

Scotiabank Support for Bank-sponsored Asset-Backed Commercial Paper

August 21, 2007 – As part of our response to current market issues, Scotiabank is pleased to provide additional information on Scotiabank-sponsored Canadian Asset-Backed Commercial Paper (ABCP) conduits.

For such conduits, Scotiabank provides all of the liquidity facilities through a Loan Asset Purchase Agreement (LAPA). These facilities do not require a market disruption to occur for the liquidity to become available.

Scotiabank is committed to continuing to work with market participants to ensure that markets for bank-sponsored ABCP conduits maintain their satisfactory performance. Our commitment is backed by a strong capital position and reflects our confidence in the quality of the underlying assets in bank-sponsored ABCPs.