

Our strategy in action

Analyst and Investor Conference

October 17, 2011

Caution Regarding Forward-Looking Statements

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."

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 the results of its operations, 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 62 of the Bank's 2010 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.

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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Welcome

Peter Slan

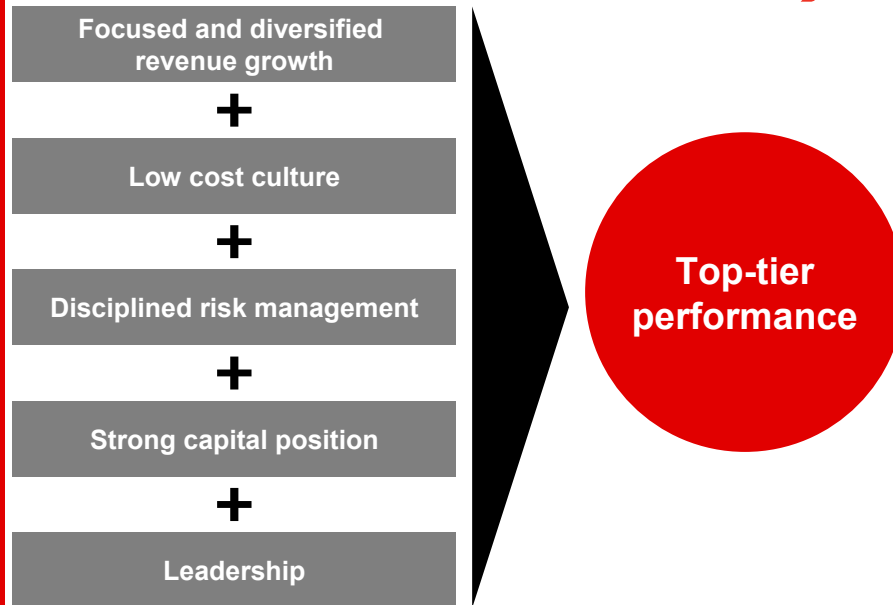
Senior Vice President, Investor Relations
Scotiabank

Opening Remarks

Rick Waugh

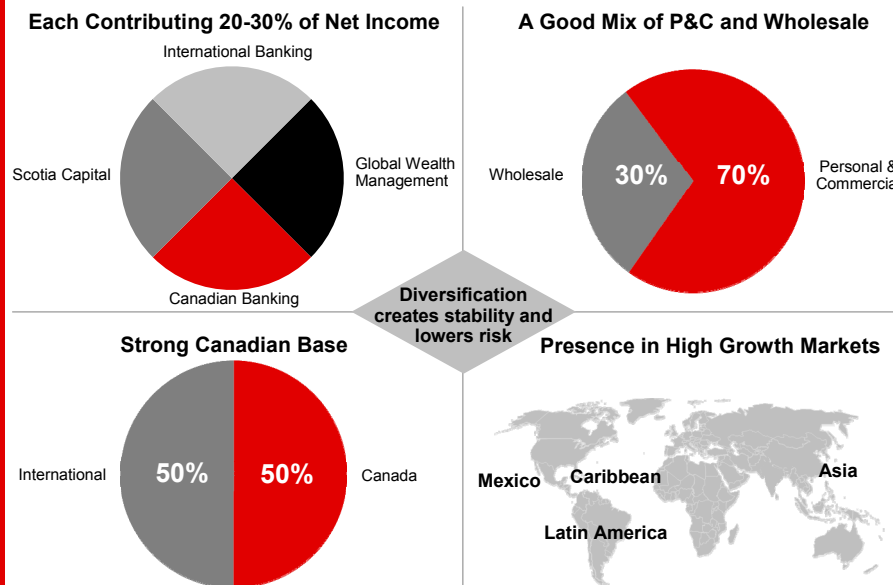
President & CEO
Scotiabank

Scotiabank: A Proven and Straight-Forward Business Model



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Diversified and Growing Platforms



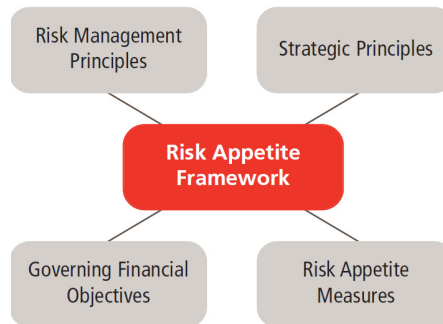
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Prudent Risk Appetite



Qualitative Risk Principles

- Risk is understood, measurable and manageable
- Independent risk oversight
- Risk diversification
- Notional limits that complement various risk-based limits
- Minimize reputational risk

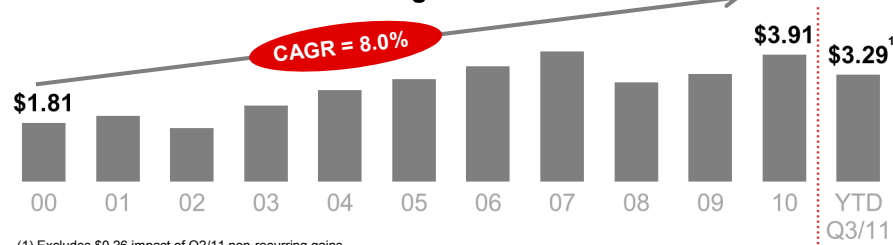


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Solid Track Record of Earnings, ROE and Dividend Growth

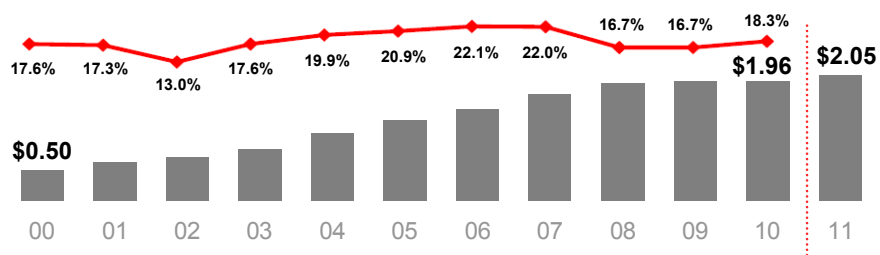


Earnings Per Share



(1) Excludes \$0.26 impact of Q2/11 non-recurring gains

ROE & Dividend Per Share

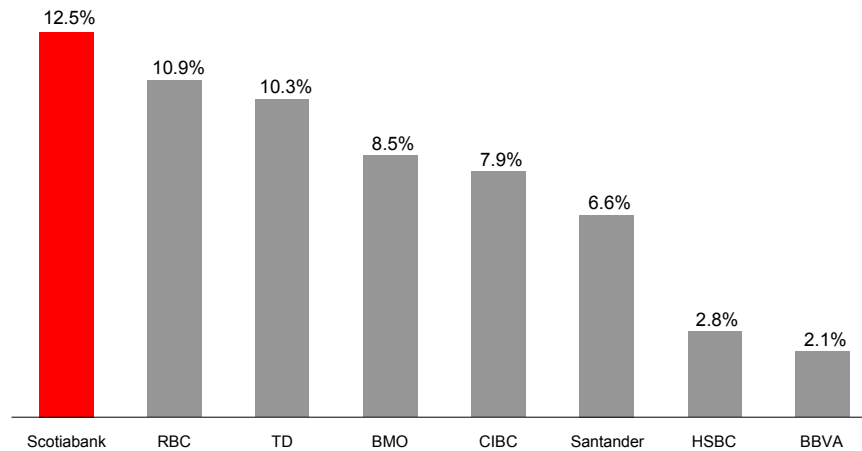


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Returns vs. Canadian and Global Peers



Annualized 10-Year Total Shareholder Returns¹



(1) Compound annual growth rate for a stock, which includes share price appreciation and re-invested dividends. Scotiabank and Canadian peers calculated in Canadian dollars, all others in USD. Source: Bloomberg, as of September 30, 2011

Source: Company websites

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Scotia Capital Business Model and Strategy

Mike Durland and Steve McDonald

Co-CEOs, Scotia Capital

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Agenda



8:30 am	Opening Remarks	Rick Waugh
8:55 am	Scotia Capital Business Model and Strategy	Mike Durland & Steve McDonald
9:55 am	Sectoral Focus — Oil & Gas	Adam Waterous
10:25 am	Break	
10:40 am	Cross-Sell	Kevin Ray
11:10 am	Global Wholesale Banking	Paul D'Agata
11:40 am	Product Diversification — ScotiaMocatta	Barry Wainstein
12:10 pm	Closing Remarks	Mike Durland & Steve McDonald

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A Diversified and Growing Wholesale Banking Business



Clients
<ul style="list-style-type: none">• Corporations• Governments• Institutions



Key Products
<ul style="list-style-type: none">• Corporate Lending• Commodities Sales & Trading• Derivatives• Equity Sales & Trading• Fixed Income• Foreign Exchange• Investment Banking• Mergers & Acquisitions• Precious & Base Metals (ScotiaMocatta)

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Our Unique Approach



- 1 Diversification and growth
- 2 Focused approach in key sectors
- 3 Cross-sell
- 4 Strong risk management
- 5 Global wholesale banking
- 6 Culture

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Our Unique Approach



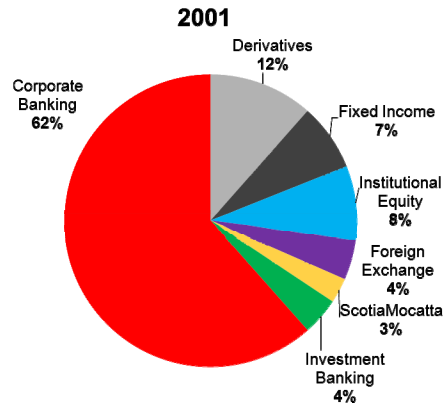
- 1 Diversification and growth
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- 4 Strong risk management
- 5 Global wholesale banking
- 6 Culture

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10 Years Ago — Not As Diversified As We Needed To Be



Revenue



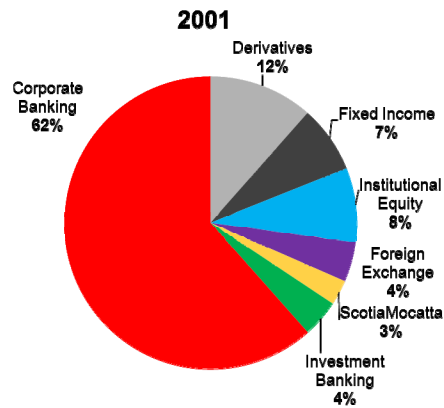
- Revenues concentrated in Corporate Banking
- Some of this revenue was getting lost in loan losses
- We saw an opportunity to re-focus

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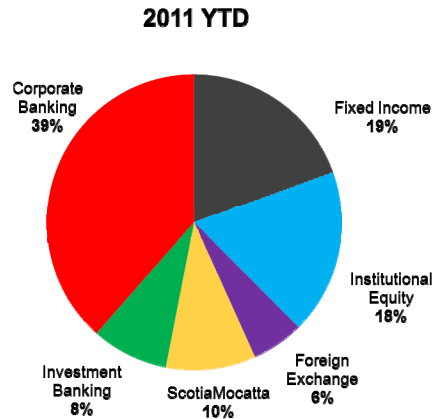
10 Years Later — Much More Diversified



Revenue



% of Total Scotiabank Revenue: 26%
ROEE: 12.5%



% of Total Scotiabank Revenue: 18%
ROEE: 22.3%

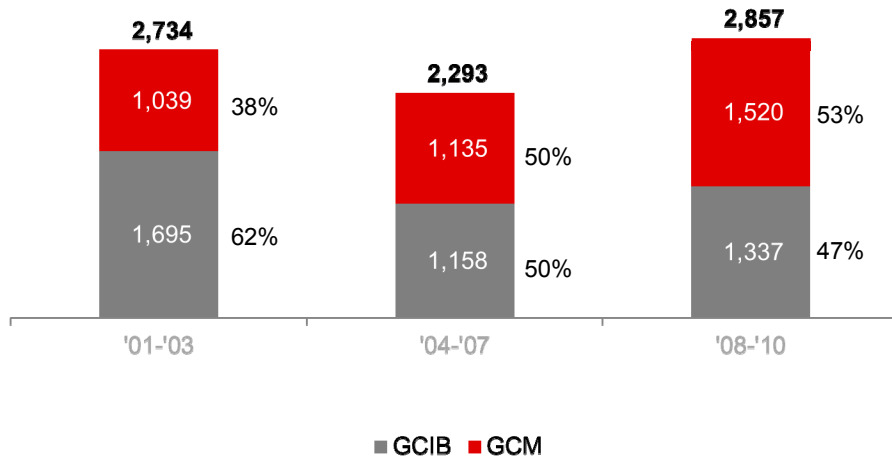
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A More Diversified Revenue Mix



Average Revenues

C\$ Millions



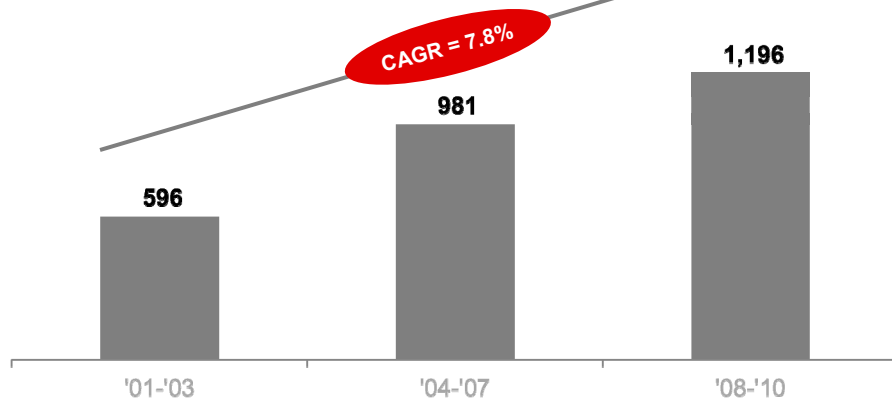
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Consistent Growth In Earnings



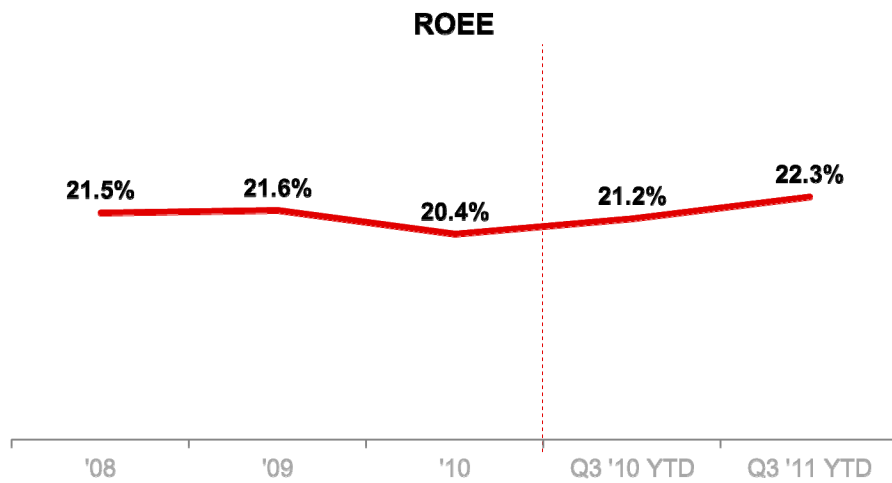
Average Net Income

C\$ Millions



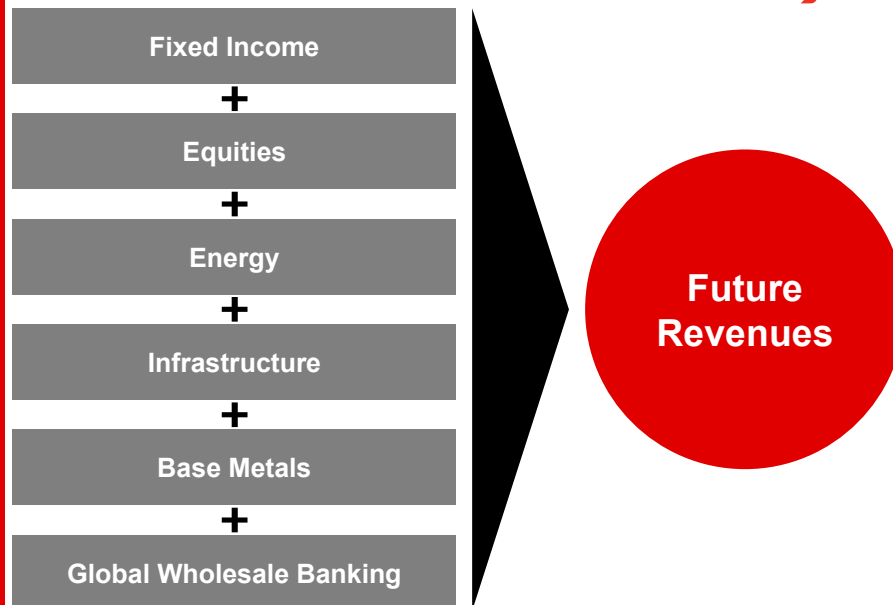
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Consistently High Return On Economic Equity



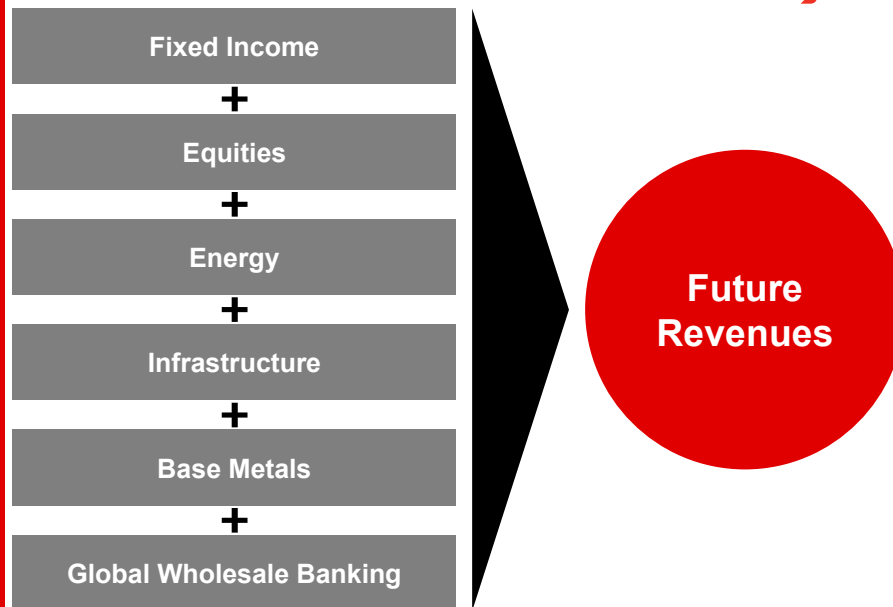
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Growth Initiatives Will Drive Future Revenues



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Growth Initiatives Will Drive Future Revenues



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Our Unique Approach



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Aligning Capabilities To Key Industry Sectors



Oil & Gas

- Largest revenue segment in our sectoral focus strategy
- A key Canadian industry
- Scotia Waterous is a world leader in Oil & Gas M&A advisory
- Top lender to this industry in Canada
- Acquired specialized staff and systems from UBS
- Strategy is to lead with M&A and lending and cross-sell other products and services



Mining

- Key Canadian industry and well-aligned to Scotiabank's LatAm / GWB clients
- Recent investments include:
 - Hired specialized investment banking mining team
 - Built specialized equity sales and trading team
 - Hired top-ranked research analysts
- Top three lender to North American miners with an in-house technical group
- Hired base metals team to further enhance Mining product capabilities
- Strategic fit with ScotiaMocatta



Power

- Diverse client base
- Product focus on:
 - Debt and equity capital markets
 - Project financing
 - Gas-hedging
 - Derivatives
 - Foreign exchange
 - M&A advisory
- Business dominated by U.S. and Canadian clients with significant opportunity for growth — particularly in LatAm
- Recent investments include:
 - Added experienced project finance team to grow opportunities
 - Global Energy Solutions build out



Infrastructure



- One stop solution for advisory, structuring, financing and hedging to global infrastructure clients
- Strategy is to lead with advisory followed by lending through construction and term financing through Debt Capital Markets
- Named Best Bank in Infrastructure Globally in 2009 and 2010 by *Global Finance Magazine*
- Significant opportunities in Latin America and Asia

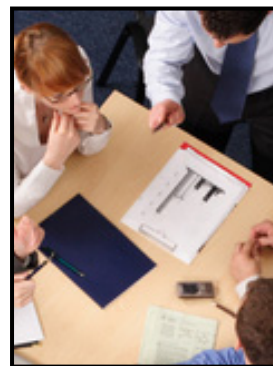


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Buy Side



- Focused strategy on key pension, sovereign wealth and hedge funds
- Buy side industry strategically important to Scotia Capital's business model
- Key strategies:
 - In Canada, enhance relationships with pension funds
 - Outside Canada, build distribution



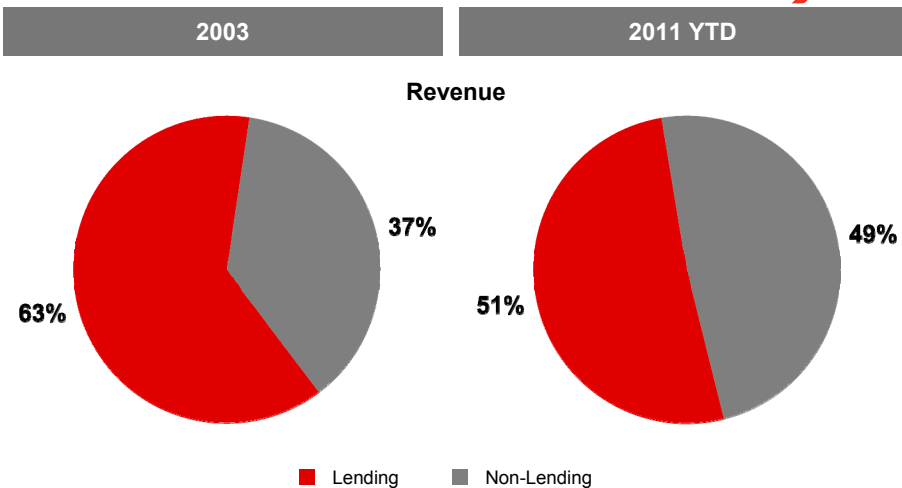
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Our Unique Approach



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Disciplined Cross-Selling Leverages Our Strong Lending Base



Cross-sell adds approximately 12% to ROEE on average

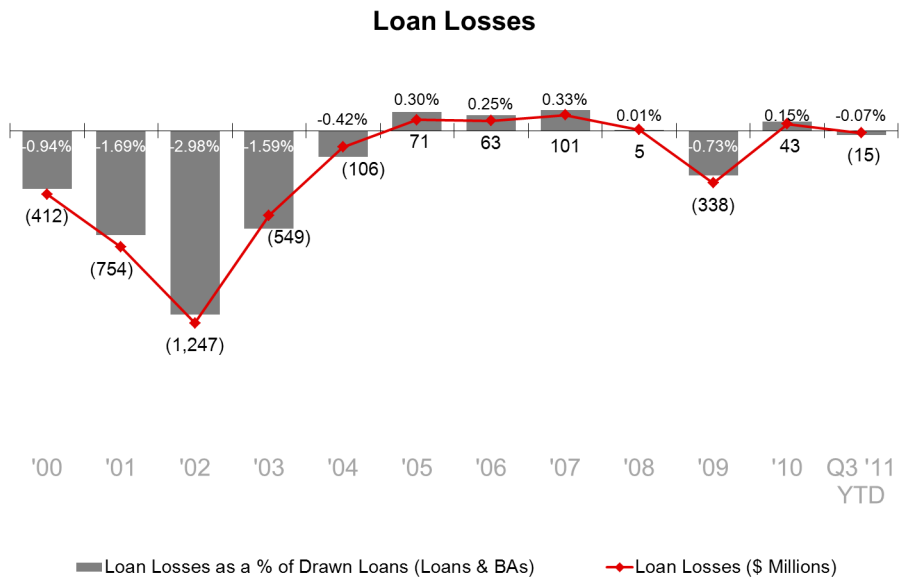
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Our Unique Approach



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Loan Losses Significantly Reduced

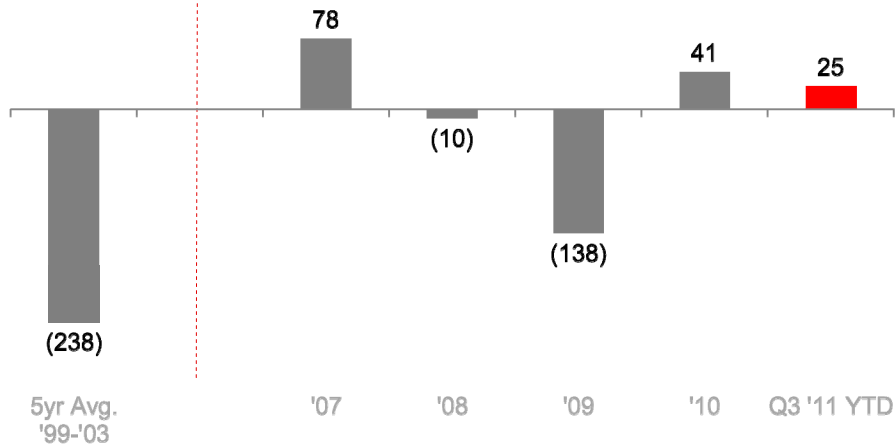


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U.S. Loan Losses — Well Managed In Recent Cycle



U.S. Corporate Loan Loss Provision (bps)

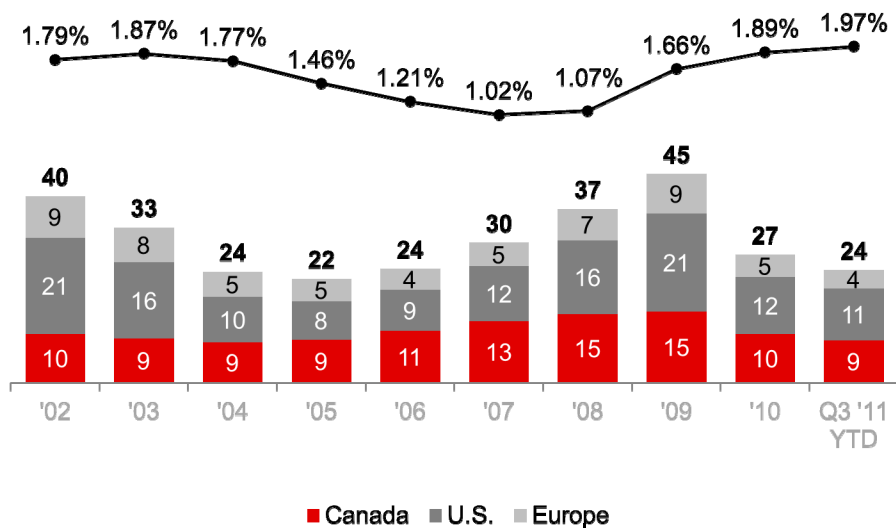


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Higher Margins... Higher Quality... Well Diversified

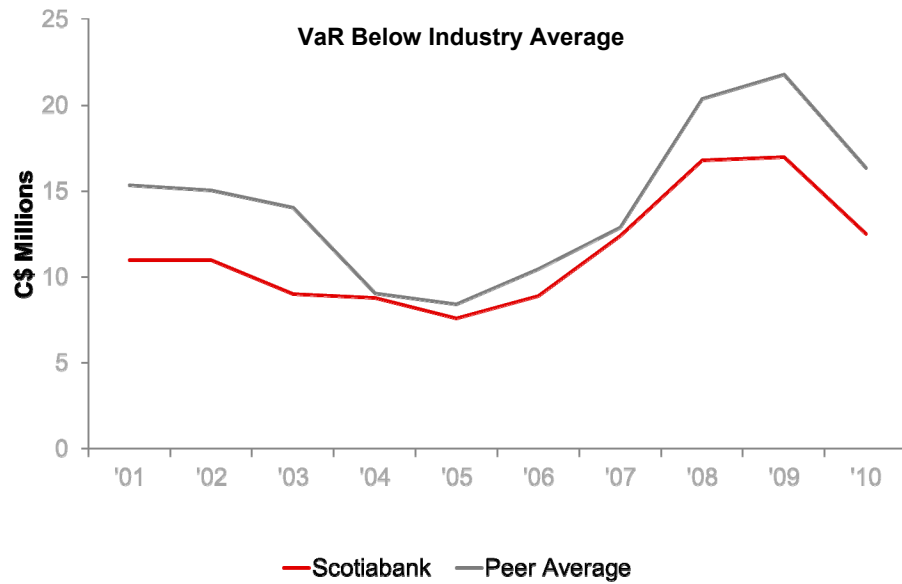


Drawn Loans in \$Billions



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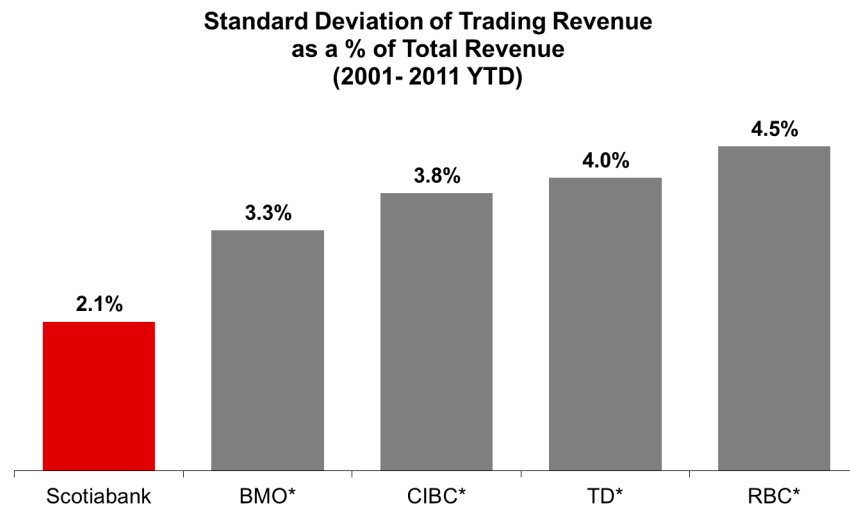
VaR — Consistently Lower Than Peer Average



Source: Company websites

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Trading Volatility — Better Than Our Peer Average



* All negative trading revenue set to zero

Source: Company websites

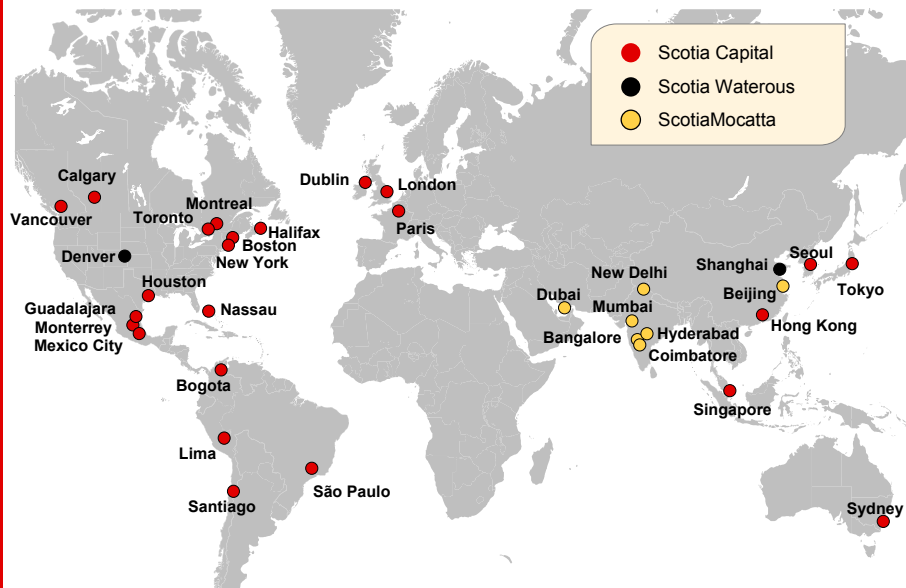
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Our Unique Approach



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A Well Diversified Geographic Presence



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Our Global Wholesale Banking Model — Latin America



Leverage international capabilities and footprint in core sectors for global and regional clients in our focus markets



- Expansion of Capital Markets in these countries
- Focus businesses:
 - Global Foreign Exchange
 - Global Equity
 - Global Fixed Income including DCM
 - Corporate Banking
 - Global Infrastructure Finance

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Our Unique Approach



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Our Incremental Approach

Establish geographic footprint

+

Leverage our core businesses

+

Invest over time

+

Cross-sell

+

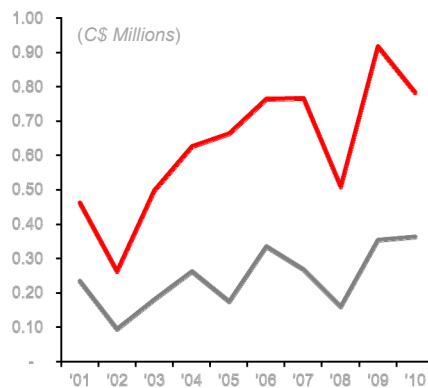
Stay the course

**Profitable
Growth**

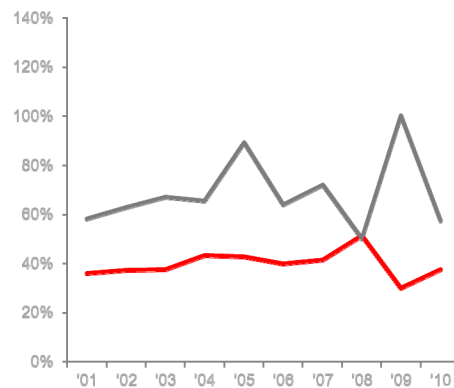
Peer Leading Efficiency

Earnings Per Full Time Employee

Productivity Ratio



* Negatives set to zero



— Scotia Capital — Average of 4 Canadian Bank-owned Wholesale Units

Source: Company websites

Collaboration Across Businesses



Cross-business leadership
teams

+

Shadow P&L

+

Balanced scorecard metric

+

ViewPoint survey



**Strong
Collaboration**

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Q&A

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Sectoral Approach

Adam Waterous

Vice Chair & Head of Global Investment Banking
President & Head of Scotia Waterous

Aligning Our Product Capabilities To The Oil & Gas Industry



Oil & Gas — Our Strategy In Action



Scotia Waterous — Global leader
in Oil & Gas M&A

+

Expanded research coverage

+

Equity Sales specialist

+

Global Energy Solutions

+

Market intelligence and
technical expertise

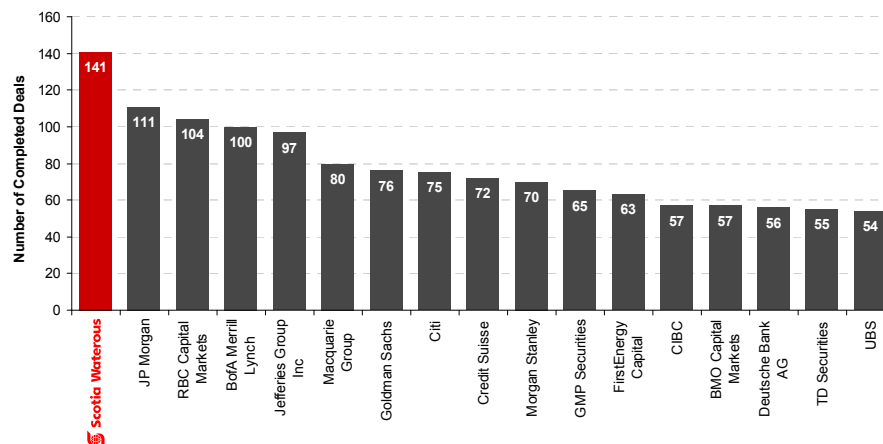
**Oil & Gas
Strategy**

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The Global Leader In Oil & Gas M&A



Bloomberg Global Oil and Gas M&A Mandates



Source: Bloomberg; Global upstream M&A transactions. Includes transactions from January 1, 2006 to October 5, 2011.

Note: Figure on each bar indicates the number of M&A transactions completed by each advisor; excludes fairness opinions. Full credit given to co-advisors when more than one financial advisor exists.

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Oil & Gas — Key Achievements



- Oil & Gas M&A:
 - #1 in the world among all firms in the last 12 months
 - Scotia Waterous consistently ranked top M&A firm since formed 6 years ago
- Lending: 270 clients
- Global Energy Solutions: Comprehensive hedging and financing solutions for global energy clients
- Sales, Trading and Research: 100 companies under coverage
- Revenue stream well diversified by geography




has acquired



For
\$15,100,000,000

Financial Advisor
August 2011



C\$393,000,000
IPO Common Trust Units

Co-Bookrunner
April 2011



has acquired



For
\$7,100,000,000

Financial Advisor
December 2010



US\$1,000,000,000
Senior Credit Facility

Joint Lead Arranger and
Joint Bookrunner
April 2011

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Q&A

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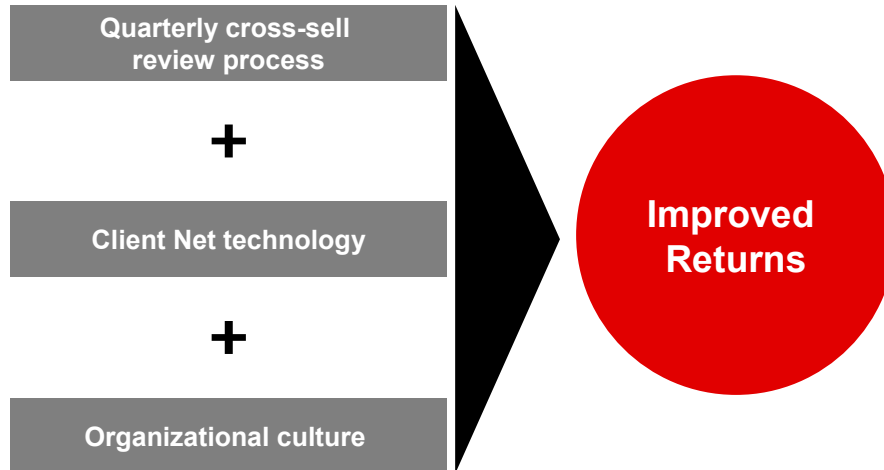
Break

Cross-Sell

Kevin Ray

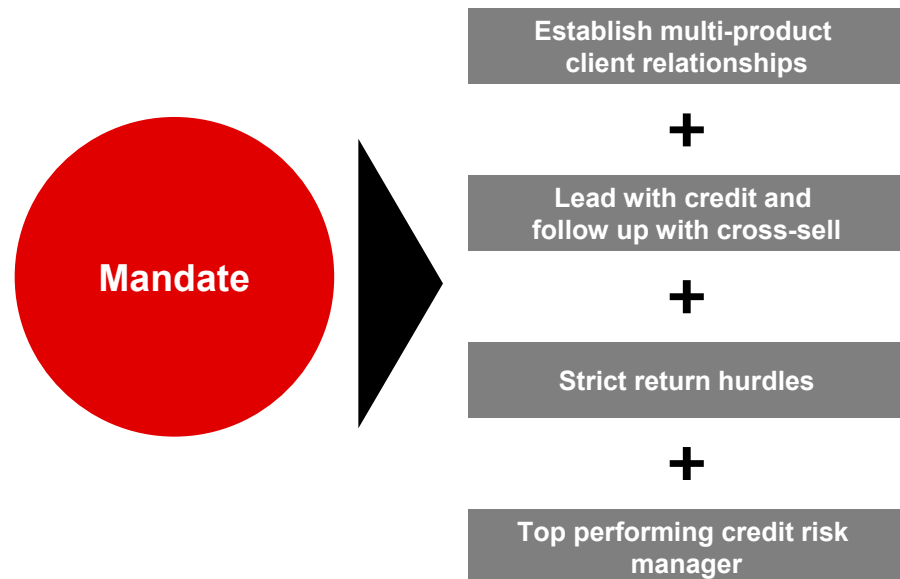
Vice Chair & Co-Head
U.S. Corporate Banking & Head, Origination

Disciplined Cross-Sell Improves Returns



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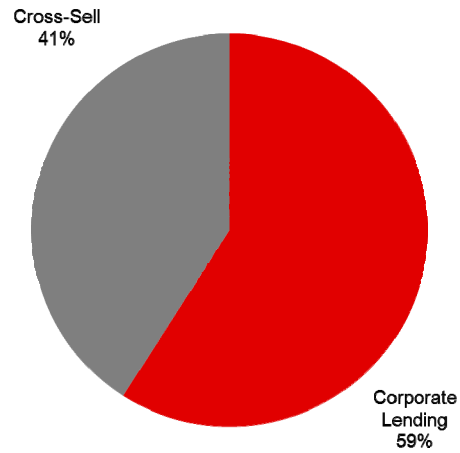
U.S. Corporate Banking Mandate



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The Impact of Cross-Sell

2010 Revenue



% of Clients	# of Products
18%	1
24%	2
14%	3
13%	4
31%	5+

Overall Return Improved Significantly With Cross-Sell

Client Data Examples

	Lending ROEE	Cross-Sell Pickup	Overall ROEE	Product Count
Client 1 – Diversified Industries	10.4%	19.2%	29.6%	7
Client 2 – Energy	15.2%	26.4%	41.6%	6
Client 3 – Power	13.2%	7.1%	20.3%	6

Q&A

Global Wholesale Banking

Paul V. D'Agata

Managing Director & Head of Spanish Latin America,
Corporate & Investment Banking

Our Global Wholesale Banking Model — Latin America



Leverage international capabilities and footprint in core sectors for global and regional clients in our focus markets



- Focus businesses:
 - Global Foreign Exchange
 - Global Equity
 - Global Fixed Income including DCM
 - Corporate Banking
 - Global Infrastructure Finance

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Our Key Differentiators In Latin America



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Template for Growth — Mexico Example



2005 Goal:

Integrate wholesale banking operations and products to serve NAFTA clients



Focus on:

- Core sectors of expertise
- Strong product capability
- Serving global clients active in Mexico
- Investments in people, technology, facilities

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Current Strategic Initiatives



Global Foreign Exchange

+

Cash Equities

+

Global Fixed Income

+

Infrastructure

+

Integrate Acquisitions



**LatAm
Growth**

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Some Achievements



Acquisition financing

Regional syndication capabilities

GTB – First point of entry

DCM – Cross border clients

Scotia Waterous

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GWB Asia-Pacific



- Leverage Scotiabank footprint
- Develop a detailed regional strategy
- Country by country approach / less homogeneous
- Put people in place to assess local opportunities and plan
- Build on existing relationships and core Scotia Capital competencies
- More of a longer-term play than Latin America



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Q&A

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Product Diversification ScotiaMocatta

Barry Wainstein

Vice Chair & Deputy Head, Global Capital Markets
Global Head, Foreign Exchange and Precious Metals

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Precious Metals Overview



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ScotiaMocatta — A Unique Business



**Banking
and
Trading**



**International
Footprint**



**Global
Leader**

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Diverse Client Base and Strong Product Offering

Client Base	
Financial Institutions	Petrochemical
Central Banks	Dental
Governments	Electronic
Producers	Automotive
Refiners	Jewelers
Funds	Merchant / Bar Traders
Retail	Scrap Dealers



Products
Trading:
Spot
Forward
Swap
Options
Structured trades
Financing:
Loans / Leases
Consignments
Deposits
Physical:
Vaulting
Transportation arrangements
Location / Product swaps
Retail (eStore)

Executing Clearly Defined Strategic Initiatives

- Platinum Group Metals
 - Expand product offering and client distribution
- Base Metals
 - Grow products and leverage cross marketing opportunities
- Asia Expansion
 - Expand financing business
 - Increase trading capabilities (e.g. Shanghai Futures Exchange)
 - Deploy retail metals products by leveraging relationships with local banks and refiners

Our Strategy In Action



Proven track record of earnings growth

+

High ROEE

+

Global Base Metals launch

+

Diversified clients and products

+

Strong risk management culture



**Strong
Performance**

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Q&A

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Closing Remarks

Mike Durland and Steve McDonald

Co-CEOs, Scotia Capital

Our Unique Approach

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- 2 Focused approach in key sectors
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- 6 Culture

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www.scotiabank.com/investorrelations**