Our strategy in action

Investor Presentation
Third Quarter, 2011

August 30, 2011

Scotiabank

Caution Regarding Forward-Looking Statements

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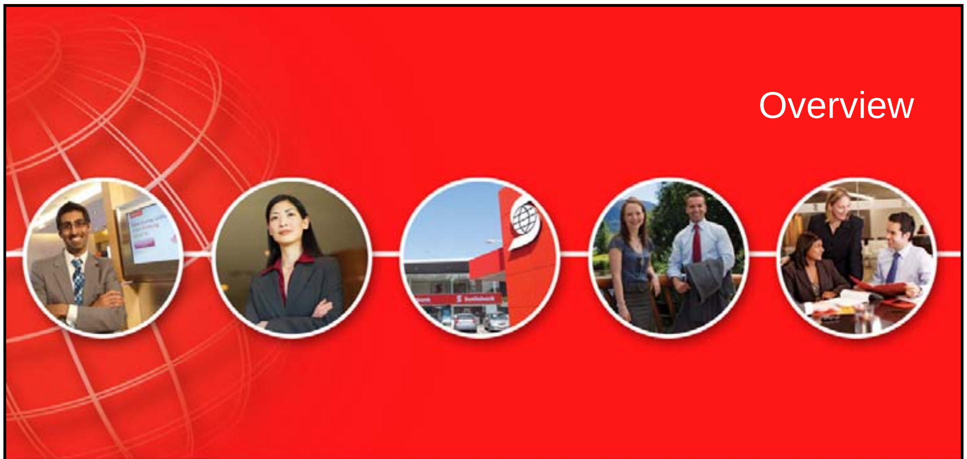
Our public communications often include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements 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.

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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Rick Waugh
President & Chief Executive Officer

Q3 2011 Overview

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- **Good quarter**
  - Net income: $1,285 million
  - EPS: $1.11, up 13% vs. prior year
  - ROE: 17.8%
- **Focus on core business continues to produce sustainable revenue growth and positive results**
- **Credit conditions continue to be benign; gross non-performing loans declined**
- **Strong internal capital generation drove increase in Tier 1 capital ratio to 12.3%**
- **Fully expect to achieve 2011 targets**

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Financial Review

Luc Vanneste
Executive Vice-President &
Chief Financial Officer

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Fundamentals Delivering Positive Results

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Q3/11	Q2/11[1]	Q/Q		Q3/10	Y/Y
$1,285	$1,257	2%	Net Income ($MM)	$1,086[2]	18%
$1.11	$1.10	1%	EPS	$0.98	13%
17.8%	18.5%	(70) bps	ROE	18.2%	(40) bps
54.5%	55.3%	80 bps	Productivity Ratio	52.5%	(200) bps

Year-over-Year Comparison

Q3 earnings benefited from…

- Solid organic growth
- Increased contribution from acquisitions
- Improved PCLs

Partly offset by…

- Investments in growth initiatives
- Lower trading revenues
- Strong Canadian dollar

(1) Excluding $286MM impact from acquisition-related gains
(2) Represents net income before deducting non-controlling interest to ensure comparability with 2011 results

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Solid Revenue Growth

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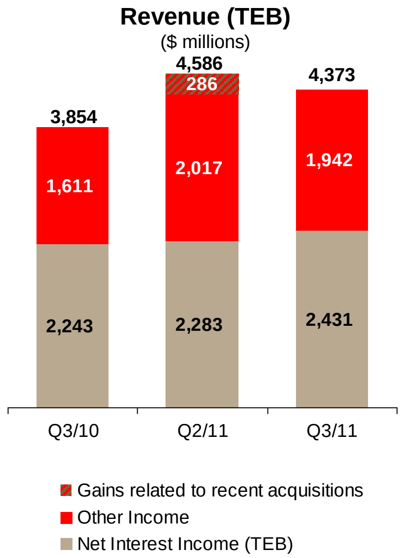

Year-over-Year

- **Net interest income up 8%**
  + Asset growth in Canadian mortgages and commercial loans internationally
  – Foreign currency translation
- **Other income up 21%**
  + Contribution from recent acquisitions
  + Higher transaction based fees
  – Decline in trading revenues, primarily in fixed income

Quarter-over-Quarter

- **Net interest income up 6%**
  + Asset growth in low spread trading securities and deposits with banks
  + Three additional days in quarter
  – Modest decline in margin
- **Other income down 4% (excluding gain in Q2)**
  – Reduction in trading revenue in fixed income
  + Increase in transaction based fees

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Continued Investment in Growth Initiatives

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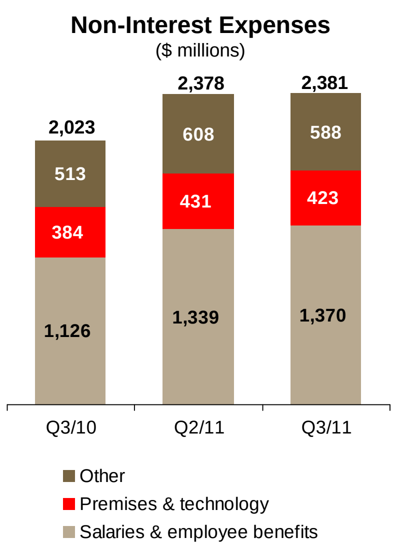

Year-over-Year

- **Expenses up 18%**
  – Recent acquisitions accounted for 48% of increase
  – Higher compensation related expenses reflecting staffing levels, pension costs and incentive bonuses

Quarter-over-Quarter

- **Expenses marginally higher**
  – Increases in remuneration expenses reflecting higher staffing levels and additional days in quarter
  + Lower performance based compensation and professional fees

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Continued Strength in Capital Ratios

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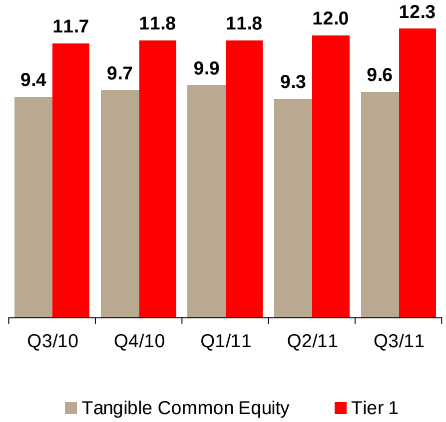
Capital Ratios (%)



- **YTD internal capital generation of $2,155MM (vs. $1,484MM in 2010)**
- **YTD common shares stock issued under DRIP: $466MM (vs. $470MM in 2010)**
- **Estimated common equity Tier 1 ratio under Basel III of 7.0% to 7.5% by Q1 2013**

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Canadian Banking: Continuing Asset Growth

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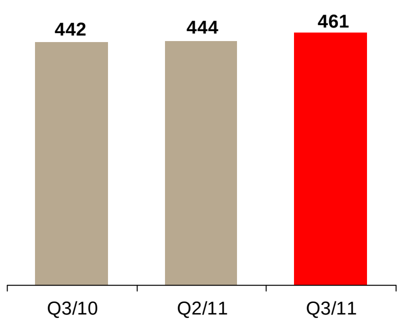
Net Income
($ millions)



Year-over-Year

- **Earnings up 4%; revenues up 2%**
  - + Solid asset and deposit growth
  - – Margin decrease from competitive pressures, growth in variable rate mortgages and higher funding costs
- **PCLs down $18MM to $145MM**
- **Expenses up 6%**
  - – Higher pension costs from changes in actuarial assumptions
  - – Higher performance based compensation

Quarter-over-Quarter

- **Earnings up 4%; revenues up 5%**
  - + Strong growth in retail mortgages, consumer auto loans and commercial loans
  - + Higher credit fees in commercial banking
- **PCLs unchanged**
- **Expenses up 8%**
  - – Longer quarter
  - – Higher volume related expenses

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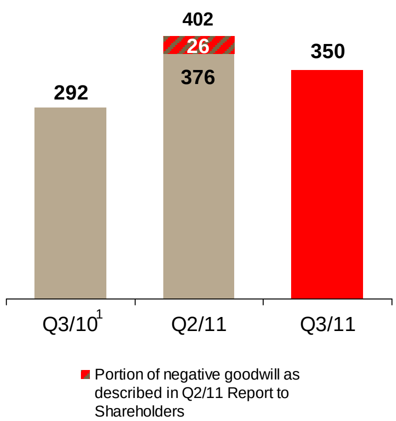
International Banking: Good Performance and Diversification

Net Income
($ millions)



Year-over-Year

- **Earnings up 20%; revenues up 6%**
  + Broad based organic loan growth, particularly in commercial lending, and deposit growth
  + Benefit from acquisitions
  – Lower securities gains
- **PCLs down $18MM to $120MM**
- **Expenses up 11%**
  – Higher spending on growth initiatives in Mexico, Peru and Chile
  – Expenses associated with acquisitions

Quarter-over-Quarter

- **Earnings flat; revenues up 6% (excluding gain in Q2)**
  + Continued loan and deposit growth
  – Impact of $52MM acquisition-related gain in Q2 ($26MM from new accounting standard)
- **PCLs up $14MM**
- **Expenses up 9%**
  – Investment to support future growth
  – Longer quarter and seasonality

(1) Represents net income before deducting non-controlling interest to ensure comparability with 2011 results

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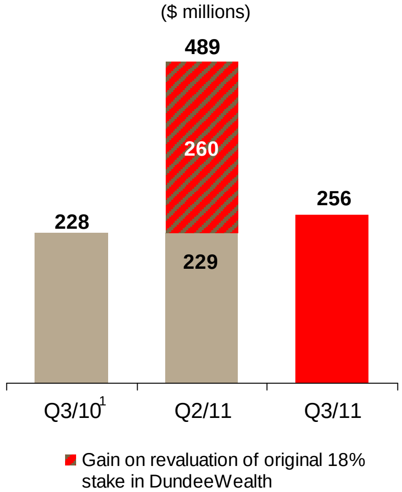
Global Wealth Management: Good Quarter

Net Income
($ millions)



Year-over-Year

- **Earnings up 12%; revenues up 43%**
  + DundeeWealth acquisition and strong ScotiaFunds sales
  + Higher insurance revenue
- **Expenses up 67%**
  – Impact of acquisitions
  – Higher volume related expenses

Quarter-over-Quarter

- **Earnings up 12%; revenues down 2% (excluding gain in Q2)**
  – Weaker markets resulting in lower brokerage trading volumes
- **Expenses down 8%**
  + One-time integration costs in previous quarter
  – Higher remuneration costs

(1) Represents net income before deducting non-controlling interest to ensure comparability with 2011 results

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Scotia Capital: Challenging Markets

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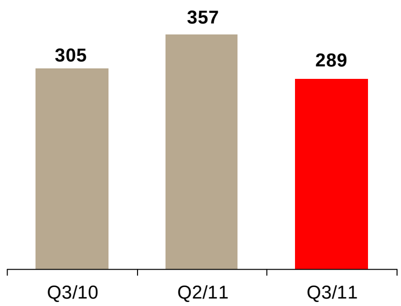

Year-over-Year

- **Earnings down 5%; revenues up 5%**
  + Higher investment banking revenues
  – Lower trading revenue, primarily in fixed income
- **PCLs of $8MM vs. reversals of $25MM**
- **Expenses up 17%**
  – Higher remuneration and benefits to support growth initiatives in trading business
  – Higher support costs

Quarter-over-Quarter

- **Earnings down 19%; revenues down 8%**
  – Lower fixed income trading revenue
  + Higher revenue in equities, foreign exchange and precious metals
  + Modest growth in corporate loans
- **PCLs down $2MM**
- **Expenses down 13%**
  + Lower performance based compensation

Other Segment[1]

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($ millions)	Q3/10	Q2/11	Q3/11
Funding Net Interest Income	(118)	(75)	(54)
Net Securitization Revenues[2]	(110)	(78)	(78)
AFS Securities Writedowns	(5)	(6)	(12)
Financial Instruments	(6)	60	11
General Allowance for Credit Losses	-	-	30
Expenses & Net Other Items	(3)	(56)	32
TEB Offset	(70)	(69)	(73)
Taxes	131	75	73
Total	**(181)**	**(149)**	**(71)**

(1) Includes Group Treasury and other corporate items, which are not allocated to a business line
(2) Represents the impact on the Other segment of CMB securitization revenues recognized in other income, and the reduction in mortgage net interest income earned as a result of removing the mortgages from the balance sheet

Risk Review

Rob Pitfield
Group Head and Chief Risk Officer

Q3 2011 Risk Overview

- **Risk in credit portfolios continues to be well-managed**
  - Overall credit quality of loan portfolios continues to improve
  - Specific provisions have stabilized
  - Reduced general allowance by $30 million
- **Continued improvement in net impaired loan formations**
- **Exposures to certain European Sovereigns & Banks not material**
- **Market risk remained stable and well controlled**
  - Average 1-day VaR: $11.8MM vs. $12.1MM in Q2/11

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Stable Specific Provisions

($ millions)	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Canadian Retail	145	138	134	123	103
Canadian Commercial	24	34	31	22	42
	169	**172**	**165**	**145**	**145**
International Retail	118	129	110	116	116
International Commercial	20	(1)	(3)	(10)	4
	138	**128**	**107**	**106**	**120**
Global Wealth Management	**–**	**2**	**–**	**1**	**–**
Scotia Capital	**(7)**	**(8)**	**(3)**	**10**	**8**
Total	**300**	**294**	**269**	**262**	**273**
PCL ratio (bps)	43	41	38	38	38

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Exposures to Certain European Sovereigns & Banks Not Material

(Balances at Q3/11, $ millions)[1]

Country	Sovereign	Banks
Portugal	-	95
Ireland	210[2]	112
Italy	-	1,127[3]
Greece	-	-
Spain	-	143
Total	210	1,477

(1) Excludes trading securities exposures, which were not significant

(2) Primarily central bank deposits arising from regulatory reserve requirements to support the Bank's operations in Ireland

(3) Mostly short-dated precious metals activities in both trading and lending

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Risk Outlook

- **Asset quality remains strong**
  - Retail and Commercial portfolios performing well
  - Continued strength in Corporate portfolios
- **Expect 2011 provisions to come below 2010**
  - Lower Retail and Commercial provisions
  - Corporate provisions modestly higher due to lower recoveries

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Canadian Banking
2011 Outlook

Anatol von Hahn
Group Head, Canadian Banking

Canadian Banking: 2011 Outlook

- **Retail asset growth slowing, continued opportunities in Commercial**
- **Continuing deposit growth in retail, commercial and small business**
- **Margin pressure from low interest rate environment, in-line with market**
- **Retail PCLs stable going forward. Commercial PCLs impacted by single large account in Q3**
- **Expense control remains a priority**

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International Banking 2011 Outlook

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Brian Porter
Group Head, International Banking

International Banking: 2011 Outlook

- **Good asset growth trend continues**
  - Good balance between commercial & retail loan growth
  - Latin America and Asia remain key growth drivers
- **Focus remains on key organic growth initiatives**
  - Emphasis on commercial banking, particularly in key markets
  - Continued investments to increase retail sales productivity and expand retail sales capacity – including non-branch channels
  - End-to-end process improvements in both commercial & retail
- **Loan loss improvements are levelling off**
- **Meaningful investments in growth initiatives will continue**
- **Closed acquisition of Nuevo Banco Comercial in Uruguay this quarter; Puerto Rico and Thailand integrations progressing as planned**
- **Well-positioned for selective, meaningful acquisitions**

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Global Wealth Management 2011 Outlook

Chris Hodgson
Group Head, Global Wealth Management

Global Wealth Management: 2011 Outlook

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- **Strong AUM/AUA base to drive Wealth revenue growth**
  - $105 B in AUM, up 110% YoY (13% excluding DundeeWealth)
  - $276 B in AUA, up 49% YoY
  - Quarterly net sales of $1.1B in Scotia Funds and Dynamic, mitigating market declines
- **Global Insurance outlook is strong**
  - Attractive business with good growth potential and reduced market exposure
  - New products, increased cross-sell and new contact centres will continue to drive top line
- **Increased scrutiny on expense growth/new initiatives heading into 2012**
- **Continue to hold strategically important investment in CI**
- **Realignment of Wealth businesses to drive future performance**
  - Global Asset Management
  - Global Wealth Distribution
  - No changes to Insurance or Global Transaction Banking

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Scotia Capital
2011 Outlook

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Mike Durland
Group Head, Global Capital Markets
& Co-CEO, Scotia Capital

Scotia Capital: 2011 Outlook

- **Cautiously optimistic on future loan growth**
  - Declining trend in loan volumes has leveled off
  - Margins will remain pressured by the low interest rate environment
- **Challenging markets are expected to present headwinds for trading but diversification of businesses mitigating negative impact**
  - Some benefits expected from growth initiatives
- **Quality of loan portfolio remains strong**
- **Current pipeline is reasonably strong**
- **Expenses continue to be closely managed**

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Appendix

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Net Interest Margin

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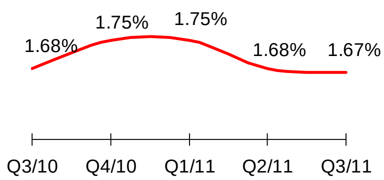

Q3 Margin impacted by

- **Higher volumes of low spread deposits**
- **Higher trading profit in Scotia Capital**
- **Wider spreads in Chile, Mexico and Asia**
- **Lower gains from financial instruments**

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Canadian Banking: Competitive Environment

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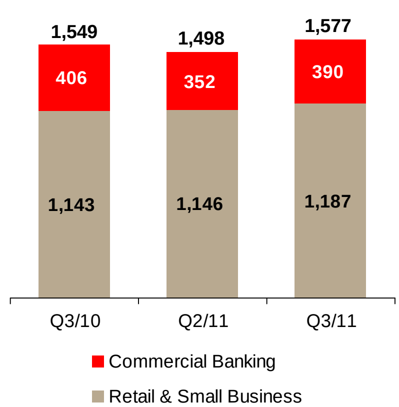
Revenues (TEB)
($ millions)



Year-over-Year

- **Retail & Small Business**
  + Deposit growth
  + Growth in residential mortgages and consumer auto loans
  – Ongoing shift in mortgage portfolio to lower margin variable rate mortgages
- **Commercial Banking**
  – Lower net interest income
  + Deposit growth

Quarter-over-Quarter

- **Retail & Small Business**
  + Higher volume of residential mortgages
  – Continued competitive pressures
- **Commercial Banking**
  + Higher credit fees
  + Longer quarter

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Canadian Banking: Volume Growth

Q3/11	Q2/11	Q/Q	Average Balances ($ billions)	Q3/10	Y/Y
139.2	136.7	2.5	Residential Mortgages[1]	130.1	9.1
37.2	36.6	0.6	Personal Loans	36.2	1.0
8.8	8.7	0.1	Credit Cards[2]	9.0	(0.2)
25.6	24.9	0.7	Business Loans & Acceptances	24.1	1.5
100.6	100.4	0.2	Personal Deposits	97.6	3.0
41.4	39.7	1.7	Non-Personal Deposits	39.0	2.4

(1) Before securitization
(2) Includes ScotiaLine VISA

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Canadian Banking: Market Share

Market Share (%)	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Residential Mortgages[1]	20.40	20.53	20.54	20.47	20.30
Total Personal Lending[1]	18.27	18.27	18.20	18.14	18.14
Total Personal Deposits[1, 2]	17.94	18.05	18.11	18.20	18.07
Small Business Lending[3]	14.87	15.84	15.98	16.00	15.35

(1) Market share statistics are issued on a one-month lag basis (Q3/11: June 2011) and are based on a comparison of the "Big-6" banks
(2) Restated to reflect new methodology, reflects market share amongst "Big-6" banks
(3) Small Business statistics are on a four-months lag basis (Q3/11: March 2011)

Sources: Personal Lending and Personal Deposits – Bank of Canada; Small Business Lending - CBA

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International Banking: Strong Performance

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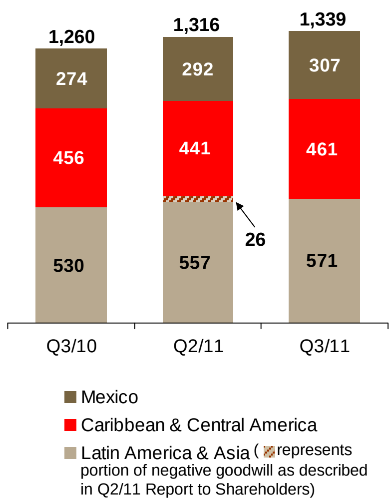
Revenues (TEB)
($ millions)



Year-over-Year

- **Mexico**
  + Improved commercial lending volumes and retail lending spreads
- **Caribbean & Central America**
  + Higher transaction based revenues
- **Latin America & Asia**
  + Strong loan volume growth in Asia, Peru and Chile
  + Benefit of acquisitions
  – Lower gains on sales of securities

Quarter-over-Quarter

- **Mexico**
  + Improved retail lending spreads
  + Higher trading revenues
- **Caribbean & Central America**
  + Higher commercial banking revenue, mortgage fees and retail lending volumes
- **Latin America & Asia**
  + Continued solid loan growth in Peru and Asia
  – Impact of Q2 negative goodwill

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Global Wealth Management: Good Growth

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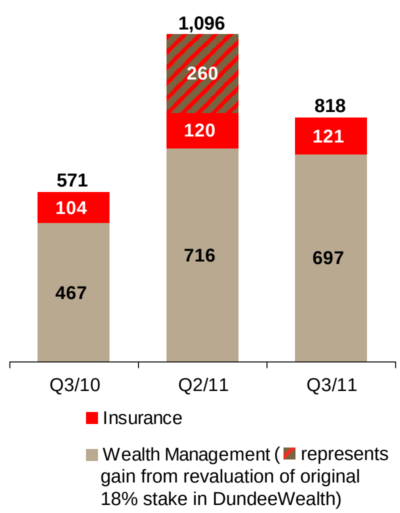
Revenues (TEB)
($ millions)



Year-over-Year

- **Wealth Management**
  + DundeeWealth acquisition
  + Organic growth
- **Insurance**
  + Higher fee revenues

Quarter-over-Quarter

- **Wealth Management**
  – Lower trading volumes and pricing pressure in discount brokerage
- **Insurance**
  + Continued progress in new products and sales
  + Longer quarter

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Global Wealth Management: Key Metrics

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($ billions)	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Assets Under Administration[1]	185	195	203	280	276
Assets Under Management[1]	50	54	56	107	105
Mutual Funds Market Share in Canada vs. Schedule 1 Banks[2]	9.2%	9.2%	9.3%	18.7%	18.7%

(1) Prior periods restated to conform with current presentation
(2) Excludes Scotiabank's investment in CI Financial. As of Q2/11, includes DundeeWealth. Source: IFIC

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Scotia Capital: Challenging Markets

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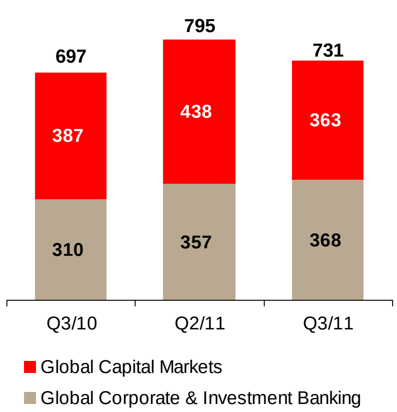
Revenues (TEB)
($ millions)



Year-over-Year

- **Global Capital Markets**
  + Higher trading revenues in precious metals, equities and foreign exchange
  – Lower trading revenues in fixed income
- **Global Corp. and Investment Banking**
  + Higher investment banking revenues
  + Higher credit fees

Quarter-over-Quarter

- **Global Capital Markets**
  + Higher trading revenues in precious metals, equities and foreign exchange
  – Lower fixed income trading revenues
- **Global Corp. and Investment Banking**
  + Higher net interest income
  + Higher credit fees
  – Lower investment banking revenues

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Economic Outlook in Key Markets

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Country	Real GDP (Annual % Change) 2000-09 Avg.	2010e	2011F	2012F
Mexico	1.7	5.4	3.9	3.5
Peru	5.2	8.8	6.0	5.8
Chile	3.6	5.8	6.5	5.5
Jamaica	1.0	(1.2)	1.5	2.0
Trinidad & Tobago	6.4	(0.6)	2.2	3.0
Costa Rica	3.9	4.2	4.5	4.5
Dominican Republic	5.1	7.8	4.8	5.2
Thailand	4.1	7.9	4.8	5.0
	2000-09 Avg.	**2010**	**2011F**	**2012F**
Canada	2.1	3.2	2.6	2.4
U.S.	1.7	3.0	1.8	2.5

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Source: Scotia Economics, as of August 5, 2011

Unrealized Securities Gains

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($ millions)	Q3/10	Q2/11	Q3/11
Emerging Market Debt	330	284	334
Other Debt	602	460	551
Equities	176	464	353
	1,108	**1,208**	**1,238**
Net Fair Value of Derivative Instruments and Other Hedge Amounts	(193)	(82)	(165)
Total	**915**	**1,126**	**1,073**

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Stable PCL Ratios

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(Specific PCL as % of average loans & BAs)	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Canadian Banking					
Retail	0.33	0.31	0.29	0.28	0.22
Commercial	0.39	0.56	0.51	0.36	0.65
Total	**0.34**	**0.34**	**0.32**	**0.29**	**0.27**
International Banking					
Retail	1.89	2.02	1.76	1.94	1.84
Commercial	0.20	(0.01)	(0.03)	(0.10)	0.04
Total	**0.86**	**0.77**	**0.65**	**0.67**	**0.71**
Scotia Capital					
Corporate Banking	**(0.09)**	**(0.11)**	**(0.04)**	**0.15**	**0.12**
All Bank	**0.43**	**0.41**	**0.38**	**0.38**	**0.38**

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Improving Trend in Net Impaired Loan Formations

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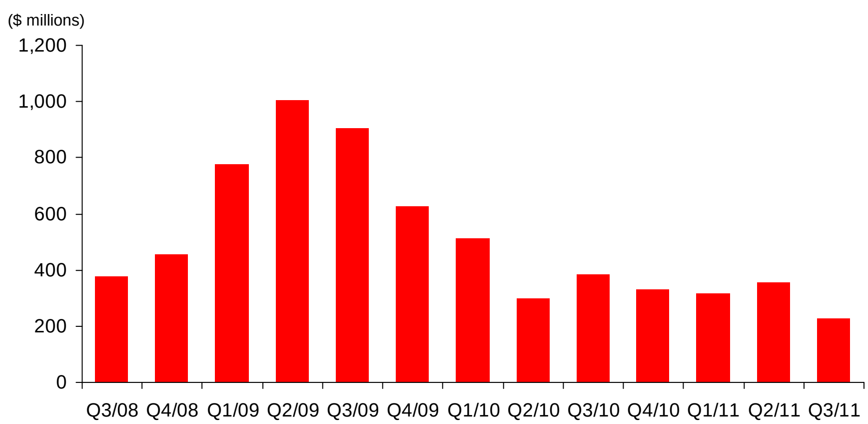

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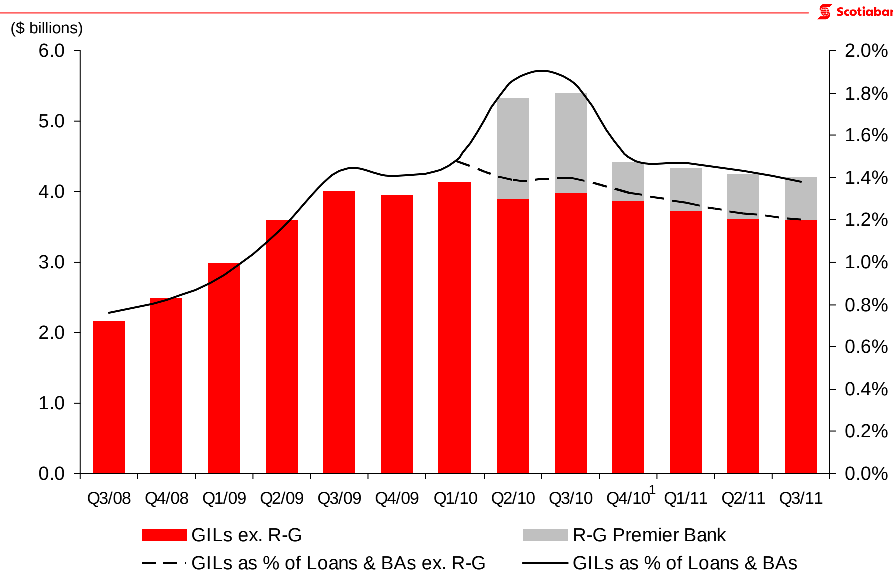
Improving Trend in Gross Impaired Loans



(1) Decline in R-G Premier Bank's GILs in Q4/10 reflects preliminary purchase price allocation that reduced carrying value to its estimated fair value

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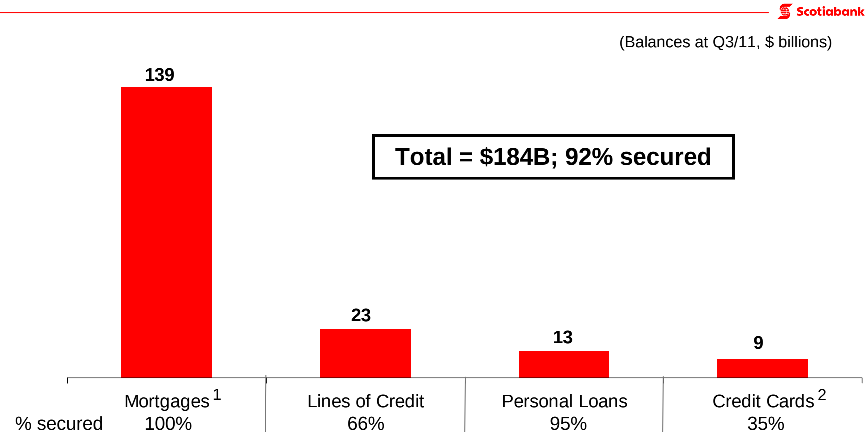
Canadian Banking Retail: Loans and Provisions



	Mortgages[1]		Lines of Credit		Personal Loans		Credit Cards[2]	
PCL	Q3/11	Q2/11	Q3/11	Q2/11	Q3/11	Q2/11	Q3/11	Q2/11
$ millions	5	3	28	33	27	39	43	48
% of avg. loans (bps)	1	1	48	59	89	120	192	224

(1) Before securitizations of $18 billion & mortgages converted to MBS of $20 billion; 49% insured (including ~$12 billion portfolio insurance); LTV in mid-50s for uninsured portfolio
(2) Includes $6 billion of Scotialine VISA

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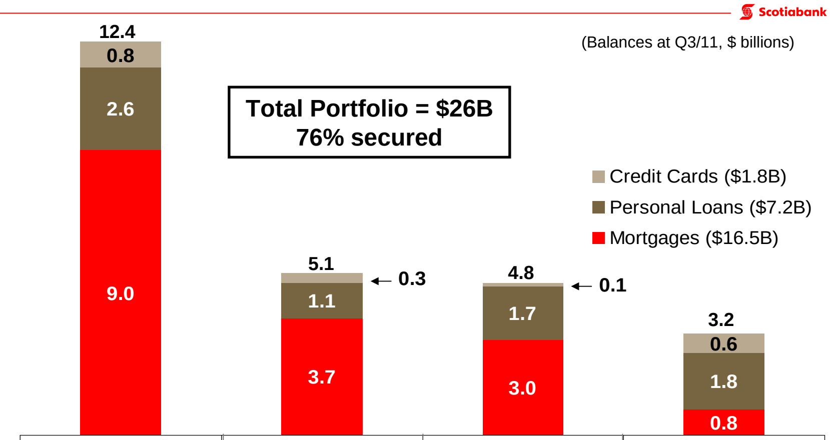
International Banking Retail: Loans and Provisions

(Balances at Q3/11, $ billions)



	C&CA		Mexico		Chile		Peru	
% of total	49%		20%		19%		12%	
PCL	**Q3/11**	**Q2/11**	**Q3/11**	**Q2/11**	**Q3/11**	**Q2/11**	**Q3/11**	**Q2/11**
$ millions	33	37	41	43	12	13	28	23
% of avg. loans (bps)	106	119	326	355	101	115	355	325

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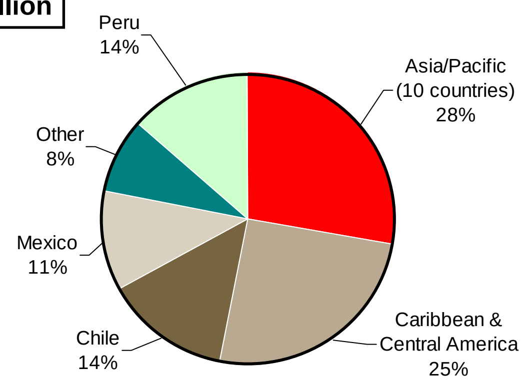
International Commercial: Lending Portfolio

Q3/11 = $38 billion



- **Well secured**
- **Portfolios in Asia/Pacific, Mexico, Chile, Peru and Central America performing well**
- **Closely monitoring Caribbean hotel exposures**

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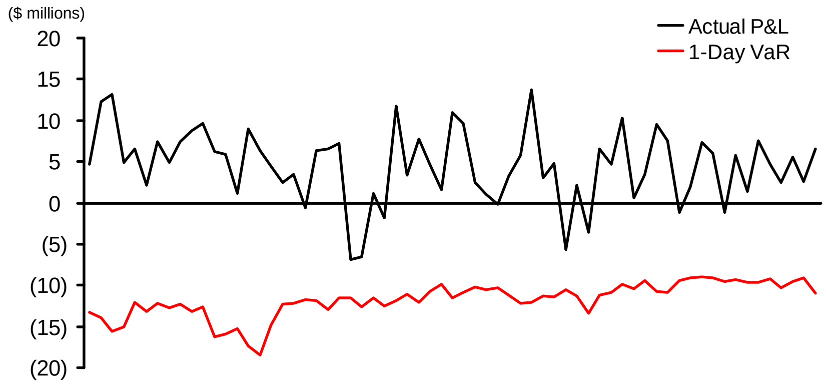
Q3 2011 Trading Results Within One-Day VaR

Scotiabank



Average 1-Day VaR

Q3/11: $11.8MM

Q2/11: $12.1MM

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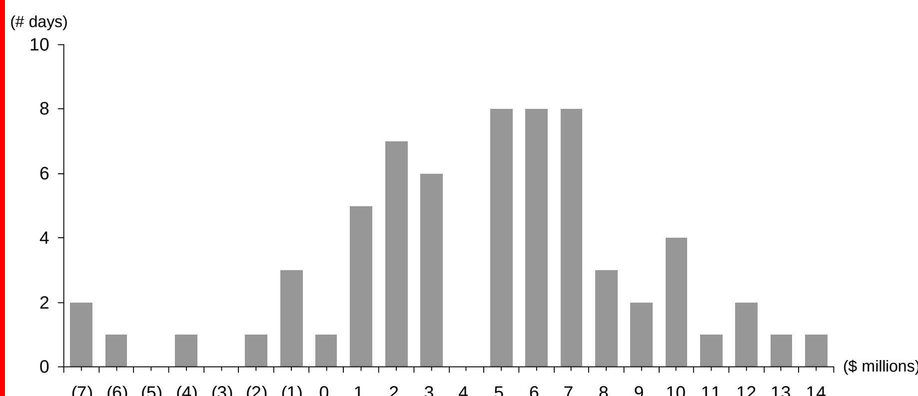
Q3 2011 Trading Revenue Distribution

Scotiabank



- **86% of days had positive results in Q3/11**

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