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Delivering Strong Performance in a Challenging Environment

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Caution regarding 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."

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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.

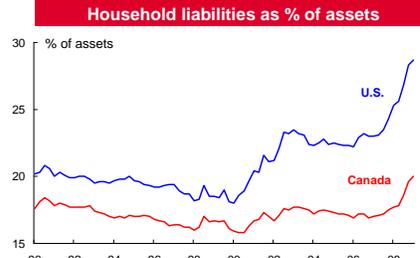
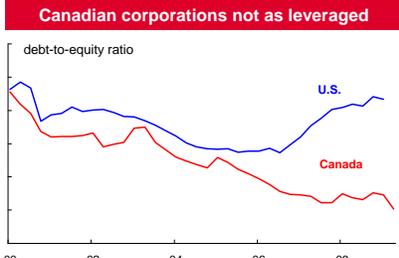
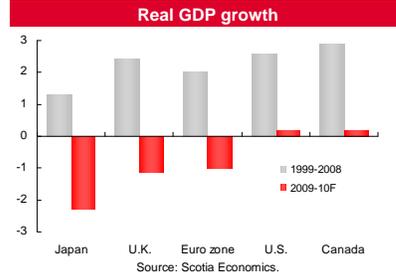
The "Outlook" sections in this document are based on the Bank's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections.

Additional information relating to the Bank, including the Bank's Annual Information Form, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC's website at www.sec.gov.

Why is Canada attractive?



- Consistent record of meeting or exceeding average G7 output trends.
- Canadian non-financial businesses have more manageable debt levels.
- Canada's housing market not as overleveraged as those in the U.S. and the U.K.



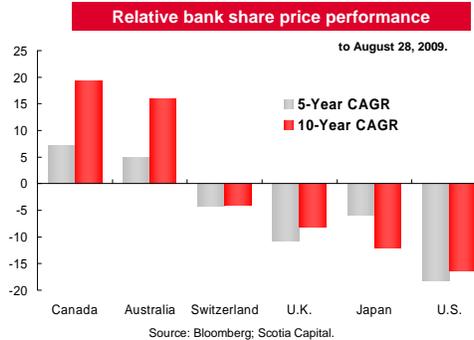
Source: Bloomberg; Global Insight; Scotia Economics.

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Strength of the Canadian financial system



- Good regulatory framework
- Sound risk management practices at Canadian banks
 - no sub-prime mortgages in Canada
- Canadian banks well-capitalized going into downturn



- "... with what we view as substantially more robust balance sheets and capital position and lower risk profiles, Canadian banks' foundation appears stronger than that of U.S. and European peers."

S&P – October 2008
- Canadian Banking System ranked World's Soundest by World Economic Forum

Global Competitiveness Report 2008-2009
- "Canada has shown itself to be a pretty good manager of the financial system in ways that we haven't always been here in the United States."

U.S. President Barack Obama – February 2009

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Why invest in Scotiabank?



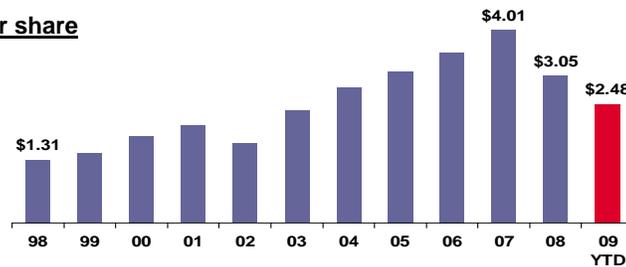
- **Good track record of earnings and dividend growth**
 - strong ROE
- **Strong capital position**
- **Three diversified growth platforms**
 - Canadian Banking
 - Scotia Capital
 - International Banking: Latin America, Caribbean & Central America, Asia
- **Deeply-rooted cost culture**
- **Disciplined risk management**

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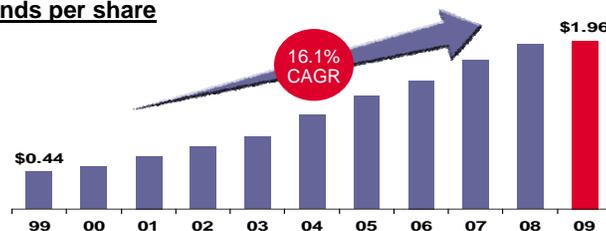
Good track record of earnings and dividend growth



earnings per share



annual dividends per share



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Highest ROE in Canada & very strong globally



YTD/09*

Canada		U.S.		Europe	
Scotia	17.5%	Wells Fargo	14.1%	BBVA	21.5%
Royal	15.2 <small>(ex. goodwill charge)</small>	BAC	6.3	Santander	14.2
BMO	8.5	Citi	4.9	Deutsche	13.7
TD	8.2	JPM	4.0	BNP Paribas	11.8
CIBC	5.1			Barclays	10.1

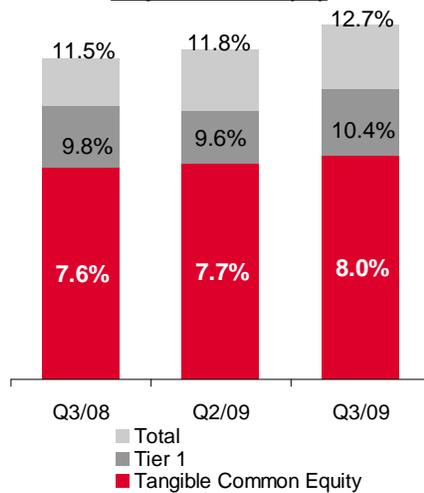
* Q2/09 for U.S. & European banks. With the exception of Royal, all ROEs are on a reported basis

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Strong capital position



Capital ratios (%)



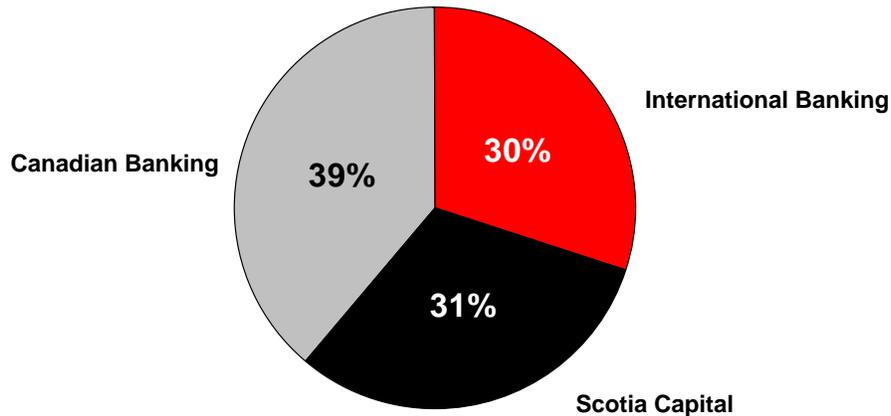
- High by global standards
- Investing in businesses
 - organic
 - acquisitions
- Consistent dividends

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Three diversified growth platforms



% of YTD 2009 net income, excluding Other

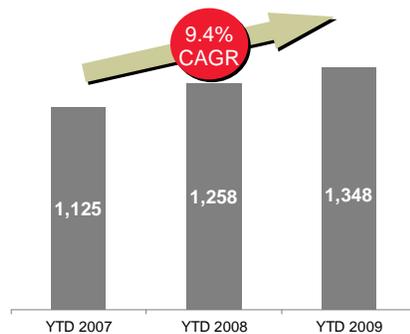


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Canadian Banking: significant progress in wealth management



net income (\$ millions)



- Strong earnings growth
- 11 consecutive quarters with positive year-over-year operating leverage
- Improved wealth management platform
 - organic growth
 - acquisitions

1,020 Branches; 101 WM Offices
21,300+ Employees
7MM Customers

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Scotia Capital: balanced lending and capital markets platforms

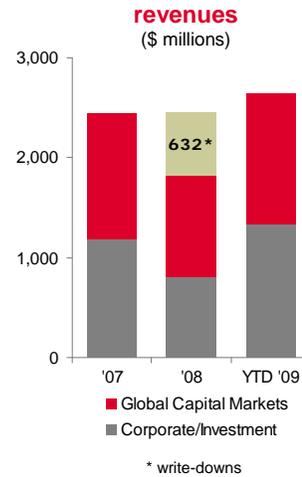


Corporate & Investment Banking

- Investment grade lending focus
- Global industry capabilities
 - energy
 - mining
 - infrastructure
- NAFTA platform

Global Capital Markets

- Diversified, customer-focused trading businesses
 - precious metals (ScotiaMocatta)
 - derivatives
 - foreign exchange
 - fixed income



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International Banking: three main areas of focus



- **45+** countries
- **2,750+** ABMs
- **1,500+** branches
- **36,000** employees

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International Banking: investing for growth in Latin America



- **Increasing presence in high growth markets**
 - large populations
 - favourable demographics
 - low banking penetration

- **Recent acquisitions**
 - Peru - Chile
 - Costa Rica - El Salvador

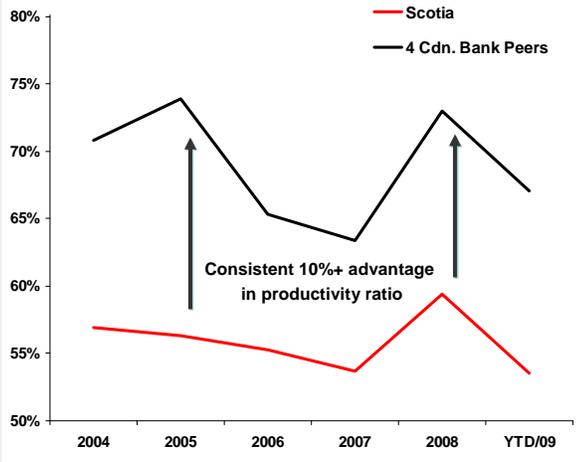
- **Leverage Scotiabank expertise**
 - sales and service
 - risk management
 - cost control



Deeply-rooted cost culture



Industry-leading productivity ratio (TEB)



- **Consistent leader in productivity**
- **Continue investing in revenue growth initiatives**
- **Defer non-critical projects**

Disciplined risk management: strong risk culture



- **Risk function independent of businesses**
 - CRO reports directly to CEO
- **Highly centralized decision-making**
 - limited credit authority to International units
 - top management well informed on risk issues
- **Strong oversight by Board of Directors**

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Disciplined risk management: changes in risk management since 2002



- **Enhanced underwriting and execution standards**
- **Lower single name hold limits**
- **Less industry concentration**
- **Better mix of assets – higher % of retail loans**
- **Proactive management of portfolios**
 - improved pricing and returns through Loan Portfolio Management
 - portfolio management through loan sales, credit protection



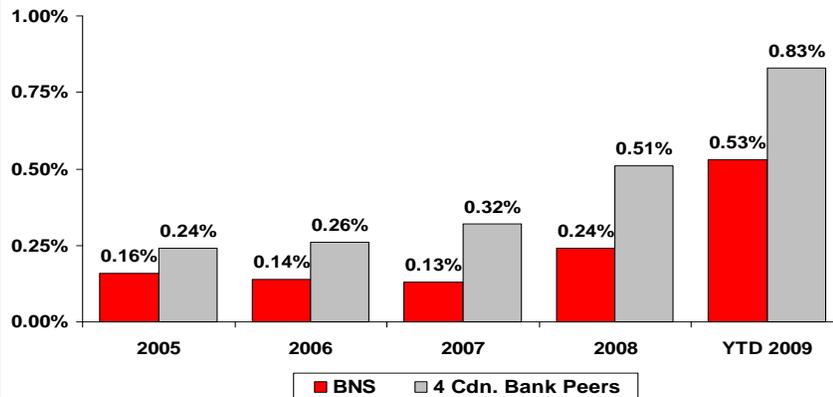
- **Greater risk diversification**
- **Much better credit quality going into downturn**

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Disciplined risk management: industry-leading credit performance



Specific provisions as % of average loans and acceptances



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Well positioned for present and future



- **On track to meeting 2009 EPS growth and ROE targets**
- **Well positioned to grow once global crisis ends**
 - capitalize on relative strength vs. global competitors

* based on 2008 reported EPS of \$3.05

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Why invest in Scotiabank?



- **Good track record of earnings and dividend growth**
 - strong ROE
- **Strong capital position**
- **Three diversified growth platforms**
 - Canadian Banking
 - Scotia Capital
 - International Banking: Latin America, Caribbean & Central America, Asia
- **Deeply-rooted cost culture**
- **Disciplined risk management**

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Q & A



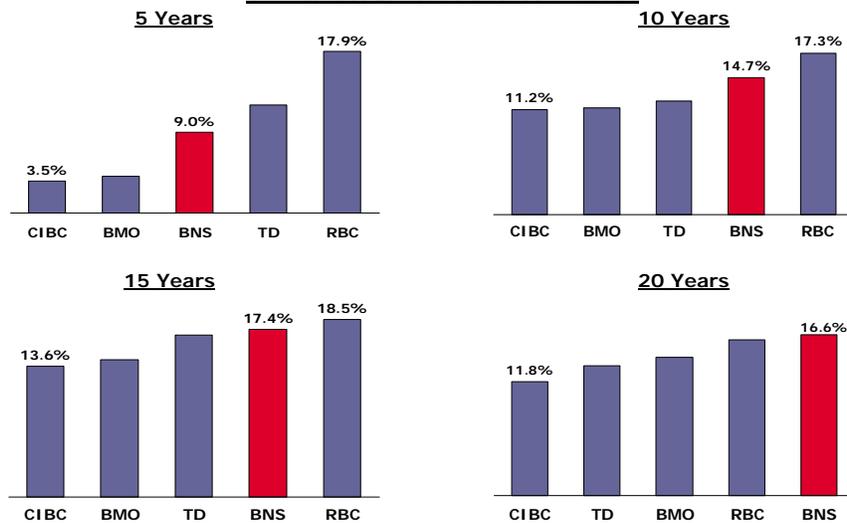


Appendix

Solid medium and long-term returns



Total Shareholder Returns*



*The compound annual growth rate for a stock, which includes share price appreciation and re-invested dividends

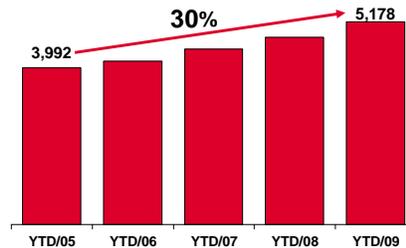
Source: Bloomberg – Total Returns as of August 31, 2009 22

Three diversified growth platforms: top-line revenue growth

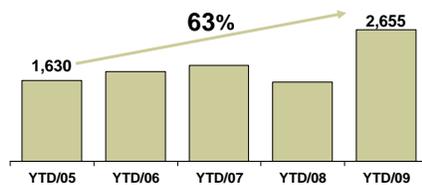


revenues, \$ millions

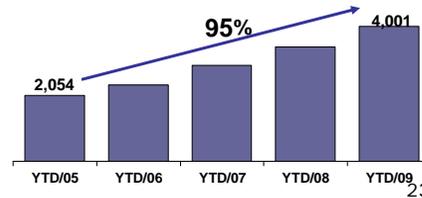
Canadian Banking



Scotia Capital



International Banking



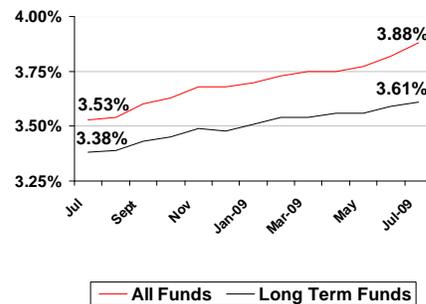
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Canadian Banking: significant progress in wealth management



- Much improved performance in mutual funds
 - 10 consecutive quarters of market share gains
 - #2 in the industry in total net sales & #4 in long-term fund sales, YTD (Jul/09)
- Strategic investment in two fund companies
 - CI Financial, Dundee Wealth
- Increased presence in online brokerage segment
 - Scotia iTRADE
 - Trade Freedom

Mutual Funds Market Share

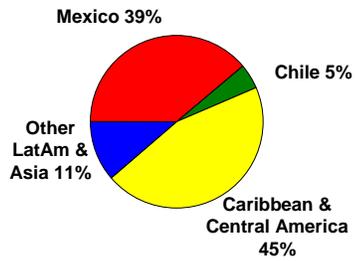


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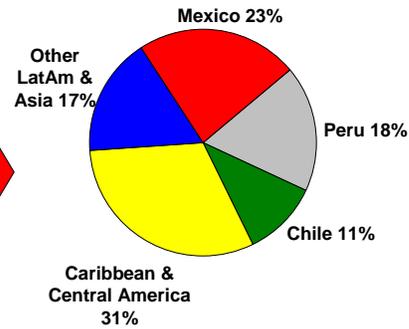
International Banking: increased diversification



Q4/05 revenue: \$708MM



Q3/09 revenue: \$1,275MM



more diversified revenue streams

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International Banking: dominant position in the Caribbean



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International Banking: Asia - option for longer-term growth



- **Attractive markets**
 - large, young populations, strong economies, low banking penetration
 - China, Thailand, India, Malaysia
- **Focus on strategic investments**
 - Thanachart Bank – 8th largest bank in Thailand, leader in auto lending

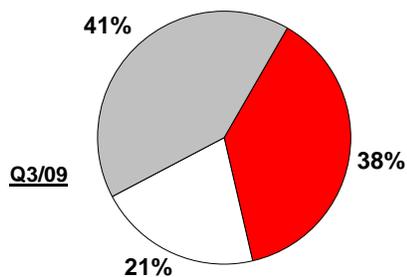


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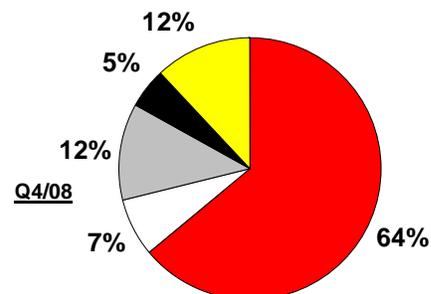
Disciplined risk management: diversified loan portfolio



loans and acceptances



- Mortgages
- Personal loans & credit cards
- Business & government



- Canada
- U.S.
- Latin America
- Caribbean
- Other

- Mortgages represent largest portion of loan portfolio
- No direct U.S. retail loan exposure
- Good diversification outside Canada

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Disciplined risk management: good coverage ratios



	Earnings* to total PCL (YTD/09)	Specific allowance to impaired loans (Q3/09)	Total allowance to loans & acceptances (Q3/09)
Scotia	3.7x	37%	1.1%
Royal	2.9x	25%	1.0%
TD	2.3x	28%	0.9%
BMO	2.0x	17%	1.0%
CIBC	1.7x	57%	1.2%

*pre-tax, pre-provision earnings. With the exception of Royal, where we excluded the \$1B goodwill impairment charge, all ratios were calculated using reported pre-tax, pre-provision earnings

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Disciplined risk management: credit quality by business line



Actively managing risk across all businesses

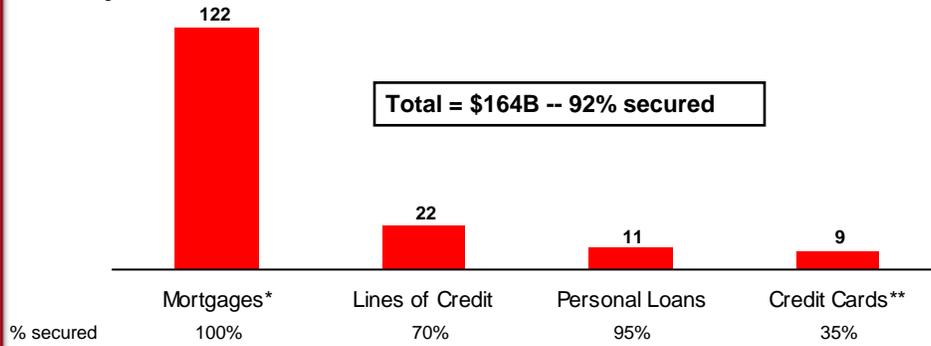
- **Canadian Banking:**
 - diversified and highly secured retail portfolios
 - delinquencies stabilizing in retail and commercial portfolios
- **International Banking:**
 - diversified and secured retail and commercial portfolios
 - retail portfolios under some pressure
 - commercial portfolios in Asia/Pacific & Peru performing well
 - closely monitoring portfolios in Mexico and Caribbean & Central America
- **Scotia Capital:**
 - monitoring and managing impact of U.S. slowdown on certain industries

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Canadian retail loans and provisions



outstandings at Q3/09, \$ billions



PCL	Q2/09	Q3/09	Q2/09	Q3/09	Q2/09	Q3/09	Q2/09	Q3/09
\$MM	2	1	22	23	67	68	35	45
% of avg. loans (bps)	1	1	45	41	241	237	158	194

*before securitizations of \$18B & mortgages converted to MBS of \$20B
54% insured; LTV in mid-50s for uninsured portfolio

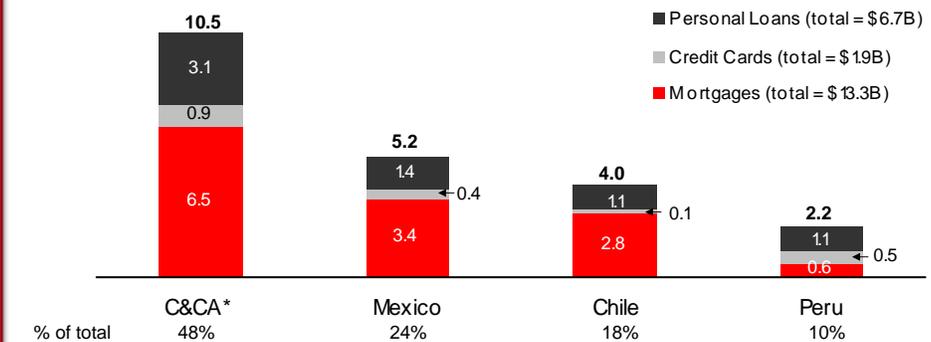
** includes \$6B of Scotialine VISA

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International retail loans and provisions



outstandings at Q3/09, \$ billions



PCL	Q2/09	Q3/09	Q2/09	Q3/09	Q2/09	Q3/09	Q2/09	Q3/09
\$MM	33	36	38	46	15	15	39	49
% of avg. loans (bps)	120	130	302	349	154	149	654	833

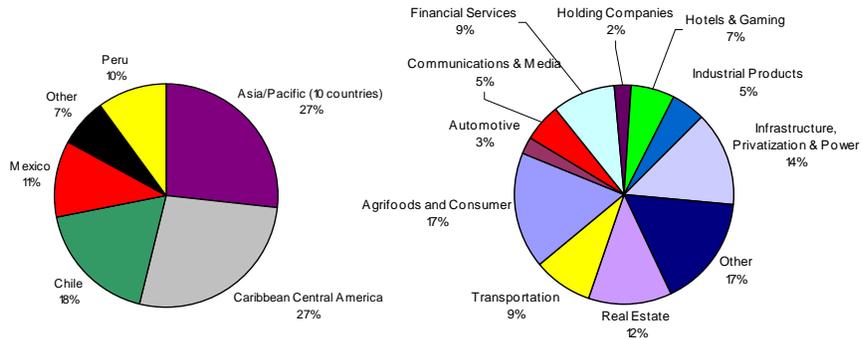
* Caribbean and Central America

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Diversified International commercial portfolio



loans & acceptances



Q3/09 = \$34 billion

Tier 1 Capital Issues in Fiscal 2009



Nov. 1, 2008 to July 31, 2009, \$ millions

