Strategy in Action

May 28, 2013

Investor Presentation

Second Quarter, 2013

Scotiabank

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 U.S. 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, U.S. 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; significant market volatility and interruptions; the failure of third parties to comply with their obligations to us and our affiliates; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; the effect of changes to our credit ratings; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions and liquidity regulatory guidance; operational and reputational risks; the risk that the Bank’s risk management models may not take into account all relevant factors; 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 financial performance, 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 55 of the 2012 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” 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.

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Overview

Rick Waugh

Chief Executive Officer

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Q2 2013 Overview

- **Solid Q2 results**
  - Net income: $1,601 million
  - Diluted EPS: $1.23 or 7% year-over-year growth
  - ROE: 16.2%
- **Revenue growth of 11% from Q2/12**
  - 7% excluding acquisitions
- **Stable credit conditions**
  - Continued improvement in net impaired loan formations
- **Capital strength continuing**
- **Well positioned to meet 2013 full year targets**

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Strong YTD Earnings and Revenue Growth

Business Line	Net Income[1]	Revenue
Canadian Banking	19.8%	14.2%
International Banking	11.7%[2]	15.7%
Global Wealth Management	10.1%	12.2%
Global Banking and Markets	8.9%	5.4%
All Bank[3]	15.1%	12.9%

(1) Before deduction of non-controlling interest
(2) 8.2% growth after deduction of non-controlling interest
(3) Excludes real estate gains in Q1, 2012. Revenue on a taxable equivalent basis

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Financial Review

Sean McGuckin

Chief Financial Officer

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Diversification Contributing to Positive Results

Q2/13	Q1/13	Q/Q		Q2/12	Y/Y
$1,601	$1,625	(1%)	Net Income ($MM)	$1,460	10%
$1.23	$1.25	(2%)	Diluted EPS	$1.15	7%
16.2%	16.6%	(40 bps)	ROE	18.6%	(240 bps)
53.6%	53.5%	(10 bps)	Productivity Ratio	53.7%	10 bps

Year-over-Year Comparison

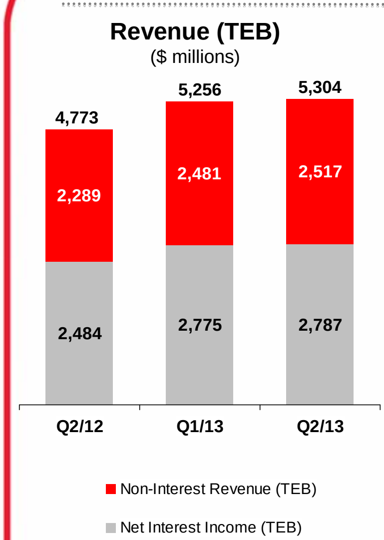
Q2 earnings benefited from…

- Contribution from recent acquisitions, particularly ING
- Higher net interest income
- Growth in transaction-based fees
- Higher wealth revenues

Partly offset by…

- Lower trading revenues
- Growth in operating expenses, primarily due to acquisitions and premises costs
- Higher provisions for credit losses

Strong Revenue Growth Across All Business Lines



Year-over-Year 11%

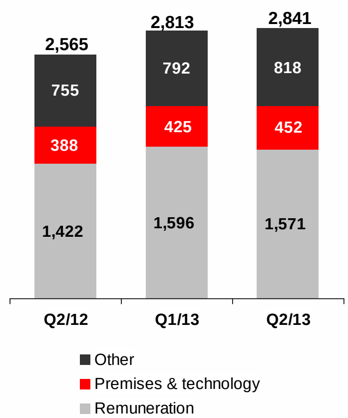
- **Net interest income up 12%**
  + Broad-based asset growth
  + Impact of ING
- **Non-interest revenues up 10%**
  + Impact of acquisitions
  + Stronger wealth management revenues
  + Higher net gains on investment securities

Quarter-over-Quarter 1%

- **Net interest income up modestly**
  + Asset growth, stable margin
  – Shorter quarter
- **Non-interest revenues up 1%**
  + Growth in wealth management revenues
  + Higher underwriting and foreign exchange fees
  + Higher net gains on investment securities
  – Lower trading revenues
  – Lower contribution from associated corporations

Positive Operating Leverage

Non-Interest Expenses
($ millions)



Year-over-Year

- **Expenses up 11%**
  + Impact of acquisitions
  – Higher compensation related expenses
  – Higher premises costs

Quarter-over-Quarter

- **Expenses up 1%**
  + Impact of acquisitions
  + Higher marketing and premises costs
  – Lower compensation-related expenses

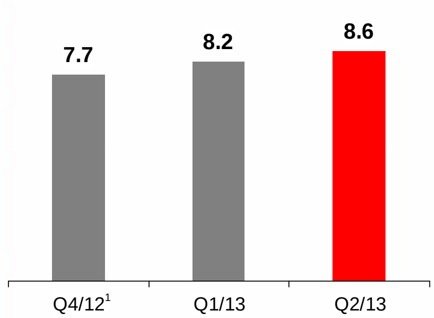
Operating Leverage

- **Year-over-Year: + 0.3%**
- **Year-to-Date: + 1.5%[1]**

(1) Excluding Q1 2012 real estate gains

Strong and High Quality Capital Ratios

Basel III Capital Ratios (%)

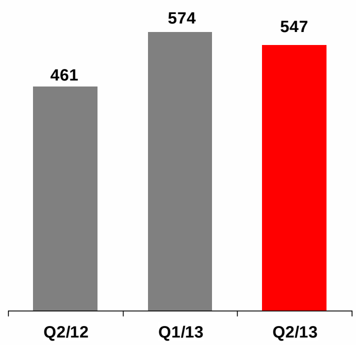


- **YTD internal capital generation of $1,588MM (vs. $1,516MM in 2012)**
- **YTD stock issued under DRIP: $527MM (vs. $361MM in 2012)**
- **Risk weighted asset level in line with previous quarter**
- **Fully-implemented Basel III capital ratios are strong and well above regulatory requirements**

(1) Proforma adjusted for the ING DIRECT acquisition

Canadian Banking: Strong Quarter

Net Income[1]
($ millions)



(1) Attributable to equity holders of the Bank

Year-over-Year

- **Revenues up 15%**
  - \+ Impact of ING acquisition
  - \+ Strong organic asset growth
  - \+ Investment gains
- **PCLs up $16MM to $136MM**
- **Expenses up 13%**
  - – ING acquisition accounted for majority of increase
  - – Higher marketing, pension and premises costs

Quarter-over-Quarter

- **Revenues down 1%**
  - – Lower NII due to shorter quarter
  - – Lower card revenues
  - \+ Investment gains
  - \+ Full quarter impact of ING
- **PCLs up $18MM to $136MM**
- **Expenses up 1%**
  - – Full quarter impact of ING
  - \+ Shorter quarter

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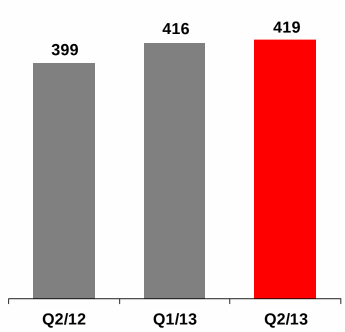
International Banking: Good Quarter

Net Income[1]
($ millions)



(1) Attributable to equity holders of the Bank

Year-over-Year

- **Revenues up 11%**
  - \+ Strong loan growth, particularly in LatAm
  - \+ Securities gains
  - \+ Higher contribution from Thailand
  - \+ Foreign currency translation
- **PCLs up $49MM to $194MM**
- **Expenses up 11%**
  - – Higher growth related expenses
  - \+ Approximately half of increase due to acquisitions and foreign currency translation

Quarter-over-Quarter

- **Revenues up 5%**
  - \+ Loan growth and impact of acquisitions
  - \+ Securities gains
  - \+ Foreign currency translation
  - – Shorter quarter
- **PCLs up $8MM to $194MM**
- **Expenses up 5%**
  - – Foreign currency translation
  - – Acquisition related expenses
- **Tax benefit in Puerto Rico in Q1**

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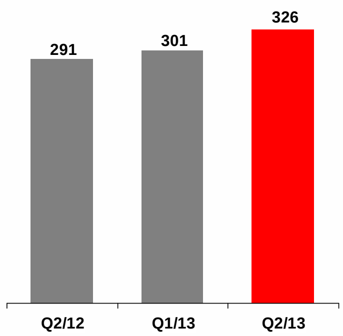
Global Wealth Management: Record Operating Earnings

Net Income[1]
($ millions)



(1) Attributable to equity holders of the Bank

Year-over-Year

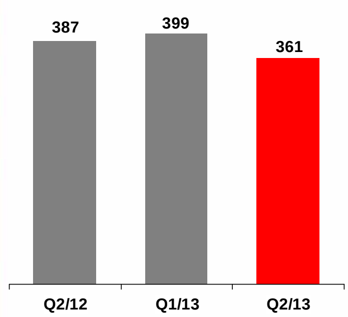
- **Revenues up 12%**
  - + Strong growth in wealth revenues due to net sales and improved market conditions
  - + Higher insurance revenues
  - + Colfondos acquisition
- **Expenses up 13%**
  - – Higher volume-related expenses
  - – Colfondos acquisition
  - – Change in Dynamic funds administration fees

Quarter-over-Quarter

- **Revenues up 5%**
  - + Higher brokerage revenues and mutual fund fees
  - + Full quarter impact of Colfondos acquisition
  - + Higher insurance revenues
- **Expenses up 4%**
  - – Full quarter impact of Colfondos acquisition
  - – Higher volume-related expenses

Global Banking & Markets: Solid Quarter

Net Income[1]
($ millions)



(1) Attributable to equity holders of the Bank

Year-over-Year

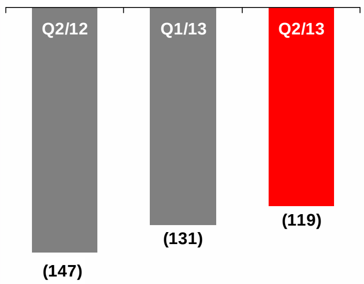
- **Revenues down 1%**
  - – Market-driven challenges in commodities and precious metals
  - + Loan growth and improved fixed income results
- **PCLs up $13MM to $12MM**
- **Expenses up 8%**
  - – Higher salaries and benefits
  - + Lower performance-related compensation

Quarter-over-Quarter

- **Revenues down 5%**
  - – Moderate capital markets activity
  - + Loan growth
- **PCLs up $7MM to $12MM**
- **Expenses down 2%**
  - + Seasonally lower stock-based compensation
  - – Higher technology and remuneration costs

Other Segment[1]

Net Income[2]
($ millions)



Year-over-Year

- **Net loss decreased $28MM**
  + Lower operating expenses
  + Prior year included offset to revenues from Bank's common share issue

Quarter-over-Quarter

- **Net loss decreased $12MM**
  + Lower taxes
  + Lower operating expenses
  – Reduced gains on investment securities

(1) Includes Group Treasury, smaller operating segments, and other corporate items which are not allocated to a business line. The results primarily reflect the impact of asset/liability management activities.
(2) Attributable to equity holders of the Bank

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Risk Review

Rob Pitfield

Chief Risk Officer

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Risks Continue to be Well-Managed

- **Risk in credit portfolios continues to be well-managed**
  - Overall credit quality remains strong
  - Higher retail provisions in Latin America rising in line with growth and product mix changes
  - Credit risk in Canadian residential real estate portfolio remains benign
- **Declining net impaired loan formations**
- **Market risk remains low and well-controlled**
  - Average 1-day all-bank VaR: $16.8MM vs. $17.4MM in Q1/13
- **Total gross exposure to Europe down $3 billion from prior quarter**

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Credit Provisions

($ millions)	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
Canadian Retail	105	103	99	108	106
Canadian Commercial	15	15	33	10	30
	120	**118**	**132**	**118**	**136**
International Retail	133	151	159	171	180
International Commercial	12	17	17	15	14
	145	**168**	**176**	**186**	**194**
Global Wealth Management	**–**	**1**	**2**	**1**	**1**
Global Banking & Markets	**(1)**	**15**	**11**	**5**	**12**
Collective allowance on performing loans	**–**	**100**	**–**	**–**	**–**
Total	**264**	**402**	**321**	**310**	**343**
PCL ratio (bps) ex. collective allowance	31	34	36	32	35
PCL ratio (bps) on performing loans	31	46	36	32	35

(1) Includes the impact of Colombian purchased portfolio. The Bank expects the PCL ratio to rise with the maturity of the acquired portfolio. See pg 10 of the Second Quarter Report to Shareholders.

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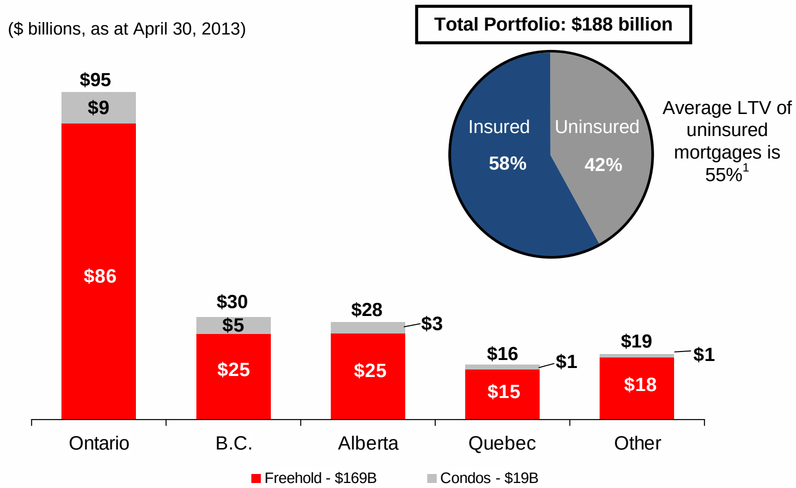
Canadian Banking: Residential Mortgage Portfolio

($ billions, as at April 30, 2013)



(1) LTV calculated based on the total outstanding balance secured by the property. Property values indexed using Teranet and CREA data.

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Risk Outlook Remains Stable

- **Asset quality remains high**
  - Retail and commercial portfolios performing as expected
  - Corporate portfolios continue to demonstrate strength
- **Increase in provisions resulting from growth in portfolios and changes in product mix should start to moderate**
  - Canadian Retail provisions stable
  - Pace of growth of International Retail provisions should start to moderate as provisions reach a natural run rate post acquisitions
  - Corporate and Commercial provisions remain controlled

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2013 Outlook

Brian Porter

President

Scotiabank

2013 Outlook

Canadian Banking	International Banking
■ Solid retail asset growth but lower than 2012 ■ Very strong commercial lending pipeline ■ Solid growth in mortgage & automotive finance ■ Continued focus on deposits, payments and wealth ■ Margin remaining stable - favorable changes in product mix ■ Stable loan loss ratios ■ Strong results from ING ■ Overall outlook is for solid growth	■ Stable outlook: diversified regional results should generate, on average, low double-digit annualized loan growth ■ Positive retail momentum in Latin America ■ Solid growth in Commercial portfolio including strong deposits generation and ramp up in Asia ■ Portfolios performing as expected and PCLs will increase in line with expectations ■ Some margin pressure continues, but expected to remain stable ■ Expense management remains a key priority
Global Wealth Management	**Global Banking & Markets**
■ Good diversified growth as markets strengthen ■ Strong AUM/AUA base driving wealth management revenues ■ Growing earnings and assets from international businesses, and capitalizing on recent acquisitions ■ Global Insurance outlook is good, but moderating ■ Global Transaction Banking working with business lines to grow deposits and increase cross sell of GTB products	■ Solid contributions expected across our diversified business platform. ■ Continued emphasis on diversification by sector, product and geography to produce low volatility earnings growth ■ Global and domestic economic uncertainty will moderate client activity. However, we see good growth opportunities internationally, in our focus sectors and from our cross-sell and Global FX initiatives ■ Mid-to-high single digit loan growth expected with stable margins. PCLs to remain modest

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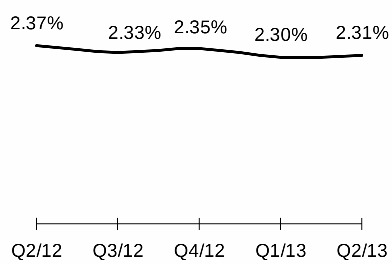
Appendix

Stable Core Banking Margin (TEB)[1]



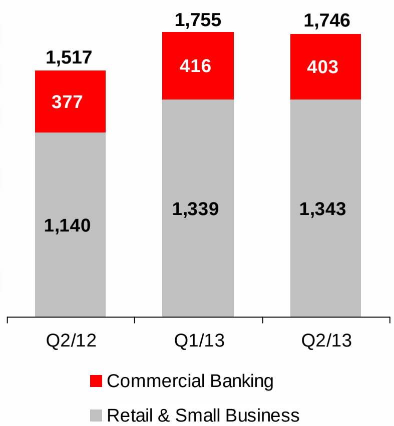
Quarter-over-Quarter

- **Impact of shorter quarter**
- **Full quarter impact of ING**
- **Impact of higher Deposits with Banks**

(1) Represents net interest income (TEB) as a % of average earning assets excluding bankers acceptances and total average assets relating to the Global Capital Markets business within Global Banking and Markets.

Canadian Banking: Strong Organic Asset Growth

Revenues (TEB)
($ millions)



Year-over-Year

- **Retail & Small Business +18%**
  + Impact of ING acquisition
  + Strong organic asset growth
  + Stable margin (ex ING)
  + Higher card revenues
- **Commercial Banking +7%**
  + Strong asset growth
  – Lower margin

Quarter-over-Quarter

- **Retail & Small Business ~0%**
  + Higher mortgage volumes
  – Shorter quarter
- **Commercial Banking -3%**
  – Shorter quarter
  + Higher fees

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Canadian Banking: Volume Growth

Q2/13	Q1/13	Q/Q	Average Balances ($ billions)	Q2/12	Y/Y	Excluding ING Y/Y
186	180	3%[1]	Residential Mortgages	146	27%	7%
52	51	1%[2]	Personal Loans and Credit Cards	47	9%	8%
30	29	3%[3]	Business Loans & Acceptances	27	11%	8%
134	128	5%[4]	Personal Deposits	103	29%	2%
53	52	1%	Non-Personal Deposits	42	28%	7%

(1) Excluding full quarter impact of ING, growth was 0.75%
(2) Excluding full quarter impact of ING, growth was 1.0%
(3) Excluding full quarter impact of ING, growth was 2.7%
(4) Excluding full quarter impact of ING, growth was 0.4%

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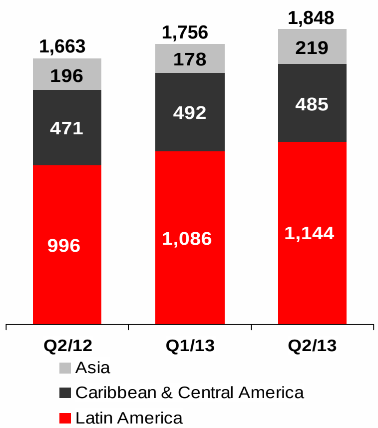
International Banking: Continued Growth in LatAm

Revenues (TEB)
($ millions)



Year-over-Year

- **Latin America +15%**
  + Retail and commercial asset growth
  + Securities gains
  – Lower foreign exchange gains
- **Caribbean & Central America +3%**
  + Modest loan growth
- **Asia +12%**
  + Contribution from Thanachart Bank
  + Higher foreign exchange gains
  – Lower margin

Quarter-over-Quarter

- **Latin America +5%**
  + Securities gains
  + Impact of acquisitions
  – Lower foreign exchange gains
- **Caribbean & Central America –1%**
  – Lower margin
- **Asia +23%**
  + Higher foreign exchange gains
  + Higher trade finance volumes

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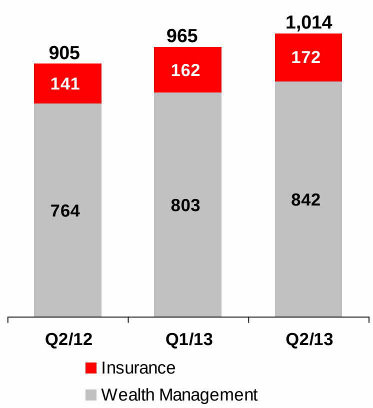
Global Wealth Mgmt: Improved Market Conditions

Revenues (TEB)
($ millions)



Year-over-Year

- **Wealth Management +10%**
  + Continuing strong AUA and AUM growth, both organic and through acquisitions
  + Improved financial markets
- **Insurance +22%**
  + Good growth in creditor insurance and cross sell
  + Positive reserve experience

Quarter-over-Quarter

- **Wealth Management +5%**
  + Impact of Colfondos acquisition
  + Higher international revenues
- **Insurance +6%**
  + Positive reserve experience

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Global Wealth Management: Key Metrics

($ billions)	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
Assets Under Administration	275	272	283	304	313
Assets Under Management[1]	109	109	115	131	135
Mutual Funds Market Share in Canada vs. Schedule 1 Banks[1]	18.4%	18.3%	18.3%	18.3%	18.1%

(1) Excludes Scotiabank's investment in CI Financial. Includes ING

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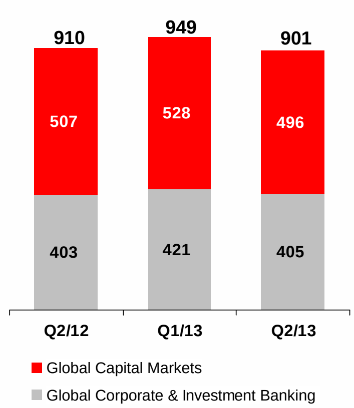
Global Banking & Markets: Resilient Platform

Revenues (TEB)
($ millions)



Year-over-Year

- **Global Capital Markets –2%**
  + Fixed income revenues
  – Lower precious metals and commodities revenues
- **Global Corp. & Investment Banking ~0%**
  + Higher volumes
  – Lower margin
  – Lower investment banking revenues

Quarter-over-Quarter

- **Global Capital Markets –6%**
  + Higher equities revenues
  – Lower fixed income and precious metals revenue
- **Global Corp. & Investment Banking –4%**
  + Higher volumes in Canada and the U.S.
  – Lower margin

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Economic Outlook in Key Markets

Country	2000-11 Avg.	2012	2013F	2014F
	Real GDP (Annual % Change)			
Mexico	2.2	3.9	3.4	3.9
Peru	5.6	6.3	6.2	6.4
Chile	4.7	5.6	5.0	5.2
Colombia	4.2	4.0	4.5	5.0
Costa Rica	4.2	5.1	4.3	4.5
Dominican Republic	4.5	4.0	3.5	4.5
Thailand	4.0	6.5	4.5	4.2
	2000-11 Avg.	2012	2013F	2014F
Canada	2.2	1.8	1.5	2.3
U.S.	1.8	2.2	2.1	2.7

Source: Scotia Economics, as of April 30, 2013.

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Unrealized Securities Gains

($ millions)	Q2/13	Q1/13
Emerging Market Debt	176	206
Other Debt	411	357
Equities	675	580
	1,262	**1,143**
Net Fair Value of Derivative Instruments and Other Hedge Amounts	(118)	(120)
Total	**1,074**	**1,023**

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PCL Ratios

(Total PCL as % of average loans & BAs)	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
Canadian Banking					
Retail	0.22	0.21	0.20	0.18	0.18
Commercial	0.22	0.22	0.46	0.14	0.42
Total	**0.22**	**0.21**	**0.23**	**0.18**	**0.21**
International Banking					
Retail	1.79	1.99	2.03	2.12	2.15
Commercial	0.09	0.13	0.13	0.12	0.10
Total	**0.71**	**0.81**	**0.84**[1]	**0.87**[1]	**0.87**[1]
Global Wealth Management	**(0.01)**	**0.09**	**0.08**	**0.04**	**0.10**
Global Banking and Markets					
Corporate Banking	**(0.01)**	**0.16**	**0.12**	**0.05**	**0.13**
All Bank (ex. collective allowance on performing loans)	**0.31**	**0.34**	**0.36**	**0.32**	**0.35**
All Bank	**0.31**	**0.46**	**0.36**	**0.32**	**0.35**

(1) Includes the impact of Colombian purchased portfolio. The Bank expects the PCL ratio to rise with the maturity of the acquired portfolio. See pg 10 of the Second Quarter Report to Shareholders.

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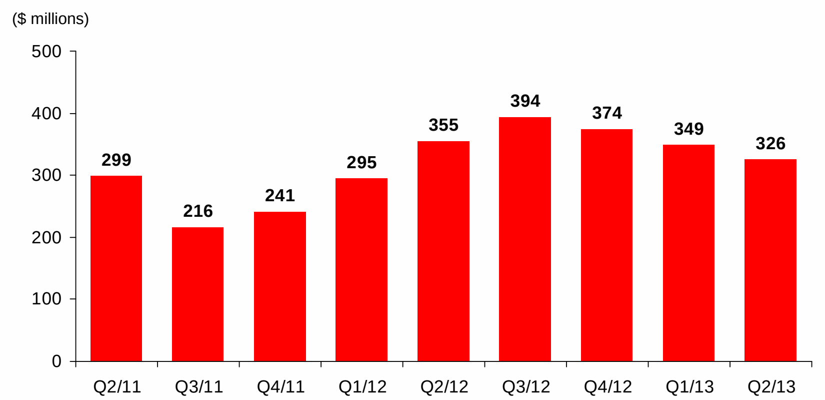
Lower Net Impaired Loan Formations[1]



(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico

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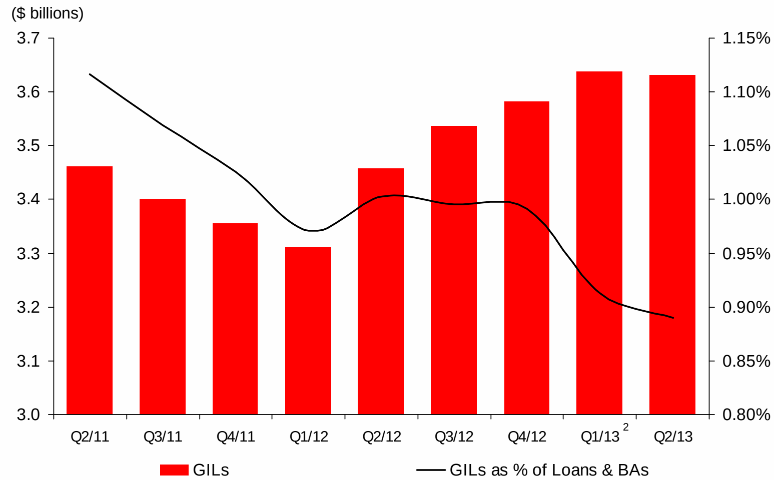
Downward Trend in Gross Impaired Loans %[1]



(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico

(2) Decline in ratio in Q1/13 primarily due to ING DIRECT acquisition

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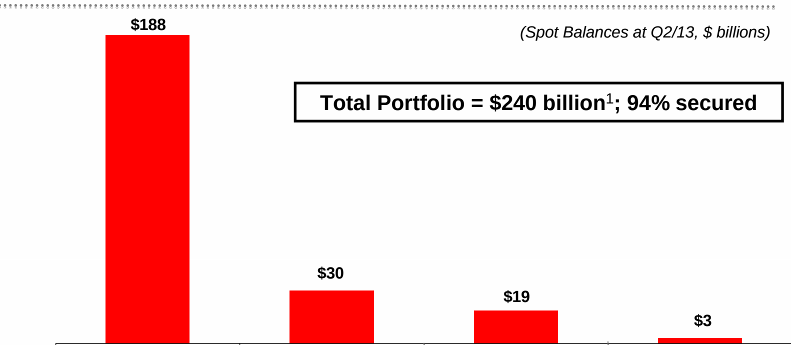
Canadian Banking Retail: Loans and Provisions

(Spot Balances at Q2/13, $ billions)

Total Portfolio = $240 billion[1]; 94% secured



	Mortgages		Lines of Credit [2]		Personal Loans		Credit Cards	
% secured	100%		63%		98%		7%	
PCL	**Q2/13**	**Q1/13**	**Q2/13**	**Q1/13**	**Q2/13**	**Q1/13**	**Q2/13**	**Q1/13**
$ millions	5	5	40	41	40	39	23	22
% of avg. loans (bps)	1	1	53	53	90	88	269	276

1) Includes ING DIRECT balances of $28 billion
2) Includes $6 billion of ScotiaLine VISA re-allocated from Credit Cards to Lines of Credit

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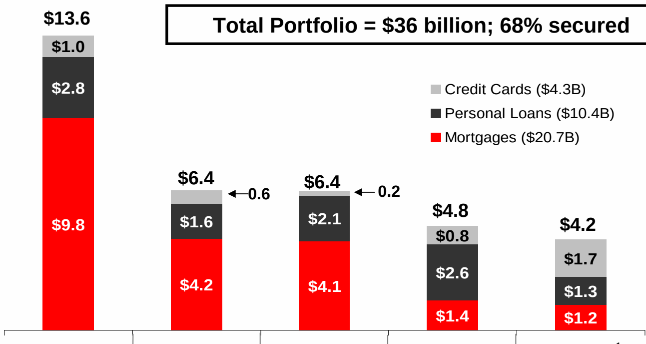
International Retail Loans and Provisions

(Spot Balances at Q2/13, $ billions)

Total Portfolio = $36 billion; 68% secured



% of total	C&CA 38%		Mexico 18%		Chile 18%		Peru 13%		Colombia[1] 12%	
PCL	Q2/13	Q1/13	Q2/13	Q1/13	Q2/13	Q1/13	Q2/13	Q1/13	Q2/13	Q1/13
$ millions	33	42	27	20	24	25	60	58	27	18
% of avg. loans (bps)	100	127	194	148	159	171	527	501	277	176

Note: Excludes non-material portfolios

(1) Purchased portfolio recorded at fair value, which includes a discount for expected credit losses. The bank expects to see increased provisions as the purchased portfolio in Colombia rolls over and reaches a steady state.

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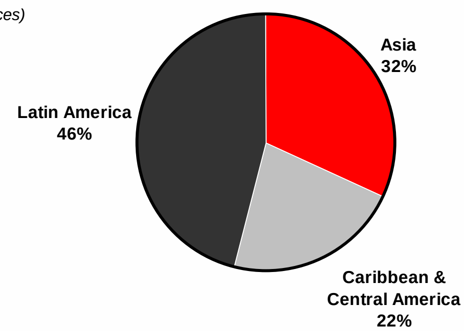
International Banking Commercial Lending Portfolio

Q2/13 = $57 billion

(Average Balances)



- **Well secured**
- **Portfolios in Latin America, Asia and Central America performing well**
- **Closely managing Caribbean hospitality portfolio**

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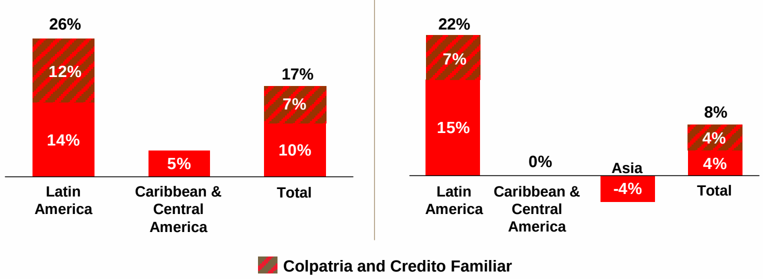
YTD International Loan Growth By Region

(Year-to-date, average balances using constant FX rates)

Retail Loans | **Commercial Loans**



Note: Asia retail loan growth has been excluded as these loans are predominately within Thanachart Bank, which is not consolidated

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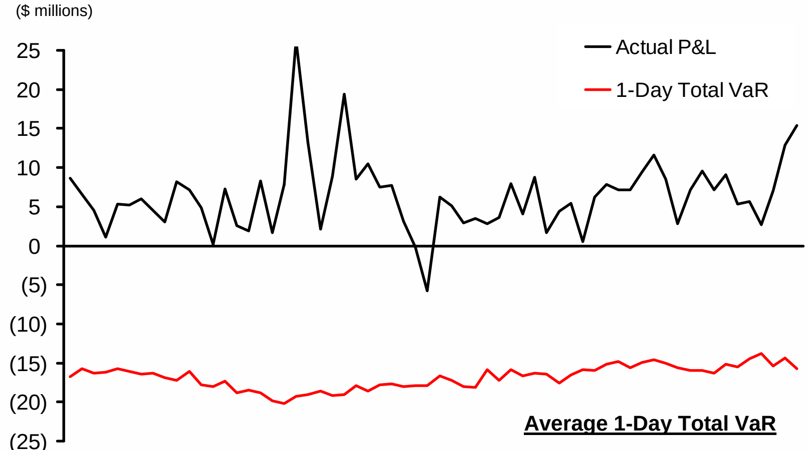
Q2 2013 Trading Results and One-Day Total VaR

($ millions)



Average 1-Day Total VaR

Q2/13: $16.8MM

Q1/13: $17.4MM

Q2/12: $18.3MM

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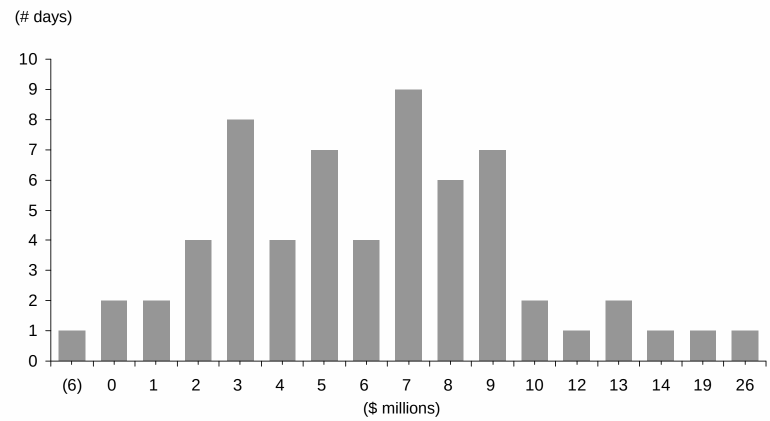
Q2 2013 Trading Revenue Distribution



- **97% of days had positive results in Q2/13**

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