Investor Presentation
First Quarter, 2006

March 3, 2006

This document includes forward-looking statements which are made pursuant to the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. These statements 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. Forward-looking 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. The Bank cautions readers not to place undue reliance on these statements, as a number of important factors 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; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere; operational and reputational risks; 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; consolidation in the Canadian financial services sector; changes in tax laws; competition, both from new entrants and established competitors; judicial and regulatory proceedings; acts of God, such as earthquakes; 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 59 of the Bank's 2005 Annual Report.

The Bank cautions that the foregoing 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 foregoing 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 behalf of the Bank.

The "Outlook" section that follows 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.

Overview

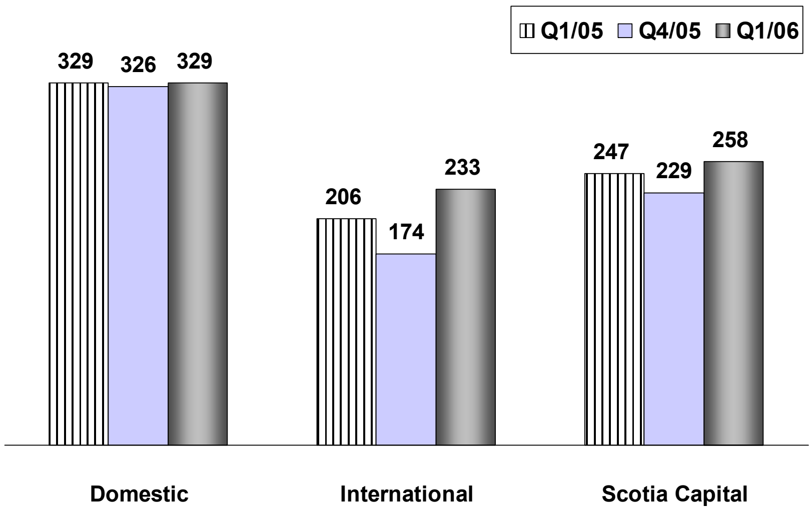
Rick Waugh
President & Chief Executive Officer

Q1/06 – record results
Good start to year

- **Record results**
  - EPS: $0.84 vs. $0.77 last year
  - ROE: 21.6% vs. 21.0% last year
- **Earnings well diversified across businesses**
- **Credit quality stable**
- **Strong capital ratios**
  - Tangible Common Equity (TCE): 9.0%

Solid contribution from all 3 businesses

net income available to common shareholders, $ millions



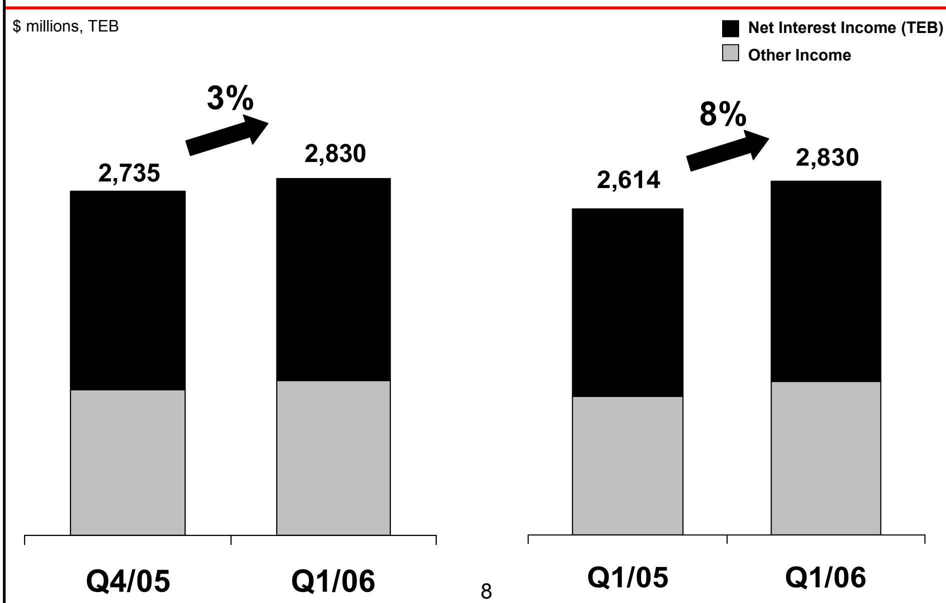
Meeting our 2006 financial performance objectives

	Q1/06		Objective
ROE	21.6%	vs.	18-22%
EPS Growth	9%	vs.	5-10%
Productivity	55.2%	vs.	<58%

Performance Review

Luc Vanneste
Executive Vice-President &
Chief Financial Officer

Broad-based revenue growth



Margin unchanged from Q4/05

	Q1/06	vs. Q4/05	vs. Q1/05
Net interest margin	**1.97%**	**-**	**(3) bps**
Canadian currency margin		1	2
Foreign currency margin		(1)	(5)
		-	**(3) bps**

Broad-based growth in other income – led by record trading revenues

$ millions

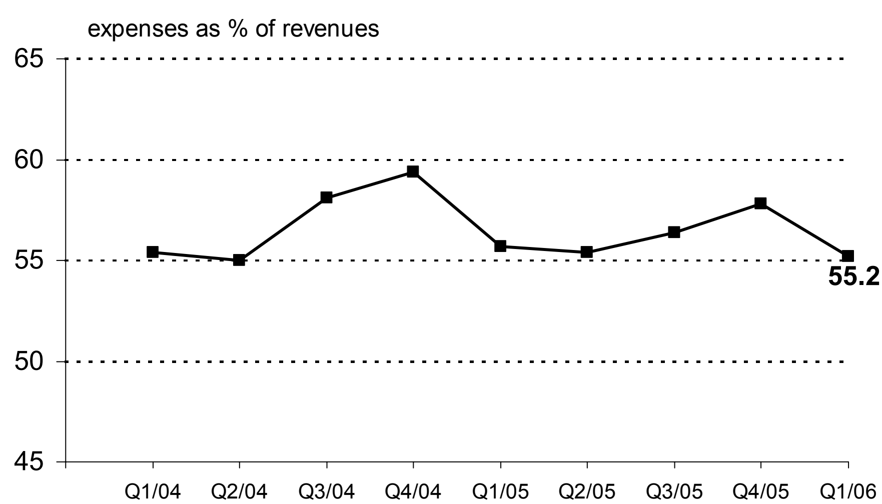
Change Q1/06 vs. Q4/05 $	Change Q1/06 vs. Q4/05 %		Change Q1/06 vs. Q1/05 $	Change Q1/06 vs. Q1/05 %
75	**6**	**Underlying**	**125**	**11**
(4)		Impact of stronger Canadian dollar	(11)	
71	**6**	**Reported**	**114**	**10**
117		Trading revenues	33	
(15)		Net gain on investment securities	32	
8		Deposit & Payment services	21	
5		Retail brokerage	17	
6		Mutual funds	14	
8		Card revenues	13	
-		Credit fees	(5)	
(6)		Securitization revenues	(6)	
(17)		Underwriting fees & other	(30)	
(35)		Other	25	
71	**6**		**114**	**10**

Expenses well controlled

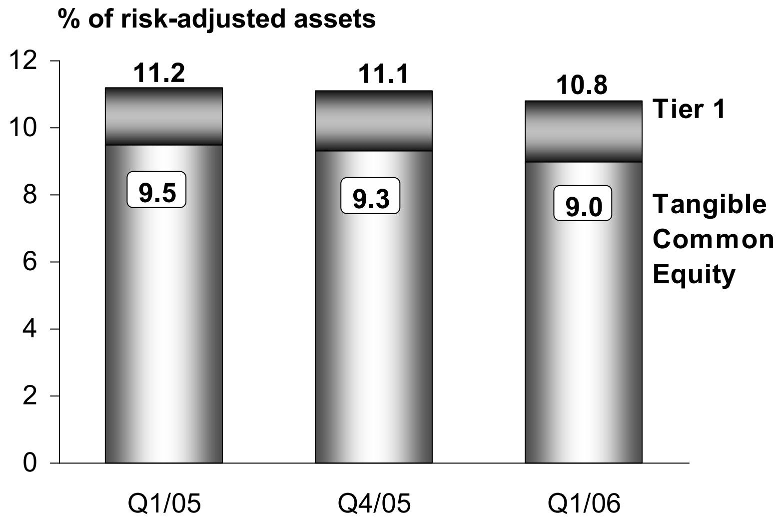
$ millions

Change Q1/06 vs. Q4/05 $	Change Q1/06 vs. Q4/05 %		Change Q1/06 vs. Q1/05 $	Change Q1/06 vs. Q1/05 %
(9)	**(1)**	**Underlying**	**118**	**8**
(8)		Impact of stronger Canadian dollar	(13)	
(17)	**(1)**	**Reported**	**105**	**7**
(17)		Salaries	24	
19		Pension & employee benefits	24	
71		Performance & stock-based compensation	16	
(21)		Premises & technology	8	
(34)		Advertising & business development	4	
(35)		Other	29	
(17)	**(1)**		**105**	**7**

Industry-leading productivity



Strong capital ratios



High level of unrealized securities' gains

$ millions

	Q1/06	Q4/05	Q1/05
- Emerging Market Debt	598	574	575
- Fixed Income	(46)	(38)	45
- Equities	538	499	554
	1,090	**1,035**	**1,174**

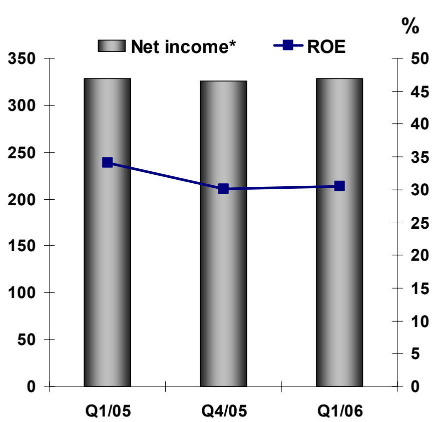
Scotiabank

Business Line Results

Scotiabank

Domestic Banking – strong retail asset growth

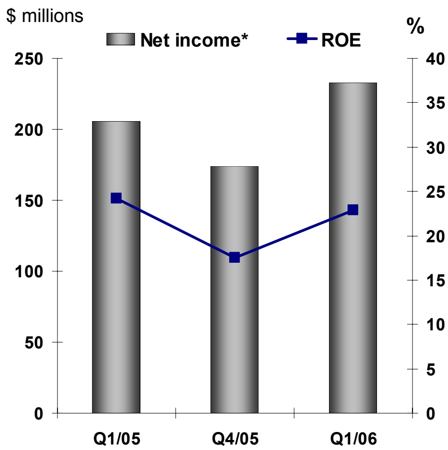
$ millions



- **Net income of $329 million**
- **ROE of 30.5%**
- **Revenues up 3% yr/yr, down 2% qtr/qtr**
  - strong retail asset growth, up 10% yr/yr
  - lower interest margin
  - higher wealth revenues
- **Expenses**
  - up 6% yr/yr; higher performance-based compensation
  - down 4% qtr/qtr; seasonal declines in several categories
- **Loan loss provisions**
  - lower provisions in commercial

* net income available to common shareholders

International – a strong performance

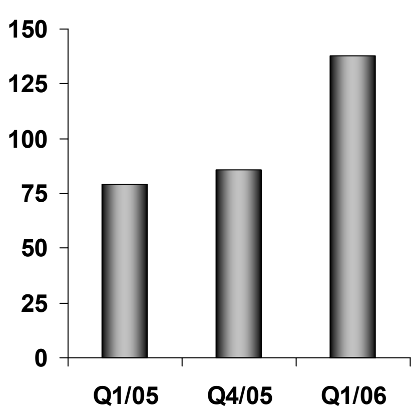


- **Net income of $233 million**
  - up 13% yr/yr, 34% qtr/qtr
  - strong growth in assets, up 8% yr/yr
- **ROE: 22.9%**
- **Higher revenues**
  - up 16% yr/yr, 5% qtr/qtr
- **Expenses:**
  - up 17% yr/yr, down 7% qtr/qtr
- **Provisions up slightly**
  - up $20 mm yr/yr, $11 mm qtr/qtr

* net income available to common shareholders

Grupo Scotiabank – record contribution

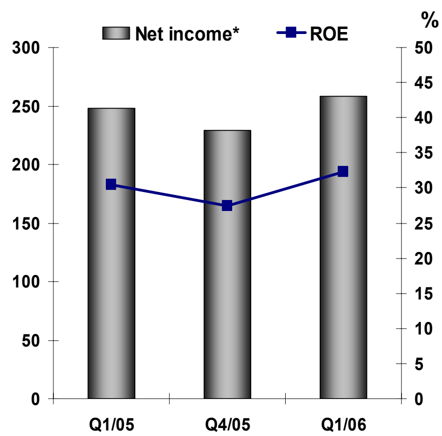
earnings contribution, $ millions



- **Contribution of $139 million**
  - up 78% yr/yr, 76% qtr/qtr
- **ROE: 36%**
- **Revenues up 27% yr/yr, 9% qtr/qtr**
  - higher credit card and other retail revenues
  - gain on sale of investment securities
- **Lower expenses qtr/qtr**
  - advertising and promotion
  - performance-based compensation

Scotia Capital – record trading revenues

$ millions



- **Net income of $258 million**
  - up 4% yr/yr, up 13% qtr/qtr
- **ROE of 32.3%**
- **Revenue up 12% yr/yr, 15% qtr/qtr**
  - record revenues from derivatives, equity trading
- **Expenses**
  - down 3% yr/yr
  - up 28% qtr/qtr mainly due to higher performance-based compensation
- **Lower new provisions and continued recoveries**

* net income available to common shareholders

Risk Review

Brian Porter
Chief Risk Officer

Stable credit quality

- **Stable specific provisions: $75 mm**
  - down $6 mm vs. Q4/05
  - up $1 mm vs. Q1/05
- **Positive trend in net impaired loans: $659 mm**
  - down $22 mm vs. Q4/05
  - down $103 mm vs. Q1/05

Stable level of specific provisioning – Scotia Capital benefiting from net recoveries

$ millions

	Q1/06	Q4/05	Q1/05
Domestic:	64	69	76
International:	27	16	7
Scotia Capital:			
- U.S.	(12)	(20)	(19)
- Other	(4)	13	10
	(16)	(7)	(9)
Other	-	3	-
Total	**75**	**81**	**74**

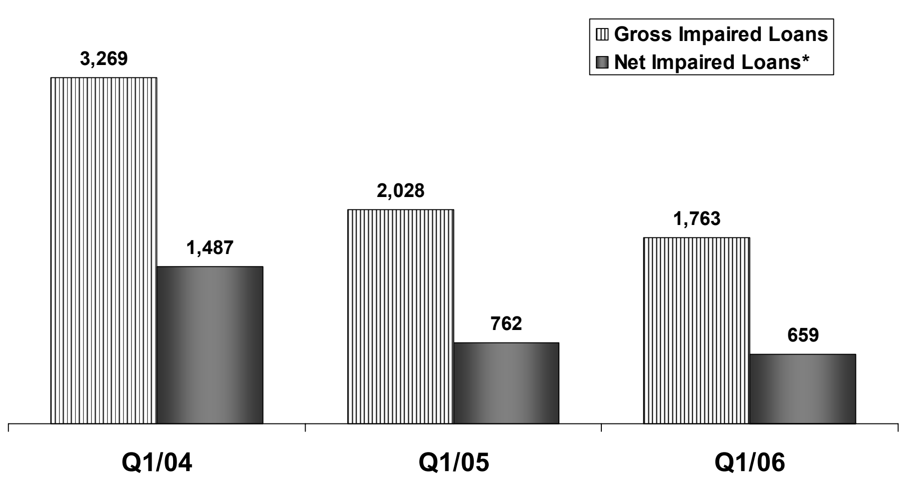
Net formations this quarter

$ millions

Domestic		
- Retail	106	
- Commercial	(3)	**103**
International		**82**
Scotia Capital		
- Canada	(5)	
- U.S.	(53)	
- Europe	(20)	**(78)**
Total		**107**

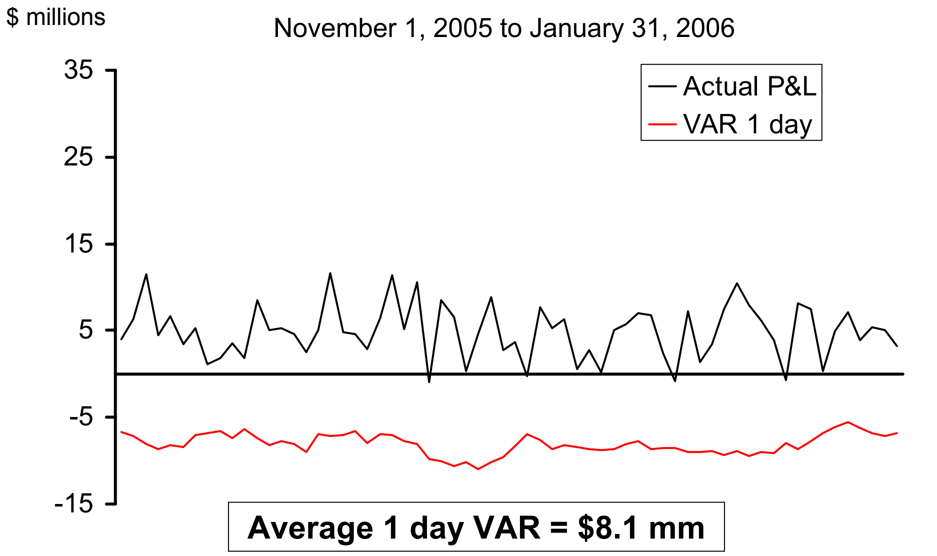
Positive trend in impaired loans

$ millions



* after specific allowance

Moderate market risk



Risk summary

- **Credit quality remains stable**
  - continue to closely monitor auto and forestry sectors
  - actively managing portfolios
- **Market risk well controlled**

Outlook

Rick Waugh
President & Chief Executive Officer

Outlook

1. **Focusing on three strategic priorities**
   - driving sustainable revenue growth
   - strategic acquisitions
   - effective capital management & allocation
2. **Growing diversified earnings base**
3. **Expect to meet performance objectives**