

Investor Presentation First Quarter, 2011

March 8, 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.

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.

Overview

Rick Waugh

President & Chief Executive Officer

Q1 2011 Overview

- **Record quarter**
 - Net income: \$1,174 million
 - EPS: \$1.07, up 18% vs. prior year
 - ROE: 18.7%
 - Quarterly dividend increased \$0.03 to \$0.52
- **Record revenue and net income with strong contributions from all four business lines**
- **Positive PCL performance**
- **Continued strength in capital ratios**

Financial Review

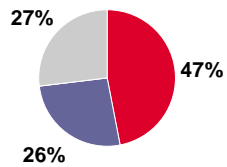
Luc Vanneste

Executive Vice-President &
Chief Financial Officer

Corporate Reorganization

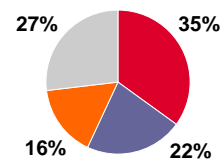
2010 Net Income (\$ millions)	Canadian Banking	International Banking	Global Wealth Management	Scotia Capital	Other	Total
Reported	2,315	1,262	-	1,350	(688)	4,239
Impact of Reorganization	(546)	(173)	785	-	(66)	-
Adjusted	1,769	1,089	785	1,350	(754)	4,239

Reported % of 2010 Total*



Adjusted % of 2010 Total*

- Canadian Banking
- International Banking
- Global Wealth Management
- Scotia Capital



* Excluding Other

Record Quarter

Q1/11	Q4/10	Q/Q		Q1/10	Y/Y
1,174	1,092	8%	Net Income (\$MM)	988	19%
\$1.07	\$1.00	7%	EPS	\$0.91	18%
18.7%	17.9%	80 bps	ROE	17.4%	130 bps
54.5%	54.4%	(10) bps	Productivity Ratio	50.5%	(400) bps

Year-over-Year Comparison

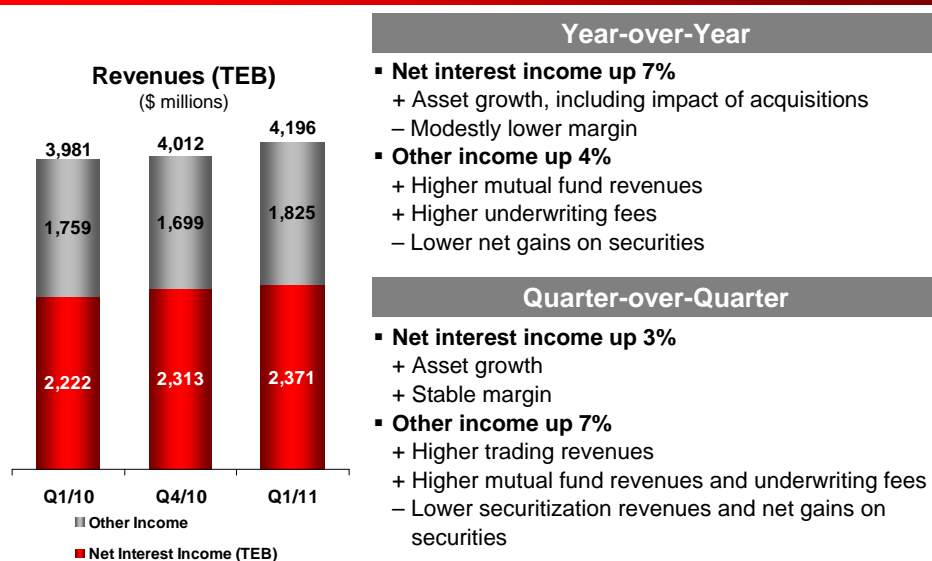
Q1 earnings benefited from...

- Asset growth; record net interest income
- Record other income, higher underwriting fees
- Wealth management performance

Partly offset by...

- Growth in operating expenses
- Lower net gains on securities
- Foreign currency translation

Consistent Growth in Revenues



Year-over-Year

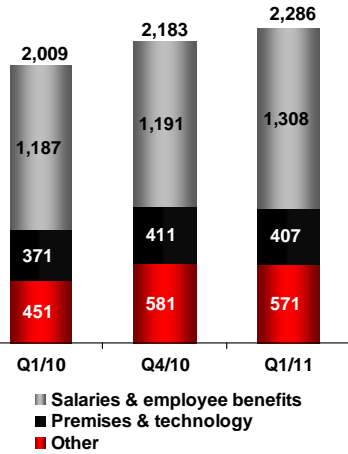
- **Net interest income up 7%**
 - + Asset growth, including impact of acquisitions
 - Modestly lower margin
- **Other income up 4%**
 - + Higher mutual fund revenues
 - + Higher underwriting fees
 - Lower net gains on securities

Quarter-over-Quarter

- **Net interest income up 3%**
 - + Asset growth
 - + Stable margin
- **Other income up 7%**
 - + Higher trading revenues
 - + Higher mutual fund revenues and underwriting fees
 - Lower securitization revenues and net gains on securities

Higher Expenses: Growth Initiatives & Seasonality

Non-Interest Expenses
(\$ millions)



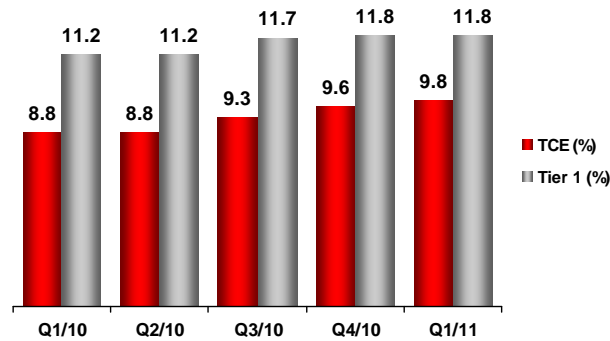
Year-over-Year

- **Expenses up 14%**
 - Impact of acquisitions
 - Higher stock-based compensation
 - Higher employee benefits, including pensions
 - + One-time gain on wind-up of pension plan relating to a prior acquisition

Quarter-over-Quarter

- **Expenses up 5%**
 - Higher performance and stock-based compensation (seasonal impact of new grants)
 - Higher staffing levels and employee benefits
 - + Lower advertising and technology expenses
 - + One-time gain on wind-up of pension plan relating to a prior acquisition

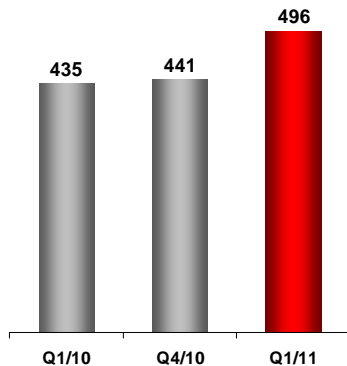
Continued Strength in Capital Ratios



- Internal capital generation of \$611MM (vs. \$437MM in Q1/10)
- Stock issued under DRIP: \$127MM (vs. \$132MM in Q1/10)

Canadian Banking: Solid Quarter

Net Income
(\$ millions)



Year-over-Year

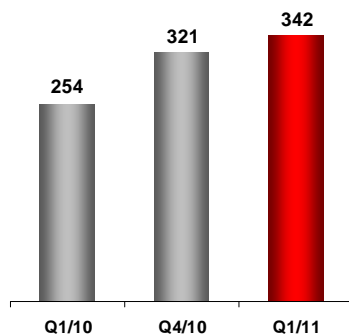
- **Revenues up 3%**
 - + Asset and deposit growth with increased market share
 - Slightly lower margin
 - + Growth in Other Income
- **PCLs down \$16MM**
- **Expenses up 1%**

Quarter-over-Quarter

- **Revenues up 2%**
 - + Asset growth, mainly from residential mortgages
 - + Non-recurring items, primarily securities gains in Commercial
- **PCLs down \$7MM**
- **Expenses down 4%**
 - + One-time gain of \$35MM on wind-up of pension plan relating to a prior acquisition
 - Higher performance based compensation

International Banking: Strong Quarter

Net Income
(\$ millions)



Year-over-Year

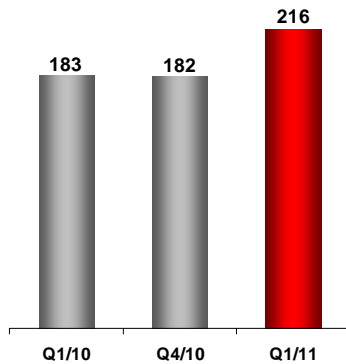
- **Revenues up 5% (up 7% ex. FX)**
 - + Asset growth including organic commercial growth in Asia and Peru, retail growth in Peru
 - + Impact of acquisitions
 - Lower net gains on securities
- **PCLs down \$70MM**
- **Expenses up 19%**
 - Impact of acquisitions

Quarter-over-Quarter

- **Revenues up 1% (up 3% ex. FX)**
 - + Growth in loan volumes in Peru, Asia and Mexico
 - + Improved margins in Mexico and Caribbean
- **PCLs down \$21MM**
- **Expenses up 6%**
 - Wind-up of loyalty card program in Mexico
 - Increases in pension and benefits

Global Wealth Management: Strong Performance

Net Income
(\$ millions)



Year-over-Year

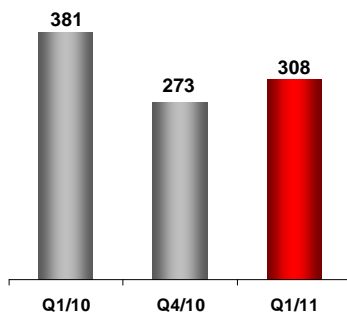
- **Revenues up 14%**
 - + Widespread growth in Canadian wealth management
 - + Growth in AUM and trading volumes
 - + Higher insurance revenues
- **Expenses up 14%**
 - Increased volume related expenses

Quarter-over-Quarter

- **Revenues up 9%**
 - + Higher mutual fund fees and brokerage revenues
 - + Higher insurance revenues
 - + Growth in AUM
- **Expenses up 3%**
 - Volume related expenses, including performance based compensation

Scotia Capital: Solid Trading Revenue

Net Income
(\$ millions)



Year-over-Year

- **Revenues down 11%**
 - Impact of more normalized market conditions on trading
 - Decline in corporate lending volumes
- **PCLs down \$17MM to a net recovery of \$3MM**
- **Expenses up 26%**
 - Higher expense from growth initiatives
 - Higher stock-based compensation

Quarter-over-Quarter

- **Revenues up 11%**
 - + Higher trading revenues in institutional equity and precious metals
 - + Higher investment banking revenues
- **PCL net recoveries down \$5MM**
- **Expenses up 20%**
 - Higher performance and stock-based compensation (largely seasonal)

Other Segment ⁽¹⁾

(\$ millions)	Q1/11	Q4/10	Q1/10
Funding Net Interest Income	(75)	(98)	(109)
Net Securitization Revenues ⁽²⁾	(70)	(38)	(135)
AFS Securities Writedowns	(42)	(15)	(36)
Financial Instruments	31	25	18
General Provision	–	40	–
Expenses & Net Other Items	(22)	(47)	(12)
TEB Offset	(71)	(70)	(75)
Taxes	61	78	139
Sub-total	(188)	(125)	(210)
Ontario Tax writedown	–	–	(55)
Total Other	(188)	(125)	(265)

(1) Includes Group Treasury and other corporate items, which are not allocated to a business line

(2) Represents the impact to 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

Q1 2011 Risk Overview

- **Risk in credit portfolios continues to be well-managed**
 - Specific provisions: significant decline year-over-year and lower quarter-over-quarter
 - Overall credit quality of loan portfolios continues to improve

- **Market risk remains well controlled**
 - Average 1-day VaR: \$11.7MM vs. \$9.3MM in Q4/10

Significant Decline in Specific Provisions Year-over-Year

(\$ millions)	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
Canadian Retail	141	149	145	138	134
Canadian Commercial	41	40	24	34	31
	182	189	169	172	165
International Retail	130	125	118	129	110
International Commercial	47	48	20	(1)	(3)
	177	173	138	128	107
Global Wealth	(1)	–	–	2	–
Scotia Capital	14	(5)	(7)	(8)	(3)
Total	372	357	300	294	269
PCL ratio (bps)	55	55	43	41	38

Risk Outlook

- **Asset quality remains strong**
 - Retail and Commercial portfolios performing well
 - Continued strength in corporate portfolios
- **Expect 2011 provisions to be moderately lower than 2010**
 - Continued decline in Canadian retail provisions
 - International retail provisions in line with 2010 levels
 - Modest new provisions in corporate and commercial portfolios

Canadian Banking 2011 Outlook

Anatol von Hahn

Group Head, Canadian Banking

Canadian Banking: 2011 Outlook

- Continued focus on increasing deposits, payments and Wealth Management referrals going forward
- Retail volume growth will moderate as economic expectations impact customer activity levels
- Good Commercial Banking pipeline
- Retail and commercial PCLs expected to be lower year over year
- Expenses will trend higher as Q1 pension related recovery will not be repeated

International Banking 2011 Outlook

Brian Porter

Group Head, International Banking

International Banking: 2011 Outlook

- **Asset and revenue growth as outlook improves**
 - Stronger asset growth in Latin America and Asia
 - Gradual improvement in other regions
 - Margins stable
- **Positive trend in credit quality in major regions**
- **Continued focus on investments to drive growth and expense management**
- **Integrations in Puerto Rico and Thailand going well**
- **Focus on organic growth and acquisitions in high growth markets**

Global Wealth Management 2011 Outlook

Chris Hodgson

Group Head, Global Wealth Management

Global Wealth Management: 2011 Outlook

- Continue to build on sales momentum, product innovation and expanded distribution for wealth management and insurance products
- Acquisition of DundeeWealth will drive significant earnings growth
- Focus on M&A, particularly in Latin America and Asia
- Capitalize on our people, international reach and expertise to accelerate organic growth in both wealth management and insurance

Scotia Capital 2011 Outlook

Mike Durland

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

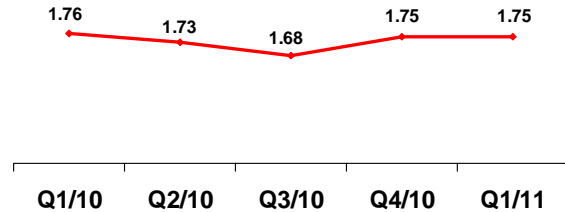
Scotia Capital: 2011 Outlook

- **Trading revenues performing well**
 - Benefit from diversification of products
 - Growth initiatives are starting to produce
- **Stable loan volumes**
 - Expectations for loan growth are relatively modest
 - Portfolio quality is strong; PCLs expected to be modest
- **Pipeline for equity new issue and M&A reasonably strong**
- **Expenses continue to be closely managed**

Appendix

Net Interest Margin

(%)



Q1 margin benefited from...

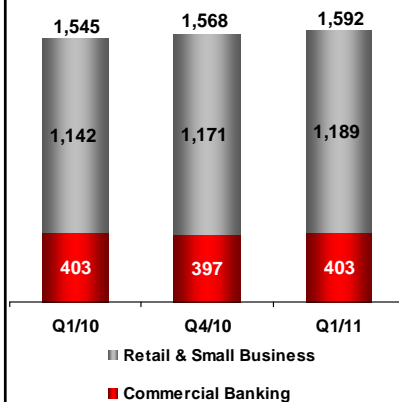
- Higher loan origination fees
- Lower volume of low margin assets

Partially offset by...

- Higher volumes in fixed income and institutional equity

Canadian Banking: Solid Quarter

Revenues (TEB)
(\$ millions)



Year-over-Year

- **Retail & Small Business**
 - + Asset growth, primarily in mortgages
 - + Deposit growth
- **Commercial Banking**
 - + Securities gains and higher credit fees
 - Lower loan balances


Quarter-over-Quarter

- **Retail & Small Business**
 - + Continued growth in residential mortgages
- **Commercial Banking**
 - + Securities gains
 - + Credit card fees

Canadian Banking: Volume Growth

(\$ billions)	Average Balances				
	Q1/11	Q4/10	Q1/10	Y/Y	Q/Q
Residential Mortgages ⁽¹⁾	135.7	133.4	124.4	11.3	2.3
Personal Loans	36.7	36.6	35.3	1.4	0.1
Credit Cards ⁽²⁾	8.9	9.0	9.3	(0.4)	(0.1)
Business Loans & Acceptances	24.2	24.1	23.5	0.7	0.1
Personal Deposits	99.8	99.6	96.3	3.5	0.2
Non-Personal Deposits	39.3	39.2	38.3	1.0	0.1

(1) Before securitization
(2) Includes Scotiabank VISA


 Scotiabank

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Market Share in Canada

Market Share (%)	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
Residential Mortgages ¹	20.23	20.28	20.40	20.53	20.54
Total Personal Lending ¹	18.29	18.26	18.27	18.27	18.20
Total Personal Deposits ¹	10.84	10.89	10.83	10.81	10.88
Small Business Lending ²	15.70	15.57	14.87	15.84	15.98

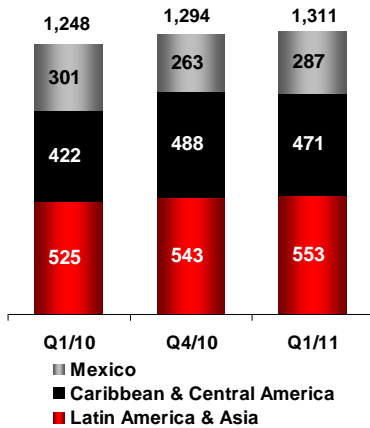
(1) Market share statistics are issued on a one-month lag basis. (Q1/11: December 2010)
(2) Small Business statistics are on a four-months lag basis (Q1/11: September 2010)
Total Personal Lending market share is based on a comparison of the big six banks.
Total Personal Deposits market share is based on a comparison of the total industry.
Sources: Personal Lending and Personal Deposits – Bank of Canada; Small Business Lending - CBA

 Scotiabank

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International Banking: Improving Environment

Revenues (TEB)
(\$ millions)



Year-over-Year

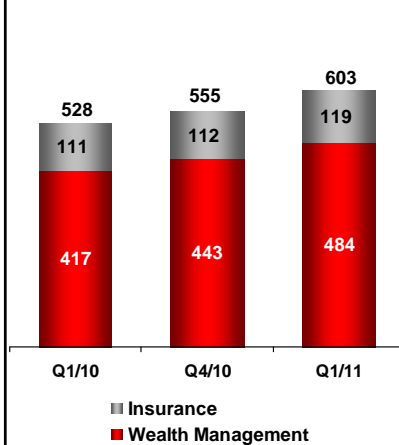
- **Mexico**
 - + Improved commercial volumes
 - Lower commercial banking fees
- **Caribbean & Central America**
 - + Impact of R-G Premier acquisition
- **Latin America & Asia**
 - + Loan volume growth in Asia and Peru
 - + Higher contribution from Thanachart Bank

Quarter-over-Quarter

- **Mexico**
 - + Improved spreads
- **Caribbean & Central America**
 - + Higher margins
 - Lower revenues in Trinidad, Puerto Rico and Curaçao
- **Latin America & Asia**
 - + Solid loan growth in Peru and Asia
 - Lower margins

Global Wealth Management: Strong Performance

Revenues (TEB)
(\$ millions)



Year-over-Year

- **Wealth Management**
 - + Growth in all businesses with increased net sales, higher asset balances and trading revenue
 - + Organic growth in Chile and Peru
- **Insurance**
 - + Expansion of ScotiaLife Financial

Quarter-over-Quarter

- **Wealth Management**
 - + Growth in all businesses with increased net sales, higher asset balances and trading revenue
- **Insurance**
 - + Sales growth through Scotiabank international contact centres

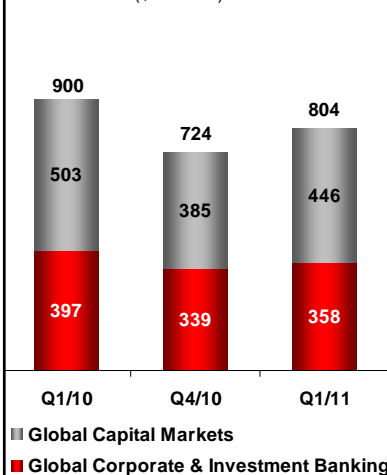
Global Wealth Management: Key Metrics

(\$ billions)	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
Assets Under Administration	181	188	188	197	205
Assets Under Management	42	44	44	46	48
Mutual Funds Market Share in Canada*	8.84%	9.10%	9.18%	9.23%	9.25%

*Mutual Funds market share is based on a comparison with total Schedule I banks.
Source: IFIC. Excludes Scotiabank's investments in DundeeWealth and CI.

Scotia Capital: Strong Trading Revenues

Revenues (TEB)
(\$ millions)



Year-over-Year

- **Global Capital Markets**
 - + Higher precious metals revenues
 - Lower trading revenues in fixed income
- **Global Corporate & Investment Banking**
 - Lower lending volumes, primarily in the U.S.

Quarter-over-Quarter

- **Global Capital Markets**
 - + Higher revenues in institutional equity and precious metals
- **Global Corporate & Investment Banking**
 - + Higher investment banking revenues
 - + Higher loan origination fees and lending margins

Economic Outlook in Key Markets

Real GDP (Annual % Change)				
	2000-09 Avg.	2010e	2011F	2012F
Mexico	1.9	5.5	4.3	3.8
Peru	5.1	8.5	6.8	7.2
Chile	3.7	5.0	6.0	5.5
Jamaica	0.9	(0.7)	1.0	1.5
Trinidad & Tobago	6.4	0.3	2.3	3.0
Costa Rica	4.0	3.5	3.0	3.3
Dominican Republic	5.2	4.5	4.0	4.0
Thailand	4.0	7.0	4.8	4.5
	2000-09 Avg.	2010e	2011F	2012F
Canada	2.1	3.1	3.1	2.6
U.S.	1.8	2.8	3.0	2.7

Source: Scotia Economics, as of March 3, 2011

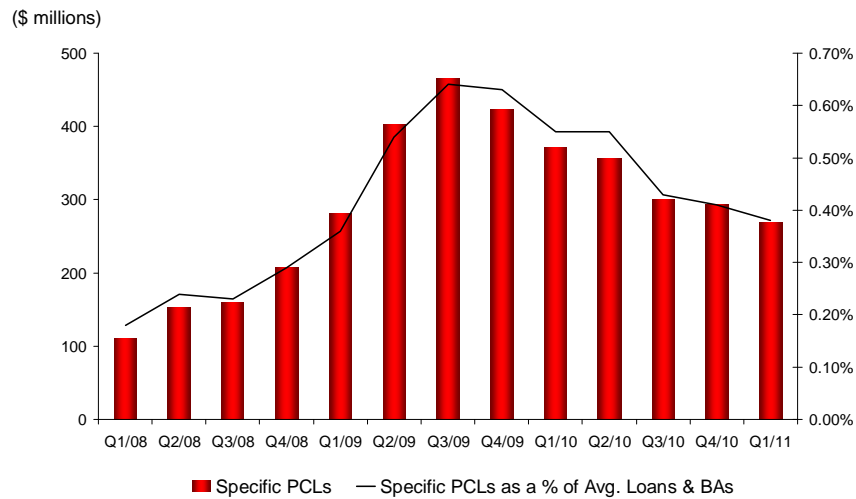
Unrealized Securities Gains

(\$ millions)	Q1/11	Q4/10	Q1/10
Emerging Market Debt	315	378	383
Other Debt	450	765	672
Equities	399	274	190
	1,164	1,417	1,245
Net Fair Value of Derivative Instruments and Other Hedge Amounts	(106)	(228)	(217)
Total	1,058	1,189	1,028

Improving Trend in PCL Ratios

(Specific PCL as % average of loans & BAs)	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
Canadian Banking					
Retail	0.33	0.36	0.33	0.31	0.29
Commercial	0.69	0.70	0.39	0.56	0.51
Total	0.37	0.40	0.34	0.34	0.32
International Banking					
Retail	2.42	2.45	1.89	2.02	1.76
Commercial	0.50	0.54	0.20	(0.01)	(0.03)
Total	1.20	1.23	0.86	0.77	0.65
Scotia Capital					
Corporate Banking	0.15	(0.07)	(0.09)	(0.11)	(0.04)
All Bank	0.55	0.55	0.43	0.41	0.38

Downward Trend in Specific Provisions

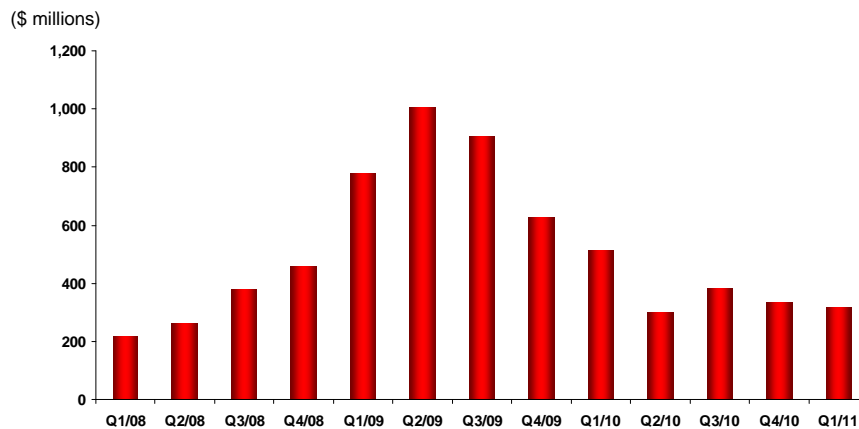


Downward Trend in Net Impaired Loan Formations

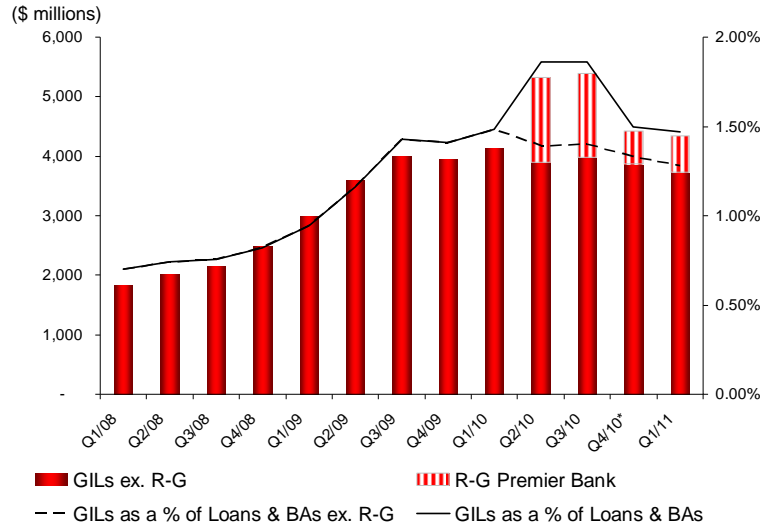
(\$ millions)	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
Canadian Retail	184	154	147	135	148
Canadian Commercial	42	15	47	71	27
	226	169	194	206	175
International Retail	259	184	211	149	167
International Commercial	135	15	(12)	(36)	(37)
	394	199	199	113	130
Global Wealth ⁽¹⁾					15
Scotia Capital	(109)	(68)	(10)	13	(4)
Total	511	300	383	332	316

(1) Comparative amounts are not broken out separately as they were not significant in prior periods.

Downward Trend in Net Impaired Loan Formations



Trend in Gross Impaired Loans



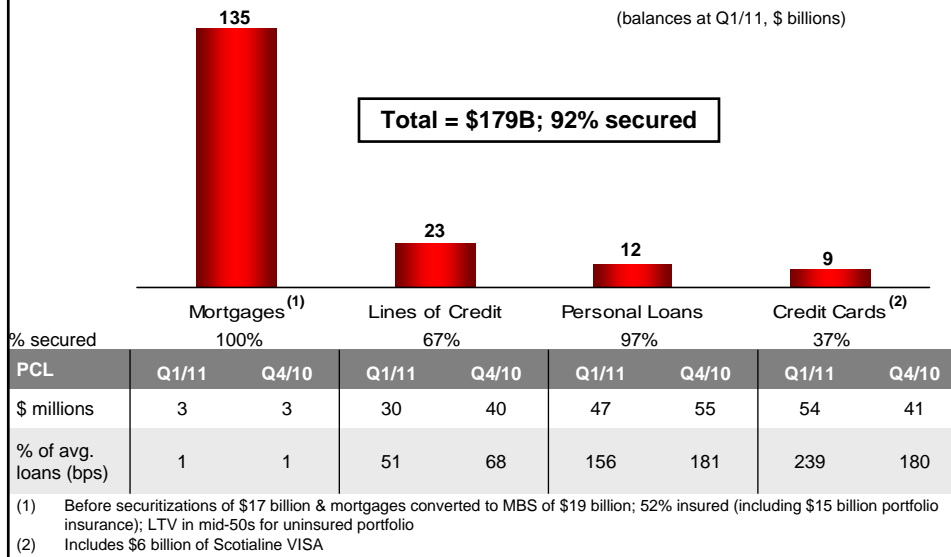
* Decline in R-G Premier Bank's GILs in Q4/10 reflects preliminary purchase price allocation that reduced carrying value to its estimated fair value.

Strong Coverage Ratios

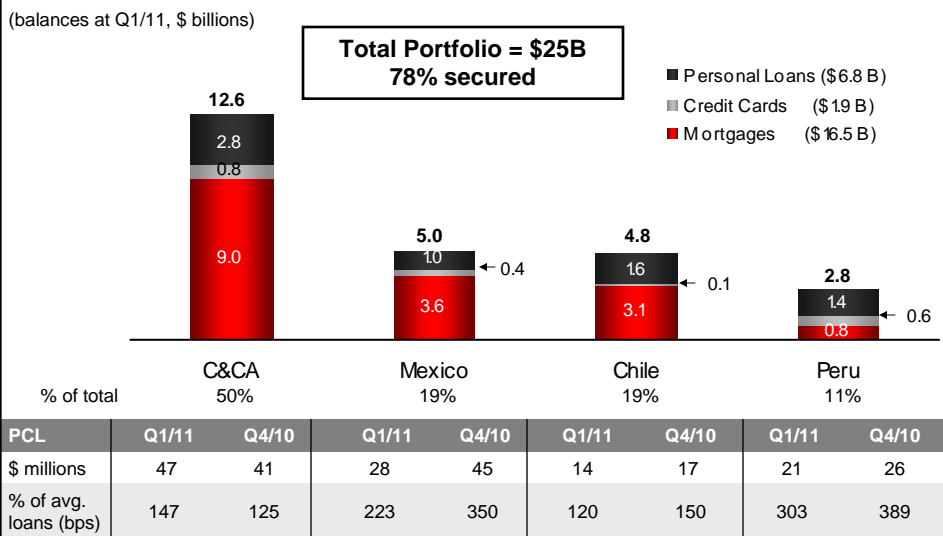
	Q1/11	Q1/10
Earnings coverage of PCL ⁽¹⁾	6.8x	5.1x
Total Allowance as a % of GIL - ex. R-G Premier Bank acquisition	65% 75%	71%
Total Allowance as a % of Loans & BAs	0.95%	1.06%

(1) Pre-tax, pre-provision income to total PCL

Canadian Banking Retail: Loans and Provisions

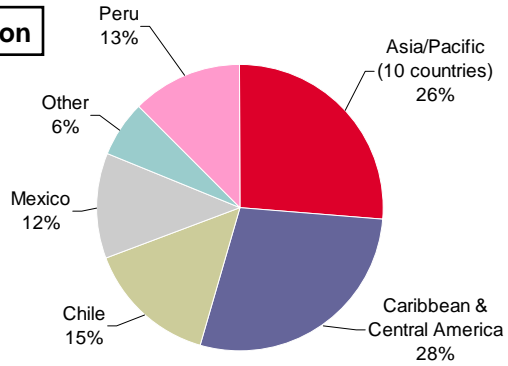


International Banking Retail: Loans and Provisions



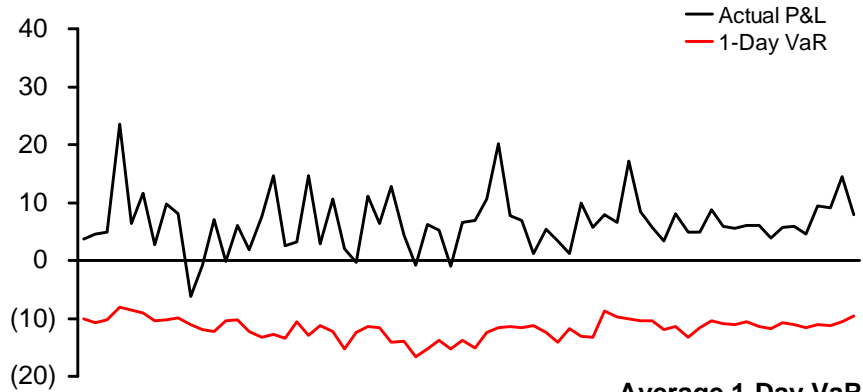
International Commercial: Lending Portfolio

Q1/11 = \$36 billion



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

Q1 2011 Trading Results Within One-Day VaR

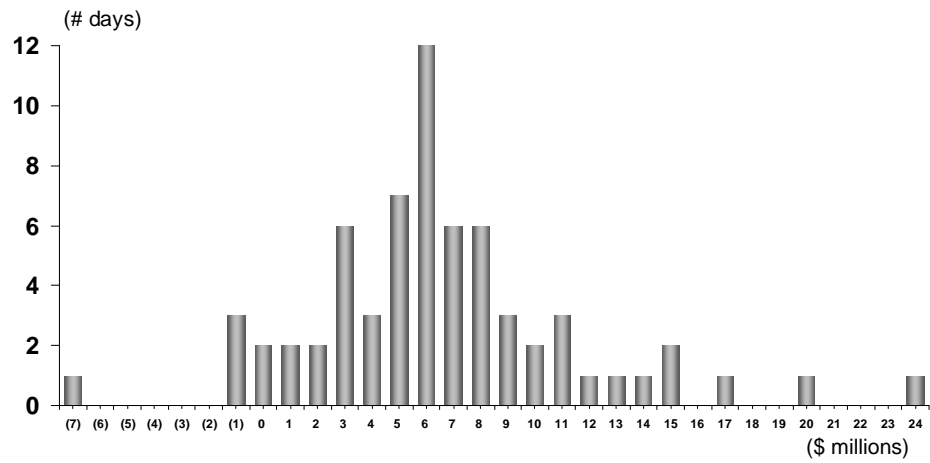


Average 1-Day VaR

Q1/11: \$11.7MM

Q4/10: \$9.3MM

Q1 2011 Trading Revenue Distribution



- 91% of days had positive results in Q1/11