintaining productivity leadership



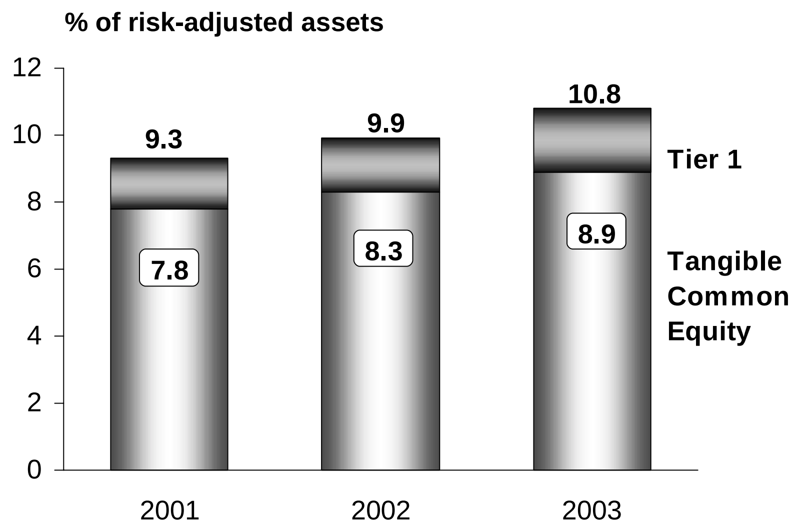
Higher BaTS expense offset by lower preferred dividends

$ millions

Change Q4/03 vs. Q4/02		Change 2003 vs. 2002
	Non-controlling interest	
12	Issuance of BaTS securities	58
(21)	Inverlat	(10)
4	Other	16
(5)	**Total**	**64**
(14)	Preferred dividends*	(53)

* excluding redemption premium

Very strong capital ratios



Higher securities surplus

$ millions

	Q4/03	Q3/03	Q4/02
Securities Surplus (Deficit)			
- Emerging Market Debt	512	477	219
- Fixed Income	27	27	(113)
- Equities	164	155	(131)
	703	**659**	**(25)**

Business Line Results

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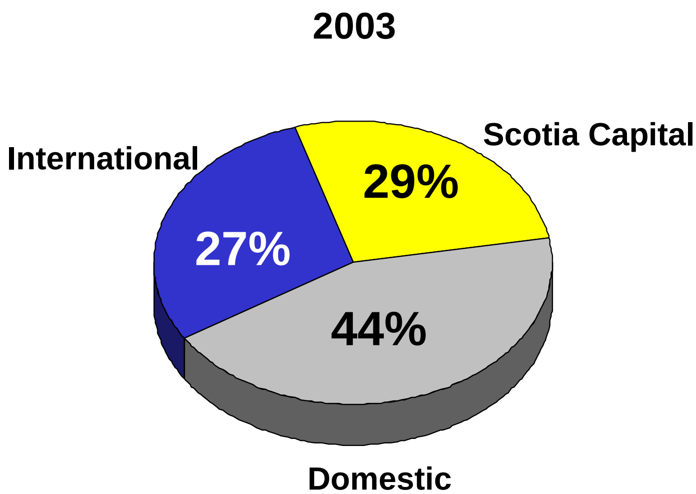
Diversified earnings base

% of net income, excluding Other



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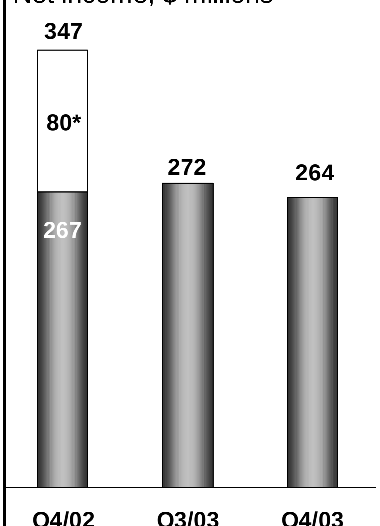
Domestic – steady performance

Net income, $ millions



* after-tax gain on sale of merchant acquirer business

- **Significant growth in retail products yr/yr**
  - mortgages up 10%
  - revolving credit up 17%
  - core deposits up 16%
- **Lower margin**
- **Underlying other income up 22% yr/yr**
  - retail brokerage up 26%
- **Expenses up $133mm yr/yr**
  - higher stock-based compensation
  - technology initiatives
  - mortgage acquisition costs
- **Lower credit losses**

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Domestic – strong platform

- **Increased market share**, yr/yr growth - Sept. 30/03
  - Mortgages — 22 bps
  - Savings & chequing deposits — 69 bps
- **Highest growth rate** for fee-based assets among major brokerages
- Achieved **highest rating** for overall customer service for **fourth consecutive year**
- **Excellent** employee morale

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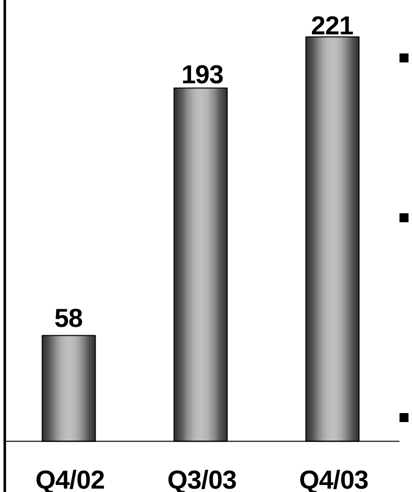
Scotia Capital – rising earnings

Net income, $ millions



- **Major improvement in credit quality**
  - provisions down $344mm yr/yr
  - down $110mm qtr/qtr
- **Revenue down 18% yr/yr**
  - stronger Canadian dollar
  - decrease in corporate lending assets
  - lower U.S. funding margins
- **Expenses stable**

International results impacted by foreign currency translation

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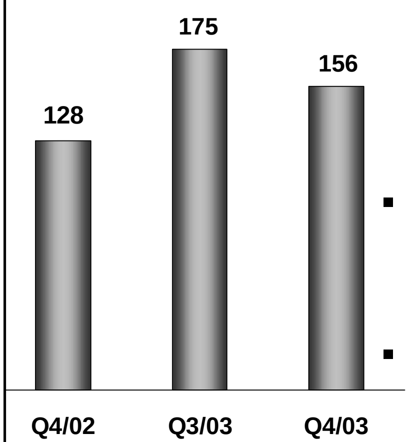
Net income, $ millions



- **Caribbean**
  - lower earnings yr/yr due to stronger Cdn $
  - local currency earnings up 14% yr/yr
  - lower earnings vs. Q3 due to credit losses & timing of expenditures on initiatives
- **Latin America**
  - higher earnings yr/yr in Inverlat
  - lower PDI revenues vs. Q3/03
- **Asia**
  - lower credit losses yr/yr

Scotiabank Inverlat – growing contribution

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- **Strong growth in assets and deposits yr/yr**
  - retail up 62%, commercial up 21%
  - core deposits up 12%
- **Purchased US$350mm retail auto portfolio**
- **“Best Bank for 2003” – Latin Finance**
- **Purchase price equation:**
  - goodwill
  - tax-loss carry forward

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Risk Review

Warren Walker
Executive Vice-President
Global Credit Risk Management

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Credit quality – continued improvement

- **Specific provisions:**
  - down $80mm from Q4/03 vs. Q3/03
  - down $1,136mm 2003 vs. 2002
- **Net impaired loans in Q4/03: $47mm**
  - down $270mm* from Q3/03
  - down $573mm* from Q4/02
- **Progress in Scotia Capital portfolios**

* includes $114mm transferred to other assets as a result of a new CICA standard on foreclosed assets

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Lower specific provisions…

$ millions

Q4/03	Q3/03		2003	2002
48	71	**Domestic**	272	282
58	21	**International**	137	69
		Scotia Capital:		
49	85	**- U.S.**	270	1,131
(27)	47	**- Other**	279	116
5	-	**Other**	(1)	(23)
133	**224**		**957**	**1,575**
(13)	(24)	**Argentina**	(64)	454
120	**200**	**Total**	**893**	**2,029**

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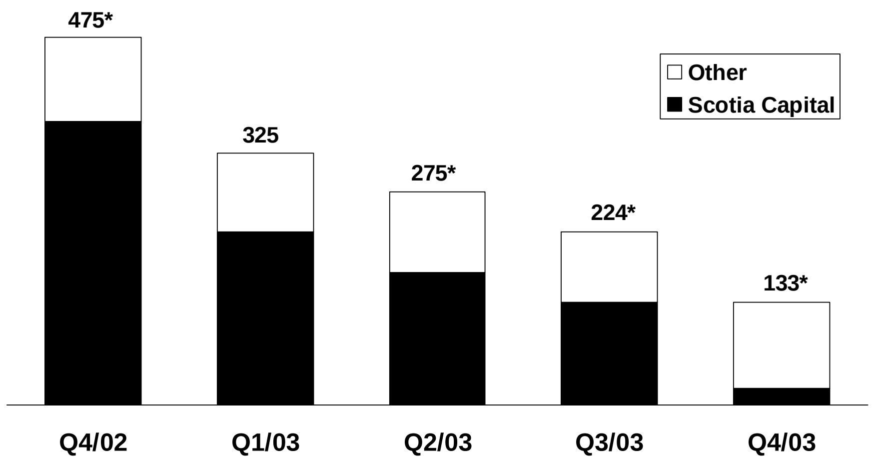
…with a downward trend

specific provisions, $ millions



* excluding Argentina

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Minimal net formations in Q4/03

$ millions

Scotia Capital		
- Canada	89	
- U.S.	(45)	
- Europe/Asia	(36)	
		8
Domestic		42
International		41
Transfer re foreclosed assets		(114)
Total		**(23)**

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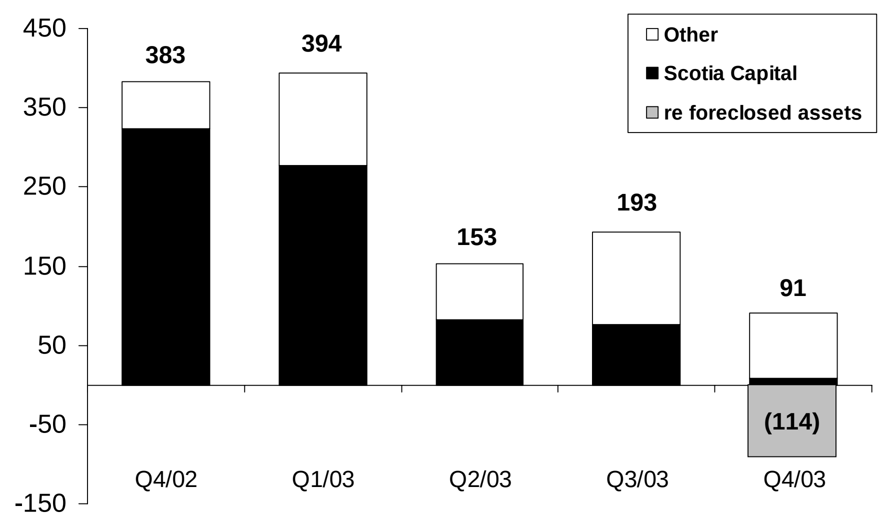
Positive trend in net formations

$ millions



Lower cable & telecom exposure

Loans & acceptances, $ millions

Sector	Investment Grade		Non-Investment Grade		Total	
	Q4/03	Q3/03	Q4/03	Q3/03	Q4/03	Q3/03
Cable operators	131	256	1,441	1,580	1,572	1,836
Regulated telephone	420	612	113	142	533	754
Unregulated telephone	56	60	186	258	242	318
Wireless	172	204	501	654	673	858
Long-haul fibre cable	-	-	47	60	47	60
CLECs	-	-	50	76	50	76
Total	**779**	**1,132**	**2,338**	**2,770**	**3,117**	**3,902**

Gross Impaired Loans: $386mm, Net $300mm

Lower power & energy trading exposure

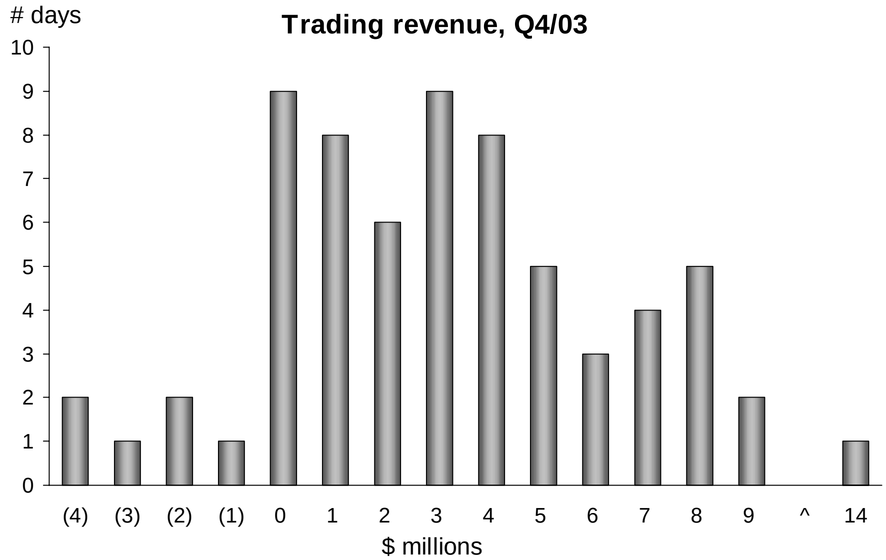
Loans & acceptances, $ millions

Sector	Investment Grade		Non-Investment Grade		Total	
	Q4/03	Q3/03	Q4/03	Q3/03	Q4/03	Q3/03
Regulated Utilities	542	551	494	565	1,036	1,116
Diversified Generation	25	24	338	585	363	609
Independent Power Projects with PPAs*	437	476	272	340	709	816
Other Power Projects	45	48	631	851	676	899
Total	**1,049**	**1,099**	**1,735**	**2,341**	**2,784**	**3,440**

Impaired Loans: Gross $294mm, Net $156mm

* Power Purchase Agreements

Low variability of trading revenue...



Risk summary

- **Significant improvement in Scotia Capital in 2003**
- **Domestic & International stable**
- **Expect lower credit losses in 2004**

Outlook

Rick Waugh
Chief Executive Officer

Key issues

- **Credit quality** – anticipate improvement
- **Capital management** – maintain strength and flexibility
- **Growth** – 3 strong platforms
  - Domestic
  - Scotia Capital
  - International

Domestic – expand customer base

- **Maintain and capitalize on leadership in customer satisfaction and loyalty**
  - continue to increase share of customers' business
  - attract new customers – retail & commercial
- **Grow Wealth Management business**
  - leverage partnership with retail bank through referrals
  - improve service and performance
- **Continued focus on cost control**

Scotia Capital – capitalize on long-established relationships

- **Leverage top 3 position in Canada**
- **Expand reach of Global Trading**
- **Improve customer profitability**
  - increase business with customers providing acceptable ROE
  - seek new areas of growth
- **Credit quality**
  - maintain disciplined approach to managing portfolios

International – leverage group strengths

- **Sales & Service**
  - focus on sales and customer satisfaction
  - aggressive product launches
  - leverage distribution network
- **Improve productivity**
  - use best practices from Canada
  - upgrade banking systems and processes
- **Expand in key markets**
  - Mexico
  - Spanish Caribbean and Central America (e.g. Dominican Republic, Costa Rica, El Salvador)

Deliver consistent earnings growth

- **2004 targets**
  - EPS growth: 10-15%
  - ROE: 16-19%
  - productivity ratio – below 58%
  - maintain strong capital ratios and credit ratings

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