



Latin America

Investor Day
January 2013



Opening Remarks

Dieter Jentsch
Group Head, International Banking

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 U.S. 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, U.S. 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 financial performance, 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 55 of the 2012 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.



Latin America

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Scotiabank Peru Overview

Carlos Gonzalez-Taboada
Chief Executive Officer
& Special Advisor LatAm
Scotiabank Peru

Hubert de la Feld
Senior Vice President
& Chief Operating Officer
Scotiabank Peru

Agenda



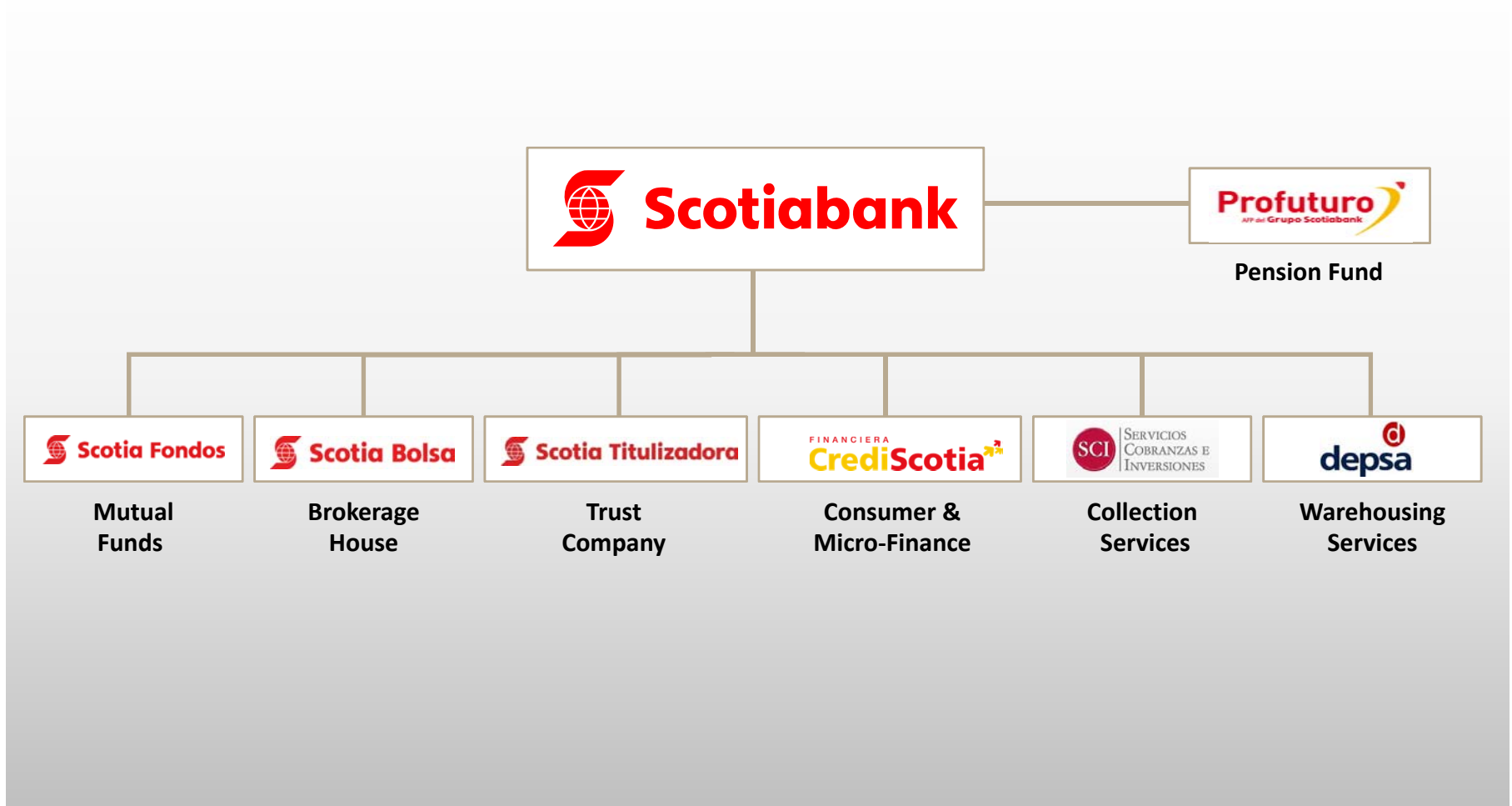
Scotiabank Peru Group

The business today

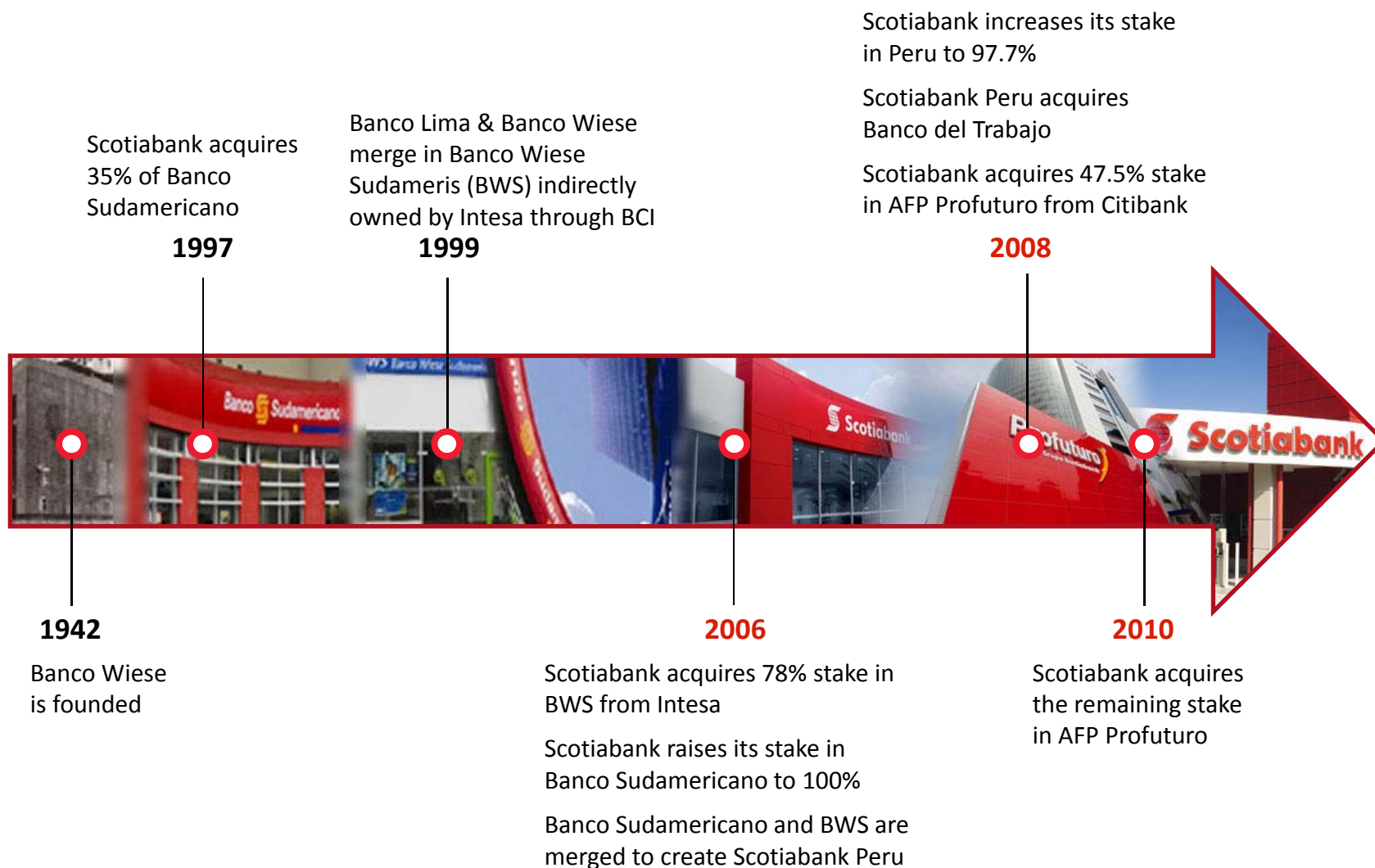
Performance record

Growth strategy

Scotiabank in Peru: Full Range of Services

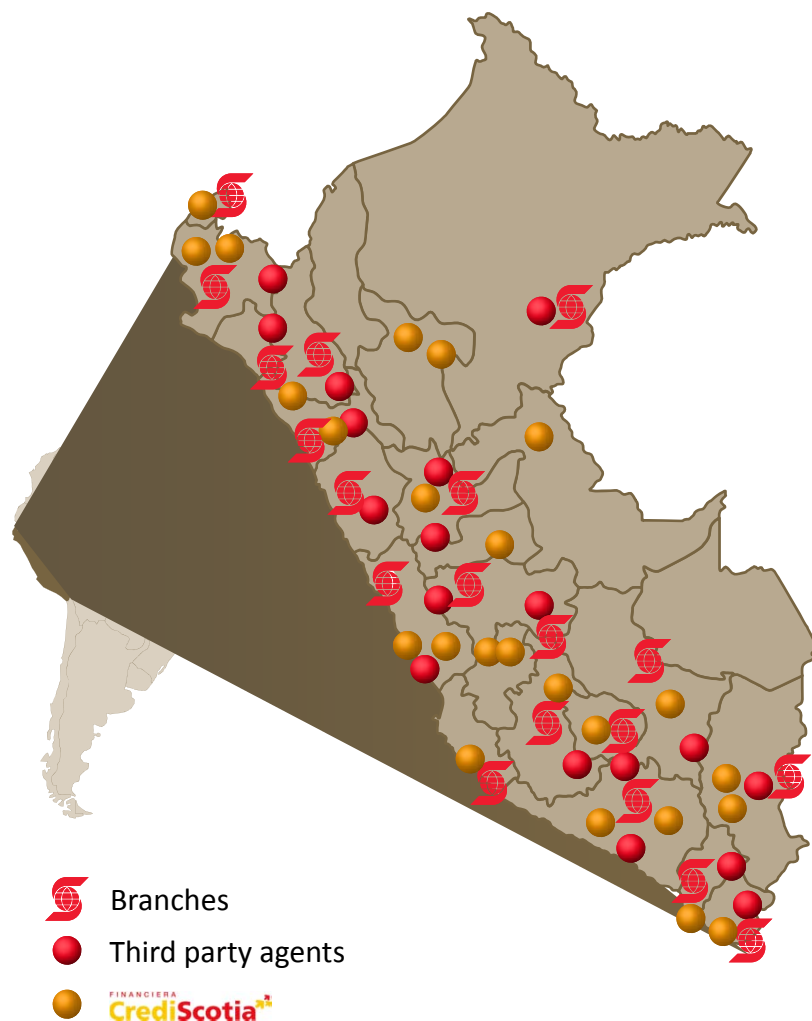


Long Track Record of Banking Operations in Peru

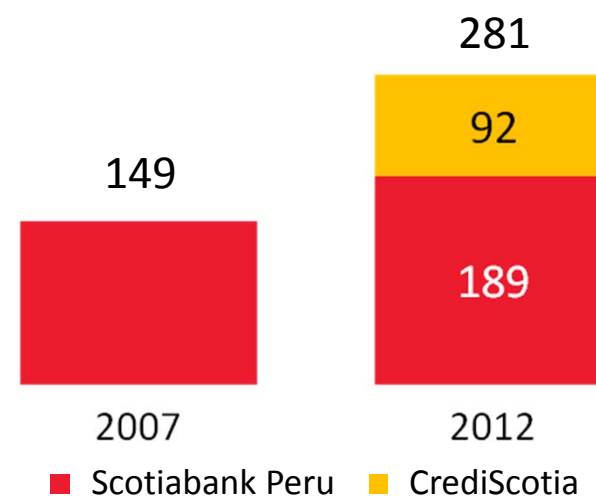


Extensive and Growing Geographic Footprint

Locations



Growth in Branch Network (number of branches)



Scotiabank Peru Group

Third party agents	1,811
ATMs	557
Headcount	10,344

Source: Company

Multiple Awards and Recognition



2012

**Record of
lowest sub-
debt rate in
LatAm**



2012

**First bank
in Peru
recognized
as a socially
responsible
company**



2010 - 2012

**Best trade
bank
in Peru**



2008 - 2012

**Best foreign
exchange bank
in Peru**



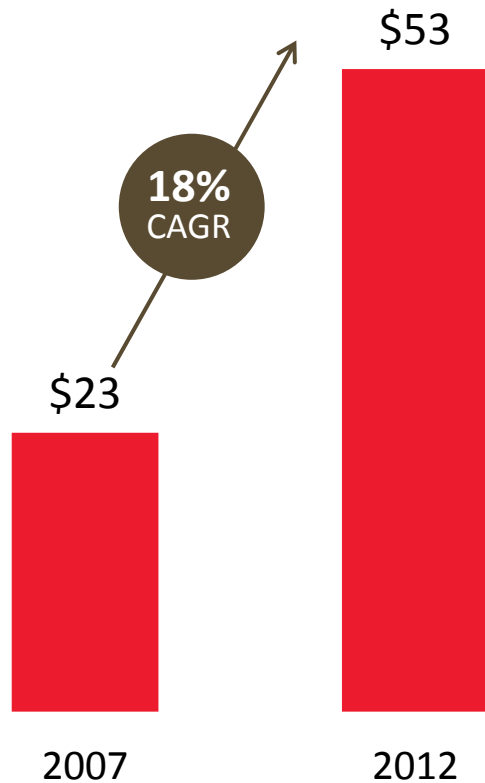
2011 - 2012

**In the
category
of large
companies**

Significant Growth Opportunities in Peru

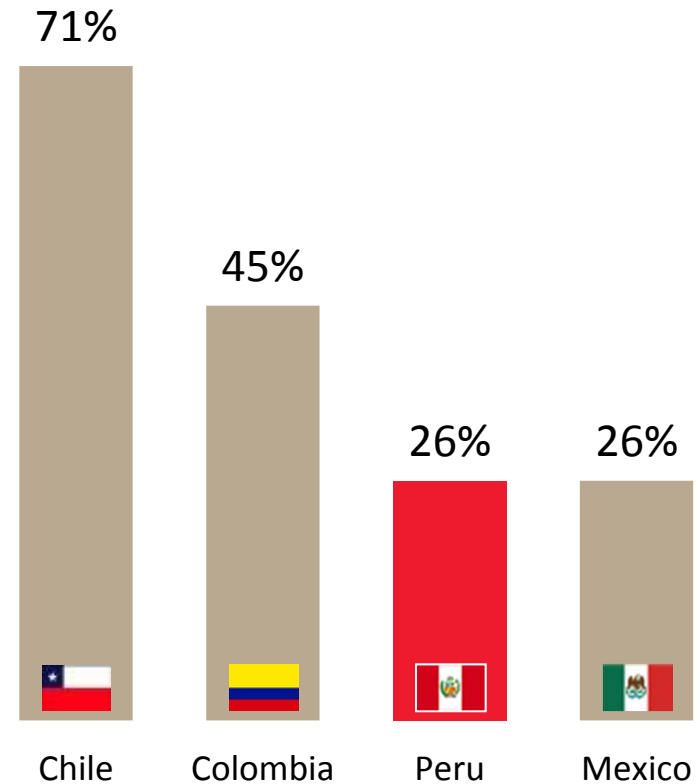
(in billions of Canadian dollars)

Financial and Banking System Growth Net Loans



Source: Peruvian Bank Superintendence. Information as of September 30, 2012, and September 30, 2007.

Low Loans/GDP Levels



Source: The World Bank, October 2012

Sound Regulatory Environment

- ✓ Strong supervision by Superintendencia de Banca, Seguros y AFPs – which is strongly aligned with OSFI
- ✓ Basel III gradual implementation until 2016
- ✓ Market friendly regulation focused on financial inclusion
- ✓ IFRS compliance in 2014
- ✓ Aligned customer ratings across financial system
- ✓ Counter-cyclical reserve requirements



Agenda



Scotiabank Peru Group

The business today

Performance record

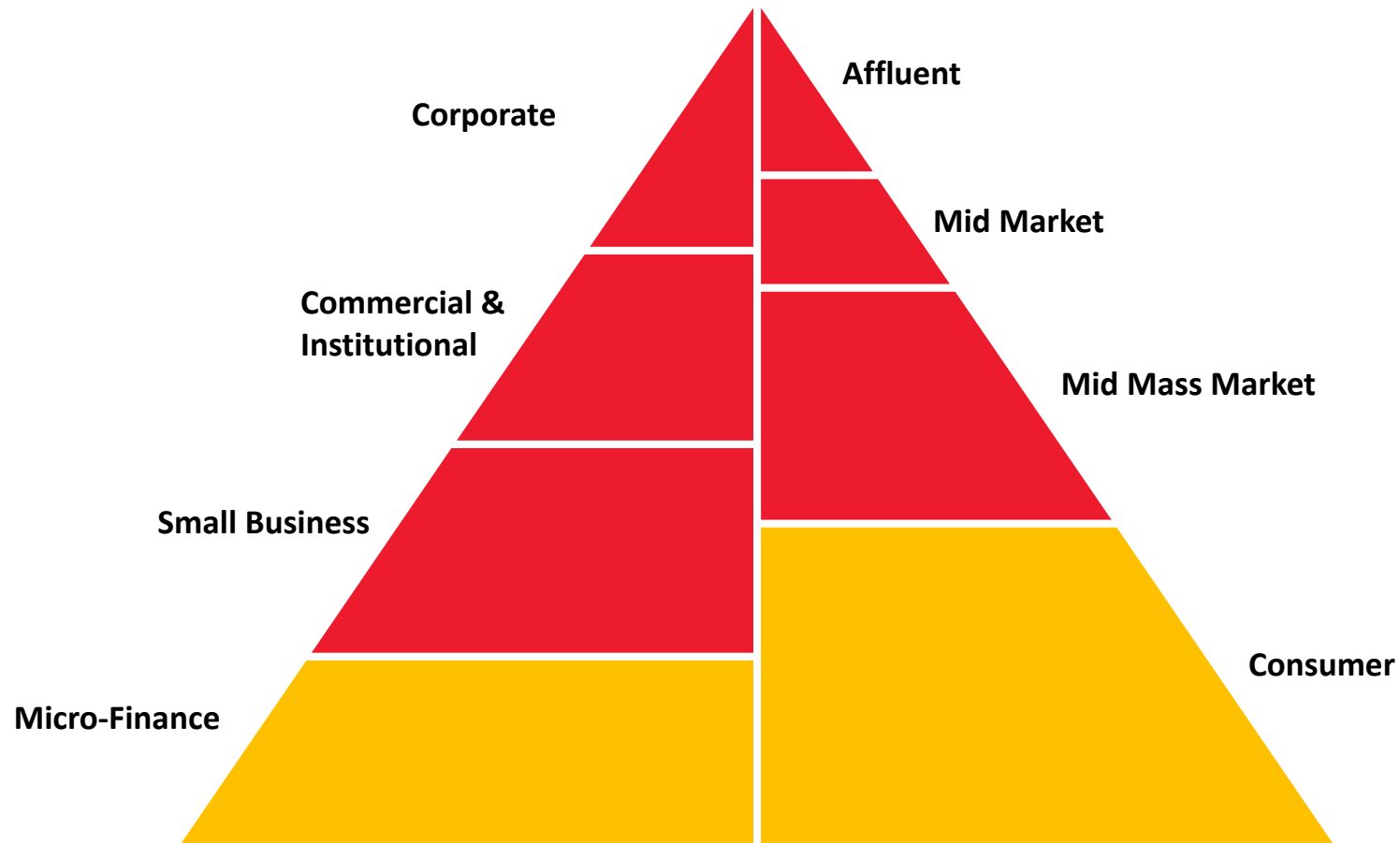
Growth strategy

Solid Business Model Delivers Sustainable Profitability



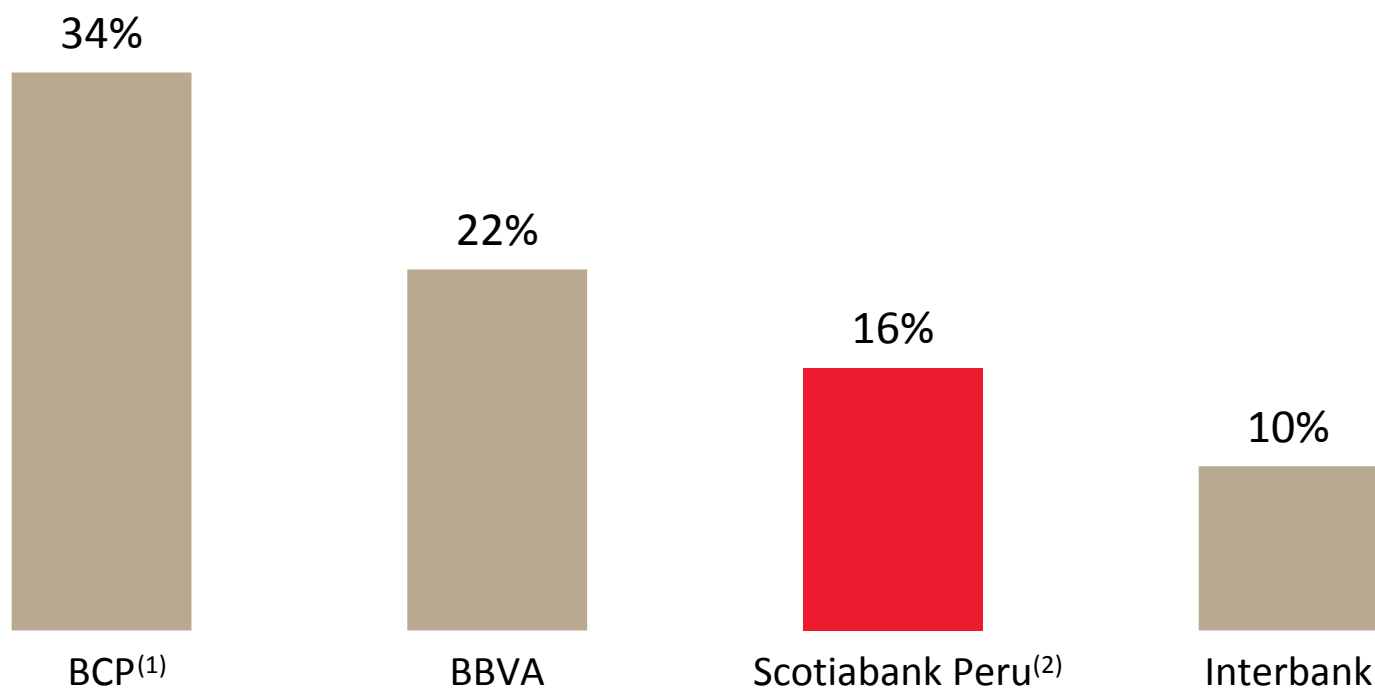
Highly Segmented Approach	<ul style="list-style-type: none">• Wide variety of customer value propositions, allowing customer to access their needs
Balanced Retail and non-Retail Assets	<ul style="list-style-type: none">• Diversified loan portfolio with strong market share in all segments and well controlled risk
Diversified Funding Structure	<ul style="list-style-type: none">• Balanced core deposits between retail and wholesale funding
Flexible & Variable Expenses	<ul style="list-style-type: none">• Extensive usage of variable expenses

Strong Presence in all Market Segments



Market Share: Top 3 in Loans

Loans



Source: Peruvian Bank Superintendence. Information as of Sept 2012.

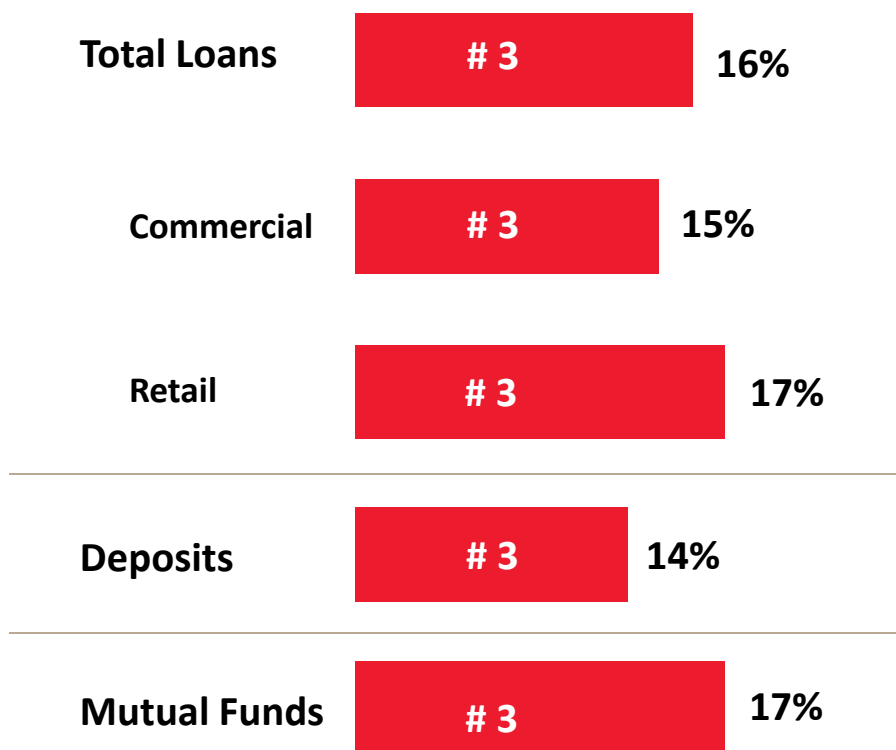
(1) Includes Edyficar

(2) Includes CrediScotia

Scotiabank Peru: Top 3 Player in All Segments



Ranking / Market Share



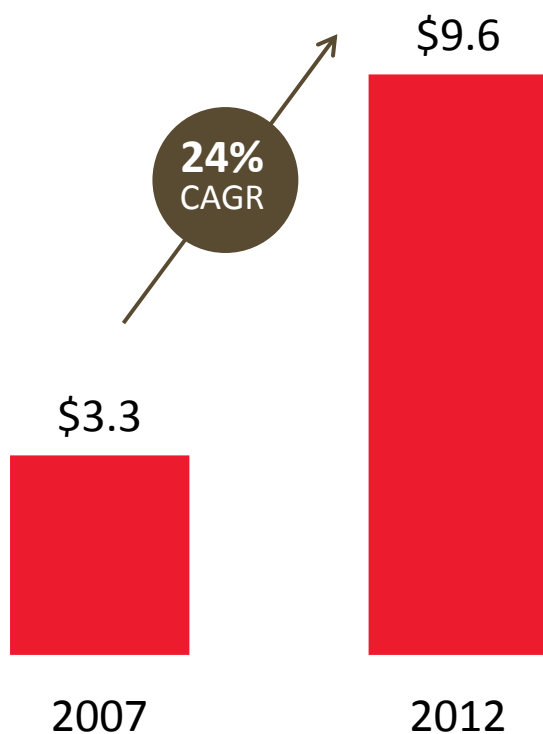
Source: Peruvian Bank Superintendence and ASBANC. Information as of September 30, 2012. Figures for Scotiabank & CrediScotia.

Strong Growth in Loans, Diversified Portfolio

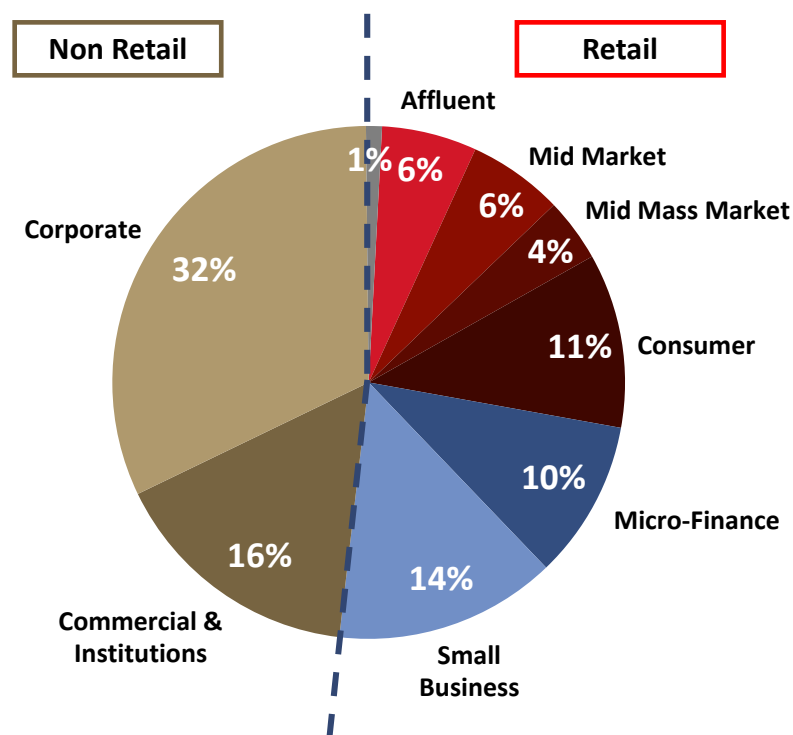


(in billions of Canadian dollars)

Net Loans

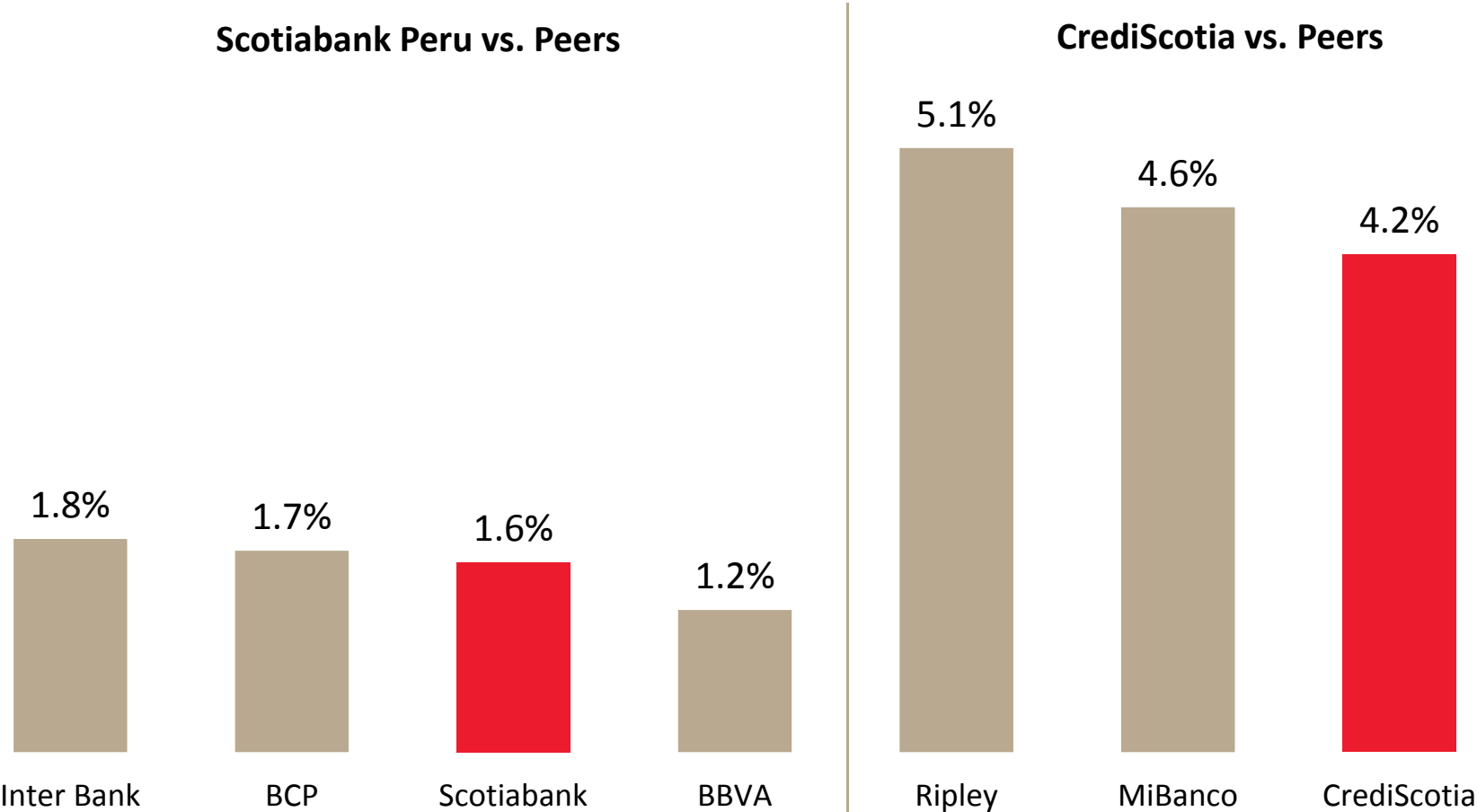


Breakdown by Segments



Source: Company. Scotiabank Peru and CrediScotia consolidated as of September 2007 and 2012. Includes offshore loans.

Lower Delinquency Ratio



Scotiabank Peru Consolidated Ratio: 2%

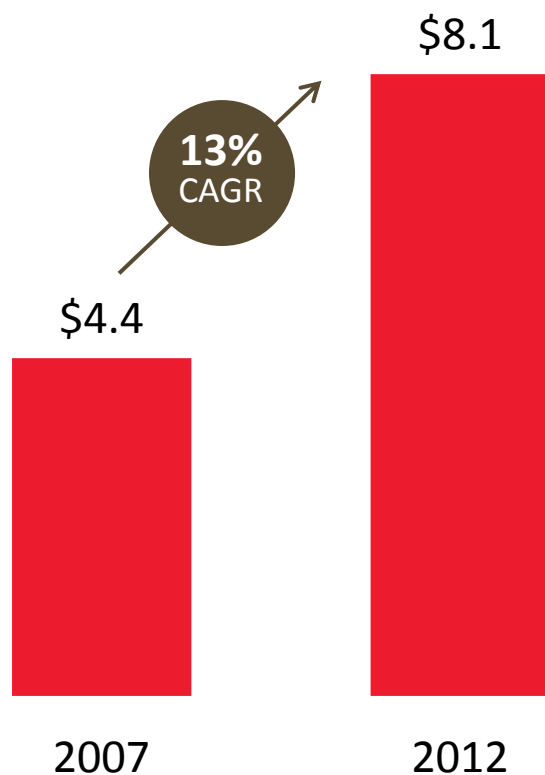
Source: Company and Peruvian Bank Superintendence. As of September 2012

Consistent Growth in Core Deposits

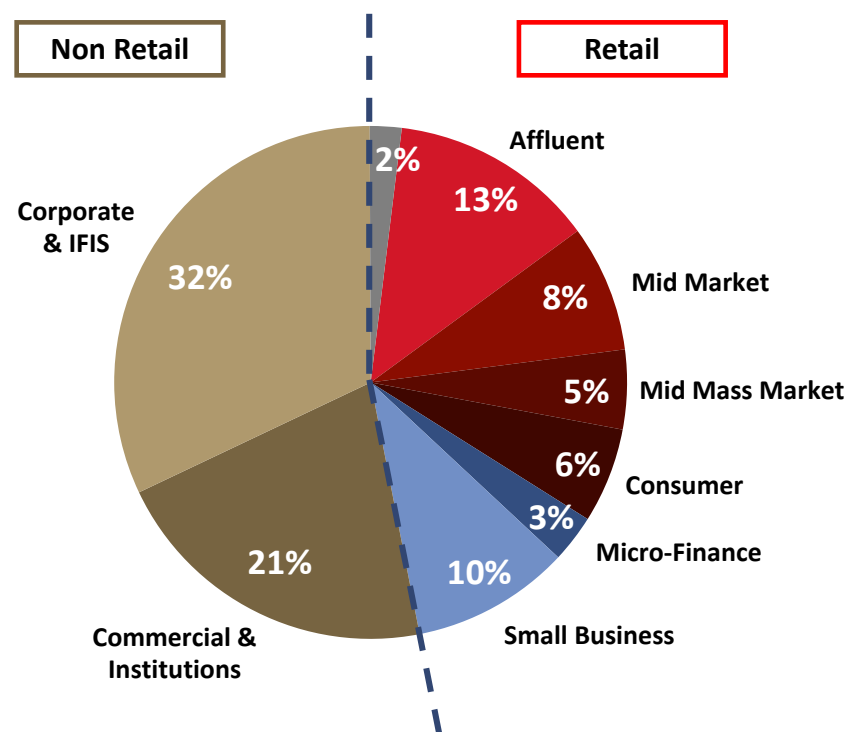
(in billions of Canadian dollars)



Core Deposits



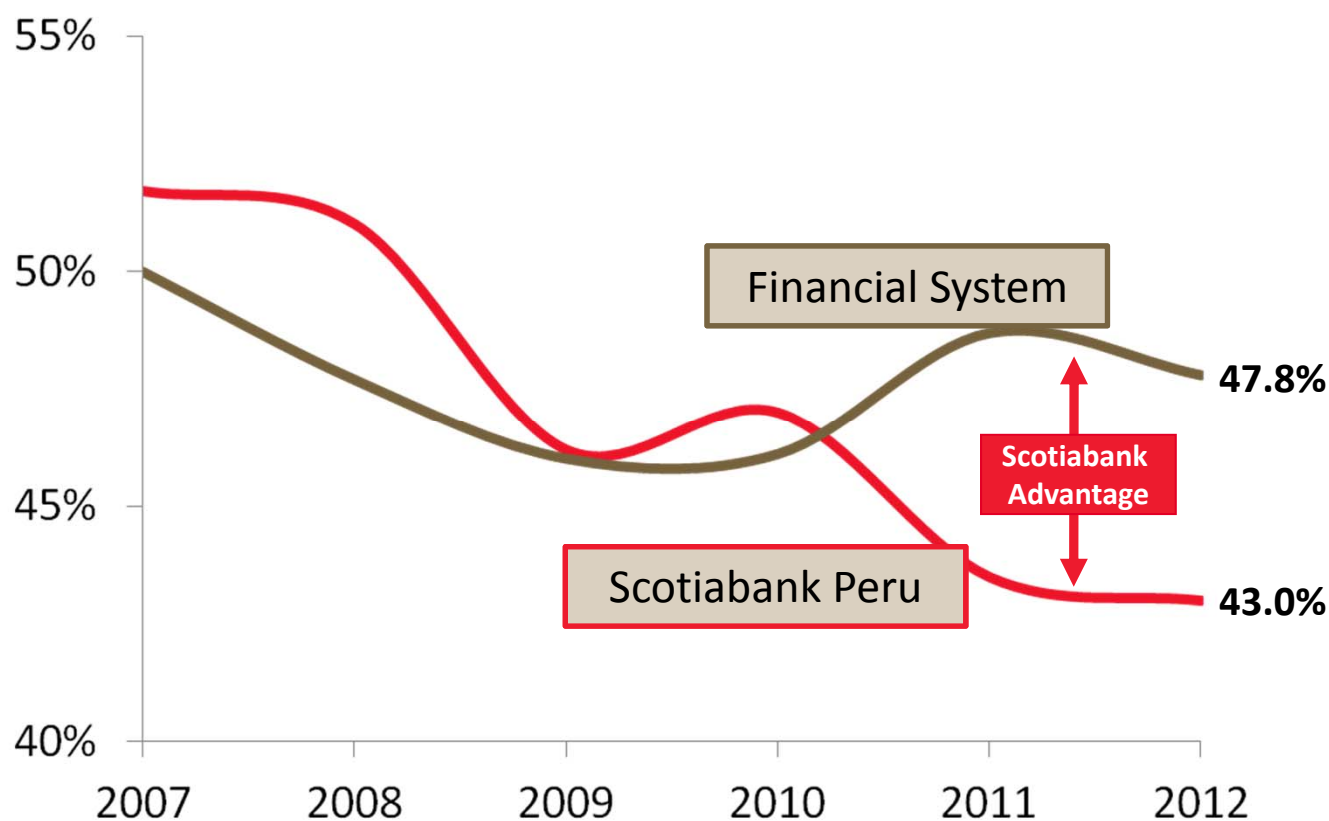
Breakdown by Segments



Source: Company. Scotiabank Peru and CrediScotia consolidated as of September 2007 and 2012.

Low Cost, Efficient Operations

Productivity Ratio



Source: SBS and Conasev. Scotiabank Peru and CrediScotia consolidated as of September 2012

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Scotiabank Peru Group

The business today

Performance record

Growth strategy

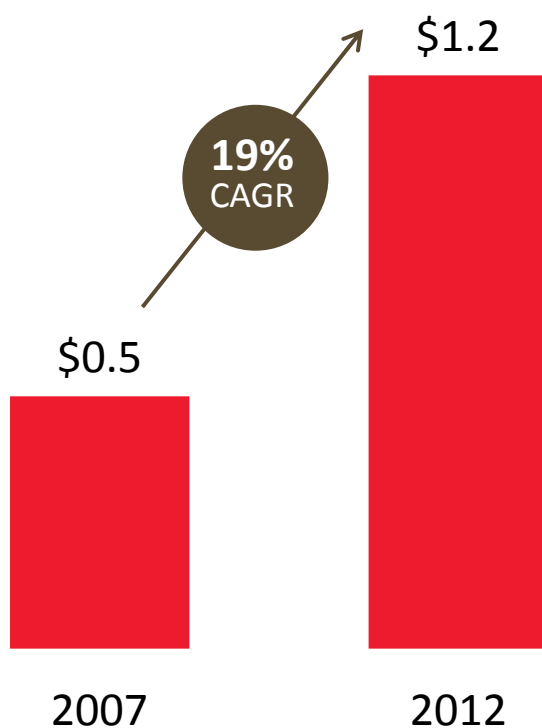
Strong Financial Performance



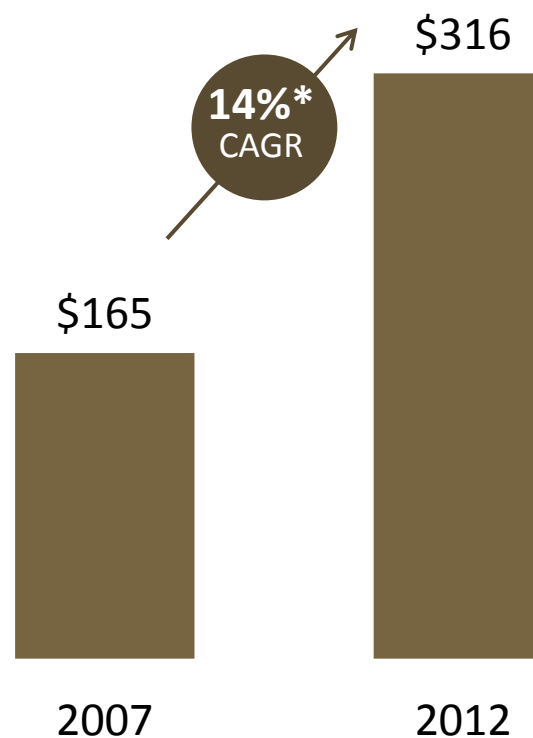
(in billions of Canadian dollars)

(in millions of Canadian dollars)

Total Revenues



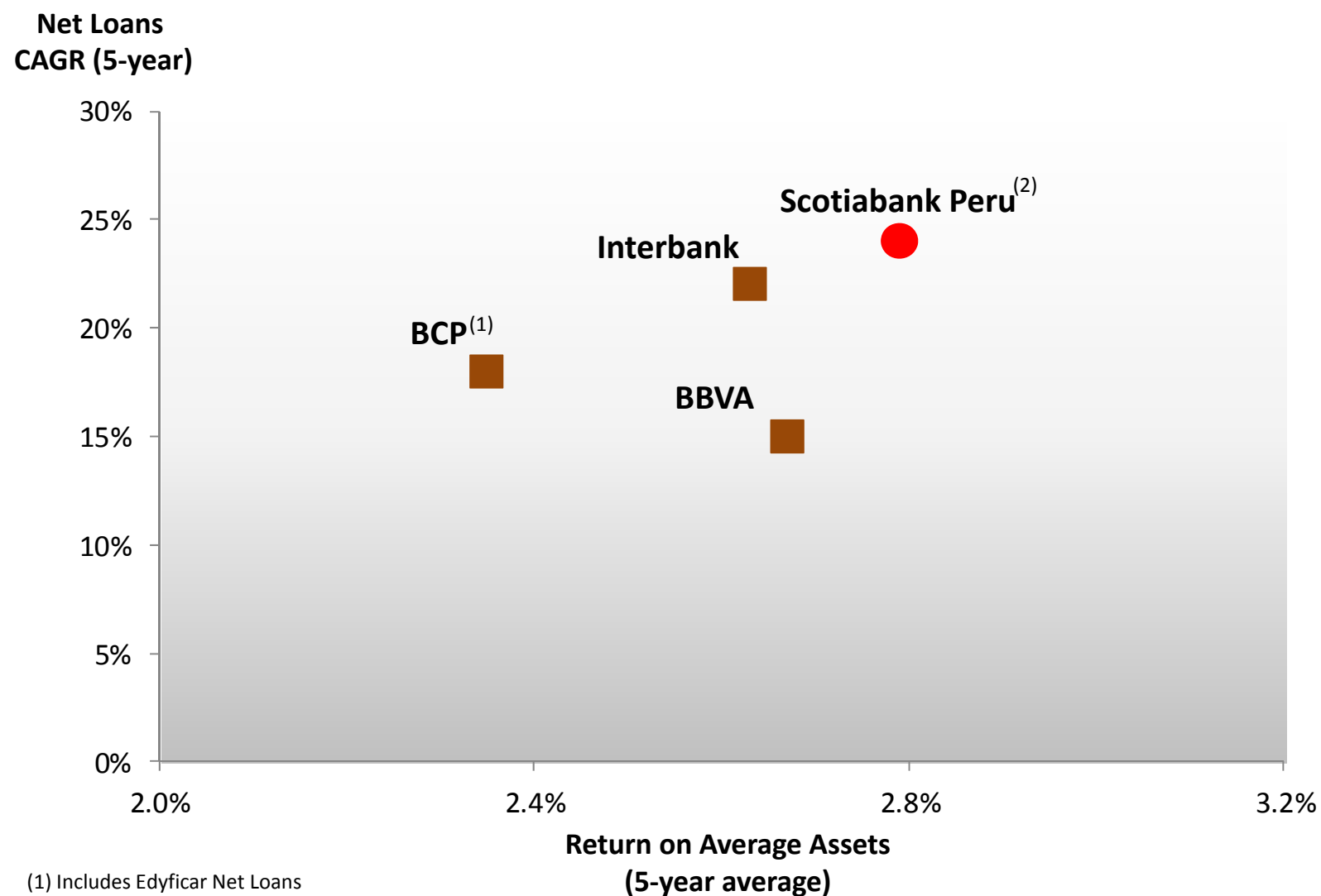
Net Income



* Core earnings CAGR: 22%

Source: Company. Scotiabank Peru and CrediScotia consolidated as of September 2007 and 2012.

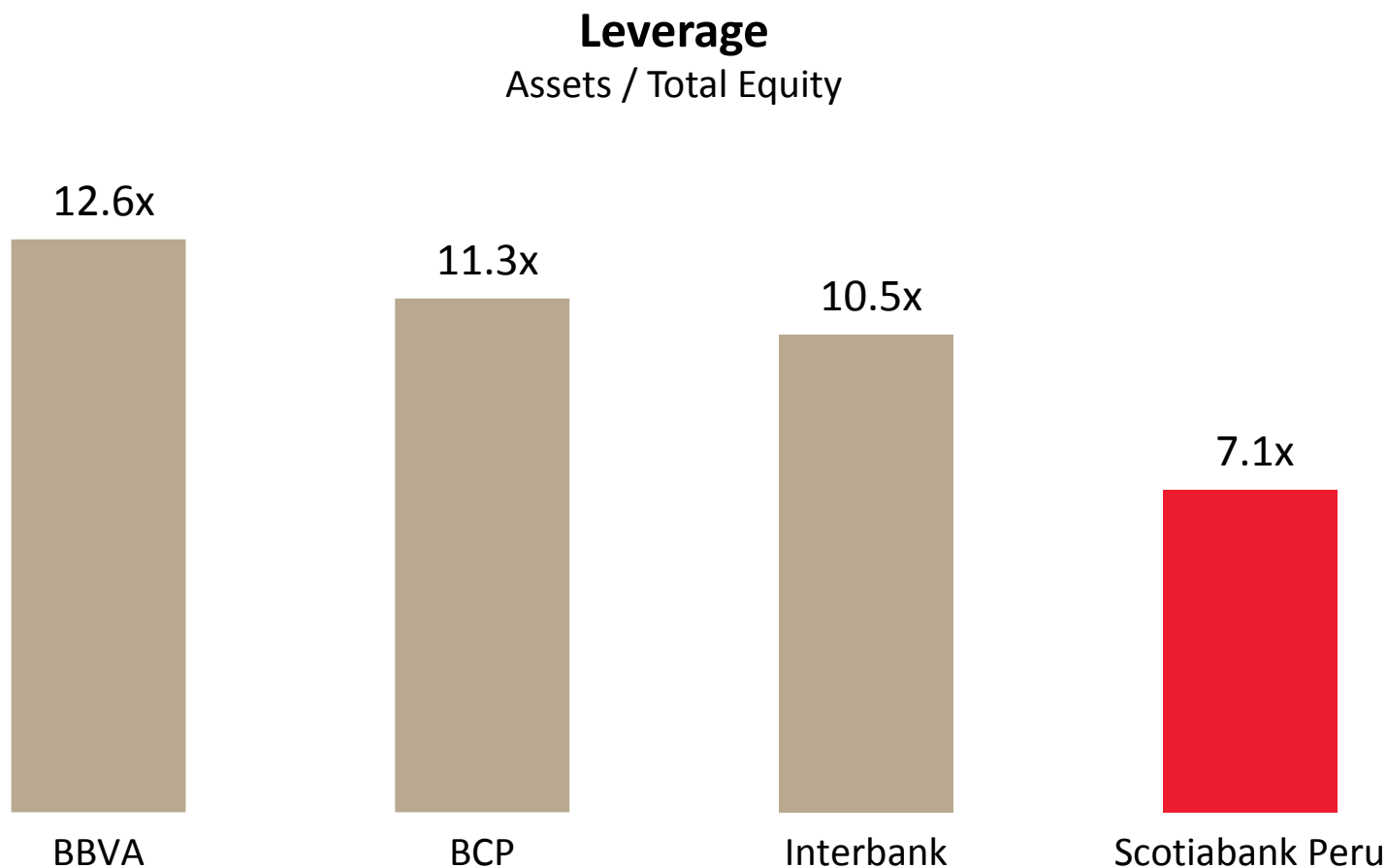
A Leader in Growth and Profitability



(1) Includes Edyficar Net Loans

(2) Includes CrediScotia Net Loans + Offshore

Strong Capital Base with Conservative Leverage



Source: Peruvian Bank Superintendence as of September 2012

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Scotiabank Peru Group

The business today

Performance record

Growth strategy

Growth Drivers

- 1 Emphasize growth in provinces
- 2 Develop alliances & new channels
- 3 Leverage capabilities across Scotiabank platforms
- 4 Innovate & improve products
- 5 Expand wealth management
- 6 Leverage cross-border opportunities



Scotiabank Peru: Best in Class Performance



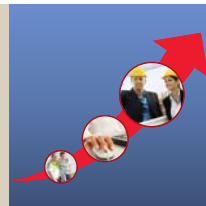
- Well-positioned in attractive, growing economy



- Strong performance record in all segments



- Multiple factors driving growth





Latin America

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January 2013



Retail Banking Strategy & Opportunities

Juan Manuel Santa María
Senior Vice President, Retail Banking
Scotiabank Peru

Agenda

Business today

Strategic pillars

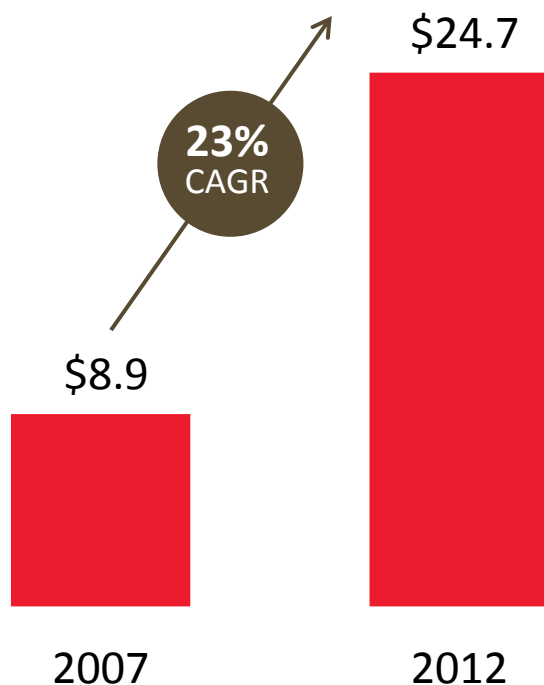
Performance

Opportunities

Market Trends: A Growing Segment

(in billions of Canadian dollars)

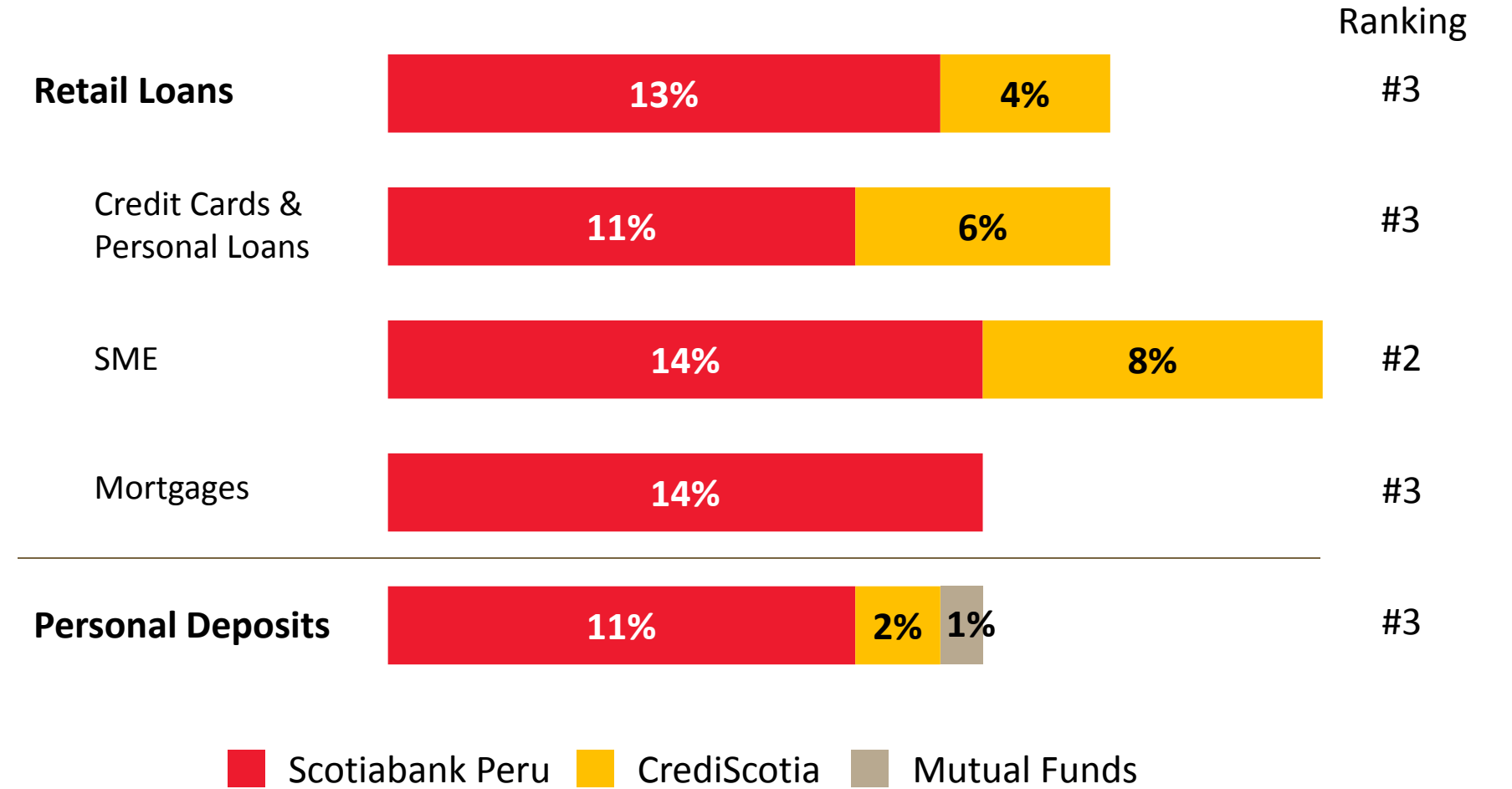
Total Retail Loans in Financial System



Retail Competitors



Retail Banking: Significant Market Share



Agenda



Business today

Strategic pillars

Performance

Opportunities

Retail Banking: Solid Strategic Pillars

Multi-Segment Approach

Differentiated offering to multiple segments



Diversified Channels

Nationwide coverage through multiple branches, sales forces and virtual channels



Risk Technology & CRM Database

Strong risk and database technologies to generate cross-sell and customer acquisition opportunities



Robust MIS

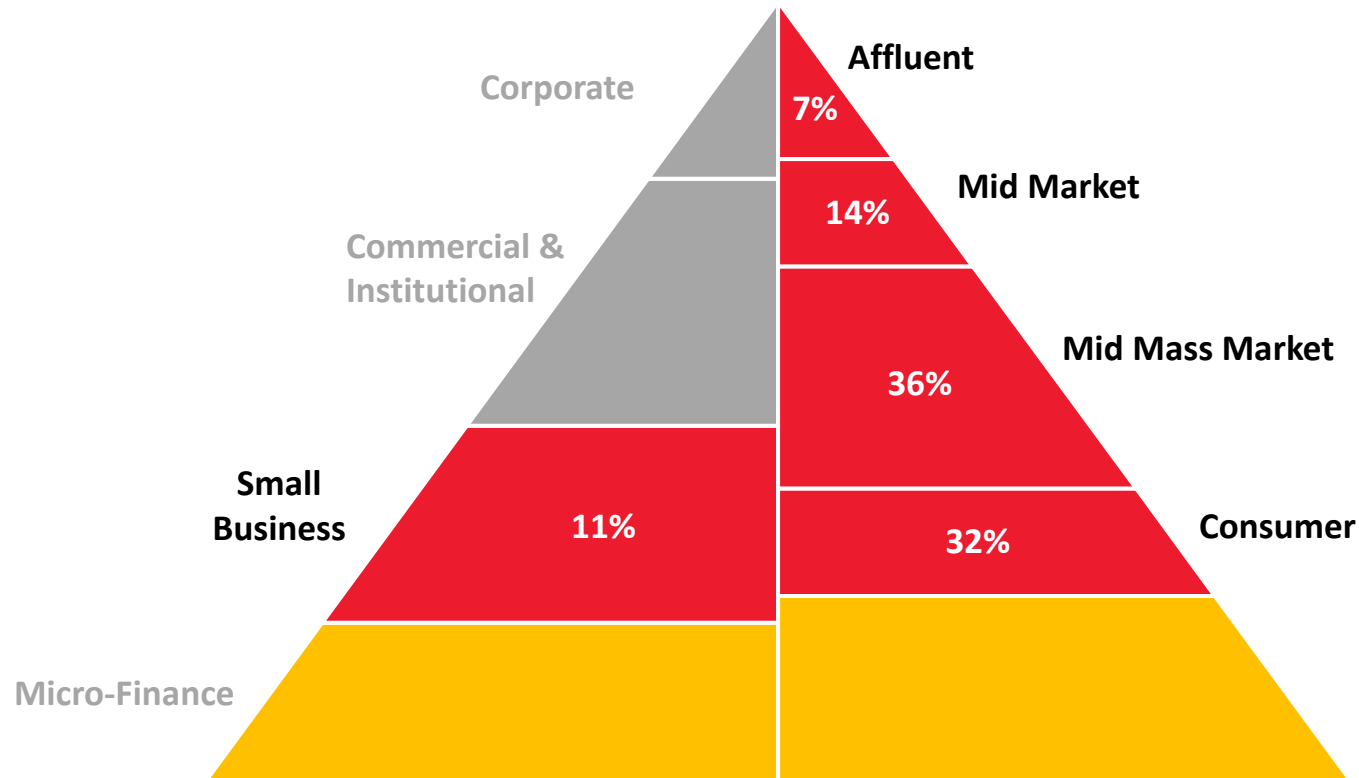
Sophisticated customer, product & channel profitability information



Multi-Segment Customer Base and Value Propositions



Breakdown of Total Retail Customers:
1.1 million



A Well-Developed Multi-Channel Approach

Channel								
	External Sales	Internal Sales	Wealth Centres	Branches	Contact Centre	ATMs	Third Party Agents	Web & Mobile
Affluent			✓	✓	✓	✓		✓
Mid Market		✓		✓	✓	✓		✓
Mid Mass Market	✓			✓	✓	✓	✓	✓



Agenda



Business today

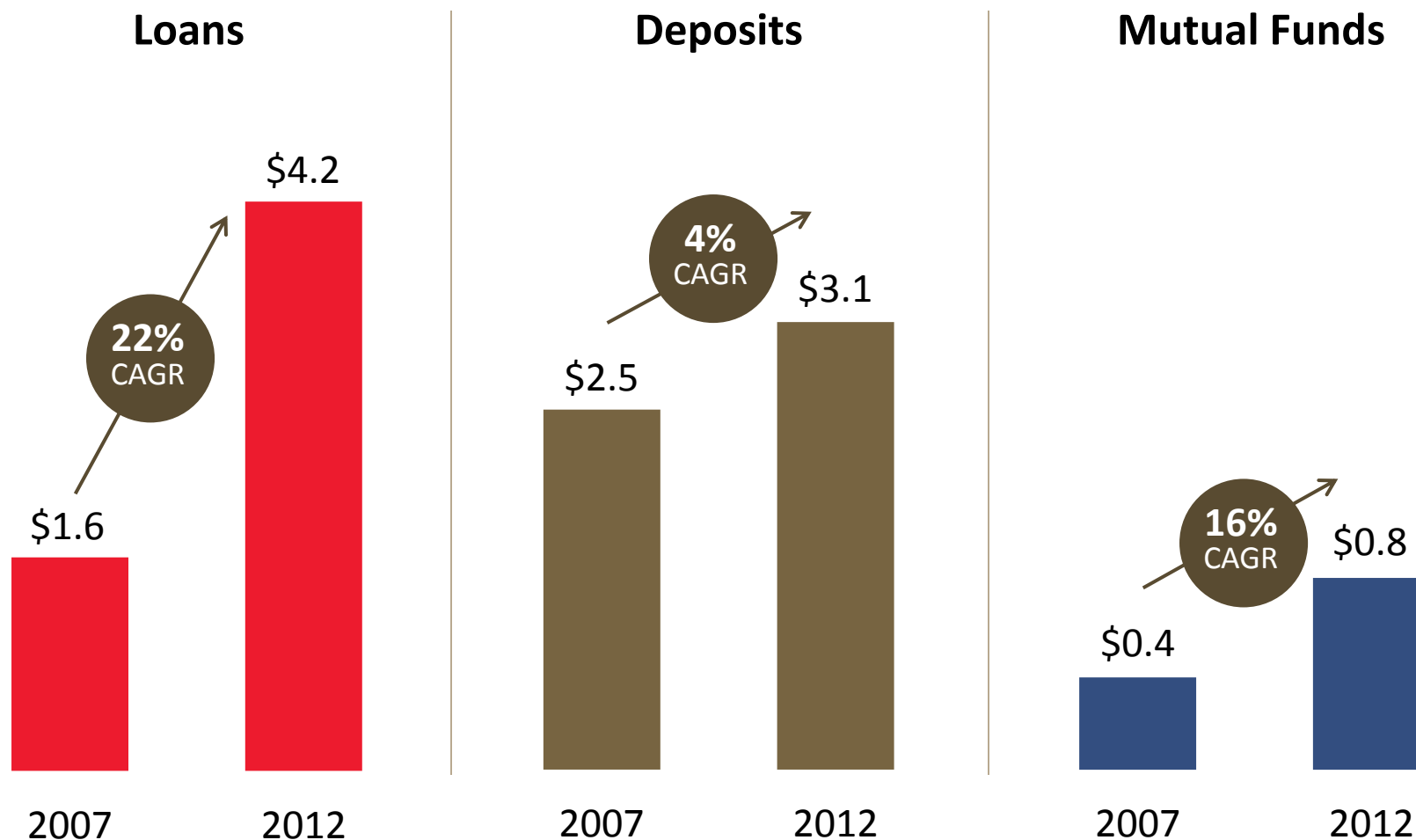
Strategic pillars

Performance

Opportunities

Retail Growth Trends

(in billions of Canadian dollars)

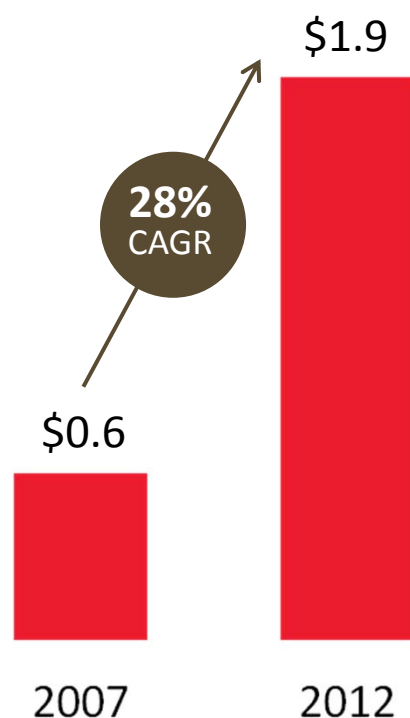


Robust Product Growth

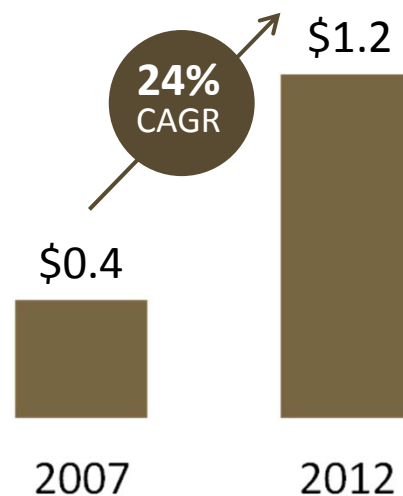


(in billions of Canadian dollars)

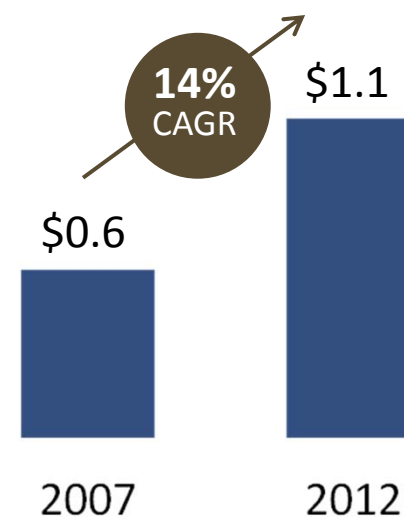
Small Business Loans



Mortgages



Credit Cards & Personal Loans



Agenda



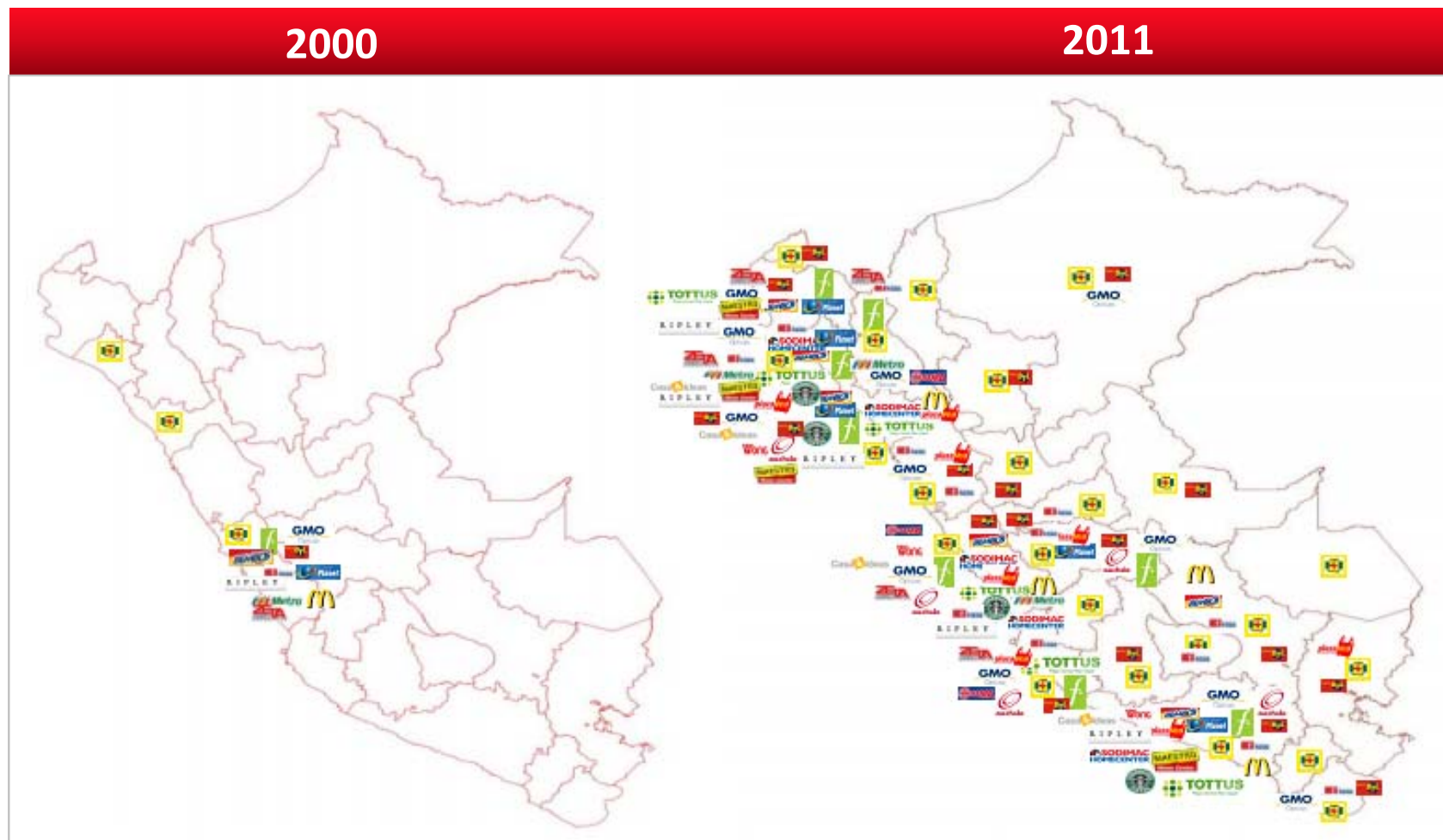
Business today

Strategic pillars

Performance

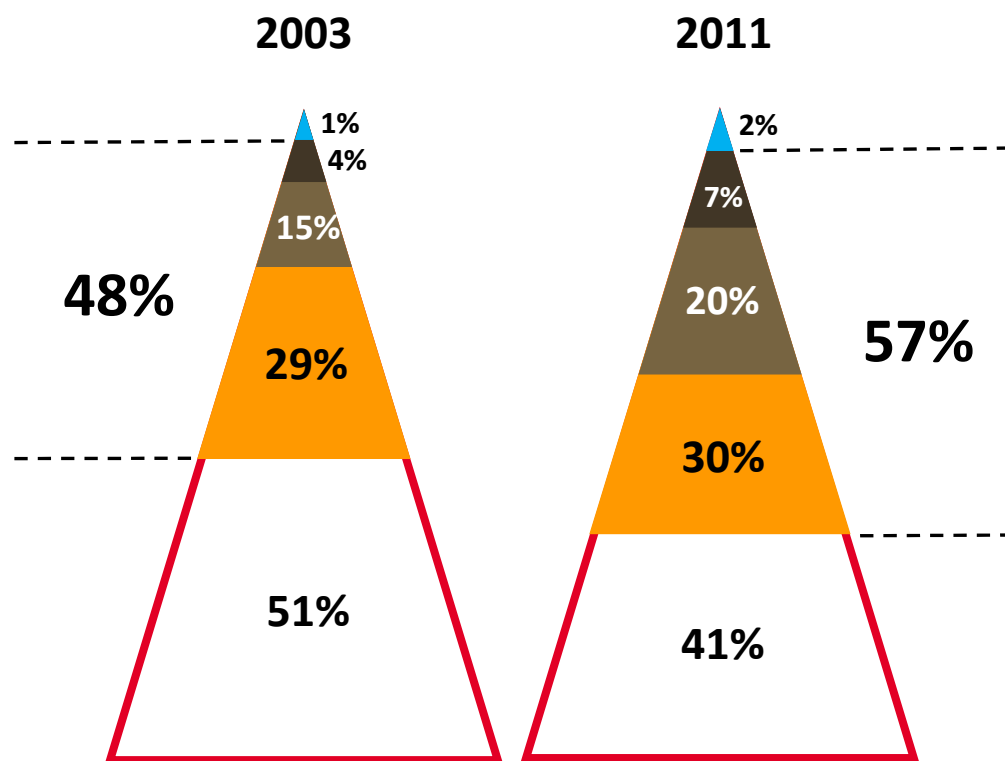
Opportunities

Significant Expansion by All Retailers



The Middle Class Population Continues to Grow

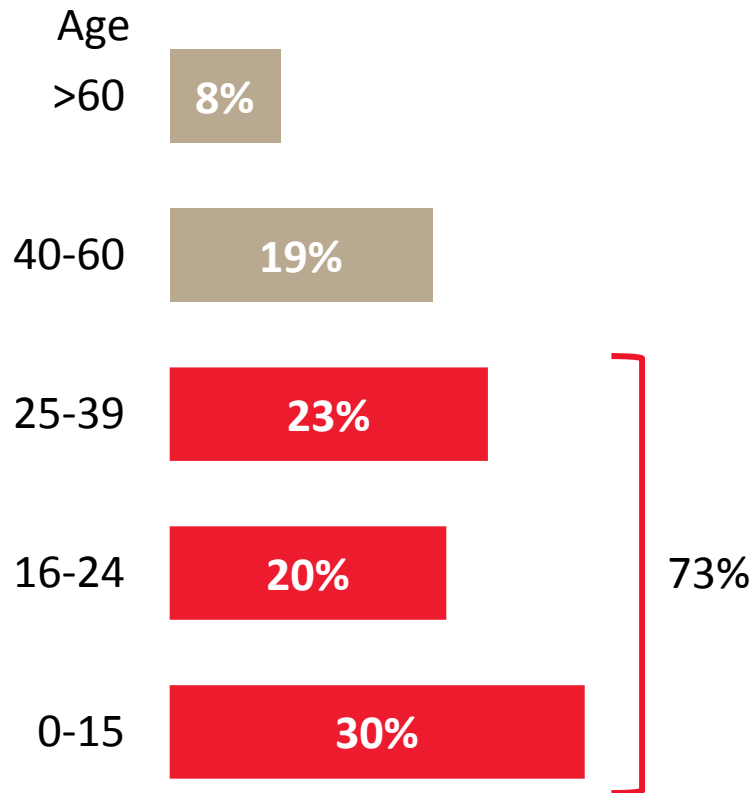
Population Composition



- The middle class continues to grow
- The middle class comprises 51% of Lima's population and 43% of Peru's other major cities
- Poverty is declining

A Large, Emerging Young Population

Distribution of Population



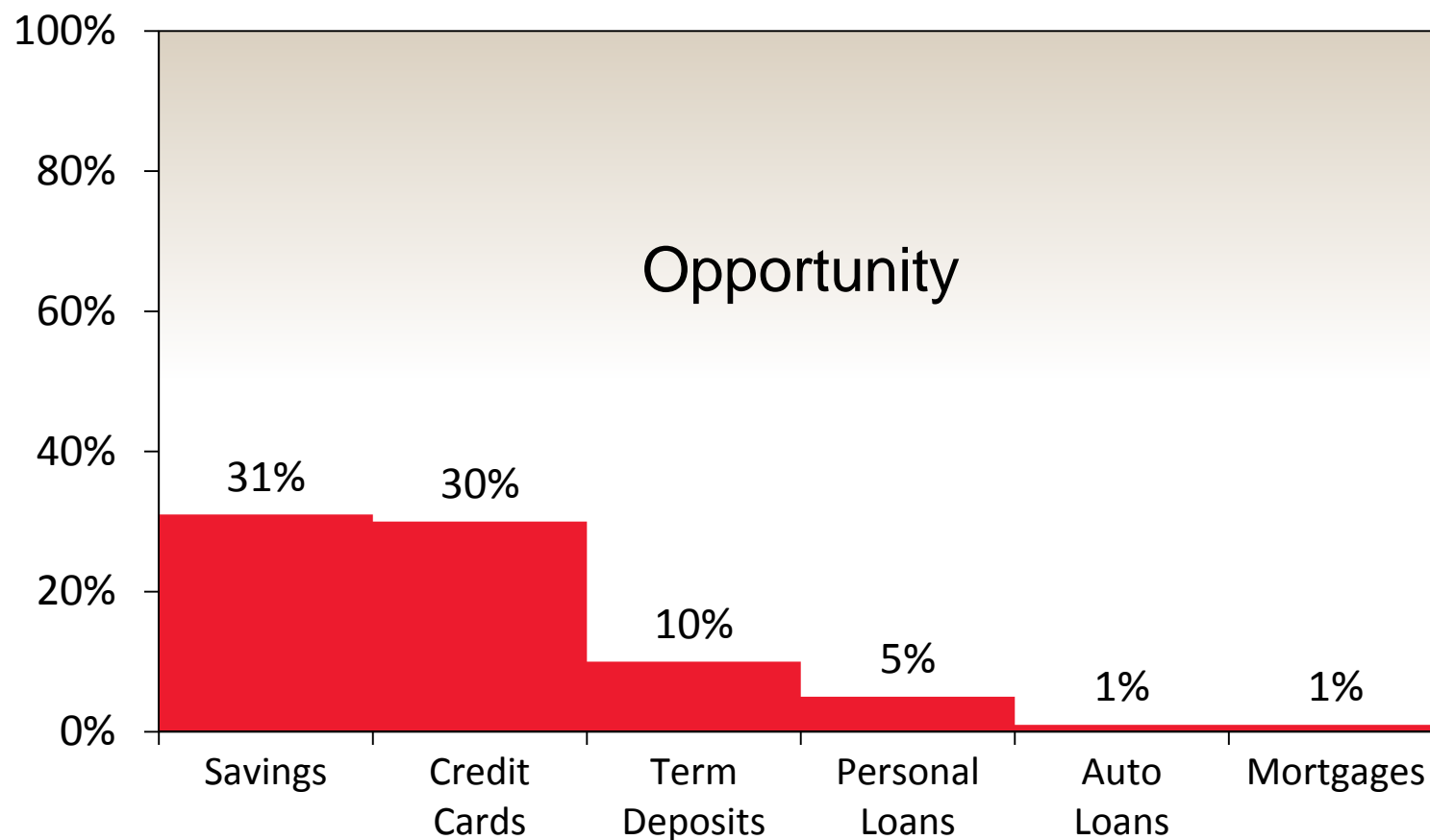
Peru has the largest proportion of age<15 in the Americas



Source: Ipsos Apoyo 2012 / Population Reference Bureau, 2012 World Population Data Sheet

Very Low Retail Penetration

Peru Retail Product Penetration



Source: Brain Network. Global Financial Stability Report – IMF Sep 2011

Opportunities in Personal Banking: Key Retail Indicators



Growth 2011 - 2016F

9%
CAGR



Per capita GDP

22%
CAGR



New Car Sales

21%
CAGR



Shopping Sales

20%
CAGR



Number of Malls

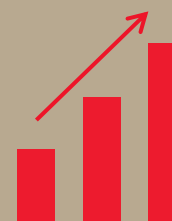
Source: INEI, BCRP, Apoyo, Asocem, ACCEP, Research Department Scotiabank (f): Forecast

Retail Banking: Areas of Focus

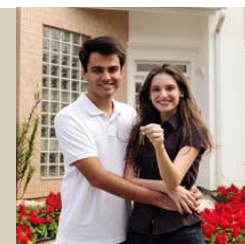
Segments	<ul style="list-style-type: none">• New value propositions for new affluent, payroll, business owners & young adults
Channels	<ul style="list-style-type: none">• New channels including specialized branches and sales centres
Risk Technology & CRM	<ul style="list-style-type: none">• Behavioural data to drive more tailored offerings and channel integration
Products	<ul style="list-style-type: none">• Increase partnerships and digital products (ie. Prepaid Cards, Mobile Wallets and Payments)

Retail Banking: Continued Growth

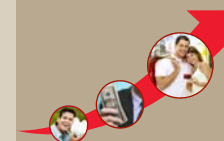
- Economic fundamentals remain very attractive



- Significant potential arising from under penetrated and emerging middle class



- Scotiabank Peru is well-positioned to capitalize on these opportunities





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Wholesale Banking Strategy & Opportunities

Stephen Bagnarol
Senior Vice President, Wholesale Banking
Scotiabank Peru

Agenda



Strong record of growth in Peru

Diversified and well-managed portfolio

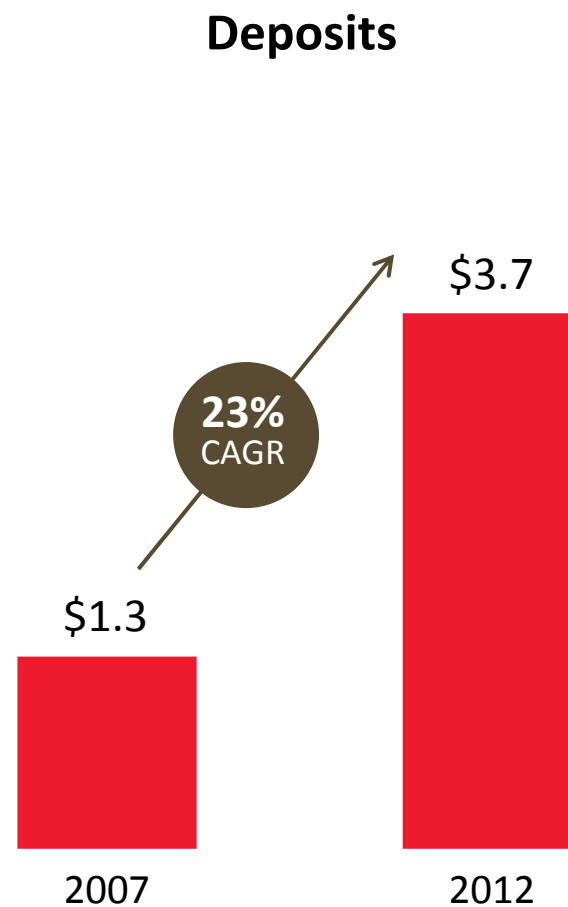
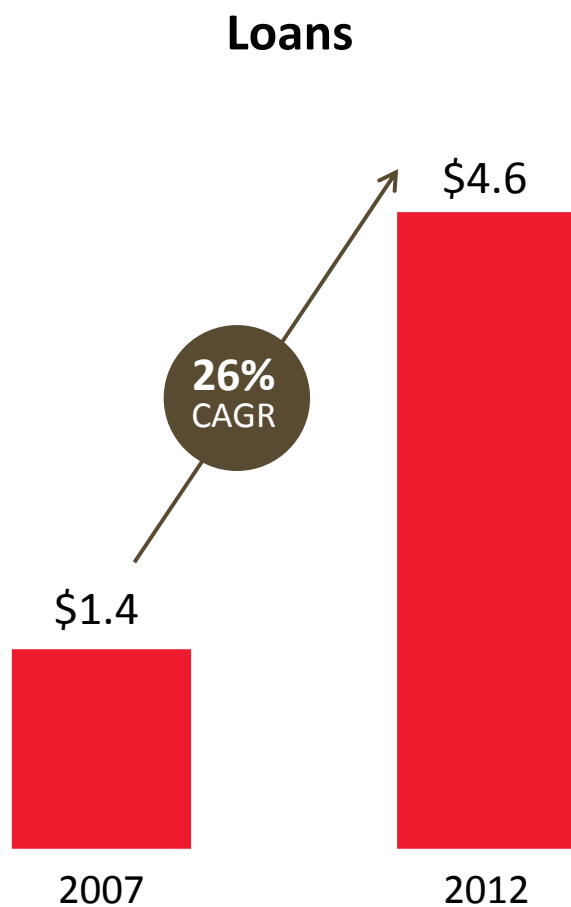
Leveraging market growth & Scotiabank Peru's capabilities

2013 priorities

Strong Growth Record for Wholesale Banking



(in billions of Canadian dollars)



Offshore included. Source: Company

Agenda



Strong record of growth in Peru

Diversified and well-managed portfolio

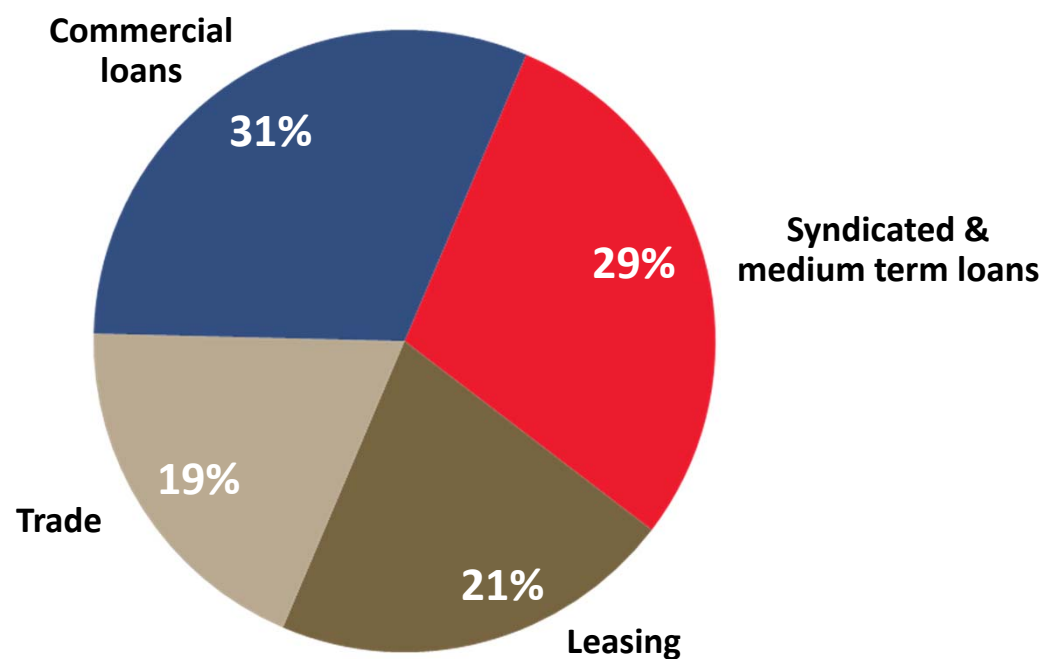
Leveraging market growth & Scotiabank Peru's capabilities

2013 priorities

Diversified Loan Portfolio by Products

(in Canadian dollars)

Total Loans: \$4.6 billion
(Offshore included)



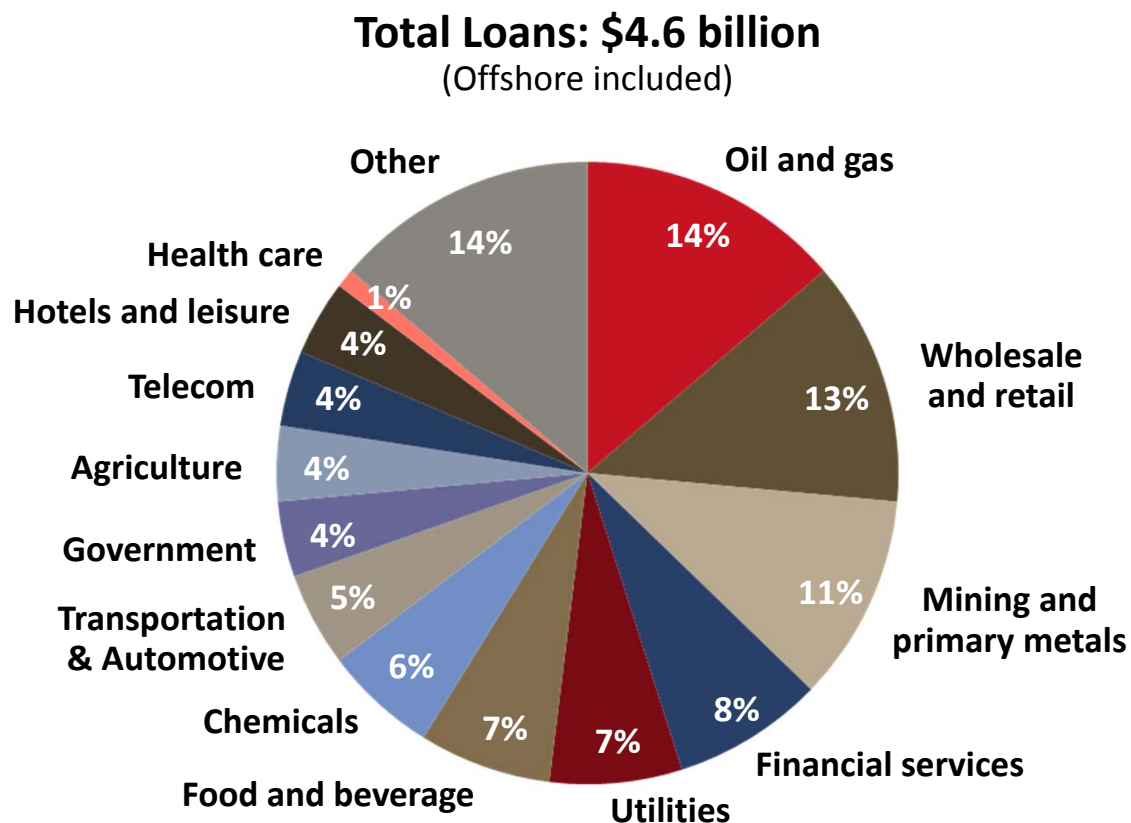
Average remaining term: 1 year



Information as of September 2012. Source: Company

Diversified Loan Portfolio by Industry Group

(in Canadian dollars)



Information as of September 2012. Source: Company

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Strong record of growth in Peru

Diversified and well-managed portfolio

Leveraging market growth & Scotiabank Peru's capabilities

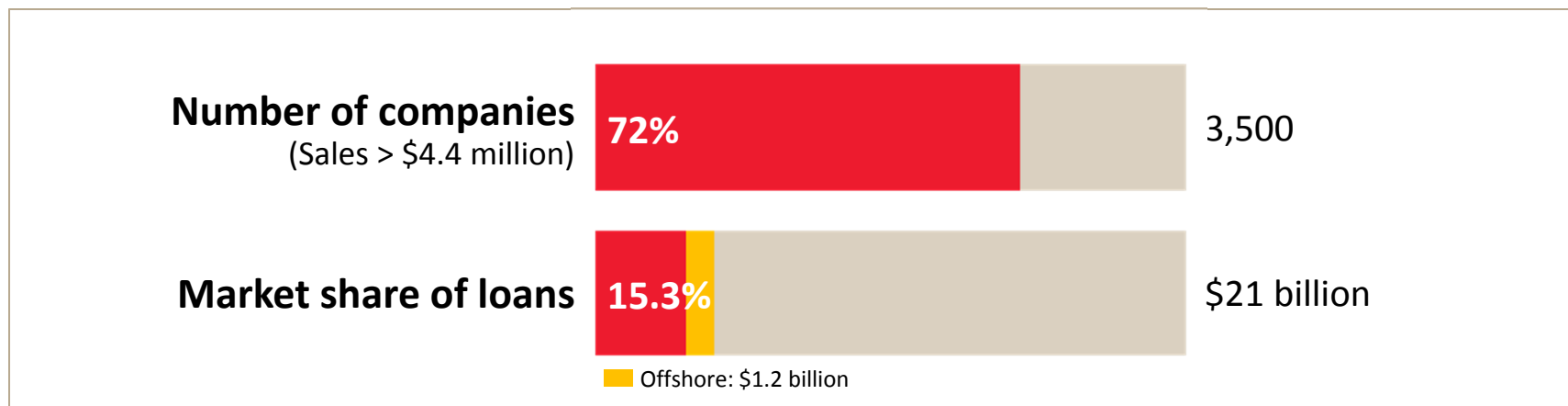
2013 priorities

Robust Penetration and Market Share

(in Canadian dollars)



Market Share



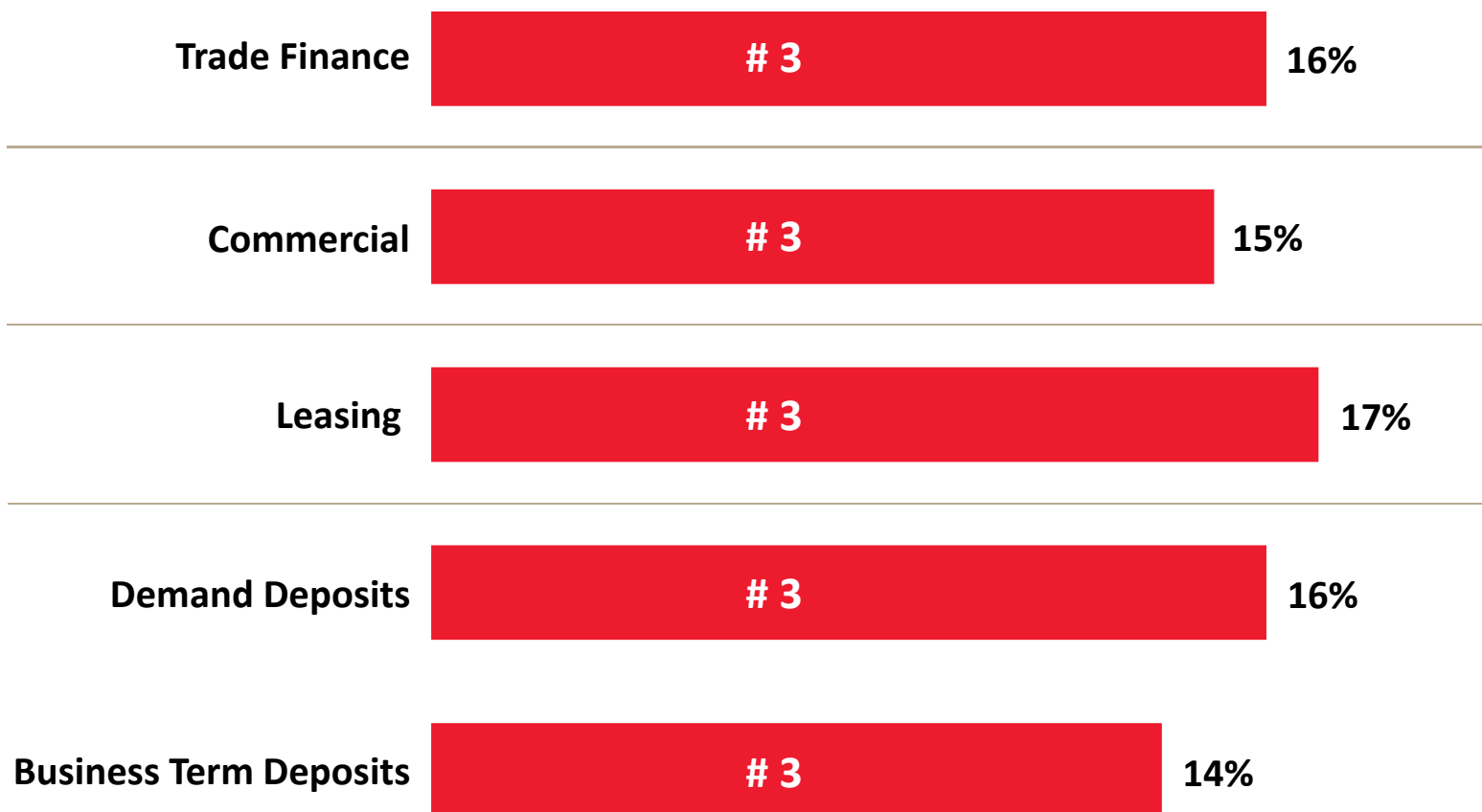
Main Competitors



Scotiabank Peru is Well-Positioned as #3 in the Market



Ranking / Market Share



Source: Peruvian Bank Superintendence and ASBANC. Information as of September 30, 2012. Figures for Scotiabank Peru & CrediScotia.

Leveraging the Scotiabank Relationship



Global Banking & Markets

- Leveraging relationships with mining, oil & gas, power, real estate
- Joint marketing
- Structuring deals



International Corporate and Commercial Banking

- Global regional approach to support client needs
- Support throughout the transaction cycle
- Credit approval
- Market risk



Success in Debt Capital Markets/Lending Deals

DCM: Corporate & Project Bonds



CAD\$ 344,068,036

Corporate Bond Program

Arranger & Placement Agent
 Scotiabank 2012



CAD\$ 124,847,544

Project Bond

Arranger & Placement Agent
 Scotiabank 2012



CAD\$ 196,610,306

International Bond Program

Co-Manager and Local Placement Agent
 Scotiabank 2012



CAD\$ 108,160,245

International Bond Program

Co-Manager
 Scotiabank 2012


Structured Lending



CAD\$ 126,302,955


Project Financing

Mandated Lead Arranger
 Scotiabank 2012



CAD\$ 147,622,500

Syndicated Loan

Mandated Lead Arranger
 Scotiabank 2012



CAD\$ 49,207,500

Acquisition Financing

Mandated Lead Arranger
 Scotiabank 2012



CAD\$ 127,939,500

**Syndicated Loan
Cross Currency Swap
& Interest Rate Swap**


Mandated Lead Arranger
 Scotiabank 2012



CAD\$ 196,830,000


Club Deal

Co-Lead Arranger
 Scotiabank 2012



CAD\$ 112,193,100

Financial Lease

Mandated Lead Arranger
 Scotiabank 2012

End-to-End Enhancements for Corporate & Commercial Clients



Improved teamwork



Clients



Customer segmentation



Career path



Training



Agenda



Strong record of growth in Peru

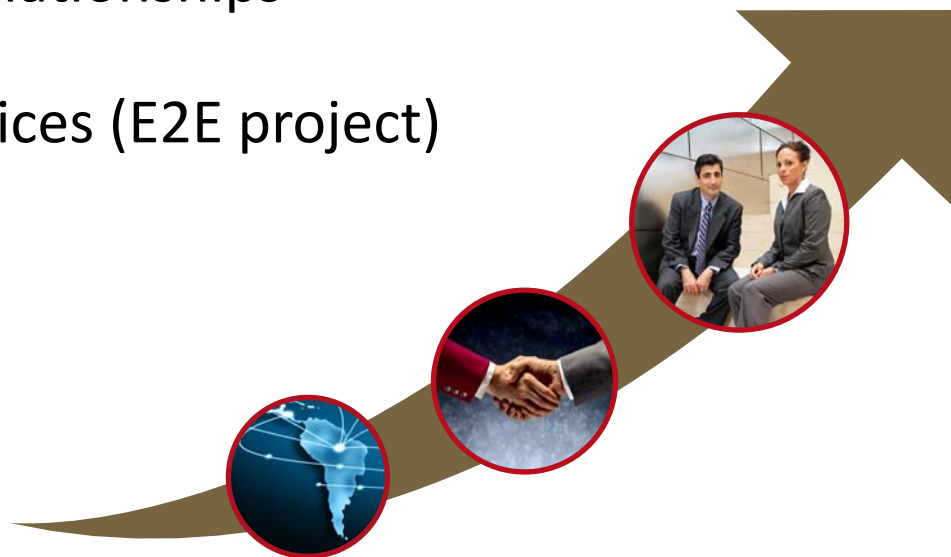
Diversified and well-managed portfolio

Leveraging market growth & Scotiabank Peru's capabilities

2013 priorities

2013 Priorities

- 1 Client growth in mid-market segment
- 2 Continue to drive growth in the provinces
- 3 Deepen client relationships and improve cross-sell
- 4 Grow global regional relationships
- 5 Improve customer services (E2E project)

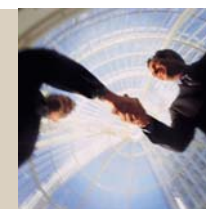


A Strong Wholesale Banking Business

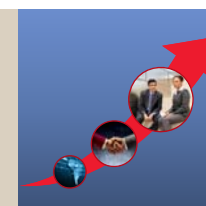
- Strong growth record



- Well-positioned: Broad portfolio and top 3 market share



- Good platform and strategy for continued growth





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Focus on Consumer & Micro-Finance

Jeremy Pallant
Senior Vice President, Consumer & Micro-Finance
Scotiabank Peru

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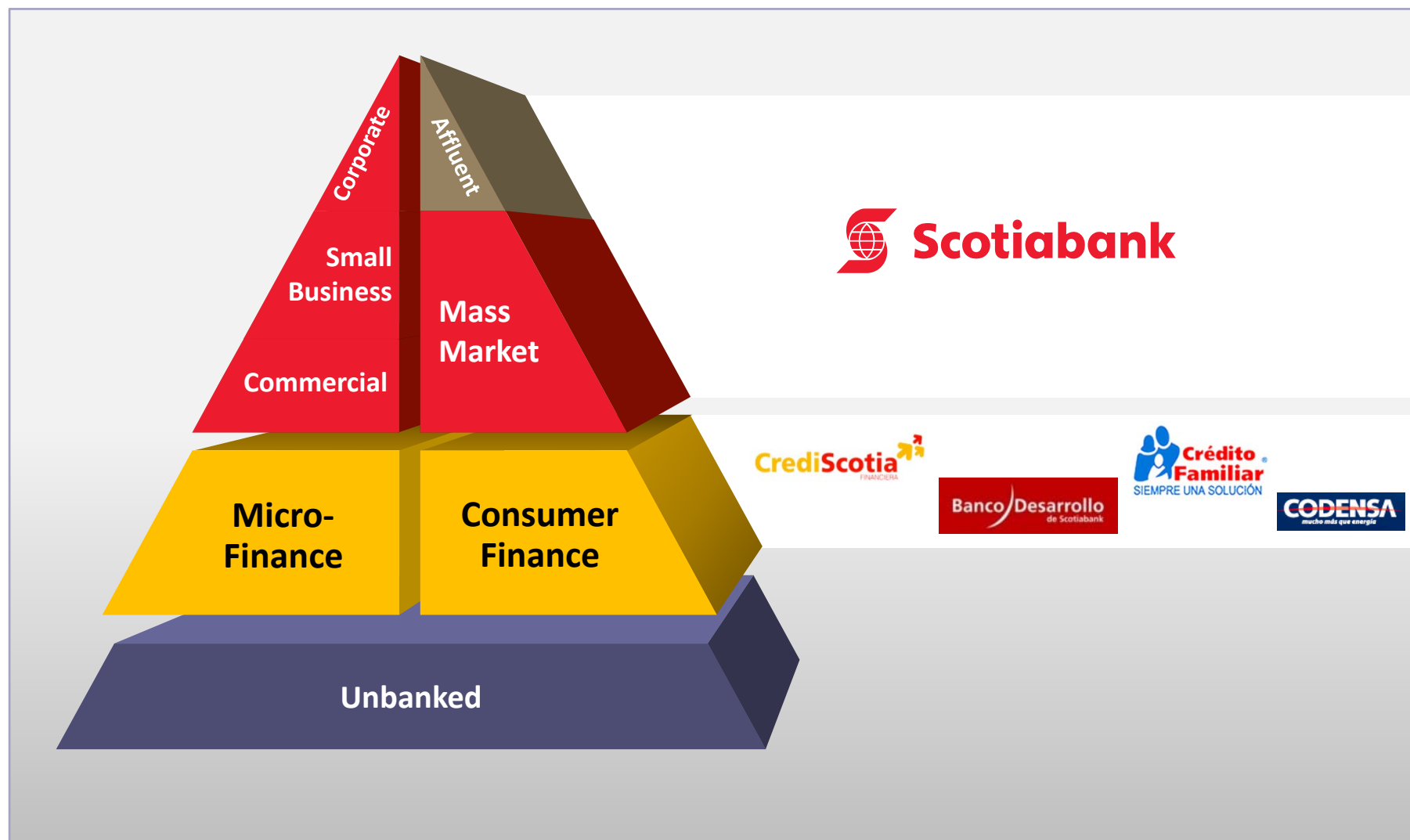
Segment overview

Scotiabank's approach

Performance highlights

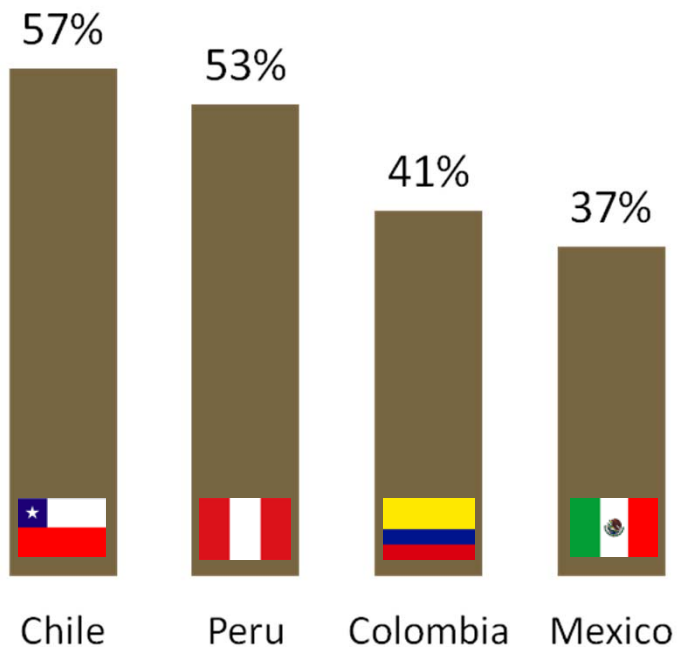
Growth plans

A Key Part of our Segmented Model



A Key Part of Latin America's Population & Economy

Consumer & Micro Finance (% of local population)



LatAm Region

% of +200 million population **50%**

% of purchasing power **30%**



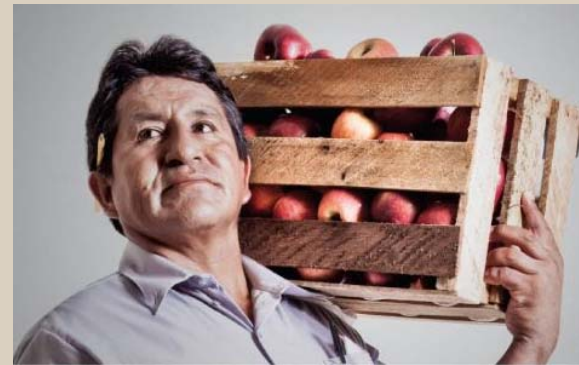
Typical Customer Profiles

Consumer Finance



- Borrowing to purchase consumer goods such as furniture & appliances
- Loan size: \$300-\$2,000

Micro-Finance



- Borrowing for working capital, inventory or other business needs
- Loan size: \$1,000-\$6,000

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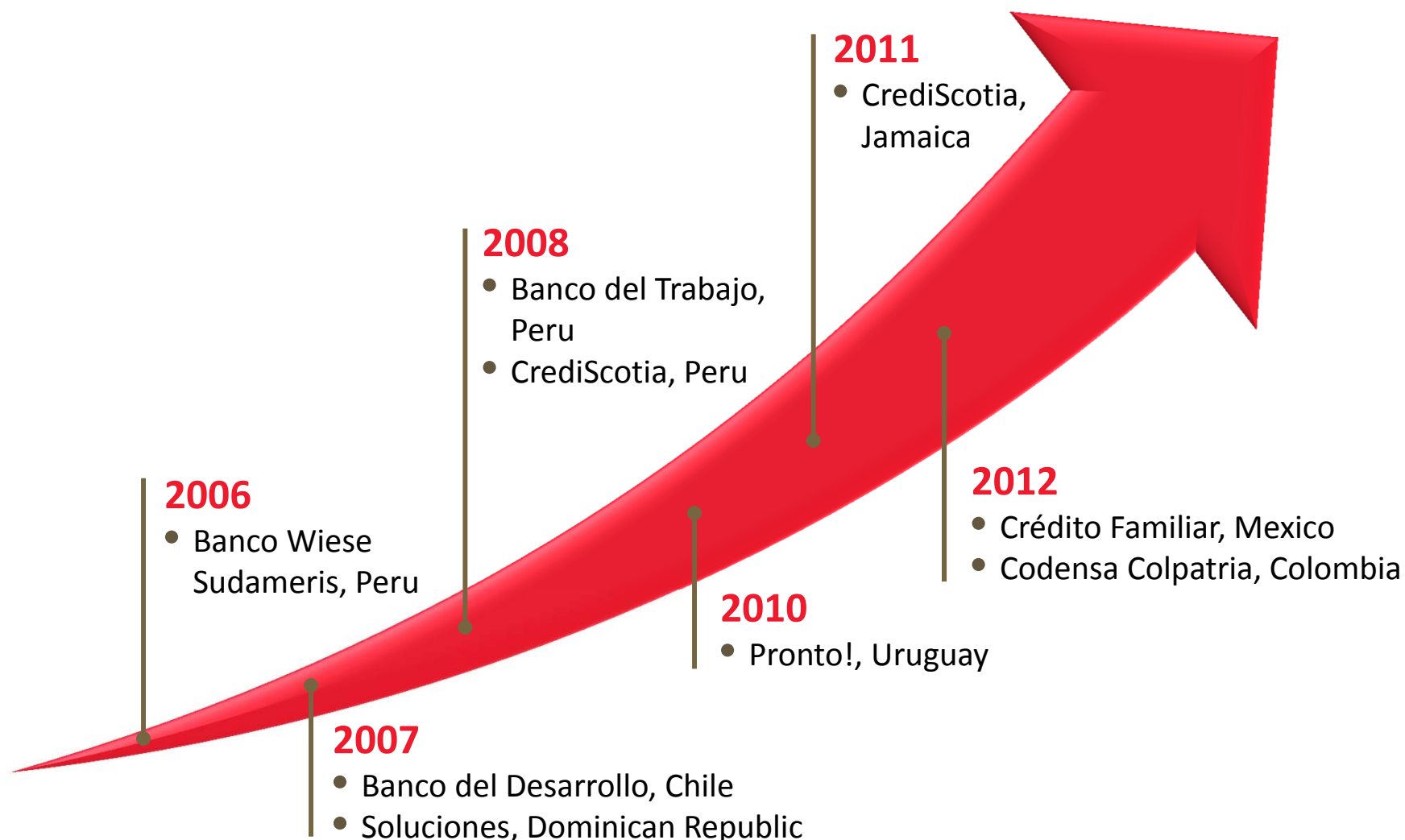
Segment overview

Scotiabank's approach

Performance highlights

Growth plans

Building a Strong Foundation for Scale & Sustainable Growth



Established Competition With Major & Niche Players

	Mexico	Peru	Chile
Scotiabank			
Competition	   	   	   

A Distinct Operating Model for this Segment

Front-end Sales

- Convenience
- Diversified & atomized sales
- Simple products



Key Processes

- Specialized systems
- Variable compensation
- Specialized risk management



Back-end Controls & Efficiency

- Strong quality assurance
- Proactive collections
- Support of Scotiabank parent



A Differentiated Model

Agenda



Segment overview

Scotiabank's approach

Performance highlights

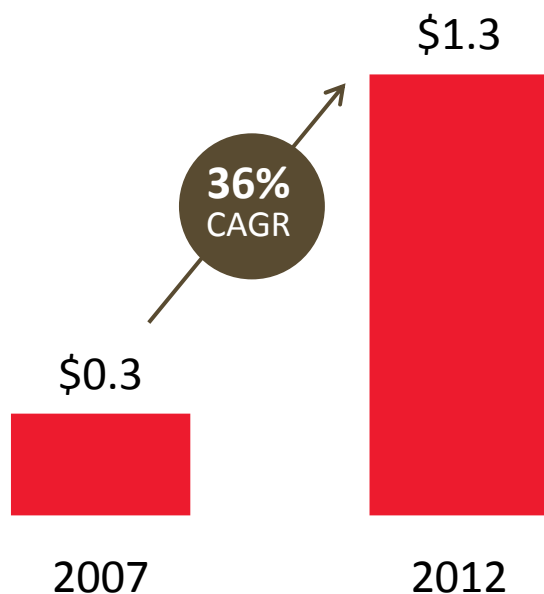
Growth plans

Realizing the Segment Potential

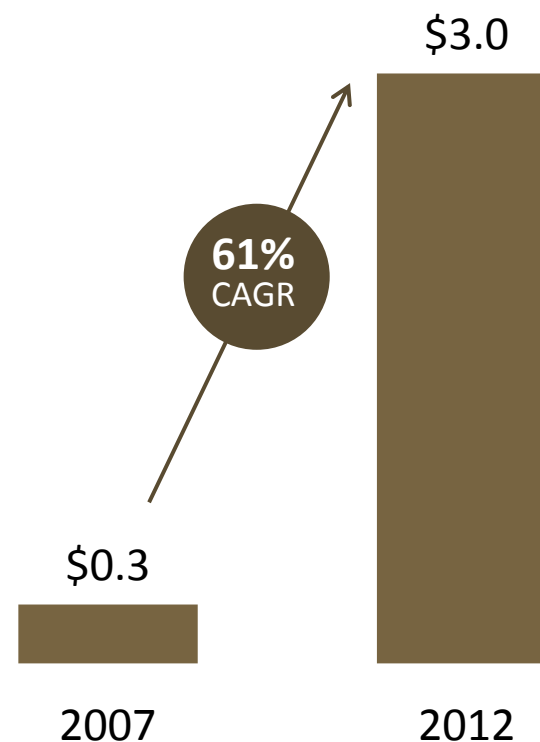


(in billions of Canadian dollars)

CrediScotia Peru Consumer & Micro-Finance Loans

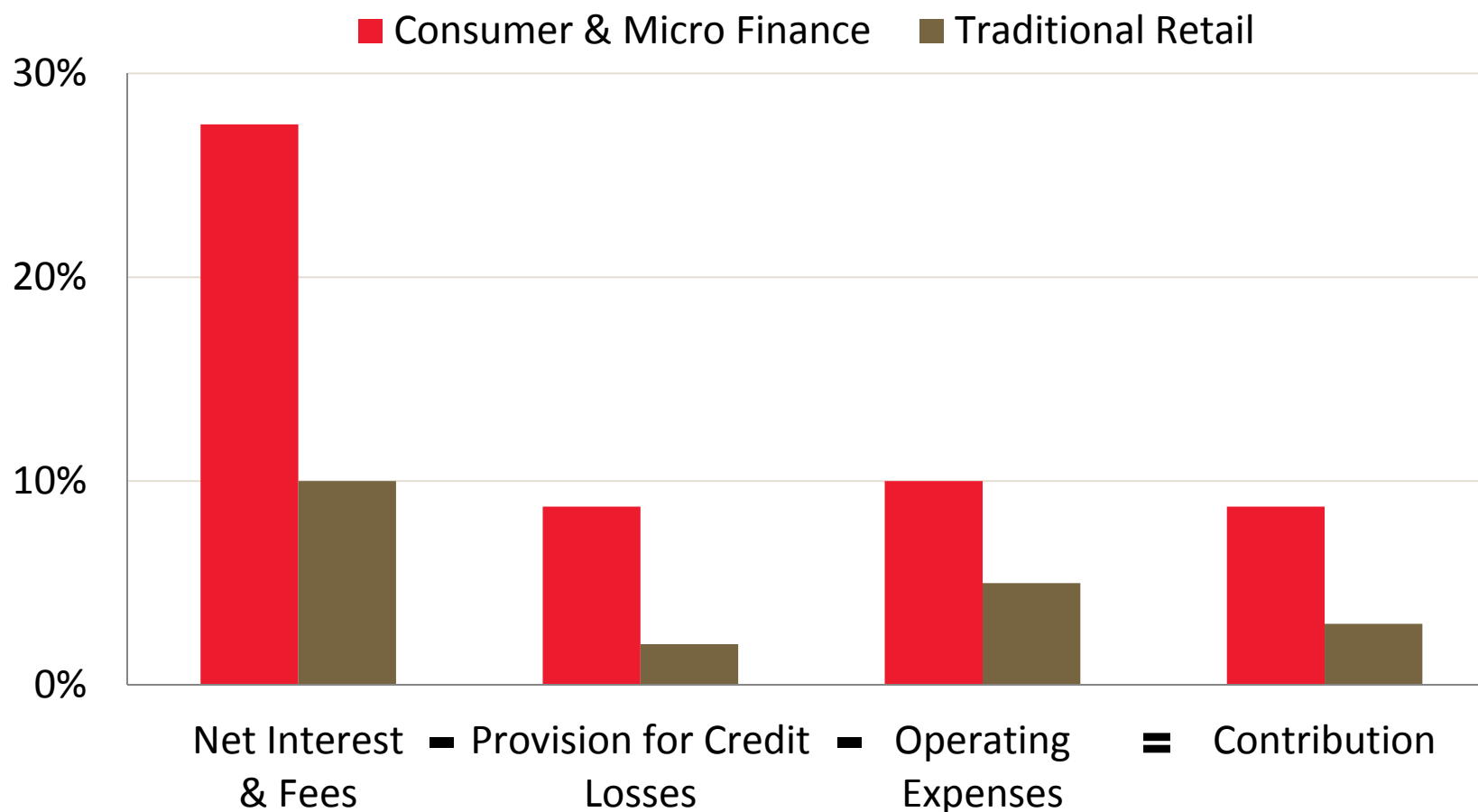


Scotiabank International Consumer & Micro-Finance Loans



Illustrative Returns: Commensurate with Risk

(Net Interest & Fees) – Provision for Credit Losses – Operating Expenses = Contribution



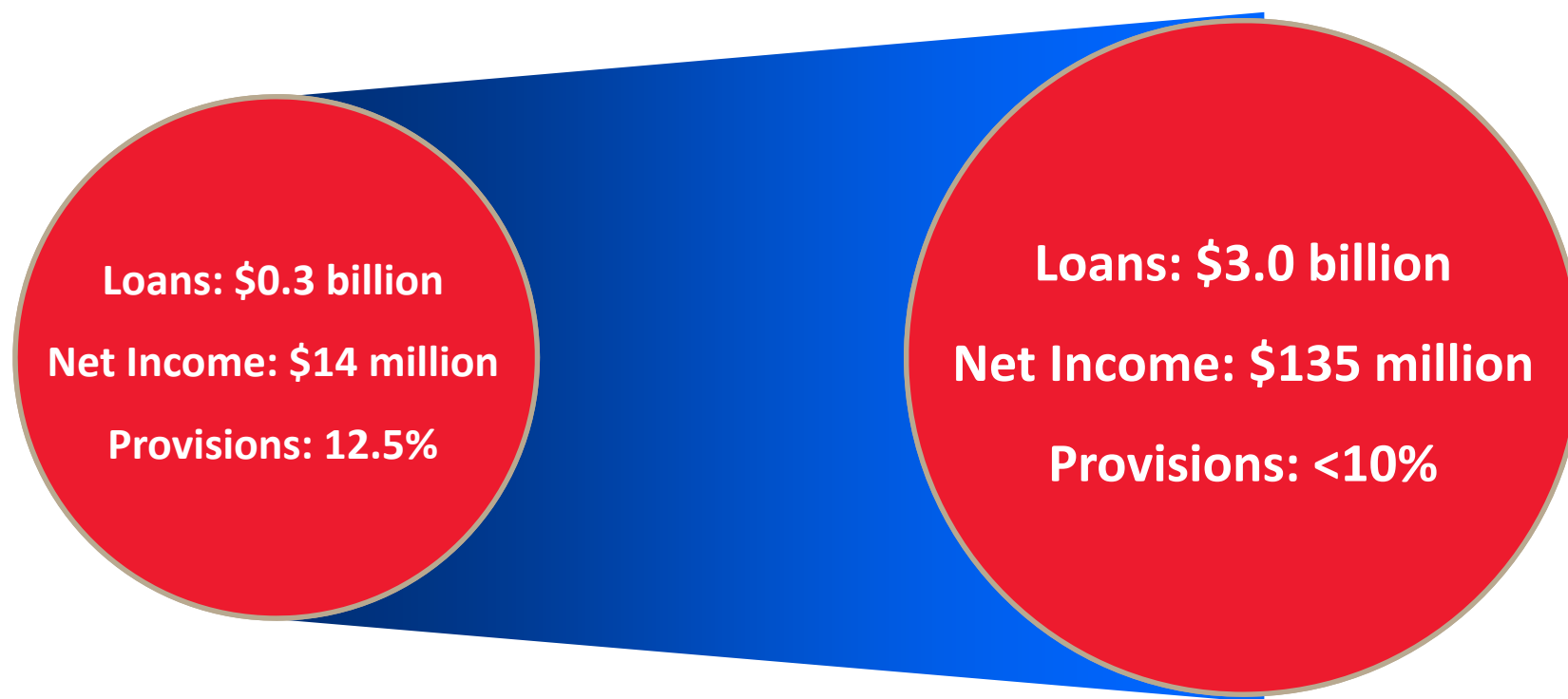
Significant Growth with Well-Managed Risk



(in Canadian dollars)

2007

2012



Agenda



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Growth Strategy

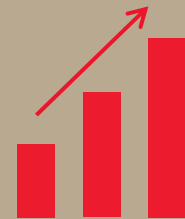
- 1** Focus on countries with strong economic outlook:
Peru, Colombia, Chile, Mexico
- 2** Realize the potential of Crédito Familiar in Mexico
- 3** Coordinated & regional approach from a dedicated
segment management team based in Peru



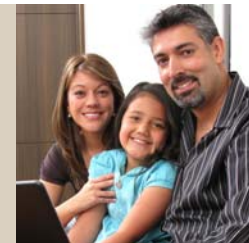
Consumer & Micro-Finance: Realizing the Strong Potential



- Strong growth with well-managed risk



- Significant, untapped potential



- Scotiabank is well-positioned to take full advantage of this potential





Latin America

Investor Day
January 2013



LatAm Closing Remarks

Wendy Hannam

Executive Vice President, Latin America



Latin America

Investor Day
January 2013



All-Bank Panel

Brian Porter, President

Sabi Marwah, Vice-Chairman & Chief Operating Officer

Dieter Jentsch, Group Head, International Banking

Sean McGuckin, Executive Vice President & Chief Financial Officer