



Retail Lending: Leveraging Our Strengths for Growth into the Future

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 Scotiabank Group™



Agenda

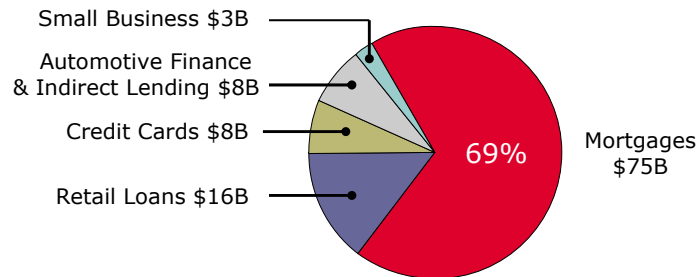
- A solid story
 - Portfolio growth
 - Credit quality
 - Pricing
 - Product innovation
 - Automotive
 - Profitability
 - Opportunities
- Acquire new customers, retain & grow





Diversified Portfolio

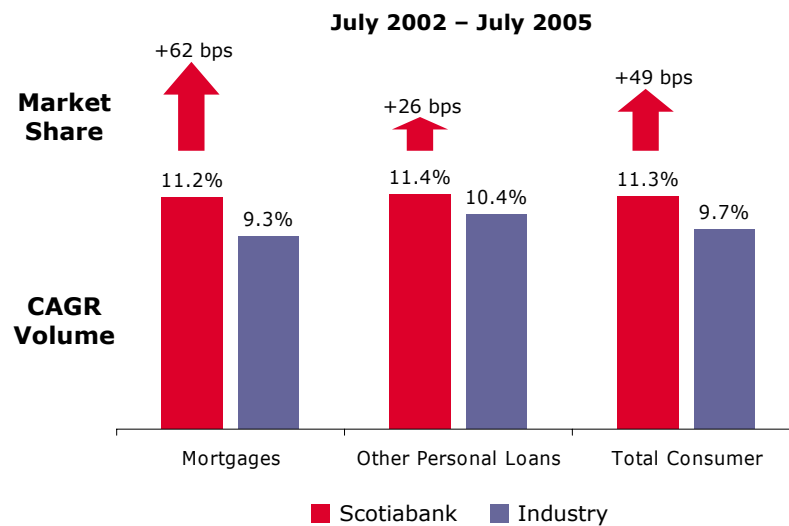
Total Portfolio = \$110 Billion



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Faster Growth than the Industry

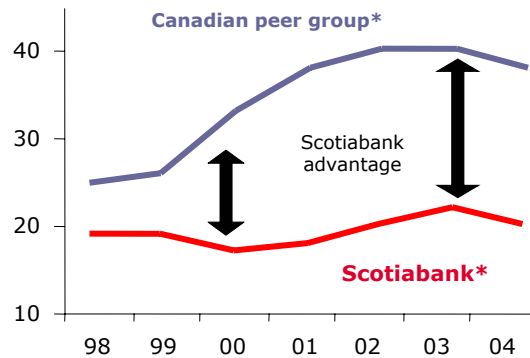


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Leadership in Credit Quality

Retail Loan Loss Ratio (basis points)



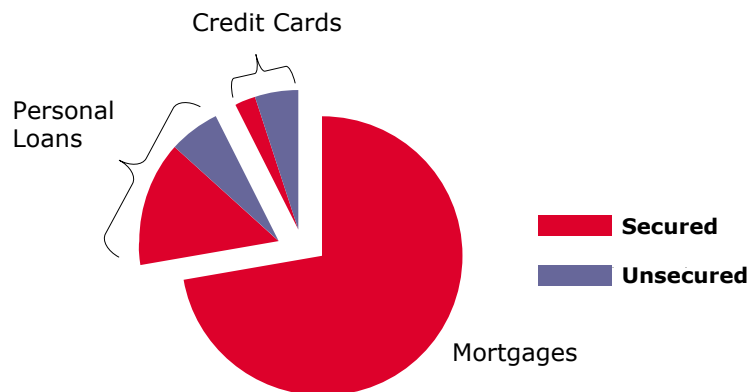
* Loss ratios are based on spot outstandings and exclude student loans



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Increasingly Secured Portfolio



89% of the Consumer Lending portfolio secured

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Disciplined Pricing

- ✓ Automated pricing tools on each desktop
- ✓ Sophisticated yet simple
- ✓ Closely monitored
- ✓ Flexible and dynamic



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Consistent Product Innovation

NOT SURE WHETHER TO GO LONG OR SHORT ON YOUR MORTGAGE? WHY CHOOSE?

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Scotia Free Down Payment®

- First of its kind
- One year exclusivity



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Leaders in the Automotive Sector

- ✓ #1 Bank in market share
- ✓ #1 Bank in dealership customer satisfaction
- ✓ Established relationships
- ✓ Superior technology

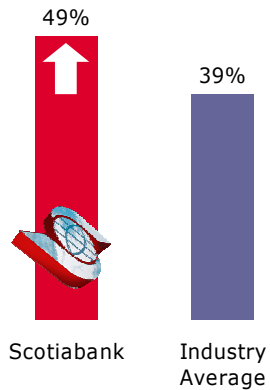


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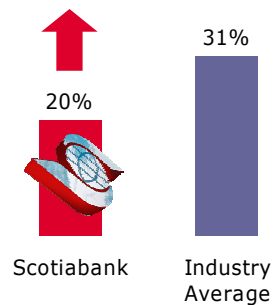


Strength... and Opportunity

Borrowing Share of Wallet



Household Penetration



Source: Canadian Financial Monitor, 2004

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Agenda

- A solid story
 - Acquire new customers, retain & grow
 - Risk management
 - STEP
 - Automotive finance
 - Revolving credit
 - New business



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Leverage Risk Management to Grow Revenue

- ✓ Adjudicate Global Limits to create Cross-sell opportunities



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Leverage Risk Management to Grow Revenue

- ✓ Adjudicate Global Limits to create Cross-sell opportunities
- ✓ Expand assets through automated limit increases



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Leverage Risk Management to Grow Revenue

- ✓ Adjudicate Global Limits to create Cross-sell opportunities
- ✓ Expand assets through automated limit increases
- ✓ Intervene early to increase recoveries



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Capitalize on the Power of STEP

- Scotia Total Equity Plan
 - our anchor credit solution
- Up to 11 credit products
- Global Limit



**USE YOUR HOME TO LOWER
THE COST OF YOUR BORROWING.**

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Capitalize on the Power of STEP

- ✓ Cross-sell
- ✓ Share of Wallet
- ✓ Profitability



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Capitalize on the Power of STEP

- Tap additional potential
 - \$17 Billion in available unused credit
 - \$7 Billion outstanding credit with other FIs
- Target new customer segments



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Build on Leadership in Automotive to Propel Growth

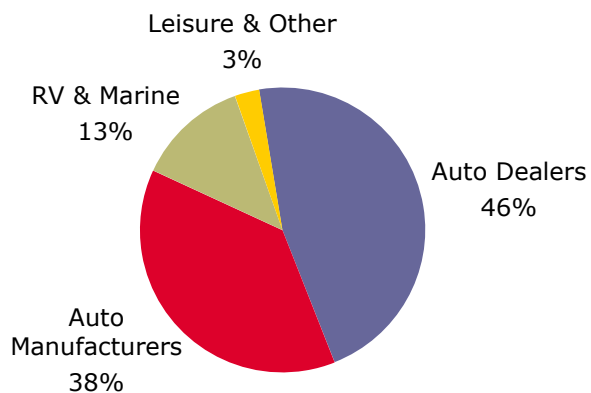
- Selective focus:
 - Asian & European manufacturers
 - Multi-franchise dealer groups
- Strategic partnerships with manufacturers
- Private label financing
- Niche markets



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Build on Leadership in Automotive to Propel Growth



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... And Maximize Cross-sell Opportunities in Indirect Lending

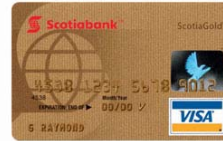
75%+ of auto loans are new customers



"Welcome to Scotiabank"



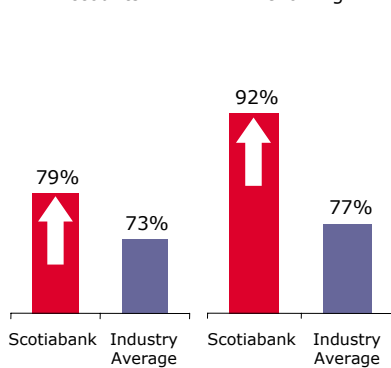
Cross-sell additional products



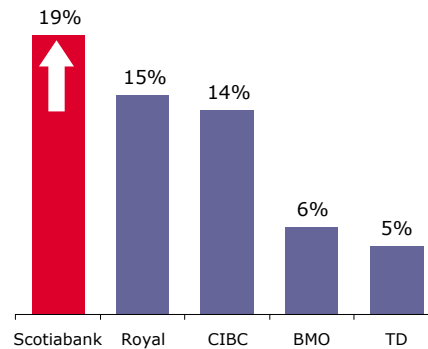
Solid Credit Card Performance

Industry Leading Usage

Active Accounts Percent of Accounts Revolving



Leader in Cash Advances





Focus on Acquisition, Usage and Retention in Revolving Credit

- Leverage delivery channels: 953 "doors"
- Leading-edge marketing
- Proprietary Reward Programs

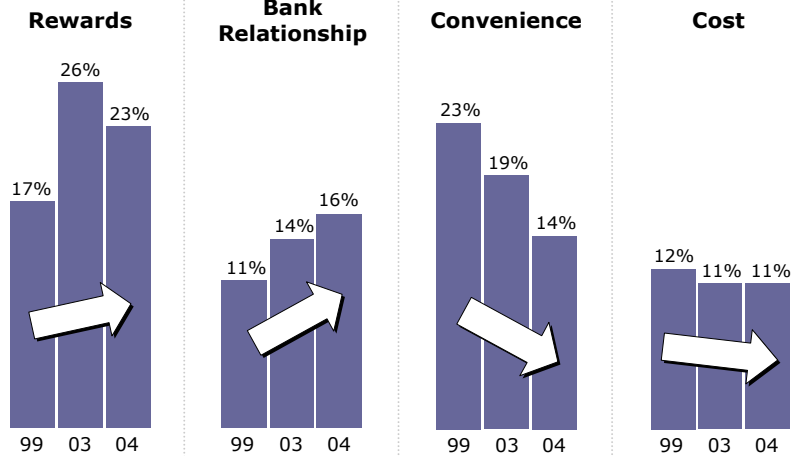


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Respond to Customer Preferences

Credit Cards - What Customers Want

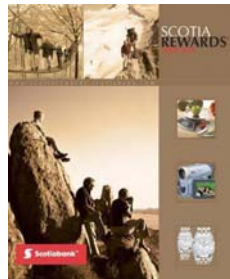


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Respond to Customer Preferences

Target the right customers, with the right product, at the right time



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... And Leverage Processes to Increase Cross-sell

Overdraft facilities sold monthly

2,200

VISA accounts sold monthly

11,000

Day-to-day banking accounts sold monthly
55,000

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Opportunity in Near-Prime Lending

- Near Prime
 - Alternative A mortgage business
 - Customers with "bruised" credit history



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Opportunity in Near-Prime Lending

- Growing business: ~ \$20 billion in annual originations
- The Prize: major top line revenue growth
- Fully insured
- Separate brand
- Pilot launch in Q1'06



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Retail Lending: A Fine Tuned Revenue Generating Engine

- ✓ Leadership in volume growth, product innovation and automotive finance
- ✓ Industry leading risk management
- ✓ Significant growth potential
- ✓ Near-prime initiative

