

Acquisition of DundeeWealth Inc.

November 22, 2010

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 Bank’s ability to complete the acquisition of DundeeWealth in accordance with the terms and conditions of the offer, the accuracy of the Bank’s assessment of the effects of the successful completion of the offer, 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.

Strategic Rationale

- Creates the #5 mutual fund company in Canada
- Another cornerstone transaction in creating a scale wealth management platform in Canada
- Fastest growing and top performing asset manager
- Top performing group of independent advisors
- Significant synergies and value enhancement opportunities
 - Economies of scale (administration, technology, shared services)
 - Increased product support
 - Broad product offering
- Increases exposure to fee businesses
 - No material impact on risk weighted assets
- Increases ability to pursue global wealth opportunities
 - New opportunity to take Dynamic's capabilities global

| Current Rank | Company | Mutual Fund Net AUM (\$ millions) | Market Share |
|--------------|---------------------------------|-----------------------------------|--------------|
| 1 | RBC | 106,180 | 15.0% |
| 2 | IGM Financial Inc. | 103,511 | 14.6% |
| 3 | CI Financial | 65,631 | 9.3% |
| 4 | TD Asset Management | 59,150 | 8.4% |
| 5 | CIBC Asset Management | 48,611 | 6.9% |
| 6 | Fidelity Investments Canada ULC | 48,302 | 6.8% |
| 7 | BMO Financial Group | 36,992 | 5.2% |
| 8 | Dynamic Funds | 30,681 | 4.3% |
| 9 | Invesco Trimark Ltd. | 26,222 | 3.7% |
| 10 | Scotia Asset Management | 24,615 | 3.5% |
| 11 | AGF Investments Inc. | 22,559 | 3.2% |
| 12 | Franklin Templeton | 20,802 | 2.9% |
| 13 | MD Mangement Limited | 17,154 | 2.4% |
| 14 | Manulife Investments | 15,978 | 2.3% |
| 15 | Fonds Desjardins | 12,760 | 1.8% |

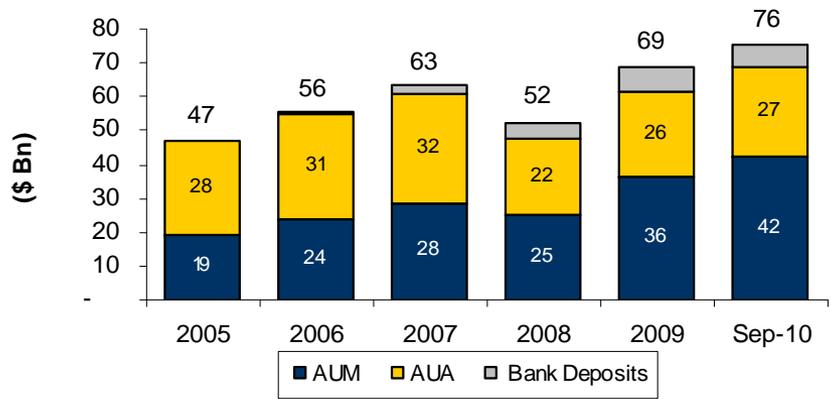
Scotia + Dynamic
\$55,296 MM

Source: IFIC as of Oct 31, 2010, other than for Invesco which is Sept 30, 2010.

Overview of DundeeWealth Inc.

- DundeeWealth has two principal businesses:
 - Investment management
 - Financial advisory
- Total fee earning assets of ~\$76 billion
- Mutual fund market share at all-time high
 - #1 in YTD industry net sales
 - 55% of mutual funds AUM is top quartile in performance

Fee Earning Assets



Source: Company Reports

Investment Management (\$42 billion – AUM)

| | |
|----------------------|---------------|
| Dynamic Mutual Funds | \$30.7 |
| Other | \$11.1 |
| Total AUM | \$41.8 |

Financial Advisory (\$27 billion – AUA) (1)

- 1163 Advisors
 - 495 Retail Brokers (IIROC)
 - 525 Financial Planners (MFDA)
 - 143 Insurance only
- 456 offices across Canada
 - Network substantially rationalized over last two years
- Network is a strong supporter of DundeeWealth products

(1) Adjusted for the spinout of Dundee Capital Markets, financial advisory would have \$24 billion of AUA .

Other (\$7 billion)

- Administrator of Dundee Bank deposits

Combined Business Creates Meaningful Scale

Combined Operations

- \$55.3 billion of assets under management and \$117 billion of assets under administration
- Almost 1,300 IIROC-registered investment advisors
- More than 7,200 MFDA advisors

| as of October 2010 (\$billions) | Scotiabank ⁽¹⁾ | DundeeWealth | Combined |
|-----------------------------------------------------------------------------------------|---------------------------|--------------|----------|
| Mutual Fund AUM | \$24.6 | \$30.7 | \$55.3 |
| AUA | \$89.9 ⁽²⁾ | \$27.2 | \$117.1 |
| IIROC Advisors | 789 | 495 | 1,284 |
| MFDA Advisors | 6,690 ⁽³⁾ | 525 | 7,215 |
| % Funds with 1-year returns in 1 st /2 nd quartile ⁽⁴⁾ | 60% | 82% | |
| LTM net funds sales - long-term assets | \$2.6 | \$3.9 | \$6.5 |
| LTM net funds sales - total assets | \$1.7 | \$3.8 | \$5.5 |

⁽¹⁾ BNS Wealth Management excl. DW equity interest

⁽²⁾ ScotiaMcLeod + online brokerage (incl. iTrade)

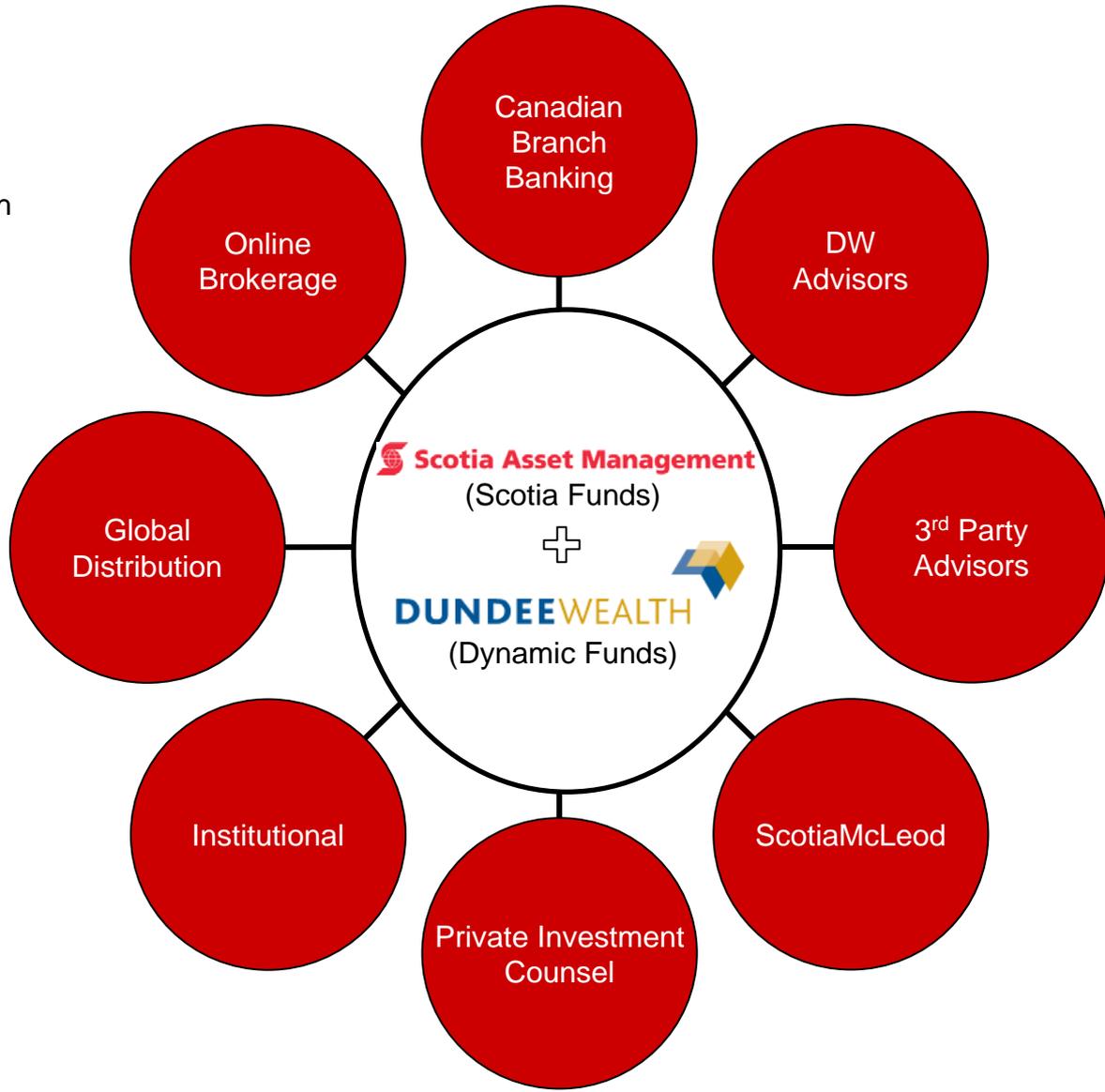
⁽³⁾ Registered Representatives

⁽⁴⁾ Long-term actively managed funds

Multi-Dimensional Platform for Accelerated Growth

Key Components

- Increased opportunity to grow through multiple channels
- Complementary capabilities in both manufacturing and distribution
- Maintain distinct brands for both Scotia and Dynamic offerings
- Phased approach to realizing operational efficiencies
- Ability to leverage globally



Transaction Overview

- Total purchase price of ~\$2.3 billion for portion not currently owned
- Transaction results in a price of \$21.00 per share of DundeeWealth
- Consideration comprised of:
 - \$2.00 per share special dividend paid from DundeeWealth's existing cash balance
 - \$0.50 per share in stock of Dundee Capital Markets (to be spun out from DundeeWealth)
 - \$5.00 per share in either cash or Scotiabank preferred shares (at the option of the holder)
 - Dundee Corporation has agreed to take the preferred share option
 - \$13.50 per share in Scotiabank common shares (based on an exchange ratio of 0.2497 BNS shares for each DW share)
- Including current holdings, average cost to Scotiabank of approximately \$17.00 per DW share
- Transaction is financially attractive to all parties
 - 17% premium to 20-day VWAP
 - Incremental EPS of \$0.12 and ROIC of 12.8% by Year 3

| Common Share Summary | |
|----------------------|----------------------|
| Amount | \$1.724 billion |
| # Shares Issued | Approx. 31.9 million |

| Preferred Share Summary | |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Amount | Up to \$639 million |
| Type | 5-Year Rate Reset |
| Coupon/Spread | 3.70% / 134 bps |
| Div. Reset | Reset every 5 yrs; spread of 134 bps |
| Other Conditions | Similar to other BNS rate reset shares including no redemption for first 5 years (subject to the maintenance of certain regulatory standards) |

Positive Returns with Minimal Capital Impact

- Transaction meets Scotiabank's stated acquisition criteria:
 - Accretive to earnings by Year 3
 - ROIC exceeds cost of capital by Year 3
- Combined entity will benefit from operational efficiencies
 - Shared services
 - Administrative
 - Technology
- One time integration costs relating to technology, real estate and other costs
- No material impact on capital ratios
- No impact expected on BNS ratings
- Continued opportunity from leveraging the Dynamic brand
 - Beneficial to all advisors

Estimated Earnings Accretion ⁽¹⁾

| | <u>Year 1</u> | <u>Year 3</u> |
|--------------------|---------------|---------------|
| Incremental EPS | \$0.00 | \$0.12 |
| ROIC (incremental) | 7.6% | 12.8% |

(1) Assuming all DundeeWealth minority shareholders elect the cash option

Pro Forma Capital Impact ⁽¹⁾

| | <u>Tier 1</u> | <u>Total</u> |
|------------------------|---------------|---------------|
| Current ⁽²⁾ | 11.7% | 13.9% |
| Transaction impact | <u>(0.1%)</u> | <u>(0.1%)</u> |
| Pro forma | 11.6% | 13.8% |

(1) Assuming all DundeeWealth minority shareholders elect the cash option

(2) As at July 31, 2010 (Q3/10)

Q&A

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