Investor Presentation
Fourth Quarter, 2007

December 6, 2007

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; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; operational and reputational risks; 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 53 of the Bank's 2006 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.

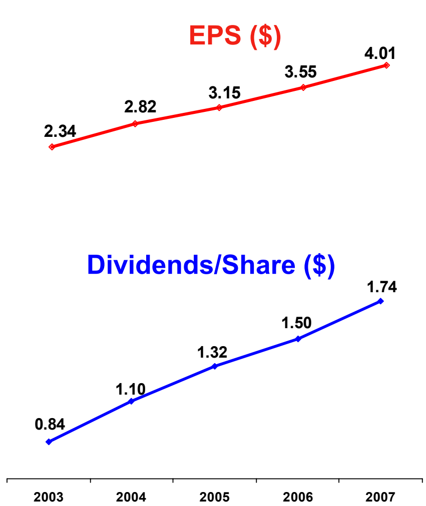
The "Outlook" sections in this document are based on the Bank's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing this section.

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.

Overview

Rick Waugh
President & Chief Executive Officer

Achieved record earnings in 2007



Results

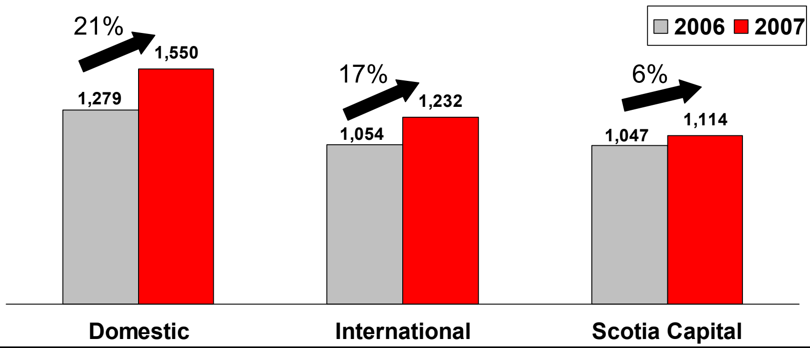
- **2007 EPS: $4.01**
  - up 13% vs. 2006
- **Q4 EPS: $0.95**
  - up 7% vs. Q4/06
  - down 7% vs. Q3/07

Dividend Increase

- annual dividends up 16%
- +2 cents increase to $0.47/qtr

All major business lines delivered strong earnings

net income available to common shareholders, $ millions



Domestic: Record net income driven by strong asset and deposit growth partly offset by lower margin, primarily due to higher wholesale funding costs. Retail banking, wealth management, commercial banking, and small business all generated solid results.
International: Record net income reflecting organic growth driven by strong asset growth across the division and the increased contribution from acquisitions, largely Peru and Costa Rica.
Scotia Capital: Record net income with solid results from Corporate and Investment banking, both from lending and investment banking, and Global Capital Markets, from strong underlying trading results, notwithstanding losses on structured credit instruments.

Delivered on 2007 key priorities

Priorities	Performance
1. Sustainable revenue growth	12% growth
2. Effectively manage capital	8 acquisitions: $2B+ Strong TCE: 7.2%
3. Leadership development	Depth of talent

Met or exceeded 2007 targets

	Q4/07	**2007**		Objective
EPS Growth	7%	**13%**	vs.	**7-12%**
ROE	21.0%	**22.0%**	vs.	**20-23%**
Productivity	54.4%	**53.7%**	vs.	**<58%**

2008 Outlook

- **Challenging operating environment**
- **Continued focus on key priorities:**
  - **Sustainable revenue growth**
  - **Effective capital management**
  - **Leadership development**
- **Maintain positive targets and outlook**

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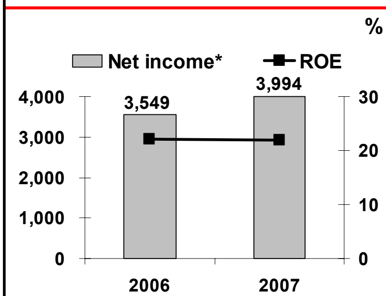
Performance Review

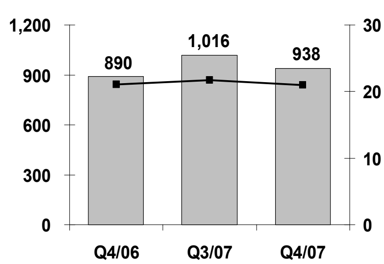
Luc Vanneste

Executive Vice-President &
Chief Financial Officer

Scotiabank

Group financial performance overview





2007 vs. 2006 net income: +13%

- record earnings and high ROE driven by:
  - + strong asset growth
  - + positive impact of acquisitions
  - + favourable credit quality
- partially offset by:
  - higher expenses partly due to acquisitions
  - some margin compression
  - negative forex translation ($82) mm

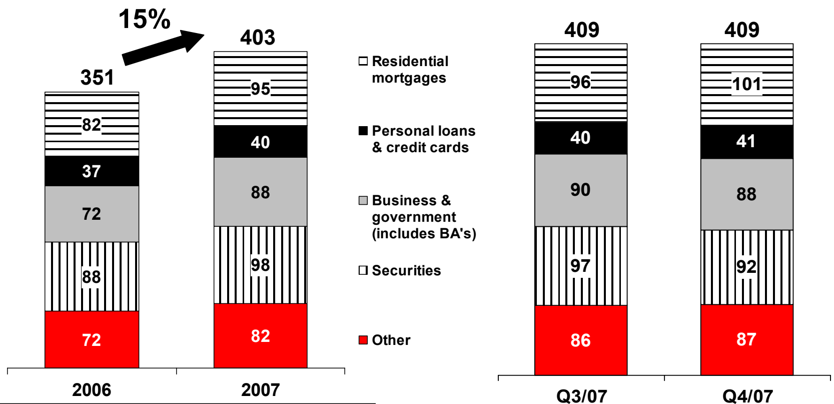
Q4/07 vs. Q3/07 net income: (8)%

+ VISA gains
+ widespread growth in retail volumes
- losses on structured credit instruments
- lower underlying trading revenues
- higher expenses
- negative forex translation ($37) mm

* net income available to common shareholders, $ millions

Strong asset growth

average assets, $ billions



Yr/Yr

Residential mortgages: +16%

Personal loans +9%

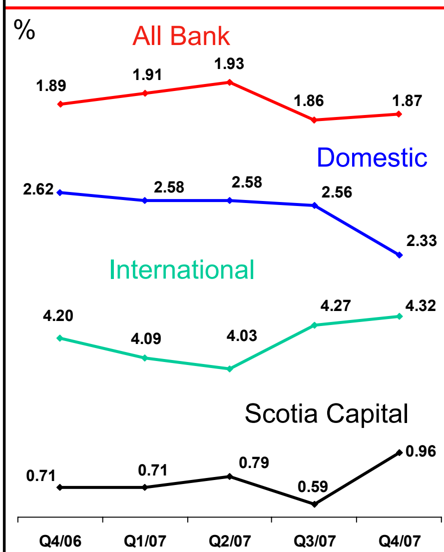
Business & government: +23%

Qtr/Qtr

+ residential mortgages +4%

- trading securities (10)%

All-bank net interest margin flat quarter-over-quarter



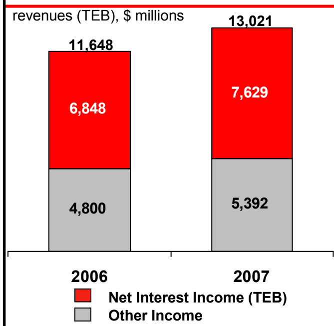
All-Bank margin: +1 bps qtr/qtr
+ higher TEB interest income
- negative impact of financial instruments

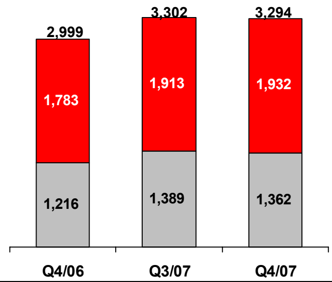
Domestic margin: (23) bps qtr/qtr
- higher wholesale funding costs
- shift in asset mix

International margin: +5 bps qtr/qtr
+ broad based retail asset growth
+ growth in commercial assets in Asia

Scotia Capital margin: +37 bps qtr/qtr
+ increase in tax exempt dividend income
- reduction in low spread trading assets

Strong revenue growth – up 12% vs. 2006





2007 vs. 2006 net interest income: +11%

+ strong organic and acquisition related retail asset growth
- margin compression due to higher funding costs & mix

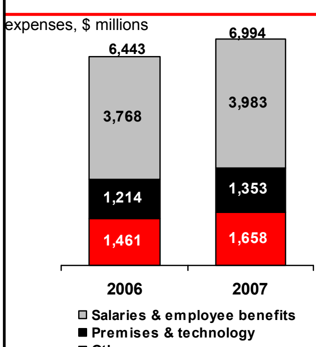
2007 vs. 2006 other income: +12%

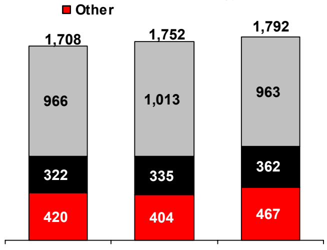
- broad based growth & positive impact of acquisitions
  + retail brokerage +$72 mm & mutual funds +$55 mm
  + net securities gains +$117 mm
  + investment banking revenues +$78 mm
- negative forex translation ($80) mm

Q4/07 vs. Q3/07 revenues flat

- net interest revenue up 1%:
  + solid retail asset growth
  - negative forex translation ($46) mm
- other income down 2%:
  + higher securities gains
  - lower underlying trading revenues
  - negative forex translation ($41) mm
- VISA gain offset by losses on structured credit instruments

Investing for future growth





2007 vs. 2006 expenses: +9%

- 40% of increase due to acquisitions
- salaries & employee benefits +$215 mm:
  - acquisitions & higher staffing for branch expansion
- premises & technology +$139 mm:
  - acquisitions, new branches & growth initiatives
- other expenses +$197 mm:
  - higher advertising & professional fees
  - $51 mm VAT recovery in 2006
- forex translation ($77) mm

Q4/07 vs. Q3/07 expenses: +2%

- spending on revenue growth initiatives:
  - advertising & business development +$23 mm
  - technology +$22 mm
  - professional fees +$28 mm
  - salaries +$11 mm
- lower performance based compensation ($42) mm
- pension & other benefits ($26) mm
- forex translation ($30) mm

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Positive operating leverage

	2007 vs. 2006	
	Reported	**Adjusted***
Domestic	6.0%	4.1%
International	4.7%	4.9%
Scotia Capital	(3.5)%	0.4%
All Bank	**3.2%**	**3.6%**

***Domestic:** excl. VISA gain
***International:** excl. VISA gain and VAT recovery
***Scotia Capital:** excl. losses on structured credit instruments (including ABCP), gain on sale of bond index business

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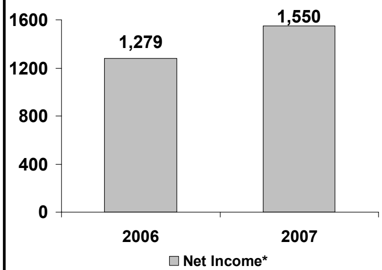
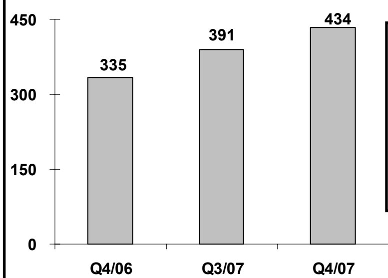
Domestic Banking

Chris Hodgson

Executive Vice President
Domestic Personal Banking

Domestic Banking
Solid earnings from asset & revenue growth





2007 vs. 2006 net income: +21%

+ revenues up 9%
- expenses up 3%
  - growth initiatives
  - volume related expenses

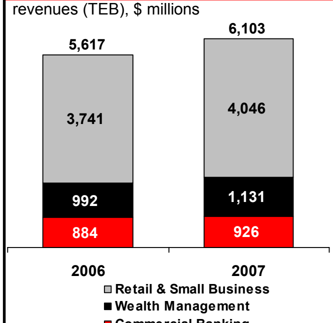
Q4/07 vs. Q3/07 net income: +11%

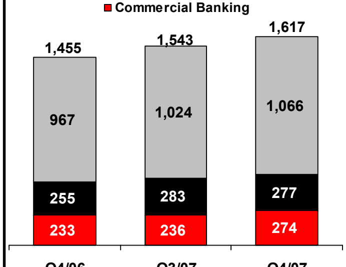
+ revenues up 5% (including VISA gain)
- expenses up 4% reflecting growth initiatives:
  - acquisition related costs
  - new branches
  - higher advertising and technology costs

* net income available to common shareholders, $ millions

Domestic Banking
Revenue growth

revenues (TEB), $ millions





2007 vs. 2006 revenues: +9%

Retail & Small Business: +8%

+ strong asset & deposit growth
+ higher service fees and credit card revenues
- partly offset by lower margin

Wealth Management: +14%

- mutual funds +24%
- retail brokerage +10%
- private client +13%

Commercial Banking: +5%

- asset & deposit growth

Q4/07 vs. Q3/07 revenues: +5%

Retail & Small Business: +4%

+ VISA gain
+ strong retail asset growth
+ small business deposit growth
- margin compression

Wealth Management: -2% lower retail brokerage

Commercial Banking: +16% higher deposit revenue

Strong market share gains

	Year-over-Year Increase
Residential Mortgages	+15 basis points
Personal Term Deposits	+41 basis points
Total Personal Deposits	+24 basis points
Mutual Funds	+16 basis points

Domestic market share figures as at September 2007

Domestic 2008 Priorities

- **Drive sustainable revenue growth**
  - **leverage acquisitions & partnerships to acquire new customers**
    - e.g. Cineplex/SCENE, NHL, NHLPA, CFL
  - **build on the strong momentum in wealth management**
    - leveraging expanded retail sales force
  - **leverage small business expertise**
- **Expand/enhance sales & distribution capacity**
  - open 20-25 new branches
  - upgrade branch technology

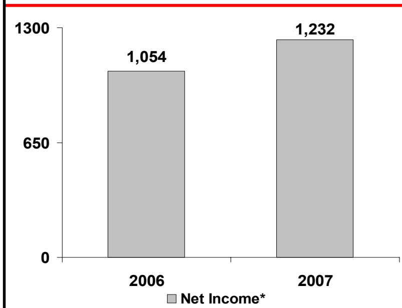
Maintain earnings momentum & positive operating leverage

International Banking

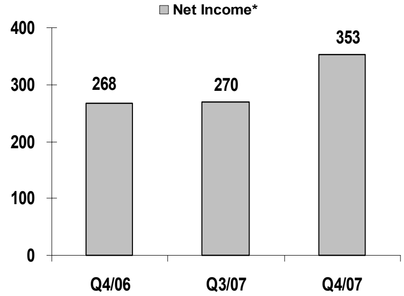
Rob Pitfield

Executive Vice President
International Banking

International Banking
Record earnings from broad-based growth



2007 vs. 2006 net income: +17%
+ revenues up 23%
- expenses up 18% (up 15% ex. VAT recovery)
    - impact of acquisitions
    - business growth, including new branches
    - higher credit card & advertising costs
- higher taxes, largely Mexico

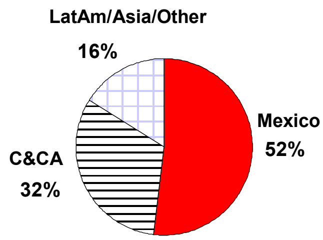


Q4/07 vs. Q3/07 net income: +31%
+ revenues up 14%
- expenses up 4%
    - business growth initiatives
    - partly offset by lower benefit costs

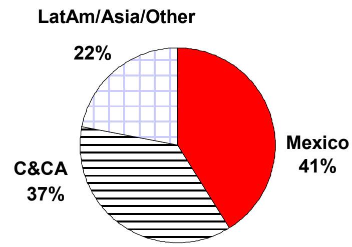
* net income available to common shareholders, $ millions

More diversified earnings mix

2006
Net Income* - $1,054 million

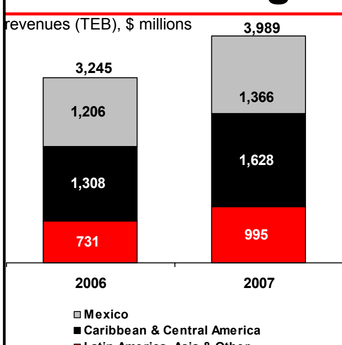


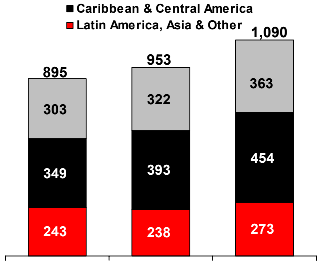
2007
Net Income* - $1,232 million



* available to common shareholders

International Banking
Higher revenues in all regions





<u>2007 vs. 2006 revenues: +23%</u>

Mexico: +13%
+ strong retail loan growth
  • credit cards +36%, mortgages +34%
+ higher fee income (25% brokerage, 14% credit cards)

Caribbean & Central America: +25%
+ strong asset & deposit growth:
  • 21% commercial loans, 22% credit cards, 18% mortgages
+ higher fees (credit cards up 35%)

Latin America, Asia & Other: +36%
+ whole year impact of Peru acquisition

<u>Q4/07 vs. Q3/07 revenues: +14%</u>

Mexico: +13%
+ strong underlying asset growth and higher margin
  • credit cards +11%, mortgage +9%
+ higher securities gains & transaction-driven revenues

Caribbean & Central America: +15%
+ higher other income, including VISA gain

Latin America, Asia & Other: +15%
+ asset growth in Chile, Peru and Asia

International
2008 Priorities

- **Drive sustainable organic revenue growth**
  - **new segments** - affluent, consumer finance, small business
  - **aggressively expand distribution network**
    - add 140 new branches, including 100 in Mexico
    - expand wealth centres across the Caribbean & Latin America
- **Pursue additional acquisition opportunities**
  - **P&C banking, insurance, wealth management, consumer finance**

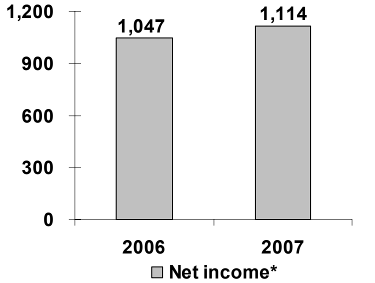
Drive revenue growth & positive operating leverage

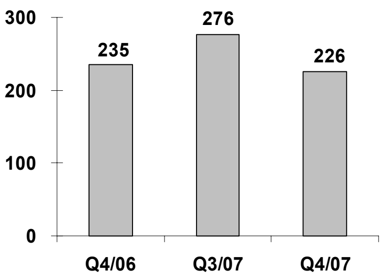
Scotia Capital

John Schumacher

Co-Head
Scotia Capital

Scotia Capital
Record net income in 2007





* net income available to common shareholders, $ millions

2007 vs. 2006 net income: +6%

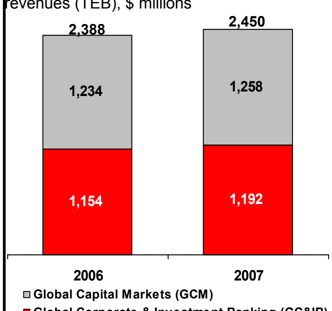
+ revenues up 3%
+ higher loan loss recoveries
- expenses up 6%
  - • higher performance-related compensation
  - • technology, hiring specialist expertise

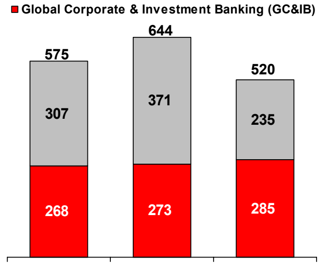
Q4/07 vs. Q3/07 net income: (18)%

- revenues down $124mm
  - net interest income: up $133mm
    - + higher tax-exempt dividend income
  - other income: down $257mm
    - - lower derivatives trading
    - - losses on structured credit instruments
+ expenses down $42mm
  - • lower performance-related compensation
+ net loan loss recoveries flat

Scotia Capital
2007 revenues higher

revenues (TEB), $ millions





2007 vs. 2006 revenues: +3%

Global Capital Markets: +2%

+ strong underlying trading revenues from:
  - • derivatives, fixed income, precious metals & FX
  - • offset by lower equity trading

Global Corporate & Investment Banking: +3%

+ higher interest recoveries, M&A, new issue revenue
+ loans & BAs up 22%, partly offset by lower spreads

Q4/07 vs. Q3/07 revenues: (19)%

Global Capital Markets: down $136mm

+ $43mm gain on sale bond index business
- losses on structured credit instruments ($135)mm
- lower underlying trading revenues vs. record Q3/07

Global Corporate & Investment Banking: up 4%

+ higher securities gains in the U.S. & Europe
- lower credit & investment banking fees

Scotia Capital
2008 Priorities

- **Drive sustainable revenue growth**
  - Leverage **NAFTA capabilities**
  - Increase market share with alternative asset managers
  - Expand client coverage globally in selected industries
    - e.g. **energy, mining**
  - Increase presence in **infrastructure finance**
  - Additional partnering with International Banking
- **Maintain prudent risk management**

Deliver sustainable net income growth with a high ROE

Risk Review

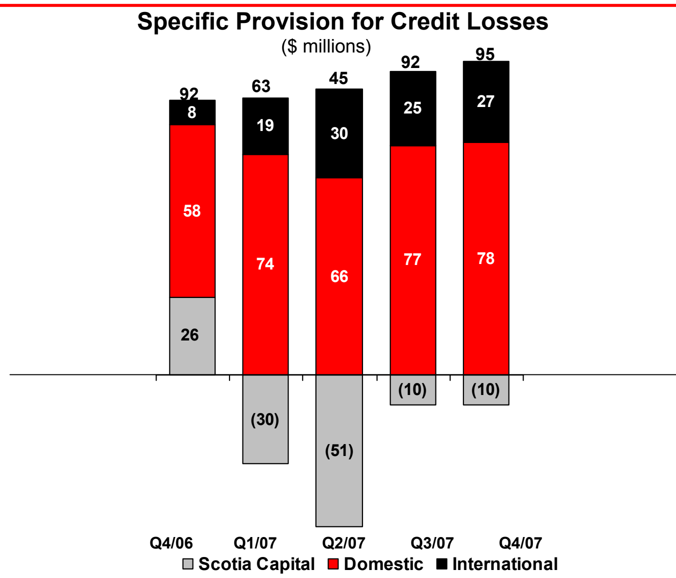
Brian Porter

Chief Risk Officer

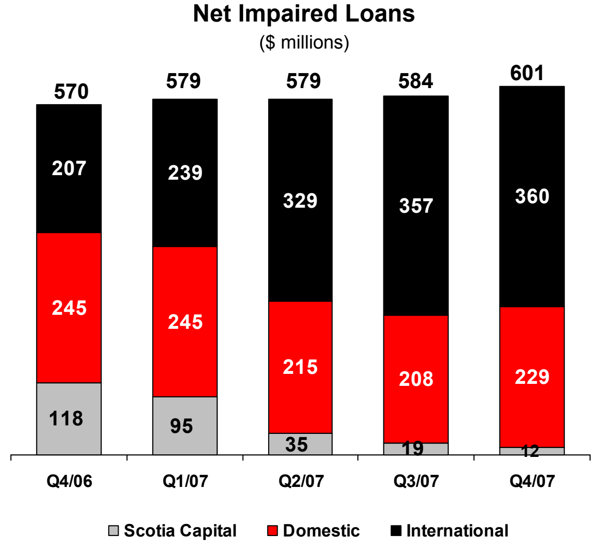
Risk Overview

- **Stable credit quality**
  - credit losses flat quarter-over-quarter
  - net impaired loans stable
- **Market risk well-controlled**
- **Asset classes of current focus**
  - exposures not significant

Credit losses flat quarter-over-quarter



Net impaired loans stable

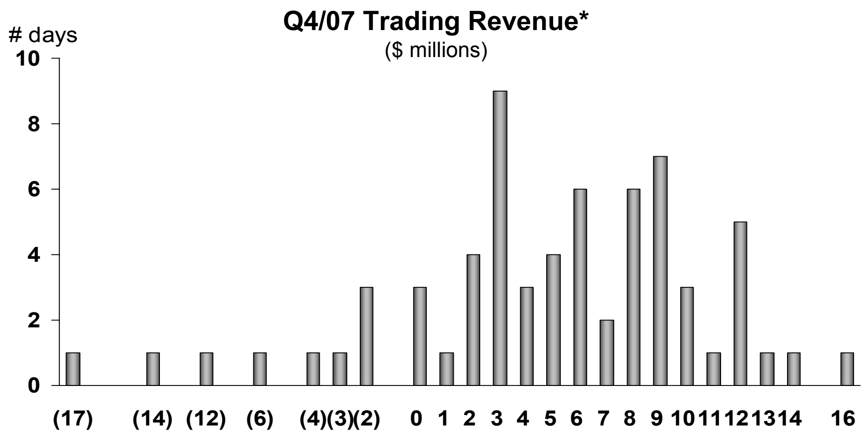


Quarterly VaR by risk factor

Average 1 day VaR, $ millions

Risk Factor	Q4/07	Q3/07	Q4/06
Interest rate	9.2	9.0	7.4
Equities	6.1	8.7	5.9
Foreign exchange & Commodities	3.9	3.3	1.3
Diversification	(6.0)	(5.4)	(4.5)
All-Bank VaR	**13.2**	**15.6**	**10.1**

Trading revenue



- 86% days had positive results in Q4/07 vs. 91% in Q3/07
- Daily trading losses exceeded VaR on August 7th

* Excludes $115 million loss on consolidation of a Bank-sponsored conduit

Asset classes of current focus

Asset class	Comments
U.S. sub-prime mortgage exposure	• no direct exposure • indirect exposure nominal
Canadian non-bank ABCP conduits	• fair value of holdings is $323 mm, of which $187 mm relates to Montreal Accord • certain holdings were written down by 20% • other holdings not written down due to planned restructuring, nature of assets in the conduit, or acquired at fair value through purchase of Dundee Bank of Canada • liquidity lines to conduits total $570 mm, of which $370 mm relates to Montreal Accord • drawdowns total $88 mm
Scotia-sponsored conduits	• commercial paper outstanding for non-consolidated conduits with global liquidity support total $14.5 B • multi-seller conduits contain primarily traditional assets • nominal U.S. sub-prime exposure • nominal commercial paper inventory • consolidated one conduit whose assets were highly-rated structured credit products • risk has largely been hedged and is being managed as part of the Bank’s trading risk
CDOs and CLOs	• investments total $1.2B, majority are highly rated; including $516mm acquired at fair value through purchase of Dundee Bank of Canada • Scotia Capital trades in synthetic CDOs, which is largely a customer driven business
Structured Investment Vehicles (SIVs)	• fair value of investments is $125 mm • do not sponsor, manage or provide liquidity support to SIVs
LBO underwriting commitments	• $200 mm • no issues of concern
Hedge fund exposure	• majority of activity is collateralized • no credit issues with counterparties

2008 Targets

Rick Waugh
President & Chief Executive Officer

2008 targets

- EPS growth: 7-12%
- ROE: 20-23%
- Productivity ratio – less than 57%
- Maintain strong capital ratios

Appendix

Q4/07 Items of note

	Pre-Tax $MM	After-Tax $MM	EPS Impact (cents)	Business Line Impacted
Gain on global VISA restructuring	202	163	16	Dom: 111 Int'l: 91
Gain on sale of bond index business	43	35	3	SC
Losses on structured credit instruments	(191)	(133)	(13)	SC: 135 Other: 56
Financial instruments accounting	(39)	(24)	(2)	All
Tax charge	-	(50)	(5)	Other
Forex vs. Q3/07	(55)	(37)	(4)	All

Larger contribution from acquisitions

Impact on income ($ millions)	2007	2006
Net interest income	$464	$173
Other income	263	118
Non-interest expenses	(416)	(191)
Other items (net of tax)	(117)	(46)
Net income	194	54
Earnings per share (diluted)	**$0.19**	**$0.05**

Acquisitions Include:

Domestic: Maple Trust & Travelers Leasing Corporation

International: Costa Rica, Dominican Republic, Jamaica, Peru, Thailand

Continue to earn through forex headwinds

Impact ($ millions)	Q4/07 vs. Q3/07	Q4/07 vs. Q4/06	2007 vs. 2006
Revenues	(87)	(136)	(199)
Non-interest expenses	30	52	77
Net income	**(37)**	**(53)**	**(82)**
EPS (diluted)	**(4) cents**	**(5) cents**	**(8) cents**

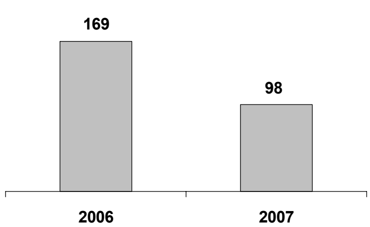
Spot Rate		Average exchange rate				
Oct. 31		2007	2006	Q4/07	Q3/07	Q4/06
1.06	$US/$CAD	0.91	0.88	0.98	0.93	0.89
11.27	Mexican peso/$CAD	9.97	9.54	10.79	10.07	9.74

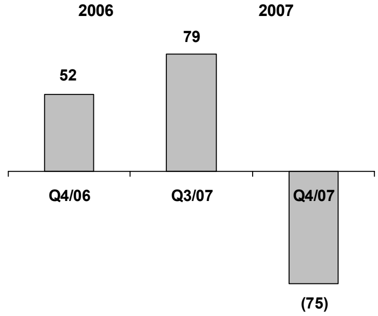
Scotiabank Mexico

Scotiabank Mexico Contribution ($ mm)	2007	2006	Q4/07	Q3/07
Net income in pesos, excluding inflation accounting	4,358	5,008	1,391	927
MXP/CAD exchange rate	10.0	9.5	10.5	10.1
Net income in CAD, excluding inflation accounting	$437	$525	$132	$92
BNS' share (97%)	$425	$511	$128	$89
Canadian GAAP and acquisition adjustments	$36	$21	$(19)	$11
Total contribution in CAD	$461	$532	$109	$100
Excl. VAT recovery		$481		

Earnings in Other segment

net income available to common shareholders, $ millions





2007 vs. 2006 net income: (42)%

+ higher securities gains
- FI accounting impact
- expenses up $51mm
- a $35mm reduction in general allowance

Q4/07 vs. Q3/07 net income: (100)%+

- FI accounting impact
- structured credit instruments write-down $56 mm
- expenses up $23mm
- higher taxes

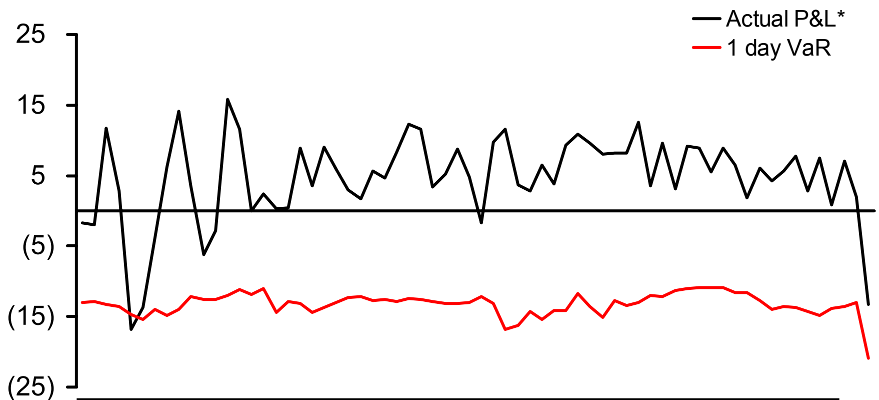
+ higher securities gains, excluding write-downs

The Other category includes Group Treasury and other corporate items, which are not allocated to a business line

Trading results within 1 Day VaR except one day

($ millions)

August 1, 2007 to October 31, 2007



▪ Q4/07: Average 1 day VaR: $13.2 vs. $15.6 in Q3/07

*excludes $115 million loss on consolidation of a Bank-sponsored conduit

Moderate net impaired loan formations

(Q4/07, $ millions)

Domestic		
- Retail	107	
- Commercial	8	**115**
International		
- Mexico	13	
- Caribbean & Central America	22	
- Latin America & Asia	19	**54**
Scotia Capital		
- U.S.	(5)	
- Canada & Other	(6)	**(11)**
Total		**158**

Domestic Retail: formations reflect growing portfolio size; underlying credit trends remain strong

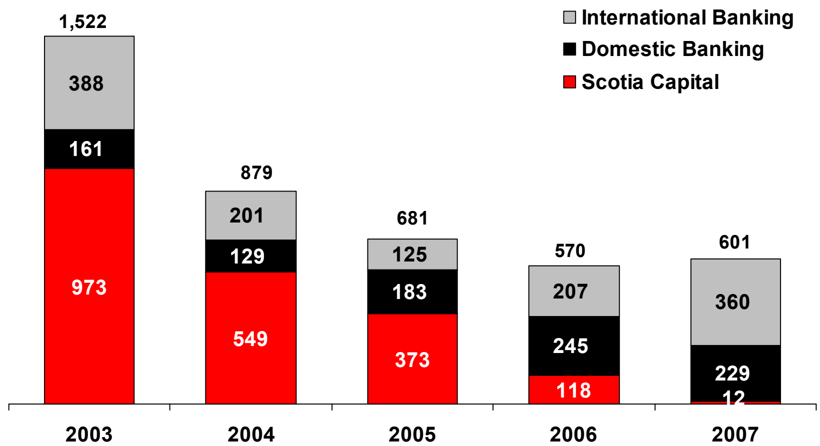
Domestic Commercial: stable credit quality

International: formations primarily in retail portfolios across division, largely mirroring underlying asset growth

Scotia Capital: small repayments on a number of accounts in the U.S. and Europe

Positive trend in net impaired loans

$ millions



* after specific allowance

High level of unrealized securities gains

($ millions)	Q4/07	Q3/07	Q4/06
Emerging Market Debt	530	527	658
Fixed Income	(14)	(103)	(88)
Equities	456	536	521
	972	**960**	**1,091**