



Strategy in Action



Rick Waugh **Chief Executive Officer**

2013 Scotiabank Global Banking and Markets Financials Summit
September 4, 2013



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 United States 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 include, but are not limited to, statements made in this document, the Management’s Discussion and Analysis in the Bank’s 2012 Annual Report under the headings “Overview – Outlook”, for Group Financial Performance “Outlook”, for each business segment “Outlook” and in other statements regarding 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”. 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 (see “Controls and Accounting Policies – Critical accounting estimates” in the Bank’s 2012 Annual Report, as updated in this document); the effect of applying future accounting changes (see “Controls and Accounting Policies – Future accounting developments” in the Bank’s 2012 Annual Report, as updated in this document); 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 “Risk Management” section starting on page 55 of the Bank’s 2012 Annual Report. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2012 Annual Report under the headings “Overview – Outlook”, as updated in this document; and for each business segment “Outlook”. These “Outlook” sections are based on the Bank’s views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections. 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. 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.

Strong YTD Earnings and Revenue Growth

Business Line	Net Income ¹	Revenue
Canadian Banking	18%	13%
International Banking ²	6%	12%
Global Wealth Management	12%	14%
Global Banking and Markets	5%	4%
All Bank ³	16%	13%

(1) Net income attributable to equity holders of the Bank

(2) Q3/13 excludes gain on sale of a subsidiary by an associated corporation in Thailand and two other non-recurring charges in International Banking. See page 7 of the Q3/13 Report to Shareholders.

(3) Excludes real estate gains in Q1 and Q3, 2012 as well as non-recurring items in Q3/13. Revenue on a taxable equivalent basis

Anticipate Achieving 2013 Financial Goals

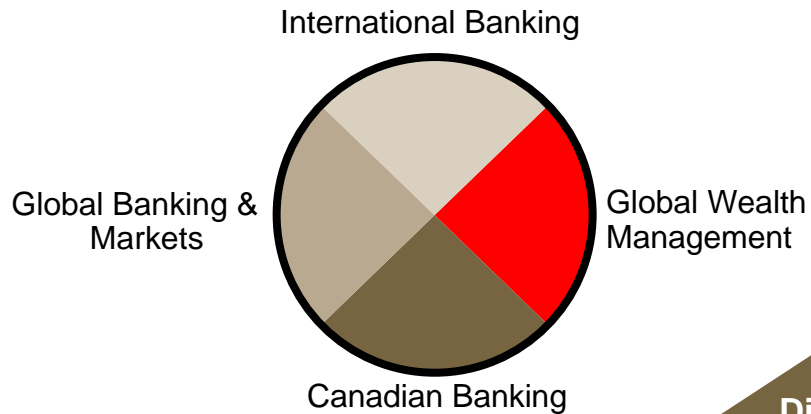
Metric	2013 Targets	Met in 2013 YTD?	10-Year Avg.
EPS Growth ¹	5-10%	✓	11% ²
ROE	15-18%	✓	19%
Productivity Ratio	<56%	✓	55%
Capital	Maintain strong ratios	✓	✓

(1) Excluding real estate gains in 2012

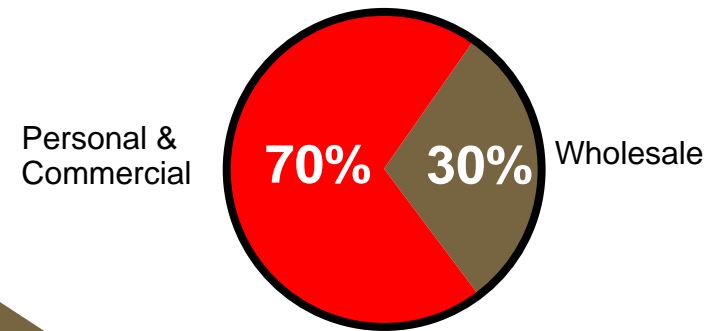
(2) Compound Annual Growth Rate

Four Diversified and Growing Platforms

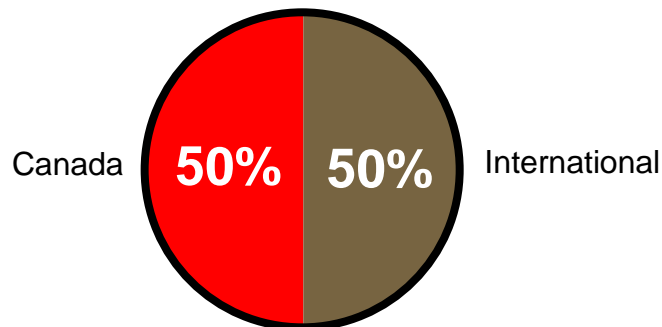
Business Line Net Income Target: 20-30%



Focus on Lower Risk P&C Target: 70/30

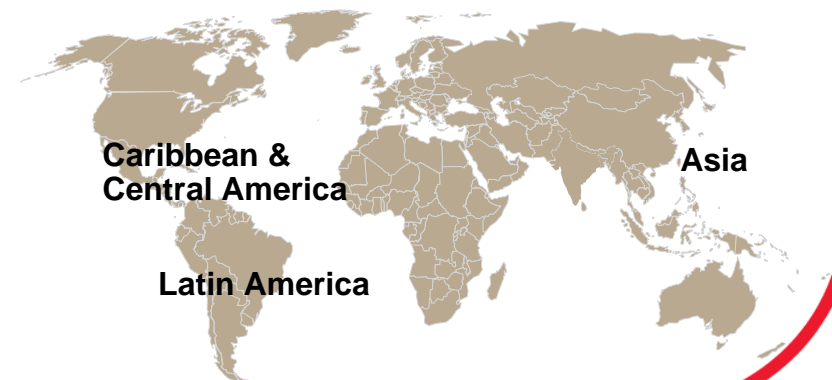


Strong Canadian Base Target: 50/50



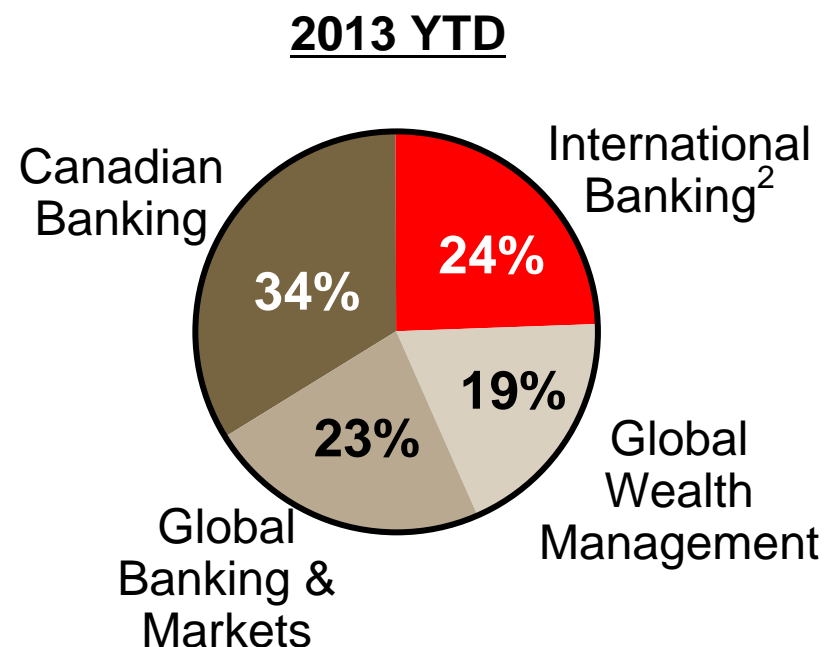
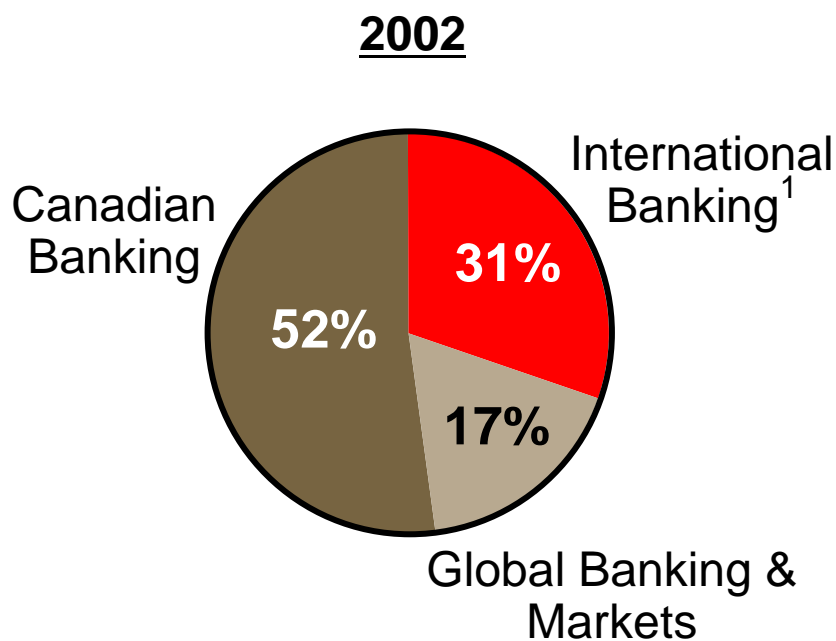
Diversification
creates stability and
lowers risk

Presence in Higher Growth Markets



Business Line Net Income Target: 20-30%

Net Income by Business Line



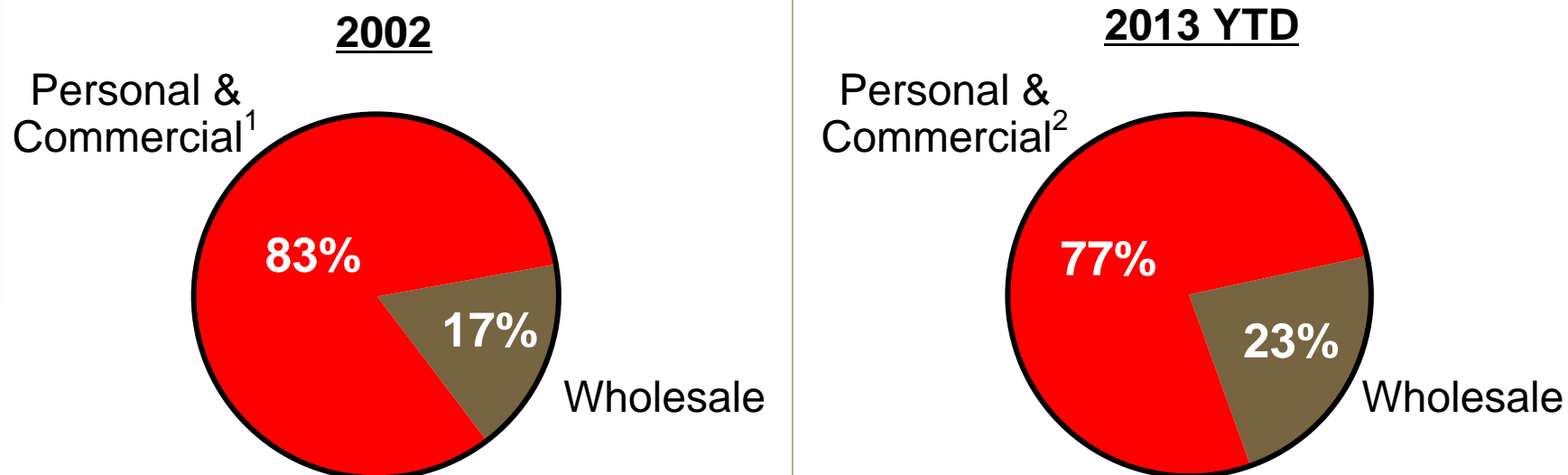
Four Diversified Growth Platforms

(1) Excludes \$540MM of charges related to Argentina in 2002

(2) Excludes \$90MM net benefit related to non-recurring items in International Banking in Q3/13

Continued Focus on Lower Risk P&C

Personal & Commercial vs Wholesale Net Income Split



Client-Driven Wholesale Platform Complements Lower Risk P&C

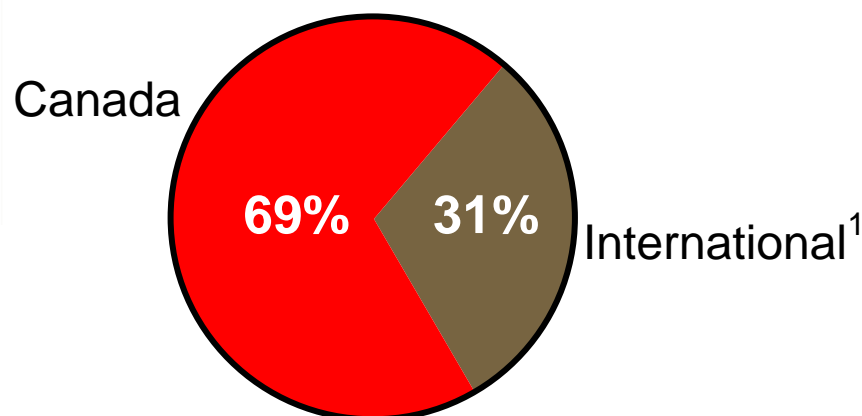
(1) Excludes \$540MM of charges related to Argentina in 2002

(2) Excludes \$90MM net benefit related to non-recurring items in International Banking in Q3/13

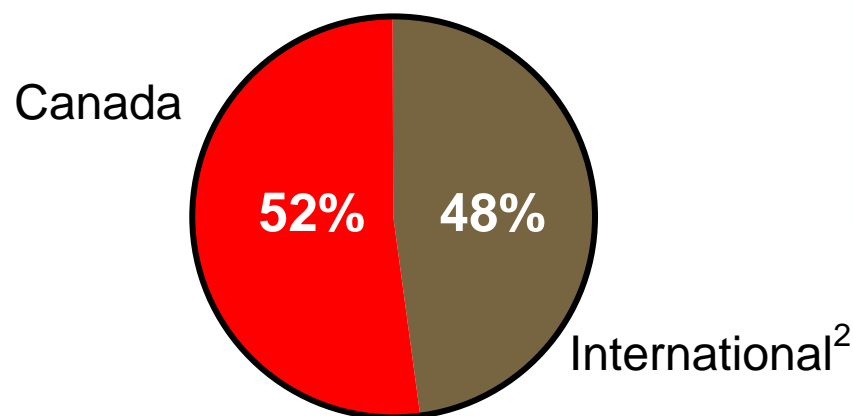
Strong Canadian Base Target: 50/50

Canada vs International Net Income Split

2002



2013 YTD



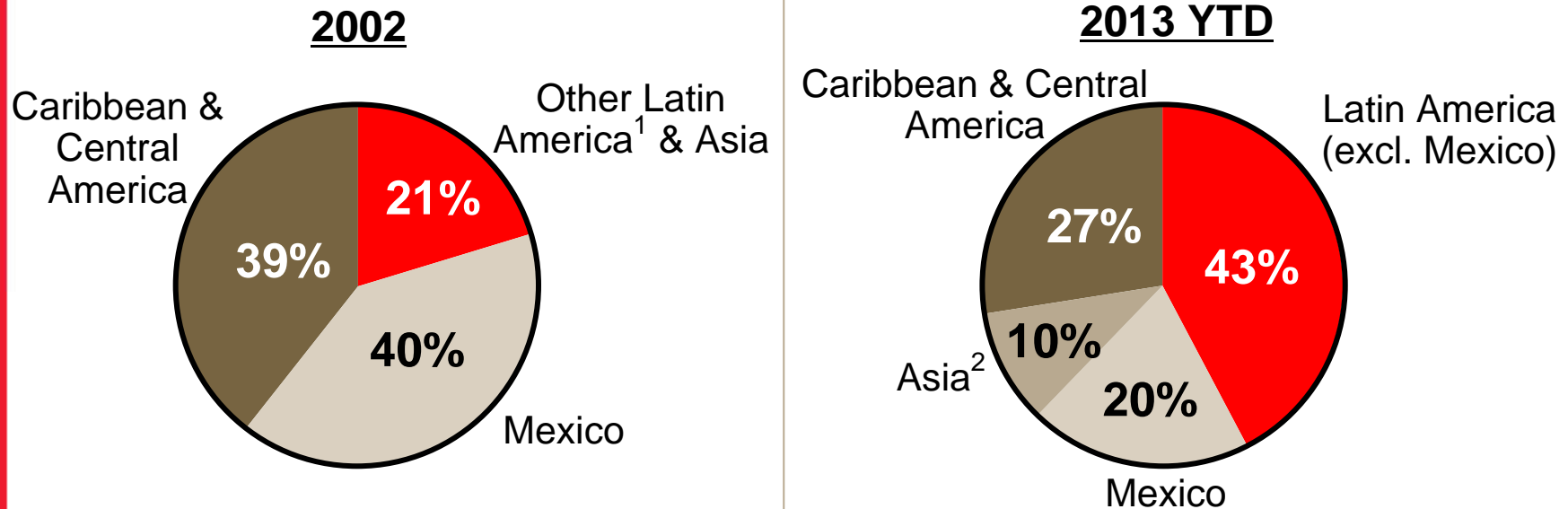
International Growth Anchored by Strong Canadian Base

(1) Excludes \$540MM of charges related to Argentina in 2002

(2) Excludes \$90MM net benefit related to non-recurring items in International Banking in Q3/13

Presence in High Growth Markets

International Banking Geographic Revenue Split

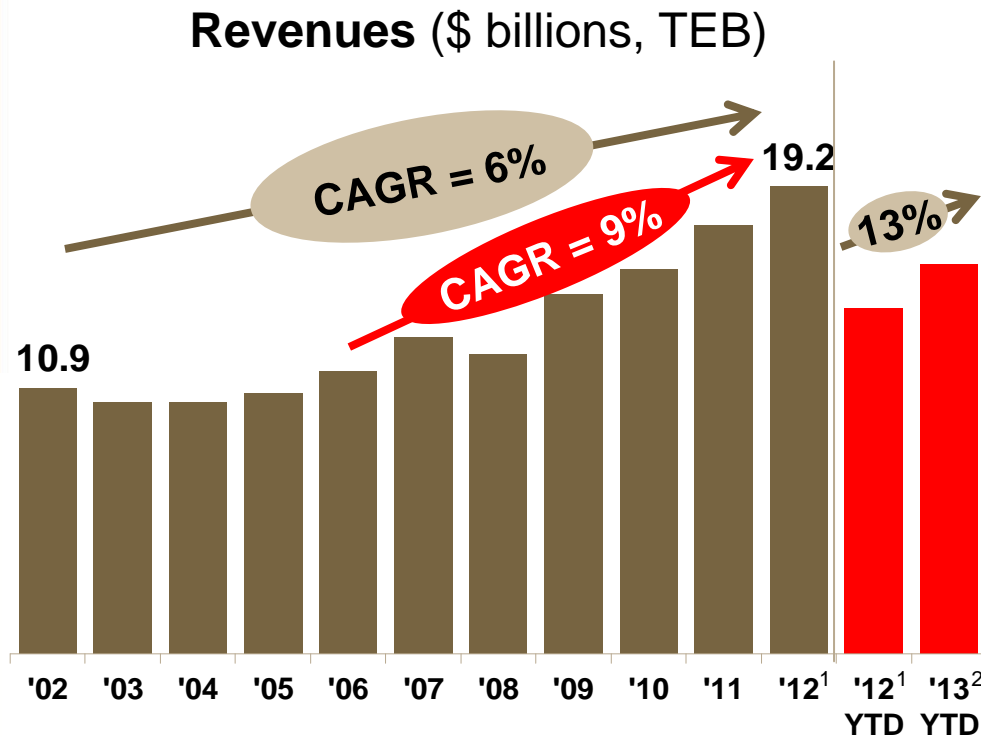


Diversification Geographically = Lower Risk

(1) Excludes the impact of charges related to Argentina in 2002

(2) Excludes a \$150MM gain related to the sale of a subsidiary by an associated corporation in Thailand in Q3/13

Sustainable and Profitable Revenue Growth



- **Focused on growth**

- Customer centric approach
- Capitalize on our expertise in sales & service
- Achieve scale across select products and geographies

- **Areas of Growth**

- Latin America and Asia
- Global offering in Wealth Management
- Insurance
- Deposits and Payments
- Global Wholesale Banking

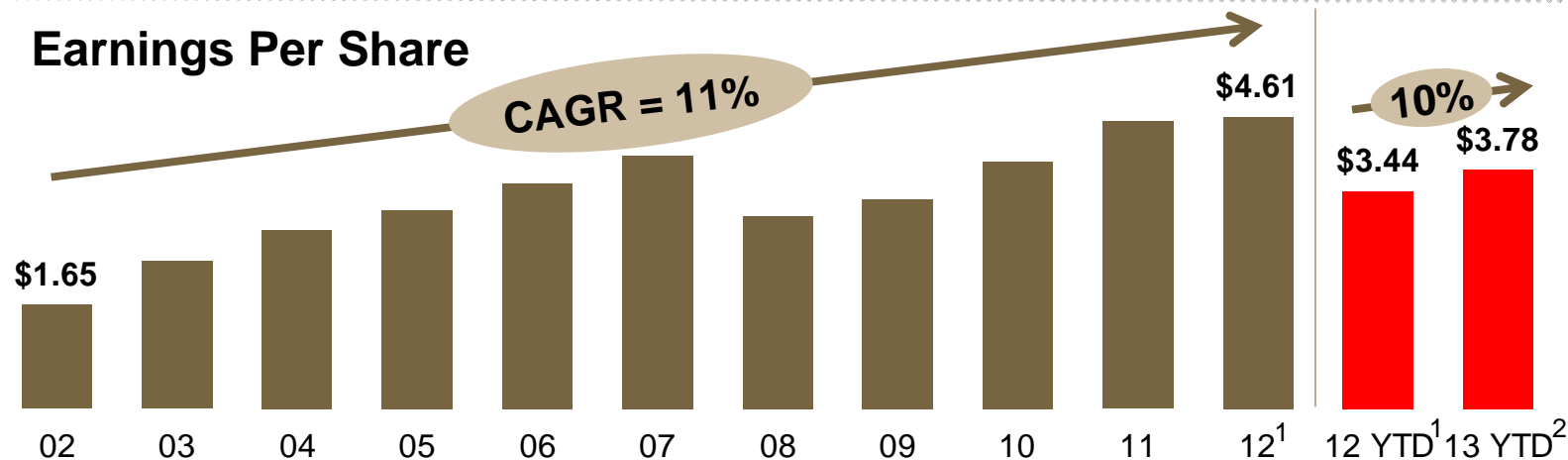
Note: Reflects adoption of IFRS as of fiscal 2011

(1) Excluding 2012 real estate gains of \$838 million

(2) Excluding Q3/13 gain from an associated corporation of \$150 million in International Banking

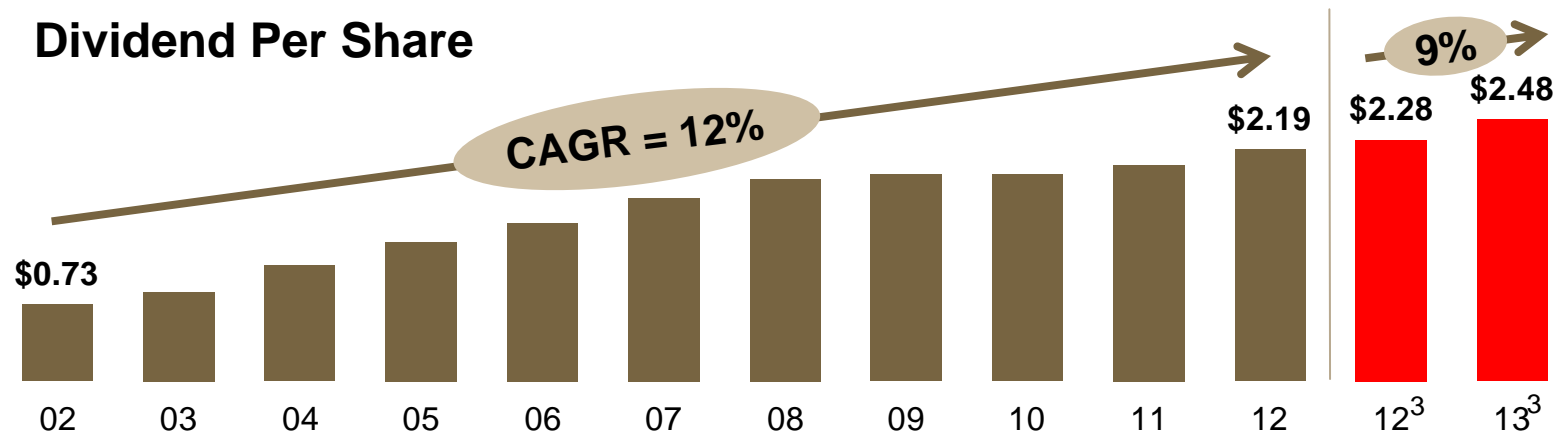
Solid Track Record of Earnings and Dividend Growth

Earnings Per Share



Note: Reflects adoption of IFRS in Fiscal 2011

Dividend Per Share



(1) Excluding 2012 real estate gains of \$0.61 per share

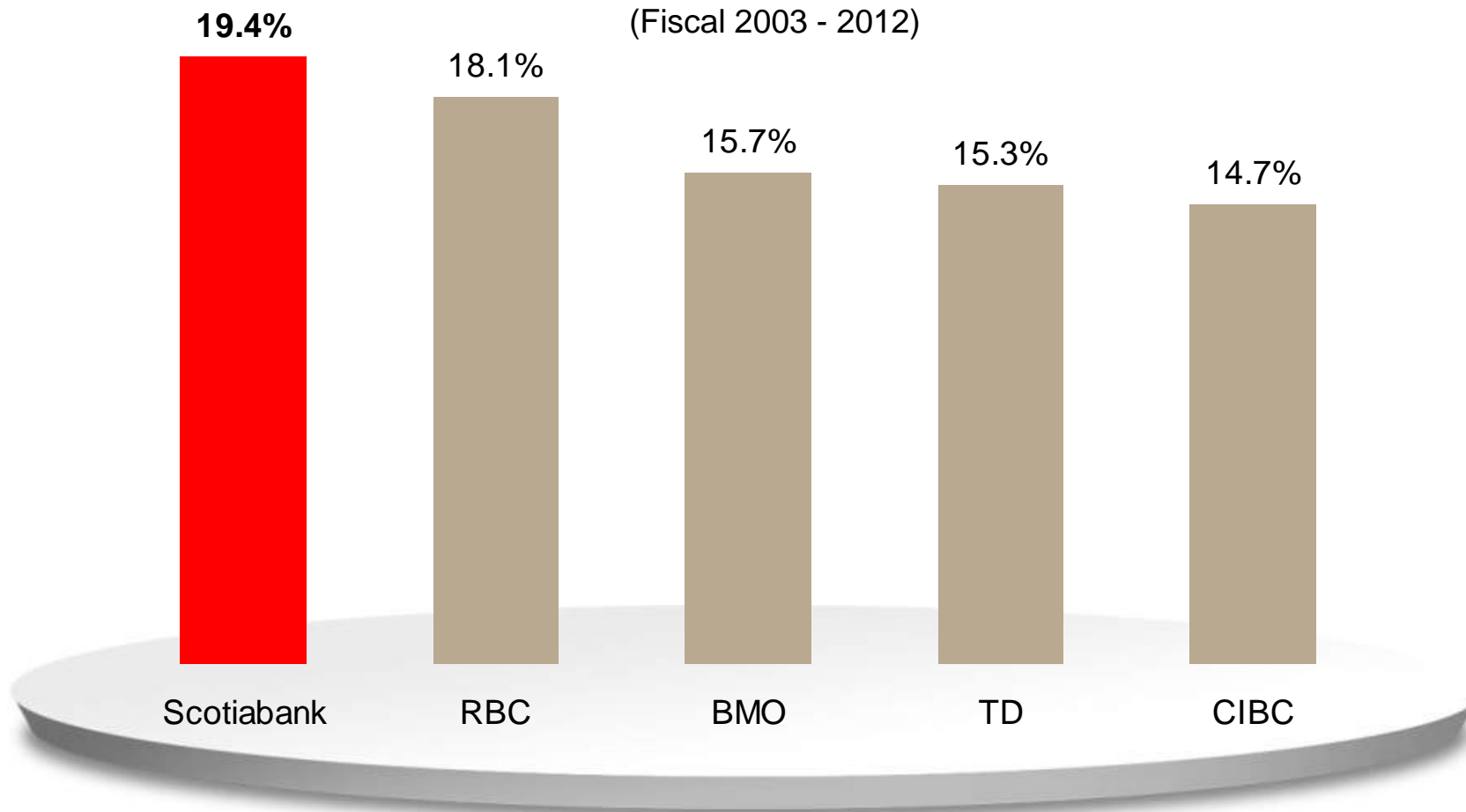
(2) Adjusting for net benefit in Q3/13 of \$0.07 per share due to non-recurring items in International Banking

(3) Indicated annualized dividend

ROE Compares Favourably to Canadian Peers

10-Year Average Return on Equity

(Fiscal 2003 - 2012)



Continued Strategic Focus on Core Deliverables

- **Maintain appropriate financial strength & liquidity**
- **Operate in an efficient, secure & compliant manner**
- **Measure, monitor and manage all aspects of our risk appetite, risk profile & risk culture**
- **Meet the needs and expectations of our customers, employees, shareholders & other key stakeholders**
- **Ensure a deep, diverse & engaged pool of talented & values-based Scotiabankers**

Notes

.....

Notes

Investor Relations Contact Information

Peter Slan

Senior Vice President

416-933-1273

peter.slan@scotiabank.com

Mark Michalski

Director

416-866-6905

mark.michalski@scotiabank.com

Jason Chan

Director

416-866-4294

jasont.chan@scotiabank.com

For further information please visit:
www.scotiabank.com/investorrelations

