



Scotiabank expands presence in Central America - Costa Rica Acquisition

June 13, 2006



This document includes forward-looking statements which are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. These statements 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. Forward-looking 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 Bank cautions that the foregoing 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 foregoing 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 behalf of the Bank.

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.



Transaction Summary

<input type="checkbox"/> Ownership	➤ BNS agrees to acquire 78-100% of Interfin
<input type="checkbox"/> Investment	➤ BNS invests US\$293.5 million (for 100%)
<input type="checkbox"/> Purchased From	➤ Public tender process ➤ 12 local families – 78%
<input type="checkbox"/> Required Approvals	➤ OSFI ➤ Costa Rican banking and securities regulators
<input type="checkbox"/> Expected Closing	➤ August 2006

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Investment Accretive to Earnings

<input type="checkbox"/> Projected EPS ➤ \$0.03 in Year 1 ➤ \$0.04 in Year 3	➔	EPS accretive without synergies
<input type="checkbox"/> Projected ROE ➤ 21% in Year 1 ➤ 20% in Year 3	➔	Steady returns
<input type="checkbox"/> Capital Ratios Impact ➤ Tier 1: (0.23)% ➤ TCE: (0.20)%	➔	Minimal impact on capital ratios
<input type="checkbox"/> Purchase Price ➤ 2.7 x Book Value	➔	Multiple reflects quality of opportunity

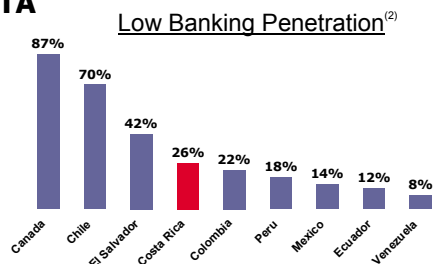
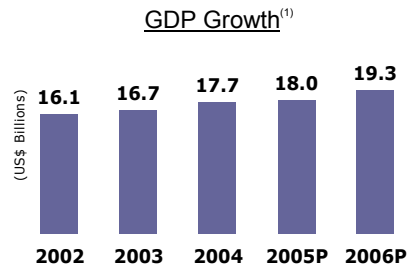
* reflects 100% combined entity before consolidation adjustments and synergies

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Costa Rica Attractive Market

- **2004 GDP of US\$17.7 B**
- **Expected real GDP growth of 3.5% in 2006**
- **Foreign direct investment in tourism, high tech**
- **Expected to benefit from CAFTA**
 - level playing field for non-govt banks
- **Low banking penetration**
- **Favourable demographics**



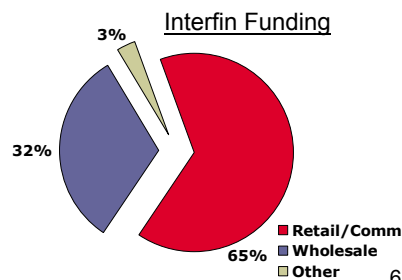
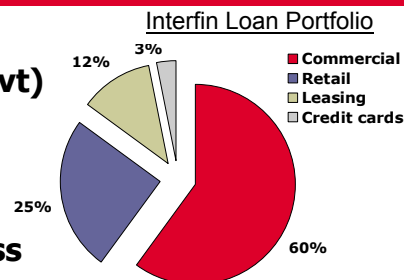
(1) Source: Moody's Investors Service – Dec 05
 (2) Source: Latin America Consensus Forecast, Latin America Monitor

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Interfin The Leading Private Bank

- **The leading private (non-govt) bank in Costa Rica**
- **Strong commercial banking operations**
- **Pre-eminent leasing business in region**
- **Solid retail network**
 - 24 branches
- **Total assets of \$US 1.3B**



Figures as of December 2005

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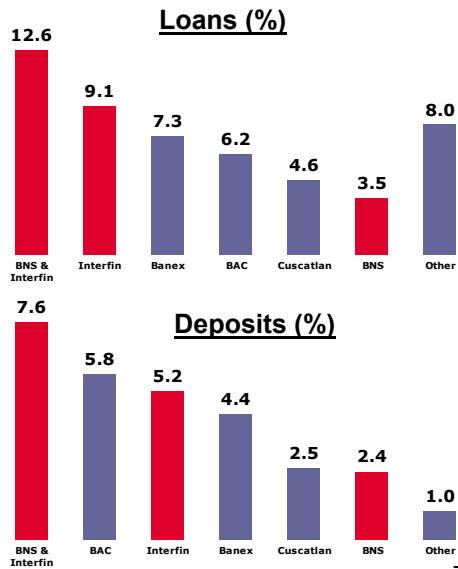


Combined Bank Strong Market Position

Market share of private banks

December 2005

- Combined bank ranks as largest private bank in market share:
 - loans: 13%
 - deposits: 8%
- Doubles retail network



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Combined Bank Improved Network

	BNS	Interfin	Total
Branches	17	24	41
ABMs	39	36	75
Employees	300	950	1,250



- 17 of 24 Interfin branches in capital city of San Jose
- some branch consolidation likely
- presence in 8 new markets

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The Opportunity

- **Leverage BNS core strengths**
 - cost & risk management focus
 - streamline/improve processes
- **Gain critical mass in existing market**
 - compete as leading bank
 - economies of scale
 - lower funding costs
- **Accelerate retail growth**
 - leverage sales & service disciplines
 - complementary sales capabilities

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Appendix



Balance Sheet – Pro Forma

(US\$ MM – Dec/05)

	BNS Costa Rica	Interfin	Combined*
Assets	\$317	\$1,278	\$1,595
Loans	246	995	1,241
Deposits	219	742	961
Common Equity	30	107	137
TCE Capital Ratio	10.7%	9.5%	9.7%
Total Capital Ratio	14.6%	12.3%	12.7%

* reflects 100% combined entity before consolidation adjustments and synergies