



Opportunity to make a difference

PUBLIC ACCOUNTABILITY STATEMENT

2005 CORPORATE SOCIAL RESPONSIBILITY REPORT



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CSR at Scotiabank

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About this report

Scotiabank's 2005 Public Accountability Statement/Corporate Social Responsibility Report (PAS/CSRR) is published in accordance with regulations of the Financial Consumer Agency of Canada. The PAS contains all necessary information as required under section 3 of Public Accountability Statements (Banks, Insurance Companies, Trust and Loan Companies) Regulations.

To improve the quality and clarity of our CSR communications, we have revised the format of this report to include highlights of our 2005 activities up front, with a more detailed discussion of each stakeholder issue in the back portion of the report.

Although the report is designed to satisfy Canadian public accountability statement (PAS) requirements, we have included more information on corresponding global activities wherever possible.

This year, we have also incorporated relevant Global Reporting Initiative (GRI) social performance indicators, and a reference table on pages 50 to 52 directs readers to specific GRI content.

These employees at our Woodlawn-Westphal branch in Dartmouth, N.S., are representative of the "One Team, One Goal" philosophy shared by Scotiabankers everywhere. From left: Dee Hubley,

David Woo, Sonja Coombs and Edward Joyce.



www.scotiabank.com

Cover Photo

Corporate social responsibility matters to Scotiabank because it provides us with a tremendous opportunity to make a difference. In 2005:

Our **customer** privacy policies were rated among the top three corporate policies in Canada by Nymity Inc., a leading Canadian privacy educator. [page 11](#)



- Major renovations, designed to improve customer accessibility at our branches, were completed.
- Scotiabank consumer finance seminars reached 10,000 people in 20 communities.

Our **Employee** Satisfaction Index increased to 83%. [page 21](#)



- Scotiabank was named one of the 50 best employers in Canada for the second year in a row.
- Scotiabank Jamaica and Scotiabank Inverlat (Mexico) were selected among top companies for which to work.

We adopted the Equator Principles, a set of internationally recognized project finance guidelines that set social and **environmental** standards in the financial sector. [page 33](#)



- Scotiabank's second "green" branch was piloted in Vaughan, Ont.
- We enhanced the depth of environmental risk reporting in our Annual Report.

Our employees spent 200,000 hours volunteering and fundraising through Scotiabank **community** involvement programs. [page 39](#)



- Scotiabank contributed more than \$40 million to community causes worldwide in 2005.
- More than 1,000 fundraising activities received over \$3.7 million from the Team Scotia Community Program.



Opportunity to make a difference

Rick Waugh

At Scotiabank, corporate social responsibility (CSR) is an integral part of how we do business. CSR principles support our corporate goal and objectives, align with the priorities of our stakeholders, and make fundamental business sense.

Our core purpose is to be the best at helping customers become financially better off, and our goal is to be the best Canadian-based international financial services company. However, we believe that how we fulfil this purpose and achieve our goal is equally important – that we must take into account the broader implications of our decisions as we pursue our business strategies.

While we are proud of our many accomplishments related to CSR issues, we recognize that we still have numerous opportunities to leverage our organization's potential to make a difference in the lives of our stakeholders. Building the kinds of products, services and programs that balance their many and diverse needs, and integrating them into our operations, while remaining adaptable to local cultures, is not an easy task – but we believe it is well worth the effort. Despite these challenges, we are committed to making continuous progress by pursuing and maintaining a leadership position in our areas of strength while also learning from the best practices of others.

In this regard, we are very proud that Scotiabank was recently recognized, for the second consecutive year, as one of Canada's 50 Best Employers, in a survey conducted by *The Globe and Mail Report on Business Magazine*. Scotiabank was also named a top employer in both Mexico and Jamaica in 2005, and a top 100 training organization by *Training* magazine for the second year in a row.

Last year, the Bank adopted the Equator Principles, a set of internationally recognized project finance guidelines that establish social and environmental standards in the banking industry. By endorsing these principles, Scotiabank has agreed to review all project finance proposals of

US\$50 million or more in accordance with World Bank and IFC criteria. This, in turn, creates Bank-wide norms for project financing in developing countries where there has been an absence of consistent regulatory frameworks or enforcement. We are now in the process of implementing the Equator Principles, including amending relevant documents and training our employees.

Scotiabank is also working to bring people together, making cross-cultural learning experiences possible for students; for example, through donations to the University of British Columbia and Tec de Monterrey (Mexico), we are enabling students of both schools to build cross-cultural awareness and international understanding through exchange programs. A similar donation was made to the University of Ottawa to create the Scotiabank International Scholarships.

Our commitment to CSR is demonstrated by this year's report, which was developed using stakeholder feedback received during the past year. The changes we have implemented include greater disclosure that is in line with global reporting guidelines, multiple tiers of information to provide the right level of detail for different audiences, and added foreign content to better represent our global impact.

In summary, our 2005 Corporate Social Responsibility Report not only showcases our successes, it reflects the priorities of our stakeholders, and serves as a focal point as we plan ahead. We look forward to a future in which Scotiabank makes a meaningful and lasting difference by satisfying the objectives of the Bank and all of the communities we serve.

A handwritten signature in black ink that reads "Rick Waugh". The signature is fluid and cursive, with a large initial "R".

Rick Waugh
President and Chief Executive Officer

Scotiabank is one of North America's premier

financial institutions and Canada's most international

bank. With more than **50,000** employees,

the Scotiabank Group and its affiliates serve about

10 million customers

in close to **50 countries** around the

world and encompass three main business lines:

Domestic Banking, International Banking and

Scotia Capital.

Dedicating resources to increase our focus on CSR

Scotiabank has always sought to carefully balance the interests of all of its stakeholders – and CSR is at the heart of how we conduct our business. CSR matters to Scotiabank because it matters to our stakeholders. Research has shown that consumers prefer to do business with companies that listen to their needs and respond with the right mix of accessible products and services. Likewise, prospective employees seek out employers that offer good opportunities, engage and support them throughout their careers, and provide a flexible, diverse workplace where they can make a contribution. And shareholders demand the highest level of ethical standards, transparency and accountability from public companies.

Thus, corporate social responsibility provides Scotiabank with a competitive edge with customers, a strategic advantage in recruiting top-quality people, and an enhanced reputation among the investment community.

Any short-term costs incurred to embed socially responsible practices into our business processes – for example, initiatives to maintain a healthy workforce or achieve energy efficiency in our premises – are usually offset by the long-term benefits of operating in such a manner.

While CSR has become a popular topic in recent years, it is not a new issue at Scotiabank, and goes well beyond the traditional parameters of community involvement to include other social and environmental measures of success



Photo, above left: In Mexico City, Edgar Manzo Ruiz (left), Ana Laura Cifuentes Sosa and Minerva Blanco Herrera (right), are three of the more than 6,800 employees of Scotiabank Inverlat, named one of the 50 best companies to work for in Mexico by the Great Place to Work Institute.

Photo, above right: Scotiabank's CSR Advisory Committee is composed of: front row, from left: Kim Brand, Anita Mackey, Vivian Mandelos, Sue Graham Parker and Pat Krajewski. Middle row: Louise Cannon, Brenda Riddick, Tim Kastelic, Kaz Flinn and David Morley. Back row: Bob Finlay, Glen Tugman, Andrew Finlay and Rick White. Missing: Kevin Harraher and Janet Slasor.

Opportunity to make a difference

While CSR has become a popular topic in recent years, it is not a new issue at Scotiabank, and goes well beyond the traditional parameters of community involvement to include other social and environmental measures of success. CSR is evident in our values and policies, and practised by our employees in their everyday actions and decisions. Our philosophy of “One Team, One Goal” unites us in our commitment to CSR issues.

A leader in advancing progressive products

Historically, Scotiabank has been a leader in advancing progressive products, programs and policies among its stakeholders. Among the significant “firsts” marked by our Bank, we were the first Canadian chartered bank to offer consumer loans (1958), appoint women as branch managers (1961), open a branch on an Aboriginal reserve (1971), and offer ScotiaLine VISA, a line of credit with VISA access (2000).

Dedicated resources

We now have dedicated specific resources to increase the focus on CSR issues at the Bank and advance the development of related activities and practices. Our Corporate Social Responsibility function within the Public, Corporate & Government Affairs Department oversees all of the Bank’s activities in this area, headed by a vice-president and supported by a senior manager.

They have performed a company-wide assessment of the Bank’s major social and environmental impacts and conducted a high-level inventory of Scotiabank’s performance in key areas. The unit is now focused on helping individual areas of the Bank to develop policies and programs that reinforce Scotiabank’s commitment to CSR. It also seeks to communicate the Bank’s strategic CSR direction across the organization and enable the effective sharing of best practices. Through our CSR unit, we are developing the expertise to critically evaluate the Bank’s efforts, benchmark them against other corporations, advocate for internal improvements, and bring added discipline to our work.

Corporate Social Responsibility Advisory Committee

During the past year, we created a Corporate Social Responsibility Advisory Committee – a cross-functional team of senior executives from key areas such as Global Risk Management, Human Resources, Legal, Group Compliance and each of our business lines – which confirms the Bank’s CSR priorities and helps guide plans to implement and communicate them across the organization. This approach has created a promising level of Bank-wide integration, contributed to the development and awareness of CSR-related initiatives, such as Scotiabank’s microfinance strategy,



Aboriginal strategy

Scotiabank operates four on-reserve locations and 22 Aboriginal banking centres across Canada, and has developed a guide for all branch managers to help them serve their Aboriginal customers more effectively. Going forward, the Bank will continue to develop strategies to serve Aboriginal communities effectively and make opportunities available to Aboriginal employment candidates, through recruiting, training and sponsorship programs. Among the relationships we have built is a partnership between the Rama, Ont., branch and the Chippewas of Mnjikaning First Nation, which resulted in \$1.75 million in mortgage financing during 2005 for on-reserve housing projects – such as the home in which Cheryl Maerz and her children Savannah (left) and Dakota live.



ScotiaWomen's Connection includes a website to help female employees develop contacts and grow their careers.

One of Scotiabank's priorities is to improve the number of women in leadership roles at the Bank. To support this, we have made the Bank's executive leaders accountable for supporting the advancement of women and created networking and development opportunities and resources for our women employees worldwide, and flexible work arrangements that help all employees balance their professional and personal lives. In 2005, we exceeded the Canadian federal government's benchmark for women in senior management. In addition, during 2005, three of Scotiabank's executive vice-presidents were named to the top 100 list of Canada's most powerful women. In the Bahamas, Minna Israel made history by becoming the first woman to head a Scotiabank subsidiary in the Caribbean and Central America.

and helped to integrate CSR into the Bank's balanced scorecard, which we use as a way of setting goals and measuring our performance in four broad areas – financial, customer, operational and people.

Special interest groups

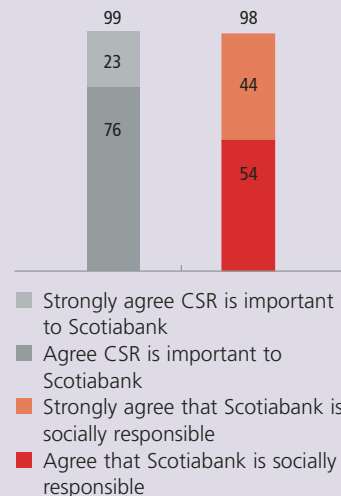
We continue to learn more about CSR and how to improve our performance through collaboration, consultation and feedback from our stakeholders and various special interest groups. For example, during 2005, we met with representatives from groups such as Real Assets, The Ethical Funds, World Wildlife Fund, the Forestry Products Association of Canada, the Rainforest Action Network, Forest Ethics, Ethicscan, Export Development Canada, Environment Canada, the Canadian International Development Agency, Department of Finance, Consumers Council of Canada, Canadian Business for Social Responsibility, and the International Finance Corporation. Each year, we strive to improve the quality and clarity of reporting on our CSR initiatives, including our key achievements, targets and performance, and we have incorporated their feedback, where possible, about last year's CSR report, as well as suggestions from our employees, in preparing this year's document. They also provide input on our policies and procedures.

Employees and CSR

Studies show that employers that are socially responsible and active in the communities where they do business find it easier to attract and retain employees. This is why CSR is an important component of our efforts to be recognized as an employer of choice. We believe in providing employees with opportunities for personal and professional growth – as well as the opportunity to make a difference, not only in the lives of the customers they serve, but in the communities where they live and work.

Our employees have demonstrated enthusiasm and support for corporate social responsibility issues. In 2005, Canadian Business for Social Responsibility (CBSR), a business-led non-profit learning organization, surveyed Scotiabank employees from various job levels, years of service and work locations to help gauge their interest and understanding of CSR issues at Scotiabank. Among the highlights of this research, 99 per cent

2005 employee CSR survey indicated: (%)



of respondents consider CSR important to Scotiabank (76 per cent considered it very important); 98 per cent agreed or strongly agreed that Scotiabank is a socially responsible company; and 91 per cent of employees believe that CSR adds some or a lot of business value.

We believe that employee involvement is key to our CSR success. Across Canada and all around the world, our employees are the local experts on the culture, needs and resources that exist within their communities. By empowering our local teams to apply their creativity, energy and resources to the areas where they are most needed, we believe we can achieve a greater impact at the grassroots level.

One significant example of our support for employees' work in their communities is our Scotia Employee Volunteer Program (SEVP), through which the Bank donates up to \$1,000 each year to qualifying community-based organizations in which individual employees or Scotiabank retirees have actively volunteered. Employees' volunteer work led to contributions of roughly \$650,000 to a wide variety of charities from the SEVP in 2005. Also in 2005, more than 1,000 different fundraising activities received more than \$3.7 million from the Team Scotia Community Program (TSCP), which matches funds raised by teams of Scotiabank employees for local charities and projects. Measured through these two programs alone, Scotiabankers dedicated more than 200,000 hours volunteering and fundraising for local community organizations last year.

2005 employee involvement

4	200,000 volunteered hours through our community involvement programs
4	1,000 fundraising activities (received more than \$3.7 million from TSCP)

International Banking and CSR

With our broad and growing geographic reach, and our long history in many international locations, Scotiabank has a unique opportunity to spread our own brand of CSR worldwide. Long known as "Canada's most international bank," Scotiabank is fast becoming a major international financial services organization, based in Canada. Our philosophy of giving back to the communities where we do business extends to our worldwide locations. The portion of our donations and sponsorships budget devoted to international markets has increased by approximately 66 per cent, from approximately \$4 million in 2004 to close to \$7 million in 2005.

Many of our international locations are tracking key indicators, such as employee satisfaction and the representation of women in senior management, and developing their own CSR agendas.



Educating customers: ABCs of Fraud

Since 1996, Scotiabank has offered the Scotiabank Fraud Awareness Program: ABCs of Fraud to help senior citizens learn more about detecting and preventing telephone and marketing fraud. Last year, the program was expanded to new audiences, including new immigrants, women in shelters and other groups, and included new content about identity theft, Internet fraud and employment scams. More than 450 presentations were made in 2005 to over 14,000 people at service clubs, community centres and churches, and almost 103,000 people have attended the seminars since the program began. Here, Prabha Khanna from Volunteer Toronto addresses new immigrants.



Providing international relief

When destructive rains and landslides hit El Salvador in October 2005, at least 250 employees of Scotiabank El Salvador donated their strength and time to reconstruct houses for local families as part of Un Techo para El Salvador (A roof for El Salvador). As main sponsor of the project, Scotiabank has made a long-term commitment to active community participation: teams of employees banded together to form volunteer building crews, and the Bank contributed \$65,000 to buy materials to build more than 50 houses.

For example, Scotiabank de Puerto Rico recently developed its own strategy to centralize and expand all CSR-related efforts on the island. A new committee will manage a budget for CSR-related activities, review employee requests for funding, help to plan and publicize community activities, monitor ongoing CSR progress, and report on it to executives and the board of directors.

In El Salvador, some 250 employees volunteered their time and effort to build houses for hundreds of people who were affected by heavy rainfall and landslides that devastated the country in October, setting a new standard for employee volunteerism in the country. (See sidebar for more details.)

Finding the right balance between creating and promoting Bank-wide standards in CSR while respecting local laws and cultures is an ongoing challenge, but also a unique opportunity for the Bank.

Sharing best practices in CSR, as well as other areas of business, is increasingly made possible through training programs that send employees to other countries to gain useful experience that benefits them personally, as well as the offices where they work and the Bank as a whole. For many years, employees have come to Toronto from around the world to gain experience at our Executive Offices; increasingly, they are taking on short-term developmental assignments in other countries as well.

Pursuing excellence in governance practices

We believe that accountability, openness and integrity in our corporate governance structure and culture provide us with an opportunity to deliver value to all our stakeholders. In keeping with this belief, we have created rigorous internal standards designed to meet international as well as Canadian requirements, and are constantly reviewing and strengthening our best practices. Responsibility for developing and reviewing the Bank's corporate governance policies belongs to the Corporate Governance and Pension Committee of the Bank's Board of Directors, which is composed entirely of outside directors.

Finding the right balance between creating and promoting Bank-wide standards in CSR while respecting local laws and cultures is an ongoing challenge, but also a unique opportunity for the Bank

These efforts were recognized with improved ratings in two prominent corporate governance surveys: we tied for first place (up from 8th) on a list compiled by *Canadian Business*, and tied for second place in *The Globe and Mail's Board Games* rankings.

Our Guidelines for Business Conduct set out the minimum standards of business conduct required of all Scotiabank Group employees. All directors, officers and employees must acknowledge annually, in writing, that they have read, understand and adhere to the guidelines and all applicable supplements. Additionally, strong internal compliance systems exist to support the conduct of business in a legal and ethical manner.

The Bank supports international anti-money laundering and anti-terrorist financing efforts. We launched a customized training program to help management and staff prevent, detect and report suspect activity to the proper authorities. As a result of this program – Scotiabank's largest-ever training initiative – we achieved a 95 per cent participation rate among our Canadian employees. We also invested in new technology to monitor customers' transactions for potential illegal activities.

Protecting and promoting the financial well-being of customers

Scotiabank's commitment to serving its customers' needs includes protecting them against fraud, keeping their personal information accurate, confidential and secure, and ensuring that customers have access to basic banking services. For example, this commitment is demonstrated by the number of loans we have granted to small and medium-sized enterprises in Canada. Outside of Canada, we are experimenting with microcredit programs, and have established programs operating in Guyana and Jamaica, which we are hoping to expand to other parts of our global network in the future (see sidebar).

We depend on customer feedback from a number of internal and third-party sources to help us improve our products, services and processes. Every year, we survey more than 115,000 retail customers by telephone, as well as commercial, small business and wealth management clients, to measure their satisfaction and loyalty. Results are distributed to senior managers and branch employees to facilitate improvements. We also use focus groups, mystery shoppers and other surveys as sources of feedback, and carefully monitor the customer complaints we receive.

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Micro-Enterprise Financing Limited Jamaica

Established in 2002 and based in Kingston, Jamaica, Micro-Enterprise Financing Limited (MEFL) operates in collaboration with the Canadian International Development Agency and the Kingston Restoration Company, with \$2 million in loan capital from Scotiabank. MEFL offers low-income micro-entrepreneurs access to business development training, savings accounts and loans, with little or no collateral. MEFL now has 1,404 clients, 79 per cent of whom are female, and has disbursed more than \$1.25 million in 2004 and 2005 to urban and rural lending projects. Through their "Poor Will Save" program, MEFL members have amassed savings in excess of \$215,200.



Renewable energy financing

Scotia Capital financing is helping Canadian Hydro Developers Inc. (CHD) develop a 67.5 megawatt wind project in Melancthon Township, near Collingwood, Ont. (seen behind CHD CEO John Keating). CHD is a developer, owner and operator of 17 water, wind and biomass power generation facilities in British Columbia and Alberta, as well as Ontario. All facilities are certified, or slated for certification, under Environment Canada's Ecologo program, an environmental certification system that helps consumers identify products and services that are less harmful to the environment.

Scotiabank and the environment

Scotiabank strives to make a positive difference for the environment, not only through the way we run our business but also in the kinds of projects we finance. The Bank implemented an environmental policy in 1991, which guides our day-to-day operations (including recycling and resource conservation efforts), lending practices, supplier agreements and management of our real estate holdings. In 2005, we continued to move forward with innovative energy conservation and facilities management projects, where appropriate, such as environmentally friendly furniture and carpeting, heat-reflecting roofing, LED signage equipped with timers and light sensors, and central management of all interior and exterior branch lighting systems, as well as heating, ventilation and air conditioning maintenance.

We take careful steps to ensure appropriate consideration is given to environmental risks associated with our corporate and commercial lending activities, and are also developing unique expertise in financing sustainable alternative energy sources, such as water, wind and biomass power generating facilities. These areas are important components of addressing the effects of climate change.

Conclusion

Scotiabank continues to make good progress on fulfilling its commitment to corporate social responsibility and community involvement. In 2006, we will increase our focus on setting targets and measuring results. We will keep working to develop stronger relationships with key stakeholders to enhance and protect the Bank's reputation and to ensure we understand their concerns. We will continue our efforts to improve employees' awareness, understanding and attitudes toward CSR issues, as measured by our annual internal survey.

We will continue to learn more about environmental and social risk issues to protect our business and our customers – for example, by ensuring that relevant employees receive training on the Equator Principles, and that the training is sustainable in the future. And, as a global bank, we will work to ensure that CSR principles and practices are embedded in our international locations, as well as in Canada.

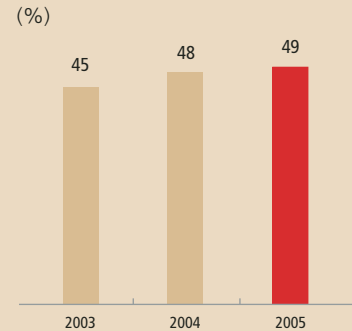
In the following pages you will find detailed discussions of each stakeholder issue. We have also enhanced our report to better reflect our international activities and have incorporated relevant Global Reporting Initiative (GRI) social performance indicators (see pages 50 to 52).

Opportunity to deliver what matters

At Scotiabank, our team is focused on being the best at helping our customers become financially better off, by providing relevant solutions to their unique needs. As we focus on achieving this core purpose, we have the opportunity to develop and deliver services that satisfy each of our 10 million customers in ways that matter most to them.

For example, through our extensive retail distribution network and our committed employees, we can reach out to distinct communities, including new Canadians or young people who need to develop financial literacy. Through the resources and expertise we have developed over many years, we can introduce new tools and technologies that improve service access for individuals with special needs, or that help protect the interests of customers in an increasingly complex world. And, through numerous feedback mechanisms and customer-oriented processes, we can measure their needs and concerns, respond in a timely manner and set goals to improve our performance in their eyes. We are committed to applying all of these capabilities to truly reflect the hopes, expectations and priorities of our customers.

Scotiabank customer loyalty (%)



Scotiabank's customer loyalty index, based on results from our internal Through Your Customers' Eyes™ survey, is a key indicator of customer commitment to Scotiabank. Our current loyalty score of 49 means that about half of our customers express a high degree of loyalty to Scotiabank, a proportion that has been tracking upwards since we started measuring loyalty four years ago. See page 13 for more details.

Key achievements in 2005

<ul style="list-style-type: none"> Customer privacy policies were rated first among the banks and third overall in Canada by Nymity Inc., a leading Canadian privacy educator. 	<ul style="list-style-type: none"> Scotiabank's ABCs of Fraud program for seniors expanded to reach women in shelters and new Canadians.
<ul style="list-style-type: none"> Scotiabank <i>Find the Money</i> consumer finance seminars reached 10,000 people in 20 communities. 	<ul style="list-style-type: none"> Major renovations, designed to improve customer accessibility, were completed in 22 Canadian branches.

www.scotiabank.com

Opportunity to deliver what matters

Scotiabank supports the United Nations Guidelines for Consumer Protection, including the right to:

- safety
- be informed
- basic needs
- choice
- consumer education
- privacy
- be heard
- consumer redress

The following pages outline Scotiabank's commitment and progress on these issues.

Educating consumers

Scotiabank employees have considerable financial expertise which they share with the public each year through free seminars, special events and educational programs that raise consumer awareness of important banking and investing topics. For example:

- For the second year in a row, Scotiabank presented cross-Canada *Find the Money* seminars, featuring personal finance advice author David Bach. Supporting the Bank's core purpose of helping customers become better off financially, the seminars invited members of the public to learn basic money management strategies, complemented by easy-to-understand topics and advice on www.findthemoney.scotiabank.com. During fall 2005, more than 10,000 participants attended the free events in 20 cities.
- Scotiabank has offered the Scotiabank Fraud Awareness Program: ABCs of Fraud since 1996. This nationwide fraud education and prevention program distributes videos about telephone and marketing fraud to seniors and community groups. In 2005, the program was expanded to include events for new immigrants, women in shelters and many other groups, with new content relating to identity theft, Internet fraud and employment scams.
- Scotiabank employees were involved in the Canadian Bankers Association's (CBA) financial education programs, including the innovative *There's Something about Money* seminar that provides Grade 10, 11 and 12 students with information on managing their financial futures.
- Scotiabank provides a direct link from the public website www.scotiabank.com to allow customers to order and download their credit bureau report conveniently.

Scotiabank fraud awareness program	
Number of 2005 presentations	467
Number of 2005 seminar attendees	14,056
Number of participants since 1996	102,900

Protecting customers against fraud

The Scotiabank Group is a leader in ensuring the protection of our customers and their financial information, whether they bank through our branches or via electronic channels, including automated banking machines (ABM), Scotia OnLine banking and brokerage services, and point-of-sale debit.

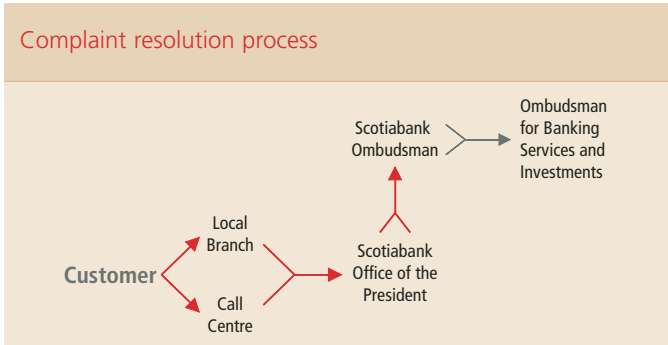
We are committed to a number of voluntary codes of conduct and public commitments designed to protect and serve customer interests, such as the Canadian Code of Practice for Consumer Debit Card Services, CBA Code of Conduct for Authorized Insurance Activities, and Model Code of Conduct for Bank Relations with Small and Medium-sized Businesses (see Appendix, page 54). For the full text of the codes and commitments, refer to www.scotiabank.com, Customer Care page.

We maintain a comprehensive information security program to protect the Bank's electronic information and databases from intrusions or computer viruses. Over many years, the Bank has developed extensive internal expertise on the issues of data and information security, safeguarding our electronic banking services, protecting customers from financial crimes, securing Bank premises for our customers and employees, and providing fraud and security investigation. We collaborate with task forces within the financial industry and with law enforcement authorities at all levels of government to share information and address emerging security issues.

We also promote and communicate safe banking tips to our customers to help them protect themselves from fraud. We publish these tips on www.scotiabank.com to keep Internet users informed about online security issues. To help raise card user vigilance against possible identity theft via computer, point of sale terminal or ABM, we also publish the *Keep your money safe, Protect your PIN* brochure.

We continue to stress that the best way to prevent fraud at ABMs is to encourage customers to shield their PIN. Scotiabank has increased customer awareness of PIN security through the "Protect your PIN" campaign. We are also installing PIN shields onto all our ABMs to help deter ABM skimming activities. A "Protect Your PIN" decal will be affixed to the inside of each PIN shield to serve as another reminder to customers.

CBA consumer education programs	
Number of 2005 seminars held by Scotiabankers	198
Number of student attendees	6,172
Number of Scotiabankers involved	85
Number of Scotiabankers trained to participate	242



Scotiabank is a member of the Fraud Prevention Forum, a coalition of companies, consumers, government agencies and other groups committed to fighting fraud aimed at consumers and businesses.

Addressing privacy issues

Privacy is the cornerstone of customer trust, and Scotiabank has a privacy program designed to keep our customers’ personal information accurate, confidential and secure. The Scotiabank Group Privacy Code deals with all aspects of privacy, such as: obtaining customer consent, limits on collection, use and disclosure of personal information, and customer access to personal information. The Privacy Code, as well as our brochure, *The Scotiabank Group and You: A Question of Privacy*, is available to the public in our branches and offices and on our website. We also have a Privacy Committee, made up of senior management, which meets quarterly to discuss privacy trends and related policy issues and identify necessary action when required.

The Scotiabank Group has always been committed to keeping customers’ personal information accurate, confidential and secure. To meet this commitment, Scotiabank has had a Privacy Agreement and supporting documents and procedures in place for many years. In 2005, the Privacy Agreement was revised to ensure that we continue to meet requirements to inform our customers why and how we collect, use and disclose their personal information. The revised Scotiabank Group Privacy Agreement can be found on our website, www.scotiabank.com, on the Privacy page.

In 2005, Scotiabank’s privacy policies were recognized as among the best in Canada in a study by Nymity Inc., a leading Canadian privacy educator. Scotiabank ranked third overall and was the top bank among more than 20 companies rated on criteria such as company consent practices, individual access, accountability and safeguards.

Responding to customer concerns

Scotiabank follows a three-step internal process to address concerns from small business and individual customers (see

Customer dispute resolution 2005

Number of complaints received by Office of the President	7,384
Percentage of customers satisfied by complaint handling (based on survey of 1,464 customers who filed complaints)	90%
Number of policy, process or product changes connected to customer complaints	97
Percentage change in number of complaints over 2004	-15%

Complaint resolution process chart above). Customers may first try to resolve the issue at their local branch or by contacting the call centre. If the manager or call centre cannot resolve the issue successfully, the customer can then contact Scotiabank’s Office of the President. If they remain dissatisfied after this step, they can contact Scotiabank’s Ombudsman, who will launch a thorough, impartial investigation. Scotiabank’s Customer Ombudsman can be reached at 1-800-785-8772.

In fiscal 2005, the Office of the President received 7,384 complaints, a reduction of more than 15 per cent from the previous year. This office also received 267 Scotiabank staff commendations.

If customers still are not satisfied that their concern has been fully addressed, they may then contact the Ombudsman for Banking Services and Investments (OBSI), an independent organization that investigates customer complaints about financial services providers. Also, the Centre for the Financial Services OmbudsNetwork (CFSON) helps customers who are uncertain about where or how to resolve a dispute with their financial service provider.

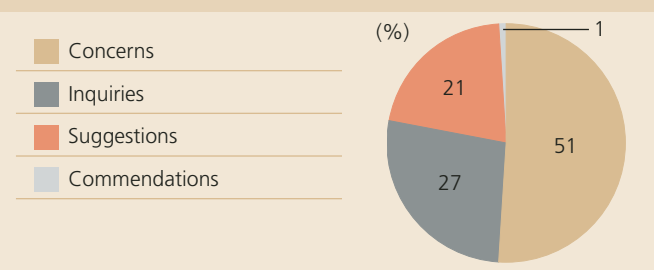
More information can be obtained at www.obsi.ca or by calling the CFSON toll-free at 1-866-538-3766.

Responding to customer feedback

We work to continuously improve our products and services, delivery channels, communications and operational processes, by incorporating customer feedback from a number of internal and third-party sources. Areas of improvement identified from this feedback are translated into improvement targets and performance appraisals at the branch level, and form part of the balanced scorecard targets of senior management. For example:

- Every year, we survey more than 115,000 randomly selected retail banking customers by telephone as part of “Through Your Customers’ Eyes,” Scotiabank’s customer satisfaction and loyalty measurement program. From this survey, the Scotiabank Customer Loyalty Index is created by taking a simple average of our specific behavioural-based measures

Types of Team Voice messages received in fiscal 2005



derived from questions that we ask our customers through our ongoing service performance tracking program. The higher the level of commitment, the more our customers are likely to recommend our services to others and entrust us with more of their business. Report cards are distributed to senior management and branches so they can take action specific to their own customers, on the independent survey results. Similar surveys also provide regular feedback from commercial and small business customers, Scotia Private Client Group, ScotiaMcLeod and ScotiaMcLeod Direct Investing.

- Scotiabank performs extensive customer research to create and improve our products and services, including focus groups and mystery shopping surveys, and we track, analyze and report on trends identified through customer complaints data.
- Since we know that employees are the most knowledgeable about which products and services work well and which do not, we also welcome their ideas on products, services and ways to improve the customer experience through Team Voice, a toll-free phone and e-mail service. Employees can anonymously comment on policies, programs or issues that affect their ability to deliver outstanding service. In early 2005, a Team Voice international pilot was launched in Anguilla, Antigua, Barbados, Dominica, Dominican Republic, Grenada, St. Kitts, St. Lucia and St. Vincent.
- Twice a year, we survey internal customers, including the domestic branches, about the help they receive from internal support areas in meeting their needs and those of their customers. In 2005, the confidential Scotiabank Satisfaction Survey was distributed to 31,000 selected employees, plus those in Jamaica and Trinidad & Tobago. Responses indicated very high satisfaction levels with the services provided.
- We carefully monitor mystery shopping surveys conducted by the Financial Consumer Agency of Canada (FCAC). The FCAC is an organization that provides consumer information and oversees financial institutions to ensure they comply with federal consumer protection laws.

Anti-money laundering and anti-terrorist financing efforts

Scotiabank operates a Global Anti-Money Laundering Compliance Unit within our Group Compliance Department, under the direction of the Chief Anti-Money Laundering Officer. This team oversees the design, implementation and maintenance of the Bank's Anti-Money Laundering/Anti-Terrorist Financing Program throughout the Bank and our subsidiaries.

In 2005, Scotiabank invested in new technology to assist in monitoring transactions to detect potential money laundering or terrorist funding activities. We have also begun working on a new system to further automate our processes to monitor for names subject to regulations under the Criminal Code of Canada or the United Nations Suppression of Terrorism Regulations. Together, these initiatives will help us meet our reporting obligations to the Financial Transactions Reports Analysis Centre of Canada and prevent the Bank's products and services from being used for illegal activities.

Access and accommodation

Scotiabank maintains a policy that we will make every reasonable effort to accommodate the needs of persons with disabilities in the delivery and design of products, and in employment, in a manner that respects the dignity of individuals. New Scotiabank domestic branches, or domestic facilities that have undergone major renovations, meet the Canadian Standards Association's (CSA) accessibility guidelines. During 2005, we performed significant renovations on 22 domestic branches and opened six new locations. We have updated our standards to reflect new guidelines issued in the fall of 2004, and most of our existing branches will be upgraded to meet the CSA standards over the next seven to 10 years.

Close to 100 per cent of our ABM units are now lower and have more leg room to give customers in wheelchairs better access to the card reader, keypad, screen and transaction receipt slot. Large, high-resolution, anti-glare colour screens and braille key pads have been installed, and all ABMs now provide longer lapse times between transaction steps to give customers more time to perform transactions without being rushed.

Scotiabank has introduced additional ABM features, such as grab bars, to help customers position and support themselves, and ABM lead-thru lights that direct customers to the transaction they have chosen. We continue to work closely with a number of vendors to develop hardware and software solutions that fully comply with the CSA standards.

Scotiabank and the Canadian banking industry have been leaders in introducing electronic banking services, including telephone and Internet banking, which deliver affordable banking services directly to the homes of persons of all abilities.

Scotiabank banking services	
Product/Service	Description
Basic Banking Account	Our basic banking account is a low-cost banking option for customers who have only a few transactions each month and would like the option of using a teller service. This account addresses federal government and consumer group recommendations to limit the monthly fee and to include some in-branch transactions. Individuals can open an account, with certain basic identification, without a minimum deposit or employment as a condition for opening it.
Cashing Government Cheques	We are also committed to serving individuals, including low-income Canadians, who do not maintain banking accounts but require the ability to cash government-issued cheques. We train employees to serve these individuals and communicate service options in a clear, helpful manner*. A list of acceptable identification needed to open an account, cash government cheques, and other information, is available in our branches, over the phone and on our website.**
Account Selector Reality Check® tool	Our account options provide customers with choices that suit their transaction and service preferences and offer the best possible value. Our Account Selector <i>Reality Check</i> tool is a convenient way for customers to determine the right account for them and minimize their banking fees.
Scotia Simple Switch® program	The <i>Scotia Simple Switch</i> program is a free service that provides customers with a convenient way to transfer their day-to-day banking to Scotiabank from another Canadian financial institution.

*Visit the websites of the Financial Consumer Agency of Canada (www.fcac-acfc.gc.ca) and the Canadian Bankers Association (www.cba.ca) for more detailed information on consumer protection.

**More information is also available in the brochure *Day-to-Day Banking, Opening a Deposit Account or Cashing a Federal Government Cheque at Scotiabank*, available in branches.

Scotiabank's global branch/office/ABM network			
(see Appendix page 55 for full details)			
	2005	2004	2003
Branches/offices	1,959	1,871	1,850
ABMs	4,449	4,219	3,918

Scotiabank's general and marketing information is available in alternate formats, including audiocassette, braille, or large print, upon customer request by calling 1-888-615-8991 or via www.scotiabank.com.

Branch services

As part of our variety of service delivery channels, we recognize that our branches play a key role in developing customer relationships. We constantly review and improve our network of locations to ensure it meets current customer needs. In Canada in 2005, we opened six new or consolidated branches and closed or consolidated nine (see Appendix, page 55).

Providing basic banking services

Scotiabank is committed to ensuring that all Canadians can access basic banking services. We provide clear training and guidelines to employees on this issue, and straightforward account information to customers, so they can easily understand how to open an account and manage their banking needs (see Scotiabank banking services, above).

The Bank has a long-standing commitment to providing customers with banking information which they can easily understand and use. All of our retail products, including mortgages, are written in plain language. Plain language and disclosure are a fundamental part of a competitive financial services market – it helps ensure consumers can effectively compare and make the right choices for their financial needs.

Meeting individual customer needs

In addition to offering low-fee basic banking services to Canadians of modest income, Scotiabank also offers various specialized products and services designed for youth, students and seniors:

- The *Getting There Savings Program*® for youth is designed to help young people under age 19 learn banking basics. This no-fee plan offers up to 20 free debit transactions per month and cash prizes to encourage young people to save.
- The *Student Banking Advantage*™ plan provides discounted rates on regular banking fees and other benefits for full-time students of Canadian universities, colleges or other recognized post-secondary institutions.
- The *Scotia Plus*® program provides customers aged 59 or older a no-fee banking plan that includes up to 40 free debit transactions per month, plus other free or discounted services.

Serving diverse communities

To effectively serve Canada's multicultural population, our goal is to ensure that our workforce reflects the diverse communities in

which we operate. Scotiabank actively recruits multilingual employees to help us accommodate the cultural and linguistic preferences of our customers. We also incorporate additional language options in our most in-demand services to serve customers in the language of their choice. These are some of our services:

- Our TeleScotia telephone banking call centres serve callers in English, French, Mandarin and Cantonese.
- ScotiaMcLeod Direct Investing (SMDI) offers Chinese-language services to clients, with a team of experienced investment representatives and a dedicated toll-free telephone number.
- To help branches build relationships with distinct local communities, the Bank develops many multilingual customer materials that branches can customize and print for customers. In addition to extensive Chinese-language resources, in 2005, we piloted a number of South Asian communications, and we made some of our *Find the Money* consumer seminar and small business literature available in multiple languages.
- Many of our retail banking districts and individual branches participate in special events geared to local ethnic communities. For example:
 - In the Greater Toronto Area alone, we serve more than 130 nationalities, speaking some 80 languages. Local branches cultivate ties to multicultural organizations, such as the Italian Canadian Chamber of Commerce, and participate in public events, including the Toronto Dragon Boat Festival.
 - In Hamilton, Ont., Scotiabank works with Settlement Integration Services Organization (SISO) to help integrate new immigrants and refugees into Canadian society. Through this program, staff at the Centre Mall branch provide SISO clients with new accounts and introduce them to the Canadian banking system. During 2005, we hired two participants to join the branch team.
 - To support the career training and coaching services offered by Winnipeg-based Employment Solutions for Immigrant Youth, we placed three students at Scotiabank’s main branch to gain valuable work experience.

Serving Aboriginal customers

Scotiabank has a long history of working with Aboriginal communities, building strong customer relationships and business partnerships while respecting the way Aboriginal business is conducted. We were the first Canadian chartered bank to open an on-reserve branch, in Standoff, Alta., in 1971,

and today we operate four on-reserve locations plus a network of 22 Aboriginal banking centres. Earlier this year, Scotiabank recognized Carol Bobiwash, a nine-year Bank employee, by appointing her Manager of our Rama, Ont., branch – the first Aboriginal branch manager of any of the on-reserve branches.

In addition, to effectively meet Aboriginal customer needs across our entire branch network, Scotiabank provides its branch managers with a 26-page guide to help them serve native Canadians. Among the effective branch community relationships we have built is a partnership between the Rama, Ont., branch and the Chippewas of Mnjikaning First Nation, which resulted in \$1.75 million in mortgage financing for on-reserve housing projects during 2005.

The Standoff, Alta., on-reserve branch also provides unique loans to businesses in the First Nation community through a guarantee from the band council. The loans do not require applicants to provide security to ensure repayment.

As a result of these programs, Scotiabank has provided hundreds of loans, with millions of dollars in total authorized credit outstanding, translating into significant economic activity in Aboriginal communities. It is estimated that these loans have helped to maintain or create more than 4,000 Aboriginal jobs. We also provide banking accounts to hundreds of Aboriginal clients across Canada.

In addition, to contribute to the success and potential of Aboriginal-owned businesses, branches serving these communities are encouraged to purchase their products and services and share learning and development programs between Scotiabank and these enterprises.

In February 2005, on behalf of the Bank, Scotiabank President and CEO Rick Waugh accepted a silver award from the Progressive Aboriginal Relations (PAR) program of the Canadian Council for Aboriginal Business, to recognize the Bank’s success in developing mutually beneficial relations with Aboriginal people, businesses and communities.

Going forward

We have set a number of objectives to improve customer services in upcoming years, and we plan to communicate our progress through our annual corporate social responsibility reports. We will:

- continue to set goals for the percentage of customers who are satisfied with the handling of their complaints through the Office of the President; and
- increase levels of customer satisfaction and loyalty.

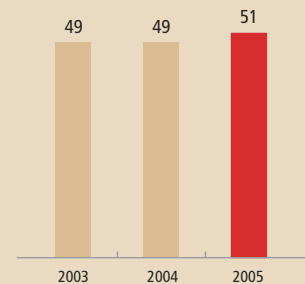
Opportunity to promote a healthy economy

At Scotiabank, we understand that small businesses* are a vital part of the Canadian landscape. They are the economic drivers of the Canadian economy, significantly contributing to the gross domestic product, creating new jobs and employing almost one half of the total Canadian workforce. As a result, the services and support that we offer to small and medium-sized enterprises (SME) provide Scotiabank with an opportunity to contribute to the vitality of our economy.

Small Business Banking is an important part of our Domestic Banking business line and is a major source of growth, revenue and profitability for Scotiabank. In direct support of this valued customer segment, we provide dedicated small business banking champions in every Scotiabank branch. We offer the four cornerstones of products and services – day-to-day banking, borrowing, saving and investing and protection – to help small business owners become financially better off, both in business and personally.

* Canadian businesses with revenues of less than \$5 million and borrowing requirements under \$500,000.

Small business customer loyalty
(% rated excellent)



Key achievements in 2005

- | | |
|---|--|
| <ul style="list-style-type: none"> Answered 25 per cent more inquiries from employees through our Small Business Resource Centre to help them respond to customers' questions. | <ul style="list-style-type: none"> Significantly reduced small business bankers' administration time so that they could spend more time with customers. |
| <ul style="list-style-type: none"> Improved special banking packages for small business and professional association members to help them meet their financial goals. | <ul style="list-style-type: none"> Offered new products to help small business customers save money and take better control of their expenses. |

www.scotiabank.com

Opportunity to promote a healthy economy

To help small businesses become financially better off, both in business and personally, we understand that we must listen carefully, and respond to, the concerns of this customer segment. For example, customers tell us that they want access to competitively priced products and services, improved customer service and full-service local branches that can respond directly to their needs. They also expect that banks will fully honour the industry codes of conduct, including those concerning credit processes and resolution of complaints.

Our small business team

Our small business team is composed of almost 1,500 small business bankers, including more than 925 branch managers with small business expertise and over 565 dedicated small business account managers, located in more than 375 branches.

To better support our small business teams, during 2005:

- We further expanded our online training course inventory to supplement our sales and service teams’ financial statement skills and knowledge;
- We completed a study of how we could improve our small business bankers’ “face time” with their customers. Based on the study’s recommendations, the Bank was able to reassign a number of administrative tasks away from the small business banker, freeing up time for more proactive contact with their customers.
- Scotiabank’s Resource Centre for Business continued to help our sales and service teams to better and more accurately respond to customers by providing quick and comprehensive responses to employees’ questions via e-mail or phone. This service results in the small business owner receiving timely and valued information needed to make more accurate business decisions and better manage their finances.

Scotiabank Small Business Bankers

Branch managers with small business expertise	925
Dedicated small business account managers	565
Number of branches with dedicated small business account managers	375
Total number of small business bankers	1,490

Small Business Resource Centre support in 2005

Customer questions submitted to Resource Centre website in 2005	Up 25%
Questions receiving an immediate response	87.67%
Number of calls received each month by centre telephone representatives	1,289

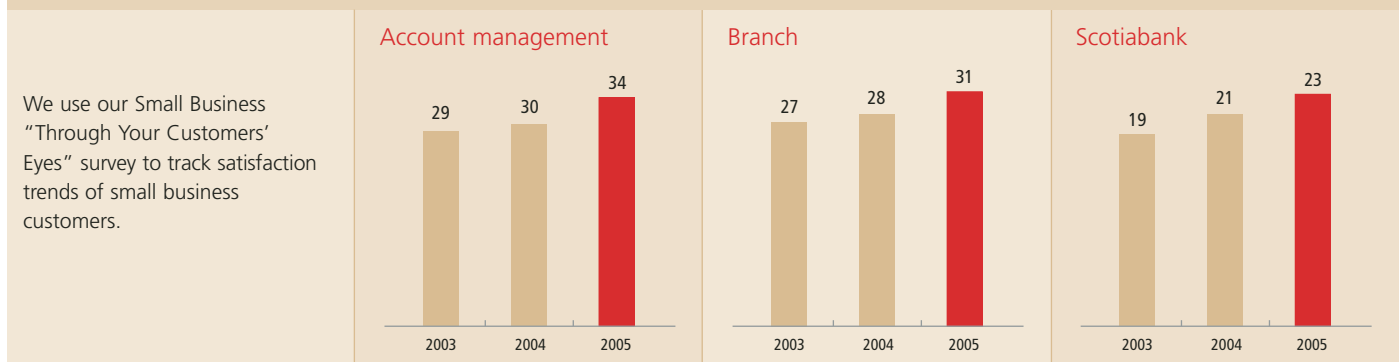
Listening to small business customers

Listening carefully to our customers’ needs is crucial to serving them effectively. We do so by consulting with our customers, through focus groups and surveys, such as our 2005 Small Business Week Survey, as well as our Scotiabank Small Business “Through Your Customers’ Eyes” survey of 2,400 SME customers in 2005 (see Scotiabank small business customer satisfaction trends sidebar, below). We also meet with representatives of key small business membership organizations to collect their feedback on our products and customer service levels and how we can improve them.

Enhancing our products and services

We continually fine-tune existing products and services, or introduce new ones, to better meet the needs of small business owners and to help them achieve their financial goals. Here are some examples of product and service improvements made during 2005:

Scotiabank small business customer satisfaction trends overall ratings (% excellent)



Scotiabank SME business code of conduct			
Openness	The code is available to current and prospective SME customers and is accessible on the Bank's website (www.scotiabank.com).	Changing credit relationship circumstances	If a customer experiences a significant change in their business, such as financial difficulty, we will carefully review our arrangement with the client before taking action. We will provide at least 15 calendar days' notice of any Bank actions taken, and inform customers when changes are made to the terms or conditions specific to their credit relationship with the Bank.
Accountability	Our employees are committed to serving clients and ensuring problems are satisfactorily resolved.		
Credit process	We provide a detailed description of how SMEs may apply for credit at Scotiabank, and our commitment to treating them fairly and with respect. In the event we cannot approve a credit application, we'll tell the applicant why and suggest other potential sources of financing.	Complaint handling	We maintain a detailed complaint resolution process, and readily provide information on these procedures to our small and medium-sized business customers. We also commit to responding to all complaints as quickly as possible. There is an independent senior officer, the Scotiabank Ombudsman, who is ultimately responsible for resolving these issues.

For more detailed information on consumer protection, visit the websites of the Financial Consumer Agency of Canada (www.fcac-acfc.gc.ca) and the Canadian Bankers Association (www.cba.ca).

- Through our Registered Charities and Community Groups Account Pricing, we help charities and community organizations make their dollars work as hard as possible. Registered charities receive a 50 per cent discount and community groups receive a 35 per cent reduction in the published monthly plan fee of any business account plan option.
- To help small business customers control their costs, we introduced the Scotiabank VISA Business Card in 2005. The new card provides detailed online reporting, cash back rewards, and helps lower monthly service fees by reducing the number of transactions in customers' business accounts.
- Small business owners who are members of the Canadian Federation of Independent Business, the Retail Council of Canada and the Canadian Professional Sales Association can take advantage of our preferred alliance pricing with these organizations. We continually work with representatives of the groups to design tailored offerings for their members.

Dealing fairly with small business

We follow a Small and Medium-Sized (SME) Business Code of Conduct to govern our relationships with these businesses and to ensure we serve the small business community in a fair, clear and transparent manner.

The code outlines the Bank's responsibilities and obligations to our SME customers, and comprises five key elements (see chart above for details).

Partnering to support small business goals

On a national and local basis, we form numerous partnerships and sponsorships to support the specific needs of small business groups and independent professionals. For example:

- A reality of Canada's aging population is that an increasing number of small business owners are facing the challenge of business succession planning. With more than 70 per cent of small business owners indicating their intention to retire within the next 10 years, Scotiabank is responding by developing planning resources to support them through the transition. In early 2005, we began working in partnership with the Canadian Institute of Chartered Accountants to develop a publication entitled "Succession Planning for the Owner-Managed Business." Available in mid-2006, this resource will provide practical recommendations guiding business owners through the sale of their businesses.
- We maintain partnerships with various health care associations, including the College of Family Physicians of Canada, the Royal College of Physicians and Surgeons of Canada, the Canadian Pharmacists Association, the Canadian Association of Optometrists, the Canadian Psychiatric Association and the Canadian Psychological Association.

Supporting women in business

Women account for approximately one-third of self-employed Canadians, and are owners of roughly one-half of all small and medium-sized enterprises. Our small business bankers take part in a variety of local networking initiatives, providing seminars and presentations to women’s business groups and associations.

Supporting Canada’s agricultural sector

Scotiabank plays a leading role in both traditional and vendor financing to Canada’s agricultural sector. We provide commercial and small business agricultural clients with a full range of financial solutions, including investment services and assistance in the transition of farm businesses from parents to children.

In 2005, we continued to grow our unique third-party financing alliance with Agricore United, providing the input financing for crop and livestock producers. We also offer input financing for producers through the independent dealer outlets of Univar Canada, Agrico Canada, and through the member dealer network of Quality Assured Seeds.

Scotiabank’s commitment to the dairy industry is highlighted by our 21-year sponsorship of Canada’s premier 4-H dairy show, the Scotiabank Classic at the Royal Agricultural Winter Fair in Toronto, which encourages rural youth leadership. In 2005, our sponsorship was expanded to include the Scotiabank Junior Beef Heifer Show and Youth Weekend.

Scotiabank works individually with customers who are negatively affected by events which are outside of their management control, such as bovine spongiform encephalopathy disease (BSE). During 2005, we helped customers find ways to manage their situation, often by assisting them with scheduling loan

payments or identifying financing alternatives. As a member of the Canadian Bankers Association, Scotiabank met regularly with producer associations and federal and provincial officials to discuss industry issues and provide input on proposed longer-term contingency measures for affected producers.

Going forward

Scotiabank has set a number of objectives to enhance service and support to small business customers in 2006, and we will report our progress through our annual corporate social responsibility report. We will:

- continue to expand the training and resources available to small business bankers, so we can help our customers become financially better off;
- increase service satisfaction levels among our small business customers and measure our performance through Scotiabank’s “Through Your Customers’ Eyes” survey;
- continue to improve the customer experience by better understanding our customers’ goals, through surveying and consulting with clients on product development and customer service issues;
- continue to partner with business and professional associations to acquire relevant knowledge about their members’ needs and relevant issues; and
- target improvements in providing advice and customer service to our small business clients.

Scotiabank debt financing to business customers:

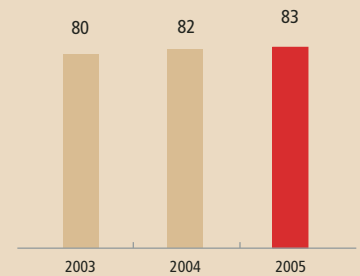
See Appendix page 57 for business credit authorized and outstanding, and number of customers in 2005.

Opportunity to grow and succeed

At Scotiabank we recognize that organizational success and employee success go hand in hand. We understand that satisfied, engaged employees are key to delivering industry-leading customer service, and that building our business depends on how effectively we strengthen our employees' capabilities. To do so, we offer a variety of programs and policies to build and support our diverse global workforce of more than 50,000 employees. We then carefully measure our performance in these areas, so we can continue to increase employee satisfaction and engagement, and be an employer of choice.

During 2005, our efforts were acknowledged both in Canada and internationally, when we received high-profile, third-party recognition for our people practices. For the second year in a row, Scotiabank was acknowledged as one of the 50 Best Employers in Canada for 2005 by *The Globe and Mail Report on Business Magazine*. Internationally, Scotiabank Jamaica was selected as one of the Top 20 employers in that country, in a survey conducted by the University of the West Indies and the Jamaica Employers' Federation. And Scotiabank Inverlat was identified as one of Mexico's Top 50 Best Companies to work for by The Great Place to Work Institute.

Employee satisfaction index
(%)



This index measures the level of our employees' satisfaction with their immediate work environment. See details on page 32.

Key achievements in 2005

<ul style="list-style-type: none"> Our Employee Satisfaction Index increased to 83%. 	<ul style="list-style-type: none"> Exceeded federal government benchmarks for women and visible minorities in senior management. Three of Scotiabank's female executive vice-presidents were named to Canada's Most Powerful Women: Top 100 list.
<ul style="list-style-type: none"> For the second year in a row, Scotiabank was named one of the 50 best employers in Canada. 	
<ul style="list-style-type: none"> Received the Corporate Award of Excellence from the Employee Assistance Society of North America. 	

Opportunities to grow and succeed

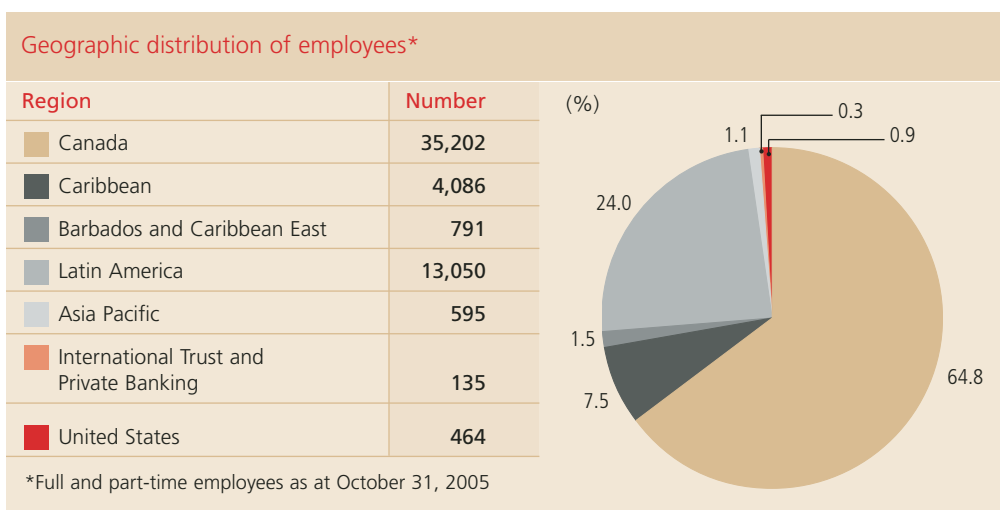
As Canada's most international bank, diversity is one of Scotiabank's key strengths. Across our global operations, we strive to ensure that the composition of our workforce reflects the diversity of the communities we serve. We achieve this by promoting a respectful and supportive workplace for all employees.

The Bank has regular processes and resources in place to ensure diversity is an ongoing and integrated part of doing business. For example, Scotiabank reviews new and existing policies for alignment with our diversity commitment, and we maintain a Scotiabank Employment Relationships Council, composed of employees and leaders from across the organization. In addition,

our Employment Relationships Plan integrates diversity and employment equity initiatives into established business processes, including annual plans and budgets. A quarterly People Report measures our progress towards diversity goals outlined in these plans, including workforce makeup, employee engagement and satisfaction and turnover rates.

Scotiabank's definition of diversity

A diverse employee base is one that reflects the communities in which Scotiabank works, with people of varied nationalities, race or colour, languages, gender, values, abilities, family status, age, sexual orientation, and religious beliefs.



Number of employees in Canada*

	Full-time	Part-time	Total
British Columbia	1,888	1,168	3,056
Alberta	2,197	1,161	3,358
Saskatchewan	423	312	735
Manitoba	484	243	727
Ontario	16,932	4,831	21,763
Quebec	1,436	409	1,845
New Brunswick	564	346	910
Nova Scotia	1,216	601	1,817
Prince Edward Island	112	56	168
Newfoundland & Labrador	493	286	779
Northwest Territories	10	7	17
Yukon Territories	14	13	27
Total	25,769	9,433	35,202

* As at October 31, 2005, there were 1,257 contract employees, representing 3.57% of the total Canadian workforce. The number of agency workers employed is minimal and not formally tracked.

Geographic breakdown by country*

Country	Full-time equivalent employees
Mexico (Inverlat)	6,960
Chile**	1,282
El Salvador	2,303
Jamaica	1,838
Dominican Republic	1,008
Trinidad & Tobago	972
Bahamas	555
Costa Rica	328
Barbados	279
Puerto Rico	674
Asia/Pacific	611
United States***	464
Other****	1,545

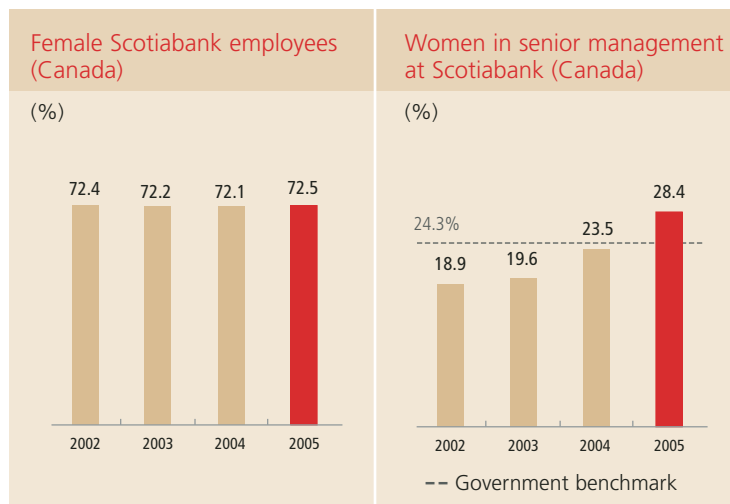
* As at October 31, 2005 **Includes contract staff
 ***Includes Scotia Capital, Integrated Support Services and RoyNat
 ****Includes additional subsidiaries and other Caribbean and Latin American countries not listed above

Building greater diversity at Scotiabank

To help further strengthen our levels of diversity within Scotiabank, we have implemented numerous programs to support the needs of women, Aboriginal peoples, persons with disabilities and visible minorities.

The advancement of women

Scotiabank is committed to being a destination workplace for women, and all of the Bank's executive leaders are accountable for supporting the advancement of women. To help achieve this priority, we create networking and development opportunities and resources. We also provide flexible work arrangements to help all employees balance their professional and personal lives.



A summary of key programs in 2005

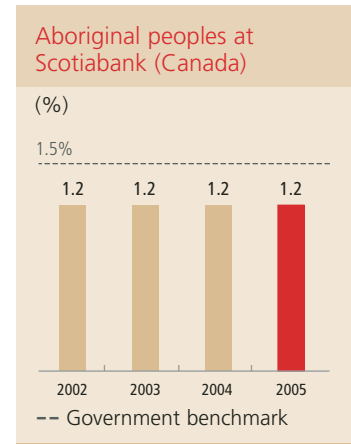
Senior management accountability	<ul style="list-style-type: none"> All executive vice-presidents and above are accountable for the advancement of women. A performance target regarding advancement of women is included on their individual balanced scorecards, as part of our performance management system.
Networking opportunities for female employees	<ul style="list-style-type: none"> The ScotiaWomen's Connection, a global network of senior women throughout the Bank, helps women learn of new opportunities, develop contacts and increase their visibility. The group expanded its networking events in 2005 to include professional development and career information series. Since the inception of the ScotiaWomen's Connection, several other women's networks have been established by various business lines, and plans are under way to connect them to increase their impact.
Advancement of Women employee intranet site	<ul style="list-style-type: none"> In October, we launched an Advancement of Women (AoW) intranet site for all employees, providing them with access to information on our AoW activities, progress and resources for mentoring, networking and career development.
Scotiabank financial sponsorships	<ul style="list-style-type: none"> We sponsored the Catalyst Census of Women Board Directors of Canada, which tracks the representation of women in corporate governance roles in Canada. The census lists women board directors by company and provides lists of the numbers of women directors and total directors by company revenue, industry, province/territory and Canadian-owned versus foreign-owned companies. Women's Executive Network (WXN) is Canada's leading organization dedicated to the advancement and recognition of executive-minded women in the workplace. This past year, Scotiabank supported both WXN breakfast events and the Canada's Most Powerful Women Summit: Top 100 Awards, and numerous female executives from Scotiabank spoke at events and participated in panel discussions. Scotiabank supported the Global Summit of Women, held in Mexico in 2005. This annual event is a gathering of female business, professional and governmental leaders from around the globe to advance women's economic and entrepreneurial progress worldwide. Scotiabank has an ongoing relationship with Canadian Women's Foundation (CWF), an organization that raises money and makes grants to help stop violence against women and build economic independence for women and their children. The Bank sponsors various CWF events, including their professional development breakfast series. Scotiabank has also sponsored the Legal Education and Action Fund (LEAF), Rotman Women in Management, Queen's Women in Leadership and National Women in Business (Gold Sponsorship).
Flexible work arrangements	<ul style="list-style-type: none"> These include flexible hours, job sharing and telecommuting, as well as maternity, parental, compassionate and bereavement leaves (see chart, page 32). Through the Bank's Employee Assistance Program provider, Scotiabank offers a variety of family-focused programs, including special needs support for children, family advisory services, marital counselling, parenting support and homecare.

Aboriginal peoples

We are committed to including members of Canada’s Aboriginal communities in our workforce, and we undertake a variety of recruitment activities to expand our team of Aboriginal employees.

Our goal is to build an Aboriginal workforce that provides valuable employment opportunities to Aboriginal peoples. Currently, Aboriginal employees represent 1.2% of the Bank’s workforce.

As recognition of our efforts to date, Scotiabank received a Silver Award for our inclusive programs and policies from the Progressive Aboriginal Relations (PAR) program of the Canadian Council for Aboriginal Business, making us one of the first financial institutions to reach this level of commitment.



Initiatives to support Aboriginal peoples in 2005

<p>Recruitment programs</p>	<ul style="list-style-type: none"> • Branches and regions set goals to improve Aboriginal representation through hiring activities. Regional management receives semi-annual reports on progress. • Recruitment efforts continued through outreach and scholarship programs. • We continue to use an “Inclusion Network” database of employment and applicant resumes within the Bank that permits easy searching for Aboriginal candidates. We are currently constructing an Aboriginal-specific database for all areas/regions, accessible by all staffing managers. • Recognizing the challenges in attracting Aboriginal peoples in the financial industry, all financial institutions (FIs) partnered in building sustainable relationships with Aboriginal communities to encourage their interest and participation in careers within the financial services industry. • Scotiabank joined other FIs to visit the Six Nations Reserve to present “Career Opportunities in the Financial Industry, Beyond Suits & Behind Tellers.”
<p>Internal awareness-building</p>	<ul style="list-style-type: none"> • Over the past several years, we have conducted Aboriginal Awareness Training for branch employees and managers in central and northern Alberta, with follow-up Retention/Employment and Business Development Training planned. • <i>Aboriginal Inclusion in the Workforce</i> sessions have been conducted in Scotiabank’s Toronto Executive Offices.
<p>Sponsorships and individual capacity development programs</p>	<ul style="list-style-type: none"> • Scotiabank actively sponsors key initiatives and organizations, such as: Title and Presenting Sponsor for the Canadian Aboriginal Music Awards; Aboriginal HR Council of Canada; First Nations Mentor-In-Residence; SAY Magazine – National Employment Partner; Spirit Magazine; AMMSA National Aboriginal History Program; National Aboriginal Achievement Foundation awards and career fairs.

Visible minorities

Scotiabank operates many recruitment, promotion, compensation and training programs to ensure our workplace is a welcoming environment for visible minorities.

Initiatives to support visible minorities in 2005

Recruitment, Promotion, Compensation, Training:

- Scotiabank hiring managers are trained in bias-free recruitment, interviewing and selection.
- Recognizing the importance of helping immigrants find jobs, Scotiabank uses the Career Bridge internship program provided by Career Edge, which is a private sector not-for-profit organization launched in 1996. Since its inception, the Career Edge organization has worked closely with over 900 employers to provide work experiences for more than 6,500 graduates across the full spectrum of Canada’s business community. Through Career Edge, we sponsored nine Career Bridge workplace internships in 2005.

Scotiabank sponsorships:

- We sponsored the Harry Jerome Awards & Scholarships and the New Pioneer Awards, which recognize the business achievements of immigrants and refugees.

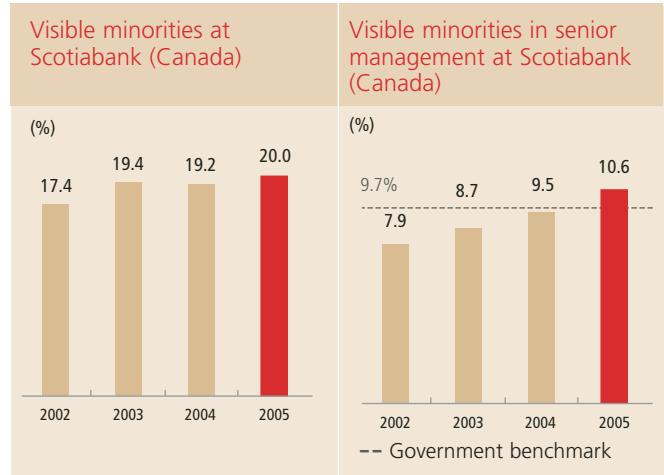
Persons with disabilities

Scotiabank is dedicated to supporting the efforts of employees with disabilities to become integrated in the workforce through our recruitment activities, flexible work arrangements and assistive technologies and resources that help accommodate the needs of these employees.

Initiatives to support persons with disabilities in 2005

Recruitment activities

- We conducted networking sessions in various Executive Offices departments to match potential candidates with hiring managers, resulting in three new hires.
- We set specific referral and hiring goals for our managers of staffing and recruitment in our centralized administration department.
- We are in regular contact with key agencies, colleges and universities, and participate in external career fairs and special events (such as Abilities, Link-up and People in Motion).
- Through the Canadian Council of Rehabilitative Work Skills Training Program, we recruited a number of candidates with an interest in the financial industry. These individuals received 12 weeks of training, including Investment Funds Institute of Canada (IFIC) certification, and were then referred to branches for personal banking officer opportunities.



- Ability Edge is one of three types of internships offered through Career Edge, a private sector not-for-profit organization. Ability Edge offers entry-level internships to graduates with disabilities. During 2005, we sponsored 12 Ability Edge internships.

Flexible work hours

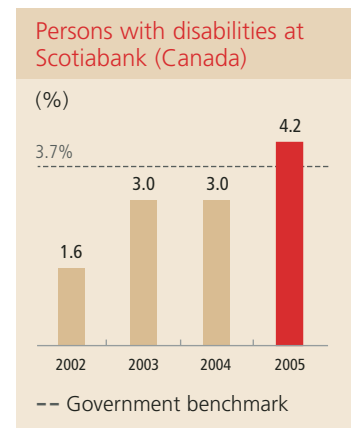
- Flexible work arrangements, including flexible work hours (see page 32), help accommodate the individual scheduling needs of persons with disabilities.

Assistive technologies

- Scotia *intek*, the Bank’s systems group, began developing a plan to incorporate accessibility standards, including adaptive tools, to ensure our technology applications and websites are accessible to employee users with disabilities.

Scotiability Accommodation Fund

- The Scotiability Accommodation Fund provides resources to ensure employees with disabilities have the tools they require to do their jobs. Funding is available for assistive devices, such as TTY (Teletypewriter) and CCTV (Closed Captioned Television); personal services, including sign-language interpreters and reading services; technical equipment (hardware/software), such as large screen monitors, scanners, JAWS, Kurzweil and Zoomtext software, and the cost of professional workplace assessments by the Canadian Council of Rehabilitation & Work. In 2005, this fund dispensed \$156,068 to purchase these tools and services.



Investment in training at the Scotiabank Group (Canada)*

	2002	2003	2004	2005
Total training investment (\$ millions)	\$ 53	\$ 51	\$ 59	\$ 60
Training investment per employee (approximate)	\$ 1,800	\$ 1,800	\$2,100	\$2,100
Average # training days per employee**	not tracked	not tracked	2.0	2.2

*As at October 31, 2005

**Training days is expressed by total learning days of all course participants divided by total employee FTE population.

Employee training usage at the Scotiabank Group (Canada)*

	2003	2004	2005
Online training via My Learning Centre (course completions)	172,934	238,788***	213,642
External courses (course completions)	7,154	5,147	5,590

***Includes groupwide anti-money laundering training in 2004, with over 40,000 course completions

Performance management at Scotiabank

To ensure our employees are engaged in helping our organization achieve its goals, we adhere to a performance management process that helps employees connect their on-the-job performance with the broader organizational strategy. This process is designed to foster open, frequent discussions between employees and their managers to ensure individual development and success. The process includes objectives setting, performance assessment, regular and ongoing feedback, and development planning.

We have a “balanced scorecard” approach to performance management, which includes balanced performance assessments for the senior management team. This approach helps management focus on achieving a balance of financial, operational, customer and employee results. Employee indicators measured with the balanced scorecard include workplace diversity targets, turnover rates and employee satisfaction levels. During the year, we also increased our emphasis on employee development and the use of informal feedback and coaching.

Learning and development programs

Learning and development are important aspects of our overall corporate culture. Not only do they equip employees with the skills and knowledge they need to help our customers become financially better off, these programs also support a positive work environment by empowering employees to grow and advance in their careers.

We provide an extensive range of internal and external courses through a combination of classroom, web-based, and self-study formats, plus we also support informal development activities, including coaching, mentoring and networking.

Domestically, we spent approximately \$60 million on training in 2005, roughly \$2,100 per employee – and nearly 28,000 Canadian employees completed a variety of internal and external courses. Also during the past year, we further enhanced My Learning Centre, our web-based learning management system that gives employees access to training information and courses from anywhere at anytime. We made this system accessible to more areas of the Bank, reaching an additional 7,500 employees.

For the second year in a row, we were selected by *Training* magazine as one of the top 100 training companies in the world. The award recognized the programs, policies, and metrics that support our commitment to learning and development. Scotiabank was ranked 71, the second-highest ranking received by a Canadian bank.

Developing leadership capabilities

In the coming years, major employers such as Scotiabank must be prepared to face the issue of aging workforce populations. In fact, Statistics Canada estimates that the working-age population will decline steadily in the 2010s and 2020s. To help us meet these demographic challenges and build the Bank of the future, we have implemented a number of leadership programs to develop the Bank's talent pool. These leadership development programs balance formal, informal, internal and external support, plus experience-based learning and cross-collaboration throughout the organization.

Incentive pay program			
Canadian	2003	2004	2005
Number of participating employees	26,980	26,760	26,800*
Total payout (\$ millions)	95.1	100.7	105.4

*estimate

International	2003	2004	2005
Number of participating employees	4,031*	4,300*	6,500*
Number of countries	31	31	32
Total payout (\$ millions)	9.25	9.89	10.0*

*estimate

Employee participation in Scotiabank Employee Share Ownership Plan			
	2003	2004	2005
Canada (Scotiabank Plan)	23,421	24,497	24,506
US/USVI	648	612	611
Puerto Rico	384	424	405
Jamaica	1,347	1,411	1,570
United Kingdom	212	187	147
Ireland	17	26	26
Global GESOP	919*	2,380**	2,985***
Total	26,948	29,537	30,250

*12 locations in 2003 **16 locations in 2004 ***19 locations in 2005
Note: as of October 31, 2005

Offering competitive compensation

Scotiabank is committed to providing a competitive total compensation package in the form of base pay (salary), incentive pay (both long and short-term incentives), a pension plan and benefits, which include health care, share ownership, group life, disability income protection, banking services, paid time off and an employee assistance program. In 2005, Scotiabank provided approximately \$1.2 billion in base salaries to non-executive employees in Canada.

The Global Total Compensation Principles form the foundation of our compensation programs in all countries in which we operate. These principles define our competitive stance and pay-for-performance philosophy and our commitment to ensuring employees completely understand how they are paid.

Competitiveness of our compensation programs is ensured through comprehensive market analyses undertaken in each country, regular market reviews and participation in more than 50 third-party surveys.

Incentive pay

The Scotiabank Group rewards performance through a variety of incentive pay programs. Through these programs, all employees can share in the Scotiabank Group's success as they achieve individual performance standards and the organization achieves specific goals. For example, approximately 27,000 Canadian employees participate in the Canadian Incentive Pay Program, the largest of all incentive pay programs at the Bank. In 2005, the payout for this program was approximately \$105.4 million. Internationally, approximately 6,500 employees in 32 countries participate in the Bank's International Incentive Program, which rewards employees in their local currency and takes into account competitive local rates. In 2005, the international program payout was the equivalent of approximately \$10 million.

Employee share ownership

Another way employees can share in the Bank's success is through one of the seven competitive employee share ownership plans we offer globally. In 2005, 89.8 per cent of our Canadian employees participated in the plan, while internationally, 74.1 per cent of eligible employees took part in the available employee share ownership plans.

Pension plans

We offer various market-competitive pension plans for our employees around the world. The largest is the Scotiabank Pension Plan – a defined benefit plan whose assets exceeded liabilities by more than \$97.7 million as at Nov. 1, 2003. More than 25,000 people in Canada were active members of a Scotiabank Group pension plan as at the end of fiscal 2004.

Employee benefits

Scotiabank meets, at minimum, standards in the Canada Labour Code, and offers a substantial number of benefits above and beyond the requirements of the code. These benefits are self-funded by the Bank and include, among others, short and long-term income protection, maternity leave supplement and a significant Employee Assistance Program.

In 2005, we improved our flexible benefits plan by implementing a two-tier flex allocation structure that provided additional credits to employees enrolled in both medical and dental coverage. This resulted in the Bank contributing an additional \$1.5 million to the plan in the form of more flex credits to employees.

Total voluntary* turnover of high-performing employees** (Canada)

2002	2003	2004	2005
4.2%	2.8%	2.7%	2.8%

Our ability to provide a rewarding employee experience and attract and retain top talent is partly demonstrated by our below-average voluntary turnover rates of high-performing employees.

* Voluntary denotes those who have left due to resignation, voluntary settlement, or contract expiration.

**High performing are those who have received performance ratings of either "exceptional" or "superior" – the highest rating categories.

Note: Net employment creation and average employee turnover outside of Canada, segmented by region or country, is not currently available.

Recognizing our employees

In addition to recognizing the achievements of our employees through a variety of compensation and incentive pay programs, training and development and career advancement opportunities, Scotiabank also promotes a celebratory environment where people take the time to recognize the efforts and accomplishments of their colleagues, including peer recognition programs.

Scotia Applause is the Canadian Bank's multi-dimensional, web-based recognition program that rewards employees' outstanding contributions by way of peer recognition. The program helps to strengthen employees' focus on our corporate values and on delivering exceptional customer service. In 2005, nearly 500,000 Applause peer recognitions were sent by Scotiabank employees to their colleagues.

To recognize our employees in our international branches, subsidiaries and affiliates, we offer the Scotia Excellence Awards program (SEA) in 24 countries. SEA acknowledges those individuals who demonstrate the Bank's five core values, particularly those whose performance exceeds expectations.

Respecting human rights

Scotiabank is committed to the spirit and principles embodied in the *Canadian Human Rights Act*, and extends that commitment to our operations outside of Canada. These principles reflect international standards in human rights practices with respect to both employees and customers, including the *Universal Declaration of Human Rights* and the *Fundamental Human Rights Conventions of the International Labour Organization*. Scotiabank has policies and has conducted training and education designed to ensure our employees fully understand their rights and obligations with

Performance-related incentive pay at Scotiabank*

(at July 31, 2005)	2003	2004	2005
Performance-related incentive pay (\$ millions)	920	991	1,020
Performance-related pay as % of total compensation**	27.4%	28.7%	29.2%

* Includes all incentive pay issues across the organization

**"Total compensation" includes base pay, incentive pay, pensions and benefits

respect to human rights and discrimination. Furthermore, Scotiabank carefully considers the human rights performance of our suppliers with whom we do business.

The Bank's policy states that it will not tolerate any behaviour that conflicts with the spirit or intent of the Canadian Human Rights Act or other human rights and anti-discrimination laws that apply to subsidiaries, or to the Bank's operations outside of Canada. Any employee whose actions are inconsistent with these principles will be disciplined, up to and including dismissal. Employee concerns that are addressed through the Employee Relations department, which specializes in dealing with contentious employment issues, are tracked and monitored through a centralized case management system from which trending reports are generated.

Our Guidelines for Business Conduct (see additional details on page 48) describe the minimum standards of behaviour required of all employees regarding the fair treatment of all members of our workforce.

Scotiabank also supports the exclusion of child labour in its operations, as defined by the ILO Convention No. 138, as well as the prevention of forced and compulsory labour in its operations, consistent with the principles stated in ILO Convention No. 29, Article 2.

Training on policies and practices concerning all aspects of human rights is an ongoing process at the Bank. Our Employee Relations department delivers training on respectful workplaces and how to foster and maintain a work environment that is free from discrimination, through speaking engagements at internal Bank events and conferences or through human resources reviews. The frequency and duration of this training is tailored specifically to the needs of each business unit.

Our security employees are fully aware of, and respect, Bank policy on human rights, discrimination and harassment, and all security employees acknowledge awareness of and compliance with the Bank's policy in this regard every year. During annual training and operational conferences held by and for our security team, aspects of employee rights are typically addressed formally in co-operation with the Bank's human rights experts.

Responding to employee concerns

Scotiabank takes all employee concerns very seriously, and we provide a number of avenues to address such issues. Employees are initially encouraged to voice any concerns, including human rights issues, with their manager or supervisor. If an employee is uncomfortable with this approach, he/she can contact Employee Relations, a department of experts in matters such as human rights, violence and employee conflict. An Employee Relations manager will assist the employee and his/her manager through coaching, intervention or investigation, depending on the nature of the issue.

The Staff Ombuds Office offers informal, confidential assistance to all Scotiabank Group employees on work-related matters to help prevent, manage and resolve conflicts, and provides mediation and dispute resolution coaching, if

appropriate. Employee concerns addressed to the Staff Ombudsman will only be discussed with management at the employee's request. The office, which reports to the CEO, is independent and not affiliated with any business line. From this neutral position, it advocates for, and proactively acts to ensure that fair practices exist across the Bank. The Staff Ombuds Office adheres to the Code of Ethics and Standards of Practice of the International Ombudsman Association.

The Staff Ombuds Office serves the Bank and its subsidiaries globally and, during 2005, handled more than 800 cases. We also established a similar Ombuds program at The Bank of Nova Scotia Jamaica in 2003 and, during 2005, their Employee Communication and Consultations Department handled 188 cases. In addition, employees may also raise concerns anonymously under the Scotiabank Policy for Raising Accounting, Internal Accounting Control or Auditing Matters Concerns.

In compliance with the Canada Labour Code, the Bank does not support any retaliatory action against employees for bringing a complaint or concern to the Bank's attention. Through the Guidelines for Business Conduct, employees are expressly prohibited from retaliating against any other employee for having raised concerns or complaints in good faith.

Recent examples of restructuring practices

Year	Transaction/Partner	Employee impact
2005	Acquisition of Banco de Comercio in El Salvador	Scotiabank successfully accommodated approximately 2,000 employees and integrated them into its existing 400-person operations. In doing so, no employee lost employment as a direct result of the acquisition.
2004	Acquisition of Banco Intercontinental (Baninter) in Dominican Republic	Scotiabank assumed control of a failed bank and offered employment to more than 450 employees who would have otherwise been without jobs.
2002	Symcor agreement to manage Scotiabank cheque and bill payment processing	Symcor offered all 980 permanent and contract Scotiabank employees comparable positions.
2001	IBM Canada outsourcing agreement	All 450 affected Scotiabank employees were offered equivalent positions with IBM.
2001	Sale of 43 Scotiabank branches in Quebec to Laurentian Bank	400 of 502 full and part-time employees were offered employment with Laurentian, with the remainder receiving severance packages consistent with Scotiabank standards.
2000	Sale of Montreal Trust stock transfer and corporate trust business to Computershare Investor Services (CIS)	With the exception of a few members of senior management and human resources, all of Montreal Trust's 1,000 employees were offered equivalent positions with CIS.

Unionized employees	
Country	Approximate # of unionized employees
Antigua	52
Barbados	230
Canada*	9
Chile	650
Jamaica	1,700
Korea	13
Mexico	2,500
Singapore	60
Trinidad	20

*Deep River, Ont.

Managing union relations

Scotiabank has unionized relationships with employees in a number of locations around the world. Our approach to managing these relationships is through collective bargaining and collective agreement administration that is based on a respectful relationship and open communication.

The Bank respects the right of our employees to join a trade union for purposes of collective bargaining. We regard freedom of association as a personal freedom enjoyed by our employees as individuals. As an employer, we also have an interest in ensuring that employees can exercise such rights free of intimidation, misinformation or undue influence, either from the employer or a trade union. This approach is followed universally in all locations where we operate. In addition, local laws are fully complied with and respected. As an employer of choice, our various employee relations and human resources programs are designed always to treat employees with dignity and respect, and the same philosophy is applied to the issue of freedom of association.

Scotiabank workplace accidents in 2004*

Major accidents Resulting in lost work time beyond the day of injury	99
Minor accidents Requiring medical attention, but not involving lost work time beyond the day of injury	61
Other Additional workplace incidents, as defined by the Canadian Labour Code Part II	181
Total number of lost days due to injury	1,014.5

*Represents reported accidents in Canada during the calendar year 2004

Communicating organizational change to employees

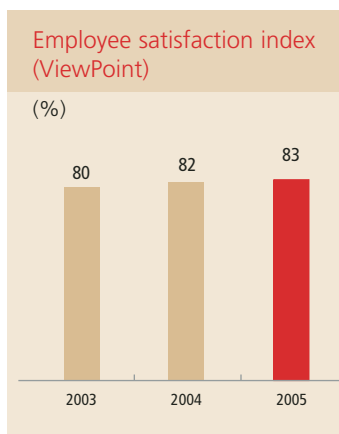
Two-way communication between Scotiabank and our employees is an essential part of how we do business and how we execute change initiatives that affect employees, including operational restructuring, outsourcing of services, strategic alliances and joint ventures, acquisitions or strategic divestitures. In negotiating a transaction or managing an internal reorganization, meeting the needs of employees is one of the Bank's highest priorities, and any changes affecting the terms and conditions of employment are discussed with unions, where applicable and appropriate.

In Canada, if an employee is unable to find a position elsewhere in the Bank after a restructuring, he/she is provided with a severance package in compliance with the Canada Labour Code and common law principles.

Employee health, safety and wellness programs

Scotiabank makes the health, safety and security of our employees a priority through the promotion of policies and programs, and adherence to regulations that shape workplace behaviours, including preventative initiatives that raise awareness, and a supportive environment to aid recovery.

With regard to occupational health and safety, Scotiabank complies with the Canada Labour Code and the Occupational Health and Safety Regulations. Our Occupational Health and



Highlights from employee ViewPoint survey

The highest degrees of employee agreement were seen in the following areas:

It is important to my area's success that I successfully complete my work responsibilities	98%
I have a good understanding of my current job responsibilities	93%
My area provides high-quality service to customers/clients	91%
I am treated with respect as an individual at work	89%

Safety (OHS) program includes OHS committees in locations with more than 300 people. This includes a total of 11,024 employees at 14 worksites across Canada (approximately 36.4 per cent of our Canadian workforce), including regular and contract employees, but excluding independent contractors and agency staff. Employees at all remaining sites are represented by a health and safety representative. Nine of our global workplaces have collective agreements in place that address health and safety, in consultation with union representatives, which are consistent with the Bank's comprehensive health and safety policies.

Through a combination of workplace health and safety committees, health and safety representatives, an internal health and safety policy committee (committees include management and employee representatives), and a number of support functions throughout the Bank (e.g., Security, ScotiaHealth, Operations and Employee Relations), we engage employees in all aspects of health and safety, from prevention to issue resolution. Employees can raise concerns through the committee/representative system, or can escalate them through regular channels (e.g., Chain of Communication, Internal Complaint Resolution Process).

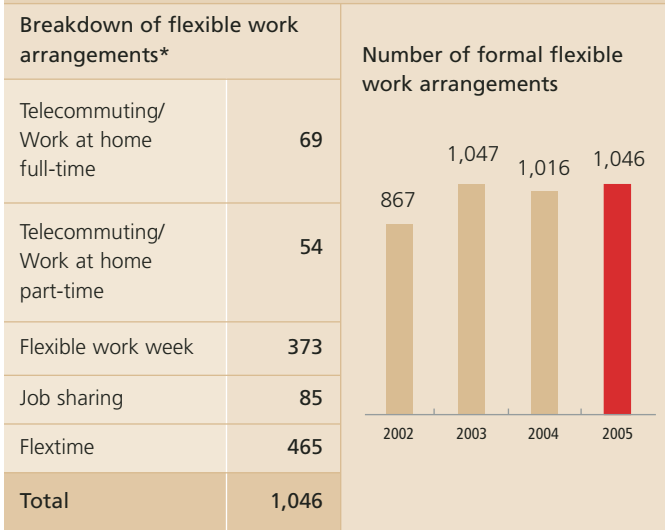
To ensure our workplace practices are in substantial compliance with internationally recognized guidelines for occupational health management systems, Scotiabank reviews our programs against the principles of OHSAS-18001, widely adopted guidelines based on ISO standards.

In addition, we strive to ensure overall "wellness" among our employee population with programs such as personal obligation days and special leaves of absences (education, family, compassionate, public service). Flexible work arrangements also provide employees with the means to meet the needs and challenges of their individual life circumstances, and include flexible start and finish times, telework options that allow an employee to work from home or another remote location at least once a week, plus a number of informal arrangements supported by line management.

Scotiabank's Employee Assistance Program (EAP) also provides employees with access – without cost to themselves – to a wide range of services, including information, counselling, advice, tools and other resources to help them better manage their personal challenges and improve their individual wellness. In 2005, the EAP was enhanced by adding a referral-based backup daycare service. Backup daycare is a voluntary service that provides prearranged daycare to employees at a moment's notice.

Also during 2005, we integrated the Bank's major health care providers' services (EAP, short-term disability), specifically for disability management and mental health issues. Through this consolidated effort, a specialized, voluntary counselling support service (WorkAbility Program) was developed to ensure the Bank's employees have timely access to psychological intervention and counselling support for mental health issues. This, in turn, can facilitate an early return to health and productive living. We also developed educational initiatives and communications regarding coping with traumatic events and smoking cessation.

Flexible work arrangements at Scotiabank



*at October 31, 2005

AIDS: a global health issue

With the continuing HIV/AIDS crisis around the globe, Scotiabank’s International Banking offices in the Caribbean Region began a new employee and community awareness initiative to address rising local infection rates (see page 44 for details). In addition, Scotiabank Group policies ensure compliance with applicable laws and regulations, and we accommodate the needs of afflicted employees without bias. Medical benefits for employees afflicted with HIV/AIDS are provided in accordance with local legislation and practices. Other benefits – such as short and long-term income protection, as well as support services and resources through Employee Assistance Programs, where available – are also accessible to these employees.

Listening to our employees

Scotiabank believes in open, ongoing and two-way communication with our employees through both informal feedback and more structured formal channels. For example, our performance management process is designed to foster honest, frequent discussions between employees and their managers/supervisors.

Each year, employees across the Scotiabank Group, wherever they work in the world, are asked to complete the ViewPoint employee opinion survey to help us gauge important workplace issues, including employee satisfaction. Survey results influence changes in our practices and policies and, through branch/department discussions, address work issues within individual teams.

In 2005, 87 per cent of the Scotiabank Group workforce, some 41,483 employees worldwide and from every business line, took part in our annual employee survey. The survey measures satisfaction with immediate work environments by asking employees to express their level of satisfaction with such elements as quality of manager, recognition and communication. We are pleased that, in our 2005 survey, our Employee Satisfaction Index, which is an assessment of the satisfaction level of our employees, continued to rise to 83 per cent. Our Diversity Index – an overall measure of our work environment’s inclusiveness and fairness – also rose to 85 per cent.

Going forward

We have set a number of objectives to improve the employee experience at Scotiabank, and we plan to communicate our progress through our annual corporate social responsibility reports. We will:

- focus on making Scotiabank an employer of choice in the countries in which we operate through superior employment practices;
- enhance our leadership capabilities with a variety of planning and support programs;
- continue to build the capability of our workforce by growing the skills of our existing employees and by recruiting top talent;
- further entrench our Global Total Compensation Principles and build on our tools for recognizing outstanding performance; and
- enhance our skills and capabilities to increase our organization’s flexibility and adaptability to change.

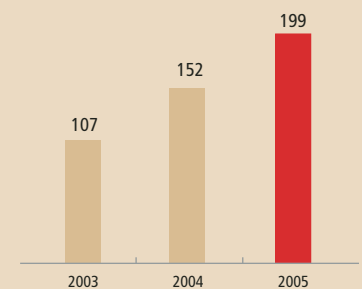
Opportunity to protect our natural environment

Scotiabank recognizes the serious global environmental challenges faced by our society. In our role as a major financial services provider, we have the opportunity to support the principles of sustainable development, both within our operations and by promoting them to our customers and suppliers.

We consume energy and natural resources through our extensive real estate holdings and as a purchaser of goods and services, and we influence environmental issues through our lending policies, our investments and the types of products we provide. Also, through our global workforce, we have the capacity to encourage progressive thinking and action that strengthens the health of our planet. Through collaboration among the Bank, our employees, customers and many governmental and non-governmental organizations, we have significant prospects to play a positive role on behalf of our environment.

Scotia OnLine transactions

(millions)



Nearly 90 per cent of Scotiabank retail transactions now occur electronically.

Key achievements in 2005

<ul style="list-style-type: none"> We adopted the Equator Principles for sustainable international project finance. 	<ul style="list-style-type: none"> We piloted our second “green” branch in Vaughan, Ont.
<ul style="list-style-type: none"> Scotia OnLine transactions increased more than 30 per cent. 	<ul style="list-style-type: none"> We enhanced the depth of environmental risk reporting in our Annual Report.

www.scotiabank.com

Opportunity to protect our natural environment

Scotiabank environmental policy

Our core environmental policy, supported by additional specific policies and practices relating to individual business lines, includes:

<ul style="list-style-type: none"> Maintaining recycling and resource management programs that meet or exceed legislated environmental requirements; 	<ul style="list-style-type: none"> Incorporating and maintaining environmental assessment criteria in our risk management procedures and in the ongoing management of our assets;
<ul style="list-style-type: none"> Conducting our internal operations in a manner consistent with environmental protection and the principles of sustainable development, with due regard for associated benefits and costs; 	<ul style="list-style-type: none"> Including environmental criteria in assessing relationships with contractors and suppliers; and
<ul style="list-style-type: none"> Promoting an environmentally responsible workplace by educating and motivating employees to become more involved in the conservation of resources; 	<ul style="list-style-type: none"> Contributing to an ongoing dialogue with government, industry and relevant stakeholder groups to establish environmental goals.
<ul style="list-style-type: none"> Conducting environmental audits and assessments of compliance with the Bank's requirements; 	

Management structures

Our environmental activities are structured to support Scotiabank's long-standing environmental policy, which was introduced in 1991 and covers both our direct and indirect environmental impacts. Responsibility for the policy is shared by the Real Estate department (the officer responsible is the Vice-Chairman and Chief Administrative Officer), the Operations department (the officer responsible is the Senior Vice-President, Shared Services), and the Head, Global Risk Management. On a day-to-day basis, employees across the Bank deal with environmental issues involving our resource conservation efforts, real estate holdings and lending practices.



Waste management

Scotiabank is committed to carefully managing and minimizing waste produced through our operations. Across the organization, we take part in waste reduction programs to reduce, reuse and recycle materials wherever possible.

- In February, 2005, Scotia OnLine introduced a "paperless" option, which resulted in hundreds of thousands of customers switching to this service to receive their account statements online. In addition, the popular "View my Bills" service allows customers to receive and pay their bills online, reducing the quantity of paper that billing companies must send to their account-holders.
- During 2005, we tripled our toner cartridge recycling efforts through a national program, successfully sending more than 19,000 printer and facsimile cartridges for recycling.
- Our Canadian branches and offices take part in local recycling programs. For example, we maintain paper, glass and waste recycling stations in our Toronto Executive Offices, helping the Scotia Plaza tenants achieve an 83% annual waste diversion rate, including approximately 173 metric tonnes of cardboard and 636 metric tonnes of food waste. From Bank-occupied floors alone, we recycled an average of 52.5 metric tonnes of paper each month, or approximately 630 metric tonnes during 2005.

- We are a committed member of Stewardship Ontario, a non-profit organization through which major companies such as Scotiabank pay 50 per cent of the costs of Ontario's municipal Blue Box waste diversion programs. Through this program, Scotiabank is required to calculate the overall quantity of packaging or printed paper it produces and places into the consumer marketplace. We estimate our contribution is 1.69 million kilograms of recyclable material, such as statements and envelopes, per year. We are currently planning to further refine our methods for measuring our inputs to Ontario's recycling volumes. In 2006, we will also develop a plan to create tracking processes to measure total Bank paper consumption across the country. Initial estimates indicate that the Bank's total paper consumption equals 4.9 million kilograms of paper annually. It is estimated that at least 50 per cent of Bank paper consumption includes environment-friendly business forms which contain 20 per cent post-consumer waste and marketing materials that use Chorus Art elemental chlorine-free paper stock. In addition, sustainable forestry practices and recycled content of the Bank's paper supply will be reviewed by a committee set up to look at environmental and social issues of the supply chain (see supply chain section on page 36).
- We make every effort to ensure that surplus equipment is reused and, in 2005, our Asset Management Services area directed 209 computer desktops, 16 monitors and 216 printers with an estimated value of \$52,000 to non-profit groups.
- Scotiabank also continued its tradition of donating surplus office supplies to community groups in 2005, including 21 skids of computer paper to the Toronto and Peel Boards of Education, which is redistributed to teachers and daycare workers for their arts programs.

Sustainable real estate development in 2005

✓	We introduced new seating that is made up of up to 44 per cent recycled materials, and each chair is 99 per cent recyclable by weight.
✓	We purchased and installed 19,515 square yards of environmentally friendly carpet throughout various Scotiabank facilities. As a result, 249 tons of certified carbon dioxide credits have been permanently retired, representing the total life-cycle impact of this purchase, which offsets greenhouse gas emissions that would otherwise have been associated with this carpet.
✓	We have also begun to install bicycle racks in front of all new branches and, wherever practical, in front of newly renovated branches, to encourage car-free commuting.

Real estate practices

Scotiabank's Real Estate Department develops real estate solutions for the Bank and its customers with due consideration of environmental matters. The group adheres to an Environmental Compliance Policy that respects principles of sustainable development. Several of the Real Estate Department's efforts involve ensuring that our facilities minimize their energy consumption (see Energy Consumption section for details, below). The group also applies environmentally sensitive purchasing standards, including building materials, furniture and carpets in our branches and other Bank-owned or managed premises.

Energy consumption

Scotiabank maintains an ongoing commitment to operating in an energy-efficient manner to preserve our planet's finite energy resources and to protect our eco-system from potentially harmful climatic change. Since constructing our first pilot "green" branch in Etobicoke, Ont., in 2002, Scotiabank has been incorporating several of its best features when it opens new locations or renovates existing ones. During 2005, we ran another green pilot project at our Weston Road and Rutherford branch in Vaughan, Ont. The objective of this pilot was to test and assess the implementation of energy-efficient features in an existing building shell that we move into and outfit, as opposed to a shell that we construct ourselves. Some of the features that we tested in this pilot were window shadings, carpeting, lighting, mechanical systems and switching controls. We will now look to replicate, in other locations, the benefits that we have achieved in this pilot project.

Additional energy-saving innovations:

- We recently introduced white-coloured roofs to our new domestic and international branch design specifications. These roofs reflect heat during the warm months of the year which, in turn, reduces our air conditioning consumption. This design innovation will have a particularly significant impact on reducing air conditioning usage in our branches located in countries with year-round warmer climates.
- Relating to our external signage, we have implemented the use of LED lighting for new individual letter signs. These LED lights will use significantly less energy than the previous standard. We are also installing timers and light sensors on exterior signs to ensure that they do not remain indefinitely illuminated where not appropriate.
- We signed a national heating, ventilation and air conditioning maintenance contract with a third-party supplier in 2004, to ensure that all of these systems across our branch network operate as efficiently as possible. During 2005, we increased

preventive maintenance on these heating, ventilation and air conditioning systems, to improve efficiencies and reduce energy usage. We have also implemented additional improvements, such as upgrading our thermostats to allow for automatic temperature setbacks during off-hours to reduce overall consumption of heating and air conditioning.

- In 2005, the Bank signed a similar contract to centrally manage all interior and exterior branch lighting systems. Our third-party supplier is currently conducting a portfolio-wide assessment of our lighting systems, to identify Bank locations with inefficient lighting. This assessment includes, in applicable locations, the measurement of “foot candle” light readings, which will identify locations where the natural light would enable us to use lower wattage lights in existing fixtures. Once this overall assessment is complete, we aim to implement a retrofit program whereby we will, where appropriate, upgrade ballasts and fixtures to more energy-efficient and environmentally friendly standards.
- In addition, branch administrative manuals contain instructions and information to help employees reduce environmental impacts in the workplace. During 2005, updated energy conservation guidelines were distributed to domestic branches to communicate best practices for interior temperature and lighting settings and maintenance tips.

Climate change

We recognize that global warming is one of the most important issues facing our planet, and we are committed to playing our part in reducing harmful greenhouse gas (GHG) emissions through our operations and activities. With the Kyoto protocol coming into force, the Bank is aware that GHGs will begin to measurably affect the financial results of companies. This fact is highlighted in our 2005 Annual Report.

In addition to addressing climate change in credit risk policies and the Bank’s energy consumption, we believe that collaboration among business, governments and the public is essential to limiting climate change and, therefore, we co-operate with various stakeholder groups, as outlined in “Raising our environmental engagement” on page 37. As a member of the United Nations Environmental Program Finance Initiative (UNEP FI) North American Task Force, we participated in a major study, Climate Change Risk to Bank Loans, on the impact of climate change on bank borrowers, and arranged a third-party review of that study. In addition, we are contributing indirectly to GHG emission reductions through the lending activities of Scotia Capital to renewable energy projects. See the Renewable energies financing section on page 37 for more details.

The supply chain

As a purchaser of products and services, ranging from printed forms and marketing materials to computers and photocopiers, we attempt to incorporate environmental considerations into our purchasing processes.

- In 2005, we created a committee to look at environmental and social issues in supply chain management and to communicate consistent purchasing standards across the Bank. During the year, the Bank created a new requirement with respect to the goods it purchases. In 2006, the committee will identify the products and services purchased by the Bank with the most environmental and social impacts, and will further integrate tools to address these aspects in our supply chain management.
- Our centralized administrative department, Shared Services, the Bank’s largest producer of forms and photocopied materials, makes certain that the majority of materials are produced on recycled, acid and chlorine-free paper stock and use vegetable-based inks. Their print suppliers ensure a high degree of efficiency in paper and ink stock, and printing contracts request that packaging uses paper and corrugated cartons that are made from reclaimed products and can be recycled. Paper purchases will be reviewed by the above-noted committee regarding issues such as fibre source and recycling.
- Many of the Bank’s major publications, including our annual report, community wall calendar and this corporate social responsibility report, are printed on paper that meets the standards of the Forest Stewardship Council (FSC), an international association that promotes responsible management of the world’s forests.
- The Bank includes environmental criteria in our selection processes for equipment and technology, including many Canadian Standards Association environmental procurement requirements. We evaluate potential providers of office devices on criteria such as: the energy efficiency and electrical power consumption ratings of their devices, and their process for decommissioning and disposing of old equipment in an environmentally sensitive way.

The Bank’s fleet of photocopiers and fax machines are all equipped with an energy savings device that conforms to the “Energy Star” guidelines for office equipment, issued by the Environmental Protection Agency (EPA) for conserving energy and paper resources. Each photocopier and fax machine is also branded with the “Environmental Choice (Canada)” sticker that identifies products that are less

Raising our environmental engagement

To support co-operation on environmental issues, Scotiabank participated in a number of domestic and international environmental initiatives throughout the year.

<ul style="list-style-type: none"> We are a long-standing member of the United Nations Environmental Program Finance Initiative (UNEP FI), and we participate in its North American Task Force, which commits signatories to incorporate environmentally sound practices into their internal operations, risk assessment and management practices, and to develop environmentally sound products and services. 	<ul style="list-style-type: none"> We participated in a number of major environmental events to improve our awareness of new developments, including the International Emissions Trading Association's side events during the 2005 United Nations Climate Change Conference in Montreal. During the year, we also met with four different environmental non-governmental organizations to learn their perspectives on key environmental issues.
<ul style="list-style-type: none"> We take part in the Canadian Bankers Association's Environmental Issues Specialist Group to discuss and participate in an industry approach to addressing issues relating to the environment, such as environmental assessments and land development. 	<ul style="list-style-type: none"> Scotiabank is a signatory and contributor to the Carbon Disclosure Project (CDP), an initiative on behalf of international institutional investors to collect information on climate change and its impact on the world's largest companies. During 2005, we completed the CDP3 questionnaire to help measure greenhouse gas emissions produced by FT500 corporations. (Responses are available at www.cdproject.net/responses_cdp3.asp)

harmful to the environment. They are certified to improve energy efficiency, reduce hazardous by-products, use recycled materials and can be reused.

Addressing environmental risk in our lending activities

Scotiabank has an environmental lending policy in place which seeks to identify and mitigate environmental risks in all of the Bank's commercial and corporate lending activities. As part of the overall credit assessment process, the policy requires account managers to consider, review and document potential environmental risks associated with the business operations of each borrower on initial, annual and periodic reviews.

Lending officers must take all necessary steps to know borrowers and their business. This includes assigning an Industry Environmental Risk Rating and, where required, completing environmental checklists covering each borrower's business and the security offered. Once these steps have been completed, the lending officer may proceed with the borrowing application or pursue further environmental investigation where indicated by the risk assessment process.

Detailed policies and procedures are in place applicable to small and medium-sized businesses and large corporate clients. The Bank's standards for due diligence include gathering and assessing pertinent information so that we can sufficiently identify all actual or potential environmental problems, with respect to the borrower's property or business; evaluating the nature and severity of the problem and appropriately address it in the credit analysis and loan structuring process.

The Bank maintains a list of more than 250 environmental consultants to ensure lending officers can access the necessary expertise to complete a sound due diligence assessment process. Since changes in environmental legislation or a deterioration in the borrower's environmental management practices may result in an environmental problem, banking officers are instructed to make every effort to keep informed of any potentially serious environmental matter affecting the borrower.

Renewable energies financing

Our corporate and investment bank, Scotia Capital, provides advice and financing support to a number of innovative environmental projects. For example, Scotia Capital's Infrastructure, Power and Privatization unit currently lends to at least five renewable energy projects/clients and is pursuing several additional small hydro, wind and other renewable power opportunities. They also completed a study on lending to the wind power industry to expand our market expertise in this sector.

Among these renewable energy projects, we acted as a co-lead arranger of \$100 million in unsecured credit facilities for Canadian Hydro Developers Inc. (CHD), a developer, owner and operator of 17 water, wind and biomass power generation facilities in three provinces. This financing will help CHD develop a 67.5 megawatt wind project in Ontario's Melancthon Township. The project is among the few renewable energy projects awarded by the Ontario government. All CHD facilities are certified, or slated for certification, under Environment Canada's Ecologo program.

Scotia Capital also supported Clean Power Operating Trust, another successful bidder in the Ontario government’s request for renewable energy proposals. As sole lead arranger of an \$80 million credit facility, Scotia Capital will help Clean Power finance a 66-turbine wind energy project on the northern shore of Lake Erie, providing 99 megawatts of renewable energy as well as an economic boost to a declining rural community. Scotia Capital has maintained a successful relationship with Clean Power since its inception in 2001, and has acted as lead arranger on all bank loans and capital market activities.

Meeting global standards for international project finance

On Jan. 18, 2005, Scotiabank adopted the Equator Principles, a set of internationally recognized, voluntary project finance guidelines that set social and environmental standards for the financial sector. The Equator Principles are based on World Bank and International Finance Corporation (IFC) standards, and have been signed by more than 40 financial institutions around the world.

By endorsing these principles, Scotiabank will review all borrowing proposals of US\$50 million or more in accordance with criteria regarding issues such as: the protection of human health, biodiversity, the impacts on indigenous communities and consideration of feasible environmental and socially preferable alternatives. During the year, the Bank completed an inventory and review of all environmental requirements, including policies, loan manuals, due diligence procedures and guidelines, and benchmarked our performance against international environmental best practices for the financial sector.

In 2005, the Bank engaged Sustainable Finance, the IFC-approved trainers supporting the Equator Principles, to conduct a training course for relevant employees in early 2006. For more information on the Equator Principles, please visit www.equator-principals.com.

Applying our financial and human capital to environmental causes

Scotiabank supports environmental initiatives by government and not-for-profit organizations. In 2005, for example, we continued to support the World Wildlife Fund’s Endangered Species Recovery Fund with a \$10,000 donation. This fund is dedicated to animal and plant species that require direct intervention if they are to avoid extinction, and 80 per cent of funded projects include a public education component to reduce species risk from human interaction.

Scotiabank is also committed to supporting events and activities that encourage employee involvement and provide tangible ways for our workforce to get involved in solutions.

In fact, a 2005 Scotiabank-commissioned employee survey, conducted by the Canadian Business for Social Responsibility, identified environmental issues as a high priority among Bank employees. The survey also demonstrated strong levels of employee interest in participating in waste and energy conservation programs and sharing their own eco-friendly ideas in the workplace.

To help channel this employee enthusiasm, during 2005 we partnered with Environment Canada to support the One-Tonne Challenge, a federal government initiative to encourage Canadians to reduce their personal greenhouse gas (GHG) emissions by one tonne. The Bank promoted the program among employees, including an employee Earth Day quiz on April 22 in which 700 Scotiabankers competed to win one of 10 Energuide for Homes Home Energy Evaluations.

More than 430 Scotiabank employees from 46 Toronto Region branches also took part in several campaigns to clean up the city by participating in the second annual 20-minute Toronto Makeover, through which teams collected more than 300 bags of litter, plus the Toronto Board of Trade’s “Can the Litter” campaign to beautify the city.

To raise awareness of smog and GHG emissions reduction techniques, the Bank also supported several eco-friendly commuting campaigns. Scotiabank took part in Pollution Probe’s June 2005 Clean Air Commute, which encouraged Bank employees to track and reduce their pollution-heavy commuting methods. During the International Car Free Day on Sept. 22, 2005, Scotiabank employees agreed to leave their cars at home in record numbers, ranking the Bank as the third-largest corporate participant in the event.

Going forward

In 2004, Scotiabank set several environmental objectives for the following three years and committed to communicating our progress through our annual corporate social responsibility reports. We will:

- Measure paper consumption across Canada;
- Enhance climate change risk assessments in environmental credit risk policies;
- Refine policies and implement processes to support our Equator Principles commitments;
- Facilitate access to banking products that promote sustainability; and
- Increase dialogue on environmental issues with NGOs, environmental experts and governments.

Opportunity to help our communities prosper

Our leadership in community involvement – through our charitable donations and the active volunteerism of our employees – showcases our dedication to being a socially responsible corporation in Canada and around the world.

In 2005, Scotiabank contributed more than \$40 million to community causes globally. In Canada alone, we contributed \$33 million in donations and sponsorships, making us one of the country's largest philanthropic organizations and maintaining our status on the Canadian Centre for Philanthropy's Imagine Caring Companies designation of organizations that donate at least one per cent of domestic pre-tax profits to support domestic charities and non-profit groups.

Scotiabank donations and sponsorships
(\$ millions)



Key achievements in 2005

- Contributed more than \$40 million to community causes worldwide.
- Employees spent 200,000 hours volunteering and fundraising.
- Scotiabank's Canadian corporate giving represented more than one per cent of domestic pre-tax profits, qualifying us for Imagine Caring Companies status.
- More than 1,000 fundraising activities received over \$3.7 million from the Team Scotia Community Program.

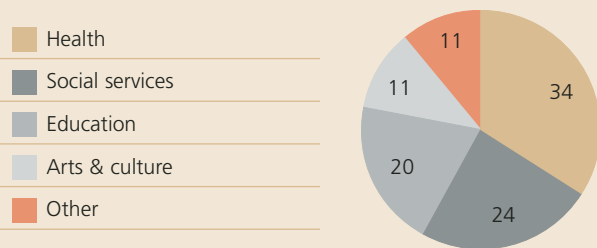
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Opportunity to help our communities prosper

Corporate donations

The majority of community contributions centrally administered by our corporate donations and sponsorships group (approximately \$25 million) was directed to focus areas in which we feel can have a significant, direct impact on local communities: education, health, social services, and arts and culture. In addition, roughly \$8 million was spent by our branches and departments to support a wide range of community initiatives.

Corporately administered community giving in 2005



How our contributions make a difference

Within our four focus areas of giving, we try to allocate our funds to projects and organizations that can have the strongest possible positive impact at the local community level. Here are a few examples across Canada that highlight our efforts. See Appendix page 59 for a sampling of our corporately administered donations.

Education

Aligned with our grassroots approach to giving, we focus our educational donations on direct student support that helps individuals achieve their potential. For example:

- The University of New Brunswick's Forging our Futures Campaign received a major boost, thanks to Scotiabank's donation. Part of the gift will go to create the Scotiabank International Study Awards at the university, which will support students from both Saint John and Fredericton campuses who participate in study programs abroad. A portion will also be earmarked for the Scotiabank Special International Internship at Renaissance College in Fredericton, available to a student who is either disabled or who intends to work with disabled people overseas.
- An appreciation of the benefits of cross-border and cross-cultural learning inspired Scotiabank to make a gift to the University of British Columbia and the Monterrey Institute of Technology University System (Tec de Monterrey) in Monterrey, Mexico, to finance an exchange program between

Canadian and Mexican students. Encompassing both academic and housing support, the program encourages students from both countries to travel and share their distinct cultures.

- To help expand specialized talents in international finance, Scotiabank made a major contribution to the University of Toronto's Joseph L. Rotman School of Management to help fund four \$20,000 scholarships for Master of Business Administration students interested in pursuing a career in international finance or financial engineering. The donation was made in the name of former Scotiabank chairman and chief executive officer Peter Godsoe.
- At Red River College – Manitoba's largest applied learning institute – Scotiabank donated \$50,000 to support workshops and seminars at the Centre for Immigrant and International Students, in addition to student scholarships.
- In 2005, Scotiabank became a corporate partner in a Girl Guides of Canada Mentoring Program. The new cross-Canada program pairs experienced leaders with young women to help develop their skills and allow them to contribute to the community around them.

Health

To complement our emphasis on community-based giving, our health-related contributions are concentrated in areas that will have a positive impact on direct patient care, including quality of life-improving services, overall wellness and prevention programs. Here are a few examples:

- To help fast-track research into new treatments and therapies, Scotiabank provided a donation to Neuroscience Canada – a national organization dedicated to diseases, disorders and injuries to the brain and nervous system, such as Alzheimer's disease, Parkinson's disease and depression. Our funds will be directed to the innovative Brain Repair Program, which enables crucial collaboration among Canadian researchers from different disciplines and institutions.
- We are helping the Saskatoon City Hospital take a giant step forward in diagnosis and treatment of breast cancer in Saskatchewan through Scotiabank's \$50,000 donation to the province's first Breast Health Centre. The new, one-stop facility will use mammography, breast biopsies, ultrasounds, MRI and nuclear medicine to diagnose and co-ordinate treatment at the earliest possible stages of the disease.
- Scotiabank is supporting the efforts of the Lighthouse Home in Montreal to serve severely handicapped children with limited life expectancies. Through Scotiabank's gift of \$100,000, Quebec's first pediatric palliative care and respite

centre will provide these children with the complex medical treatments they require in a non-hospital setting, plus offer adaptive recreational programs to help them maintain as normal a life as possible during their stay.

- More Winnipeg residents will benefit from the services of the Manitoba Cardiac Institute Reh-Fit Centre as a result of a \$50,000 Scotiabank donation. Well known for its expertise and service in cardiac rehabilitation and other chronic diseases, including diabetes, Scotiabank's contribution will allow the centre to provide health promotion, teaching and other services across the city.
- In Truro, N.S., Colchester Regional Hospital received a significant gift from Scotiabank to replace an outdated facility that was built in the 1960s. As the third-busiest emergency department in the province, the new building will significantly reduce wait times, improve services and help to recruit and retain health care professionals.

Social services

Scotiabank places a strong emphasis on supporting organizations that provide hands-on health, economic and social assistance to families, seniors, children and individuals at the local community level. Here are a few examples:

- Founded by Canadian Jean Vanier in 1964, L'Arche Canada Foundation is an international federation of communities in which people with developmental handicaps can enjoy a richer, fuller life. Scotiabank is proud to be the founding member of a new corporate membership program, Corporate Companions of L'Arche Canada, and our \$25,000 donation will help meet the needs of people with disabilities in the 200 L'Arche programs across Canada.
- Scotiabank is helping the largest seniors' residence in Saint John, N.B., Loch Lomond Villa, offer comprehensive services such as independent and special assisted living, nursing and outreach programs, plus a seniors' wellness centre. Our \$30,000 donation will help the foundation expand its programs and upgrade caregiving equipment.
- Since 1949, the Thames Valley Children's Centre in London, Ont., has helped children and young adults with disabilities reach their physical, developmental, emotional and social potential. While the centre serves more than 5,500 children annually, the demand is far greater than its capacity, so Scotiabank contributed \$100,000 to help the group renovate its building, purchase new technology and extend programs to more children with disabilities such as cerebral palsy and muscular dystrophy.

- With the support of Scotiabank, AboutFace provides information, emotional support and education programs for individuals with facial differences and their families. This national organization works to foster acceptance and understanding of these persons, including those with facial differences present at birth or which developed as a result of illness or trauma. Scotiabank proudly donated \$50,000 to support programs and services that help these people contribute to society with dignity and respect.
- Recognizing the frequent helplessness and isolation felt by those affected by autism spectrum disorders, Scotiabank contributed \$75,000 to the Provincial Autism Centre in Halifax. Established in 2002, the Resource Centre helps families, educators, health professionals and researchers across the province access quality information about these disorders.

Arts and culture

Our donations to arts and cultural causes aim to create greater opportunities for local community participation in arts activities and funding to support the development of individual artists.

Here are a few examples:

- Helping talented young musicians from Canada and abroad reach their full potential is the philosophy behind the National Arts Centre's Summer Training Institute. Scotiabank's gift creates full scholarship funding for four promising young Canadians, ranging in age from 15 to 25, to experience three weeks of intensive training in violin, viola, cello, piano or double bass in the institute's residential training program.
- Scotiabank stepped forward to help promote great Canadian literature by co-sponsoring the Scotiabank Giller Prize. The largest annual prize for fiction in the country, the Giller Prize celebrates the literary accomplishments of Canadian writers and helps raise awareness among Canadian bookbuyers. With Scotiabank's support, the award has doubled in value to \$50,000, with \$40,000 going to the winner and \$2,500 to each of the four finalists.
- Scotiabank is encouraging artists to express their unique talents through our donation and partnership with the Sobey Art Foundation and the Art Gallery of Nova Scotia. As sole presenting sponsor of the Sobey Art Award national touring exhibition, audiences across Canada will be able to experience first-hand the works of the finalist in the Sobey Art Award.
- The Lieutenant Governor of Nova Scotia's Arts Award will continue to recognize the most significant artwork by Nova Scotia artists, thanks to financial assistance from Scotiabank. Each year, five masterworks will be identified, displayed and

promoted throughout the province, and the winning artwork will receive an award of \$25,000 to both recognize the artist and support his or her future efforts. We will also provide an additional \$10,000 annually for award promotion throughout the province.

Our employees in the community

For Scotiabank, active community involvement means much more than writing cheques to charitable organizations. Our employees play a crucial role by donating their time, skills and money – as individuals and teams – to causes that matter to them, their friends, neighbours and customers. Through this hands-on approach, we can make a significant, positive impact at the local level.

We support employee volunteer work by offering two formal employee community programs:

Team Scotia Community Program (TSCP): The Bank matches up to \$5,000 raised by teams of two or more Scotiabank employees through their local charitable fundraising activities. In 2005, more than 1,000 fundraising activities received more than \$3.7 million from TSCP.

Scotiabank Employee Volunteer Program (SEVP): The Bank donates up to \$1,000 to qualifying community-based organizations in which individual employees or Scotiabank retirees have actively volunteered for a minimum of 50 hours per year.

Taking our two employee-based programs together, Scotiabankers dedicated more than 200,000 hours volunteering and fundraising for local community organizations last year.

Here are a few examples of employee activities, many of which received financial support from TSCP and SEVP:

- Team Scotia hit Toronto’s expressways for the June 5 Bechel Heart & Stroke Ride for Heart, Canada’s largest one-day charity cycling and rollerblading event. Some 120 Scotiabank Group employees pedaled or skated between five and 75 kilometres, with one employee participant, Scotiabank executive Bob Brooks, single-handedly raising more than \$50,000.
- Employees at Montreal’s Côte de Liesse and Lucerne branch banded together to support the Montreal Association for the Blind. Staff organized a used book sale and raised more than \$5,000 through the sale and other donations. With matching funds from TSCP, they raised a total of \$10,000 for the community group.
- For eight consecutive years, ScotiaMcLeod branch administrators in St. John’s, Nfld., have raised funds to support breast cancer research in the fight to eradicate a disease that affects one in nine Canadian women. Team fundraising, including the sale of pink courage wristbands for their 2005

campaign, added to the \$220,000 total raised over the years for provincial and regional breast cancer foundations.

- Fifteen Calgary-area Scotiabankers helped 27 local families establish new lives by assisting in the building of a Habitat for Humanity multi-unit townhouse project. With the Bank’s support, employees from across the city spent the day away from the office, helping to construct the community housing project.
- Scotiabank’s “Change Bandits” – a group of Atlantic Contact Centre employees dressed in cowboy attire – rustled up a healthy donation for the IWK Health Centre’s 4th annual radiothon event last April. By soliciting coin donations from shoppers, they raised more than \$4,700, plus a matching grant from TSCP, to help the hospital purchase equipment and fund research into childhood illnesses.
- 120 Vancouver-area Scotiabankers and family members joined the 20th annual Walk with the Dragon walk-a-thon in support of the United Chinese Community Enrichment Services Society (S.U.C.C.E.S.S.), a charity group that connects immigrants and new settlers with the local community. As part of the largest corporate team, Scotiabank raised more than \$14,000 for the group, including matching funds from TSCP.
- The Winnipegosis (Man.) Figure Skating Club received year-round support from Scotiabank Customer Service Representative Rita Harrison, who volunteers as club treasurer. In recognition of Rita’s work, SEVP provided the club with a \$1,000 donation to build a much-needed storage facility.
- Since 2003, Scotiabank has been involved with the BoardMatch Leaders program, an initiative by Altuvest Charitable Services, which recruits corporate executives to volunteer their leadership skills and governance expertise on charitable sector boards. To date, 42 Scotiabank executives have been involved in the program, registering, training or volunteering their time on boards.

Going forward

Scotiabank has set a number of objectives to enhance our level of community involvement, and we will report our progress through our annual corporate social responsibility report. We will:

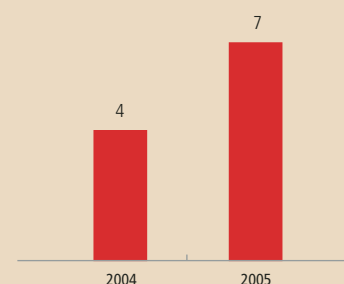
- maintain our respected status as an Imagine Caring Company by continuing to donate at least 1% of domestic pre-tax profits;
- continue to focus our philanthropy on community-based activities with employee participation; and
- provide support to active employee involvement through the Scotia Employee Volunteer Program and Team Scotia Community Program.

Opportunity to help our communities across the globe

Our philosophy of active corporate citizenship in Canada is reflected in every country where we operate. During 2005, we contributed more than \$7 million to causes that complement our giving approach in Canada, including health, education and social service organizations. In addition to corporate philanthropy, we play a significant economic role as a provider of financial services and credit in local communities, and as a major employer, taxpayer and purchaser of goods and services.

Our global community development activities are bolstered through the impressive volunteerism of our international employees, who provide ongoing support to important causes and who also pull together when crisis or natural disaster strikes. See page 42 for information on our worldwide Team Scotia Community Program and Scotiabank Employee Volunteer Program.

Scotiabank international donations and sponsorships
(\$ millions)



Key achievements in 2005

<ul style="list-style-type: none"> Contributed more than \$205,000 to South Asian tsunami relief. 	<ul style="list-style-type: none"> 250 Scotiabank El Salvador employee volunteers – and a \$65,000 Bank donation – helped rebuild landslide-damaged homes.
<ul style="list-style-type: none"> Provided monetary and hands-on aid to many Caribbean nations affected by 2005 hurricanes. 	<ul style="list-style-type: none"> Jamaican microcredit operation MEFL disbursed \$1.25 million in urban and rural loans to low-income entrepreneurs.

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Opportunity to help our communities across the globe

Here are a few examples:

- Scotiabankers reacted quickly to the Dec. 26, 2004, earthquake and tsunami in South Asia. Soon after the tragedy, Scotiabank offered to match up to \$100,000 raised by employees through personal donations and team fundraising to help survivors. This resulted in more than \$205,000 for tsunami-related relief efforts in India, Thailand, Sri Lanka and Indonesia (with \$94,000 raised by employees). In addition, Scotiabank made a corporate donation of \$75,000 to the Canadian Red Cross Asia Earthquake and Tsunami Relief Fund, and our branches across Canada accepted customer donations.
- The Caribbean Region responded to a challenge by Scotiabank President and CEO Rick Waugh, and began planning year-round HIV/AIDS awareness and fundraising campaigns in 2005 to address the fact that the Caribbean has the second-highest rates of HIV/AIDS infection in the world. To help address this threat to the region's social and economic development, Scotiabank locations in Barbados, Bahamas, Dominican Republic, Guyana, Haiti, Jamaica and Trinidad & Tobago will conduct information sessions for staff and public awareness events. This new region-wide campaign was kicked off on Dec. 1, 2005, to coincide with the United Nations' World AIDS Day, and included an employee dress-down day fundraiser. As part of this event, the Bank matched all donations and directed the proceeds to organizations focused on prevention and treatment of HIV/AIDS.
- As a result of hurricane Ivan in the fall of 2004, 90 per cent of schools in Grenada were destroyed, leaving the island's educational system in crisis. A \$50,000 Scotiabank donation to Hopelink enabled Canadian work teams to help rebuild many schools. A subsequent donation of \$100,000 will allow Hopelink to continue island rebuilding efforts.
- Scotiabank Trade Finance representatives took part in the BankSETA international exchange program, which brought 12 participants from disadvantaged South African communities to Canada to attend workshops at Canadian banks, helping develop the leadership skills of individuals working in the South African banking and microfinance industries and furthering economic equity.
- Scotiabank El Salvador is helping to reduce social violence in that country by supporting an international educational mission that links health and physical education to peace and co-operation among young people. The Bank's US\$12,000 donation enabled a seven-member, multi-disciplinary team of Canadian experts and educators to travel to El Salvador in August 2005 and co-operate with 60 Salvadoran teachers, government officials and researchers on ways to foster national peace through youth education.
- Scotiabank Jamaica made its largest-ever contribution toward scientific research when it presented a \$500,000 donation to the University of the West Indies to support a professional research fellow at the International Centre for Environmental and Nuclear Sciences. The centre is currently studying the links between harmful substances in Jamaican soils and the incidences of diabetes, cancer and other diseases among the island population.
- Members of Scotiabank Europe plc scaled new heights in aid of the National Deaf Children's Society, the leading charity for deaf children and their families in the United Kingdom. Rod Reynolds, Randy Szuch and Karen Kay took part in the 24 Peaks in 24 Hours mountain climbing event, finishing in fifth place out of 23 teams, and raising more than \$24,000.
- ScotiaMcLeod's Edie Pujo had the opportunity to see first-hand the impact of fundraising efforts by her Calgary office on behalf of the charitable organization Samaritan's Purse. After employees gathered and packaged 185 shoeboxes of toys and school supplies for Operation Christmas Child, Pujo traveled to Mexico on behalf of ScotiaMcLeod to help distribute more than 3,500 shoeboxes to children in seven villages.
- When torrential rains and mudslides inundated Venezuela in February 2005, Scotiabank made a \$5,000 donation to a relief fundraising initiative by our Venezuelan affiliate, Banco del Caribe. Our \$5,000 contribution helped fund urgently needed supplies, such as potable water, medicines, food and hygiene products.

Supporting microcredit

Scotiabank and our employees are involved in several innovative microfinance initiatives that leverage our core business and lending expertise to create new economic opportunities for local entrepreneurs, especially women and the underprivileged. These non-profit, self-sustaining programs provide a much-needed hand up to persons who would not normally have access to credit.

- In Kingston, Jamaica, we operate Micro-Enterprise Financing Limited (MEFL) in collaboration with the Canadian International Development Agency and the Kingston Restoration Company, with \$2 million in loan capital from Scotiabank. MEFL offers low-income micro-entrepreneurs access to business development training, savings accounts and loans, with little or no collateral. Through a “peer lending” methodology, MEFL members are responsible for each other’s loans, and serve on advisory boards to support each other’s businesses. In 2005, MEFL served 1,404 clients, of whom 79 per cent were female, and made loan disbursements of \$1.25 million. MEFL now provides both urban and rural lending, since opening its first rural branch in June 2005 to assist poor farmers in the countryside.
- Since 1993, we have also operated Scotia Enterprise, a microcredit program in Georgetown, Guyana, based on a group lending program. As a result of challenging local economic conditions over the past few years, during 2005 we identified a partner organization, DFL Caribbean Group, a financial institution specializing in financing for entrepreneurs, to re-energize this program. Going forward, DFL will operate the program while The Bank of Nova Scotia Guyana will manage the banking relationships and micro-credit deposits.

- To support the United Nations 2005 International Year of Microcredit, Scotiabank became a founding member of the Canadian Steering Committee, to promote effective partnerships among financial institutions, government and non-government organizations and academia. The group successfully petitioned the federal government to designate Oct. 20, 2005, as National Microfinance Day.
- We are exploring possibilities to expand our microfinance programs and develop local partnerships in one or two other locations in the Caribbean or Latin America.

Going forward

Scotiabank has set the following goals for global development activities:

- | | |
|---|--|
| • | Better align our international giving with our Canadian-based themes of health, education and social services, with an emphasis on programs that aid women and children; |
| • | Raise awareness among our international employees of our Team Scotia Community Program and Scotiabank Employee Volunteer Program; and |
| • | Continue to grow our current microcredit programs and expand to a new location in the Caribbean or Latin America. |

Shareholders

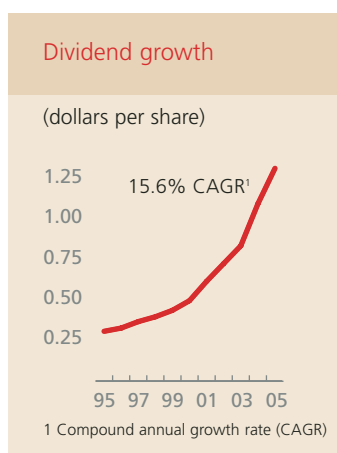
The Bank has approximately 378,000 registered and non-registered shareholders*, including employees, individual investors and institutional investors, including mutual funds and pension funds. Most shareholders are non-registered, with their shares held in the name of an intermediary, such as a securities broker or trustee.

*As at Jan. 13, 2006

Key financial data		
For the years ended October 31	2005	2004
Net income ⁽¹⁾ (\$ millions)	3,209	2,908
Return on equity (%)	20.9	19.9
Productivity ratio ⁽¹⁾ (%)(TEB ⁽²⁾)	56.3	56.9
Assets under management (\$ billions)	26.6	21.2
Total assets (\$ billions)	314.0	279.2
Tier 1 capital ratio (%)	11.1	11.5
Expenses		
Salaries & staff benefits (\$ millions)	3,488	3,452
Direct and indirect taxes (\$ billions)	1.6	1.5

(1) Comparative amounts have been retroactively restated for new CICA accounting requirements relating to the distinction between equity and liability instruments.
 (2) Taxable equivalent basis. Refer to the non-GAAP measures on page 33 of the 2005 annual report.

Scotiabank has one of the most consistent records for dividend growth among major Canadian companies. In 2005, our strong earnings growth and capital position allowed us to increase our quarterly dividend twice during the year. On a year-over-year basis, dividends rose by 20 per cent to \$1.32 per share, and have risen at a compound annual rate of 15.6 per cent over the last 10 years. The dividend payout ratio for 2005 was 41 per cent, up from 38 per cent last year, and well within the Bank's target payout range of 35-45 per cent.

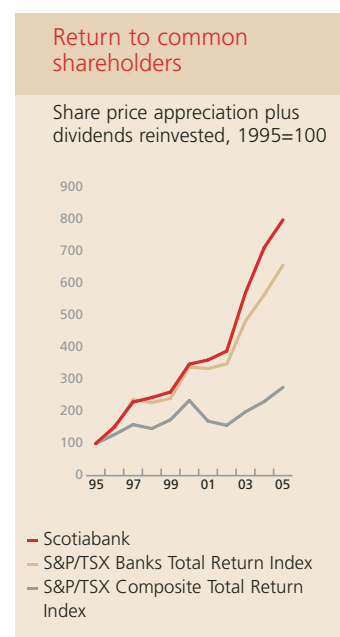


Scotiabank is a widely held public company. With approval, an investor can own up to 20 per cent of any class of voting shares and up to 30 per cent of any class of non-voting shares. Common shares of the Bank are listed on the Toronto and New York stock exchanges.

2005 performance vs. key financial objectives		
	Objective	Performance
Return on equity	17-20%	20.9%
Earnings per share growth	5-10%	11.7%
Productivity ratio	Below 58%	56.3%
Tier 1 capital	Maintain strong capital ratios	11.1%

More financial information:
[2005 Annual Report](#)

The total return to shareholders (which includes dividends and appreciation in the price of the Bank's common shares) for fiscal 2005 was 12 per cent. Shareholders have had positive returns from the Bank's shares for 11 consecutive years, the best record among Canada's major banks. The five-year compound annual return on the Bank's shares has averaged 18 per cent, and 23 per cent over the past 10 years. Scotiabank continues to substantially outperform the S&P/TSX Composite Total Return Index.



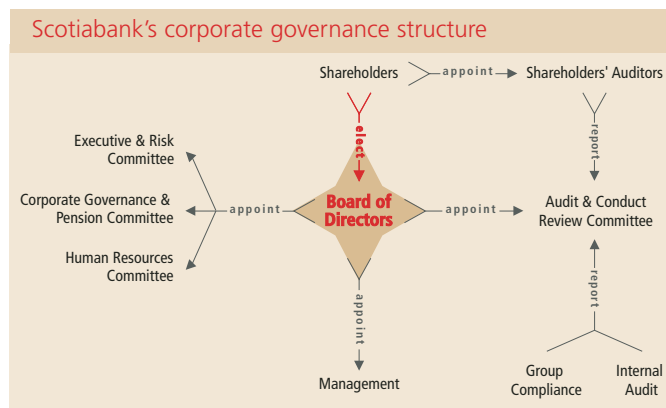
Corporate governance

Scotiabank is founded on the principles of accountability, openness and integrity. We believe that a strong corporate governance structure and culture across the entire organization provide us with an opportunity to deliver value to all our stakeholders.

We set the bar high – our rigorous internal standards have been created to meet international as well as Canadian requirements. Our ongoing efforts to strengthen our governance practices continue to be widely recognized. We were proud that Scotiabank tied for first place (up from 8th last year) in *Canadian Business* magazine's 2005 governance rankings, and tied for second place (up from 5th last year) in *The Globe and Mail's* annual Board Games rankings.

Corporate governance regulation

Scotiabank's corporate governance practices are regulated on a number of levels and by many different parties, including the Canadian securities administrators, New York Stock Exchange (NYSE), and various government regulations, including the U.S. Sarbanes-Oxley Act of 2002.



Our corporate governance policies are designed to maintain the independence of the Board and its ability to effectively supervise management's operation of the Bank. Board independence promotes management of the Bank for the long-term benefit of all our major stakeholders – shareholders, employees, customers, and the communities in which we operate.

Best practices in corporate governance in place at Scotiabank

The Board must assume stewardship of the Bank.	The Board supervises the management of Scotiabank's business and affairs, with the goal of maintaining the strength and integrity of the Bank.
The Bank must adopt and disclose corporate governance guidelines.	The Bank developed a formal Corporate Governance Policy in 2002, which was subsequently enhanced and re-approved each year since. It is reviewed at least annually.
Directors must be elected by majority voting.	Directors receiving more votes <i>withheld</i> than <i>for</i> their election will be required to tender their resignation.
The Board should have a non-executive chairman or independent lead director.	Scotiabank's Board is led by a non-executive chairman.
Board committees should be composed of outside directors, a majority of whom are unrelated.	All four of the Board's committees meet independence guidelines in terms of composition.
The Bank must disclose the identity of the financial expert on the Audit Committee.	One or more members of the Audit and Conduct Review Committee meet the definition of a financial expert. The Board has determined that Ronald A. Brenneman is the committee's financial expert.
Non-management directors must meet at regularly scheduled executive sessions without management.	At each meeting of the Board and Board committees, time is specifically reserved for independent discussion without management present.
An education program should be provided for new directors.	An orientation and education program is in place for all new directors. They also receive a Corporate Governance Information book, which is updated annually and reissued to all directors.
The Bank must have a written code of ethics and conduct applicable to senior financial officers and the CEO.	All directors, officers and employees of Scotiabank must acknowledge their adherence annually to the Scotiabank Guidelines for Business Conduct*. Directors are also required to adhere to the Directors' Addendum to the Guidelines*.
Directors' interests should be aligned with those of shareholders.	Directors are expected to hold Bank common shares and/or Director Deferred Share Units with a value not less than \$300,000, a level that must be reached within five years.

*Available at www.scotiabank.com

The Board of Directors and its Corporate Governance and Pension Committee have been, and continued to be, proactive and diligent in developing and reviewing the Bank's corporate governance structure and procedures. The latter group developed a corporate governance policy in 2002, and has enhanced and re-approved it each year since.

Strong internal compliance procedures are a permanent part of the everyday structure and operations of the Bank. The Group Compliance department ensures that new business initiatives and programs are current with industry best practices and evolving market conditions. Compliance initiatives and programs include the Scotiabank Group Compliance Program and infrastructure (including the Groupwide Compliance Network, a network of compliance officers who have specific subsidiary, business line and/or departmental compliance responsibilities), the Bank Act Legislative Compliance Management System and other specialized compliance programs.

Best practices in corporate governance

Scotiabank consistently maintains what are considered global best practices for corporate governance. For example, the majority of the members of the Board of Directors are independent*. And the Board is led by a non-executive chairman, who acts in an advisory capacity to the President and Chief Executive Officer and to other officers in all matters concerning the interests of the Board and relationships between management and the Board. Also, in recent years, we have increased the representation of women on the Board to 25 per cent.

Continuous improvement

In November 2005, the Board of Directors adopted a new corporate governance policy that requires majority voting for the election of Bank directors. Directors receiving more votes *withheld* than *for* their election will be required to tender their resignation. After considering recommendations from the Corporate Governance and Pension Committee, the Board will decide – within 90 days of the annual meeting – whether or not to accept the resignation. It is expected that resignations will be accepted, unless there are extenuating circumstances. The Board of Directors will announce any such decisions via a press release. This important initiative recognizes the role shareholders play in selecting Bank directors.

The Board also oversaw several changes to the Bank's senior executive management team during 2005, ensuring that effective leadership development and succession strategies remain in place.

Political donations

Scotiabank has a Board-approved policy on political donations. The policy contains a general restriction on all federal donations, even though such donations are currently permitted by law. At the provincial level, the Bank follows all of the regulatory restrictions on political donations relevant in each jurisdiction. In addition, the Bank's Guidelines for Business Conduct address political donations, and provide that they may only be made where permitted by law, and in no case will a political donation be made that may be interpreted as an attempt to encourage favourable treatment of the Bank or a subsidiary.

Guidelines for Business Conduct** and supporting policies

The Scotiabank Guidelines for Business Conduct are an integral component of the Scotiabank Group's compliance program and set out minimum standards of business conduct required of all Scotiabank employees. The guidelines, together with various supplemental guidelines and other policies and procedures, are based on the following principles:

- Follow the law wherever the Bank does business.
- Avoid putting yourself or the Bank in a conflict of interest.
- Conduct yourself honestly and with integrity.
- Keep Bank transactions, communications and information accurate, confidential and secure, and Bank assets safe.
- Treat everyone fairly and equitably – whether customers, suppliers, employees or others who deal with the Bank.

All directors, officers and employees of the Bank must comply with the Scotiabank Guidelines for Business Conduct and all applicable supplemental guidelines, and are required to acknowledge their adherence annually. Supplemental guidelines include the Scotiabank Policy for Raising Accounting, Internal Accounting Control or Auditing Matter Concerns (Accounting Concerns Policy)**. As well, all Scotiabank directors acknowledge their adherence to the Directors Addendum to the Guidelines** and Scotiabank employees and officers acknowledge their adherence to the Scotiabank Group Internet and Electronic Mail Code of Conduct. Certain business units have additional guidelines, which consider the specialized aspects of their operations with which employees must comply.

We expect each Scotiabank employee to live up to the principles set out in the guidelines so that they can pass on the excellent reputation the Bank has inherited to succeeding generations of Scotiabank employees.

For more information on corporate governance at Scotiabank, please refer to the Bank's annual report, management proxy circular or visit www.scotiabank.com.

*As at Oct. 31, 2005. **Available at www.scotiabank.com

Involving and engaging our stakeholders

As part of our commitment to acting as a responsible corporate citizen, we engage our stakeholders in two-way dialogue, sharing information about our organization and our operational impacts, and soliciting their feedback.


Memberships


Scotiabank is a member of the following organizations:


- United Nations Environmental Program Finance Initiative (UNEP FI) is a global partnership between UNEP and the financial sector. More than 200 institutions, including banks, insurers and fund managers work with UNEP to understand the effects of environmental and social considerations on financial performance.
 
- Imagine Canada is a national organization that champions corporate citizenship and encourages partnerships between charities, non-profit organizations and business to build stronger Canadian communities.
 
- Canadian Business for Social Responsibility (CBSR) is a non-profit, business-led, national membership organization of Canadian companies that have made a commitment to operate in a socially, environmentally and financially responsible manner, recognizing the interests of their stakeholders, including investors, customers, employees, business partners, local communities, the environment and society at large.
 
- The Consumers Council of Canada is an independent, not-for-profit, federally incorporated organization working with government, business and consumers to manage today's consumer issues.
 


Socially responsible investment


Scotiabank is included in a number of indices based on our performance on environmental, social and corporate governance criteria:

- Jantzi Social Index® is a market capitalization-weighted common stock index consisting of 60 Canadian companies that pass a set of broadly based social and environmental screens.
 

- FTSE4Good Index is a financial index series that is designed by the Financial Times Stock Exchange to identify and facilitate investment in companies that meet globally recognized corporate responsibility standards.
 

- Scotiabank is one of the top five equity holdings in Real Assets Social Impact Balanced Fund, which assesses companies according to seven environmental and social performance measures in addition to financial criteria.
 

- The Dow Jones Sustainability North America Index (DJSI North America) comprises the top companies from the North American region in terms of economic, environmental and social criteria and provides a benchmark for sustainability-driven North American equity portfolios.
 

- The Ethical Funds Company offers a family of socially responsible mutual funds with approximately \$2 billion in assets under management which are also distributed through qualified investment professionals, discount brokers, life insurers and other institutional partners.
 

Measuring employee awareness of CSR issues

To help gauge employee interest and understanding of CSR issues at Scotiabank, during 2005, we commissioned the non-profit Canadian Business for Social Responsibility (CBSR) to survey employees from various job levels, Bank tenure and work locations. Highlights from the respondents included:

- 99% consider CSR important to Scotiabank (76% considered it very important);
- 98% agreed or strongly agreed that Scotiabank is a socially responsible company;
- 91% of employees believe that CSR adds some or a lot of business value.

Continuous improvements in our CSR reporting

Each year, we attempt to improve the quality and clarity of reporting on our CSR initiatives, including our key achievements, targets and performance. To help us do so in 2005:

- We met with representatives from Real Assets, The Ethical Funds, World Wildlife Fund, the Forestry Products Association of Canada, the Rainforest Action Network,

Forest Ethics, Ethicscan, Export Development Canada, Environment Canada, the Canadian International Development Agency, Department of Finance, Consumers Council of Canada, Canadian Business for Social Responsibility, and the International Finance Corporation.

- We have incorporated feedback from external special interest groups and employee suggestions in our 2005 report:

Comment	Action taken in 2005 report
<ul style="list-style-type: none"> • Positive feedback regarding inclusion of key achievements and future goals 	– Continued to publish achievement and goal highlights summaries in key sections of 2005 report
<ul style="list-style-type: none"> • Positive reaction to enhanced data and tables in Employees section 	– Continued to publish more quantifiable data wherever possible, including targets and measurement of progress
<ul style="list-style-type: none"> • Incorporate Global Reporting Initiative (GRI) performance indicators 	– Reporting according to GRI Social Performance Indicators
<ul style="list-style-type: none"> • Report on more of the Bank's global activities 	– Inclusion of more international information in Employee and Community sections
<ul style="list-style-type: none"> • Communicate the Bank's stakeholder feedback process and include comments 	– Added Involving/Engaging Stakeholders section

Inviting stakeholder feedback

Scotiabank invites all readers to provide feedback on this report and on our corporate social responsibility activities via e-mail to corpaff@scotiabank.com.

Global Reporting Initiative (GRI) content index

The Global Reporting Initiative (GRI) is an independent, not-for-profit institution that develops globally applicable sustainability reporting guidelines (GRI 2002) for voluntary use by organizations to report on the economic, environmental and social dimensions of their activities, products and services.

Scotiabank is committed to incorporating relevant GRI guidelines in our CSR reporting wherever we have data collection systems in place. For the convenience of stakeholders, the table below directs readers to each GRI Social Performance indicator contained within Scotiabank's 2005 Corporate Social Responsibility Report.

GRI social performance indicators			
GRI#*		2005 CSR Report	For more information see page:
	Labour Practices and Decent Work		
	Employment		
LA1	Breakdown of workforce	•	22
LA2	Net employment creation, average turnover	•	28
LA12	Employee benefits	•	26-28, 30, 31
	Labour/Management Relations		
LA3	Percentage of employees represented by unions	•	30
LA4	Policies/procedures	•	30
LA13	Formal worker representation	•	31

*Global Reporting Initiative reference number.

GRI social performance indicators continued

GRI#*		2005 CSR Report	For more information see page:
Health and Safety			
LA5	Practices on recording and notification of occupational accidents and diseases	•	30, 31
LA6	Formal joint health and safety committees	•	30, 31
LA7	Standard injury, lost day, and absentee rates and number of work-related facilities (including subcontracted workers)	•	30
LA8	Policies or programs on HIV/AIDS.	•	32
LA14	Compliance with the ILO <i>Guidelines for Occupational Health Management Systems</i>	•	31
LA15	Formal agreements with trade unions covering health and safety at work and proportion of the workforce covered by any such agreements.	•	31
Training and Education			
LA 9	Average hours of training	•	26
LA16	Programs to support continued employability	•	26
LA17	Specific policies and programs for skills management or for lifelong learning		Will consider for future reports
Diversity and Opportunity			
LA10	Equal opportunity policies or programs	•	23-25, 30
LA11	Composition of senior management and corporate governance bodies	•	23-25
Human Rights: Strategy and Management			
HR1	Policies, guidelines and procedures	•	28
HR2	Consideration of human rights impacts as part of investment and procurement decisions	•	28, 36
HR3	Policies and procedures to evaluate human rights performance of suppliers and contractors	•	28, 36
HR8	Employee training on human rights policies and practices	•	28
Non-Discrimination			
HR4	Policies and procedures to prevent all forms of discrimination	•	28, 48
Freedom of Association and Collective Bargaining			
HR 5	Policies on freedom of association and collective bargaining	•	30
Child Labour			
HR6	Policies to address child labour	•	28
Forced and Compulsory Labour			
HR7	Policies to prevent forced and compulsory labour	•	28
Disciplinary Practices			
HR9	Appeal practices related to human rights	•	29
HR10	Employee grievance systems	•	29, 30, 48

*Global Reporting Initiative reference number.

GRI social performance indicators continued

GRI#*		2005 CSR Report	For more information see page:
Security Practices			
HR11	Human rights training for security personnel	•	29
Indigenous Rights			
HR12	Policies and procedures to address the needs of indigenous people	•	5, 16, 24
HR13	Jointly managed community grievance mechanisms		Not relevant
HR14	Share of operating revenues from the area of operations that are redistributed to local communities.		Not relevant
Society			
S01	Policies, procedures and programs to manage impacts on communities		Not relevant
S04	Awards for social, ethical and environmental performance	•	21, 47
S02	Policies and procedures for bribery and corruption	•	48
S03	Policies and procedures for managing political lobbying and contributions	•	48
S05	Amount of money paid to political parties and institutions	•	48
S06	Court decisions relating to antitrust regulations		Will consider for future reports
S07	Policies and procedures for managing anti-competitive behaviour	•	48
Products and services			
PR1	Policies for customer health and safety during use of products and services		Not relevant
PR2	Policies and procedures for product information and labelling		Will consider for future reports
PR3	Policies and procedures for consumer privacy	•	13
PR4	Non-compliance with regulations for customer health and safety		Not relevant
PR5	Number of complaints related to health and safety of products		Not relevant
PR6	Voluntary code compliance	•	54
PR7	Non-compliance with regulations for product information and labelling		Will consider for future reports
PR8	Policies and procedures related to customer satisfaction	•	13
PR9	Policies and procedures for adherence to advertising standards and codes		Will consider for future reports
PR10	Breaches with advertising and marketing regulations		None
PR11	Complaints concerning breaches of consumer privacy		Will consider for future reports

*Global Reporting Initiative reference number.

Appendix – Scope of reporting

This 2005 CSR Report/Public Accountability Statement (PAS)* has been published by Scotiabank for the fiscal year November 1, 2004, to October 31, 2005, and includes information for the following affiliates of the Bank in Canada: Scotia Capital Inc., The Mortgage Insurance Company of Canada, Scotia Mortgage Investment Corporation, National Trust Company, Scotia Mortgage Corporation, Scotia General

Insurance Company, MontroServices Corporation, Montreal Trust Company of Canada, Scotia Life Insurance Company, The Bank of Nova Scotia Trust Company, RoyNat Inc., RoyNat Capital Inc., and Scotia Merchant Capital Corporation.

*The PAS is required by the Bank Act. The CSR report covers Scotiabank's corporate social responsibility progress in Canada only, unless otherwise specified.

Principal Subsidiaries⁽¹⁾

A list of Scotiabank's major operating subsidiaries in Canada and abroad (as at Oct. 31, 2005) appears below. For more information, please see the 2005 Scotiabank Annual Report.

Canadian		International	
BNS Capital Trust	Toronto, Ontario	The Bank of Nova Scotia Berhad	Kuala Lumpur, Malaysia
BNS Investments Inc. Montreal Trust Company of Canada MontroServices Corporation Scotia Merchant Capital Corporation	Toronto, Ontario Montreal, Quebec Montreal, Quebec Toronto, Ontario	The Bank of Nova Scotia International Limited BNS International (Barbados) Limited The Bank of Nova Scotia Asia Limited The Bank of Nova Scotia Trust Company (Bahamas) Limited Scotiabank & Trust (Cayman) Limited Scotia Insurance (Barbados) Limited Scotiabank (Bahamas) Limited Scotiabank (British Virgin Islands) Limited Scotiabank (Hong Kong) Limited Scotiabank (Ireland) Limited	Nassau, Bahamas Warrens, Barbados Singapore Nassau, Bahamas Grand Cayman, Cayman Islands Warrens, Barbados Nassau, Bahamas Road Town, Tortola, B.V.I. Hong Kong, China Dublin, Ireland
National Trustco Inc. The Bank of Nova Scotia Trust Company National Trust Company	Toronto, Ontario Toronto, Ontario Toronto, Ontario		
RoyNat Inc.	Toronto, Ontario		
Scotia Capital Inc.	Toronto, Ontario		
Scotia Cassels Investment Counsel Limited	Toronto, Ontario	The Bank of Nova Scotia Jamaica Limited (70%)	Kingston, Jamaica
Scotia Life Insurance Company	Toronto, Ontario	Grupo Financiero Scotiabank Inverlat, S.A. de C.V. (97%)	Mexico, D.F., Mexico
Scotia Mortgage Corporation	Toronto, Ontario	Nova Scotia Inversiones Limitada Scotiabank Sud Americano, S.A. (99%)	Santiago, Chile Santiago, Chile
Scotia Mortgage Investment Corporation	St. John's, Newfoundland	Scotia Capital (USA) Inc.	New York, New York
Scotia Securities Inc.	Toronto, Ontario	Scotia Holdings (US) Inc. The Bank of Nova Scotia Trust Company of New York Scotiabanc Inc.	Atlanta, Georgia New York, New York Atlanta, Georgia
Scotiabank Capital Trust	Toronto, Ontario	Scotia International Limited Corporación Mercaban de Costa Rica, S.A. Scotiabank Anguilla Limited	Nassau, Bahamas San Jose, Costa Rica The Valley, Anguilla
		Scotiabank de Puerto Rico	Hato Rey, Puerto Rico
		Scotiabank El Salvador, S.A.	San Salvador, El Salvador
		Scotiabank Europe plc	London, England
		Scotiabank Trinidad & Tobago Limited (51%)	Port of Spain, Trinidad
		Scotia Capital (Europe) Limited	London, England

(1) The Bank owns 100% of the outstanding voting shares of each subsidiary unless otherwise noted. The listing includes major operating subsidiaries only.

Voluntary Codes of Conduct and Public Commitments*

Scotiabank is committed to a number of voluntary codes of conduct and public commitments designed to protect consumer interests. These include:

• Canadian Code of Practice for Consumer Debit Card Services	• Undertaking on Unsolicited Services
• Guidelines for Transfers of Registered Plans	• Low-Fee Retail Deposit Account, Memorandum of Understanding
• CBA Code of Conduct for Authorized Insurance Activities	• VISA Zero Liability Policy and VISA E-Promise
• Principles of Consumer Protection for Electronic Commerce: A Canadian Framework	• Undertaking: Index-Linked Deposits Interest Disclosure Regulations
• Model Code of Conduct for Bank Relations with Small and Medium-sized Businesses	• Online Payments
• Plain Language Mortgage Documents – CBA Commitment	

*For a copy of the full text of the codes and commitments, refer to www.scotiabank.com, Customer Care page. Visit the websites of the Financial Consumer Agency of Canada (www.fcac-acfc.gc.ca) and the Canadian Bankers Association (www.cba.ca) for more detailed information on consumer protection.

Appendix – Branches/Offices/ABMs

Openings, closings and consolidations

Scotiabank, with 954 branches in Canada, is committed to maintaining a strong branch network. Like any business, we are constantly evaluating our overall delivery network, which also includes 2,624 ABMs, to ensure it remains balanced, competitive and viable. In some communities, this may mean closing or consolidating branches and reinvesting resources where we can provide the greatest benefit for the most customers.

Whenever we find it necessary to close or consolidate branches, we are committed to providing employees, customers and the community at large with a minimum of four months' advance notice. In rural areas, where there are no other depositing-taking institutions within a 10-km radius of the branch being closed, we are committed to providing at least six months' notice. We also work closely with our customers and the community to ensure a smooth transition and to continue to find ways to meet their needs. For example, we look at solutions such as having members of our mobile sales force visit customers in their homes to discuss investment matters, and offering seminars on telephone banking, ABMs, Internet banking and direct deposit of monthly income. The important thing is to balance solutions that are right for the individual community and our customers.

None of the branch closures or consolidations that took place in 2005 (see listing below) constitute market abandonment. This is defined as closing a branch and leaving customers without access to any deposit-taking financial institution within 2.5 km in urban areas, 5 km in suburban areas and 10 km in rural areas.

Scotiabank branches opened

Ontario	1161 Innisfil Beach Rd., Innisfil 1250 Highbury Ave. N., London 655 Earl Armstrong Rd., Ottawa 9333 Weston Rd., Woodbridge
Québec	755 rue Clemenceau, Beauport 5580 boul. des Gradins, Québec City

While the size of our branch network remains little changed from 2004, we are constantly enhancing the services we provide through our alternate channels to ensure our customers have 24/7 access to all available products, services and functions they want to use at their own convenience. For example, we expanded our domestic ABM network by 65 machines in 2005. TeleScotia, our telephone banking service, allows customers to carry out routine banking services around the clock from any touch-tone phone in North America. Our general customer service line – 1-800-4SCOTIA – offers a simplified menu that features voice recognition and lets customers simply speak to access the products and services they need.

Scotia OnLine, our electronic banking and brokerage service, continues to increase in popularity. The number of Scotia OnLine users now exceeds 1.6 million, and transaction volumes increased strongly to 198.7 million in 2005, up from 151.7 million the previous year. Scotia OnLine Financial Services introduced a “paperless record-keeping” option which allows retail domestic customers to suppress their mailed deposit account statement and passbooks and only view account and transaction information online. This had a significant impact, as hundreds of thousands of customers have switched to “paperless.” In addition to being convenient for customers who choose to use it, the paperless option is environmentally friendly.

Scotiabank branches closed

British Columbia	180 East 2nd Ave., Vancouver 747 Fort St., Victoria
Ontario	135 Queens Plate Dr., Etobicoke 1345 Huron St., London 1542 Jane St., North York 2780 Jane St., North York 900 Albion Rd., Etobicoke 247 King St. N., Waterloo
New Brunswick	40 Charlotte St., Saint John

Appendix – ABM installations and de-installations

ABMs Installed*

British Columbia

1246 Lynn Valley Rd., North Vancouver
391 Hudson Ave. N.E., Salmon Arm
9620 120th St., Surrey
6391 176th St., Surrey
555 West 12th Ave., Vancouver
3800 Finnerly Rd. (3), Victoria

Alberta

8434 Bowfort Rd. N.W., Calgary
3330 Hospital Dr. N.W., Calgary
13610 66th St., Edmonton
9431 149 St., Edmonton
708 Parsons Rd. S.W., Edmonton
4208 2 Ave., Edson
331 Thickwood Blvd., Fort McMurray
98 Centre St., High River
5419 50th St., Leduc
702 3rd Ave. S., Lethbridge
2904 50 Ave., Lloydminster
5635 44 St., Lloydminster
975 Broadmoor Blvd., Sherwood Park
201 1st Ave., Spruce Grove

Saskatchewan

111 Main St., Avonlea
2 Main St., Carrot River
800 15th St. E., Prince Albert

Manitoba

1747 Brookside Blvd., Winnipeg
1648 Dublin Ave., Winnipeg
1485 Portage Ave. (2), Winnipeg

Ontario

999 Harwood Ave. N., Ajax
115 Salem Rd., Ajax
169 John St. N., Arnprior
501 Wellington St. E., Aurora
320 Bayfield St. (3), Barrie
509 Bayfield St., Barrie
150 Sidney St., Belleville
105 Causley St., Blind River
85 King St. E., Bowmanville
76 Holland St. W., Bradford
1 Main St. S., Brampton
1235 Appleby Line, Burlington
1331 Brant St., Burlington
800 Franklin Blvd., Cambridge
RR 2, Hwy. 49, Carp
21 Richer Circle, Casselman
608 Wilson Ave., Downsview
654 Notre Dame St., Embrun
1037 The Queensway, Etobicoke
338 Speedvale Ave. E., Guelph
2 King St. W., Hamilton

355 Regent St., Hawkesbury
1161 Innisfil Beach Rd. (3), Innisfil
8111 Campeau Dr., Kanata
720 March Rd., Kanata
1258 King St. E., Kitchener
366 Victoria St. N., Kitchener
1555 Talbot Rd., Lasalle
363 Kent St. W., Lindsay
957 Hamilton Rd., London
1250 Highbury Ave. N. (2), London
316 Oxford St. E., London
299 Wharncliffe Rd. S., London
5000 Hwy. 7, Markham
Hwy. 93 & Hugel Ave., Midland
4685 Central Pkwy. E., Mississauga
100 City Centre Dr., Mississauga
3295 Derry Rd. W., Mississauga
354 Dundas St. E., Mississauga
2165 Erin Mills Pkwy., Mississauga
3359 Mississauga Rd. N., Mississauga
3201 Strandherd Dr., Nepean
2831 Bayview Ave., North York
3451 Rebecca St., Oakville
97 First St., Orangeville
1125 Colonel By Dr., Ottawa
550 Cumberland St., Ottawa
655 Earl Armstrong Rd. (3), Ottawa
770 King Edward Ave., Ottawa
1440 Prince of Wales Dr., Ottawa
2480 Walkley Rd., Ottawa
116 Bowes St., Parry Sound
3468D Petawawa Blvd., Petawawa
11151 Yonge St., Richmond Hill
238 Indian Rd. S., Sarnia
2154 Lawrence Ave. E., Scarborough
500 Glenridge Ave., St. Catharines
360 Caradoc St. S., Strathroy
745 Hewitson St., Thunder Bay
807 Red River Rd., Thunder Bay
914 Red River Rd., Thunder Bay
347 Bathurst St., Toronto
3070 Dufferin St., Toronto
2256 Eglinton Ave. W., Toronto
3401 Sheppard Ave. E., Toronto
266 Dundas St. E., Trenton
2 Vaughan Valley Blvd., Vaughan
288 Main St., Wellington
403 Brock St. S., Whitby
309 Dundas St. W., Whitby
685 Taunton Rd. E., Whitby
5501 Ojibway Pkwy., Windsor
11475 Tecumseh Rd. E., Windsor
3745 Tecumseh Rd. E., Windsor
9333 Weston Rd. (3), Woodbridge

Québec

755 rue Clemenceau (3), Beauport
1181 ave. Gilles-Villeneuve, Berthierville
385 ave. de Buckingham, Buckingham
200 prom. du Portage, Gatineau
214 boul. de la Cité-des-Jeunes, Hull
320 boul. St-Joseph, Hull
7576 rue Centrale, Lasalle
1315 boul. de la Concorde E.,
Laval-des-Rapides
1333 boul. Jacques Cartier E.,
Longueuil
7355 boul. St-Michel, Montréal
1080 Côte du Beaver Hall, Montréal
1255 rue Peel, Montréal
5580 boul. des Gradins (3), Québec
905 boul. Laure, Sept-Îles
3800 ave. Cusson, St-Hyacinthe
4675 rue Jean-Talon E., St-Léonard
222G chemin du Lac Milette,
St-Sauveur-des-Monts
19 rue Blainville E., Ste-Thérèse
4002 rue Wellington, Verdun

New Brunswick

1047 St. Peter Ave., Bathurst
59 Canada Rd., Edmundston
139 Henry St., Miramichi
438 Coverdale Rd., Riverview
39 King St., Saint John
129 Brunswick St., St. George
635 Main St., Sussex

Nova Scotia

Main Rd., Hubbards
800 Sackville Dr., Lower Sackville
765 Main St., Sydney Mines

Newfoundland & Labrador

Church St., Bonavista
92 Powell Dr., Carbonear
288 Conception Bay Hwy.,
Conception Bay South
44 Grenfell Ave., Flower's Cove
26 Cromer Ave., Grand Falls-Windsor
266 Main St., Port au Port East
272 Torbay Rd., St. John's
Main St., Whitbourne

Prince Edward Island

21 Exhibition Dr. (3), Charlottetown
14 Kinlock Rd., Stratford

ABMs De-Installed*

British Columbia

20399 Douglas Cres., Langley
799 Joyce Ave., Powell River
180 East 2nd Ave., Vancouver
6138 Student Union Building Blvd.,
UBC, Vancouver
747 Fort St., Victoria

Alberta

9115 15th St. N.W., Calgary
5333 50th Ave., Vegreville

Saskatchewan

302 Ave. W S., Saskatoon

Ontario

150 Sidney St., Belleville
371 St. Paul Ave., Brantford
2780 Jane St. (2), North York
900 Albion Rd. (2), Etobicoke
135 Queens Plate Dr., Etobicoke
1147 Barton St. E., Hamilton
310 Barrie St., Kingston
401 Kent St. W., Lindsay
1319 Western Rd., London
100 Gough Rd., Markham
900 Greenbank Rd., Nepean
1542 Jane St. (2), North York
2975 St. Joseph Blvd., Orleans
1125 Colonel By Dr., Ottawa
1670 Heron Rd., Ottawa
1070 Second Ave. E., Owen Sound
888 Birchmount Rd., Scarborough
5095 Yonge St., Toronto
53 Quinte St., Trenton
247 King St. N., Waterloo
360 Phillip St., Waterloo
555 Finch Ave. W., Willowdale
2000 Talbot Rd. W. (2), Windsor
4235 Hwy. 7 W., Woodbridge

Québec

1065 boul. Lafèche, Baie Comeau
450 boul. Rochette, Beauport

New Brunswick

697 Coverdale Rd., Riverview
40 Charlotte St. (2), Saint John

Nova Scotia

1220 Hammonds Plains Rd., Bedford
5656 Spring Garden Rd. (2), Halifax
409 Glendale Rd., Sackville
525 George St., Sydney

Prince Edward Island

550 University Ave., Charlottetown

* The above list includes a number of locations where ABMs were installed, de-installed or consolidated.

Appendix – Debt financing

The following charts indicate – by province and for Canada as a whole – the amount of business credit authorized and outstanding as at Oct. 31, 2005, and the number of customers to whom it was authorized. The listing reflects the credit needs

of our business customers, and allows interested parties to track Scotiabank's year-over-year performance in the provision of credit to this important segment of the Canadian economy.

Authorization Levels of:	\$0 - \$24,999			\$25,000 - \$99,999			\$100,000 - \$249,999			\$250,000 - \$499,999		
	Authorized \$ thousands	Outstanding \$ thousands	Customers	Authorized \$ thousands	Outstanding \$ thousands	Customers	Authorized \$ thousands	Outstanding \$ thousands	Customers	Authorized \$ thousands	Outstanding \$ thousands	Customers
British Columbia	53,165	20,614	9,423	195,673	103,767	3,918	262,094	169,439	1,748	209,690	142,235	616
Alberta	55,037	23,972	9,076	205,497	115,993	4,099	286,148	182,816	1,884	188,496	119,287	573
Saskatchewan	23,868	14,389	2,666	103,913	71,791	2,059	116,824	85,748	782	58,482	40,333	178
Manitoba	178,691	38,300	16,641	896,730	301,191	17,926	195,225	111,312	1,566	93,161	46,849	286
Ontario	215,143	91,098	37,388	845,977	493,946	16,932	1,103,297	722,631	7,299	757,263	508,616	2,299
Quebec	22,293	9,954	3,623	110,169	64,390	2,189	160,730	105,524	1,068	142,818	97,391	416
New Brunswick	16,410	8,029	2,431	59,273	37,400	1,192	72,240	50,015	473	62,519	40,880	182
Nova Scotia	25,563	12,110	3,600	106,819	69,721	2,124	126,842	90,389	852	79,468	50,660	238
P.E.I.	4,641	2,491	569	21,407	14,503	421	30,164	22,028	195	25,426	17,036	75
Newfoundland	18,700	8,878	2,481	71,584	45,613	1,446	75,015	53,948	516	47,514	35,580	144
Territories ¹	1,611	480	331	3,705	2,031	79	5,596	3,741	38	3,824	2,509	11
Canada	615,122	230,315	88,229	2,620,747	1,320,346	52,385	2,434,175	1,597,591	16,421	1,668,661	1,101,376	5,018

Authorization Levels of:	\$500,000 - \$999,999			\$1,000,000 - \$4,999,999		
	Authorized \$ thousands	Outstanding \$ thousands	Customers	Authorized \$ thousands	Outstanding \$ thousands	Customers
British Columbia	224,466	152,317	334	735,591	493,199	369
Alberta	196,066	127,324	296	831,369	522,952	364
Saskatchewan	47,809	34,733	70	164,324	114,408	80
Manitoba	88,659	48,929	135	185,398	126,449	101
Ontario	912,997	616,167	1,352	3,405,884	2,257,783	1,605
Quebec	197,137	138,190	284	1,113,910	785,648	496
New Brunswick	65,531	44,321	97	211,248	137,067	105
Nova Scotia	95,878	64,205	147	367,054	254,116	170
P.E.I.	40,164	31,874	57	116,300	92,096	63
Newfoundland	36,243	27,742	55	93,642	60,887	43
Territories ¹	3,370	2,663	5	4,124	4,124	1
Canada	1,908,320	1,288,465	2,832	7,228,844	4,848,729	3,397

Authorization Levels of:	over \$5,000,000		
	Authorized \$ thousands	Outstanding \$ thousands	Customers
British Columbia & Yukon**	3,022,405	1,478,408	139
Alberta & NWT**	10,171,359	4,154,238	280
Saskatchewan	407,129	187,219	21
Manitoba	869,443	457,326	46
Ontario	35,690,969	14,879,316	1,022
Quebec	4,872,337	2,586,997	188
New Brunswick	1,001,768	525,189	31
Nova Scotia	1,579,175	975,834	80
P.E.I. & Newfoundland***	277,370	143,883	19
Canada	57,897,955	25,388,420	1,826

*For reasons of client confidentiality, we have combined the Yukon and the Northwest Territories.

**For reasons of client confidentiality, we have combined the Yukon with British Columbia, and the Northwest Territories with Alberta in this category.

***For reasons of client confidentiality, we have combined P.E.I. and Newfoundland in this category.

Note: Minor differences in Canada totals from the sum of regional totals are due to rounding.

2005 taxes in Canada

Scotiabank pays a number of taxes, including direct taxes on income by Canadian federal and provincial governments and the governments of foreign jurisdictions in which the Bank operates, as well as several indirect taxes. In 2005, this totalled \$1.6 billion (taxable equivalent basis), representing 38 per cent of the Bank's pre-tax income for the year.

Direct and indirect taxes incurred in Canada are shown in the accompanying chart. For additional information on the Bank's tax expenses in 2005, please refer to Scotiabank's 2005 Annual Report, available online at www.scotiabank.com.

The Bank Of Nova Scotia taxes in Canada October 31, 2005

(\$ thousands)	Income taxes	Capital taxes	Other*
Federal	181,447	0	153,403
Provincial			
Newfoundland	2,003	1,298	3,054
Prince Edward Island	531	408	271
Nova Scotia	4,986	2,791	4,511
New Brunswick	2,227	1,201	2,137
Quebec	24,234	7,546	9,996
Ontario	110,700	33,485	101,884
Manitoba	2,633	2,591	2,668
Saskatchewan	2,370	2,489	1,292
Alberta	8,626	0	4,011
British Columbia	10,579	4,309	8,788
Territories	160	0	9
Total Provinces	169,049	56,118	138,621
Total	350,496	56,118	292,024

*Includes payroll taxes, GST and sales taxes, municipal taxes and deposit insurance.

Appendix – Scotiabank corporate donations

On the following pages, we provide a sample of many of the charitable community organizations who received financial support from Scotiabank during 2005, through corporate donations and sponsorships, or as part of our Scotia Employee

Volunteer Program or Team Scotia Community Program.

Donations guidelines for non-profit and charitable organizations are available on www.scotiabank.com.

A	Association Benevoles en Fauteuil Roulants	Bethesda Foundation	Calgary Firefighter Burn Treatment Centre
A Place Called Home	Association de Tennis de Masson-Angers	Big Brothers & Big Sisters – various locations	Calgary Handi-Bus Association
Abilities Foundation of Nova Scotia	Association des Benevoles du Centre D’Acceuil	Black Business and Professional Association	Calgary Health Trust
Aboriginal Financial Officers Association of Canada (AFOA)	Association des Clubs d’Entrepreneurs Etudiants (ACEE) du Quebec	Black Family Association of the West Island	Calgary Homeless Foundation
Aboriginal Human Resource Development Council of Canada	Association for Children with Down Syndrome	Blind River Junior Youth Club	Calgary Horticultural Society
Aboriginal Multi-Media Society of Alberta (AMMSA)	Association for Community Living – various locations	Bloorview MacMillan Children’s Centre	Calgary Women’s Emergency Shelter Association
AboutFace International	Association of African-Canadian Artists	Blue Danube Youth Group	Calgary Zoological Society
Abuse Prevention of Older Adult Network	Association of Universities and Colleges of Canada	Bluenose International Marathon	Cameo Hilldrop Community Hall
Achilles Track Club Canada	Assumption University	Bluewater Community Development Foundation	Camosun College Foundation
Adventist Development & Relief Agency (ADRA) Canada	Athabasca Regional Multiplex	B’Nai B’rith Youth Organization	Camp Bimini
Aga Khan Foundation Canada	Athol Murray College of Notre Dame	Board of Trade – various locations	Camp Ogoopogo – Canadian Cancer Society Youth Camp
Agape Centre	Atlanta Run for Cancer Research	Bosom Buddies of Nova Scotia	Camp Oochigeas
AIESEC Canada Inc.	Atlantic Ballet Theatre of Canada	Boundless Adventures Association	Campaign for Kids
Akwesasne International Pow Wow	Atlantic Burn Camp	Boys & Girls Clubs – various locations	Canada Council For The Arts
Alberta Cancer Foundation	Atlantic Council of Canada	Brain Tumor Foundation of Canada	Canada Post Literacy Awards
Alberta Children’s Hospital Foundation	Atlantic Institute for Market Studies	Brampton Lyric Opera	Canada West Foundation
Alberta Dragon Boat Race Foundation	Atlantic Provinces Economic Council	Brant Community Healthcare System	Canada World Youth
Alberta Shock Trauma Air Rescue Society	Autism Society – various locations	Brantford General Hospital	Canadian Abilities Foundation
Alexandra Marine/Louise Marshall & General Hospital Foundation	Avonmore Fire Dept.	Bread of Life Centre	Canadian Aboriginal Design Council
Alexandria Memorial Hospital	B	Breast Cancer Action Kingston	Canadian Aboriginal Music Awards & Festival
Alfred College/La Fondation du College d’Alfred	Baie Verte Volunteer Fire Department	Breast Cancer Society of Canada	Canadian Association of Independent Living Centres
Algoma University College	Baldwin House	Bridgepoint Health Foundation	Canadian Breast Cancer Foundation – various locations
Allendale Foundation	Bancroft Theatre Guild	Bridgetown Volunteer Fire Department	Canadian Cancer Society – various locations
Alliance of Jamaican Alumni Association	Banff Centre for the Arts	Brighter Futures Family Centre	Canadian Cardiac Rehabilitation Foundation
Allies for Autism Foundation	Barbados Council for the Disabled Children’s Development Centre	British Columbia Special Olympics	Canadian Celiac Association
Alpha-1 Foundation	Barrhead Family & Community Support Services	Brock University	Canadian Centennial Choir
ALS Society – various locations	Batshaw Foundation	Brookfield – BonNews Health Care Organization	Canadian Council for Aboriginal Business (CCAB)
Alternatives – Integrating People with Cognitive Challenges	Bay Area Leadership	Bruce County Heritage Association	Canadian Council of Christians and Jews
Altruvest	Baycrest Centre for Geriatric Care	Buckley Valley District Hospital	Canadian Cricket Association
Alzheimer Society – various locations	Bayfield Historical Society	Burin Peninsula Health Care Foundation	Canadian Cystic Fibrosis Foundation
Anaphylaxis Canada	BC Children’s Hospital Foundation	Burlington Library and Community Centre	Canadian Diabetes Association
Annapolis Community Health Centre	BC Dental Association	Burlington Team Tour Band	Canadian Ditchley Foundation
Army Cadet League of Canada – various locations	BC Law Enforcement Torch Run	Burnaby Fire Fighters	Canadian Executive Service Organization
Art Gallery of Hamilton	BC Lions Society for Children with Disabilities – Easter Seals Regatta	Burnaby Hospice Society	Canadian Foundation for AIDS Research
Art Gallery of Nova Scotia	BC Northern Winter Games	Burnaby Hospital Foundation	Canadian Foundation for Physically Disabled Persons
Art Gallery of Ontario	BC Persons with Aids Walk	Busting with Energy Dragon Boat Team	Canadian Friends of the Hebrew University of Jerusalem
Art Gallery of Windsor	BC Transplant Society		Canadian Gene Cure Foundation
Arthritis Society – various locations	Bear Creek Exotic Wildlife Sanctuary	C	Canadian Hearing Society
Arts Stabilization Manitoba Inc.	Beechville Youth Group	Caledonia & District Multi-Service Centre	
Asian Television Network Inc.	Bent Arrow Traditional Healing Society	Calgary Achievement Centre for Youth	
Asociacion Civil Servidoras del Senior	Bereaved Families of Ontario – various locations	Calgary Educational Partnership Foundation	

Appendix – Scotiabank corporate donations

Canadian Helen Keller Centre for the Deaf-Blind	Chamber of Commerce – various locations	College Compensation and Appointments Council-Premier Awards	Destination Imagination
Canadian Hemophilia Society	Changes Down Syndrome Support	College Heights Community Ice Skating Rink	Developmental Disabilities Foundation
Canadian Institute for Advanced Research	Charles H. Best Diabetes Centre for Children & Youth	College of Family Physicians of Canada Research and Education Foundation	Dieppe Youth House
Canadian Institute of International Affairs	Charles W. Stockey Centre for the Performing Arts	Collingwood General & Marine Hospital	Digby Area Fire Department
Canadian Kidney Foundation	Chatham – Kent Women's Shelter	Colorectal Cancer Association of Canada	Doane House Hospital
Canadian Links Literacy Program	Chatham Outreach for Hunger	Columbia University	Dorothy Ley Hospice
Canadian Liver Foundation	Chatham-Kent Integrated Children's Service	Comite Culturel Saint- Pierre-Jolys Inc.	Dovercourt Recreation Association
Canadian Medical Hall of Fame	Chemo Savvy Inc. Breast Cancer Dragon Boat Team	Comite de Parents	Down Syndrome Association
Canadian Mental Health Association	Chesterville & District Agricultural Society	Commonwealth Games Foundation of Canada	Dr. Charles Le Grow Health Centre Foundation
Canadian Museum for Human Rights	Chesterville Volunteer Fire Department	Communities in Bloom Foundation	Dr. David Stephen Memorial Foundation
Canadian National Institute for the Blind – various locations	Child Development Centre	Community Access Support Services	Dr. R.E.M. Lee Hospital Foundation
Canadian Opera Company	Child Find Ontario	Community Centre 55	Dragons Abreast Dragon Boat Team
Canadian Organization for Development through Education	Child Haven International	Community Food Sharing Association	Dress for Success Halifax
Canadian Paraplegic Association	Child Psychotherapy Foundation of Canada	Community Safety Village of York Region	Ducks Unlimited Canada
Canadian Power & Sail Squadrons	Children's Aid Foundation of Metropolitan Toronto	Comox Valley Child Development Association	Dunnet Regional Park Authority
Canadian Psychiatric Research Foundation	Children's Aid Society – various locations	Comox Valley Community Foundation	Durham Regional Cancer Centre
Canadian Red Cross – various locations	Children's Health Foundation	Conference Board of Canada	
Canadian Relief Fund for Chernobyl Victims in Belarus	Children's Hospital of Eastern Ontario	Cornerstone 52 Foundation	E
Canadian Ski Patrol System	Children's Treatment Centre	Cornwall Community Hospital Foundation	Earth Day Canada
Canadian Special Olympics Foundation	Children's Village of Ottawa – Carleton	Cornwall Community Museum & Aquatic Centre	East Metro Youth Services
Canadian Stage Company	Children's Wish Foundation	Cornwall Youth Centre Inc.	Easter Seal Society – various locations
Canadian Tennis Association	Chilliwack Hospice Society	Corporate Knights Roundtable Inc.	Eastern Ottawa Community Resource Centre
Canadian Unity Council	Chinatown Arts & Cultural Festival	Corporation of Massey Hall and Roy Thomson Hall	Economic Club of Toronto
Canadian Women's Foundation	Chinese Association of Newfoundland and Labrador	Council for Business and the Arts in Canada	Edmonton Women's Shelter
Canadian Youth Business Foundation	Chinese Chamber of Commerce	Council for the Advancement of Native Development Officers	Elora Festival
Cancer Assistance Program	Chinese Christian Wing Kei Centre	Covenant House	Emerson Co-operative Community Complex
Cancer Care Manitoba	Chinese Cultural Centre of Greater Toronto	Cowichan Valley Sportsplex	Epilepsy Toronto
Cancer Research Society	Chipman Community Care Youth Centre	Credit Valley Hospital	Ernestine's Women's Shelter
Canwood Regional Park	Chipman Fire Fighters Association	Creos – Haiti Rediscovered	Erwood Community Centre
Capital Health Authority	Christian Child Care International	Crime Stoppers – various locations	EthicsCentre.ca
Carleton Community Centre	Cinefranco	Crohn's and Colitis Foundation of Canada	Exeter Palliative Care
Carleton Place and District Memorial Hospital Foundation	Citizens for the Advancement of Community Development	Cross Country Canada	
Carleton University	City Kidz	Cure Scleroderma Foundation	F
Carrefour Interculturels de Laval	City of Peterborough, Centennial Celebrations	Cystic Fibrosis Foundation	4-H Clubs – various locations
Casey House Foundation	City of Toronto – Series of Events		Family and Children's Services of Waterloo Region
Celtic Music Hall of Fame	Cliffcrest Community Centre		Famous People Players
Centennial Infant and Child Centre Foundation	Clifton Community Club		Feed Nova Scotia
Centraide Montreal	CLSC Rene-Cassin – Institute of Social Gerontology of Quebec		Fighting Anti-Semitism Together
Centraide Outaouais	Coast Mental Health Foundation		Financial Executives International Research Foundation – Canada
Central Miramichi Community Health Centre	Cobden Agricultural Society		FIRST (First Inspiration and Recognition for Science and Technology) Robotics Competition
Centre de Benevolat de Laval	Cobequid Healthcare Centre		First Portuguese Canadian Cultural Centre
Centre Espoir de Gatineau	Cobequid Multi Service Centre		Fondation au Fil de l'Age
Centre for Addiction and Mental Health Foundation	Colchester Community Workshop Foundation		Fondation Centre Hospitalier Jacques Viger
Centre for Integrated Healing	Colchester Regional Hospital Foundation		Fondation Centre Hospitalier Pierre Boucher
Centre Guindon			Fondation Charles-Bruneau
Centre hospitalier Regional de Trois Rivieres			Fondation de l'Hopital Sainte-Justine
Centre Marguerite de Prescott-Russell			Fondation du Centre Hospitalier des Valles de l'Outaouais
Cerebral Palsy Association of Newfoundland			Fondation du Centres Jeunesse de Montreal

Appendix – Scotiabank corporate donations

Fondation du Grand Montreal
 Fondation Hopital Charles LeMoyné
 Fondation Quebecoise de la Maladie
 du Rein
 Food Banks – various locations
 Fort St. John Hospital
 Forte, The Toronto Men's Chorus
 Foster Parents Plan of Canada
 Foundation Fighting Blindness
 Foundation of Chatham-Kent Health
 Alliance
 Foyer de Jeunes Travailleurs et
 Travailleuses de Montreal Inc.
 Fragile X Research Foundation of
 Canada
 Fraser House Society
 Fraser Institute
 French for the Future
 Friends of the Canadian War Museum
 Frontier College
 Frontiers Foundation
 Fundacion Ayudame a Vivir, Hospital
 Divina Providencia, El Salvador
 Future Possibilities

G

Generation Connection
 George Brown College of Applied Arts
 & Technology
 George R. Gardiner Museum of
 Ceramic Art
 Georgian College of Applied Arts &
 Technology
 Georgian Theatre Festival
 Georgina Arts Centre & Gallery
 Giant Steps
 Gilda's Club Greater Toronto
 Girl Guides of Canada – various
 locations
 Glengarry Highland Games
 Glengarry Pioneer Museum
 Glengarry Sports Hall of Fame
 Glenlee Community Club
 Global Business and Economic
 Roundtable on Addiction and
 Mental Health
 Global Microcredit Summit Campaign
 Glovertown Museum Association Inc.
 Goan Overseas Association
 Goderich Community Centre
 Grace Hospital Foundation
 Grand Falls Regional Civic Centre
 Grande Prairie Women's Residence
 Association
 Grant MacEwan Community College
 Greater Halifax Partnership
 Greater Toronto Marketing Alliance
 Greater Victoria Hospital Foundation
 Grey Bruce Regional Health Centre
 Foundation Inc.
 Groves Memorial Community Hospital
 Guelph Museums

H

Habitat for Humanity
 Haldimand Association for the
 Developmentally Challenged
 Haldimand Community Support Centre
 Haldimand-Norfolk R.E.A.C.H.
 Halton Region Conservation
 Foundation
 Halton-Peel Buddhist Society
 Hamilton Dream Centre
 Hamilton Health Sciences Foundation
 Hamilton Literacy Council
 Hamilton Port Authority
 Hamilton Regional Cancer Centre
 Foundation
 Hampton Food Basket & Clothing
 Centre Inc.
 Handi-Care Intl.
 Hants Community Hospital
 Hantsport Fire Department
 Harmer House
 Harvard Alumni Association
 Hastings Manor
 Hawkesbury & District General
 Hospital
 Health Care Corporation of St. John's
 Health for Guelph
 Health Foundation of East Central
 Saskatchewan Inc.
 Hearing Foundation of Canada
 Heart & Stroke Foundation – various
 locations
 Heart to Heart Society of Drumheller
 Hellenic Home for the Aged Inc.
 Heritage House Avonlea & District
 Museum
 Hestia House
 Hillsborough Volunteer Fire
 Department
 Hinton Community Health Care
 Foundation
 Hispano American Business Leadership
 Agency
 Historica
 Hnatyshyn Foundation
 Hope Air
 Hope Springs Cancer Support Centre
 HopeLink International
 Hope's Garden
 Hospice Northumberland Lakeshore
 Hospice of May Court
 Hospice West Parry Sound
 Hospital for Sick Children Foundation
 Howe Sound Women's Centre
 Humane Society – various locations
 Humber River Regional Hospital
 Foundation
 Huntsville District Memorial Hospital
 Foundation
 Huronia Hospitals Foundation

I

ICD Corporate Governance College
 Ingonish Volunteer Fire Department
 Imperial Order Daughters of the
 Empire
 Inasmuch House
 Independent Order of Foresters
 Inner City Youth Project
 Innoversity
 Innu Healing Foundation
 International Development Enterprises
 International Dyslexia Association
 Interval House
 Italian Chamber of Commerce of
 Toronto
 Izaak Walton Killam Grace Health
 Centre Foundation

J

Janeway Children's Hospital
 JeansMarines
 Jesse's Journey
 Joseph Brant Memorial Hospital
 Joseph Ray Community Centre
 Junior Achievement – various locations
 Juravinski Cancer Centre Foundation
 Juvenile Diabetes Research Foundation
 JVS Toronto

K

Kamloops Child Development Centre
 Kananaskis Rodeo Association
 Kanata Food Cupboard
 Kawartha-Haliburton Children's
 Foundation
 Kay Meek Centre for the Performing
 Arts
 Kelowna General Hospital
 Kelowna Visual and Performing Arts
 Society
 Kemptville District Hospital Foundation
 Kenora District Festival of the Arts
 Kenora Recreation Centre
 Kenyon Agricultural Society
 Kidney Foundation of Canada
 Kids Help Phone – various locations
 Kindale Development Association
 Kindersley Horticultural Society
 Kindness Outreach Committee
 Kings Historical Society/Kings County
 Museum
 Kingston Grand Theatre
 Kinsmen Club – various locations
 Kiwanis Club – various locations
 Knights of Columbus

L

La Fondation de l'Hôpital Mont-Sinai
 Lake of the Woods District Hospital
 Lake Vaughan Volunteer Fire
 Department
 Lakehead University

Lakeland College
 Lakeland Library
 Lakeridge Health Foundation
 Lambton Hospitals Foundation –
 Bluewater Health Foundation
 Landmark East School
 Langley Memorial Hospital
 L'Arche Canada Foundation
 L'Arche Montreal
 Learning Support Council of Canada
 Leave a Legacy
 Leave Out Violence
 Lennox & Addington County General
 Hospital Foundation
 Leonardo Da Vinci Centre
 Les Anciens & Amis de L'Academie
 Ste-Famille Inc.
 Les Grands Ballets Canadiens de
 Montreal
 Lester B. Pearson College of the Pacific
 Leukemia & Lymphoma Society of
 Canada
 Leukemia Research
 Lieutenant Governor's Aboriginal
 Literacy Summer Camp
 Lighthouse Festival Theatre
 Linking Generations Society of Alberta
 Linwood Recreation Centre
 Lions Club – various locations
 Lions Gate Hospital Foundation
 Listowel Memorial Hospital
 Lloydminster Multiplex
 Loch Lomond Villa Inc.
 London Affordable Housing
 Foundation
 London Free Press Charity Golf Classic
 London Health Sciences Centre
 London's Grand Theatre
 Lost Villages Historical Society
 Lunenburg & District Fire Department
 Auxiliary
 Lung Association – various locations

M

MacLaren Art Gallery
 Maison de la Famille Pierre Bienvenu
 Noailles Inc.
 Maison de Soins Palliatifs de Laval Inc.
 Make a Wish Foundation
 Malaspina University College
 Manitoba Cardiac Institute
 Manitoba Sports Hall of Fame
 Manning Innovation Awards
 Marble Mountain Wharf Reservation
 Society
 Marjorie Willoughby Snowden Hospice
 Home
 Markham Festival Fun Run
 Markham Stouffville Hospital
 Foundation
 Markhaven Foundation
 Mary Centre

Appendix – Scotiabank corporate donations

Maxville Manor	National Deaf Children's Society	Ontario Legislature Internship Program	Port Hawkesbury Civic Centre
May Court Club of London	National Education Association of Disabled Students	Ontario March of Dimes	Portuguese Canadian Cultural Society of Edmonton
May Court Club of Oakville	National Ovarian Cancer Association	Ontario Steelpan Association	Portuguese Cultural Centre of Mississauga Inc.
McBride Old Age Pensioners Association	National Service Dogs Training Centre	Ontario Veterinary Medical Association	Prince Albert Parkland Health Region Volunteer Services
McCormick House	National Theatre School of Canada	Opera Atelier	Prince County Hospital
McGill University	National Women in Business Expo	Orangeville & District Senior Citizens Centre	Prince Willem Alexander School for Special Education
McLaren Housing Society	Native Canadian Centre of Toronto	Organization for Islamic Learning	Princess Margaret Hospital Project Work
McMaster University	Native Council of Nova Scotia	Ottawa Community Immigrant Services Organization	Prostate Cancer – Ride for Dad
Meals in Motion	Nature Strip of Sri Lanka	Ottawa Dragon Boat Race Festival	Prostate Cancer Research Foundation of Canada
Meals on Wheels – various locations	Navy League of Canada	Ottawa Hospital Foundation	Providence Healthcare Foundation
Medical Mercy Canada	Neighbour to Neighbour Centre	Ottawa Regional Cancer Centre	Provincial Autism Centre
Medicine Hat College	NeighbourLink Kelowna	Ottawa Senators Foundation	
Meskanaw Centennial Committee	Neuroscience Canada	Out of the Cold	
Meteghan Lioness Club	New Brunswick Potato Museum	Outreach St. George's Kingston	
Michael J. Fox Theatre/Burnaby South Society	New Glasgow Dragon Boat Festival	Ovarian Cancer Canada	
Milton District Hospital Foundation	New Haven Learning Centre	Oxford Pioneer Heritage Club and Springhill Senior Citizens Club	
Minor Sports Organizations – various locations	New Horizons Village Crafts Society		
Minto Community Resource Centre	Newfoundland & Labrador Down Syndrome Society		
Miramichi Natural History Museum	Niagara Grape & Wine Festival		
Miramichi Regional Hospital Foundation	Niagara Peninsula Children's Centre	P	Q
Mississauga Choral Society	Niagara Regional Athletics	Parents for Children's Mental Health	Queen Elizabeth Hospital Foundation, Charlottetown
Mitchell & Area Outreach	Nipissing Association for Disabled Youth (NADY)	Parkinson Society of Canada	Queen Elizabeth II Health Sciences Centre Foundation
Mohawk College	Norfolk County Fair & Horseshow	Parkside Community Club	Queen's University
Mon Sheong Foundation	Norfolk General Hospital Foundation	Parkview Home Building Fund for the Aged	Queensway-Carleton Hospital
Moncton Headstart Inc.	Norfolk Pros Foundation	Parkwood Hospital Foundation	Quinte Community Learning Bridging the Gap
Moncton Hospital	Norfolk Sunrise Rotary	Participation House	Quinte Healthcare Corporation
Moncton Youth Residence	North Bay General Hospital Foundation	Participation Lodge Grey Bruce	Quinte Literacy Group
Monkland & District Recreation Association	North Glengarry Fire Department	Partners in Hope Recovery Society	Quota International
Monsignor Feeney Foundation	North Grenville Arts & Culture Council	Partners in the Park	
Montfort Hospital Foundation	North Grenville Community Complex	PEDVAC Foundation	R
Montreal Association for the Blind	North Island College Foundation	Peel Children's Centre	Radio-Television News Directors Association (RTNDA) of Canada
Montreal Children's Hospital Foundation	North Okanagan Neurological Association Child Development Centre	PEI Literacy Alliance	Raging Dragons – Breast Buddies
Montreal International	North Shore Recreation Centre	PEI Potato Blossom Festival	Raising The Roof
Montreal Museum of Fine Arts	Northern Alberta Institute of Technology	Pemberton & District Public Library Association	Rapid Fire Theatre
Montreal Museum of Fine Arts	Northern Cancer Research Foundation	Pemberton Wildlife Association	Rayside Balfour Special Olympics
Mood Disorders Association of Ontario	Northern Carleton Hospital	Pembroke General Hospital Inc.	RCMP – various locations
Mooredale House	Northern Centre Cancer Research Foundation	PEN Canada	Red River Community College
Moorelands Community Services – Camp	Northern Lights Dance Theatre Foundation	Perinatal Bereavement Services Ontario	Redeemer University College
Moose Creek Community Pool	Northumberland Health Care Centre Foundation	Peter Loughheed Hospital	Reena Foundation
Morewood Recreation Association	Northumberland Hills Hospital Auxiliary	Peter Loughheed Medical Research Foundation	Regent Park Community Health Centre – Pathways to Education Program
Mount Allison University	Nova Knowledge	Peterborough Regional Health Centre Foundation	Regent Park School of Music
Mount Forest Horticultural Society	Nova Scotia Arts Awards	Petitcodiac War Museum	Regina Transition House
Mount Royal College Foundation		Pia Bouman School for Ballet & Creative Movement	Reh'ma Foundation
Mount Sinai Hospital Foundation		Pictou County Committee for Educational Opportunities Foundation	Renascent Foundation Inc.
Multiple Sclerosis Society – various locations		Pictou Seniors Community Transportation Program	Riceville Agricultural Society
Muskoka Children's Foundation	O	Pier 21 Society	Richard Boustead Foundation
Muskoka Interval House	Oakville Distress Centre	Pine Grove Community Recreation Association	Richmond Public Library
Musquash Recreation Centre Inc.	Oakville-Trafalgar Memorial Hospital	Pincrest Nursing Home	Rick Hansen Foundation
	Ojibway & Cree Cultural Centre	Police Associations – various locations	Ripley Agricultural Society
	Old Brewery Mission	Port Alberni Highland Dancers	Riverside South Community Association
	Old Ottawa South Community Association	Port Dover Fire Department	Robarts Research Institute
	Olds & District Lighthouse Association		Romero House
	Ontario College of Art & Design		Ronald McDonald Children's Charities of Canada
	Ontario Heritage Foundation		Rosedale Community Council
			Rosetown Museum Historical Society
			Ross Memorial Hospital Foundation

Appendix – Scotiabank corporate donations

V

Vancouver Art Gallery
 Vancouver General Hospital & Health Sciences Centre Foundation
 Vancouver Island International Festival for Children
 Vankleek Hill & District Historical Society
 Vankleek Hill Fiddle and Dance Association
 Vankleek Hill Nature Society
 Vankleek Hill Pathfinders Association
 Vankleek Hill Volunteer Fire Fighters Variety – The Children's Charity
 Variety Village
 Ve'ahavta – Canadian Jewish Humanitarian & Relief Committee
 Venezuela Waits For Us
 Victim Services of Haldimand-Norfolk
 Victorian Order of Nurses – various locations
 Villa Charities Inc.
 Villa Colombo Ladies Auxilliary
 Village of Glaslyn
 Visual Arts Centre of Clarington
 Volunteer Cambridge
 Volunteer Centre of Southeastern New Brunswick
 Volunteer Centre of Toronto
 Volunteer Centre of Winnipeg/Leadership Winnipeg
 Volunteer Thunder Bay

W

Walden Volunteer Fire Department
 Warriors of Hope – Breast Cancer Dragon Boat Team
 WaterCan
 Waterford Arena
 Waterloo Region Hospitals Foundation
 Waterloo Region Track 3 Ski School
 Waterloo Regional Children's Museum
 We Care for Kids
 Wellspring Cancer Support Foundation
 West Island Women's Shelter
 West Park Healthcare Centre Foundation
 West Parry Sound Health Centre Foundation
 West Prince Family Violence Prevention Committee
 Western Development Museum
 Western Memorial Regional Hospital Foundation
 Western Ottawa Community Resource Centre
 WestFest Trust
 Westman Special Olympics
 Whistler Adaptive Sport Program
 Whitby Central Library
 White Pine Charitable Foundation
 William Osler Health Centre
 Willow Breast Cancer Support & Resource Services
 Win House – Women's & Children's Shelter

Winchester District Memorial Hospital
 Windsor Community Centre
 Windsor Public Library Foundation
 Windsor Regional Hospital Foundation
 Windsor-Essex County Hospitals Foundation
 Winnipeg Library Foundation
 Women & Childrens Shelter (Barrie)
 Women Entrepreneurs of Cornwall and Area
 Women in Leadership Foundation
 Women of Distinction
 Women's College Hospital Foundation (Association of Volunteers)
 Womens Community House
 Women's Community House of East London
 Women's Community House Wellington Shelter
 Women's Crisis Emergency Shelter
 Women's Place of South Niagara
 Women's Shelter Goderich
 Women's Y Foundation (YMCA)
 Woodhaven Community Club
 Woodstock General Hospital
 Woodstock Sanctuary House
 World Conference on Breast Cancer
 World Wildlife Fund – Canada

X

XI FINA World Championships
 Montreal 2005

Y

Yarmouth County Ground Search and Rescue
 Yarmouth Hospital Charitable Foundation – Western Regional Health Centre
 Yarmouth Music Society
 Yee Hong Community Wellness Foundation
 Yellowknife Volunteer Fire Fighter Association
 YMCA/YWCA – various locations
 Yonge Street Mission
 York Symphony Orchestra Inc.
 York University
 Young Singers, Ontario
 Youth Automotive Training Center
 Youth Employment Service

Z

Zareinu Educational Centre of Metropolitan Toronto

Corporate Headquarters

Scotiabank
Scotia Plaza
44 King Street West
Toronto, Ontario
Canada M5H 1H1
Tel: (416) 866-6161
Fax: (416) 866-3750
E-mail: email@scotiabank.com

Shareholder Services

TRANSFER AGENT AND REGISTRAR
MAIN AGENT
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Fax: 1-888-453-0330
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Computershare Trust Company, Inc.
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FINANCE DEPARTMENT
Scotiabank
44 King Street West
Toronto, Ontario
Canada M5H 1H1
Tel: (416) 866-4790
Fax: (416) 866-4048
E-mail: corporate.secretary@scotiabank.com

FINANCIAL ANALYSTS, PORTFOLIO MANAGERS AND
OTHER INSTITUTIONAL INVESTORS
Tel: (416) 866-5982
Fax: (416) 866-7867
E-mail: investor.relations@scotiabank.com

For further information

PUBLIC, CORPORATE AND GOVERNMENT AFFAIRS
Scotiabank
44 King Street West
Toronto, Ontario
Canada M5H 1H1
Tel: (416) 866-3925
Fax: (416) 866-4988
E-mail: corpaff@scotiabank.com

CUSTOMER SERVICE CENTRE
1-800-4-SCOTIA

OFFICE OF THE PRESIDENT
44 King Street West
Toronto, Ontario, Canada M5H 1H1
English Tel: 1-877-700-0043
(416) 933-1700 in Toronto
French Tel: 1-877-700-0044
(416) 933-1780 in Toronto
Fax: 1-877-700-0045
(416) 933-1777 in Toronto
E-mail: mail.president@scotiabank.com

OFFICE OF THE OMBUDSMAN
44 King Street West
Toronto, Ontario, Canada M5H 1H1
Tel: (416) 933-3299; 1-800-785-8772
Fax: (416) 933-3276; 1-866-787-7061
E-mail: ombudsman@scotiabank.com

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Quantity of paper used: 39,593 lb. = 19.80 tons

Savings:

Trees: 337 trees – Mature trees that would have been cut
Waste: 21,404 lbs. – Solid waste not generated
Water: 136.6 lbs./201,881 gallons –
Waterborne waste not created – Water/wastewater flow save
Air: 41,540 lbs. – Atmospheric emissions eliminated
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air emissions were lowered by 5,425 lbs. (CO₂, SO₂, NO_x)

