



A responsibility that means the world to us

2006 CORPORATE SOCIAL RESPONSIBILITY REPORT >

PUBLIC ACCOUNTABILITY STATEMENT



## About this report

Our Corporate Social Responsibility (CSR) Report covers the Bank's economic, social and environmental impacts and performance in 2006. For the first time, the report includes overview sections explaining the Bank's business lines and financial performance, as well as key performance indicators, major achievements over the past year and future goals. The report is organized by stakeholder group – customers, employees and the community – and also covers corporate governance and environmental impacts.

2006 is a transition year. We will be moving much of the information traditionally incorporated into our CSR Report onto our website in 2007. In the meantime, we have created a longer, interactive version of the 2006 report, available on our website. Although the report is designed to satisfy Canadian Public Accountability Statement regulatory requirements\*, we have included more information on corresponding global activities wherever possible. [A Global Reporting Initiative \(GRI\)](#) reference table is incorporated into the interactive version.

\*Scotiabank's 2006 Public Accountability Statement (PAS) / Corporate Social Responsibility Report is published in accordance with section 3 of Public Accountability Statements (Banks, Insurance Companies, Trust and Loan Companies) Regulations for the fiscal year November 1, 2005 to October 31, 2006.

### 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](mailto:corpaff@scotiabank.com).

### ON THE COVER

Coming together across borders to help those in need, Scotiabank employees from Toronto joined their colleagues in El Salvador to construct homes for victims of recent natural disasters. The international team came together to support the "A Roof For My Country" program, sponsored by Scotiabank El Salvador.



# Scotiabank at a glance

Scotiabank and its affiliates provide essential financial services, create jobs and opportunities, and support activities that contribute to sustainable development in every community they serve. With close to 57,000 employees and 2,200 branches and offices worldwide, Scotiabank Group and its affiliates serve approximately 12 million customers in some 50 countries.

## North America

- Canada
- Mexico
- United States

## Caribbean

- Anguilla
- Aruba
- Antigua and Barbuda
- Bahamas
- Barbados
- British Virgin Islands
- Cayman Islands
- Dominica
- Dominican Republic
- Grenada
- Haiti
- Jamaica
- Netherlands Antilles
- Puerto Rico
- St. Kitts and Nevis
- St. Lucia
- St. Vincent & the Grenadines
- Trinidad and Tobago
- Turks and Caicos
- U.S. Virgin Islands

## Europe & Middle East

- United Arab Emirates
- Egypt
- Ireland
- United Kingdom

## Asia/Pacific

- China
- Hong Kong SAR, PRC
- India
- Japan
- Korea (Republic of)
- Malaysia
- Singapore
- Taiwan
- Thailand
- Vietnam

## Central & South America

- Belize
- Brazil
- Chile
- Costa Rica
- El Salvador
- Guyana
- Panama
- Peru
- Venezuela

Scotiabank is pursuing today's global opportunities as the most international of Canada's major banks.

## BUSINESS LINE OVERVIEW

<b>Domestic Banking</b>	Domestic Banking provides a comprehensive range of banking and investment services to almost 7 million retail, wealth management, small business and commercial customers across Canada. Our multi-channel domestic delivery network includes more than 970 branches, close to 2,750 automated banking machines, Internet, telephone and wireless banking, three call centres, 100 wealth management branches, four dealer finance centres, and six commercial business support centres.
<b>International Banking</b>	Our international Banking division encompasses Scotiabank's retail and commercial banking operations in more than 40 countries outside Canada – an international presence unmatched by our domestic competitors. The more than 27,100 employees of this business line, its subsidiaries and affiliates provide a full range of financial services to approximately 5 million customers in the following geographic regions: the Caribbean and Central America, Mexico, Latin America and Asia.
<b>Scotia Capital</b>	Scotia Capital offers lending investment banking and capital markets products to corporate, government and institutional clients. It provides full-service coverage across the NAFTA region, as well as a niche focus in select markets globally, through two highly cohesive divisions – Global Capital Markets, and Global Corporate and Investment Banking.

## KEY FINANCIAL DATA

For the years ended October 31	2006	2005
Net income available to common shareholders (\$ millions)	3,549	3,184
Return on equity (%)	22.1	20.9
Productivity ratio (%) (TEB <sup>(1)</sup> )	55.3	56.3
Assets under management (\$ billions)	27.8	26.6
Total assets (\$ billions)	379.0	314.0
Tier 1 capital ratio (%)	10.2	11.1
<b>Common share information</b>		
Earnings per share (diluted) (\$)	3.55	3.15
Dividends per share (\$)	1.50	1.32
Total annual shareholder return <sup>(2)</sup> (%)	18.4	12.1
10-year compound annual return <sup>(2)</sup> (%)	20.0	23.1
<b>Share price (\$)</b>		
High	49.80	44.22
Low	41.55	36.41
Close	49.30	42.99
P/E multiple (trailing four quarters)	13.7	13.5
Book value per common share (\$)	17.13	15.64
<b>Expenses</b>		
Salaries & employee benefits (\$ millions)	3,768	3,488
Taxes (\$ billions)	1.7	1.6

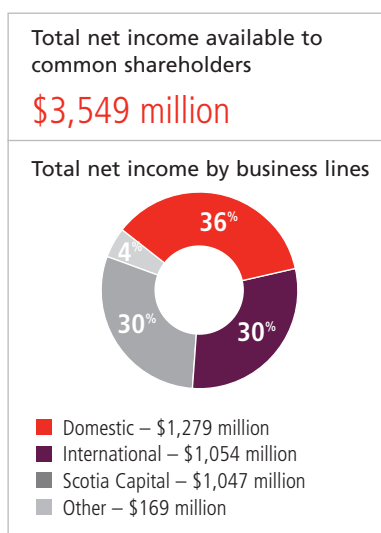
(1) Taxable equivalent basis. Refer to the non-GAAP measures on page 28 of the 2006 Annual Report.

(2) Assumes share price appreciation plus quarterly dividends reinvested.

## 2006 PERFORMANCE VS. KEY FINANCIAL OBJECTIVES

As at and for the year ended October 31, 2006

<b>Return on equity</b> Objective 18-22% <hr/> Performance <b>22.1%</b>	<b>Earnings per share growth</b> Objective 5-10% <hr/> Performance <b>13%</b>
<b>Productivity ratio</b> Objective Below 58% <hr/> Performance <b>55.3%</b>	<b>Tier 1 capital</b> Objective Maintain strong capital ratios <hr/> Performance <b>10.2%</b>



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**More financial information:**  
[2006 Annual Report](#)

# It's not just a responsibility – it's an opportunity

## MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

As we celebrate our 175th year in business, Scotiabank is proud of its long history of success – success that can be measured, not only in terms of creating value for shareholders, but also in providing excellent service to customers, rewarding careers with good salaries and benefits for employees, and support for our communities. “Corporate social responsibility” is not a term our founders would have understood in 1832 – but they most certainly understood the importance of integrity, service and responsible business practices.

Today, Scotiabank defines corporate social responsibility (CSR) as the way we interact with all of our stakeholders – our shareholders, customers, employees and communities – to meet our social, economic, environmental and ethical responsibilities. CSR is a fundamental part of the way we do business, and an essential element of our success.

Our commitment to CSR, consistently demonstrated through our choices and our actions, will open doors and create opportunities. As Canada's most international bank, we recognize the profound implications of living in an increasingly interconnected world. We understand that, to succeed, we must act in a manner that is environmentally, economically and socially responsible. Doing so will ensure that we are viewed as a welcome partner in the markets in which we operate, and those we seek to enter. So we mean it when we say, “It's a responsibility that means the world to us.”

CSR also enables Scotiabank to recruit and retain talented employees in a highly competitive labour market. Canada's workforce is aging, and today's young people want to work in an environment that reflects their values. CSR, which encompasses an organization's approach to sustainability, employee engagement and work/life balance, can become a point of differentiation when recruiting and retaining talent. Similarly, customers and shareholders increasingly prefer to do business and invest in companies that have strong records on CSR issues.

The following are a few of the notable achievements from 2006:

- Scotiabank was recently named a winner of the prestigious 2007 Catalyst Award for its Advancement of Women initiative. The award recognizes innovative and effective approaches – with proven results – in addressing the recruitment, development and advancement of women;



**Rick Waugh,**  
President and Chief  
Executive Officer

A commitment to corporate social responsibility opens doors and creates opportunities.

- We acquired banks in Peru and Costa Rica and integrated them with our existing operations in those countries with no significant loss of employment;
- We maintained our commitment to international best practices in project financing by signing the revised Equator Principles and providing employees with training on how to incorporate the principles into their work;
- Scotiabank provided more than \$42 million in donations and sponsorships worldwide in 2006, and our employees spent more than 300,000 hours volunteering and fundraising through the Bank's formal employee community programs; and
- We made progress in establishing environmental indicators for the Bank. For the first time, this year's CSR report contains information on paper consumption, and we completed a measurement pilot project that will allow us to report on energy consumption for 2007 in next year's report.

This report shows Scotiabank's active commitment to the principles of corporate social responsibility. It provides detailed information about the Bank's performance in relation to a number of metrics, including Canadian public accountability statement requirements and relevant Global Reporting Initiative (GRI) indicators. It outlines where and how we are meeting our goals – and where there is still work to do.

We welcome future dialogue with our stakeholders and any comments you may have on this report.

A handwritten signature in black ink that reads "Rick Waugh". The signature is written in a cursive, slightly slanted style.

**Rick Waugh**  
President and Chief Executive Officer



## 2006 CSR highlights

We made progress on a number of specific CSR-related initiatives during 2006. Here are some examples:

- > **Employees involved in project finance and reputational risk matters** received training on the Equator Principles, internationally recognized, voluntary project finance guidelines that set social and environmental standards for the financial sector.
- > Scotiabank **contributed more than \$42 million in donations** and sponsorships to community causes worldwide.
- > The Bank sponsored the Global Microcredit Summit in Halifax, Nova Scotia, and we investigated opportunities to **expand our current microcredit operations** in new locations.
- > We completed an **energy measurement pilot program** in Ontario, to be rolled out across Canada in 2007.
- > We achieved our goal of **establishing a paper consumption** indicator across our domestic operations.
- > **Employee satisfaction**, as measured by ViewPoint, the Bank's annual internal survey, rose to 87%, an increase of 7% over three years.
- > Scotiabank Mexico received the **Gender Equity Certification** from the National Institute of Women and the World Bank, and some 1,084 Scotiabank Mexico managers completed gender equity training.
- > We updated our privacy policies and client privacy agreement, and received a **"2006 Top Privacy Policies in Canada"** award from Nymity Inc.

## OUR GOAL

Scotiabank's goal is to be the best Canadian-based international financial services company. Progress toward that goal gives us the means to create, improve and expand the products and services we offer to our customers, and to contribute to the economy more broadly by paying taxes and creating jobs, within our own company and indirectly among our suppliers and customers.

For Scotiabank – which celebrates its 175th anniversary in 2007 – our financial, environmental, social and governance objectives are closely linked. We measure our performance not only in terms of creating shareholder value, but also by our success in building customer satisfaction and employee engagement, and supporting the communities we serve. This way of thinking is evident in the Bank's balanced scorecard approach to management, which integrates CSR elements into our strategic planning and performance evaluation processes.

## KEY STAKEHOLDER PRIORITIES

We are committed to listening to our stakeholders. To this end, we have sought employee, customer and shareholder views on CSR through internal and third-party surveys, and through direct stakeholder discussions.

For example, we recently surveyed our employees on CSR issues through Canadian Business for Social Responsibility for the second year in a row. The key findings show that employees have an increasingly sophisticated understanding of CSR and rate the importance of Scotiabank being a socially responsible company very highly. In 2006, 56% of employees strongly agreed that Scotiabank is a socially responsible company, up 12% over the previous year. Our goal is to continue to increase this figure.

We commissioned a survey in 2006\* to learn more about Canadians' attitudes toward CSR, generally, and also with respect to the banking sector and Scotiabank in particular. This research showed that many of the practices that Canadians consider most important to a financial institution's social responsibility relate to cultivating trust and successful relationships with customers and employees. Those practices considered most important include:

- protecting the privacy of personal and financial information;
- treating customers fairly and with respect;
- acting with integrity; and
- respecting employees.

We also learned that a growing number of Canadians are considering CSR when making investment decisions (see charts below) and in choosing where to work, which supports our own efforts to be a leader in CSR.

% of Canadians who consider CSR when making investment decisions		% of Canadians who would consider changing jobs if their employers demonstrated poor CSR practices	
Always	9	Yes	61
Often	19	No	28
Sometimes	29	Prefer not to say	11

In addition, we maintain regular contact with a number of key stakeholders – such as governments and non-government organizations (NGOs), consumer advocacy groups, customer focus groups and academics – to get their views on key CSR issues for the financial sector, such as access to banking and environmental issues related to our lending activities.

\* CSR syndicated study by Decima Research

## CSR MANAGEMENT AND RESOURCES

A full-time dedicated CSR team within the Public, Corporate & Government Affairs Department, including a vice-president, is responsible for increasing the Bank's focus on CSR issues and advancing the development of related activities and practices.

The team is assisted by a CSR Advisory Committee, a cross-functional team of senior executives from each of our business lines and several key support areas. The committee meets quarterly to confirm the Bank's CSR priorities and guide plans to implement and communicate them across the organization. During 2006, for example, the committee reviewed issues related to strategic planning, sustainable forestry, CSR metrics and CSR reporting.

Scotiabank is a member of the Canadian Business for Social Responsibility (CBSR). 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.

## CSR priorities for 2007 and 2008

Over the next two years, our strategic plan for CSR includes:

- > Measuring and reporting on energy consumption across Canada.
- > Establishing a new microfinance partnership in El Salvador.
- > Launching our Bright Futures program, an International Banking initiative that will focus our philanthropic efforts on improving the well-being of children.
- > Further strengthening our due diligence policies to promote sustainable forestry practices in our lending activities to this sector.
- > Developing a strategy to conserve paper use at the Bank and ensure the sustainability characteristics of our supply.
- > Further integrating material environmental, social and governance (ESG) awareness into our asset management activities.
- > Enhancing CSR content on the Scotiabank website.
- > Making continuous improvements in our CSR reporting practices, including commitments to:
  - Increasingly include information for international locations.
  - Further develop metrics and targets.
  - Increase stakeholder engagement in the reporting process.

### TABLE OF KEY PERFORMANCE INDICATORS\*

Indicator	2006 performance
Customer Loyalty Index (Canada)	50%
Total donations & sponsorships	\$42 million
Number of employee volunteer hours	300,000 hours
Locations serving Aboriginal customers	26
Business with Aboriginal communities	Active in 69 First Nations communities
Aboriginal customer loans	\$17.6 million
Debt financing to businesses in Canada	over \$85 billion
Taxes (global)	1.7 billion
Non-executive employee base salaries	\$1.27 billion
Investment in employee learning and development	\$78 million
Employee satisfaction	87%
Women in senior management	31%
Visible minorities in senior management (Canada)	11.6%
Aboriginal employees (Canada)	1.2%
Employees with disabilities (Canada)	4.1%
Paper consumption in Canada	5,369 tonnes
Energy consumption**	39,970.25 gigajoules
Business travel (air travel)	59,887,000 km
Scotia OnLine transactions	241 million

\* For a list of Global Reporting Initiative (GRI) social indicators, click [here](#).

\*\* Pilot covering seven months with an incremental increase in branches over time up to a maximum of 250 branches

# Corporate Governance and Ethics

A responsibility to act with integrity

Integrity is the foundation and the hallmark of Scotiabank's business. It is one of our five core values – integrity, respect, commitment, insight and spirit – that today define who we are and who we strive to be as a bank.

Scotiabank was founded 175 years ago as a public bank to serve the broad interests of Halifax's merchants, in contrast to the private banks, prevalent at that time, which served the well-connected few. Since then, the Bank has evolved into a global financial organization, with almost 57,000 employees serving 12 million customers in some 50 countries.

Our goal is to be the best Canadian-based international financial services company. To reach that goal, we carefully balance the needs of all of our stakeholders, including our shareholders, customers, employees and communities. A key element of this approach is the "balanced scorecard," which has been gradually rolled out across the organization over the past several years. Employees use the scorecard to establish goals and strategies, and then to measure performance across four key areas: financial, people, customers and operational.

The scorecard approach ensures that the initiatives and activities we undertake align directly with our business goals, and enables each employee to see clearly how the work they do contributes to the Bank's overall results. It also means that leaders and employees are appraised and rewarded based on the results they achieve across a broad spectrum of measurements.

## Corporate governance

For Scotiabank, acting with integrity means a strong corporate governance structure and culture based on the principles of accountability and openness. As the Bank has grown and

## Board Best Practices

- 14 of 16 of the Bank's current directors are independent.
- Scotiabank's Board is led by a non-executive chairman.
- The Bank developed a formal Corporate Governance Policy in 2002, which has been enhanced and re-approved each year since. It is reviewed at least annually.
- Shareholders vote for individual directors. Directors receiving more votes withheld than for in an uncontested election are required to tender their resignation.
- All four of the Board's committees meet independence guidelines in terms of composition.
- The Board conducts an annual review of its performance and that of its committees.
- At each meeting of the Board and Board committees, time is specifically reserved for independent discussion without management present.
- An orientation 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. All directors participate in the Board's ongoing education sessions throughout the year.
- All directors, officers and employees of Scotiabank must acknowledge their adherence annually to the [Scotiabank Guidelines for Business Conduct\\*](#). The Bank has also adopted a [Financial Reporting Whistleblower Policy\\*](#).
- 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](http://www.scotiabank.com)

expanded, we have worked to ensure that our practices meet Canadian as well as international standards and requirements.

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

Our policies related to corporate governance are designed to maintain the independence of our Board of Directors 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. The Board is led by a non-executive chairman. In recent years, the representation of women on the Board has increased, and now stands at 25 per cent.

Responsibility for the Bank's corporate governance structure and procedures rests with the Board of Directors and its Corporate Governance and Pension Committee, which is composed entirely of outside directors. The Bank's corporate governance policies were developed in 2002, and have been reviewed, enhanced and re-approved each year since then to further strengthen the Bank's governance structure.



Strong internal compliance procedures are 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.

### Guidelines for Business Conduct and supporting policies

An important component of our commitment to integrity and ethical business practices are the Scotiabank Guidelines for Business Conduct, which set out the minimum standards of business conduct required of all Scotiabank Group employees. The guidelines, together with various supplemental guidelines and other policies and procedures, are based on the following:

- 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.

The guidelines include a Financial Reporting Whistleblower Policy. This policy empowers every Scotiabank Group employee to raise concerns related to the integrity of the Bank's financial reporting, either through the existing Chain of Communication process, or directly with the Bank's Chief Auditor.

Earlier this year, to assist with this process and to remain consistent with industry best practices, Scotiabank launched a toll-free hotline and website where employees can report accounting and auditing concerns or suspected fraudulent activity, anonymously and confidentially, 24/7.

➤ Copies of the [Guidelines for Business Conduct and supplemental guidelines](#) are available at [www.scotiabank.com](http://www.scotiabank.com).

### Risk management at Scotiabank

Risk is present in varying degrees in virtually all of Scotiabank's business activities – so effective risk management is fundamental to the Bank's success. Its primary goals are to ensure that the outcomes of our risk-taking activities are predictable and consistent with the Bank's objectives and risk tolerance, and that there is an appropriate balance between risk and reward in order to maximize shareholder returns.

The Bank has a comprehensive risk management framework in place – including policies and limits, guidelines, processes and standards, and measurement and reporting – to monitor, evaluate and manage the principal risks assumed in conducting its activities. These risks include credit, market, liquidity, operational, reputational and environmental risk.

The effectiveness of the framework – which is also applied

## 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.



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.



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.



to significant subsidiaries of the Bank – is enhanced by strong governance, which includes the active participation of the Board of Directors, senior executives and business line management. Internal Audit independently monitors the effectiveness of our risk management policies, procedures and internal controls.

### Public policy priorities

Scotiabank works with governments in Canada and abroad to achieve common public policy goals and to promote the benefits of opening borders and removing barriers to international trade and investment. In particular, we agree with the Canadian government that regulation must be “smart” to ensure that Canadian companies can grow and be competitive on a global scale. Key initiatives underway in 2007 include efforts to reduce the regulatory burden and to implement changes to the Bank Act. We are working with public authorities to ensure that Canada has a strong and transparent consumer protection regime. We believe in common international standards and are currently in the process of implementing the Basel II capital accord.

➤ Further information about the Bank's [corporate governance and risk management policies and procedures](#) can be found at [www.scotiabank.com](http://www.scotiabank.com).

# Our Customers



Connecting with customers. Addressing the unique needs of our customers is our core purpose. In 2006, Scotiabank integrated 10 branches of the National Bank of Greece. Now under the Scotiabank banner, Freda Michaelidis, Stathie Saroglou, Fotini Kambasis and Janet Hew (from left) provide tailored services to their customers in Toronto's Greek community at the Pape and Danforth branch.

## A responsibility to meet their needs

Scotiabank's core purpose is to help customers become financially better off by providing relevant solutions to their unique needs. This can only be achieved by building trust and loyalty through our actions, our product offerings and by responding effectively to customer concerns.

This section of the report addresses issues that customers, as well as our own research, have identified as being key priorities. A few examples include fraud protection, customer privacy, customer complaint processes, improving accessibility to customers with disabilities, and access to financial services for small business operators.

### Scotiabank's global branch/office/ABM network

	2006	2005	2004
Customers worldwide	Approx. 12 million	Approx. 10 million	Approx. 10 million
Branches/offices*	2,191	1,959	1,871
ABMs*	4,937	4,449	4,219

\* For complete listing of branch and ABM openings and closings in Canada, [click here](#).

### Supporting UN Guidelines for Consumer Protection

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

### Protecting customers against fraud

Statistics indicate that 71 per cent of Canadians worry that their identity may be stolen and used for fraudulent means. Given this concern, Scotiabank is focused on maintaining our leadership in protecting customers and their financial

information, whether they bank through our branches or via electronic channels, including automated banking machines (ABMs), Scotia OnLine banking and brokerage services, and point-of-sale debit.

### Scotiabank ABCs of Fraud seminars in 2006

Number of presentations	425
Number of presentation attendees	11,500
Number of participants since 1996	127,144

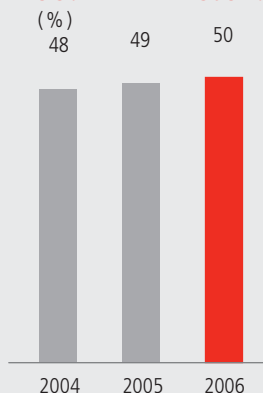
We are also committed to a number of voluntary codes of conduct and public commitments designed to protect and serve customer interests, such as the Canadian Code of Practice for Consumer Debit Card Services, CBA Code of Conduct for Authorized Insurance Activities, and Model Code of Conduct for Bank Relations with Small and Medium-sized Businesses. The Bank's *Resolving Your Complaint* brochure is on display in all branches and includes a list of the voluntary codes and public commitments. For the full text of the codes and commitments, refer to [www.scotiabank.com](http://www.scotiabank.com), Customer Care page.

We also promote and communicate safe banking tips to our customers to help them protect themselves against fraud. We publish these tips on [www.scotiabank.com](http://www.scotiabank.com) and in our brochure *Keep your money safe, Protect your PIN*, available in branches.

## KEY ACHIEVEMENTS IN 2006

- Recognized by *Latin Finance* magazine as Bank of the Year in Mexico, the Caribbean, Jamaica and ranked among the Top 20 Latin American banks.
- Reduced customer complaints received by the Office of the President by 7%.
- Improved small business customer loyalty score by 2%.
- Received 2006 Top Privacy Policies in Canada award by Nymity Inc.

## 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 50 means that half of our Canadian customers express a high degree of loyalty to Scotiabank.

At Scotiabank, we believe that the best way to prevent fraud at ABMs is to encourage customers to shield their PIN. We have increased customer awareness of PIN security through the "Protect your PIN" campaign. We also continue to install PIN shields on all our ABMs to help deter ABM skimming activities. A "Protect Your PIN" decal is affixed to the inside of each PIN shield to serve as another reminder to customers.

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. 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.

### Anti-money laundering and anti-terrorist financing efforts

Scotiabank is committed to adhering to the highest level of safeguards against anti-money laundering and anti-terrorist financing in order to maintain a secure financial system that ultimately benefits the Bank, our customers and all Canadians.

We operate 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 2006, Scotiabank implemented a new system to assist in detecting and reporting suspicious activity to the Financial Transactions and Reports Analysis Centre of Canada. We also introduced a new system to monitor for names subject to Canadian laws, including the United Nations, Al Qaeda and Taliban Regulations, the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism, and the Regulations Establishing a List of Entities pursuant to the

## The Scotiabank Customer Loyalty Index

The Scotiabank Customer Loyalty Index is calculated by averaging the results of our specific behavioural-based measures. The higher the level of commitment, the more likely our customers are to recommend our services to others and entrust us with more of their business. Score cards on all of our results are distributed to senior management and branches so they can take action specific to their own customers. Similar research is also conducted among commercial and small business customers, as well as clients of Scotia Private Client Group, ScotiaMcLeod and ScotiaMcLeod Direct Investing to provide regular feedback.

Criminal Code of Canada. Together, these initiatives help us in our ongoing efforts to prevent the Bank's products and services from being used for illegal activities.

### 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.

Scotiabank has updated easy-to-use privacy protection tools for customers, including the Privacy Code brochure and Privacy Agreement, which are available in the branch or on the [privacy pages of www.scotiabank.com](http://www.scotiabank.com).

### Financial literacy

Consumers are increasingly assuming greater individual responsibility for their financial well-being. Banks have an important role to play in supporting customer access to financial education, including the skills and information required to make wise decisions for their future success.

Throughout the year, Scotiabankers help educate consumers on important money management and investing topics. Leveraging the latest technologies, our employees offer free seminars, special events and educational programs that contribute to improved financial literacy among the public. For example:

- Scotiabank's Local Area Marketing group develops financial presentations that individual branches can deliver to consumer groups, seniors and students in their communities. In 2006, the group helped respond to more than 130 branch requests for seminars on topics such as basic financial planning, home buying, educational savings, and various issues relevant to small business owners.
- Scotiabank employees volunteered their time to participate in the Canadian Bankers Association's (CBA) financial education programs, including seminars that provide essential financial management skills to students from Grades 10 to 12.
- 2007 will be the 10th anniversary of the Scotiabank Fraud Awareness Program, ABCs of Fraud. This nationwide fraud education and prevention program distributes videos about

telephone, Internet and marketing fraud to community groups serving seniors and new immigrants to help protect them from identity theft, Internet fraud and other scams.

#### CBA seminars delivered by Scotiabankers in 2006

Number of seminars presented by Scotiabankers	175
Number of Scotiabankers involved	79
Number of student attendees	5,370
Number of Scotiabankers trained to participate	224

#### Responding to customer feedback and complaints

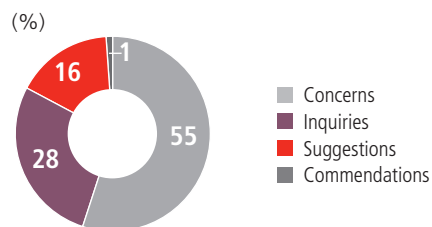
Scotiabank relies on a number of tools to gauge customer concerns and obtain feedback. Areas for improvement that we identify from this feedback are translated into improvement targets and performance appraisals at the branch level, and form part of the balanced scorecard targets of senior management. For example:

- **Through Your Customers' Eyes**  
In 2006, we contacted more than 110,000 randomly selected retail banking customers by telephone as part of Scotiabank's customer satisfaction and loyalty measurement program.
- **Customized research**  
Scotiabank conducts comprehensive customer research to design 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.
- **Team Voice**  
Through this toll-free phone and e-mail service, employees can anonymously comment on policies, programs or issues that impact their ability to deliver high-quality service.

### Scotiabank launches podcast series

In 2006, Scotiabank launched the *Find the Money* and *The Money Clip* podcast series, both reaching the number one position in the business section of iTunes Canada. *Find the Money* guides listeners through the basics of financial management, presented by Scotiabank experts at [findthemoney.scotiabank.com](http://findthemoney.scotiabank.com). *The Money Clip*, an audio extension of Scotiabank's free online financial newsletter, *The Vault*, provides insight and advice on money-related matters. For more information go to [www.themoneyclippodcast.com](http://www.themoneyclippodcast.com).

#### Types of Team Voice messages received in 2006



Scotiabank was honoured for its privacy practices by **Nymity Inc.**, a leading privacy research firm, for the second year in a row. We received the 2006 Top Privacy Policies in Canada award to recognize our achievement in providing consumers with clear and complete notice of our privacy policies.



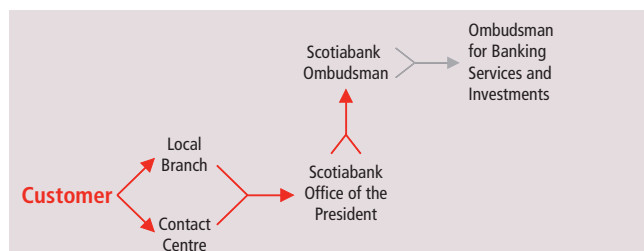
**Team Voice** Since our employees are the most knowledgeable about which products and services work well and which do not, we welcome their comments on policies, programs or issues that could improve the customer experience through Team Voice.

**Scotiabank Satisfaction Survey**

Twice a year, we also survey Scotiabank employees, including the domestic branches, about the help they receive from internal support areas in meeting their needs and those of their customers. In 2006, this confidential survey was distributed to 31,000 selected recipients, including employees in Jamaica and Trinidad & Tobago.

**Responding to customer concerns**

**Complaint resolution process**



Scotiabank's Customer Ombudsman can be reached at 1-800-785-8772. The OBSI is an independent organization that investigates customer complaints about financial services providers.

**Customer complaint resolutions**

	2006	2005	2004
Number of complaints received by Office of the President	6,897	7,384	8,998
Percentage change in number of complaints from previous year	-7%	-15%	+2%
Percentage of customers satisfied with the handling of their complaint*	88%	90%	89%
Number of policy, process or product changes connected to customer complaints	101	97	96
Staff commendations	224	267	325

\* based on surveys of 1,359 customers who filed complaints in 2006

**Access and accommodation**

Scotiabank is dedicated to providing accessible services for the elderly and the disabled because we believe that all

Canadians share the right to obtain essential financial services in a manner that recognizes their specialized needs.

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 branches, or facilities that have undergone major renovations, meet the Canadian Standards Association's (CSA) accessibility guidelines. During 2006, we opened 15 new branches in Canada and undertook major renovations on 16 domestic branches. 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 in conjunction with other significant domestic branch work over the next few years.

Our ABM units 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 work closely with a number of vendors to develop hardware and software solutions that fully comply with the CSA standards.

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](http://www.scotiabank.com).

**Providing basic banking services**

Scotiabank is committed to ensuring that all Canadians can access basic banking services and open a basic transactional account. 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 a personal deposit account and manage their banking needs. A list of acceptable identification needed to open an account,



Scotiabank is a member of **The Consumers Council of Canada**, an independent, not-for-profit, federally incorporated organization working with government, business and consumers to manage today's consumer issues.



**Excellence in branch service** earned Scotiabank first place ranking in six of 11 customer service categories in the annual survey of Canadian consumers by leading market research firm Synovate. These top ratings solidified Scotiabank's status as Canada's leading bank for delivering excellence in branch service.

## Plain language communications

The Bank has a long-standing commitment to providing customers with banking information which they can easily understand and use to effectively compare and make the right choices for their financial needs. All of our retail products/materials/forms, including mortgage documents, are written in plain language.

cash government cheques (up to \$1,500), and other information, is available in our branches, over the phone and on our website. 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.

In addition, for persons aged 59 or over, we offer The Scotia Plus® program, a no-fee banking plan which includes up to 40 free debit transactions per month, plus other free or discounted services.

Scotiabank has been collaborating with members of the Canadian banking industry and the Canadian Payments Association to implement new electronic imaging technologies that will significantly reduce cheque processing times between financial institutions. When implemented in 2009, this new paperless cheque handling system will allow us to reduce the hold periods dictated in our cheque cashing policies. Lower income Canadians benefit the most from faster access to their funds.

➤ [For more details, please click here.](#)

## Meeting youth needs

Scotiabank offers various specialized products and services designed for youth and students:

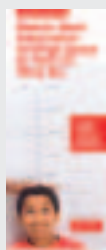
- The Getting There Savings Program® for youth is designed to help young people under age 19 learn banking basics.

- 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.
- In most of our international locations, we offer the Scotia Plus Achiever Account which provides a no-fee, higher-interest account to young savers.
- In late 2006, we launched the Scotiabank Educational Savings Plan in 13 Caribbean countries to help parents or guardians save for their children's education. Customers simply complete an in-branch Education Savings Calculator and establish a preauthorized automatic contribution to the savings product of their choice. They can also receive discounted loan rates to cover additional educational costs. Scotiabank plans to extend the program to all Latin American locations in 2007.

## Serving diverse communities

With more than 250,000 immigrants arriving in Canada each year, and the majority settling in large urban areas, there is a rising need to adapt essential services to multicultural communities. Scotiabank actively recruits multilingual employees to help us accommodate the cultural and linguistic preferences of our customers. We also provide many of our most in-demand services in a number of language options. For example:

- TeleScotia telephone banking contact centres serve callers in English, French, Mandarin and Cantonese.
- ScotiaMcLeod Direct Investing (SMDI) offers Chinese-language services to clients, with a team of investment representatives and a dedicated toll-free telephone number.
- To help branches build relationships with distinct local communities, we offer multilingual customer materials that branches can customize and print for customers.
- Many of our retail banking districts and individual branches also participate in special events geared to local ethnic communities. For example, Scotiabank sponsored the Chinese



**Scotiabank Educational Savings Plan** was recently introduced in 13 Caribbean countries to help families plan and save for their children's education, through preauthorized automatic contributions and discounted loan rates.



**Small Business Banker Tools website** provides our small business bankers with planning resources so they can give their customers high quality advice and service.

New Year celebrations in Toronto, and also the 2006 International Dragon Boat Federation Club Championships.

### Serving Aboriginal customers

Scotiabank's solid commitment to serving Aboriginal customers is evident from our long history of developing strong customer relationships and business partnerships with individuals and community groups within Canada's Aboriginal communities. This history includes the opening of our Standoff, Alta., branch in 1971, which made Scotiabank the first Canadian chartered bank to open an on-reserve location. Today, we operate four on-reserve branches, plus a network of 22 Aboriginal banking centres.

To effectively serve our Aboriginal customers across our entire branch network, we provide branch managers with a 26-page guide to help them serve Native Canadians.

Scotiabankers have used these resources to build strong relationships with a number of Aboriginal groups. For example:

- We have developed a long-standing partnership between the Rama, Ont., branch and the Chippewas of Mnjikaning First Nation, which has resulted in \$3.17 million in mortgage financing for on-reserve housing projects during 2006.
- In Standoff, Alta., we offer unique business loans in the First Nations community through a guarantee from the band council, which means loan applicants do not need to provide security to receive credit approval.
- In 2006, Scotiabank offered lending support to the Enoch Cree First Nation near Edmonton, Alta., providing them with operating capital to help develop local community infrastructure, including housing and social programs. Scotiabank will also provide day-to-day banking services, including cash management services, to the band and its new River Cree Resort & Casino complex.



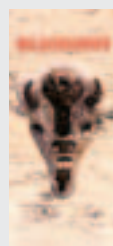
In a gesture that highlights the strong relationships Scotiabank has forged with aboriginal communities across Canada, Scotiabanker Pat Killoran (left) of Lethbridge, Alta., was inducted as an honorary member of the Kainai Chieftainship of the Blood Tribe for his contributions to the tribe's social and economic well-being. Killoran and fellow inductee Bill Cade, President of the University of Lethbridge, both wearing traditional face paint and eagle-feather headdresses, were praised for their tireless efforts to promote cross-cultural understanding.

As a result of these programs, Scotiabank has provided more than 130 loans, equalling approximately \$17.6 million dollars in total authorized credit outstanding, as at October 31, 2006. These funds, which include on-reserve lending to individual customers as well as loans to more than 69 First Nation bands, have resulted in significant economic activity and job creation in Aboriginal communities. We also provide banking, saving and investing services to hundreds of Aboriginal clients from coast to coast.

In addition, Scotiabank branches serving these communities are encouraged to purchase products and services from Aboriginal-owned businesses. These branches also offer employment and training opportunities to local Aboriginal community members.



Our **Day-to-Day Banking booklet** is one of many plain language communications that allow our customers to make informed financial decisions.



**Guide to Aboriginal Banking** offers Scotiabank branch managers useful tips and resources to help them serve their Aboriginal customers effectively.

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 one generation to the next. Scotiabank is also active in sponsorships and activities that support youth and rural communities, such as the Scotiabank Classic at the Royal Agricultural Winter Fair.

In 2006, we continued to maintain our 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 FarmPure Seeds.

Scotiabank works individually with farm customers who plan to change ownership of their business in the next five to 10 years. In late 2005, we launched Scotia Farm Legacy Services™ to help small business and commercial farm clients build and implement a farm succession plan. Through consultation with the customers' families and business advisors, we help develop solutions that consider options for retirement income, investments, estate planning, tax management, income and asset protection and leaving a legacy.

Over the past year, the Bank has also placed particular emphasis on enhancing lending policies to the farm sector to better acknowledge the current realities of this industry and client needs. Many of these policy changes are designed to reflect a truer market value of the assets being



The family farm remains an essential part of Canada's agricultural landscape. Programs such as Scotia Farm Legacy Services™ help customers like Richard and Irene Kater, shown here with Al Young of Scotiabank's Ontario South and West District, develop farm succession plans that will allow them to leave a lasting legacy.

financed – including well-maintained power equipment which hold their value over a longer period of time – and build increased flexibility around loan payments.

### Small Business

At Scotiabank, we recognize that small businesses\* have a major impact on the success of the Canadian economy. In fact, Statistics Canada has reported that small establishments represent more than 97 per cent of all Canadian businesses, and that 32 per cent of employed Canadians work in a small firm.

In direct support of this valued customer segment, we continue to focus on equipping our small business bankers with resources and skills that will help their customers succeed.

To better support our team of small business bankers, during 2006:

- We launched new desktop tools which help small business bankers assess the financial impact of the strategies we

### Scotiabank SME business code of conduct

Scotiabank has an SME business code of conduct to ensure we serve the small business community in a fair, clear and transparent way. The code covers:

- Openness
- Changing credit relationship circumstances
- Accountability
- Credit process
- Complaint handling

➤ [For more details, please click here.](#)

propose to customers, helping to ensure the small business owners get the right advice for their unique situation;

- We began a series of nationwide presentations to small business bankers to support them with the various new products, programs, tools and resources introduced during the year; and
- 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.

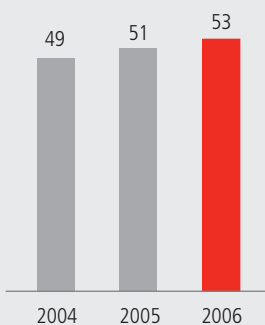
### Listening to Small Business customers

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 2006 Small Business Week Survey, as well as our Scotiabank Small Business "Through Your Customers' Eyes" survey of 2,485 Small and Medium-sized Enterprise (SME) customers in 2006. 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.

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



**SMALL BUSINESS  
CUSTOMER LOYALTY**  
(%)



Scotiabank's small business customer loyalty index is based on results from an internal survey, and is a key indicator of the commitment of Scotiabank's small business customers. The current score of 53 means that more than half of small business customers express a high degree of loyalty to Scotiabank.



Vancouver-area Scotiabankers Vikki Harvey and Patty Scrase (centre and right) help new and established professionals manage their small business needs with products like the Scotia Professional Plan and Scotia Professional Student Plan.

**Scotiabank Small Business Bankers**

Branch managers with small business expertise	912
Dedicated small business account managers	585
Number of branches with dedicated small business account managers	374
Total number of small business bankers	1,497

**Small Business Resource Centre support in 2006**

Customer questions submitted to Resource Centre website in 2006	83,166
Questions receiving an immediate response	88%
Number of calls received each month by centre telephone representatives	1,200

**Enhancing our products and services**

We continually update existing products and services, or introduce new ones, to better meet the needs of small business owners. For example, in 2006:

- ✓ We introduced new account tiers for Account Plan for Business, which give customers more flexibility to take advantage of discounted banking services.
- ✓ We launched a new online learning resource for small business owners called ScotiaSkills.
- ✓ With more than 70 per cent of small business owners planning to retire within the next 10 years, Scotiabank is working with the Canadian Federation of Independent Business and the Canadian Institute of Chartered Accountants, to support new succession planning resources, including "The Succession Planning Toolkit for Business Owners."

➤ [For a full list please click here.](#)

**Small Business and International Banking**

In 2007, Scotiabank will launch pilot projects in the Bahamas, Jamaica, Mexico and El Salvador to help us expand the small business services we offer through our International Banking division. We will create a distinct sales channel and provide our small business customers with high-quality sales and service as well as solid operational and administrative support to serve these customers in a timely and professional manner.

**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;
- Increase levels of customer satisfaction and loyalty; and
- Increase service satisfaction levels among our small business customers and measure our performance through Scotiabank's "Through Your Customers' Eyes" survey.

# Employee Satisfaction

A responsibility to support and encourage

As Canada's most international bank, Scotiabank is a major employer across Canada and around the world, with close to 57,000 employees in some 50 countries. We recognize that our employees are our greatest strength, and we will continue to build the infrastructure that enhances our human capability and, in turn, supports the Bank's success. In 2006, Scotiabank was widely honoured for the work it has done to have a direct, positive impact on the well-being of its employees. The value of such recognition is that it shows we are headed in the right direction, not that we have achieved our goals.



Recognizing excellence in meeting sales and service goals and customer and employee satisfaction targets, Scotiabank's Best of the Best Awards demonstrate that customer satisfaction and employee satisfaction are complementary. For three years in a row, the award has been won by Toronto's Bloor and Yonge branch. Branch Manager Isabella Ho (centre) celebrates with team members (from left) Zara Khan, Mike Liem, Vincent Yang and Gloria Kim.

## Number of employees in Canada\*

	Full-time	Part-time	Total
Alberta	2,326	1,166	3,492
British Columbia	1,964	1,231	3,195
Manitoba	505	262	767
New Brunswick	567	346	913
Newfoundland & Labrador	500	306	806
Nova Scotia	1,327	543	1,870
Northwest Territories	10	7	17
Ontario	17,653	4,938	22,591
Prince Edward Island	114	58	172
Quebec	1,635	475	2,110
Saskatchewan	420	288	708
Yukon Territories	14	11	25
<b>Total</b>	<b>27,035</b>	<b>9,631</b>	<b>36,666</b>

\* As at October 31, 2006, there were 1,218 contract employees, representing 3.32% of the total Canadian workforce.

## Geographic breakdown by country

Country	Full-time equivalent employees
Asia/Pacific	678
Bahamas	685
Barbados	299
Chile	1,252
Costa Rica*	300
Dominican Republic	1,118
El Salvador	2,132
Jamaica	1,512
Mexico	7,392
Panama	82
Peru	3,647
Puerto Rico	605
Trinidad & Tobago	912
United States	437
Other**	205

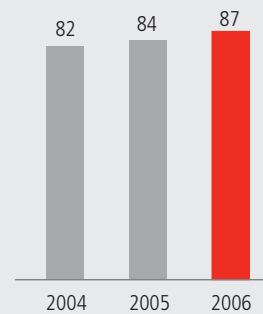
\* excludes Banco Interfin, S.A. (to be integrated in 2007)

\*\* includes England, Ireland, and various Caribbean and Latin American countries not listed.

## KEY ACHIEVEMENTS IN 2006

- Our Employee Satisfaction Index increased to 87%, as measured by our internal ViewPoint survey.
- For the third year in a row, Scotiabank was named one of the 50 best employers in Canada and a top employer in Mexico and Jamaica. We were also recognized among the Top 100 Training Organizations by *Training* magazine.
- Scotiabank was awarded the international Catalyst Award for our Advancement of Women initiative.
- We invested more than \$78 million in training, with 53,000 worldwide employees completing courses during 2006.

## EMPLOYEE SATISFACTION INDEX (%)



This index measures the level of our employees' satisfaction with their immediate work environment. See details on page 22.

We expect a lot from our employees. In every market where we operate, our employees are the face of Scotiabank, and our most important connection to our customers and the larger community. We know that their creativity, energy and commitment to providing exceptional service are essential to Scotiabank's success.

We also acknowledge that, in addition to expectations, we have responsibilities. A responsibility to build a workforce that is reflective of the communities we serve; a responsibility to identify and remove unfair barriers to advancement; and a responsibility to create an environment where employees are engaged, acknowledged and encouraged. By giving employees the tools and support they need to realize their potential, by becoming an employer of choice, Scotiabank is in a better position to reach its strategic objectives.

### Diversity at Scotiabank

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

To help strengthen our levels of diversity at Scotiabank, we proactively introduce and enhance policies and programs that promote fairness, respect and a supportive workplace for all employees.

We maintain an Employment Relationships Council, composed of employees and leaders from across the organization to ensure that our people practices align with the Bank's commitment to diversity. In addition, our Employment Relationships Plan integrates diversity and employment equity initiatives into established business processes, including annual plans and budgets. A quarterly People Plan measures our progress towards diversity goals, such as workforce make-up and satisfaction.

Full details on the Bank's diversity objectives and achievements are set out in our Employment Equity Narrative Report.

➤ To view the report, visit [www.scotiabank.com](http://www.scotiabank.com) and choose Diversity at Scotiabank in the Careers section.

In recent years, many of Scotiabank's international locations have begun to adopt this approach to diversity by tracking key indicators, such as employment satisfaction and representation of women in senior management.

We have implemented numerous programs to support the needs of women, Aboriginal peoples, persons with disabilities and visible minorities.

### Visible minorities

Diversity among our workforce and customers is a critical factor in the long-term success of our business. Scotiabank maintains a number of recruitment, promotion, compensation and training programs to ensure our workplace reflects the communities in which we operate and that we offer a welcoming environment for visible minorities.

### Initiatives to support visible minorities in 2006

#### Recruitment and awareness programs

- All Scotiabank hiring managers are trained in bias-free recruitment, interviewing and selection.
- We take part in the Career Bridge internship program provided by Career Edge, a private sector not-for-profit organization that works with major employers to provide work experiences for job seekers. Through Career Edge, Scotiabank sponsored three Career Bridge workplace internships in 2006.
- Scotiabank participated in the 2006 New Canadians, Aboriginals and Visible Minorities Job and Education Fair in January in Toronto to help attract employees from diverse backgrounds.
- Scotiabank's Audit and Security and Investigation departments held their inaugural Diversity Day celebration on May 10, bringing together more than 200 employees to learn about the culture, history and languages of their co-workers' multicultural backgrounds, including displays of native dress, music and cuisine.

#### Sponsorships

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

In 1961, the Bank made history with the appointments of two women as branch managers – the first in Scotiabank and Canadian banking history. A handful of well-educated women were also appointed to influential positions at the Bank’s executive offices.

The 1970 Royal Commission on the Status of Women, the 1984 Royal Commission on Equality in Employment and the subsequent federal Employment Equity Act all drew public attention to the rising numbers of women in the Canadian workforce generally. However, the majority remained in clerical and supervisory positions, and inequities in pay and benefits were common.

By 1993, 77 per cent of Scotiabank’s employees were women but just 6.97 per cent were filling upper management positions. That year, then-Chairman and Chief Executive Officer Peter Godsoe appointed a special independent task force to investigate why so few women held upper management positions and how to improve the situation. The task force’s findings led to a number of changes, including an increased focus on merit-based advancement and greater flexibility in work arrangements.

By the fall of 2003, women held 18.9 per cent of senior management jobs – but this still lagged behind the Bank’s domestic competitors. Acknowledging the need for improvement, President and CEO Rick Waugh launched a revitalized Advancement of Women (AoW) initiative as an important part of Scotiabank’s commitment to being a global employer of choice.

The AoW strategy, guided by a steering committee of senior-level women, includes seven elements aimed at addressing barriers to women’s advancement at Scotiabank. These included senior management commitment, accountability, networking opportunities, mentoring programs, a focus on developing future leaders, and clarifying policies and procedures related to career advancement. In addition, we made leaders accountable for the advancement of women through performance goals.

➤ [For more details, please click here.](#)

In the three years since the AoW was launched, significant progress has been made. Additionally, many business lines have started grassroots initiatives to address issues specific to their areas and provide networking opportunities.

Our commitment extends to female employees in all jurisdictions. In fact, females now represent 21.2% of vice-president (or equivalent) and above positions, in our global workforce. For example, in Mexico, 1,084 Scotiabank Mexico leaders, at the level of manager and above, participated



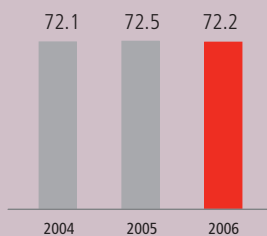
Three Scotiabank executives, from left, Alberta Cefis, Kim McKenzie and Sylvia Chrominska, were named to the 2006 Top 100 List of Canada’s most powerful women.

in Gender Equity Leadership Training, helping us receive the highest compliance score among Mexican employers in a Gender Equity Certification by the National Institute of Women and the World Bank.

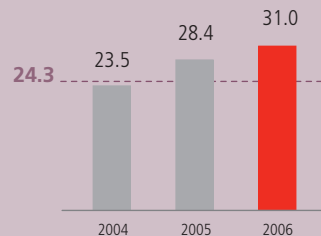
Today, an international AoW task force and local committees have been established to introduce communications, mentoring, career development and networking events for female employees in the Bahamas, Barbados, Dominican Republic, Puerto Rico, Trinidad and Tobago and Mexico. During 2006, we also launched AoW chapters and events in Chile and Costa Rica including a special event in San Jose for female Scotiabankers, with keynote address by Costa Rica’s Vice-President, Laura Chinchilla.

In January 2007, the Bank’s efforts to improve the advancement of women were recognized with the 2007 Catalyst Award. The award is presented annually by Catalyst, a leading research and advisory organization, for innovative and effective approaches – with proven results – in addressing the recruitment, development and advancement of women.

**Female Scotiabank employees (Canada)** (%)



**Women in senior management at Scotiabank (Canada)** (%)

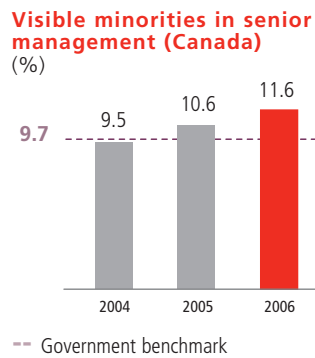
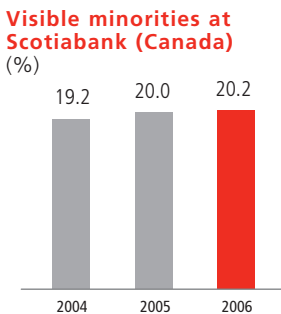


**Supporting female advancement around the world**

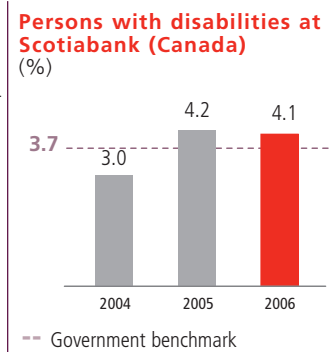
- We extended our successful Advancement of Women initiative in Chile and Costa Rica with events hosted by senior Scotiabankers.
- Scotiabank was named among the top five companies for female executives in Trinidad and Tobago by the Association of Female Executives.
- Scotiabank Mexico was awarded the Gender Equity Certification from the National Institute of Women and the World Bank in November 2005. The 95 per cent overall compliance grade was one of the highest scores in the program’s history in Mexico.

**Highlights of our initiatives to support Aboriginal Peoples.** > [For a full listing of programs, please click here.](#)

Recruitment programs	<ul style="list-style-type: none"> <li>• Branches and regions set goals to improve Aboriginal representation through hiring activities. Regional managers receive semi-annual reports on progress.</li> <li>• Currently constructing an Aboriginal-specific database for all areas/regions, accessible by all staffing managers.</li> </ul>
Internal awareness building	<ul style="list-style-type: none"> <li>• Aboriginal Inclusion in the Workforce sessions have been conducted in Scotiabank's Toronto Executive Offices.</li> </ul>
Sponsorships and development programs	<ul style="list-style-type: none"> <li>• Scotiabank made a \$250,000 gift to encourage Aboriginal graduate and business studies in individual capacity development programs at the University of Saskatchewan (U of S). The donation creates the Scotiabank Master of Business Administration Bridging Program, which each year will introduce 15 future Aboriginal business leaders to MBA programs offered at the U of S's College of Commerce. It also creates a \$10,000 scholarship for an Aboriginal graduate student in the MBA program.</li> </ul>



disabilities as they work to become integrated in the workforce, through our recruitment activities, flexible work arrangements and assistive technologies and resources that help accommodate their needs. As an indication of our progress, for the second year in a row Scotiabank has



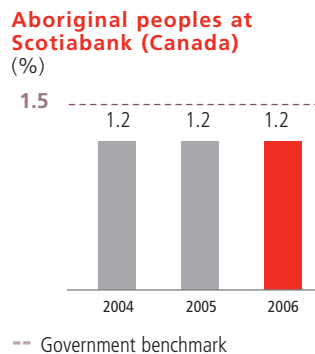
exceeded the government benchmark for representation of persons with disabilities in the workforce.

**The advancement of women**

To help Scotiabank achieve its corporate goal of being an employer of choice for women, the Bank continues to support its Advancement of Women (AoW) strategy. See focus section on page 16.

**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. As recognition of our efforts, Scotiabank received a Silver Award for our programs 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.



**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 by aligning their objectives to business outcomes.

This process, which is designed to foster open, frequent discussions between employees and their managers, includes objective setting, regular coaching and ongoing feedback, development planning and performance assessment.

**Learning and development programs**

Scotiabank encourages and supports employee learning and development so that our team is equipped with the skills and knowledge to serve customers well. By doing so, we also build stronger relationships with our employees by empowering them and helping them grow and advance towards their individual career goals.

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

During 2006, we further enhanced My Learning Centre, our web-based learning management system that gives employ-

**Persons with disabilities**

Scotiabank is dedicated to supporting employees with

**Highlights of our initiatives to support those with disabilities.** > **For a full listing of programs to support persons with disabilities, please click here.**

Recruitment and awareness programs	<ul style="list-style-type: none"> <li>We set specific referral and hiring goals for staffing and recruitment managers for each business line.</li> <li>We hosted a career fair for persons with disabilities attended by over 550 participants.</li> </ul>
Flexible work hours	<ul style="list-style-type: none"> <li>Flexible work arrangements, including flexible work hours (see page 20), help accommodate the individual scheduling needs of persons with disabilities.</li> </ul>
Assistive technologies	<ul style="list-style-type: none"> <li>Information Technology and Solutions, the Bank's systems group, is developing a plan to incorporate accessibility standards, including adaptive tools, to ensure our technology applications and web sites are accessible to employee users with disabilities.</li> </ul>
Scotiabank Accommodation Fund	<ul style="list-style-type: none"> <li>The Bank has a centralized fund of \$250,000 to support job applicants and employees with disabilities to ensure they have the tools required to do their jobs.</li> </ul>
Sponsorships	<ul style="list-style-type: none"> <li>Scotiabank Group donated \$1 million to Queen's University in support of students with disabilities and international exchange, creating the Scotiabank Accessibility Bursary, the first ever bursary program of its kind for these students.</li> <li>Participated in and provided \$50,000 sponsorship to the March of Dimes' Ability and Beyond dinner.</li> </ul>

ees access to training information and courses from anywhere at anytime. We expanded system access to a number of head office and International Banking departments.

**Investment in training at Scotiabank Group**

	2006* (global)	2006 (Canada only)	2005	2004
Total training investment (\$ millions)	\$78	\$63	\$60	\$59
Training investment per employee (approximate)	\$1,500	\$2,100	\$2,100	\$2,100
Training days per employee (approximate)	2.2	2.4	2.2	2.0

\* 2006 is the first year we have begun publishing total global training data. Total global training investment is estimated to have increased proportionately with the increased staffing levels year over year due to international acquisitions.

**Employee training usage at Scotiabank Group**

	2006* (global)	2006 (Canada only)**	2005	2004
Online training via My Learning Centre (course completions)	437,100	359,358	213,642	238,788
External courses (course completions)	5,772	5,274	5,590	5,147

\* 2006 is the first year we have begun publishing total global training data.  
 \*\* Excludes international banking employees. Year over year increase reflects increased number of employees with access to My Learning Centre online training and training initiatives to support Canada's term-lending system.

Among our new programs, in 2006 we launched our CareerStart program to many retail banking positions, including sales officers, first-time branch managers, customer service managers and small business account managers. Focused on practical learning experiences for new employees, the award-winning program includes e-learning, personalized learning plans, coaching and skills role-play.

In May 2006, we launched the Fundamentals of Coaching Excellence Learning Program within International Banking to help improve leadership skills in the countries where we operate. With 225 International Banking senior officers having completed the intensive four-month program during 2006, the training will be cascaded to all branch managers and supervisors in 2007.

Our commitment to learning and development was once again recognized in 2006 when we were named among the top 100 training organizations in the world by *Training* magazine, a respected industry publication. This is the third consecutive year we have received this award.

**Developing leadership capabilities**

As Canada's workforce ages, major employers such as Scotiabank must be prepared to face the issue of declining working age populations within the next two decades. To help us meet these demographic challenges, and build the bank of the future, existing leadership development programs are being tailored to individual needs, including expanded formal learning and coaching opportunities. Scotiabank has placed increased emphasis on targeted on-the-job development to ensure leaders are prepared for current and potential roles within the organization. In 2006, a Human Investment Committee, composed of senior executive management, was created to oversee this key priority.

This commitment to leadership development extends to our operations around the globe, which provide us with access to a diverse talent pool. We intend to harness this advantage through a global recruitment strategy.

**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 2006, Scotiabank provided approximately \$1.277 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 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.

➤ [For more details, please click here.](#)

#### Incentive pay program

	2006	2005	2004
<b>Canadian*</b>			
Number of participating employees	27,600	27,200	26,760
Total payout (\$ millions)	112.3	105.4	100.7

\* approximate

#### International\*

Number of participating employees	6,650	6,600	4,300
Number of countries	32	32	31
Total payout (\$ millions)	10.9	11.0	9.89

\* approximate

#### Performance-related incentive pay at Scotiabank\*

(at July 31, 2006)	2006	2005	2004
Performance-related incentive pay (\$ millions)	1,099	1,020	991
Performance-related pay as % of total compensation**	29.2%	29.2%	28.7%

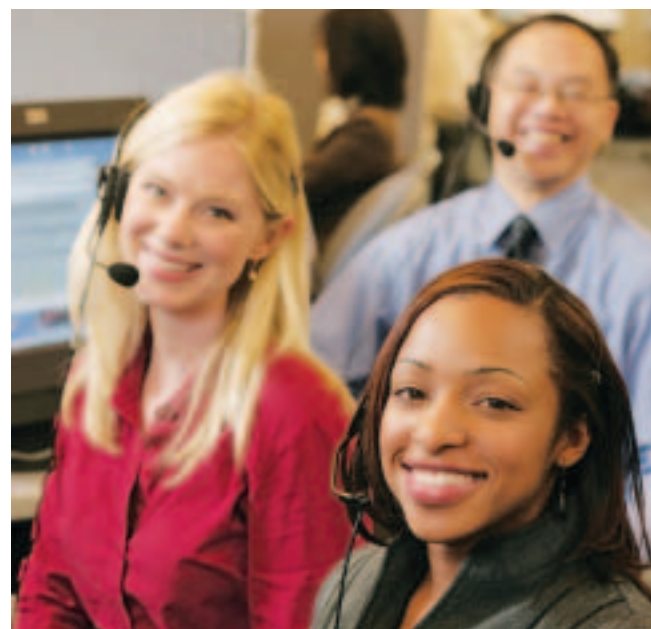
\* Includes all incentive pay issues across the organization.

\*\* Total compensation includes base pay, incentive pay, pensions and benefits.

#### Employee participation in Scotiabank Employee Share Ownership Plan

(at October 31, 2006)	2006	2005	2004
Canada (Scotiabank Plan)	24,665	24,506	24,497
US/USVI	525	611	612
Puerto Rico	390	405	424
Jamaica	1,608	1,570	1,411
United Kingdom	135	147	187
Ireland	28	26	26
Global GESOP	5,540***	2,985**	2,380*
<b>Total</b>	<b>32,891</b>	<b>30,250</b>	<b>29,537</b>

\*16 locations \*\*19 locations \*\*\*20 locations



Reflecting our commitment to being an employer of choice, Scotiabank's Toronto Customer Contact Centre achieved the Platinum level Contact Centre Employer of Choice® designation for creating a high-quality workplace for employees like Erin Fleming, Peter Lee and Tiffany Castell (front).

#### 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 positive work environment where people take the time to recognize the accomplishments of their colleagues by emphasizing employee reward and recognition programs. Scotia Applause, in its sixth year, is the Canadian Bank's multi-dimensional, web-based recognition program that was designed to strengthen employees' focus on our corporate values and on delivering exceptional service. In fiscal 2006, more than 502,000 Applause peer recognitions were sent by Scotiabank employees to their co-workers.

To recognize our employees in our international branches, subsidiaries and affiliates, we offer the Scotia Excellence Awards program (SEA) in more than 20 countries. SEA acknowledges those individuals who demonstrate the Bank's five core values, particularly those whose performance exceeds expectations and, to date, more than 1,250 SEA recognition certificates have been provided to employees.

#### Respecting human rights

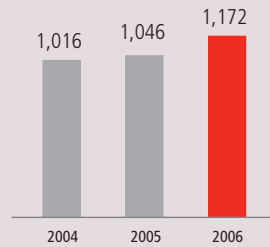
Scotiabank is committed to the spirit and principles embodied in the [Canadian Human Rights Act](#), and extends that commitment to our operations outside of Canada. These principles reflect international standards in human rights practices with

## Flexible work arrangements at Scotiabank during 2006

### Breakdown of flexible work arrangements\*

Telecommuting/Work at home full-time	79
Telecommuting/Work at home part-time	48
Flexible work week	481
Job sharing	69
Flextime	495
<b>Total</b>	<b>1,172</b>

### Number of formal flexible work arrangements



\* Totals do not reflect the numerous informal flexible work arrangements in place between managers and employees across the organization.

respect to both employees and customers, including the Universal Declaration of Human Rights and the Fundamental Human Rights Conventions of the International Labour Organization (ILO). Scotiabank has policies and has conducted training and education designed to ensure our employees fully understand their rights and obligations with respect to human rights and discrimination. Furthermore, Scotiabank 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 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.

Awareness of policies and practices concerning all aspects of human rights has been instilled across the Bank through ongoing training delivered by our Employee Relations department 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.

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 manage-



Scotia Applause program helps Scotiabank employees recognize their peers for providing exceptional service and focusing on our corporate values.



As a 2007 Catalyst Award recipient, Scotiabank is the first Canadian organization since 1999 to win the award that recognizes corporate initiatives that advance women and business.



ment 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.

Our Staff Ombuds Office serves the Bank and its subsidiaries globally and, during 2006, handled more than 800 cases. We have a similar Ombuds program at The Bank of Nova Scotia Jamaica. 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 who has raised concerns or complaints in good faith.

### 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.

#### Unionized employees

Country	Approximate # of unionized employees*
Antigua	60
Barbados	240
Canada**	9
Chile	650
Jamaica	1,700
Korea	9
Mexico	2,727
Peru	43
Singapore	60
Trinidad	15

\* Includes full and part-time employees

\*\* Deep River, Ont.

#### Scotiabank workplace accidents\*

	2005**	2004
<b>Major accidents</b>		
Resulting in lost work time beyond the day of injury	123	99
<b>Minor accidents</b>		
Requiring medical attention, but not involving lost work time beyond the day of injury	58	61
<b>Other</b>		
Additional workplace incidents, as defined by the Canadian Labour Code Part II	166	181
<b>Total number of lost days due to injury</b>	<b>2,278.5</b>	<b>1,014.5</b>

\* Represents reported accidents in Canada during the calendar year

\*\* Represents most recent data available.

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.

### 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.

As part of our growth strategy, whenever we negotiate acquisitions, other transactions, or manage 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 policies and programs, and adherence to regulations that shape workplace behaviours, including preventative initiatives that raise awareness, and a supportive environment to aid recovery.

To ensure our workplace practices are in substantial compliance with internationally recognized guidelines for occupational health management systems, a working group has been conducting a revision of the Scotiabank Group Occupational Health and Safety (OHS) Program based on the principles of OHSAS 18001, widely adopted guidelines based on ISO standards. The release of the new program is scheduled for mid-2007.

Scotiabank's Employee Assistance Program (EAP) also provides employees with access – without cost to themselves – to a wide range of services, including information, counseling, advice, tools and other resources to help them better manage their personal challenges and improve their individual wellness.

**Recent examples of restructuring practices**

Year	Transaction/Partner	Employee Impact
2006	Strategic alliance with Corporate Planning Associates, a provider of wealth management services	Scotiabank successfully transitioned approximately 31 employees in Toronto, Calgary and Vancouver, with no lost employment as a direct result of this alliance.
2006	Acquisition of National Bank of Greece (Canada), and integration of its 10 branches in Quebec and Ontario	All branch employees were assigned to Scotiabank positions, and 30% of non-branch employees were offered positions within the Scotiabank Group. The remainder received severance packages consistent with Scotiabank standards.
2006	Acquisition of Banco Wiese Sudameris in Peru and integration with Banco Sudamericano, creating third-largest bank in Peru, with 140 branches and 66 express branches	We successfully integrated a labour force of 3,462 employees, plus an external sales force of nearly 1,400 employees. Consistent with Scotiabank's commitment to preserving employment, the job loss as a direct result of the acquisition was below 2% of the total workforce, with affected employees receiving severance packages in line with Scotiabank standards.

In 2006, we expanded our wellness efforts by piloting an online Health Risk Assessment (HRA) tool to 5,000 randomly selected employees in Canada. Based on the HRA findings, we aim to understand the health risk profile of the employee population in Canada and identify specific risk factors and predictors of disease and, ultimately, raise employees' awareness of their health status and encourage preventative practices. During 2006, Scotiabank developed educational initiatives and communications for employees regarding resiliency coaching, the avian flu and breast cancer.

➤ [For more information on our health and safety practices, please click here.](#)

**AIDS: a global health issue**

With the continuing HIV/AIDS crisis around the globe, Scotiabank's International Banking offices in the Caribbean Region completed a new employee and community awareness initiative during 2006 to address rising local infection rates (see page 35, [Global Community Involvement](#) 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 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 Employee Assistance Program resources, where available – are also accessible.

**Listening to our employees**

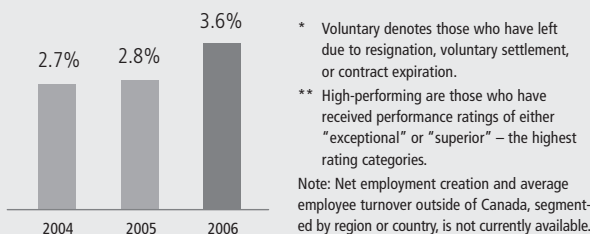
Scotiabank believes in open, continuous and two-way communication with our employees through structured formal channels, as well as informal feedback methods. For example, our performance management process is designed to encourage honest, frequent conversations between employees and their managers/supervisors. In recent years, we have continued to add tools, resources and training to improve the quality of these communications.

Each year, employees across Scotiabank Group, wherever they work in the world, are asked to complete the ViewPoint employee opinion survey to help us track important workplace issues, including employee satisfaction. Employees are asked to express their level of satisfaction with such elements as quality of manager, recognition and communication. Survey results influence changes in our practices and policies and, through branch/department discussions, address work issues within individual teams.

In 2006, 86 per cent of the Scotiabank Group workforce, some 44,502 employees worldwide and from every business line, took part in the ViewPoint survey. Our Employee Satisfaction Index, which is an assessment of the satisfaction level of our employees, continued to rise to 87 per cent. Our Diversity Index – an overall measure of our work environment's inclusiveness and fairness – also rose to 88 per cent.

We also encourage employees to share their ideas on ways to support our business success through the Ideas in Action program. First launched in 1967, this program rewards employees for submitting suggestions which, when implemented, result in cost savings or other benefits to the Bank. In fiscal 2005-2006, we received 2,951 employee submissions, an increase of

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



Year	Transaction/Partner	Employee Impact
2006	Acquisition of Banco Interfin and integration with Scotiabank de Costa Rica	The combined entity has more than 1,300 employees and there was no loss of employment as a direct result of the acquisition.
2006	Acquisition of Citibank credit card operation in Dominican Republic	Successfully hired 44 employees into equivalent positions within Scotiabank.
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.

152 suggestions over the past fiscal year. The ideas that were implemented generated \$101,473 in savings to the Bank. The program celebrates its 40th anniversary in 2007.

### Highlights from employee ViewPoint survey

The largest increases in employees' agreement were seen in the following areas:

It is important to my area's success that I successfully complete my work responsibilities.	98%
My area provides high-quality service to customers/clients.	93%
I understand how my objectives and goals are connected to my organization's overall strategy	93%
My area has defined plans to meet its targets and goals	91%

ViewPoint results exceed external benchmarks across all categories. Nonetheless, we will continue to encourage action planning, coupled with policy and process changes that promote continuous improvement in all areas, including:

My manager demonstrates commitment to employees' professional/career development.	83%
My area offers training that helps me perform my present job more effectively.	81%
Communication in my area is healthy (open, honest, two-way).	81%
I feel positive actions have been taken as a result of last year's survey.	70%

### 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 CSR Report. We will:

- Focus on making leadership a competitive advantage by developing and implementing globally, various programs, automated processes and tools;
- Focus on identifying and implementing universal principles, shared standards and systems so that we provide a consistent employee experience wherever we operate;
- Continue to enhance the capability of our workforce by growing the skills of our existing employees; and
- Enhance the diversity of our workforce.

# The Environment

A responsibility we all share

Scotiabank is a major international financial institution, and our day-to-day operations have a number of direct and indirect impacts on the environment. We have launched internal initiatives aimed at reducing consumption and we routinely factor environmental considerations into our strategic decision-making process and consult regularly with stakeholders on environmental issues.

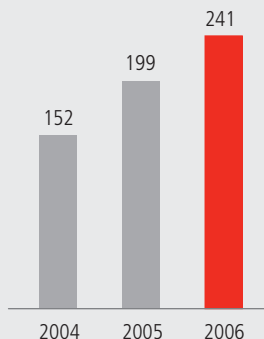


Scotiabank is working towards a cleaner, greener future. Last year, Jocelyn Hoyt and Mike Allen, from the ScotiaMcLeod office in Fredericton, N.B., and the Scotiabank branch in Florenceville, raised more than \$30,000 for Ducks Unlimited Canada to support wetlands conservation projects.

## KEY ACHIEVEMENTS IN 2006

- Scotiabank adopted the revised Equator Principles.
- We met our CSR objective to measure and report domestic paper consumption.
- Scotiabank piloted our third “green” branch in Laval, Quebec, which was certified by the international Green Globe organization.
- Scotia OnLine transactions increased by more than 20 per cent.

## SCOTIA ONLINE TRANSACTIONS (MILLIONS)



Each year, more customers perform transactions online and select Scotia OnLine’s paperless options, helping us reduce paper consumption.

Our direct impacts include our consumption of paper products and other supplies, for both customer communications and administration purposes; our energy usage to heat and light facilities around the world; and the environmental footprint made by our extensive real estate holdings, including the construction and sustainable operation of our branch network and offices.

Indirectly we are involved in environmental issues through our lending, project finance and investing practices in the countries where we operate. We are also involved by means of our financial support for environmental causes and our collaboration and discussion with stakeholders on key environmental issues.

### Environmental policy and management structures

Scotiabank has had an environmental policy in place since 1991, covering both our direct and indirect environmental impacts. In addition, a number of cross-functional working groups have been established to address the issues of sustainable forestry, climate change and environmental and social standards in the supply chain. These groups provide a diverse pool of expertise and ensure an integrated approach to addressing environmental issues across the Bank’s numerous business lines and support areas.

➤ [For policy details, please click here.](#)

### Direct environmental impacts

#### Paper

Paper consumption is a major component of Scotiabank’s environmental footprint because of our extensive customer communications, administrative and documentation processes. We recognize that careful management and reduction of our paper consumption can help reduce our operating costs and further improve our industry-leading productivity ratios.

For those reasons, we set an initial goal of gathering and centralizing data on Bankwide paper usage to help us improve our environmental reporting. Going forward, we can begin to benchmark our paper usage, to target consumption reductions and improve the recycled content and environmentally friendly characteristics of paper stocks purchased.

#### Scotiabank domestic paper consumption in 2006

Paper classification	Tonnes
Business forms	3,175
Business cards	8.7
Letterhead	13.1
Bond copy paper	1,897.3
Annual reports	61.4
Marketing direct mail	213.6
<b>Total weight</b>	<b>5,369</b>

Reported volumes are for fiscal 2006, except for marketing direct mail, which has been annualized based on 10 months’ volume. No data available for previous years, since 2006 is the first year of domestic Bankwide reporting.

Scotiabank’s activities to conserve paper usage include:

- Shared Services, our centralized administrative department, manages the Bank’s largest business forms and paper supplies contracts and is responsible for assembling paper consumption data. This group also ensures 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. We also require that packaging is made from reclaimed products and can be recycled.
- In 2006, hundreds of thousands of Scotiabank customers chose the “paperless” option for their bank accounts, doubling the number of “paperless” accounts from last year. In addition, the popular “View My Bills” service available on [Scotia OnLine Financial Services](#) allows customers to receive and pay their bills online, reducing the quantity

of paper that billing companies need to send to their account holders.

- Scotiabank is a member of Stewardship Ontario, a non-profit organization through which major companies pay 50 per cent of the costs of Ontario's municipal Blue Box waste diversion programs.
- In 2006, the Bank began implementing its Image Retrieval and Information System (IRIS) in Canadian branches, allowing employees to access many reports and docu-

ments electronically. During the roll-out phase of IRIS, approximately 440,000 pages of documents were removed from monthly handling, saving more than 24 million pages from being printed per year.

### Energy-saving innovations

- In 2006, the Bank conducted a portfolio-wide assessment of our lighting systems, to identify Bank locations with inefficient lighting. This assessment included, in applicable locations, the measurement of "foot candle" light readings, to identify locations where the natural light would enable us to use lower wattage lights in existing fixtures. This overall assessment is now complete and, during 2007, we aim to implement a retrofit program whereby we will, where appropriate, upgrade ballasts and fixtures to more energy-efficient and environmentally friendly standards.
- With the launch of iShare, an online multimedia conferencing tool, Scotiabank is helping reduce employee business travel and ultimately lowering transportation-related energy consumption. Launched in July 2006, the online conferencing tool now has more than 1,411 active, registered Bank users in more than 10 countries, who participated in more than 1,683 online meetings during 2006.
- We include white-coloured roofs in most of 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.
- For our external signage, we include significantly more efficient LED lighting for new individual letter signs. We are also installing timers and light sensors on selected exterior signs.
- We continue to proactively maintain the heating, ventilation and air conditioning systems in our branch network through a national contract with a third-party supplier, to ensure that all of these systems across our network operate as efficiently as possible. We strongly believe that by spending more on preventative maintenance, we can reduce our environmental impact through lower electricity consumption and reduced risk of refrigerant loss.
- Our branch administrative manuals contain instructions and information to help employees reduce environmental impacts in the workplace.
- 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 harmful to the environment. They are certified to improve energy efficiency, reduce hazardous by-products, use recycled materials, and can be reused.

### Recycling

Across the organization, we participate in waste reduction programs to reduce, reuse and recycle wherever possible.

- In 2006, as part of our national toner cartridge recycling program, we used and recycled 11,845 re-manufactured cartridges.
- Our Canadian branches and offices take part in locally available recycling programs. We provide paper, glass and waste recycling stations in our Toronto Executive Offices, helping the Scotia Plaza complex achieve an 81 per cent annual waste diversion rate in 2006, including approximately 175 metric tonnes of cardboard and 632 metric tonnes of food waste. From Bank-occupied floors alone, we recycled an average of 50 metric tonnes of paper each month, or approximately 633 metric tonnes during 2006.
- In 2006, our Asset Management Services area sent more than 4,969 pieces of equipment for environmental disposal, including 1,653 workstations, 2,471 monitors and 634 printers. They also redirected 18 computer desktops and laptops, and 18 monitors for reuse by non-profit groups.
- During 2006, we continued the tradition of donating surplus office supplies to community groups. We donated more than 500 boxes of excess binders, CD and video tape covers to the Toronto and Peel Boards of Education for use in classrooms and day-care centres.

### Measuring 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 harmful climatic change. In 2006, we completed an energy measurement pilot project at a number of branches in Ontario. The pilot allowed us to establish and refine a data collection and reporting system, which will be rolled out across Canada in 2007.

### Real estate practices

Scotiabank's Real Estate Department develops real estate solutions for the Bank and its customers with due consideration to 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-saving innovations,' left, for details). The group also applies environmentally sensitive purchasing standards, including building

materials, furniture and carpets in our branches and other Bank-owned or managed premises.

#### Sustainable real estate development in 2006

- In 2006, we ran our third green pilot project in Laval, Que. At this branch, we incorporated successful features from the first two “green” branches, and introduced new innovations, such as ventilating windows. Over the next year, we will analyze the effectiveness and benefits of this branch and look to replicate, in other locations, the benefits that we have achieved. With this third green pilot, the Bank participated in the “Green Globes” benchmarking and certification program. As part of this internationally recognized environmental program, our Laval branch was audited by an independent third-party assessor and was certified as a “3 Green Globes” facility, indicating excellent progress in achieving eco-efficiency results through current best energy and environmental design practices.
- Since constructing our first pilot “green” branch in Etobicoke, Ont., in 2002, and following up with a second “green” location in Vaughan, Ont., in 2005, Scotiabank has been incorporating several of its best features when it opens new locations or renovates existing ones.
- We purchased and installed 34,614 square yards of environmentally friendly carpet throughout various Scotiabank facilities. As a result, 441 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. This environmentally friendly carpet is now the standard carpet that we use for our branches and office premises around the world.
- We continued to purchase and provide new seating that is composed of up to 44 per cent recycled materials, and each chair is 99 per cent recyclable by weight.
- To encourage car-free commuting, we continue to install bicycle racks in front of most new branches and, wherever practical, in front of newly renovated branches.

## Climate change

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 introduction and potential introduction of GHG regulations in a number of countries, the Bank is aware that GHGs will begin to measurably affect the financial results of companies. In addition to addressing climate change in credit risk policies and the Bank’s own 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 28. For example, we sponsored the *Carbon Disclosure Project Canada Report 2006*, a comprehensive report prepared by the Conference Board of Canada and Innovest to present the issue of GHG impacts of companies in a Canadian context. In addition to various energy conservation efforts within the Bank, including our recent energy consumption pilot, we are also 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 28 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 incorporate environmental considerations into our purchasing processes.

- We have a committee to study environmental and social issues in supply chain management, with the goal of developing consistent purchasing standards across the Bank.
- 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 has initiated a national janitorial services contract with a third-party supplier, and specified that



**Forest Stewardship Council (FSC)** certified paper is used in the production of many Scotiabank publications, including our Annual Report, customer wall calendars and corporate newsletters, helping reduce our consumption of trees, waste, water and energy.



**Green Globes**, an international environmental benchmarking and certification program, recognized Scotiabank’s new “green” branch in Laval, Que., for its energy conservation and design features.

such supplier must use environmentally friendly “green” cleaning products and equipment for serving our domestic branch network.

### Indirect environmental impacts

#### 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, Scotiabank requires lending officers to consider, review and document current and potential environmental risks associated with the business operations of each borrower as part of initial, annual and periodic reviews. Since changes in environmental legislation or a deterioration in the borrower’s environmental management practices may result in an environmental problem, lending officers are instructed to monitor environmental risks on an ongoing basis.

The Bank is currently reviewing due diligence practices with respect to the extractive industries, to ensure that they fully reflect material risks such as illegal logging and sustainable forestry issues.

#### Embedding ESG issues into investment strategies

We are developing a strategy to help further embed material environmental, social and governance (ESG) awareness into our investment strategies. Our objective is to ensure that material ESG risks that may have a significant financial or reputational impact are fully taken into account when researching and selecting investments.

#### Renewable energies financing

Scotia Capital, our corporate and investment bank, has developed considerable expertise in providing advice and financing support to a number of innovative environmental projects. Scotia Capital’s Power and Infrastructure unit currently lends to at least five renewable energy projects/clients involved in hydro, wind and other renewable power opportunities.

Among these projects, we acted as the exclusive financial advisor to Enbridge Income Fund on its \$42 million purchase of three wind power projects in Western Canada. The fund has purchased interests in the SunBridge project at Gull Lake, Saskatchewan, and interests in the Magrath and Chin Chute projects in southeastern Alberta, which will collectively have the capacity to generate 71 megawatts of power.

Scotia Capital also co-led, as syndications agent, a \$300 million bank financing for construction of the two-phased Brookfield Power Prince wind project near Sault Ste. Marie,



Sustainability begins at home. To reduce the environmental footprint of our operations, Scotiabank is examining the potential of eco-efficient “green” branches. Here, Scotiabank Community Manager Martin Hébert (left) and Branch Manager Jocelyne Thouin tour our new “green” branch project in Laval, Que.

Ont. The Prince wind project consists of 126, 1.5 megawatt GE energy wind turbines with the capacity to generate 189 megawatts of power, representing enough renewable electricity to power approximately 40,000 homes.

#### Meeting global standards for international project finance

In September 2006, Scotiabank adopted the revised [Equator Principles](#), a set of internationally recognized, voluntary project finance guidelines that establish social and environmental standards in the banking industry. The new principles have a wider scope than those adopted by the Bank in 2005, and apply to project financing where capital costs exceed US\$10 million, instead of US\$50 million. They also reflect recent revisions to the [International Finance Corporation’s \(IFC\)](#) performance standards, upon which the Equator Principles are partly based.

In adopting these principles, Scotiabank agrees to provide loans only to those projects whose borrowers can demonstrate their ability and willingness to comply with comprehensive processes aimed at ensuring that projects are developed in a socially responsible manner and according to sound environmental management practices. To ensure the Bank is able to meet its commitments, in 2006, a number of Scotiabank employees took part in a training course with Sustainable Finance, the IFC-approved trainers supporting the Equator Principles. The new principles create a reporting requirement, and further information on performance will soon be accessible on the Bank’s website.

#### 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.



- 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 (NATF), 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. Scotiabank employees took part in UNEP FI NATF workshops during 2006 which focused on the issue of climate change.
  - We are a member of Environment Canada's network in linking environmental performance to financial value, made up of financial institutions, governments, academics and other groups.
  - 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.
  - 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 2006, we completed the CDP 4 questionnaire to help measure greenhouse gas emissions produced by FT500 corporations. (Responses are available at [www.cdproject.net/results.asp](http://www.cdproject.net/results.asp))
  - We met with a number of environmental non-governmental organizations in order to obtain their insights and ensure that our business is transparent with respect to environmental issues.
- Scotiabank has been an ongoing supporter of the World Wildlife Fund Canada's endangered species recovery fund. In 2006, we directed \$15,000 to new research focused on encouraging forestry conservation and the protection of many ecosystems, species and plants that occupy large tracts of Canadian wilderness. Our funds will help evaluate the conservation gains achieved by implementing Forest Stewardship Certifications (FSC) in Canada's commercial forests in Ontario and Quebec and will also promote greater use of FSC products.
  - Scotiabank was a lead sponsor of the CDC Canada report, which focuses on carbon management strategies of Canada's 300 largest companies.
  - We contributed \$20,000 to Pollution Probe and its annual Clean Air Commute, which encourages eco-friendly, car-free commuting.
  - We created a new partnership with the Pembina Institute that will be rolled out in 2007. This five-year sponsorship will help the institute develop and implement [Greenlearning.ca](http://Greenlearning.ca), an online learning and research centre designed for teachers and students in Grades 1 through 12, focusing on the issue of climate change.

**Adding our financial and human capital to environmental causes**  
Scotiabank also supports environmental initiatives by not-for-profit organizations. For example:

### Going forward

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

- Measure energy consumption across Canada;
- Reduce paper consumption;
- Further integrate material ESG awareness into asset management activities; and
- Enhance due diligence process with respect to sustainability issues for forestry and forest products lending.



**United Nations Environmental Program Finance Initiative (UNEP FI)** is a global partnership between UNEP and the financial sector. We work with UNEP to understand the effects of environmental and social considerations on financial performance.



120 Scotiabank employees pedaled in the Heart and Stroke Foundation's (HSF) 'Big Bike' Ride, raising \$31,000 for the cause. From left, Scotiabank's Christine Caporusso, Brian Donahue, I. Kannan, Ian Barbeito and an HSF volunteer.

# The Community

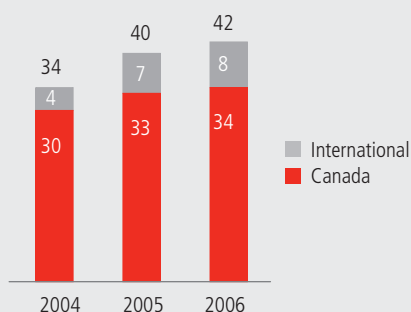
A responsibility to make a difference

Scotiabank is committed to tapping into the energy and enthusiasm of our employees, and to using financial and other resources to support an array of local, national and international charities. In 2006, Scotiabank contributed more than \$42 million to community causes in Canada and around the world. Our contribution of \$34 million to charitable initiatives in Canada, focused mainly on the areas of health, education, social service and arts and culture, makes us one of the country's largest philanthropic donors. And we are proud to have been named an Imagine Caring Company by the Canadian Centre for Philanthropy. As an Imagine company, Scotiabank donates at least one per cent of its domestic pre-tax profits to domestic charities and non-profit groups.

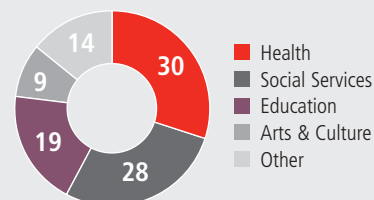
## KEY ACHIEVEMENTS IN 2006

- More than 1,500 fundraising activities received over \$4.7 million from the Team Scotia Community Program.
- Employees spent 300,000 hours volunteering and fundraising through our formal community programs.
- Awarded three United Way of Greater Toronto Spirit Awards for our corporate support, leadership campaign and employee campaign chair of the year.

## SCOTIABANK DONATIONS AND SPONSORSHIPS (\$ MILLIONS)



## CORPORATELY ADMINISTERED COMMUNITY GIVING IN 2006 (%)



## How our contributions make a difference

The majority of our community contributions (approximately \$27 million) are centrally administered by our corporate donations and sponsorships group and these funds are directed to focus areas in which we believe we can have a meaningful, direct impact on local communities: education, health, social services, and arts and culture. In addition, roughly \$7 million was spent by our branches and departments to support a wide range of community initiatives.

Below are some examples of major donations made within our four focus areas. For a more complete listing of our [centrally administered donations](#), please see appendix page 46.

### Education

We focus our educational donations whenever possible on direct student support, including bursaries and scholarships, or programs and facilities that will improve access to high-quality education. For example:

- At Queen's University, the Scotiabank Accessibility Bursary enables students with disabilities to participate more freely in academic and social life at school. The Scotiabank International Exchange Scholarships and Bursaries have enabled more than 100 exchanges annually with partner institutions in more than 10 countries. They will now be open to offshore students to attend Queen's, further supporting international studies at the university.
- Our donation to the School of Health Sciences at the University of Lethbridge will help increase the number of First Nations students who study to become health care professionals. The funds will contribute to an innovative new transition program through which a university liaison officer will work directly with students in their local communities to support their academic needs and serve as a mentor and counselor.

- Scotiabank is lending its support to Ontario's newest university, the University of Ontario Institute of Technology, a unique institution which offers career-focused, computer-based undergraduate and graduate degree programs in many fields. Our donation through the Scotiabank Group Fund will finance eight annual student awards.
- To help Cape Breton University increase the amount of financial support it can provide to its growing student population, Scotiabank made a substantial contribution to build the institution's endowment fund so that more regional youth can pursue careers such as health care workers, educators or entrepreneurs.
- As the result of a major gift from Scotiabank, The British Columbia Institute of Technology (BCIT) will be better able to continue providing highly-qualified graduates to work in Canada's aviation industry. The donation is helping create a new student entrance award, as well as construction of a 12-acre Aerospace Technology Campus, which will serve as a centre for specialized learning and aerospace research.

### Health

We concentrate our health-related contributions in areas that will have a direct, positive impact on patient care and community outreach programs. Here are a few examples:

- Scotiabank and the Rick Hansen Man In Motion Foundation announced a 10-year partnership to launch a new spinal cord injury (SCI) awareness program. The funds also support the foundation's Ambassador Program, which helps more than 200 people with SCI share their stories and inspiration in communities across Canada.
- Scotiabank is a lead sponsor for The Canadian Diabetes Association's National Camping Program, and has provided funds to ensure the association can continue to operate



Scotiabank's Shawn Goddard, Senior Manager, Domestic Human Resources (left), received the 2006 Volunteer of the Year Award for his dedication and commitment to this year's Wheels in Motion campaign from Tara Weber, a Rick Hansen Ambassador, and Joe Brandt, Senior Vice-President, Toronto Region, and Co-Chair of Toronto's Rick Hansen Wheels in Motion event.

In 2006 Scotiabank contributed more than \$42 million to community causes globally. In Canada alone, our contribution of \$34 million makes us one of the country's largest philanthropic organizations. We are proud to maintain our status on the Canadian Centre for Philanthropy's listing of Imagine Caring Companies that donate at least one per cent of domestic pre-tax profits to domestic charities and non-profit groups.

12 camps for children with diabetes. The camps, which are staffed by qualified medical professionals, provide both education and support to approximately 1,400 diabetic children each year.

- Through our five-year financial commitment to Ronald McDonald House Calgary, we are helping create a new home in conjunction with the construction of the Alberta Children's Hospital. The house will hold 23 family suites and will be built on hospital land, providing families with unlimited access to their children staying at the hospital.
- Scotiabank is backing the programs offered by Spirit of the North Healthcare Foundation in Prince George, B.C. Scotiabank's four-year pledge supports the Special Care Nursery and Pediatrics unit within the Maternal Childcare Centre for Excellence.
- Scotiabank is the presenting sponsor of the Ride for Karen, a yearly cycling event in Vaughan, Ont., that raises money for charities that help children living with cancer and those who care for them. In 2006, more than 300 people participated and raised over \$160,000. These funds will be used to help send children to camp and provide the required support and treatment during their stay.
- To help transform patient care in several New Brunswick communities, Scotiabank is supporting the Friends of the Moncton Hospital Foundation, Sackville Memorial Hospital and the Bennett & Albert Country Health & Wellness Centre with a significant donation. The funds will help create a new ambulatory care centre, a new trauma/emergency department and a state-of-the-art laboratory. In

addition, they will create a new tele-health room that will enable remote access to patients.

### Social services

Scotiabank's donations to the social services sector most often target local causes or community organizations that are making a concrete impact on individuals in need of health, counseling, housing or skills-development assistance. We also support events and activities that foster local community spirit. Here are a few examples:

- To help female victims of violence escape from abusive situations, Scotiabank made a three-year gift to the Canadian Women's Foundation, an organization that provides loans to abused women to help them cover housing costs such as rent, telephone and hydro. This unique lending program also provides longer-term funding to help women and teens afford the education and skills training to live independently.
- In the Prairie provinces, Scotiabank is helping bring peace of mind to parents of intellectually disabled children through our donation to the Continuity Care organization. Our contribution is helping this group provide planning, information and support to families who worry about the continued care of their children after the death of parents or caregivers.
- We are supporting an innovative housing program developed by the YWCA Toronto to aid abused women and children. Scotiabank funding will help build YWCA Bergamot, a 68-unit apartment building with an early

childhood development centre. As part of the project, onsite staff will provide support to residents to help them maintain their housing, secure employment or develop parenting or working skills.

- In Halifax, N.S., the annual Blue Nose International Marathon welcomes more than 1,700 participants. As a presenting sponsor of the event, Scotiabank is promoting healthy, active lifestyles through walking and running. In addition, more than 60 Scotiabank volunteers joined two corporate relay teams to raise additional funds for the YMCA's local youth programs.

### Arts and culture

Our contributions to arts and cultural causes extend the reach of enriching arts activities into our communities, including funding that helps both new and established artists to hone and share their talents. Here are a few examples:

- More than 420,000 people enjoyed Scotiabank Nuit Blanche, a “sunset-to-sunrise” celebration of contemporary art, held September 30–October 1, 2006. Scotiabank partnered with the City of Toronto to sponsor 130 locations across the city, including extended hours access to museums and galleries, showcasing a diverse range of Canadian and international artists, performances and multimedia exhibits.
- Respected Manitoba arts institutions, the Winnipeg Symphony Orchestra and the Royal Winnipeg Ballet, received significant donations from Scotiabank in 2006. The Winnipeg Symphony allocated our donation to create their Harvest Tour to communities outside of Winnipeg, while the Royal Winnipeg Ballet directed its funds to create new full-length ballets and short works in addition to the refurbishment of their existing repertoire.
- As the presenting sponsor of the Ballet Jorgen's Nutcracker Outreach Program, Scotiabank is helping this professional ballet company to bring dance into the school system and reach children who would not otherwise have the opportunity to experience a live performance.

### Our employees in the community

The employees of Scotiabank help extend our spirit of community giving even further by volunteering their time, skills and money, raised individually and through teamwork, to support community causes that are important to them, their friends, family and customers. We support the volunteer work of our employees 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 2006, more than 1,500 fundraising activities received over \$4.7 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 at least 50 hours per year. Combining our two employee-based programs, in 2006, employees spent more than 300,000 hours volunteering and fundraising for local organizations.

Here are a few examples:

- Toronto-area Scotiabankers pulled together to make their largest-ever donation to the United Way of Greater Toronto in 2006. Donations made by over 6,000 employees, in addition to staff fundraising and special events, raised \$5.3 million, which, complemented by a corporate gift, brought the Bank's total contribution to \$6.8 million. Among employee activities, a record 615 Scotiabankers took part in the Bay Street Rat Race and an online silent auction raised nearly \$80,000.
- In Surrey, B.C., Scotiabank's Sandra Cross has devoted her spare time and energy over the past eight years to the Royal Canadian Air Cadets program, an organization that encourages children to become active, responsible community members. As a member of the 767 Dearman Squadron, Sandra has helped countless children – including her own – to participate in environmental, fundraising,



Scotiabank is a member of **Imagine Canada**, a national organization that champions corporate citizenship and encourages partnerships between charities, non-profit organizations and businesses to build stronger Canadian communities.



**Scotia Cares** is a Scotiabank intranet site which profiles employee fundraising success stories and promotes community involvement among Scotiabankers.

Since 2004, Scotiabankers in Hamilton, Ont., have been involved in a unique community program designed to make home ownership attainable for low-income families, revitalize inner city neighbourhoods and provide practical job skills to at-risk youth.

Based on the philosophy of “providing a hand-up rather than a hand-out,” the Home Ownership Affordability Partnership (HOAP) was created by volunteers from the Realtor Association of Hamilton-Burlington, Hamilton-Halton Home Builders’ Association, City of Hamilton and Scotiabank. HOAP volunteers work with interested families, who currently rent social housing units, to help them become home owners.

“We see the excitement in their eyes when they realize that it is possible to achieve their dreams and they can become financially better off,” says Scotiabank Branch Manager Frank Passaro. Passaro and 10 colleagues from the Centre Mall branch provide one-on-one financial advice to HOAP participants.

HOAP then co-ordinates repairs to a neglected local house for the sponsored family. The construction work also provides practical skills training for young people as part of the Threshold School of Building youth program. To date, at least 50 disadvantaged young people have apprenticed with carpenters and tradespeople to gain hands-on skills and future employment.

“We’re helping make better lives for many individuals and also revitalizing an inner-city neighborhood, one house at a time,” adds Passaro, noting that HOAP has renovated five inner-city homes and supported 10 additional families to achieve home ownership since 2003. “I grew up in the neighbourhood and it feels great to be part of this community transformation.”

In 2006, Scotiabank and the City of Hamilton expanded their model by establishing the Homestart Program. The first program of its kind in Canada, this partnership between the private sector, municipal government and the Province of Ontario helps low-income, social housing tenant



As a member of the Home Ownership Affordability Partnership, Scotiabank is helping low-income families realize the dream of home ownership. Here, Scotiabank’s Frank Passaro (centre) and Keith Entrance of the City of Hamilton join Wai-Lee Lau in front of her mother’s new house.

families save for home ownership through a combination of matching grants, home repair seminars and financial counseling.

During the year, the first 15 families took part in the program through which the City of Hamilton matches participant contributions. By adapting the Bank’s own home bonus plan savings program, Scotiabank contributes an additional \$1,000 to each qualifying family, helping them accumulate a mortgage down payment.

Organizers hope to continue to grow the program to support more than 50 Hamilton families, and to share the concept with other communities nationwide.

citizenship and physical fitness activities.

- Quebec-based employees from Scotia Private Client Group, Scotia Cassels Investment Counsel, Scotiatrust, Private Banking and Retail Banking banded together for the 30-person Mega-Bike Trek in support of the Foundation for Research in Children’s Diseases. For the past three years, these Scotiabankers have pedaled through the streets of Montreal, despite the unpredictable weather, to raise funds for pediatric research.
- Responding to a community plea for volunteers two years ago, six employees from the Regent & Priestman branch in Fredericton, N.B., continue to volunteer at least one Saturday every month at a local food bank. The co-workers prepare and serve meals at the Community Kitchen, helping provide nutritious meals to hundreds of people who use the facility each year.
- Scotiabankers put their strength behind several Habitat for Humanity home-building projects, including 20 members of the International Marketing team who rolled up

their sleeves to help build homes in Scarborough, Ont., last June. In addition, a six-person team of Bank employees travelled to the U.S. Gulf Coast on the first anniversary of hurricane Katrina to join a five-day project to build homes for storm victims.

### 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 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 financial support for employee volunteering through the [Scotia Employee Volunteer Program](#) and [Team Scotia Community Program](#).

# The Global Community



Wherever we operate, Scotiabank recognizes its obligation to contribute to the well-being of the community. Left homeless after a devastating volcanic eruption, residents of Ubinas, Peru, gather to thank Scotiabank employees who raised funds to buy them food and clothing.

## A responsibility to make a difference globally

In our 175th year of operation, Scotiabank can look back on a long history of giving back to communities – not just in Canada, but around the world. Founded in Halifax, Nova Scotia, the Bank opened international offices in Kingston, Jamaica, in 1889, before expanding to Toronto and central Canada. Scotiabank’s unique history as an internationally active company also extends to our involvement in the communities we serve.

Our philosophy of strong corporate citizenship is demonstrated in some 50 countries where we operate. During 2006, we contributed more than \$8 million to causes that mirror our community giving focus in Canada, including health, education and social services.

We play a major role in many countries as a provider of credit and financial services, as a respected employer, taxpayer and acquirer of local goods and services.

Scotiabank’s community involvement is greatly strengthened by the volunteerism and fundraising efforts of our international employees who support relevant causes in their communities, including urgent calls for aid during crisis or natural disasters. See details on our worldwide [Team Scotia Community Program and Scotiabank Employee Volunteer Program](#) on page 33.

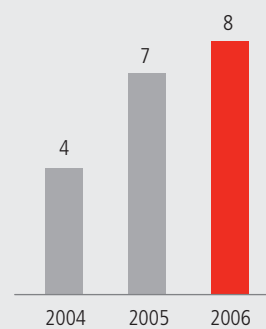
Here are a few examples of our international community spirit

- In the Caribbean, Scotiabank employees responded to the serious HIV/AIDS health threat confronting the region – and the challenge to address the growing social and economic issue put forward by Scotiabank President and CEO Rick Waugh – by organizing a year of fundraising and awareness initiatives. Launched on Dec. 1, 2005, United Nations’ World AIDS Day, employees planned in-branch awareness seminars, dress-down days and raffles to raise funds for local health organizations fighting the disease in Turks & Caicos, Haiti, Jamaica, the Bahamas, Barbados, Dominican Republic and Guyana. In Barbados, for example, Scotiabank partnered with the International Labor Organization, Ministry of Health and other sponsors to support the Pledge for Life program. The first phase of

## KEY ACHIEVEMENTS IN 2006:

- Jamaican micro-credit operation increased its loan disbursements to CDN\$2.2 million, opened two additional rural branches and launched educational assistance loans;
- Created Scotiabank International Scholarships with University of Ottawa;
- Organized year-long HIV/AIDS awareness and fundraising campaign in Caribbean region.

## SCOTIABANK INTERNATIONAL DONATIONS AND SPONSORSHIPS (\$ MILLIONS)



this initiative, coinciding with Scotiabank's 50th anniversary in Barbados, involved an HIV/AIDS Pledge motorcade across the island to encourage citizens to attend public HIV testing. It included a unique pledge program by which participants, including Scotiabankers, vowed to adopt sensitive behaviors, through training, volunteering and promoting zero tolerance of workplace discrimination.

- To help stimulate research and policy proposals targeting economic challenges in the Caribbean, Scotiabank made a three-year, CDN\$100,000 donation to the Centre for International Governance Innovation (CIGI) for its Caribbean Economic Governance Project. The funds will support collaboration among top researchers and public and private sector leaders, through workshops, discussion papers and conferences, and to develop recommendations to tackle economic development, poverty and unemployment.
- Scotiabank Mexico has found a unique way to make good use of land, buildings and vehicles that come into its possession when customers default on their loan obligations. Since 2004, the Bank has donated many of these assets to charitable organizations who can use them to benefit the local community. During 2006, nine properties valued at CDN\$195,000 were donated to worthy causes. See more details on [Scotiabank Mexico's charitable activities on page 38](#).
- Scotiabank Sud Americano in Chile has established an alliance with the María Ayuda Foundation, a national not-for-profit organization that provides poverty relief, shelter and education to abused women and children living in poverty. In Santiago, Scotiabank is helping the Foundation construct a new family education centre to serve kindergarten through adult education students, through our donation of funds to purchase sporting equipment, class-

room supplies, library books, science and computer facilities. In addition to the Bank's financial support, we have launched a corporate volunteer program in which many employees donate their time to María Ayuda projects. For example, 15 Scotiabankers spent a day helping youth plant an on-site orchard at their shelter.

- To support youth in Costa Rica, Scotiabank provides considerable resources to educational and youth causes, totaling more than CDN\$23,000 in 2006. Among these contributions, Scotiabank offers full scholarships to seven outstanding students from public schools to study at the Latin American University of Science and Technology.
- For the second year in a row, Scotiabank El Salvador took part in "A roof for my country" program, raising CDN\$183,700 from employees and customers to help build 160 houses, in addition to a CDN\$126,300 donation from the Bank. Approximately 250 employees also participated in the construction projects, giving up their weekends to construct nearly 70 houses in five communities.
- To help support the next generation of Canadians who will reach out to the world's economies, we created the Scotiabank International Scholarships with the University of Ottawa, an institution with an impressive range of international expertise. The scholarships will be available to students in all disciplines who pursue studies with an international dimension. Preferential access will be provided to applicants with a disability or those who are studying an international aspect of disability issues.

### Supporting micro-credit

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. First incorporated in 2002, with \$2 million in loan capital from Scotiabank, MEFL offers low-income micro-entrepreneurs access to loans with little or no collateral, savings accounts and training in business development, money management and life skills.

Originally established to aid Kingston's poorest neighborhoods, MEFL has expanded to serve struggling rural clients and farmers. In 2006, MEFL opened its second and third rural branches in Savanna-la-mar, Westmoreland, and Linstead, St. Catherine, providing urgently needed agricultural loans. MEFL also launched an educational assistance loan product during the year to help mature students pay for books, computers or school fees.

In 2006, MEFL served 1,615 clients with an average loan size of CDN\$600. In addition, 75 per cent of these loans went to females and MEFL achieved a 96 per cent loan repayment rate.

MEFL officials note that lending clients have also accumulated considerable savings, equalling approximately CDN\$315,000. They are also proud of the indirect positive impact MEFL is having on the lives of the more than 5,500 dependent children of their clients.

- Since 1993, we have also operated Scotia Enterprise, a microcredit program in Georgetown, Guyana, based on a group lending approach. Since reorganizing this program under the management of DFL Caribbean Group in 2005, Scotiabank Guyana now manages the banking relationships and micro-credit deposits.
- We are currently exploring possibilities to expand our microfinance programs and develop local partnerships in one or two other locations in the Caribbean or Latin America.



Scotiabank's micro-enterprise financing operation in Jamaica helps make the business case for corporate social responsibility. The program provides small loans, often without collateral security, to low-income entrepreneurs in a variety of small, community-based businesses. It enjoys a repayment rate of 96%.

### Scotiabank's micro-credit success in Jamaica

- 1,615 active clients
- Opened two additional rural branches in 2006
- 75% of loans to women
- Repayment rate of 96%

### Going forward

Scotiabank has set the following goals for global community development activities:

- Develop a strategic community program that aligns our international giving with our Canadian areas of focus, including children's causes;
- Encourage continued employee involvement and volunteerism among our global workforce through our matching programs and other incentives; and
- Continue to grow our current micro-credit programs.



"Join me and let's build together!" was the slogan for a fundraising campaign among employees at Scotiabank El Salvador to fund and construct homes for 160 families affected by hurricanes and other natural disasters.

In Mexico, Grupo Scotiabank, which has the largest number of Scotiabank employees outside Canada, is a strong supporter of local community initiatives and has established a community support program composed of financial donations, gifts-in-kind of land, vehicles and equipment, and sponsorships of local events. The program focuses on charitable causes that support children, women and disabled persons, with an emphasis on the educational and health sectors.

In 2006, Scotiabank Mexico's community support program contributed more than CDN\$2.85 million, including CDN\$528,300 to establish a permanent charitable fund that will provide stable annual community donations. During the year, the majority of donations were directed to a group of 69 not-for-profit groups, including well-known national institutions with the expertise, experience and infrastructure to efficiently deliver targeted assistance to local communities. For example:

- Scotiabank Mexico gave CDN\$333,000 to Un Kilo De Ayuda (A Kilo of Help), a national charitable organization that fundraises and distributes food to women and children, especially in southern Mexico where malnutrition levels are the highest. In addition to feeding approximately 33,000 children during 2006, the organization collects vital statistics on regional poverty to raise government and public awareness of the country's developmental needs.
- The Grupo Scotiabank Board of Directors presented Albergue Infantil los Pinos with a gift of land in Jalisco. Valued at CDN\$126,300, the local charity will construct a hostel for abandoned children. During the previous year, the Board made a similar donation valued at CDN\$80,000 in Mérida, to help the Fundacion de Orientacion Holistica expand its medical treatments, therapies and social support to children with developmental disorders.

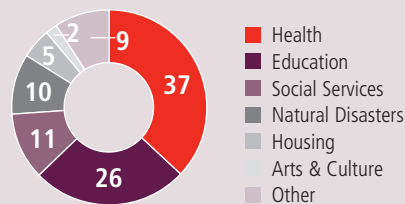
Scotiabank Mexico employees also enthusiastically volunteer for causes that matter to them. For example, in October 2006, 50 employees volunteered at the Carrera Terry Fox (the local branch of the Terry Fox Run) by registering and distributing food and water to participants. Scotiabank Mexico supported their efforts by making a CDN\$37,900 donation to the cause, part of a three-year CDN\$114,000 pledge.



In the Yucatan Peninsula, Scotiabank Mexico employees, from left, José Casanova, Friné Figueroa and Abraham Carrillo, enjoy volunteering and getting involved in community events outside of their Mérida branch.

**GRUPO SCOTIABANK  
COMMUNITY GIVING  
IN 2006**

%



# Glossary

**BALANCED SCORECARD:** an analysis technique designed to translate an organization's mission statement and overall business strategy into specific, quantifiable goals and to monitor the organization's performance in terms of achieving these goals. The approach combines financial and non-financial objectives, including financial, operational, customer and employee perspectives. Scotiabank has incorporated this methodology in its performance management approach for employees.

**BANK ACT:** federal legislation governing how banks operate in Canada.

**CANADA LABOUR CODE:** an Act of Canadian Parliament regulating labour in Canada, including standards for fair and equitable working conditions and occupational health and safety for several industries, including chartered banks.

**CANADIAN HUMAN RIGHTS ACT:** a law designed to ensure equal opportunity to individuals and to prevent discriminatory practices based on a set of prohibited grounds, such as gender, disability or religion.

**CARBON DISCLOSURE PROJECT:** an initiative for institutional investor collaboration on climate change which aims to inform investors of the significant risks and opportunities presented by climate change to the FT500 companies, and to inform company management of the serious concerns of their shareholders regarding the impact of climate change on company value.

**CUSTOMER LOYALTY INDEX:** a key indicator of customer commitment to Scotiabank, based on results from the Bank's internal Through Your Customers' Eyes™ customer satisfaction survey of more than 115,000 randomly selected retail banking customers each year.

**EMPLOYEE SATISFACTION INDEX:** This index measures the level of Scotiabank employee satisfaction with their immediate work environment, based on results from the Bank's annual ViewPoint opinion survey of its global workforce.

**EMPLOYMENT RELATIONSHIPS PLAN:** Scotiabank's plan to integrate diversity and employment equity initiatives into established business processes, including annual plans, budgets and a quarterly People Report to measure progress in each Scotiabank business line.

**EQUATOR PRINCIPLES:** a set of internationally recognized, voluntary project finance guidelines that set social and environmental standards for the finance sector. They are based on World Bank and International Finance Corporation standards and have been signed by more than 40 financial institutions around the world.

**FINANCIAL CONSUMER AGENCY OF CANADA (FCAC):** the Canadian regulatory agency that provides consumer education and oversees financial institutions to ensure they comply with federal consumer protection laws.

**GLOBAL REPORTING INITIATIVE (GRI):** an independent, not-for-profit institution that develops globally applicable sustainability reporting guidelines for voluntary use by organizations to report on the economic, environmental and social dimensions of their activities, products and services.

**GREENHOUSE GAS EMISSIONS (GHG):** greenhouse gases are gaseous components of the atmosphere, created in part by human activities such as the burning of fossil fuels, which contribute to the greenhouse effect and global warming, a trend by which the earth's air and ocean temperatures have increased in recent decades.

**IDENTITY THEFT:** involves securing pieces of an individual's personal information or identification and using the information to impersonate the individual, often to commit forgery or fraud for financial gain.

**INTERNATIONAL FINANCE CORPORATION (IFC):** is the private sector arm of the World Bank which promotes private sector investment in developing countries. The environmental and social requirements set out in the Equator Principles are largely based on their policies.

**KYOTO PROTOCOL:** an international agreement, signed in Kyoto, Japan in 1997, and ratified by 160 countries including Canada, which sets targets to reduce six different greenhouse gas emissions by an average of 5 per cent below 1990 levels between 2008-2012.

**PUBLIC ACCOUNTABILITY STATEMENT (PAS):** a document required by law in Canada whereby Canadian banks and other major financial institutions must report on their contributions to Canadian society and the economy.

**SARBANES-OXLEY ACT:** U.S. legislation passed in 2002 to strengthen corporate governance by establishing standards for all companies that trade on U.S. stock exchanges, and public accounting firms.

**SUSTAINABILITY:** Sustainable Development was defined by the Brundtland Commission Report to the United Nations as development that meets the needs of the present without compromising the ability of future generations to meet their needs.

**UNITED NATIONS ENVIRONMENTAL PROGRAM FINANCE INITIATIVE (UNEP FI):** a global partnership between the United Nations Environmental Program and the private financial sector whereby more than 160 financial institutions work together to identify and adopt best environmental and sustainability practices within their operations.

# Appendix

The following information is required by the Public Accountability Statement Regulations pursuant to the Bank Act. Other information required by the Regulations is incorporated into the core of this Report.

## SCOPE OF REPORTING

This report 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.

## PRINCIPAL SUBSIDIARIES<sup>(1)</sup>

As at October 31, 2006

Principal office

### Canadian

BNS Capital Trust	Toronto, Ontario
BNSII Group	Toronto, Ontario
Montreal Trust Company of Canada	Montreal, Quebec
MontroServices Corporation	Montreal, Quebec
Scotia Merchant Capital Corporation	Toronto, Ontario
BNS Investments Inc.	Toronto, Ontario
Maple Trust Company	Toronto, Ontario
National Trustco Inc.	Toronto, Ontario
The Bank of Nova Scotia Trust Company	Toronto, Ontario
National Trust Company	Toronto, Ontario
RoyNat Inc.	Toronto, Ontario
Scotia Capital Inc.	Toronto, Ontario
Scotia Cassels Investment Counsel Limited	Toronto, Ontario
Scotia Life Insurance Company	Toronto, Ontario
Scotia Mortgage Corporation	Toronto, Ontario
Scotia Mortgage Investment Corporation	St. John's, Newfoundland
Scotia Securities Inc.	Toronto, Ontario
Scotiabank Capital Trust	Toronto, Ontario

### International

The Bank of Nova Scotia Berhad	Kuala Lumpur, Malaysia
The Bank of Nova Scotia International Limited	Nassau, Bahamas
BNS International (Barbados) Limited	Warrens, Barbados
Corporacion Interfin	San José, Costa Rica
The Bank of Nova Scotia Asia Limited	Singapore
The Bank of Nova Scotia Trust Company (Bahamas) Limited	Nassau, Bahamas
Scotiabank & Trust (Cayman) Limited	Grand Cayman, Cayman Islands
Scotia Insurance (Barbados) Limited	Warrens, Barbados
Scotiabank (Bahamas) Limited	Nassau, Bahamas
Scotiabank (British Virgin Islands) Limited	Road Town, Tortola, B.V.I.
Scotiabank (Hong Kong) Limited	Hong Kong, China
Scotiabank (Ireland) Limited	Dublin, Ireland
The Bank of Nova Scotia Jamaica Limited (70%)	Kingston, Jamaica
Grupo Financiero Scotiabank, S.A. de C.V. (97%)	Mexico, D.F., Mexico
Nova Scotia Inversiones Limitada	Santiago, Chile
Scotiabank Sud Americano, S.A. (99%)	Santiago, Chile
Scotia Capital (USA) Inc.	New York, New York
Scotia Holdings (US) Inc.	Atlanta, Georgia
The Bank of Nova Scotia Trust Company of New York	New York, New York
Scotiabanc Inc.	Atlanta, Georgia
Scotia International Limited	Nassau, Bahamas
Grupo BNS de Costa Rica, S.A.	San Jose, Costa Rica
Scotiabank Anguilla Limited	The Valley, Anguilla
Scotiabank de Puerto Rico	Hato Rey, Puerto Rico
Scotiabank El Salvador, S.A. (99%)	San Salvador, El Salvador
Scotiabank Europe plc	London, England
Scotiabank Peru, S.A. (77.6%)	Lima, Peru
Scotiabank Trinidad & Tobago Limited (51%)	Port of Spain, Trinidad

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

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

## Branches/Offices/ABMs

### Openings, closings and consolidations

Scotiabank, with 972 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 2,742 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.

The size of our branch network is growing to enhance customer convenience and complement 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. 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 transaction volumes increased strongly to 241 million in 2006, up from 199 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.

### New branches opened

British Columbia	2777 Gladwin Rd., Abbotsford* 7188 Kingsway, Burnaby** 1811 Comox Ave., Ste 104, Comox† 1940 Kane Rd., Kelowna 19800 Lougheed Hwy., Pitt Meadows* 12040 Nordel Way, Surrey** 591 Cardero St., Vancouver 276 Victoria St., Kamloops†
Alberta	600 Saddletowne Circle NE., Calgary 1160 Railway Ave., Canmore 175 Chestermere Station Way, Chestermere 9327 Somerset Lane, Grande Prairie† 10828 100 St., Grande Prairie† 30 3rd Ave. SE., High River 550 University Dr. W., Lethbridge 4300 South Park Dr., Stony Plain
Saskatchewan	800 15th St. E., Prince Albert*
Manitoba	35 Thompson Dr. N., Thompson** 1549 Kenaston Blvd., Winnipeg 200 Portage Ave., Ste 301, Winnipeg†
Ontario	580 Bayfield St., Barrie* 4519 Dundas St. E., Burlington 15 Clair Rd. W., Guelph 670 Queenston Rd., Hamilton* 880 Upper Wentworth St., Hamilton*** 1430 Fanshawe Park Rd. W., London 4559 Hurontario St., Mississauga*** 305 Church St., Oakville† 3888 Innes Rd., Orleans** 661 Danforth Ave., Toronto*** 2290 Lawrence Ave. E., Toronto* 9600 Islington Ave., Woodbridge
Quebec	7083 Newman Blvd., Lasalle†
New Brunswick	635 Main St., Sussex†
Prince Edward Island	135 St. Peters Rd., Sherwood**

\* New branch as a result of consolidation

\*\* New branch as a result of relocation

\*\*\* Former National Bank of Greece branch acquired February 2006

† ScotiaMcLeod/wealth management office

### Scotiabank branches closed

British Columbia	33739 Essendene Ave., Abbotsford* 2548 Clearbrook Rd., Abbotsford* 7889 Edmonds St., Burnaby** 8925 120th St., Delta** 272 Victoria St., Kamloops† 488 Bernard Ave., Kelowna†
Alberta	10050 Jasper Ave., Edmonton†
Saskatchewan	1203 Central Ave., Prince Albert* 2995 2nd Ave. W., Prince Albert*
Manitoba	50 Selkirk Ave., Thompson** 200 Portage Ave., Ste 305, Winnipeg†
Ontario	509 Bayfield St., Barrie 1001 Champlain Ave., Burlington 276 Parkdale Ave. N., Hamilton* 686 Queenston Rd., Hamilton* 101 Frederick St., Kitchener† 5075 Yonge St., North York† 1500 Upper Middle Rd. W., Oakville† 1615 Orleans Blvd., Orleans** 7000 Pine Valley Dr., Woodbridge
Quebec	1002 rue Sherbrooke W., Montreal† 505 rue Ste-Catherine W., Montreal 1111 rue Ste-Catherine W., Montreal
Prince Edward Island	155 St. Peters Rd., Sherwood**

\* Closure as a result of consolidation \*\* Closure as a result of relocation

† ScotiaMcLeod/wealth management office

## ABM installations and de-installations

### ABMs Installed\*

#### British Columbia

2777 Gladwin Rd. (2), Abbotsford  
 4334 Sanderson Way, Burnaby  
 1940 Kane Rd., Kelowna  
 8622 - 200 St., Langley  
 65 Commercial St., Nanaimo  
 1246 Lynn Valley Rd., North Vancouver  
 610 – 19800 Lougheed Highway (2),  
 Pitt Meadows  
 391 Hudson Ave., Salmon Arm  
 591 Cardero St., Vancouver

#### Alberta

169 East Lake Cr., Airdrie  
 6200 – 50th St., Beaumont  
 3320 17th Ave. S.E., Calgary  
 600 Saddlestone Circle N.E., Calgary  
 102 1160 Railway Ave., Canmore  
 1714 Bow Valley Trail, Canmore  
 175 Chestermere Station Way (2),  
 Chestermere  
 9201b - 112 St., Edmonton  
 331 Thickwood Blvd., Fort McMurray  
 30 - 3rd Ave. S.E., High River  
 4949 - 50th St., Innisfail  
 5419 - 50 St., Leduc  
 550 University Dr. W. (3), Lethbridge  
 4802 - 50th Ave., Lloydminster  
 83 Carry Dr., Medicine Hat  
 9927 - 100 St., Morinville  
 37430 Highway 2 S., Red Deer  
 5038 - 49th St., Rocky Mountain House  
 993 Fir St., Sherwood Park  
 280, 4300 South Park Dr. (2), Stony Plain

#### Saskatchewan

800-15th St. E., Prince Albert

#### Manitoba

1003 Rosser Ave., Brandon  
 35 Thompson Dr. N. (2), Thompson  
 1549 Kenaston Blvd. (3), Winnipeg  
 917 Portage Ave., Winnipeg

#### Ontario

115 Salem Rd., Ajax  
 15 Westney Rd. N., Ajax  
 38 Alexandria Main St. N., Alexandria  
 99 Richmond St., Amherstburg  
 509 Bayfield St., Barrie  
 105 Causley St., Blind River  
 85 King St. E., Bowmanville  
 1047 Bovaird Dr. W., Brampton  
 1235 Williams Pkwy., Brampton  
 66 Quarry Edge Dr., Brampton  
 1235 Appleby Line, Burlington  
 1331 Brant St., Burlington

4519 Dundas St. E. (3), Burlington  
 544 Hespeler Rd., Cambridge  
 72 Main St., Cambridge  
 2799 Lakeshore Blvd. W., Etobicoke  
 2950 Bank St., Gloucester  
 15 Clair Rd. W. (3), Guelph  
 2 King St. W., Hamilton  
 670 Queenston Rd. (5), Hamilton  
 969 Upper Ottawa St., Hamilton  
 997A Fennell Ave. E., Hamilton  
 100 Main St., Hawkesbury  
 8111 Campeau Dr., Kanata  
 660 Gardiners Rd., Kingston  
 863 Princess St., Kingston  
 366 Victoria St. N., Kitchener  
 1555 Talbot Rd., Lasalle  
 1430 Fanshawe Park Rd. W. (3), London  
 316 Oxford St., London  
 5706 Highway 7, Markham  
 1349 Burnhamthorpe Rd. E., Mississauga  
 3190 Prince of Wales Dr., Nepean  
 3701 Strandherd Dr., Nepean  
 16634 Yonge St., Newmarket  
 6225 Thorold Stone Rd., Niagara Falls  
 4800 Victoria Ave., Niagara Falls  
 390 Lakeshore Dr., North Bay  
 4722 Yonge St., North York  
 3451 Rebecca St., Oakville  
 3888 Innes Rd. (3), Orleans  
 470 Charlemagne Blvd., Orleans  
 1125 Colonel By Dr. (Athletic Centre),  
 Ottawa  
 550 Cumberland St., Ottawa  
 754 Bank St., Ottawa  
 770 King Edward Ave., Ottawa  
 85 University Ave., Ottawa  
 27 James St., Parry Sound  
 6 Albert St., Parry Sound  
 63 Foster St., Perth  
 935 Liverpool Rd., Pickering  
 5884 Rama Rd., Rama  
 627 Dixon Rd., Rexdale  
 3697 Dominion Rd., Ridgeway  
 2900 Warden Ave., Scarborough  
 92 Lombard St., Smiths Falls  
 360 Caradoc St. S., Strathroy  
 1438 Lasalle Blvd., Sudbury  
 1154 St. Clair Ave. W., Toronto  
 150 Kilgour Rd., Toronto  
 160 Bloor St. E., Toronto  
 1800 Bayview Ave., Toronto  
 2290 Lawrence Ave. E., Toronto  
 25 Dundas St. E., Toronto  
 50 Cumberland St., Toronto  
 680 The Queensway, Toronto  
 949 St. Clair Ave. W., Toronto

440 Niagara St., Welland  
 700 Gordon St., Whitby  
 5501 Ojibway Pkwy., Windsor  
 7600 Weston Rd., Woodbridge  
 9600 Islington Ave. (2), Woodbridge

#### Quebec

1181 Gilles Villeneuve, Berthierville  
 4010 boul. St-Jean, Dollard des Ormeaux  
 381 boul. Malony E., Gatineau  
 320 boul. St-Joseph, Hull  
 3400 boul. du Souvenir, Laval  
 6005 boul. Val-Des-Brises (3), Laval  
 1333 boul. Jacques Cartier E., Longueuil  
 5801 ave. du Parc, Montreal  
 645 boul. Rene Levesque W., Montreal  
 852 rue Jean-Talon W., Montreal  
 1270 Chemin Sainte-Foy, Quebec  
 34 rue Ste-Anne, Quebec  
 3800 ave. Cusson, St-Hyacinthe  
 7100 Grande-Allee, St. Hubert  
 5094 rue Jean-Talon E., St. Leonard

#### New Brunswick

325 Main St., Florenceville  
 4 Johnson Ave., Miramichi  
 50 Main St., Petitcodiac  
 10 Hampton Rd., Rothesay  
 3409 rue Principale, Tracadie-Sheila

#### Nova Scotia

Cabot Trail, Ingonish Beach  
 289 Foord St., Stellarton  
 181 Willow St., Truro  
 1804 Main St., Westville

#### Newfoundland and Labrador

64 Church St., Bonavista  
 44 Grenfell Ave. (2), Flower's Cove  
 31 Main St., Fogo  
 62A Main St., Whitbourne

#### Prince Edward Island

135, St. Peters Rd. (3), Sherwood  
 14 Kinlock Rd., Stratford

### ABMs De-Installed\*

#### British Columbia

2548 Clearbrook Rd., Abbotsford  
 7970 Lickman Rd., Chilliwack  
 6670 Sooke Rd., Sooke  
 6066 Thunderbird Rd., Vancouver

#### Alberta

5022 50th St., Beaumont  
 3312 - 26 St. N.E., Calgary  
 4828 Center St. N.E., Calgary  
 4825 Richard Rd. S.W. (2), Calgary  
 13215 127 St., Edmonton

3518 - 118 Ave., Edmonton  
 70 Macleod Ave., Spruce Grove

#### Manitoba

35 Thompson Dr. N., Thompson  
 1747 Brookside Blvd., Winnipeg

#### Ontario

115 Salem Rd., Ajax  
 1047 Bovaird Drive W., Brampton  
 900 Maple Ave., Burlington  
 1001 Champlain Ave., Burlington  
 276 Parkdale Ave. N., Hamilton  
 670 Queenston Rd. (3), Hamilton  
 355 Regent St., Hawkesbury  
 366 Victoria St. N., Kitchener  
 334 Hwy. 401 E., Mississauga  
 3077 Carling Ave., Nepean  
 6225 Thorold Stone Rd., Niagara Falls  
 3888 Innes Rd., Orleans  
 1125 Colonel By Dr., Ottawa  
 1765 Albion Rd., Rexdale  
 1067 Ontario St., Stratford  
 1438 La Salle Blvd., Sudbury  
 3075 Bathurst St., Toronto  
 680 Queensway, Toronto  
 5501 Ojibway Pkwy., Windsor  
 7600 Weston Rd., Woodbridge

#### Quebec

1065 boul. Lafleche, Baie-Comeau  
 1380 boul. Lemire RR., Drummondville  
 180 chemin Lepine, Gatineau  
 5000 boul. l'Ormier, Les Saules  
 1333 boul. Jacques Cartier E., Longueuil  
 555 boul. Dr. Albiny Paquette, Mont Laurier  
 1111 rue Ste-Catherine W., Montreal  
 505 rue Ste-Catherine W., Montreal  
 90 rue Gamble W., Rouyn-Noranda  
 2222 ave. Jules Verne, Sainte-Foy  
 1700 rue Montarville, St- Bruno  
 7107 rue Jarry E., Ville d'Anjou

#### New Brunswick

3143 Main St., Centreville

#### Nova Scotia

8868 Commercial St., New Minas

#### Prince Edward Island

135 St. Peters Rd., Sherwood

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

## 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, 2006, 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 and Yukon*	54,029	18,933	9,921	197,815	97,206	4,002	268,892	165,391	1,794	224,848	151,684	670
Alberta & NWT**	55,666	21,593	9,571	208,217	109,775	4,211	304,071	186,347	2,006	244,324	146,888	746
Saskatchewan	22,913	12,517	2,650	99,290	62,921	1,980	102,044	73,244	696	34,092	26,178	109
Manitoba	178,588	34,105	17,311	917,018	290,419	18,413	225,950	122,534	1,819	105,913	54,464	321
Ontario	222,758	92,576	39,621	873,026	493,239	17,567	1,143,412	733,474	7,586	836,233	554,909	2,541
Quebec	24,845	10,505	4,076	118,981	68,130	2,320	214,360	149,819	1,373	177,288	129,503	510
New Brunswick	15,594	7,363	2,379	59,404	35,213	1,211	60,817	41,937	414	19,584	12,826	63
Nova Scotia	26,701	12,484	3,703	116,052	73,432	2,294	160,332	109,336	1,055	171,566	109,580	504
P.E.I.	4,713	2,445	565	20,908	13,546	411	24,914	17,156	168	10,312	8,017	32
Newfoundland	17,952	7,862	2,472	69,939	40,351	1,448	69,531	47,884	486	16,852	10,812	57
<b>Canada</b>	<b>623,759</b>	<b>220,383</b>	<b>92,269</b>	<b>2,680,650</b>	<b>1,284,232</b>	<b>53,857</b>	<b>2,574,323</b>	<b>1,647,122</b>	<b>17,397</b>	<b>1,841,012</b>	<b>1,204,861</b>	<b>5,553</b>

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 and Yukon*	219,423	136,409	327	732,737	475,312	361
Alberta, Saskatchewan and NWT***	234,446	149,213	353	1,024,813	639,902	444
Manitoba	121,118	66,861	186	206,161	139,187	107
Ontario	865,292	589,536	1,301	3,590,875	2,368,077	1,677
Quebec	234,546	168,395	337	1,139,286	811,360	511
New Brunswick, Nova Scotia, P.E.I. and Newfoundland****	251,838	168,473	368	776,059	505,653	376
<b>Canada</b>	<b>1,926,663</b>	<b>1,278,887</b>	<b>2,872</b>	<b>7,469,931</b>	<b>4,939,491</b>	<b>3,476</b>

Authorization Levels of:	over \$5,000,000		
	Authorized \$ thousands	Outstanding \$ thousands	Customers
British Columbia and Yukon*	3,222,992	1,577,867	146
Alberta, Saskatchewan and NWT***	11,781,743	5,700,413	304
Manitoba	1,428,075	623,028	53
Ontario	44,353,721	18,073,738	1,060
Quebec	5,098,974	2,807,590	219
New Brunswick, Nova Scotia, P.E.I. and Newfoundland****	2,887,622	1,509,435	138
<b>Canada</b>	<b>68,773,127</b>	<b>30,292,071</b>	<b>1,920</b>

Note: for reasons of client confidentiality, we have combined the following:

\* Yukon with British Columbia.

\*\* Northwest Territories with Alberta.

\*\*\* Northwest Territories, Saskatchewan and Alberta.

\*\*\*\* New Brunswick, Prince Edward Island, Newfoundland and Nova Scotia.



## 2006 Taxes

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 2006, this totalled \$1.7 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 2006, please refer to Scotiabank's 2006 Annual Report, available online at [www.scotiabank.com](http://www.scotiabank.com).

<b>TAXES IN CANADA</b>			
(As at October 31, 2006) (\$ thousands)	Income Taxes	Capital Taxes	Other Taxes <sup>(1)</sup>
<b>Federal</b>	134,218	0	153,113
<b>Provincial</b>			
Newfoundland	6,095	547	2,944
Prince Edward Island	388	188	59
Nova Scotia	4,232	1,424	4,410
New Brunswick	1,909	549	1,927
Quebec	34,612	6,238	9,474
Ontario	100,483	20,707	78,279
Manitoba	2,030	1,620	1,919
Saskatchewan	1,456	1,439	590
Alberta	7,251	0	3,904
British Columbia	8,362	1,962	4,855
Territories	138	0	7
<b>Total Provinces</b>	<b>166,956</b>	<b>34,674</b>	<b>108,368</b>
<b>Total</b>	<b>301,174</b>	<b>34,674</b>	<b>261,481</b>

(1) includes payroll taxes, GST, municipal taxes and deposit insurance

<b>TAXES IN FOREIGN REGIONS</b>	
(As at October 31, 2006) (\$ thousands)	Income Taxes
Asia Pacific	23,709
Caribbean & Latin America	198,192
Europe & Middle East	174,848
United States	174,669
<b>Total</b>	<b>571,418</b>

## 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 2006, 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](http://www.scotiabank.com).

### A

A Child's Voice Foundation  
 A Place Called Home  
 Abilities Centre  
 Aboriginal Financial Officers Association of Canada (AFOA)  
 Aboriginal Human Resource Development Council of Canada  
 AboutFace International  
 Abreast In A Boat Society-Breast Cancer Dragon Boat team  
 Acadia University  
 Achilles Track Club of Canada  
 ACT Foundation  
 Adsum Association for Women & Children  
 Advancing Canadian Entrepreneurship (ACE)  
 Aga Khan Foundation Canada  
 Agape Centre  
 AIDS Committee of Toronto  
 AIESEC Canada Inc.  
 Airdrie Regional Recreation Enhancement Society  
 Akwesasne International Pow Wow  
 Alberta Adolescent Recovery Centre  
 Alberta Children's Hospital Foundation  
 Alberta Dragon Boat Race Foundation  
 Alberta Shock Trauma Air Rescue Society  
 Alexandra Marine & General Hospital Foundation  
 Alfred College  
 Algoma University College  
 Allies for Autism Foundation  
 Alpha-1 Association  
 ALS Society – various locations  
 Alternatives – Integrating People with Cognitive Challenges  
 Aluminum City Telethon Society  
 Alzheimer Society – various locations  
 Amici Charity Organization  
 Amnesty International  
 Anaphylaxis Canada  
 Annapolis Royal Historic Gardens Society  
 Antigonish Creative Dance Association  
 Argos Foundation  
 Armenian Relief Society of Canada  
 Army Cadet League of Canada (Ontario)  
 Art Gallery of Hamilton  
 Art Gallery of Nova Scotia  
 Art Gallery of Ontario  
 Arthritis Society – various locations  
 Arts Stabilization Manitoba Inc.  
 Ashkenaz Foundation  
 Asociación Empresarial para el Desarrollo, Costa Rica  
 Assaulted Women's Helpline  
 Association d'entraide Le Chainon Inc.  
 Association of Universities and Colleges of Canada  
 Assumption University  
 Atlantic Ballet Theatre of Canada  
 Atlantic Council of Canada  
 Atlantic Institute for Market Studies (AIMS)  
 Atlantic Provinces Economic Council/APEC  
 Aultsville Theatre  
 Autism Society – various locations  
 Auxiliary to the Lions Gate Hospital

### B

Bahamas Action Committee for Hurricane Wilma  
 Bahamas National HIV/AIDS  
 Ballet Jorgen

Bancroft & Area Kids in Need  
 Baycrest Centre for Geriatric Care  
 BC Cancer Agency  
 BC Children's Hospital Foundation  
 BC Dental Association  
 BC Lions Society for Children with Disabilities  
 BC Transplant Society  
 Beaverbrook Art Gallery  
 Bedeque Area Recreation Centre  
 Belleville Public Library  
 Belmont House  
 Bereaved Families of Ontario  
 Big Brothers & Big Sisters – various locations  
 Blind River Junior Youth Club  
 Bloorview Kids Rehab  
 Bluenose International Marathon  
 Bluewater Community Development Foundation  
 Board of Trade – various locations  
 Bosom Buddies of Nova Scotia  
 Boundary Trails Health Centre Foundation  
 Boundless Adventures Association  
 Boys & Girls Club – various locations  
 Brant Community Healthcare System  
 Breast Cancer Action Kingston  
 Breast Cancer Society of Canada  
 Bridgepoint Health Foundation  
 British Columbia Institute of Technology  
 British Columbia Special Olympics  
 Brock University  
 Burlington Library and Community Centre  
 Burnaby Fire Fighters  
 Burnaby Hospital Foundation

### C

Calgary Firefighter Burn Treatment Centre  
 Calgary Handi-Bus Association  
 Calgary Health Trust  
 Calgary Homeless Foundation  
 Calgary Women's Emergency Shelter Association  
 Calgary Zoological Society  
 Camosun College Foundation  
 Camp Bimini  
 Camp Ogopogo  
 Camp Quality Inc.  
 Campaign for Kids  
 Canada Caribbean Business Council  
 Canada Council For The Arts  
 Canada Hindu Heritage  
 Canada Post Literacy Awards  
 Canada Safety Council  
 Canada West Foundation  
 Canada-India Business Council  
 Canadian Abilities Foundation  
 Canadian Aboriginal Design Council  
 Canadian Aboriginal Music Awards & Festival  
 Canadian Association for Conservation  
 Canadian Association of Independent Living Centres  
 Canadian Breast Cancer Foundation – various locations  
 Canadian Business for Social Responsibility  
 Canadian Cancer Society – various locations  
 Canadian Cardiac Rehabilitation Foundation  
 Canadian Coalition of Women in Engineering, Science, Trades & Technology  
 Canadian Council for Aboriginal Business  
 Canadian Council of Archives  
 Canadian Council of Christians and Jews  
 Canadian Cricket Association  
 Canadian Cystic Fibrosis Foundation  
 Canadian Diabetes Association  
 Canadian Executive Service Organization  
 Canadian Foundation for AIDS Research  
 Canadian Foundation for Economic Education  
 Canadian Foundation for Physically Disabled Persons  
 Canadian Friends of the Hebrew University of Jerusalem  
 Canadian Gene Cure Foundation  
 Canadian Hearing Society  
 Canadian Helen Keller Centre for the Deaf-Blind  
 Canadian Hemophilia Society  
 Canadian Institute for Advanced Research  
 Canadian Institute of International Affairs  
 Canadian Liver Foundation  
 Canadian Mental Health Association  
 Canadian Merit Scholarship Foundation  
 Canadian Mothercraft of Ottawa-Carleton  
 Canadian Museum for Human Rights  
 Canadian National Institute for the Blind – various locations  
 Canadian Opera Company  
 Canadian Organization for Development through Education  
 Canadian Paralympic Foundation  
 Canadian Paraplegic Association  
 Canadian Physicians for Aid and Relief  
 Canadian Political Science Association  
 Canadian Power & Sail Squadrons  
 Canadian Red Cross – various locations  
 Canadian Ski Patrol System  
 Canadian Stage Company  
 Canadian Tennis Association  
 Canadian Women's Foundation  
 Canadian Youth Business Foundation  
 Cancer Care Manitoba  
 Cancer Research Society  
 Caring & Sharing Angel Tree  
 Carleton Place and District Memorial Hospital Foundation  
 Carleton University  
 Casa Esperanza, Panamá  
 Centraide Montréal  
 Centraide Outaouais  
 Central Vancouver Island Chapter of The United Ostomy Association  
 Centre de Benevolat de Laval  
 Centre for Addiction and Mental Health Foundation  
 Centre for International Governance Innovation  
 Centre Grey Health Services Foundation  
 Centre Guindon  
 Centre Hospitalier Régional de Trois-Rivières  
 Centro de Integración Familiar – Dominican Republic  
 Cerebral Palsy Association of Newfoundland  
 Chalmers Hospital Foundation Inc.  
 Chamber Music Hamilton  
 Chamber of Commerce – various locations  
 Changes Down Syndrome Support  
 Charles H. Best Diabetes Centre for Children & Youth  
 Charles W. Stockey Centre for the Performing Arts  
 Chatham-Kent Integrated Children's Service  
 Chemo Savvy Inc. Breast Cancer Dragon Boat Team

Chester and Area Family Resource Centre  
 Chesterville District Agricultural Society  
 Child & Youth Friendly Ottawa  
 Child & Youth Wellness Centre  
 Child Development Institute  
 Child Find Ontario  
 Child Haven International  
 Children's Aid Foundation of Metropolitan Toronto  
 Children's Aid Society-various locations  
 Children's Health Foundation  
 Children's Hospital of Eastern Ontario Foundation  
 Children's Treatment Centre  
 Children's Wish Foundation – various locations  
 Chinatown Arts & Cultural Festival  
 Chinese Association of Newfoundland and Labrador  
 Chipman Community Care Youth Centre  
 Cinefranco  
 Citizens for the Advancement of Community Development  
 City of Toronto – series of events  
 Coady International Institute at St. Francis Xavier University  
 Coaldale Food Bank  
 Coast Mental Health Foundation  
 Coast to Coast Against Cancer  
 Cobden Agricultural Society  
 Cobequid Healthcare Centre  
 Cochrane & Area Victim Services  
 Collège Boreál  
 College Compensation and Appointments Council  
 College of Family Physicians of Canada – Research and Education Foundation  
 College of Piping and Celtic Performing Arts  
 College of the North Atlantic  
 Colorectal Cancer Association of Canada  
 Commonwealth Games Foundation of Canada  
 Community Living Access Support Services  
 Community Food Sharing Association  
 Community Foundation of Nova Scotia  
 Community Living Associations – various locations  
 Comox Valley Community Foundation  
 Concordia University  
 Conference Board of Canada  
 Constance-Lethbridge Foundation  
 Consumers Council of Canada  
 Continuity Care  
 Cornerstone 52 Foundation  
 Cornwall Community Hospital Foundation  
 Cornwall Youth Centre Inc.  
 Corporate Knights Inc.  
 Corporation of Massey Hall and Roy Thomson Hall  
 Council for Business and the Arts in Canada  
 Council for the Advancement of Native Development Officers  
 Covenant House  
 Cowichan Valley Sportsplex  
 Creative Trust  
 Credit Valley Hospital  
 Crime Stoppers – various locations  
 Crisis Centre – Bahamas  
 Crisis Centre – St. Lucia  
 Crohn's and Colitis Foundation of Canada  
 Cypress Regional Hospital

## Scotiabank corporate donations

- D**
- Dalhousie University
  - DARE (Drug Abuse Resistance Education)
  - DareArts Foundation Inc.
  - Dartmouth General Hospital
  - Daytrippers Children's Charity
  - Delta Association for Child Development
  - Developmental Disabilities Foundation of Vancouver-Richmond
  - Dixie Bloor Neighbourhood Drop In Centre
  - Doctors Without Borders
  - Dorothy Ley Hospice
  - Down Syndrome Society – various locations
  - Dr. Charles Le Grow Health Centre Foundation
  - Dr. Georges L. Dumont Hospital Foundation
  - Dragons Abreast Dragon Boat Team
  - Drayton Valley Health Service Foundation
  - Dress for Success Halifax
  - Ducks Unlimited Canada
  - Duke of Edinburgh's Award
  - Durham Art Gallery
  - Durham Regional Cancer Centre
- E**
- East Metro Youth Services
  - Easter Seal Society – various locations
  - Eastern Ottawa Resource Centre
  - Economic Club of Toronto
  - Eden Health Care Services Foundation
  - EducationMatters
  - El Salvador Ministry of Education
  - El Salvador Red Cross
  - Emerson Co-operative Community Complex
  - Epilepsy Toronto
  - Ernestine's Women's Shelter
  - Erwood Community Centre
  - EthicsCentre.ca
  - Eva's Initiatives
  - Evening Auxiliary for Royal Inland Hospital
- F**
- 4-H Clubs – various locations
  - Famous People Players
  - Fanshawe College
  - Festival of International Conferences on Caregiving, Disability, Aging and Technology
  - Fife House Foundation Inc.
  - Financial Executives International Research Foundation
  - First Nations University of Canada
  - FIRST Robotics Competition
  - Fondation au Fil de l'Âge
  - Fondation Centre Hospitalier Pierre Boucher
  - Fondation de l'Hôpital Sacré-Coeur de Montreal
  - Fondation de l'Hôpital Sainte-Justine
  - Fondation de L'Hospitaliere Maisonneuve-Rosemont
  - Fondation du Centre de Sainte et de Services Sociaux de Gatineau
  - Fondation du Grand Montréal
  - Fondation Hôpital Charles LeMoynes
  - Fondation Orchestre Symphonique de Longueuil
  - Fondation Source Bleue
  - Food Banks – various locations
  - Foundation for Educational Exchange Between Canada and U.S.A.
  - Foundation for Gene and Cell Therapy
  - Foundation for Research into Children's Diseases
  - Foundation of Chatham-Kent Health Alliance
  - Foundation of the Canadian Psychiatric Association
  - Fraser House Society
  - Friends of Hospice Ottawa
  - Friends of the Richmond Public Library
  - Frontier College
  - Future Possibilities
- G**
- Gate 3:16 Outreach Centre
  - George Brown College of Applied Arts & Technology
  - George R. Gardiner Museum of Ceramic Art
  - Giant Steps Foundation
  - Girl Guides of Canada – various locations
  - Glaucoma Research Society of Canada
  - Glengarry Pioneer Museum
  - Glengarry Memorial Hospital
  - Glengarry Sports Hall of Fame
  - Global Business and Economic Roundtable on Addiction and Mental Health
  - Goan Overseas Association
  - Grace General Hospital Foundation Inc. (Winnipeg)
  - Grandview Children's Foundation
  - Grant MacEwan Community College
  - Greater Halifax Partnership
  - Grey Bruce Regional Health Centre Foundation Inc.
- H**
- Habitat for Humanity
  - Haldimand Association for the Developmentally Challenged
  - Haldimand-Norfolk REACH
  - Halifax Foundation
  - Hamilton Health Sciences Foundation
  - Hamilton Port Authority
  - Hants County Community Access Network
  - Harmony Education Foundation
  - Haven House, Belize
  - Headwaters Health Care Foundation
  - Health Care Corporation of St. John's
  - Health for Guelph
  - Health Foundation of East Central Saskatchewan
  - Health Sciences Centre Foundation
  - Hearing Foundation of Canada
  - Heart & Stroke Foundation – various locations
  - Hellenic Home for the Aged Inc.
  - Hinton Community Health Care Foundation
  - Historica
  - Hnatyshyn Foundation
  - Hogar de la Esperanza, Dominican Republic
  - Hogar La Piedad, Puerto Rico
  - HopeLink International
  - Hôpital Notre-Dame
  - Horizons For Youth
  - Hospice Vaughan
  - Hospital for Sick Children Foundation
  - Hull Child and Family Services
  - Humane Society – various locations
  - Humber River Regional Hospital Foundation
  - Humewood House
  - Huntington Society of Canada
  - Huron Communities Foundation
  - Huron Hospitals Foundation
- I**
- IDBF Club Crew World Championships
  - Imperio das Cincas
  - Innoversity
  - International Development and Relief Foundation
  - International Development Enterprises
  - International Dyslexia Association
  - Interval House
  - Invest in Kids Foundation
  - Italian Chamber of Commerce of Toronto
  - Izaak Walton Killam Grace Health Centre Foundation
- J**
- Jacob's Ladder
  - Janeway Children's Hospital
  - JeansMarines
  - Jewish Camp Council of Toronto
  - Jewish Community Centre of Greater Vancouver
- K**
- Junior Achievement – various locations
  - Juravinski Cancer Centre Foundation
  - Juvenile Diabetes Research Foundation
- K**
- Kamloops and District Seniors Outreach Society
  - Kamloops Child Development Society
  - Kawartha-Haliburton Children's Foundation
  - Kemptville District Hospital Foundation
  - Kenora District Festival of the Arts
  - Kidney Foundation – various locations
  - Kids Cancer Care Foundation of Alberta
  - Kids Help Phone – various locations
  - KidsFest Canada
  - Kindale Developmental Association
  - Kings County Historical & Archival Society Inc.
  - Kinsmen Foundation – various locations
  - Kiwanis Club – various locations
  - Knights of Columbus
  - Kootenay Boundary Regional Hospital Foundation
- L**
- La Fondation de l'Hôpital Mount-Sinai
  - La Fondation Les Amis de l'Hôpital de Tracadie
  - Lacombe Regional Centennial Centre Project
  - Ladybug Foundation Inc.
  - Laing House Association
  - Lake of the Woods District Hospital
  - Lake Vaughan Volunteer Fire Department
  - Lakehead University
  - Lakeland College
  - Lambton Hospitals' Foundation-Bluewater Health Foundation
  - Landmark East School
  - L'Arche Canada Foundation
  - Learning Support Council of Canada
  - Lennox & Addington County General Hospital Association
  - Lester B. Pearson College of the Pacific
  - Leukemia & Lymphoma Society of Canada
  - Lillian Fraser Memorial Hospital
  - Linden Wood Community Foundation
  - Linking Generations Society of Alberta
  - Lions Club – various locations
  - Listowel Memorial Hospital
  - Lloydminster Multiplex
  - Loft Community Services
  - London Affordable Housing Foundation
  - London Health Sciences Centre
  - London's Grand Theatre
  - Lung Association – various locations
  - Lynwood Hall Child & Family Centre
- M**
- Make a Wish Foundation
  - Malaspina University College
  - Manitoba Museum
  - Manitoba Theatre Centre
  - Manning Innovation Awards
  - Markham Stouffville Hospital Foundation
  - Markhaven Foundation
  - Mary Centre
  - May Court Club of Oakville
  - McLaren Housing Society
  - McMaster University
  - Meals on Wheels – various locations
  - Medicine Hat Women's Shelter
  - Michael J. Fox Theatre Society
  - Mid Valley Palliative Care Volunteer Service
  - Milverton Agricultural Society
  - Minor Sports – various locations
  - Minto Community Resource Centre
  - Mohawk College
  - Mon Sheong Foundation
  - Moncton Headstart Inc.
  - Moncton Hospital Foundation
  - Montfort Hospital Foundation
  - Montreal Association for the Blind
- M**
- Montreal Children's Hospital Foundation
  - Montreal Economic Institute
  - Montreal International
  - Montreal Museum of Fine Arts
  - Mood Disorders Association of Ontario
  - Moorelands Community Services
  - Mount Allison University
  - Mount Royal College
  - Mount Saint Vincent University
  - Mount Sinai Hospital Foundation
  - Multiple Sclerosis Society of Canada – various locations
  - Muscular Dystrophy Canada – various locations
- N**
- Nanaimo Community Hospice Society
  - Nanaimo Regional General Hospital Foundation
  - National Aboriginal Achievement Foundation
  - National Aboriginal Capital Corporation Association
  - National Arts Centre
  - National Ballet School
  - National Deaf Children's Society
  - National Ovarian Cancer Association
  - Native Canadian Centre of Toronto
  - Native Child and Family Services of Toronto
  - Nature Conservancy of Canada
  - Navy League of Canada
  - NeighbourLink Kelowna
  - Neptune Theatre
  - Neuroscience Canada
  - New Horizons Village Crafts Society
  - Newman Foundation
  - Niagara College Foundation
  - Niagara Grape & Wine Festival
  - Niagara Peninsula Children's Centre
  - Niños del Camino, Dominican Republic
  - Nipawin Region Health Foundation
  - Norfolk County Fair Foundation
  - Norfolk General Hospital Foundation
  - North Bay General Hospital Foundation
  - North Central Seniors Association
  - North Cumberland Memorial Hospital
  - North Grenville Accessible Transportation
  - North Okanagan Neurological Association
  - North Okanagan Therapeutic Riding Association
  - North Shore Community Support Services
  - North Shore Stroke Recovery Centre
  - Northeastern Ontario Regional Cancer Centre
  - Northern Alberta Institute of Technology
  - Northern Centre Cancer Research Foundation
  - Northern Lights Dance Theatre Foundation
  - Northern Lights Regional Health Foundation
  - Northern Ontario School of Medicine
  - Northumberland Health Care Centre Foundation
  - Northumberland Hills Hospital Auxiliary
  - Nova Knowledge
  - Nova Scotia Community College
  - Nova Scotia Sport Hall of Fame
- O**
- Oakville Choral Society Inc.
  - Oakville Distress Centre
  - Oakville Parent Child Centre
  - Oakville-Trafalgar Memorial Hospital
  - Old Brewery Mission
  - Ontario College of Art & Design
  - Ontario Track 3 Ski Association for the Disabled
  - Opéra Atelier
  - Ottawa Hospital Foundation
  - Ottawa Regional Cancer Centre
  - Ottawa Senators Foundation
  - Outreach St. George's Kingston
- P**
- Pacific Academy
  - PacificSport – Canadian Sport Centre Victoria

## Scotiabank corporate donations

Parents for Children's Mental Health  
Participation House  
Participation Lodge Grey Bruce  
Partners in Hope Recovery Society  
Partners in the Park  
Passamaquoddy Lodge  
PEDVAC Foundation  
Peebles Hospital, British Virgin Islands  
PEI Literacy Alliance  
PEI Potato Blossom Festival  
Pemberton & District Museum & Archives  
Society  
Pemberton & District Public Library  
Association  
People to People Aid Organization Canada  
Perinatal Bereavement Services  
Perth and Smith Falls District Hospital  
Peter Lougheed Medical Research Foundation  
Peterborough Regional Health Centre  
Foundation  
Pia Bauman School for Ballet & Creative  
Movement  
Pictou County Committee for Educational  
Opportunities Foundation  
Pier 21 Society  
Pollution Probe  
Port Colborne General Hospital Foundation  
Port Hawkesbury Civic Centre  
Port Moody Arts Centre  
Port Moody Foundation  
Prince Albert Parkland Health Region  
Volunteer Services  
Prince George Hospice Society  
Princess Margaret Hospital  
Prostate Cancer Research Foundation of  
Canada  
Providence Healthcare Foundation  
Provincial Autism Centre  
Public Policy Forum

### Q

Quebec Society For Disabled Children  
Queen Elizabeth Hospital Foundation  
Queen Elizabeth II Health Sciences Centre  
Foundation  
Queen's University  
Queensway-Carleton Hospital  
Quinte Healthcare Corporation  
Quinte Literacy  
Quinte Regional Children's Foundation

### R

Raptors Foundation  
Reach for The Rainbow  
Red River Community College  
Redeemer University College  
Regent Park Community Health Centre  
Regina Transition House  
Richmond Community Foundation  
Rick Hansen Man in Motion Foundation  
Ridge Meadows Hospital Foundation  
Ritz Lutheran Villa  
Robarts Research Institute  
Roger's House  
Romero House  
Ronald McDonald House – various locations  
Roseneath Theatre Company  
Ross Memorial Hospital Foundation  
Rotary Club – various locations  
Rouge Valley Health System Foundation  
Royal Agricultural Winter Fair  
Royal Canadian Air Cadets – various locations  
Royal Canadian Legion – various locations  
Royal Conservatory of Music  
Royal Heraldry Society of Canada  
Royal Ontario Museum  
Royal Tyrrell Museum Cooperating Society  
Royal University Hospital  
Royal Winnipeg Ballet  
Russell Agricultural Society

Ryerson University

### S

Sabrina and Camillo D'Alesio Foundation  
Safe Communities Foundation  
Safe Haven Foundation – St. Maarten  
Saint John Regional Hospital Foundation  
Saint Mary's University  
Salmon Arm Folk Music Society  
Salvation Army – various locations  
Sarnia-Lambton Rebound  
Saskatchewan Abilities Council  
Saskatoon City Hospital  
Saugeen Valley Conservation Foundation  
Scarborough Hospital Foundation  
Schizophrenia Society of Ontario  
Schwachman Diamond Syndrome Canada  
Scotiabank Belize Education Fund  
Scotiabank Giller Prize  
Scotiabank Toronto Marathon  
Scotiabank Vancouver Half-Marathon  
Scouts Canada – various locations  
Second Harvest  
See Ability, United Kingdom  
Seneca College of Applied Arts and  
Technology  
Serve Canada Youth Service Organization  
Shad Valley International  
Sharelife  
Shaw Festival Theatre Foundation  
Sheena's Place  
Shelburne Volunteer Fire Department  
Shellbrook & District Health Services Project  
Simcoe Muskoka Regional Cancer Centre  
Simon Fraser University  
Sir Mortimer B. Davis Jewish General Hospital  
Skills Canada  
Skills for Change of Metropolitan Toronto  
Society for the Prevention of Cruelty to  
Animals – various locations  
Soldiers Memorial Hospital Foundation  
Soulpepper Theatre Company  
South & Central Health Foundation  
South Fish Creek Recreation Complex  
Association  
South Muskoka Memorial Hospital (Auxiliary)  
Foundation  
Southern Alberta Institute of Technology  
Southlake Regional Health Centre Foundation  
Spina Bifida and Hydrocephalus Association  
of Manitoba  
Spirit of the North Health Care Foundation  
Spiritwood Health Complex  
St. Boniface General Hospital Research  
Foundation  
St. Clair College  
St. Elizabeth's Hospital of Humboldt  
St. Francis Xavier University  
St. James Assiniboia Senior Centre  
St. John's Rehabilitation Hospital Foundation  
St. Joseph's Health Care & St. Joseph's Villa  
St. Joseph's Health Centre Foundation  
St. Joseph's Hospital Foundation of Saint John  
St. Joseph's Lifecare Foundation, Brantford  
St. Lawrence College  
St. Martha's Regional Hospital  
St. Mary's General Hospital Foundation  
St. Mary's Hospital Foundation – Montreal  
St. Mary's Hospital, Camrose Foundation  
St. Michael's Hospital Foundation  
St. Paul's Hospital  
St. Thomas Elgin General Hospital  
St. Thomas University  
St. Vincent's & Holy Family Health Care  
Foundation  
Starlight Starbright Children's Foundation  
Canada  
Stephen Lewis Foundation  
Stevenson Memorial Hospital Foundation

Stollery Children's Health Foundation  
Stratford Festival of Canada  
Sudbury Regional Hospital  
Sunnybrook Health Science Centre  
Foundation  
Sussex Health Centre

### T

Tafelmusik Baroque Orchestra and Chamber  
Choir  
Temiskaming Hospital CAT Scan Foundation  
Teresina Larizza Charities Foundation  
Terry Fox Foundation – various locations  
Textile Museum of Canada  
Thames Valley Children's Centre  
The Children's Wish Foundation of Canada  
The Elizabeth Estates, Bahamas  
The Learning Partnership  
The Lighthouse Children and Families  
The Quilt: A Breast Cancer Support Project  
Theatre Calgary  
Théâtre Français de Toronto  
Thoracic Surgery Research Foundation of  
Montreal  
Tim Horton's Children's Foundation  
'tit Bateau – Dragon Boat Team  
Toronto Child Abuse Centre  
Toronto Children's Chorus  
Toronto Cricket Academy  
Toronto East General Hospital Foundation  
Toronto Foundation for Student Success  
Toronto General and Western Hospital  
Foundation  
Toronto Hadassah-WIZO  
Toronto International Film Festival Group  
Toronto People with AIDS Foundation  
Toronto Symphony Orchestra  
Toujours Ensemble  
Tournament of Champions  
Trillium Health Centre Foundation  
Tropicana Community Services Organization  
TV Ontario  
Tyndale Foundation

### U

Uganda Canadian Association of the  
Maritimes  
Union of Ontario Indians Development Fund  
Inc.  
Unionville Home Society  
United Jewish Appeal of Toronto  
Unity for Autism  
Université du Québec à Montréal  
Université du Québec à Trois-Rivières  
University College of Cape Breton  
University Health Network  
University of Alberta  
University of British Columbia  
University of Guelph  
University of Lethbridge  
University of Manitoba  
University of Moncton  
University of Montreal  
University of New Brunswick  
University of Northern British Columbia  
University of Ontario Institute of Technology  
University of Ottawa  
University of Ottawa Heart Institute  
University of Prince Edward Island  
University of Sherbrooke  
University of St. Michael's College  
University of Toronto  
University of Western Ontario  
University of Windsor  
Urban Promise

### V

Vankleek Hill & District Historical Society  
Vankleek Hill & District Nature Society

Vankleek Hill Music Festival  
Vancouver General Hospital & Health  
Sciences Centre Foundation  
Vancouver Opera  
Variety – The Children's Charity  
Variety Village  
Victoria Hospital  
Victorian Order of Nurses – various locations  
Victoria's Quilts Canada  
Villa Charities Inc.  
Villa Colombo Ladies Auxilliary  
Visual Arts Centre of Clarington  
Voices For Children Coalition  
Volunteer Cambridge  
Volunteer Centre of Toronto

### W

Wallace District Volunteer Fire Dept  
Walter Bean Grand River Community Trails  
Warriors of Hope – Breast Cancer Dragon  
Boat Team  
Waterloo Region Hospitals Foundation  
Waterloo Regional Children's Museum  
Welland Hospital Foundation  
Wellspring Cancer Support Foundation  
West Island Women's Shelter  
West Ottawa Community Resource Centre  
West Park Healthcare Centre Foundation  
West Parry Sound Health Centre Foundation  
West Prince Family Violence Prevention  
Committee  
Western Development Museum  
Westman Association for Terminal Care in  
Hospice  
Westman Special Olympics  
Whistler Adaptive Sport Program  
White Pine Charitable Foundation  
Wilfrid Laurier University  
William Osler Health Centre  
Willow Breast Cancer Support & Resource  
Services  
Win House – Women's & Children's Shelter  
Winchester District Memorial Hospital  
Windfall Clothing Service  
Windsor Regional Hospital Foundation  
Windsor-Essex County Hospitals Foundation  
Winnipeg Symphony Orchestra  
Women in Leadership Foundation  
Women's Community House  
Women's Empowerment International  
Women's Place of South Niagara  
Women's Resource & Crisis Centre Society  
Woodstock General Hospital  
World Conference on Breast Cancer  
Foundation  
World Literacy of Canada  
World Vision  
World Wildlife Fund

### X

XI FINA World Championships Montreal 2005

### Y

Yee Hong Community Wellness Foundation  
YMCA/YWCA – various locations  
YWCA, Belize  
Yonge Street Mission  
York Central Hospital Foundation  
York University  
Youth Automotive Training Center  
Youth Challenge International  
Youth Employment Service  
Youth in Motion  
Youth Opportunities Unlimited London &  
District  
Youville Centre Ottawa-Carleton

### Z

Zajac Foundation

# Additional Information

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Fax: 1-888-453-0330  
E-mail: service@computershare.com

**CO-TRANSFER AGENT (U.S.A.)**  
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**CUSTOMER SERVICE CENTRE**  
1-800-4-SCOTIA

## Online

For product, corporate, financial  
and shareholder information:  
[www.scotiabank.com](http://www.scotiabank.com) and  
[www.scotiacapital.com](http://www.scotiacapital.com)



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**Water:** 26.66 kg waterborne waste not created  
398,627.20 litres of water/wastewater flow saved  
**Air:** 9,253.60 kg of air emissions (CO<sub>2</sub>, SO<sub>2</sub>, NO<sub>x</sub>) lowered  
**Energy:** 602 m<sup>3</sup> natural gas saved by using Biogas energy

Corporate social responsibility is not a term our founders would have understood in 1832 – but they most certainly understood the importance of integrity, service and responsible business practices.

– Rick Waugh  
President and Chief Executive Officer



We're proud to report that, in 2007, Scotiabank marks its 175th anniversary.



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## Scotiabank basic banking services

Product/Service	Description
Basic Banking Account	This account is a low-cost banking option for customers who have only a few transactions each month and would like the option of using teller service. The \$3.95 monthly fee covers 12 debit transactions (including up to four teller-assisted transactions). 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 proper 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*.
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 Reality Check tool is a convenient way for customers to determine the right account for them and minimize their banking fees.
The Scotia Plus® program	This account 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.

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



## Scotiabank SME business code of conduct

<b>Openness</b>	The code is available to current and prospective SME customers and is accessible on the Bank's website ( <a href="http://www.scotiabank.com">www.scotiabank.com</a> ).	<b>Changing credit relationship circumstances</b>	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.
<b>Accountability</b>	Our employees are committed to serving clients and ensuring problems are satisfactorily resolved.		
<b>Credit process</b>	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.	<b>Complaint handling</b>	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](http://www.fcac-acfc.gc.ca)) and the Canadian Bankers Association ([www.cba.ca](http://www.cba.ca)).

### Scotiabank's environmental policy

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

- Maintaining recycling and resource management programs that meet or exceed legislated environmental requirements;

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- 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;

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- Promoting an environmentally responsible workplace by educating and motivating employees to become more involved in the conservation of resources;

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- Conducting environmental audits and assessments of compliance with the Bank's requirements;

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- Incorporating and maintaining environmental assessment criteria in our risk management procedures and in the ongoing management of our assets;

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- Including environmental criteria in assessing relationships with contractors and suppliers; and

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- Contributing to an ongoing dialogue with government, industry and relevant stakeholder groups to establish environmental goals.

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### Enhancing our products and services

We continually update existing products and services, or introduce new ones, to better meet the needs of small business owners. For example in 2006,

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- ✓ We introduced new account tiers for Account Plan for Business, which give customers more flexibility to take advantage of discounted banking services.

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  - ✓ We enhanced our Scotia Professional Plan to improve a variety of features, including preferred arrangements for wealth management services.

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  - ✓ We launched a new online learning resource for small business owners called ScotiaSkills. The program provides practical information in the form of short courses, on a range of business management topics, as well as advice and best practices to help run a successful business.

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  - ✓ Small business owners who are members of the Canadian Federation of Independent Business and the Retail Council of Canada can take advantage of our preferred alliance pricing with these organizations.

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  - ✓ In an August 2006 Scotiabank survey, 86 per cent of small business owners stated that ongoing learning was important to them, yet they identified finding the right source and finding time as the two key challenges in doing so. In response, Scotiabank helped develop and launch a new small business management certification program, which gives small business owners access to online continuing education through a series of courses. Developed in partnership with an alliance of organizations, this program delivers cost-effective training on topics ranging from small business finance to marketing to customer service.

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  - ✓ With more than 70 per cent of small business owners planning to retire within the next 10 years, Scotiabank is working with the Canadian Federation of Independent Business and the Canadian Institute of Chartered Accountants, to support new succession planning resources, including “The Succession Planning Toolkit for Business Owners.”

### Initiatives to support Aboriginal peoples in 2006

Recruitment programs	<ul style="list-style-type: none"> <li>• Branches and regions set goals to improve Aboriginal representation through hiring activities. Regional management receives semi-annual reports on progress.</li> <li>• An “Inclusion Network” database of employment and applicant resumes within the Bank permits easy searching for Aboriginal candidates.</li> <li>• We are currently constructing an Aboriginal-specific database for all areas/regions, accessible by all staffing managers.</li> </ul>
Internal awareness building	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Aboriginal Inclusion in the Workforce sessions have been conducted in Scotiabank’s Toronto Executive Offices.</li> </ul>
Sponsorships and individual capacity development programs	<ul style="list-style-type: none"> <li>• 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; Spirit and Youth Magazine – National Employment Partner; Spirit Magazine; National Aboriginal History Program; National Aboriginal Achievement Foundation awards and career fairs.</li> <li>• Scotiabank made a \$250,000 gift to encourage Aboriginal graduate and business studies at the University of Saskatchewan (U of S). The donation creates the Scotiabank Master of Business Administration Bridging Program, which each year will introduce 15 future Aboriginal business leaders to MBA programs offered at the U of S’s College of Commerce. It also creates a \$10,000 scholarship for an Aboriginal graduate student in the MBA program.</li> </ul>

### A summary of key advancement of women programs in 2006

Senior management accountability	<ul style="list-style-type: none"> <li>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.</li> </ul>
Networking opportunities for female employees	<ul style="list-style-type: none"> <li>ScotiaWomen's Connection events with speakers, professional development and career information sessions for women.</li> <li>ScotiaWomen's Connection intranet site with information and tools to support female networking and mentoring.</li> <li>In Trinidad and Tobago, 200 attendees participated in a Scotiabank breakfast event about improving business opportunities for women.</li> </ul>
Scotiabank financial sponsorships	<ul style="list-style-type: none"> <li>Scotiabank is a lead sponsor of the Women's Executive Network (WXN), Canada's leading organization dedicated to the advancement and recognition of executive-minded women in the workplace.</li> <li>Scotiabank supports the Canadian Women's Foundation, an organization that raises money and makes grants to help stop violence against women and build economic independence for women and children.</li> </ul>
Awards and recognition	<ul style="list-style-type: none"> <li>During 2006, three of Scotiabank's female executive vice-presidents, Alberta Cefis, Sylvia Chrominska and Kim McKenzie, were named to Canada's Most Powerful Women: Top 100 list.</li> <li>Scotiabank was awarded the prestigious Catalyst Award, in recognition of our successful AoW initiative and our innovative and effective approaches to recruit, develop and advance women.</li> </ul>

### Initiatives to support persons with disabilities in 2006

#### Recruitment and awareness programs

- We delivered presentations to various business lines on diversity awareness to dispel misconceptions of hiring persons with disabilities.
- We set specific referral and hiring goals for staffing and recruitment managers for each business line.
- We hosted a career fair for persons with disabilities attended by over 550 participants.
- In September, ScotiaMcLeod held a workshop to help managers hire and manage people with learning disabilities that included accommodation techniques, adaptive technologies, job coaching and mentoring.
- We are in regular contact with key agencies, colleges and universities and participate in special career events, including Abilities, Link-up and People in Motion.
- We participate in Career Edge's Ability Edge program and we sponsored seven entry-level internships to graduates during 2006.

#### Flexible work hours

- Flexible work arrangements, including flexible work hours, help accommodate the individual scheduling needs of persons with disabilities.

#### Assistive technologies

- Information Technology and Solutions, the Bank's system's group, is developing a plan to incorporate accessibility standards, including adaptive tools, to ensure our technology applications and web sites are accessible to employee users with disabilities.

#### Scotiabank Accommodation Fund

- The Bank has a centralized fund of \$250,000 to support job applicants and employees with disabilities to ensure they have the tools required 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, JAWS, Kurzweil and Zoomtext software; and the cost of professional workplace assessments by the Canadian Council of Rehabilitation & Work. In 2006, this fund dispensed \$69,252 to purchase these tools and services.

### Sponsorships

- To support students with disabilities and international exchange programs, we created the Scotiabank Accessibility Bursary at Queen's University, the first ever bursary program of its kind.
- Scotiabank sponsored the 2006 CNIB SCORE Leadership event, which brought together teenagers from several countries to gain leadership and technology skills.
- In July, we sponsored the Ryerson Essay Writing Competition for students in the Disabilities Studies program and awarded \$1,500 to the top essayist.
- To help the National Educational Association of Disabled Students (NEADS) celebrate its 20th anniversary, Scotiabank became a major sponsor for their 2006 NEADS conference in Ottawa to help this Canada-wide organization advocate for improved accessibility for disabled students.

### 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 27,600 Canadian employees participate in the Canadian Incentive Pay Program, the largest of all incentive pay programs at the Bank. In 2006, the payout for this program was approximately \$112.3 million. Internationally, approximately 6,650 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 2006, the international program payout was the equivalent of approximately \$10.9 million.

### Employee share ownership

Another way that employees can also share in the Bank's success is through one of the seven competitive employee share ownership plans we offer globally. In 2006, 89 per cent of our Canadian employees participated in the plan, while internationally, 61.2 per cent of eligible employees took part in available plans.

### Pension plans

We offer various market-competitive pension plans for our employees around the world. The largest is the Scotiabank Pension Plan – a fully funded, defined benefit plan with assets in excess of \$4 billion as at Nov. 1, 2006. More than 29,000 people in Canada were active members of a Scotiabank Group pension plan as at the end of fiscal 2006.

### 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, a maternity leave supplement and a significant Employee Assistance Program.

In 2006, we continued to offer the two-tier flex allocation structure for our flexible benefits plan that provided additional credits to employees enrolled in both medical and dental coverage. This resulted in the Bank contributing an additional \$2.5 million to the plan in the form of more flex credits to employees.

In February 2006, Scotiabank Mexico launched ScotiaFlex, an integrated pension and benefits program that encompasses a defined contribution pension plan, the global employee share ownership plan, standardized benefits programs for all Mexican subsidiaries, and flexible insurance and medical programs. More than 75 per cent of Mexican employees have so far chosen to switch to the new program.

### Employee health, safety and wellness program

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 Safety (OHS) program includes OHS committees in locations with more than 300 people. This includes a total of 9,185 employees at 13 worksites across Canada (approximately 29.6 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. Ten 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).