

Our strategy in action



2011 Barclays Capital Global Financial Services Conference

Brian Porter
Group Head, International Banking



September 13, 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.

Agenda

All Bank

International Banking Division

Outlook

Scotiabank: A Proven and Straight-Forward Business Model

**Focused and diversified
revenue growth**

+

Low cost culture

+

Disciplined risk management

+

Strong capital position

+

Leadership

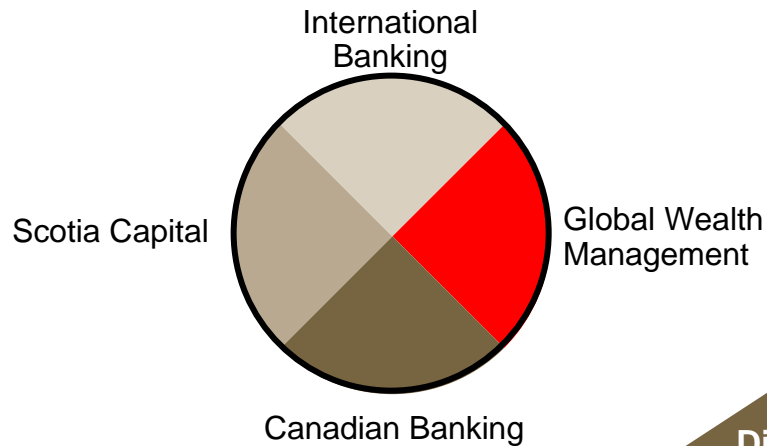


**Top-tier
performance**

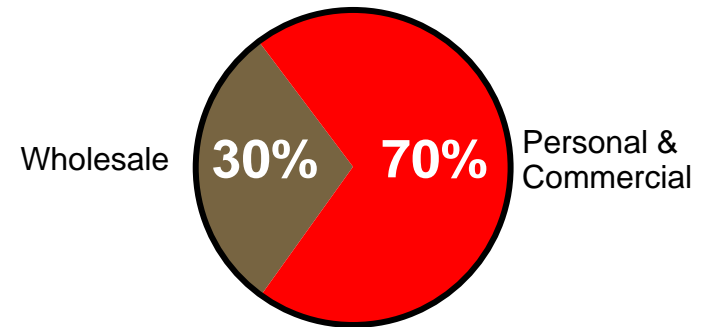


Four Diversified and Growing Platforms

Each Contributing 20-30% of Net Income

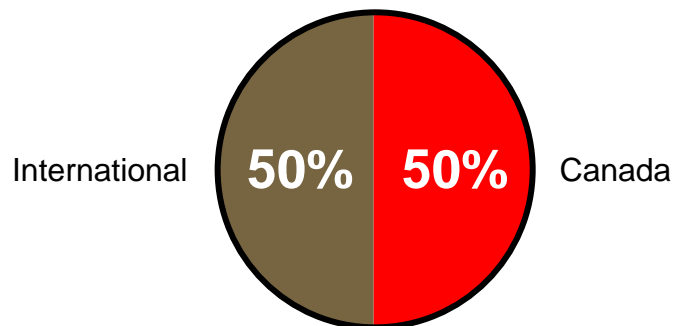


Focus on Lower Risk P&C



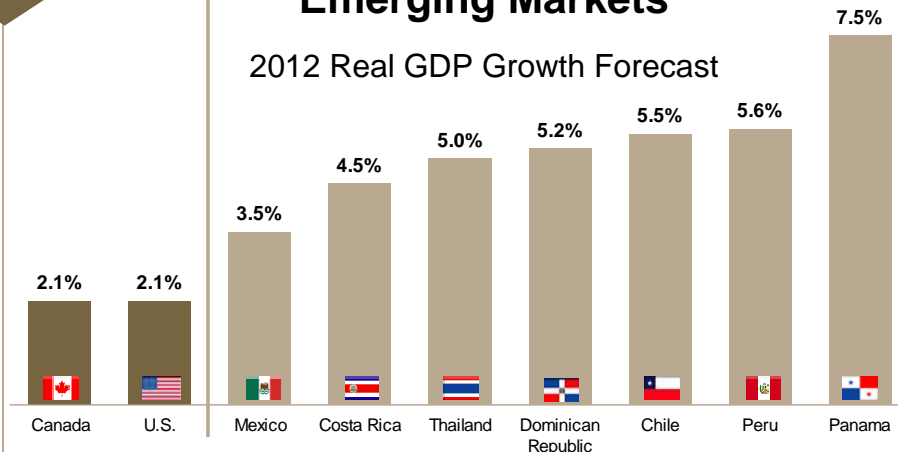
Diversification creates stability and lowers risk

Strong Canadian Base



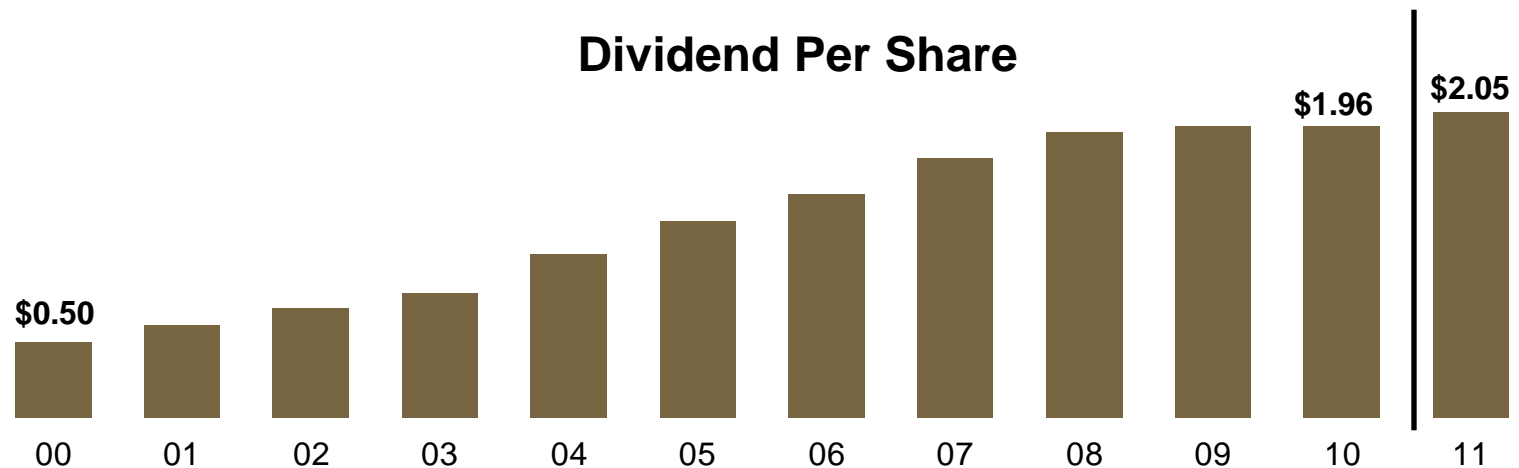
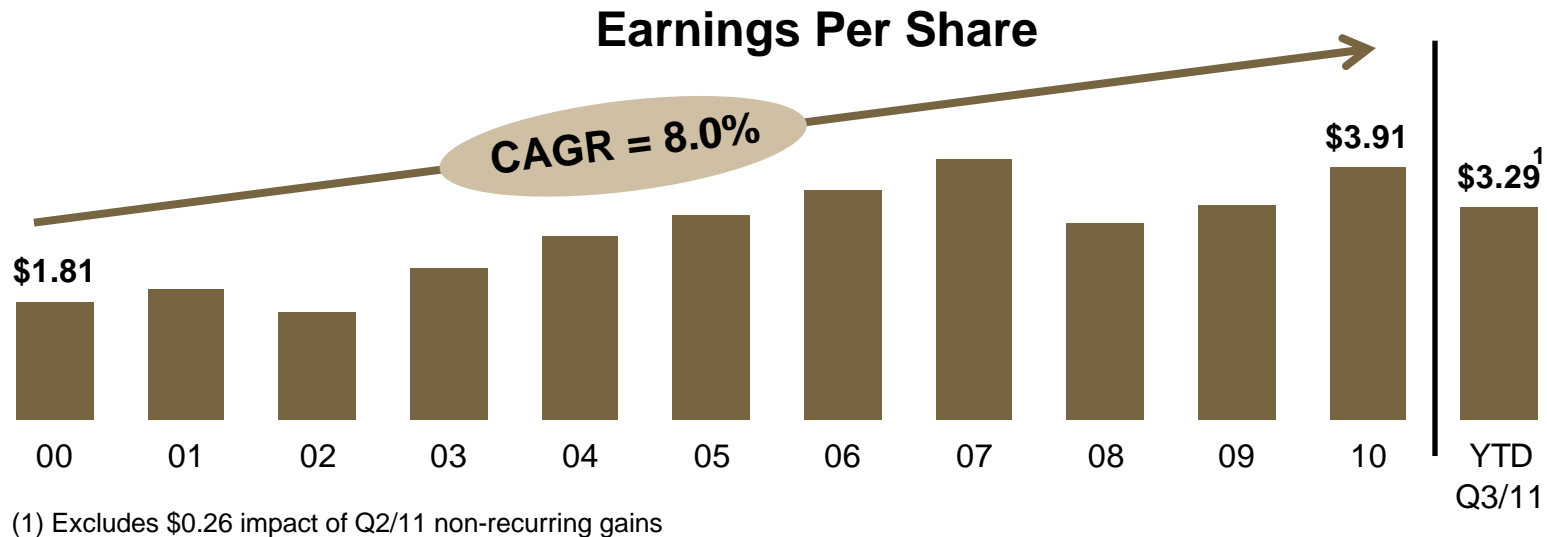
Presence in High Growth Emerging Markets

2012 Real GDP Growth Forecast



Source: Scotia Economics, as of September 1, 2011

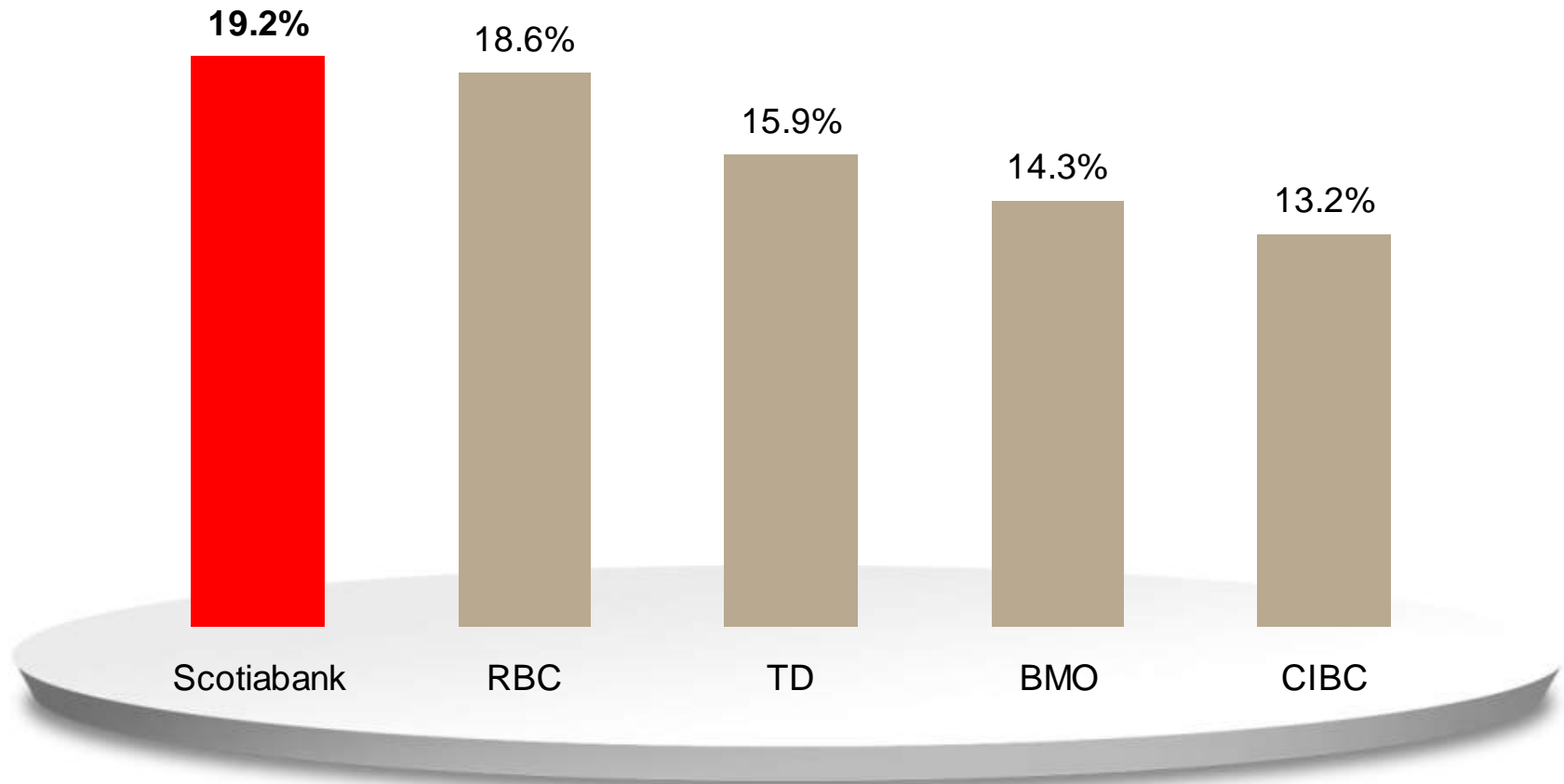
Solid Track Record of Earnings and Dividend Growth



ROE Compares Favorably to Canadian Peers

5-Year Average Return on Equity

(fiscal 2006 - 2010)



Agenda

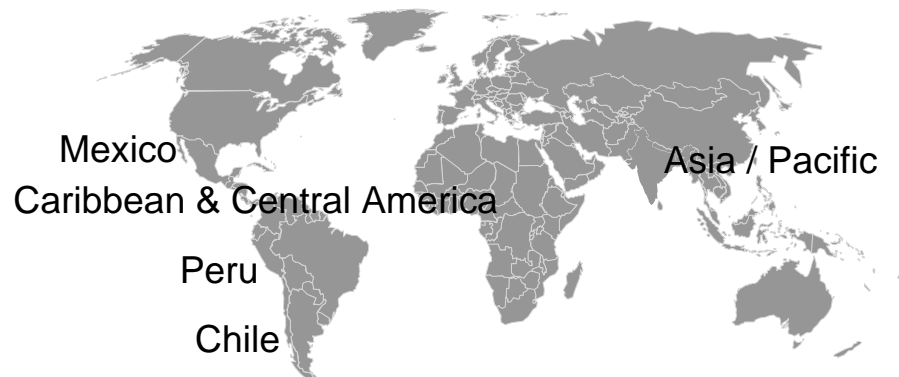
All Bank

International Banking Division

Outlook

Well-Diversified and Positioned for Growth

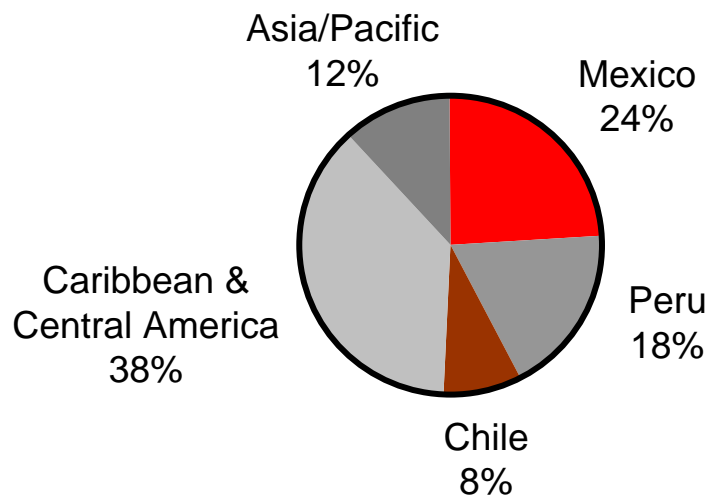
Attractive Global Footprint



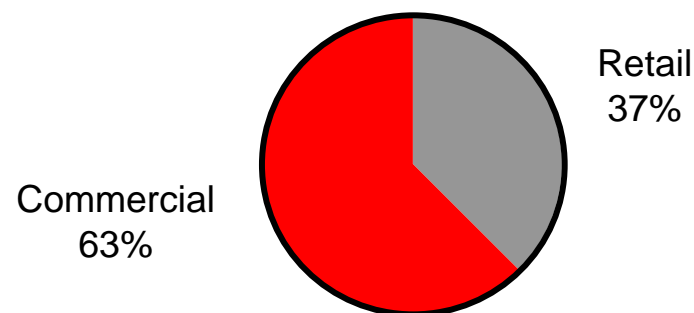
Quick Facts¹

- Total assets (billions) **\$ 93**
- Net income YTD (millions) **\$ 1,112**
- Branches & offices² **2,661**

Revenues by Market¹



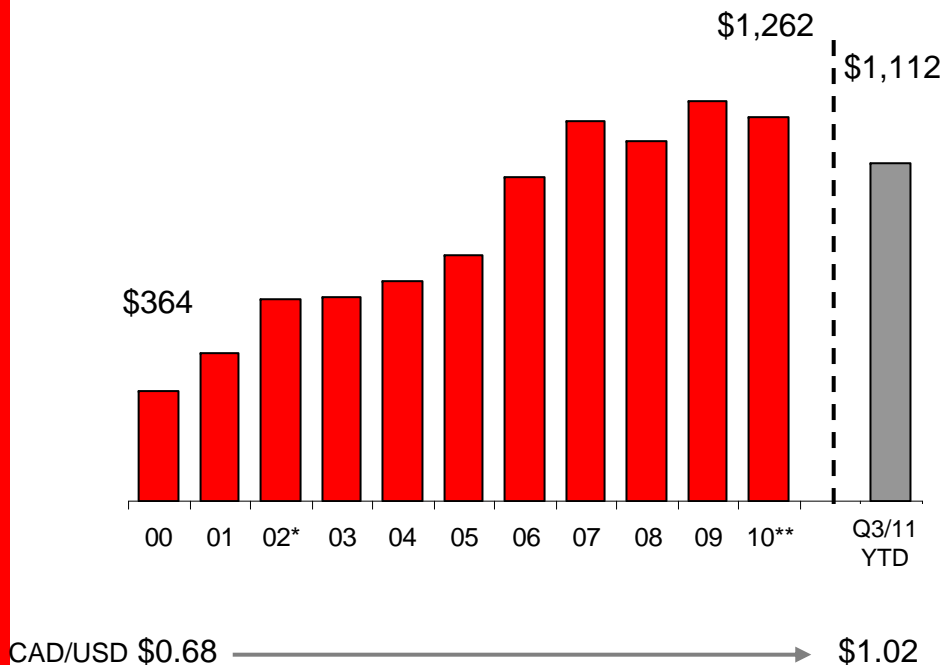
Loans by Business Segment¹



(1) Based on Q3/11
(2) Includes affiliates

Strong Growth Throughout Cycle

International Banking Net Income



- Strong growth despite economic headwinds and significant CAD\$ appreciation
- Since 2005, 20+ International Banking acquisitions amounting to \$5 billion
- As of 2011, international wealth and insurance businesses reported in the Global Wealth Management division

* Excluding non-recurring items

** Before restatement for Global Wealth Management

A Clear Strategy

- **Attractive P&C Footprint**

- Focus on Americas, with growing Asian exposure
- High growth markets with burgeoning middle classes

- **Sustainable and Profitable Revenue Growth**

- Primary focus: drive organic growth
- Well-positioned for selective, meaningful acquisitions

- **Fully Leverage International Network**

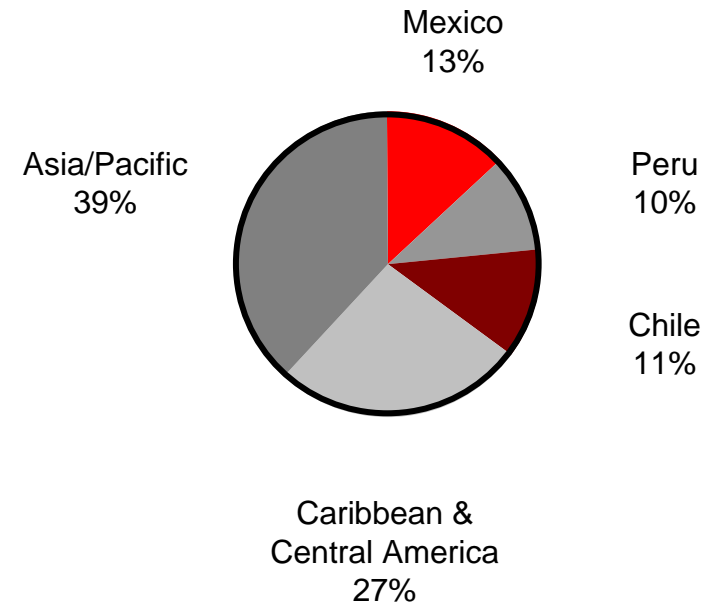
- Collaborate with Global Wealth Management and Scotia Capital divisions

Further penetration of mid-market segment

Focus on cross-sell opportunities

Process re-engineering to improve productivity and customer experience

**International Banking
Commercial Loans by Market**



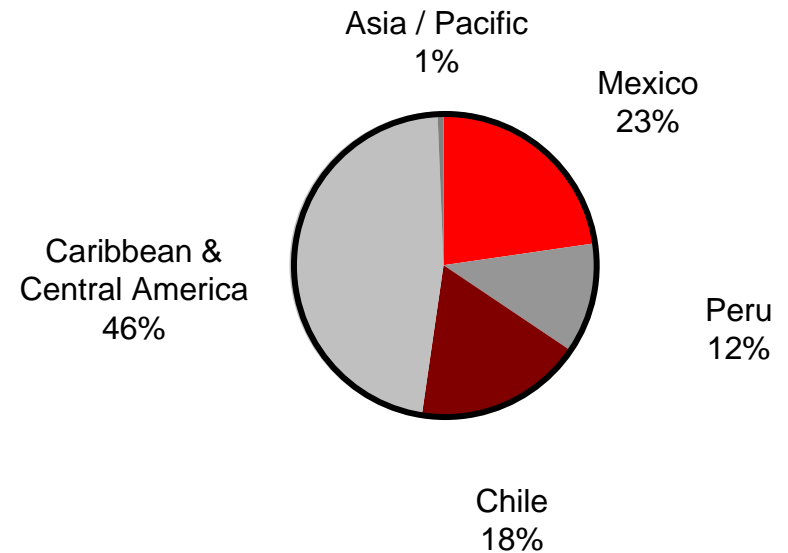
Retail Banking: Strategic Priorities

**Expand sales capacity,
particularly through non-
branch channels**

Increase sales productivity

**Grow presence in retail,
microfinance and small
business segments**

International Banking Retail Loans by Market



Well-Compensated for Risk

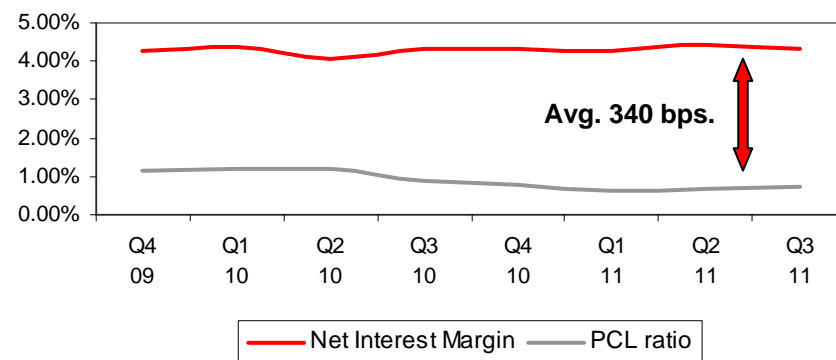
Prudently evolve risk profile and remain within risk appetite

Focus on risk-pricing and risk-adjusted returns

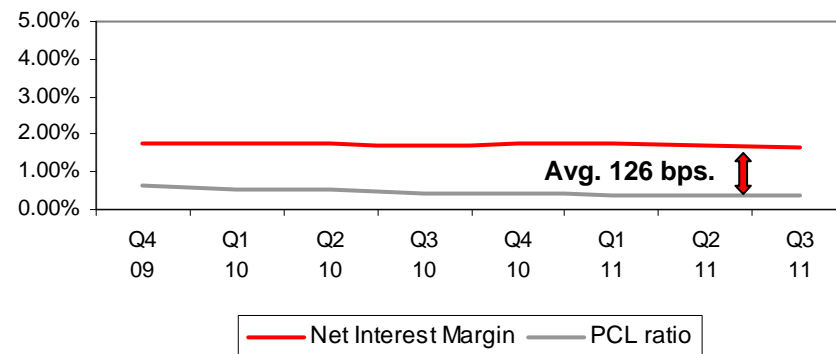
Invest in risk technology

Net Interest Margin vs. PCL Ratio

International Banking



All Bank



- **Remain focused on existing, attractive footprint**
- **Primary focus on organic growth through key retail and commercial initiatives**
- **Well-positioned for selective, meaningful acquisitions**
- **Prudently evolve risk profile and segment mix**
- **Despite global pressures, optimistic about growth prospects in our regions**

Agenda

All Bank

International Banking Division

Outlook

All Bank Outlook

- **Fully expect to meet 2011 targets**

Metric	Target	YTD Q3/11 Actual
EPS Growth	7-12%	13% ¹
ROE	16-20%	18% ¹
Productivity Ratio	<58%	53.6%
Capital	Maintain strong ratios	TCE: 9.6% Tier 1: 12.3%

(1) Excludes impact of Q2/11 acquisition-related gains



Q&A

