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EVP & Chief Financial Officer

Delivering Strong Performance in a Challenging Environment

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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.”

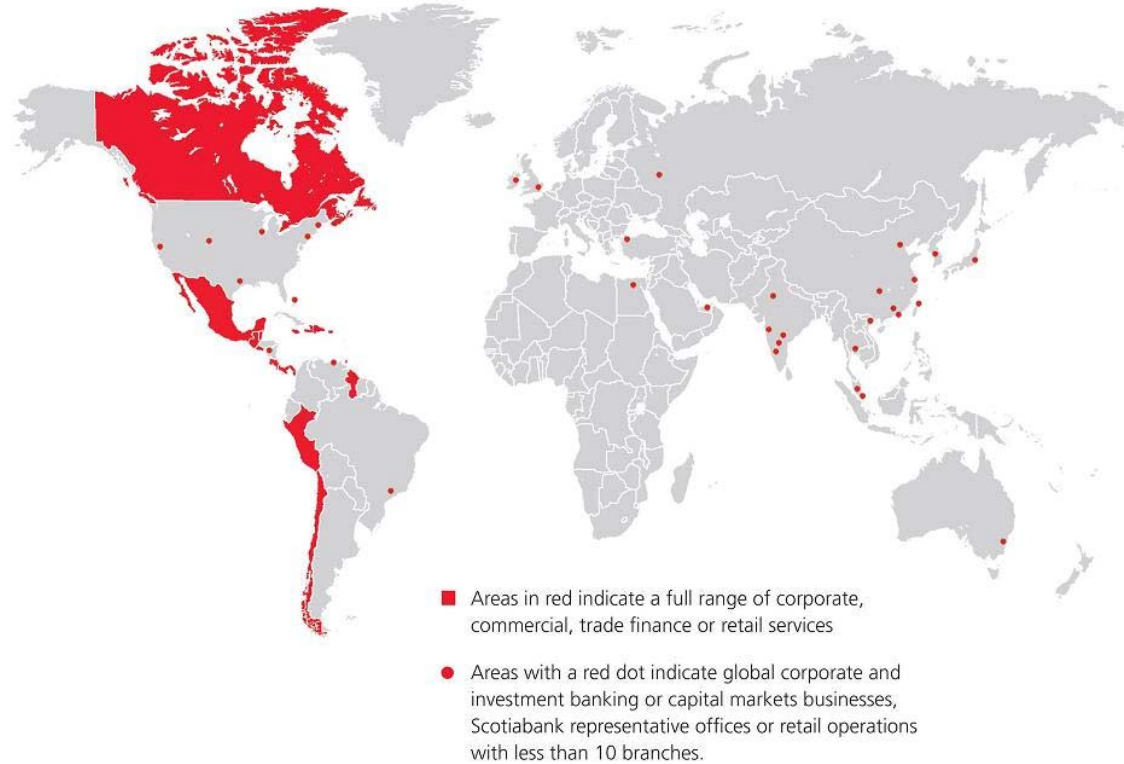
By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of 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 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 and on the EDGAR section of the SEC’s website at www.sec.gov.

Scotiabank – Who We Are



Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With close to 70,000 employees, Scotiabank Group and its affiliates serve almost 15 million customers in some 50 countries around the world, offering a diverse range of products and services, including personal, commercial, corporate and investment banking.

Why Invest in Scotiabank?

- **Strength of Canada & Canadian Financial System**
- **Solid track record of earnings and dividend growth**
- **A unique and successful universal bank model**
 - Three diversified growth platforms – each provides diversified, sustainable revenue growth
- **“Best in class” risk and expense management**
- **Strong capital position and high ROE**

Above average returns, with below average risk

Strength of Canada & Canadian Financial System

- **Canada is attractive**

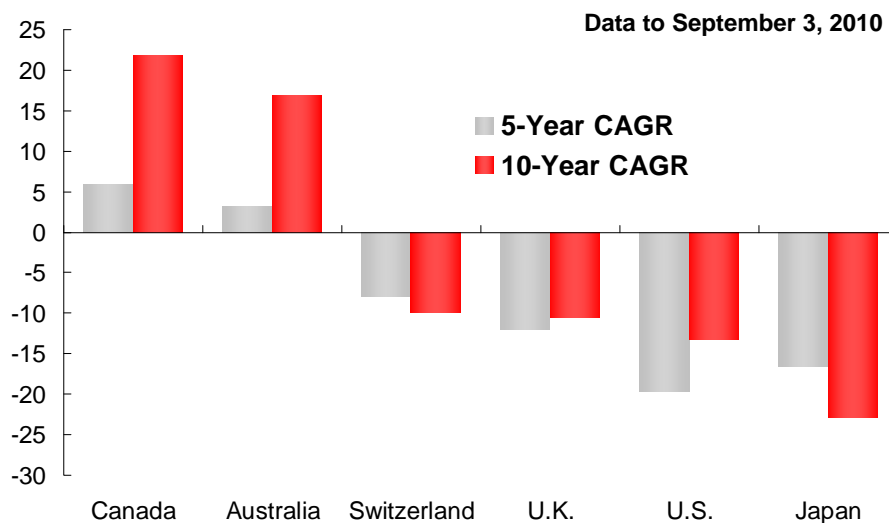
- Consistently meets or exceeds average G7 output trends
- Less leveraged – businesses, households
- Strong Canadian dollar

- **Strength of the Canadian financial system**

- Effective regulatory framework
- Conservative risk management practices
 - No sub-prime mortgages
 - Attractive mortgage market
 - Conservative underwriting
 - Relatively little securitization
- Canadian banks well-capitalized and profitable
 - Quantity & quality

Canadian Banking System ranked World's Soundest by World Economic Forum
Global Competitiveness Report 2009-2010

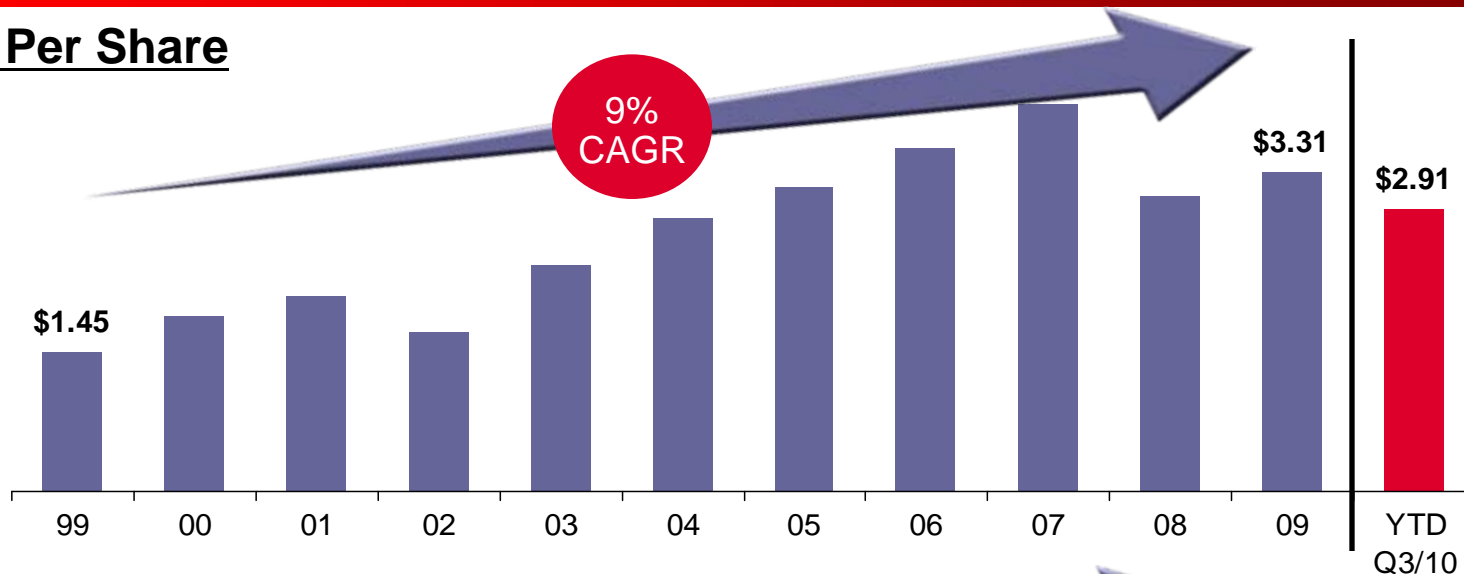
Relative bank share price performance



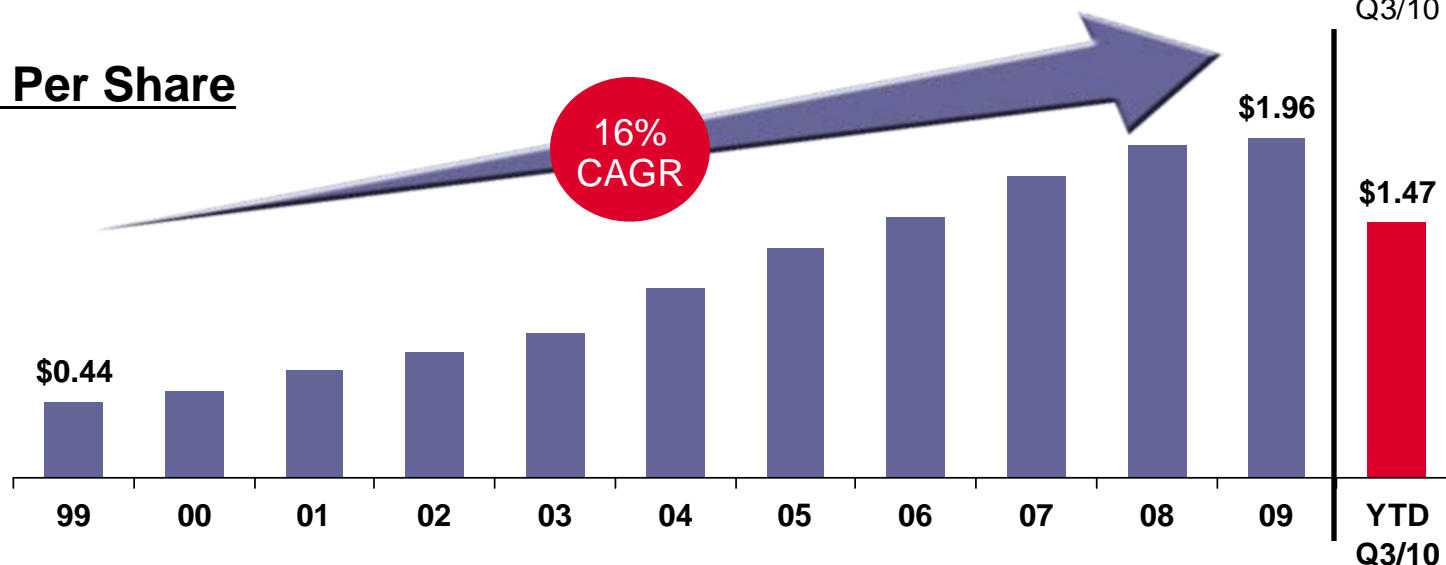
Source: Bloomberg; Scotia Capital.

Solid Track Record of Earnings and Dividends Growth

Earnings Per Share



Dividends Per Share

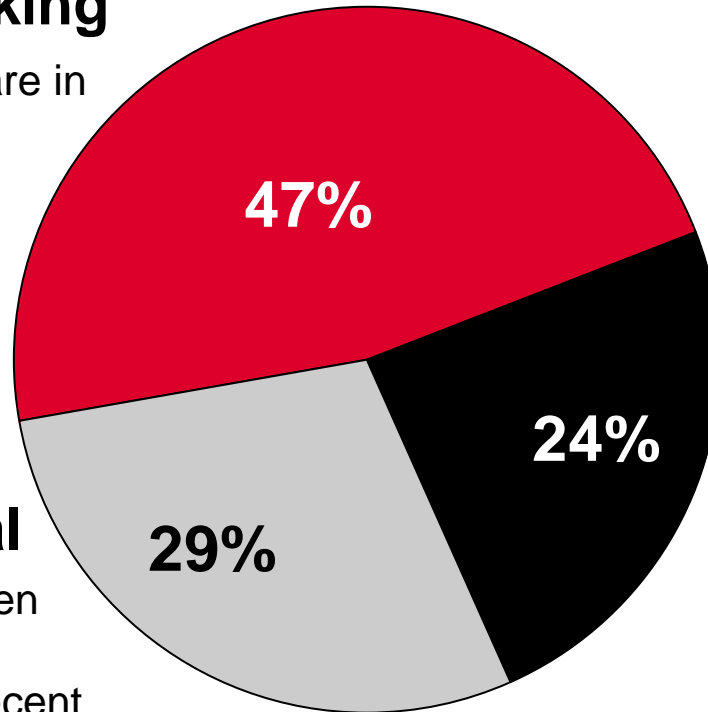


Three Diversified Growth Platforms

% of YTD Q3/10 Net Income, Excluding Other Segment

Canadian Banking

- Top 3 market share in P&C assets



Scotia Capital

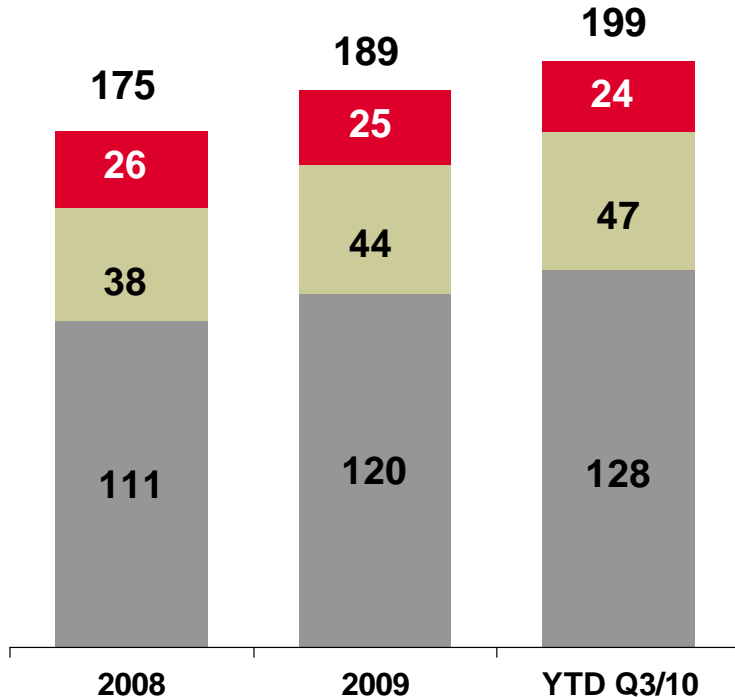
- Strong client-driven trading platform, benefiting from recent investments

International Banking

- 45+ countries, including recent investments in Thailand & Puerto Rico

Canadian Banking: High Quality Assets

Average Earning Assets (Incl. Acceptances), \$ billions



- Business Loans & Acceptances
- Personal Loans
- Residential Mortgages

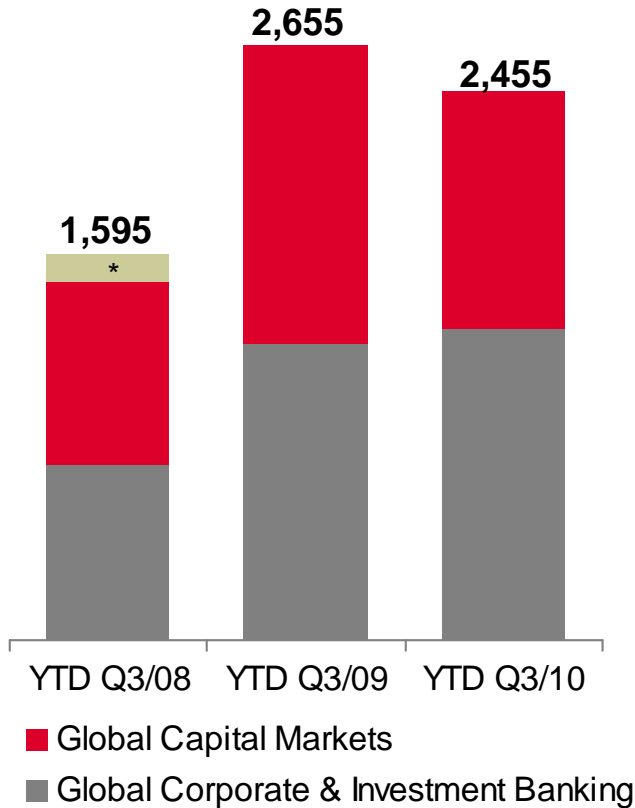
1,024 Branches
98 Wealth Management Offices
7.4MM Customers

- **Strong earnings growth**
 - 3-year CAGR: 13%
- **High quality assets**
 - 92% secured
 - Significant mortgage portfolio which is very low risk
 - 53% insured
 - LTV in mid 50's for uninsured book
 - Low-risk retail credit cards
 - 350 - 400 bps loss rate
- **Growing wealth management platform**
 - #3 in the industry in net mutual fund sales YTD 2010
 - Organic growth
 - Strategic investments

Scotia Capital: Balanced Lending and Capital Markets Platforms

Revenues (TEB)

(\$ millions)



* Write-downs

Global Corporate & Investment Banking

- **Investment grade lending focus**
 - No direct exposure to U.S. sub-prime
 - Minimal U.S. real estate
- **Global industry capabilities**
 - Energy
 - Infrastructure
 - Mining
 - Shipping
- **NAFTA platform**

Global Capital Markets

- **Diversified, client-focused trading businesses**
 - Precious metals (ScotiaMocatta)
 - Derivatives
 - Foreign exchange
 - Fixed income
 - Equities

International Banking: Three Geographic Areas, Numerous Opportunities for Growth

Statistics as of Q3/10, including affiliates



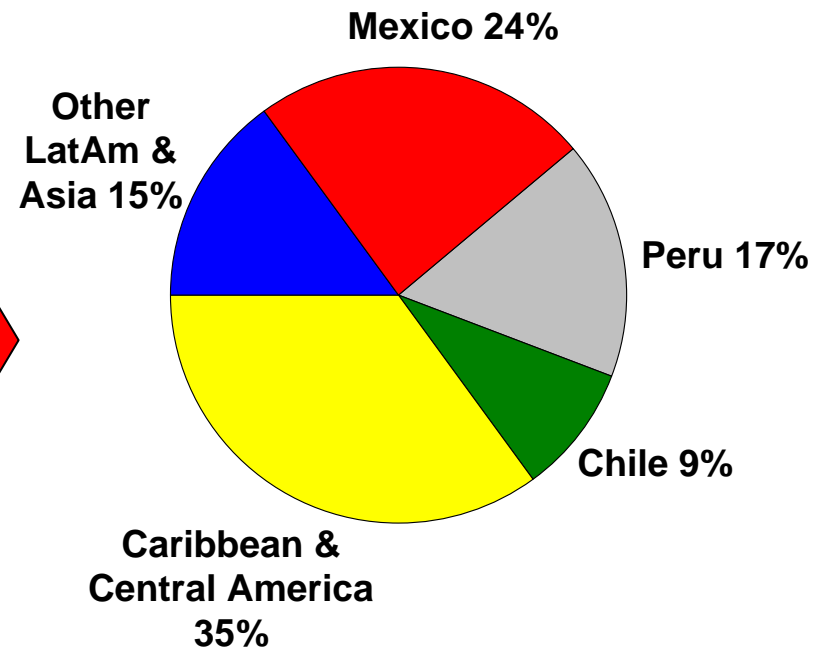
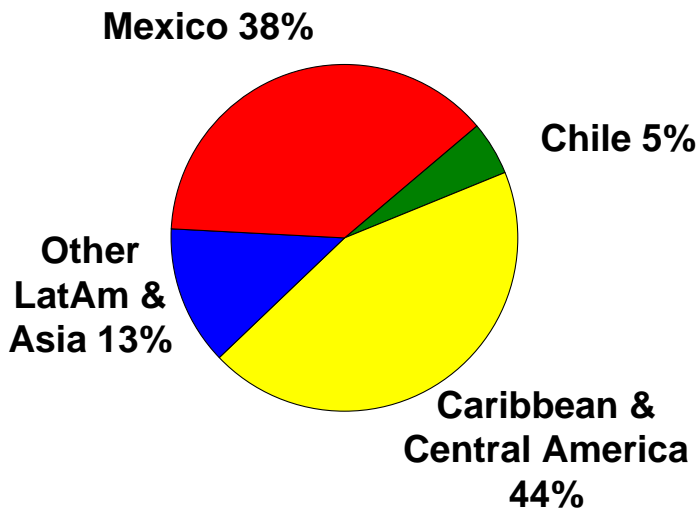
- 45+ Countries
- 3,600+ ABMs
- 1,950+ Branches
- 48,000+ Employees

5.5+ million customers

International Banking: Additional Diversification

YTD Q3/05 Revenue: \$2.1B

YTD Q3/10 Revenue: \$4.0B

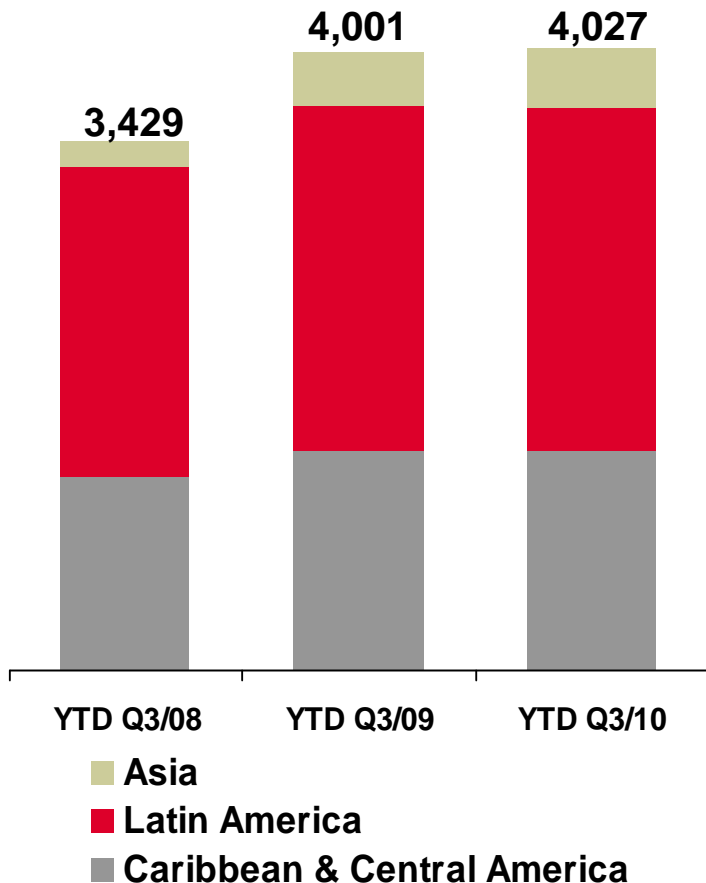


More diversified revenue stream

International Banking: Attractive Opportunities in Emerging Markets

Revenues

(\$ millions)



- **Dominant position in the Caribbean**
 - 100+ years in the region
 - Leading market share
 - Expanding wealth management, insurance
 - Recent acquisition in Puerto Rico
- **Attractive markets in Latin America**
 - High GDP growth, young populations, low banking penetration
 - Recent add-on acquisitions
 - Peru, Chile, Costa Rica
- **Asia: Option for Long-term**
 - 12 countries; traditional focus corporate/commercial and trade finance
 - Develop P&C business in niche markets
 - Focus on strategic investments
 - Thanachart (Thailand), Xi'an Bank (China)

Economic Outlook in Key Markets

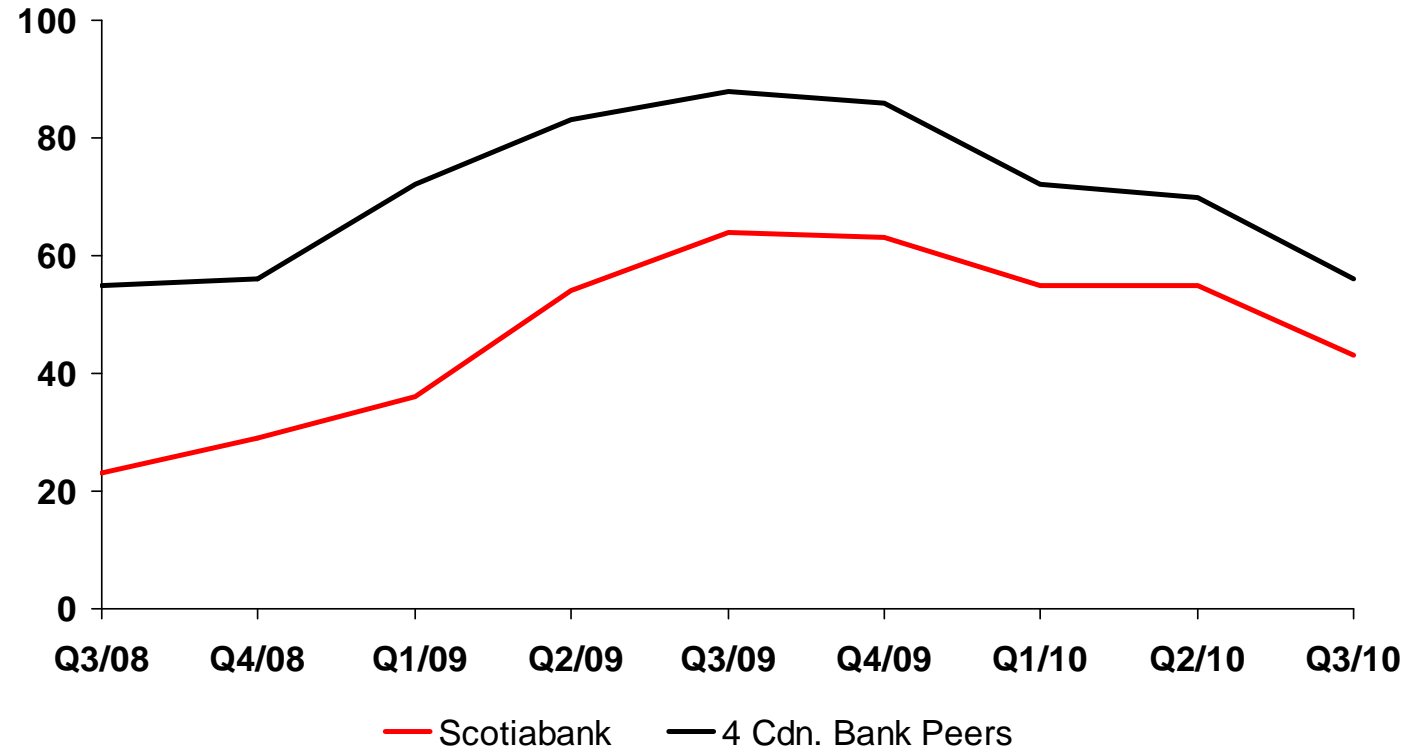
	Real GDP (Annual % Change)			
	2000-08 Avg.	2009	2010F	2011F
Mexico	2.8	(6.5)	4.8	3.5
Peru	5.6	0.9	7.0	5.4
Chile	4.3	(1.5)	4.8	5.8
Jamaica	1.4	(3.0)	(0.5)	1.5
Trinidad & Tobago	7.5	(3.2)	2.0	2.5
Costa Rica	4.5	(1.3)	3.5	3.0
Dominican Republic	5.4	3.0	4.5	4.0
Thailand	4.6	(2.3)	5.5	4.0
	2000-08 Avg.	2009	2010F	2011F
Canada	2.6	(2.5)	3.0	2.3
U.S.	2.3	(2.6)	2.6	2.1

Source: Scotia Economics, as of September 2, 2010

Disciplined Risk Management: Consistently Outperforming Canadian Peers

Specific PCLs as % of Average Loans & BAs

(basis points)

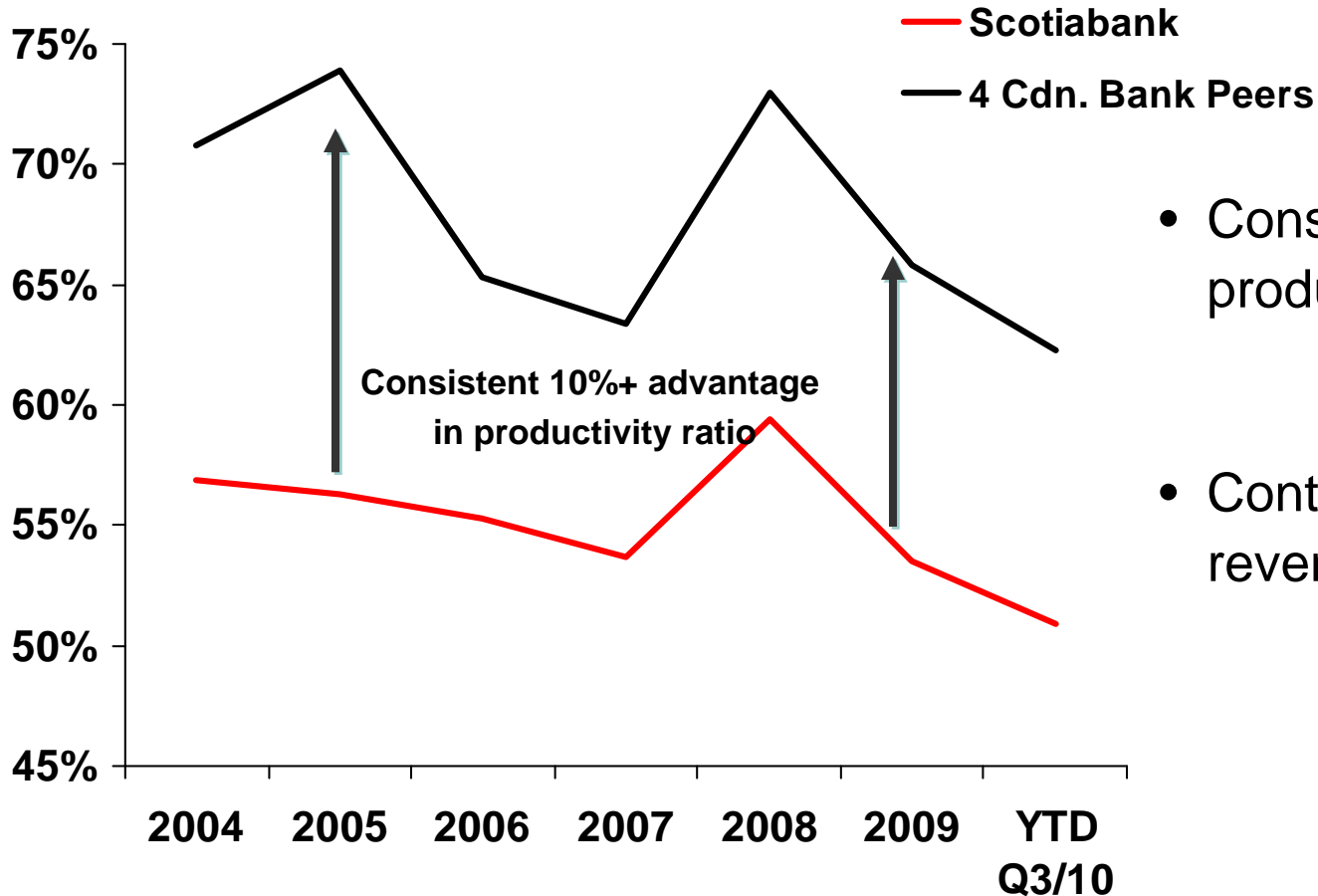


Changes Since Previous Credit Cycle:

- Conservative underwriting and risk appetite
- Investment grade client focus in Scotia Capital
- Exited the highly leveraged LBO market; no “covenant light”
- Lower single name limits; reduced industry concentration
- Embedded risk culture

Deeply-Rooted Cost Culture

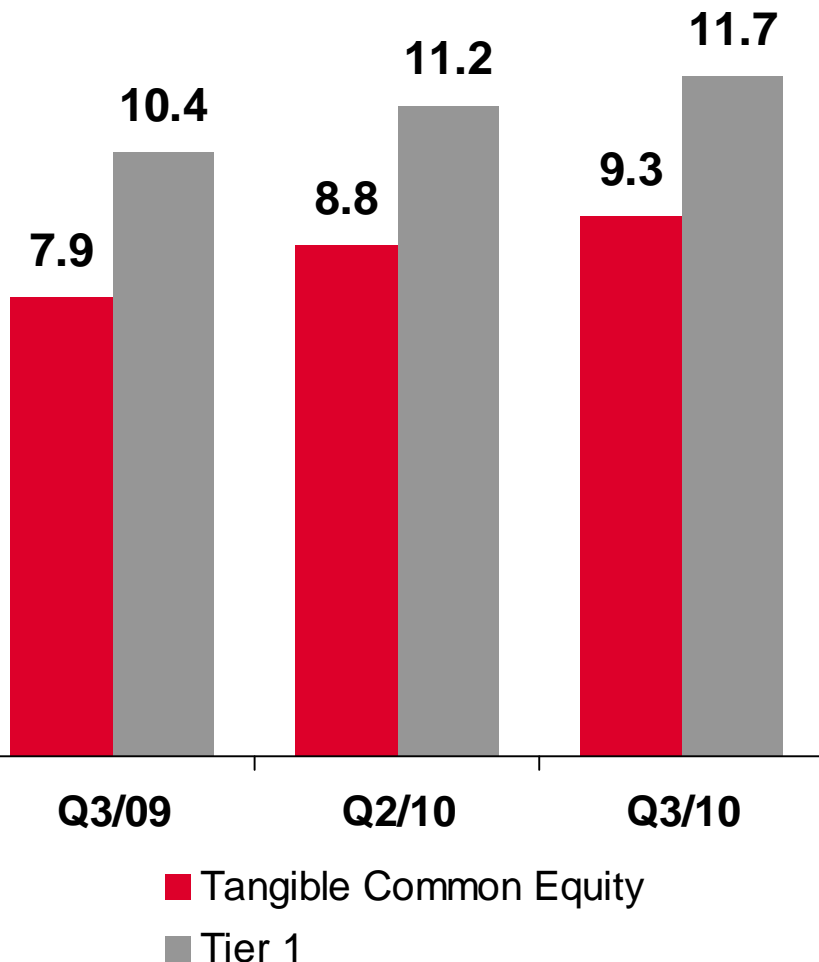
Industry-Leading Productivity Ratio (TEB)



- Consistent leader in productivity
- Continue investing in revenue growth initiatives

Strong Capital Position

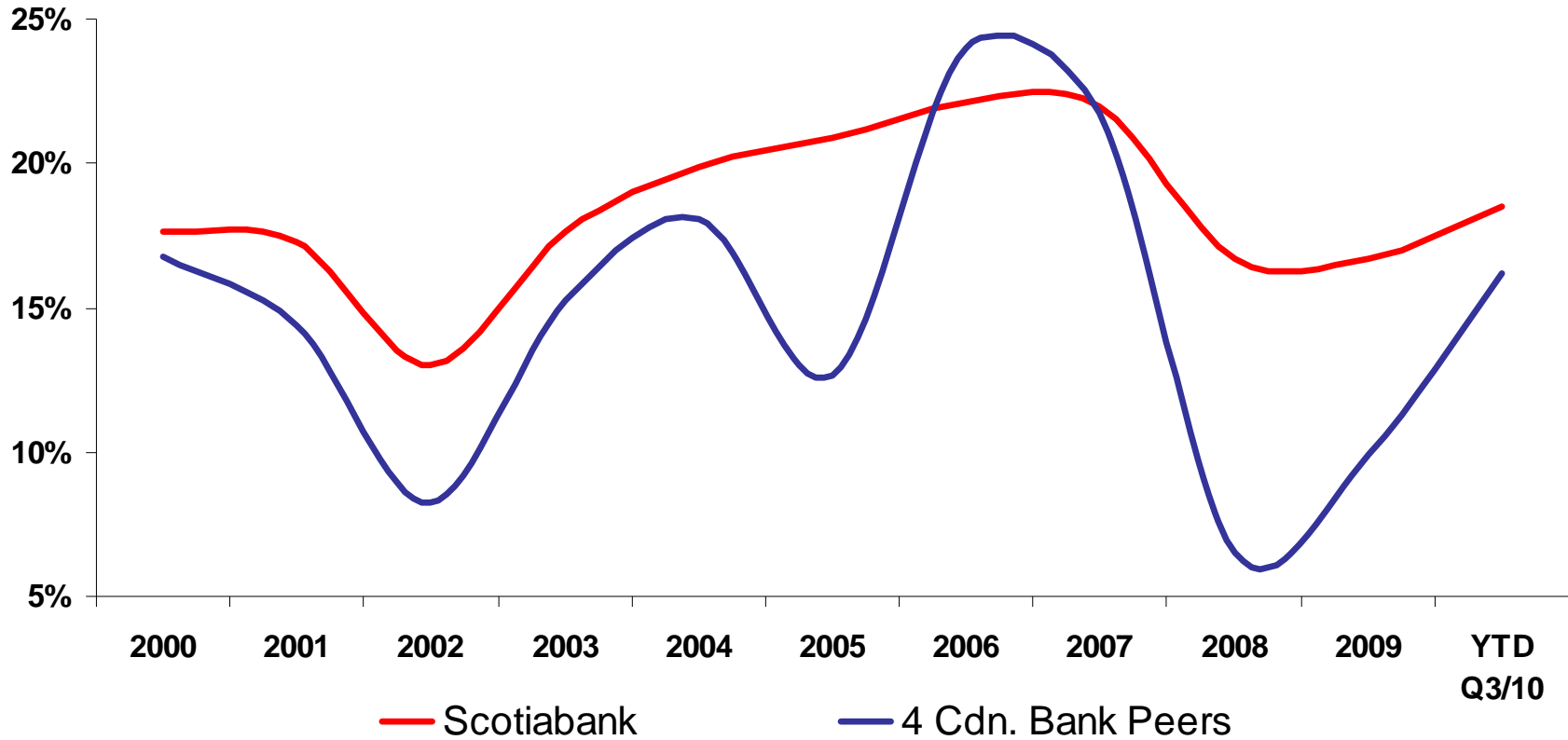
Capital Ratios (%)



- **Strong ratios by global standards**
 - Avoided dilutive public offering of common equity
- **High quality capital**
- **Investing in businesses**
 - Organic
 - Acquisitions
- **Consistent dividends**

ROE Consistently at Top of Peer Group

Return on Equity (reported)



Outlook

- **Cautiously optimistic**

- Confident of continuing our growth:
 - Focus on higher growth markets
 - Revenues to expand
 - Maintain positive operating leverage
 - Continue add-on acquisitions in existing markets
- Provisions to gradually decline
- Manage through regulatory environment

- **On-track to meet 2010 targets**

	<u>Target</u>	<u>YTD Q3/10 Actual</u>
- EPS growth	7-12%	17%
- ROE	16-20%	18.5%
- Productivity Ratio	<58%	50.9%
- Capital	Maintain strong ratios	Tier 1: 11.7% TCE: 9.3%

Q&A

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