

# Investor Presentation Fourth Quarter, 2009

December 8, 2009

## Caution Regarding 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 2009 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](http://www.sedar.com) and on the EDGAR section of the SEC's website at [www.sec.gov](http://www.sec.gov)*

## Overview

Rick Waugh

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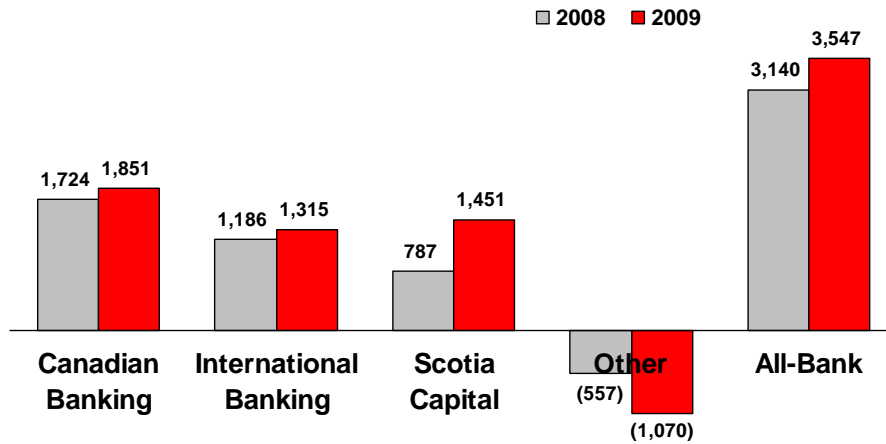
President & Chief Executive Officer

### 2009 Overview

- **Successfully managing through a challenging economy**
- **Strong financial performance, benefiting from record revenues**
  - Net income: \$3.5 billion
  - EPS: \$3.31
  - ROE: 16.7%
- **Record net income in all three business lines**
- **Credit portfolios performing within expectations**
- **Well capitalized**
  - Tier 1: 10.7%
  - TCE: 8.2%

## Strong Earnings from All Business Lines

(net income, \$ millions)



## Met 2009 Targets

	2009 vs. 2008		Target
EPS Growth	8.5%	vs.	7-12%
ROE	16.7%	vs.	16-20%
Productivity Ratio	53.7%	vs.	<58%

## Financial Review

Luc Vanneste

Executive Vice-President &  
Chief Financial Officer

### Solid Quarter

	Q4/09	Q3/09	Q4/08	Q4/09 vs. Q4/08	Q4/09 vs. Q3/09
Net Income (\$MM)	902	931	315	100%+	(3)%
EPS	\$0.83	\$0.87	\$0.28	100%+	(5)%
ROE	16.4%	17.3%	6.0%	10.4%	(0.9)%
Productivity Ratio	54.2%	51.0%	75.2%	(21)%	3.2%

#### Year-over-year earnings comparison

##### Quarterly earnings benefited from...

- Significantly lower writedowns
- Higher trading revenues
- Positive impact of acquisitions

##### Partly offset by...

- Increase in specific provisions
- Higher expenses
- Negative impact of forex

## Items of Note

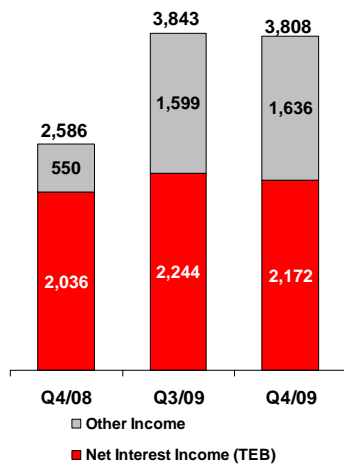
	Q4/09	Q3/09	Q2/09	Q1/09	2009	2008
CDOs/CLOs	(13)	56	(9)	(45)	(11)	(516)
AFS Securities Writedowns	(49)	(186)	(104)	(236)	(575)	(217)
All Other (2008)						(488)
<b>Total</b>	<b>(62)</b>	<b>(130)</b>	<b>(113)</b>	<b>(281)</b>	<b>(586)</b>	<b>(1,221)</b>
<b>After-tax</b>	<b>(43)</b>	<b>(86)</b>	<b>(86)</b>	<b>(185)</b>	<b>(400)</b>	<b>(822)</b>

## FX Impact by Business Line

(\$ millions)	Q4/09 vs. Q3/09				Total
	International Banking	Scotia Capital	Canadian Banking	Other	
Net Interest Income	(49)	(11)	(3)	(1)	(64)
Other Income	(20)	(2)	(1)	(4)	(27)
Non-Interest Expenses	36	4	-	2	42
Other Items (net)	17	1	1	-	19
<b>Net Income</b>	<b>(16)</b>	<b>(8)</b>	<b>(3)</b>	<b>(3)</b>	<b>(30)</b>
<b>EPS</b>					<b>(3)cents</b>

## Solid Revenues, Impacted by FX

Revenues (TEB)  
(\$ millions)



### Q4/09 vs. Q4/08 Revenues

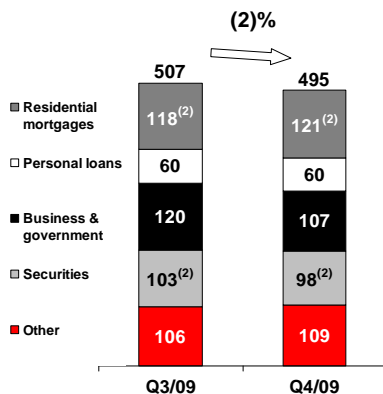
- **Net interest income up 7%**
  - + Higher margin & asset growth
  - Negative impact of FX
- **Other income up 100%+**
  - + Significant increase in securities gains & trading revenues vs. writedowns in Q4/08
  - + Higher credit & underwriting fees
  - + Increased mutual fund revenues

### Q4/09 vs. Q3/09 Revenues

- **Net interest income down 3%**
  - + Asset re-pricing
  - Decrease in loan volumes
  - Negative impact of financial instruments & FX
- **Other income up 2%**
  - + Higher net gains on securities
  - + Higher credit, underwriting & mutual fund fees
  - Continued strong trading, but down vs. record Q3
  - Lower securitization revenues, negative impact of FX

## Asset Balances

Average Assets  
(\$ billions)



### Q4/09 vs. Q3/09

#### Business & Government<sup>(1)</sup> (11)%

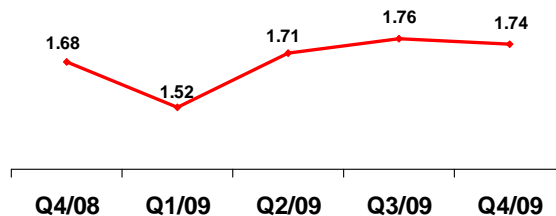
- Negative impact of FX
- Loan paydowns in Q4, full quarter impact of loan paydowns in Q3

(1) Includes BAs

(2) Residential Mortgages and Securities exclude the impact of MBS which were transferred into securities

## Stable Net Interest Margin

(%)



### Q4 margin benefited from...

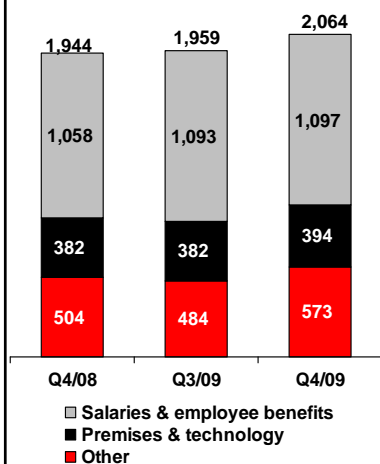
- Asset re-pricing
- Lower non-earning assets

### Offset by...

- Negative impact of financial instruments

## Higher Expenses: Growth Initiatives & Seasonality

### Non-Interest Expenses (\$ millions)



### Q4/09 vs. Q4/08 Expenses

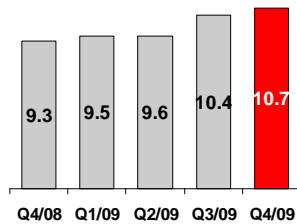
- Higher performance & stock-based compensation
- Impact of acquisitions
- Increased capital taxes
- \$23MM relating to VISA rewards points
- + Positive impact of FX

### Q4/09 vs. Q3/09 Expenses

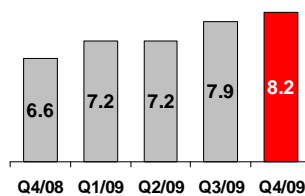
- Higher performance & stock-based compensation
- Seasonally higher advertising & business development spending
- Increased professional fees
- \$23MM relating to VISA rewards points
- + Positive impact of FX

## Strong Capital Ratios

Tier 1 Ratio (%)



TCE Ratio (%)

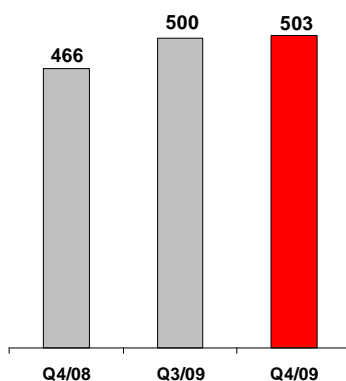


### Q4/09 vs. Q3/09 Capital Ratios

- + \$352 million of internal capital generation
- + DRIP & Option Plan: \$178 million
- No net impact from RWA or FX

## Canadian Banking: Record Quarter

Net Income  
(\$ millions)



### Q4/09 vs. Q4/08

- + **Revenues up 10%**
  - + Increased margin, deposit & asset growth
  - + Higher contributions from wealth management
- **PCLs up \$83MM**
- **Expenses up 6%**
  - \$23MM relating to VISA reward points
  - Higher performance-based compensation & wealth management commissions, partly offset by strong cost control

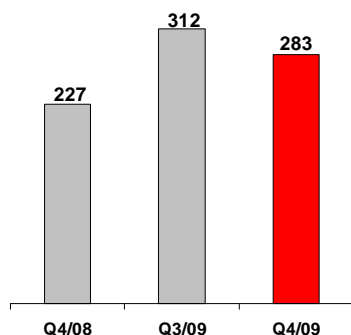
### Q4/09 vs. Q3/09

- + **Revenues up 5%**
  - + Higher margin (+10 bps) due to asset re-pricing & funding mix
  - + Asset growth, primarily residential mortgages
  - + Increased wealth management revenues
- **PCLs up \$21MM**
- **Expenses up 6%**
  - \$23MM relating to VISA rewards points
  - Higher stock & performance-based compensation
  - Spending on growth initiatives



## International Banking: Impacted by FX

**Net Income**  
(\$ millions)



### Q4/09 vs. Q4/08

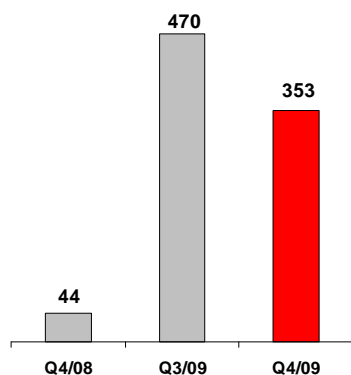
- + Revenues up 7%**
  - + Net securities gains (vs. Q4/08 writedowns)
  - + Underlying retail loan growth & wider interest margins, partly due to acquisitions
- + Lower effective tax rate**
- PCLs up \$77MM**
- + Expenses down 2%**
  - + FX & strong cost control

### Q4/09 vs. Q3/09

- Revenues down 2%**
  - + \$79MM Q3/09 writedown on an equity investment
  - + Higher securities gains
  - Negative impact of financial instruments
  - Lower average Commercial volumes
- + PCLs down \$12MM**
- Expenses up 3%**
  - Higher seasonal & professional expenses

## Scotia Capital: Strong Quarter, 2<sup>nd</sup> Highest Ever

**Net Income**  
(\$ millions)



### Q4/09 vs. Q4/08

- + Revenues up 100%+**
  - + Q4/08 writedowns of \$503MM
  - + Stronger underlying trading revenues
  - + Record credit fees & investment banking revenues
- PCLs up \$53MM**, from low level in Q4/08
- Expenses up 14%**
  - Increased legal provisions, support costs & technology expenses

### Q4/09 vs. Q3/09

- Revenues down 18%**
  - 2<sup>nd</sup> highest trading quarter, but down vs. record Q3
  - Lower average loan volumes, partly offset by wider lending spreads
  - + Record credit fees & investment banking revenues
- + PCLs down \$43MM**
- Expenses up 7%**
  - Increased remuneration & legal provisions, partly offset by lower incentive compensation

## Other Segment <sup>(1)</sup>

(\$ millions)	Q4/09	Q3/09	Q4/08
Funding Net Interest Income	(155)	(151)	(113)
Net Securitization Revenues <sup>(2)</sup>	(139)	(96)	1
AFS Securities Writedowns <sup>(3)</sup>	(49)	(95)	(128)
Other Items of Note (2008)	-	-	(207)
Financial Instruments	28	25	(66)
General Provision	-	(100)	-
Expenses & Net Other Items	27	(66)	(18)
Taxes (Excl. TEB Offset)	51	132	109
<b>Total Other</b>	<b>(237)</b>	<b>(351)</b>	<b>(422)</b>

(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

(3) Represents the portion of the Bank's AFS securities writedowns which were reported in the Other segment



## Risk Review

Brian Porter

Group Head, Risk & Treasury

## Q4/09 Risk Overview

- Risk in credit portfolios well managed

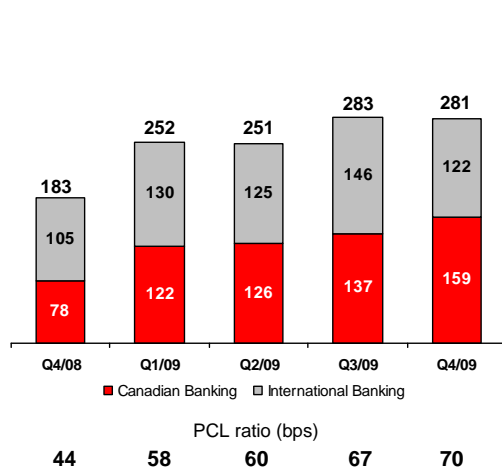
(\$ millions)	Q4/09	Q3/09	Q4/08
Specific Provisions	424	466	207
Addition to General Allowance	-	100	-
Gross Impaired Loans	3,939	3,993	2,494

## Decline in Provisions Quarter-over-Quarter

(\$ millions)	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
<b>Specific</b>					
Canadian Banking	107	155	178	170	192
International Banking	90	116	115	179	167
Scotia Capital	10	10	109	117	65
<b>Total</b>	<b>207</b>	<b>281</b>	<b>402</b>	<b>466</b>	<b>424</b>
<b>Sectoral</b>					
Canadian Banking	-	-	10	(1)	(2)
Scotia Capital	-	-	50	(11)	(2)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>(12)</b>	<b>(4)</b>
<b>General</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>100</b>	<b>-</b>
<b>Total PCL</b>	<b>207</b>	<b>281</b>	<b>489</b>	<b>554</b>	<b>420</b>

## Retail: Stable Provisions Quarter-over-Quarter

(specific provisions, \$ millions)



Q4/09 vs. Q3/09

### International Banking

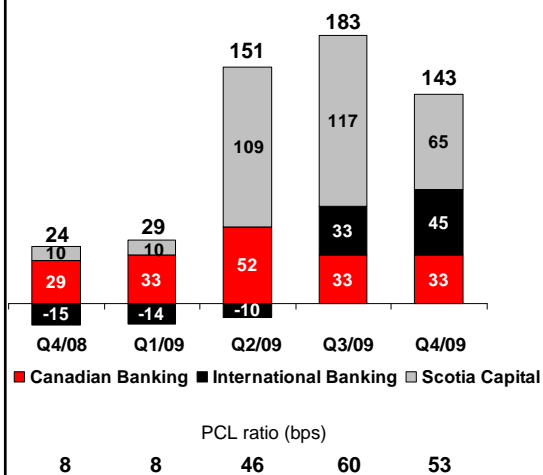
- Lower provisions in Mexico, Peru, Chile & Caribbean

### Canadian Banking

- Higher provisions for unsecured revolving credit
- Provisions in acquired auto business stable and as planned

## Corporate/Commercial: Lower Provisions Quarter-over-Quarter

(specific provisions, \$ millions)



Q4/09 vs. Q3/09

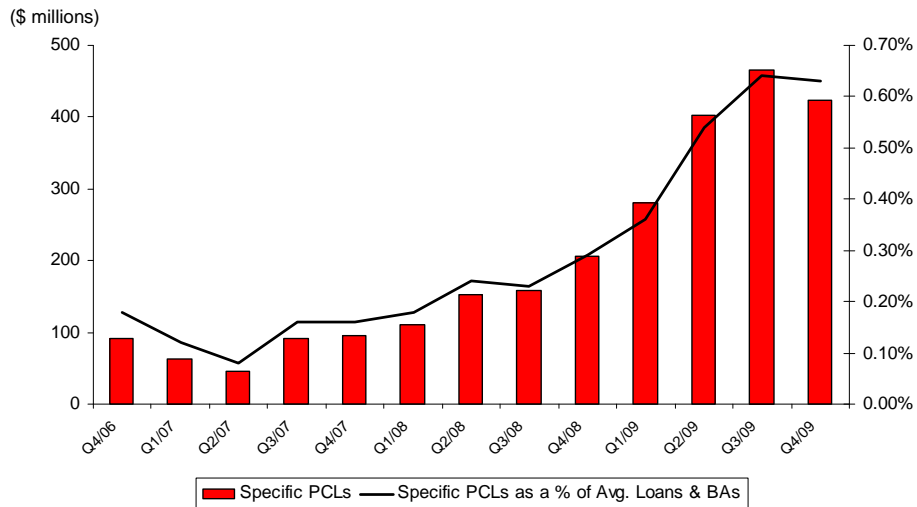
### Scotia Capital

- Lower provisions in Canada & U.S.

### International

- Higher provisions in Asia, Peru, Caribbean & Central America
- Lower provisions in Mexico & Chile

## Specific Provisions Stabilizing



## 2010 Risk Outlook

- **Signs of portfolios stabilizing**
- **Overall pace of credit migration slowing**
- **2010 provisions**
  - Retail provisions will likely stay at elevated levels
  - Corporate/Commercial provisions to decline gradually
  - Overall, expect downward trend in second half of 2010

## **Canadian Banking 2010 Outlook**

Chris Hodgson

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Group Head, Canadian Banking

### **Canadian Banking: 2010 Outlook**

- **Continued focus on growing Wealth Management**
- **Build on 2009 launch of ScotiaLife Financial**
  - Leverage prospect databases: SCENE and retail banking
- **Accelerate business development efforts within Commercial Banking**
- **Continue to build strength in the Scotiabank brand**
  - Increase consumer awareness and propensity to “shop” Scotiabank
- **Maintain positive operating leverage**
  - Continue to invest in sales force and distribution

## **International Banking 2010 Outlook**

Rob Pitfield

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Group Head, International Banking

### **International Banking: 2010 Outlook**

- **Despite challenging economic conditions globally, relative performance has confirmed strategy**
- **Economic outlook improving**
- **Asset and revenue growth expected as economies rebound**
- **Continue to prudently manage risk**
- **Seek opportunistic acquisitions**

## Scotia Capital 2010 Outlook

Stephen McDonald

Group Head, Global Corporate & Investment Banking  
& Co-CEO, Scotia Capital

### Scotia Capital: 2010 Outlook

- **Market conditions are normalizing**
  - Expect 2010 to be strong, but unlikely to match record 2009
- **Prudently managing credit and market risks**
  - PCL ratio has performed much better than in previous downturn
- **Continue investing in our businesses**
  - Leverage recent investments: equities, fixed income, infrastructure
  - Maintain efforts on cross-selling multiple products to client base
  - Global niche focus



## 2010 Outlook

Rick Waugh

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President & Chief Executive Officer

## 2010 Outlook

- **Cautiously optimistic**
  - Economic and regulatory environment
  - Confident of continuing our growth
- **Targets for 2010 remain unchanged**
  - Revenues and net interest margins expected to expand
  - Provisions to remain elevated, but expected downward trend in second half
  - Expect positive operating leverage

## 2010: Targets Remain Unchanged

	Target
EPS Growth	7-12%
ROE	16-20%
Productivity Ratio	<58%
Capital	Maintain strong ratios

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## Appendix

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## Contribution From Acquisitions (1)


(\$ millions)	2009	2008
Net Interest Income	629	276
Other Income	352	99
Non-Interest Expenses	(455)	(202)
Other Items (net)	(210)	(46)
Net Income	316 (2)	127
<b>EPS (diluted)</b>	<b>\$0.31</b>	<b>\$0.13</b>

(1) Includes acquisitions made in 2008 and 2009, excluding funding costs.  
(2) The following contributed greater than \$10 million to net income during 2009:  
**Canada:** equity stake in CI Investments, loan portfolio purchased from HSBC, E\*TRADE Canada  
**International:** Banco del Desarrollo (Chile), additional 20% ownership in Scotiabank Peru, Banco del Trabajo & Profuturo (Peru) & additional 24% ownership in Thanachart (Thailand)

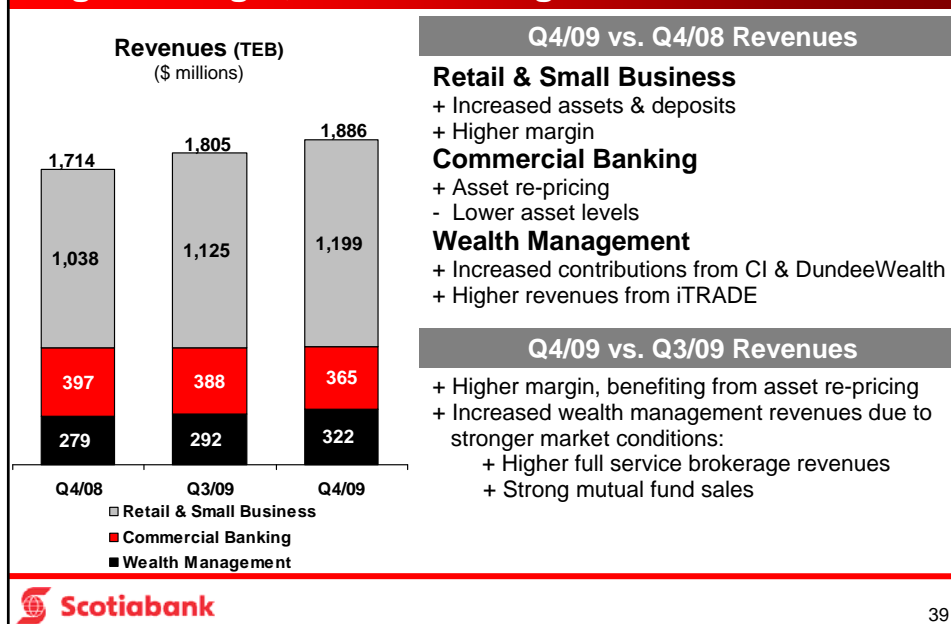
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## Impact of FX

(\$ millions)		Q4/09 vs. Q4/08	2009 vs. 2008			
Net Interest Income		(75)	235			
Other Income		(34)	111			
Non-Interest Expenses		59	(55)			
Net Income		(27)	207			
<b>EPS (diluted)</b>		<b>(3) cents</b>	<b>20 cents</b>			
<b>Spot Rate</b>		<b>Average Exchange Rate</b>				
<b>Oct. 31/09</b>		<b>2009</b>	<b>2008</b>	<b>Q4/09</b>	<b>Q3/09</b>	<b>Q4/08</b>
0.93	\$US/\$CAD	0.86	0.97	0.93	0.88	0.91
12.21	Mexican peso/\$CAD	11.59	10.47	12.30	11.53	10.18
2.68	Peruvian new sol/\$CAD	2.62	2.86	2.71	2.66	2.73
490.88	Chilean peso/\$CAD	497.76	490.44	508.6	472.99	518.40

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## Canadian Banking: Higher Margin, Wealth Management Revenues



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## Canadian Banking: Volume Growth

(\$ billions)	Average Balances				
	Q4/09	Q3/09	Q4/08	Y/Y	Q/Q
Residential Mortgages <sup>(1)</sup>	122.9	119.9	115.3	6.6%	2.5%
Personal Loans	36.9	35.8	32.3	14.1%	3.1%
Credit Cards <sup>(2)</sup>	9.3	9.2	9.0	3.4%	0.6%
Non-Personal Loans & Acceptances	23.6	25.0	27.7	(14.7)%	(5.4)%
Personal Deposits	93.5	93.8	87.2	7.2%	(0.3)%
Non-Personal Deposits	54.1	52.5	45.3	19.5%	3.0%
Wealth Management AUA	136.8	126.8	127.5	7.3%	7.9%

<sup>(1)</sup> Before securitization  
<sup>(2)</sup> Includes Scotiabank VISA

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## Canadian Banking: Market Share

Market Share (%) <sup>1</sup>	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
Total Personal Lending	17.89	17.84	17.94	17.85	17.90
Total Personal Deposits	11.16	11.25	11.26	11.12	10.91
Mutual Funds	7.59	7.61	7.63	7.93	8.35

(1) Market share statistics are issued on a one-month lag basis. (Q4 09: September 2009)

Total Personal Lending market share is based on a comparison with the big six banks.

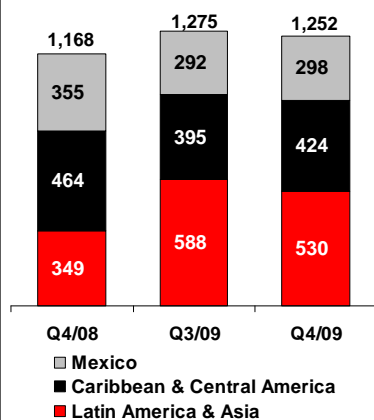
Total Personal Deposits market share is based on a comparison with the total industry.

Mutual Funds market share is based on a comparison with total banks.

Sources: Mutual Funds – IFIC; Personal Lending and Personal Deposits – Bank of Canada

## International Banking: Solid Underlying Revenues

Revenues (TEB)  
(\$ millions)



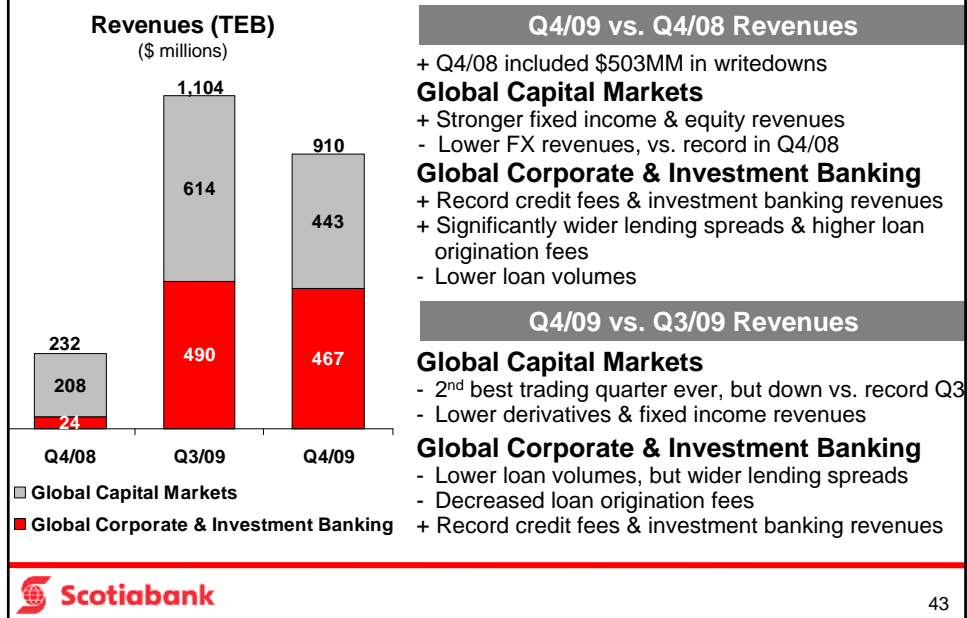
### Q4/09 vs. Q4/08 Revenues

- Up 15% excluding FX
- **Mexico**
  - Negative FX impact
  - + Higher fee income, offset by lower margin
- **Caribbean & Central America**
  - Negative FX & financial instrument impact
  - + Higher retail loan growth & wider margins
- **Latin America & Asia**
  - + Q4/08 writedowns
  - + Acquisitions/investment (Peru, Thailand)
  - + Higher securities gains

### Q4/09 vs. Q3/09 Revenues

- Up 4% excluding FX
- **Mexico**
  - + Higher fee & trading income, offset by negative FX impact
- **Caribbean & Central America**
  - + \$79MM Q3/09 writedown of an equity investment
- **Latin America & Asia**
  - Negative impact of financial instruments
  - + Higher securities gains

## Scotia Capital: 2<sup>nd</sup> Highest Revenue Quarter



## Economic Outlook in Key Markets


	Real GDP (Annual % Change)			
	2010E	2009F	2008	2000-07 Avg.
Mexico	3.4	(6.8)	1.3	2.9
Peru	4.2	1.4	9.8	5.1
Chile	5.0	(1.5)	3.2	4.4
Jamaica	0.0	(4.0)	(1.0)	1.5
Trinidad & Tobago	3.0	(0.7)	3.5	8.2
Costa Rica	1.8	(1.5)	2.9	4.7
Dominican Republic	2.0	0.5	4.8	5.4
Thailand	4.0	(3.5)	2.9	4.9
	2010E	2009F	2008	2000-07 Avg.
Canada	2.7	(2.4)	0.4	2.9
U.S.	3.1	(2.5)	0.4	2.6

Source: Scotia Economics, as of December 7th

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## Unrealized Securities Gains

(\$ millions)	Q4/09	Q3/09
Emerging Market Debt	502	470
Other Debt	470	450
Equities	41	(25)
	<b>1,013</b>	<b>895</b>
Net Fair Value of Derivative Instruments and Other Hedge Amounts	(185)	(162)
<b>Total</b>	<b>828</b>	<b>733</b>

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## Trend in PCL Ratios

(Specific PCL as % average of loans & BAs)	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
<b>Canadian Banking</b>					
Retail	0.20	0.30	0.32	0.33	0.37
Commercial	0.42	0.50	0.83	0.52	0.55
<b>Total</b>	<b>0.23</b>	<b>0.33</b>	<b>0.39</b>	<b>0.36</b>	<b>0.40</b>
<b>International Banking</b>					
Retail	2.01	2.26	2.17	2.59	2.30
Commercial	(0.15)	(0.12)	(0.09)	0.32	0.48
<b>Total</b>	<b>0.59</b>	<b>0.68</b>	<b>0.69</b>	<b>1.13</b>	<b>1.13</b>
<b>Scotia Capital</b>					
Corporate Banking	0.10	0.07	0.80	1.01	0.65
<b>All Bank</b>	<b>0.29</b>	<b>0.36</b>	<b>0.54</b>	<b>0.64</b>	<b>0.63</b>

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## Gross Impaired Loan Formations

(\$ millions)	Q4/09	Q3/09
<b>Canadian P&amp;C</b>		
Retail	439	409
Commercial	74	91
	513	500
<b>International P&amp;C</b>		
Retail	254	276
Commercial	90	278
	344	554
<b>Scotia Capital</b>		
Canada	-	75
U.S. & Europe	218	130
	218	205
<b>Total</b>	<b>1,075</b>	<b>1,259</b>

**Canadian Retail:** higher formations in residential mortgages & credit cards

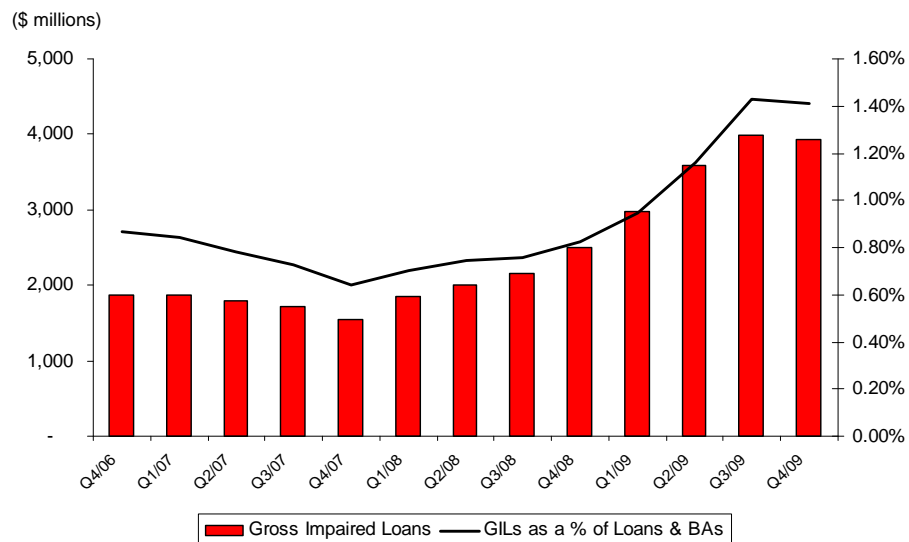
**Canadian Commercial:** classification of several small accounts

**International Retail:** higher formations in Caribbean; lower formations in Mexico, Peru & Chile

**International Commercial:** lower formations across all geographies

**Scotia Capital:** classification of a number of accounts in U.S.

## Trend in Gross Impaired Loans



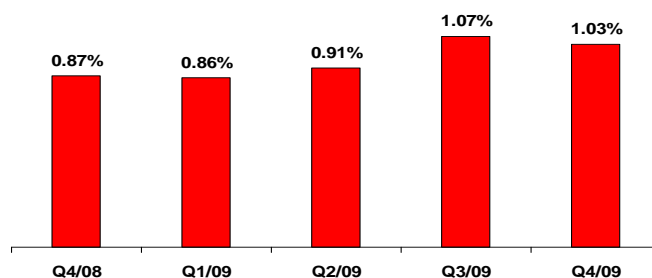


## Solid Coverage Ratios

Earnings Coverage of PCL <sup>(1)</sup> (2009)	3.7x
Specific Allowance (Q4/09) as a % of Gross Impaired Loans	35%
Total Allowances (Q4/09) as a % of Gross Impaired Loans	73%

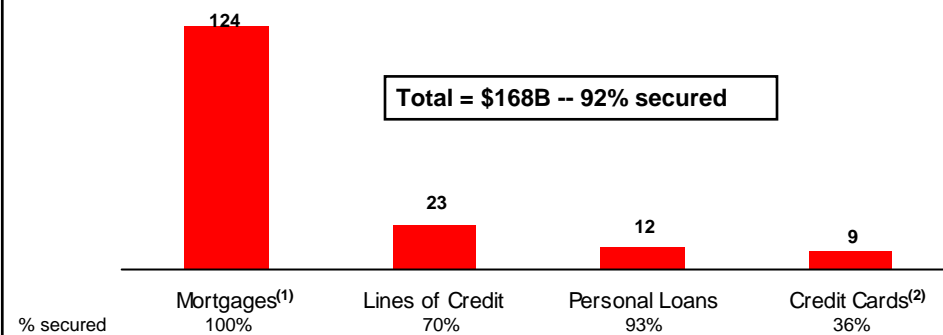
(1) Pre-tax, pre-provision income to total PCL

### Total Allowance as % of Loans and Acceptances



## Canadian Retail: Loans and Provisions

(outstandings at Q4/09, \$ billions)

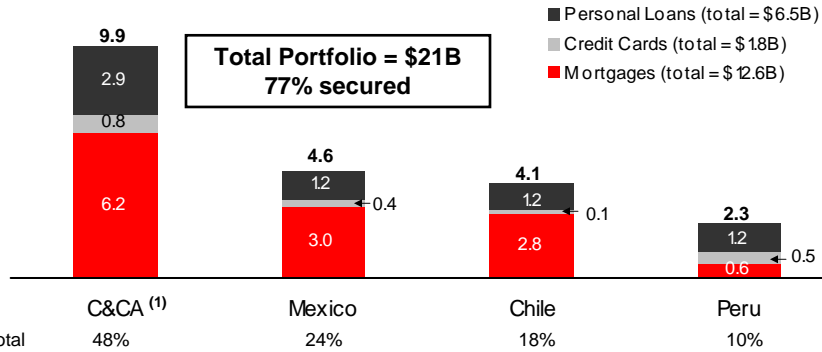


PCL	Q4/09	Q3/09	Q4/09	Q3/09	Q4/09	Q3/09	Q4/09	Q3/09
\$ millions	(4) <sup>(3)</sup>	1	36	23	65	68	60	45
% of avg. loans (bps)	N/A	1	63	41	229	237	258	194

(1) Before securitizations of \$17.5 billion & mortgages converted to MBS of \$21 billion 53% insured; LTV in mid-50s for uninsured portfolio  
 (2) Includes \$6 billion of Scotialine VISA  
 (3) Recovery of provisions for mortgages reflects lower than expected write-offs

## International Retail: Loans and Provisions

(outstandings at Q4/09, \$ billions)

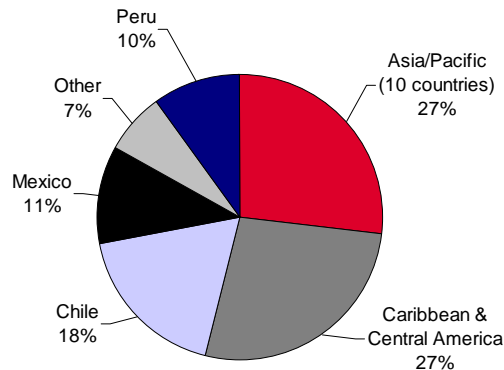


PCL	Q4/09	Q3/09	Q4/09	Q3/09	Q4/09	Q3/09	Q4/09	Q3/09
\$ millions	31	36	38	46	14	15	38	49
% of avg. loans (bps)	121	130	306	349	136	149	657	833

(1) Caribbean and Central America

## International Commercial: Lending Portfolio

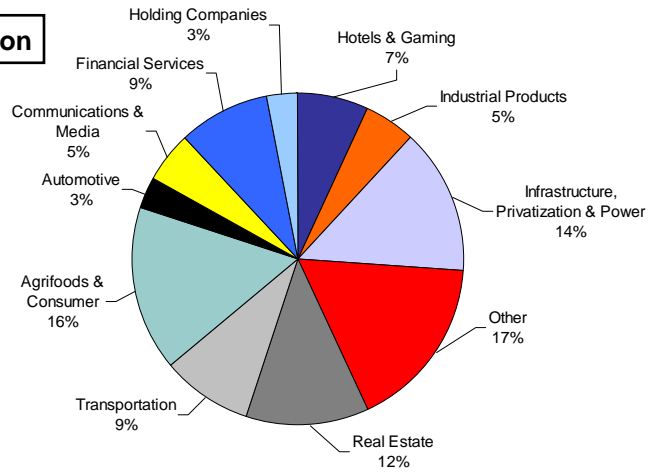
**Q4/09 = \$33 billion**



- Well secured
- Portfolios in Asia/Pacific and Peru are performing well
- Closely monitoring portfolios in Mexico and Caribbean & Central America
  - Hotel exposures
  - Impact of U.S. slowdown in Mexico

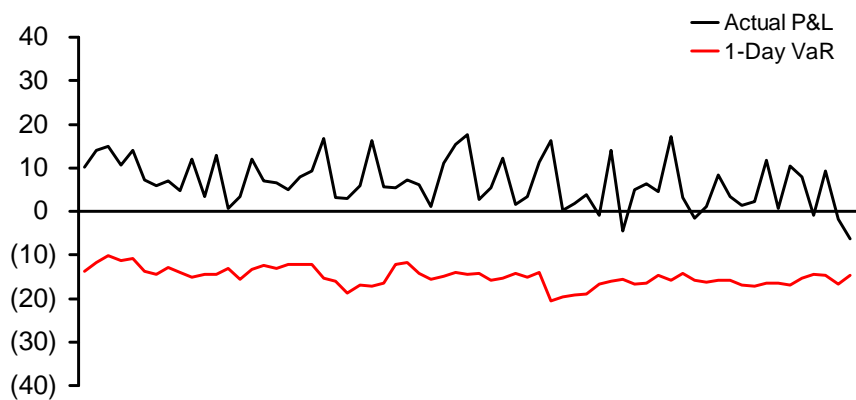
## International Commercial: Lending Portfolio

Q4/09 = \$33 billion



- Well secured
- Closely monitoring portfolios in Mexico and Caribbean & Central America
  - Hotel exposures
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## Trading Results Within One-Day VaR



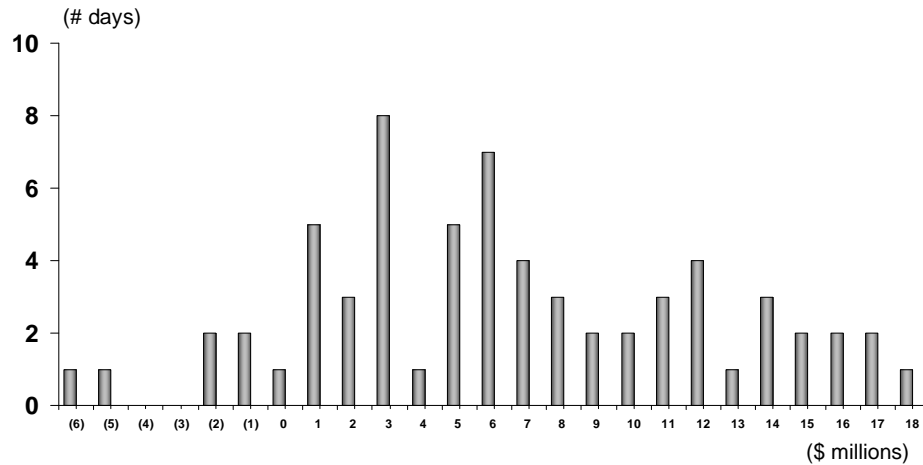
### Average 1-Day VaR

Q4/09: \$15.0MM

Q3/09: \$15.5MM

## Trading Revenue

### Q4/09 Trading Revenue



■ 91% of days had positive results in Q4/09

## Reclassification of Debt Securities to Loans <sup>(1)</sup>

(\$ millions)	Before <sup>(2)</sup>	After	Change
Personal Loans	50,719	58,434	7,715
Business & Government Loans	125,503	127,235	1,732
AFS Securities	38,823	30,294	(8,529)
Deferred Tax Asset	2,800	2,477	(323)
AOCI	(3,596)	(3,001)	595
ROE Impact			(50) bps
Net Income Impact			NIL

(1) 94% of reclassified AFS securities are investment grade  
 (2) Reclassification as of November 1, 2008