

09

Corporate Social Responsibility Report



Public
Accountability
Statement



Message from Rick Waugh

President & Chief Executive Officer

We maintained our efforts to incorporate CSR principles into all aspects of our operations and build a balanced, sustainable business that will benefit our stakeholders.



Scotiabank's ongoing commitment to corporate social responsibility (CSR) remained strong in 2009. While fallout from the global financial crisis continued to unfold, we maintained our efforts to incorporate CSR principles into all aspects of our operations, and build a balanced, sustainable business that will benefit our stakeholders – our shareholders, customers, employees and communities.

Our CSR efforts are focused on five key areas where we believe we can make a difference – corporate governance, employees, customers, environment and communities. This report highlights the progress we made in each of these categories during the past year.

As Canada's most international bank, we are working to ensure that our CSR reporting encompasses all of our operations to the greatest extent possible. We have created a five-year plan to incorporate more international content into this CSR report, and to document and measure our progress in international locations. Currently, our efforts are focused on Mexico, Peru and Chile, where we have large subsidiaries. Together with Canada, these countries account for approximately 79.5 per cent of our employee base. During the past year, we've focused on measuring and reducing paper consumption in Mexico and Peru and energy consumption in Chile, and we look forward to highlighting the results in future reports.

We achieved a major CSR milestone when we were named as one of only 11 blue chip Canadian companies on the Dow Jones Sustainability Index (DJSI World) last year. We were also proud to be named one of Canada's 50 most socially responsible corporations for 2009 by Jantzi Research and *Maclean's* magazine. To receive this kind of recognition is encouraging: it tells me we are heading in the right direction. At the same time, we realize that we can – and will – strive for further improvement.

For the first time, assurance for this report's Global Reporting Initiative (GRI) table has been provided by Canadian Business for Social Responsibility. CBSR reviewed the information included here to ensure that it meets GRI reporting requirements. While the assurance was not completed in time for the printing of this report, the results are available on our website, www.scotiabank.com, which includes much more information about Scotiabank's Canadian and global CSR initiatives.

We hope you will visit, and let us know what you think about both the website and this report. One of our CSR goals is to continue to reduce the size of the paper report, in keeping with our conservation commitments, while expanding and deepening the information available on our website.

As always, we welcome your feedback on our efforts. We look forward to hearing from you, and to reporting continued progress in next year's 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

Our strength is evident in Scotiabank's solid results for 2009.

31,701 Canadian employees

1,019 Canadian branches

2,964 Canadian ABMs

Total net income (2009)

\$3,547 million

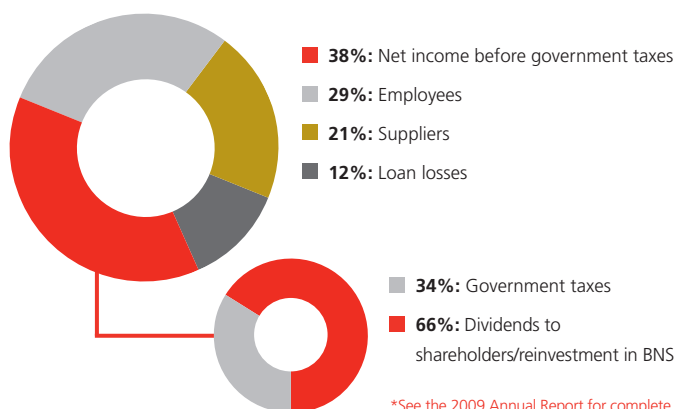
Total net income by business:

Canadian – \$1,851 million

International – \$1,315 million

Scotia Capital – \$1,451 million

2009 net income by business line.



*See the 2009 Annual Report for complete details on these figures.

Where our revenues go

Each year, the revenues generated by Scotiabank are shared with many stakeholders representing a broad spectrum of society. For example, our global revenues are distributed to employees through salaries, to suppliers through purchases, to all levels of government through taxes paid, as well as to shareholders in dividends distributed. We also reinvest our income in the business, to strengthen and grow our operations, increase employment and expand customer services.

Three strong business platforms

- › **Canadian Banking** offers a diverse range of financial products and services to retail, small business, commercial and wealth management customers through a multi-channel delivery network across the country.
- › **International Banking** provides an array of financial services to Scotiabank's retail and commercial banking customers in more than 40 countries across the Caribbean and Central America, Mexico, Latin America and Asia.
- › **Scotia Capital** is the wholesale banking arm of the Scotiabank Group, offering a wide variety of products to corporate, government and institutional clients. It provides full-service coverage across the NAFTA region, and also serves selected niche markets globally through two divisions, Global Capital Markets and Global Corporate and Investment Banking.



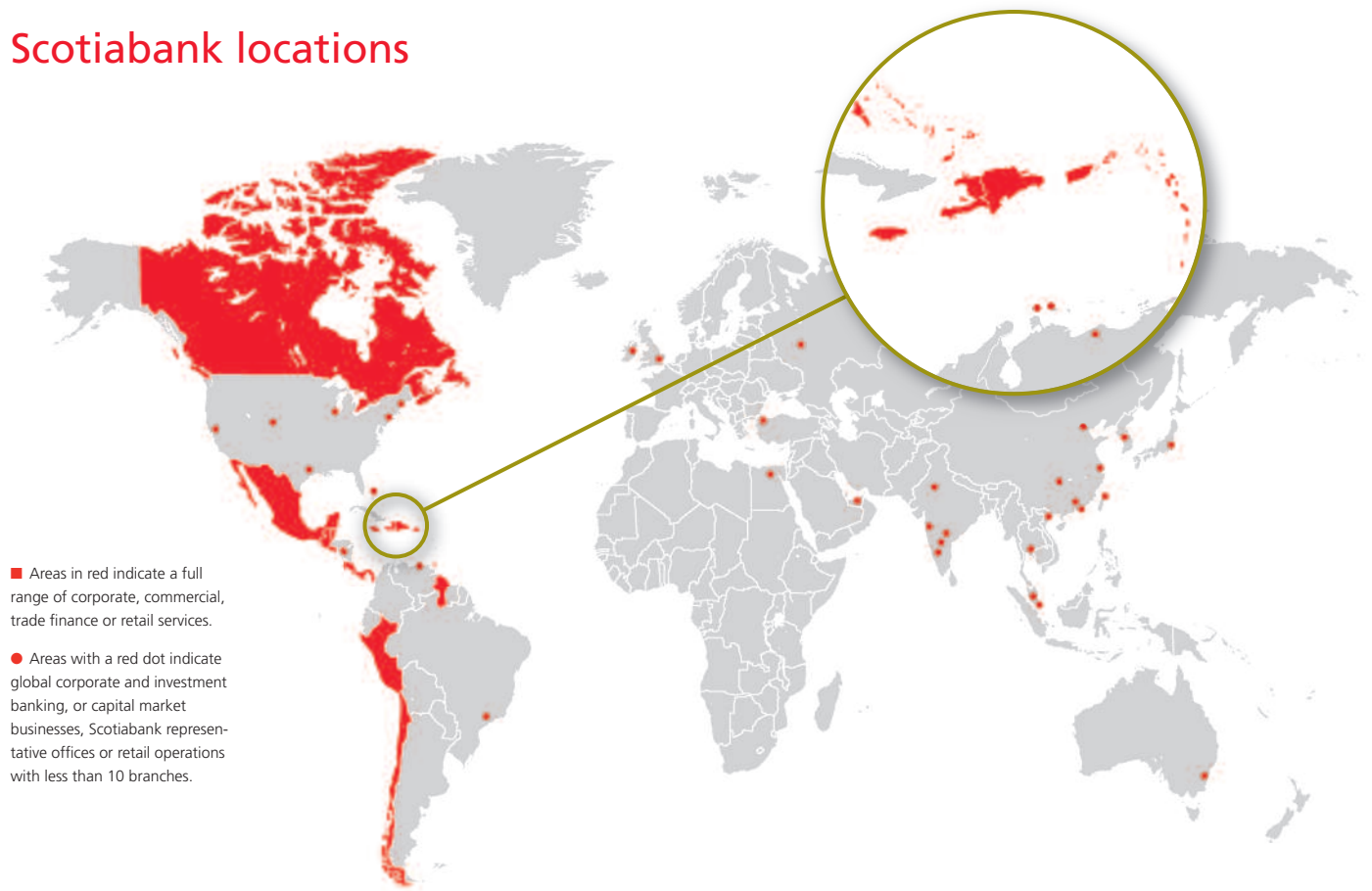
To provide your thoughts on our 2009 CSR report, please contact us at corpaff@scotiabank.com.

- All figures in this report are stated in Canadian dollars unless otherwise indicated.
- Scotiabank supports the Global Reporting Initiative (GRI), and this report qualifies as G3 Application Level C. A GRI Index table is available on our website.

ON THE COVER: We focus our CSR efforts where we believe we can make a difference. From top left: Scotiabankers in Costa Rica collected new and used books to donate to the El Carmelo school in Barrio Cuba, San Jose; Scotiabankers and their families help lift the spirits of parents whose children are receiving treatment for serious illnesses at nearby hospitals by painting a dozen rooms at a Ronald McDonald House in Mexico City; the Garcia Aguadelo family joined the Scotiabank StartRight program at the Tour Scotia branch in Montreal, shortly after moving to Canada from Colombia; in the Dominican Republic, Scotiabanker Alba Almonte participates in the reforestation of Rivera Rio Yaque del Norte; Peggy Chiu and Roger Wong of the 1st & Renfrew Branch in Vancouver, like other Scotiabankers around the world, focus on providing all their customers with exceptional service and advice.

Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With close to 68,000 employees, Scotiabank Group and its affiliates serve almost 14.6 million customers in some 50 countries around the world, offering a diverse range of products and services, including personal, commercial, corporate and investment banking.

Scotiabank locations



North American Locations:
Canada, Mexico, United States

Central & South American Locations:
Belize, Brazil, Chile, Costa Rica, El Salvador, Guatemala, Guyana, Nicaragua, Panama, Peru, Venezuela

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

European & Middle Eastern Locations:
Egypt, Ireland, Russia, Turkey, United Arab Emirates, United Kingdom

Asia/Pacific Locations:
Australia, China, Hong Kong SAR, People's Republic of China, India, Japan, Korea (Republic of), Malaysia, Singapore, Taiwan, Thailand, Vietnam

Our goal is to be a leading international financial services company based in Canada.

67,802 employees worldwide

2,686 branches & offices worldwide

14.6 million customers worldwide



CSR at Scotiabank

Corporate Social Responsibility (CSR) at Scotiabank is defined as the way we interact with our stakeholders to meet our social, economic, environmental and ethical responsibilities. It is fundamental to the way we do business, and an essential element of our success.



“This year was pivotal, as we saw a huge uptake in CSR initiatives across our multinational operations, and we have been working to share tools and best practices to assist in this growth. In 2010, we will create greater alignment across the Bank and extend our CSR strategy and metrics even further across our international locations.”





Kaz Flinn
Vice-President, Corporate Social Responsibility
Chair, CSR Advisory Committee

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SOCIALLY RESPONSIBLE INDICES

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

Key social performance indicators*

Indicator	Performance		
	2007	2008	2009
Total donations & sponsorships (global)	\$43 million	\$43 million	\$39 million
Number of global employee volunteer hours through formal community involvement programs	360,000 hours	240,000 hours	299,000 hours
Investment in employee training (global)	\$92 million	\$84 million	\$56 million**
Employee satisfaction (global)	87%	86%	86%
Women in senior management (global)	22%	22%	22.1%
Women in senior management (Canada)	31.5%	31.5%	32%
Visible minorities in senior management (Canada)	10.2%	11.9%	11.6%
Aboriginal employees (Canada)	1.1%	1.1%	1.1%
Employees with disabilities (Canada)	4.0%	4.0%	4.2%
Locations serving Aboriginal customers (Canada)	26	26	26

* Numbers refer to Canadian operations unless specified otherwise.

**Reduction pertains to our continued investment in effective virtual classroom technology, reducing our overall cost

CSR is an integral component of how we do business every day.



Additional information on Scotiabank's CSR progress is available on our website at www.scotiabank.com.

We focus our CSR efforts on five areas where we can make a difference:

Corporate Governance

Customers

Employees

Environment

Communities



Corporate Governance PAGE 4

We strive to ensure that our practices and policies meet or exceed local Canadian and international standards in the approximately 50 countries where we operate.

Our Environment PAGE 15

We have an ongoing commitment to integrating sustainability considerations into the operation of our business. ScotiaGreen, our new internal website focused on paper savings initiatives, was launched in 2009.

ABOVE: Rockley Branch, Barbados. As Canada's most international bank, we are working to ensure that our CSR reporting encompasses all of our operations to the greatest extent possible.

Key environmental performance indicators*

Indicator	Performance		
	2007	2008	2009
Energy consumption	–	1,012,680 GJs	953,292 GJs
Greenhouse gas emissions	–	63,331 tonnes	59,617 tonnes
Business travel (air/rail)	74,381,681 km	65,352,253 km	32,746,696 km **
Paper consumption	5,408 tonnes	5,090 tonnes	4,760 tonnes
Paper shredding/recycling (Canada)	–	5,099.97 tonnes ***	5,056.19 tonnes
Environmental disposal of computer equipment	8,047 items	24,808 items	18,769 items

* Numbers refer to Canadian operations unless specified otherwise.

** Estimated based on calendar year totals. Scotiabank changed providers in Q4; therefore, a total for the fiscal year is not available.

*** 2008 restated to reflect revised numbers supplied by vendor.

Scotiabank's Global Corporate Social Responsibility (CSR) Report

The report covers our economic, social and environmental impacts and performance in 2009. It is published in accordance with section 3 of Public Accountability Statements (Banks, Insurance Companies, Trust and Loan Companies) Regulations in Canada and includes more global data to reflect the increasingly international scope of our operations. For more information on the scope of this report, please visit the Appendix on page 23. Additional information is available on our website at www.scotiabank.com/csr.

SCOTIABANK IS A MEMBER OF:



Our Customers PAGE 6

We provide exceptional advice and service to more than 14.6 million customers around the world.



Our Communities PAGE 20

Our commitment to the well-being of all our stakeholders shows how much we care for the communities where we live and work.



Our Employees PAGE 11

Scotiabank has over 67,000 employees around the world, who contribute to our success by sharing their unique perspectives, backgrounds and experiences.



Key economic performance indicators*

Indicator	Performance		
	2007	2008	2009
Salaries and employee benefits (global)	\$3.9 billion	\$4.0 billion	\$4.3 billion
Debt financing to business (Canada)	over \$92 billion	over \$99 billion	over \$86 billion
Taxes (global)	\$2.0 billion	\$1.5 billion	\$1.9 billion
Amount spent on goods and services from suppliers (global)	\$2.6 billion	\$2.8 billion	\$3.1 billion
Return on equity	22.0%	16.7%	16.7%

* Numbers refer to Canadian operations unless specified otherwise.



Our Corporate Governance

Corporate governance is the way in which a company is governed, its processes and policies, and how it deals with the various interests of its many stakeholders. Scotiabank works to ensure that our practices and policies meet or exceed local, Canadian and international standards in the approximately 50 countries where we operate. We also strive to ensure that the interests of our diverse stakeholders around the world are represented in a balanced way.

How we govern

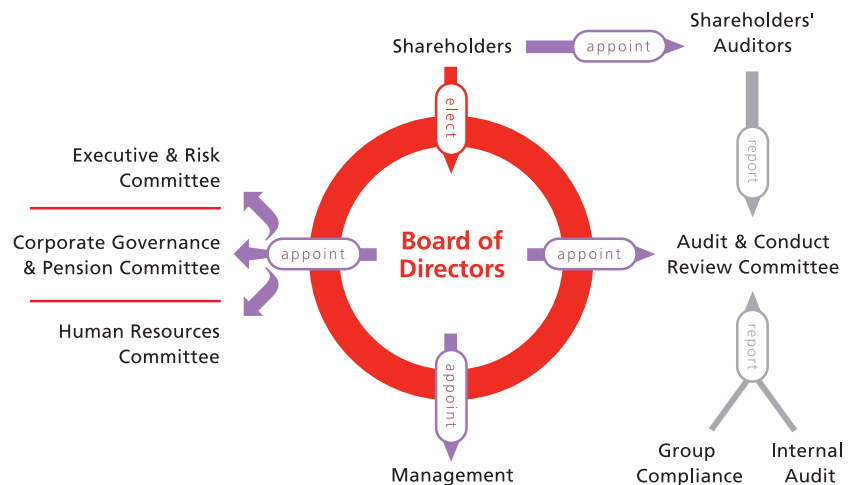
As companies and regulators deal with the fallout of the past two years of global economic turbulence, the importance of an effective corporate governance structure and culture has become clearly evident.

With its solid foundation of openness, integrity and accountability, Scotiabank has weathered the storm better than many in the industry. This foundation – which includes strong internal compliance procedures and a comprehensive, well-articulated risk management framework – has helped the Bank build and maintain strong, enduring relationships with its customers and other stakeholders. Our Board of Directors supervises management’s operation of the Bank.

Scotiabank’s Board of Directors is made up of local, regional, national and international business and community leaders, who have been carefully selected for their financial literacy, integrity and demonstrated sound and independent business judgment, among other factors.

The Bank’s corporate governance practices and policies are designed to maintain the independence of the Board of Directors and its ability to effectively supervise.

The Bank is always looking for ways to strengthen its corporate governance policies and procedures. The Corporate Governance and Pension Committee of the Board, which is composed entirely of independent directors, reviews the Bank’s corporate governance policies at least once a year. Any changes it recommends are reviewed and approved by the full Board. As well every year, all directors, officers and employees of Scotiabank are required to acknowledge that they have followed the Bank’s Guidelines for Business Conduct.





“Sound corporate governance underpins how the Bank does business on a daily basis. It is a key part of who we are as an organization.”

Randy Lyons

Vice-President & Chief Administrative Officer, Global Risk Management
CSR Advisory Committee Member

Prudent risk management

“As a leader in risk management among global financial institutions, Scotiabank took steps in 2009 to ensure that our risk management approach incorporated key lessons from the global economic crisis. We conducted stress testing and we, like all the players in the global financial industry, learned that we can always improve our liquidity risk. We also took significant steps to strengthen our risk management team,” says Brian Porter, Group Head, Risk & Treasury.

“Scotiabank took steps in 2009 to ensure that our risk management approach incorporated key lessons from the global economic crisis.”

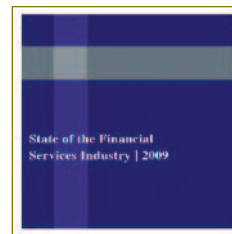
– Brian Porter, Group Head, Risk & Treasury

We strengthened our approach to risk management by developing a comprehensive risk appetite framework that outlined our risk principles, strategic principles, governing financial objectives and risk appetite measures. The new framework links our risk-taking activities with the Bank’s strategy and with our stakeholders’ expectations, and reinforces the Bank’s robust and pervasive risk management culture.

Several changes were made to the Bank’s risk management team in 2009 to strengthen risk management:

- We elevated our Chief Risk Officer to the new, broader role of Group Head, Risk & Treasury, accountable for enterprise-wide risk management – combining liquidity risk, funding, and interest rate risk with credit risk, market risk and operational risk;

- We created a Chief Credit Officer role to reflect the heightened importance we place on effective credit risk management; and
- We bolstered the leadership breadth and depth of our Global Risk Management division by adding a new Executive Vice-President role to oversee retail credit risk and special accounts management.
- In 2009, Scotiabank was named one of the top 10 performing banks in the world during the worst months of the financial crisis, according to *State of the Financial Services Industry, 2009*, prepared by international management consulting firm Oliver Wyman.



Scotiabank was named one of the top performing banks in the world.



For more information on our Board of Directors, their committees and activities, please see our Management Proxy Circular at www.scotiabank.com.



Our Customers

Scotiabank's core purpose is to help customers become financially better off. We do this by providing relevant products and solutions to meet the needs of our customers. In 2009, Scotiabank provided financial services and advice to more than 14.6 million customers around the world, including many groups with specialized needs.



ABOVE: Mr and Mrs Chen, new StartRight program customers at the Richmond Main Branch, B.C. Canada

WE SURVEY CUSTOMERS ANNUALLY - INCLUDING MORE THAN 20,000 INTERNATIONAL CUSTOMERS.



“Part of helping people become financially better off is making sure that they are able to access banking services. And this applies to our entire global network, including Canada, where we have been working to ensure access for new Canadians through multilingual ABMs and products and services tailored to their needs.”

Rania Llewellyn

Vice-President, Multicultural Banking
 CSR Advisory Committee Member

Access to financial services

Everyone needs access to basic banking services, especially groups with special needs, such as youth, seniors, the economically disadvantaged and new Canadians. Scotiabank has developed customized products, services and financial education programs in a number of markets to help improve access to these services. For more information on how the Bank is making banking more accessible, please see our Access to Financial Services Table on page 10.

Multicultural banking

In 2009, we launched various initiatives to support immigrants before and after they arrive in Canada, including partnerships with settlement agencies such as Skills for Change and the Cross-cultural Community Services Association (TCCSA). The Bank’s dedicated Multicultural Banking team helps new Canadians establish their lives in this country by offering customized products and multilingual services.

The Scotiabank StartRight program helps immigrants get their financial lives in order and ease their transition to a new country.

Microfinance

Scotiabank is involved in innovative microfinance* initiatives all over the world that help to create opportunities for entrepreneurs and underserved communities, especially owner-operators of micro-businesses. (See chart on page 8.)

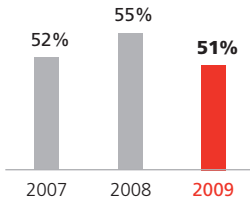
The following goals were set out in our 2008 Corporate Social Responsibility Report. Here’s how we did in 2009:

Goals	Results
<p>Customer Satisfaction: Increase levels of customer satisfaction and loyalty, and continue to set goals for the percentage of customers who are satisfied with the handling of their complaints.</p>	<p>53% of our customers are highly loyal to Scotiabank. (This is the same proportion as in 2008.)</p> <p>We are now able to report on retail customer satisfaction numbers for International Banking for 2008 and 2009.</p>
<p>Canadian Small Business Banking: Scotiabank Small Business Advisors will be conducting calling programs to deliver tools and resources that equip small business owners to succeed in challenging economic times.</p>	<p>The Canadian Small Business Advisory group completed the calling programs and did deliver new tools and resources to equip small business owners to succeed, including worksheets and online resources such as the Unlocking Growth Centre. The site provides information, tips and worksheets to help business owners develop their strategies.</p>
<p>Customer Protection Against Fraud: Roll out secure chip-embedded debit and credit cards, which help increase the number of secure transactions in Canada.</p>	<p>Converted more than 50% of credit cards and active debit cards in Canada to chip-embedded cards.</p>
<p>Multicultural Banking: Continue to develop products and services designed to support new immigrants, foreign students and investor immigrants, with an increased focus on expanding our language offerings.</p>	<p>Added Spanish and Chinese to ABMs and enhanced our Retail Banking and ScotiaMcLeod Direct Investing contact centers to serve customers in Punjabi and Spanish.</p>

 For more information on Multicultural Banking, visit our website at www.scotiabank.com/csr/customers/mcb.

 For more information on microfinance, visit our website at www.scotiabank.com/csr/customers/microfinance.

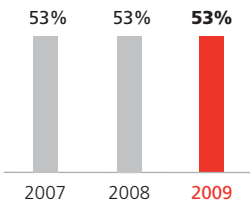
Small Business Customer Loyalty (Canada) – Top Box



Scotiabank's small business customer loyalty index is based on results from an internal survey, and is a key indicator of our customers' loyalty to Scotiabank.

Top Box refers to the proportion of customers who provided the highest rating based on a five-point rating scale.

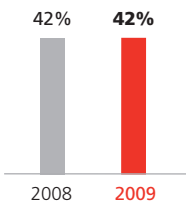
Scotiabank Retail Customer Loyalty (Canada) – Top Box



Top Box refers to the proportion of customers who provided the highest rating based on a five-point rating scale.

International Banking – Retail Customer Satisfaction

Through Your Customers' Eyes, International Banking (TYCE IB)



This data is available for FY 2009 and FY 2008 only, due to unavailable data prior to 2008, when Scotiabank's International Banking division introduced an integrated and consistent pan-divisional TYCE IB (Through Your Customers' Eyes, International Banking) Program in our largest 21 markets in the Caribbean and Latin America. In 2009, we interviewed more than 20,000 Scotiabank customers and compared their responses to those from 2008.

Canadian small business

In Canada, we continue to measure satisfaction rates from our small business customers to understand how we can improve our services (see chart on the left).

"This past year was a difficult one for many businesses, particularly smaller businesses that can really feel the impact of an overall economic slowdown, depending on their particular industry. These businesses are facing challenges from all sides, and managing finances is always the top challenge," says Kyle McNamara, Managing Director and Head of Small Business Banking. "Our customer satisfaction rates are down over all this year, though up in some areas like 'effectiveness and problems solving' and 'We understand the realities of the challenges facing our small business customers.' Our Small Business advisors are responding by working with, and listening to our customers as they map out strategies which help them identify and take advantage of new opportunities as they begin to emerge in 2010."

As at Oct. 31, 2009, Scotiabank authorized \$9.2 billion in debt financing available to small and medium-sized businesses in Canada. View a breakdown of our total 2009 business credit authorized and outstanding and customer numbers by province and territory in this report's Appendix on page 25.

International small business

With the philosophy of "working together with clients to help grow their business," Scotiabank began launching small business banking in the Caribbean and Latin America. We now offer a range of small business solutions to customers in 20 countries, including day-to-day banking accounts, borrowing options and credit cards, as well as investing and cash management services.



ABOVE: Through our microfinance initiatives, Scotiabank supports micro-entrepreneurs such as Teresa Olmedo in Chile, who creates and sells cultural figurines.

Overview of Scotiabank's microfinance services

	Total loans	Average loan size	# of customers
Chile (Banco del Desarrollo)	US\$142 million	US\$3,000	47,300
Peru	US\$239 million	US\$2,390	100,000
Guatemala	US\$22.5 million	US\$2,000	11,250
Dominican Republic	US\$26 million	US\$3,000	8,600
Jamaica	US\$2.5 million	US\$713	2,500
Total	US\$432 million		169,650

* We define microfinance clients as self-employed or micro-business owners with annual revenues below US\$100,000.



For more information on Small Business operations in Canada and internationally, visit our website at www.scotiabank.com/csr/customers/smallbusiness.

Meeting customers' needs

Meeting the needs of our customers includes helping them become financially better off, protecting their privacy, helping them overcome challenges and listening to their comments and feedback on how we are doing.

Our customer loyalty index (see chart on previous page) allows us to measure our success in meeting customer needs both in Canada and internationally.

Accessibility

Scotiabank has been working to ensure that our services are accessible to all. New Scotiabank branches and facilities have undergone major renovations that meet the Canadian Standards Association's (CSA) accessibility guidelines, and we continue to replace ABMs with units that give customers who use wheelchairs better access to the card reader, keypad, screen and transaction receipts slot.

Protecting customer privacy

In 2009, Scotiabank rolled out various initiatives to protect and enhance customer privacy, such as:

- We recently launched the Scotiabank Group Personal Information Privacy Protection Policies and Guidelines to address the rapidly changing ways we access, use, store, transmit and dispose of customer and employee information, including increased use of electronic and mobile devices.

- Scotiabank began the Canadian rollout of debit and credit chip cards. A chip card offers enhanced security against lost, stolen or counterfeit card fraud. Scotiabank Mexico has also started to introduce chip technology for its debit and credit cards, and Peru is currently piloting chip-embedded credit cards in Trujillo and Arequipa.
- Scotiabank's privacy brochure, *The Scotiabank Group and You: A Question of Privacy*, gives

customers a quick overview of privacy. It is available in the Customer Care section of www.scotiabank.com or in our branches.

In addition to these and many other aspects of privacy protection which you can find online, we have made commitments to voluntary codes of conduct, which can be found on page 24 of the Appendix.

In 2010, we will be focusing on several priorities, and we are starting, in this report, to consider how we measure progress.

Priorities	Meeting our priorities
<p>Customer Satisfaction: Continue to measure customer satisfaction and loyalty in Canada and internationally as well as the percentage of customers who are satisfied with the handling of their complaints.</p>	<p>Use <i>Through Your Customers' Eyes</i> and <i>Through Your Customers' Eyes, International Banking</i> studies to report on customer satisfaction and loyalty, and continue to track customer complaints year over year.</p>
<p>Canadian Small Business Banking: Scotiabank Small Business advisors are focused on identifying business owners growth plans and supporting them with practical advice, information and banking services.</p>	<p>Through Canadian Small Business Banking, we will continue to provide new resources and identify new opportunities to help provide small businesses with the tools to grow.</p>
<p>Multicultural Banking: Continue to develop products and services designed to support newcomers to Canada through the Scotiabank StartRight Program, with an increased focus on expanding our offerings across all customer distribution channels.</p>	<p>Provide new immigrants, foreign students and investor immigrants with tailored products and services to make their transition to Canada an easier process.</p>

Customer complaint resolution

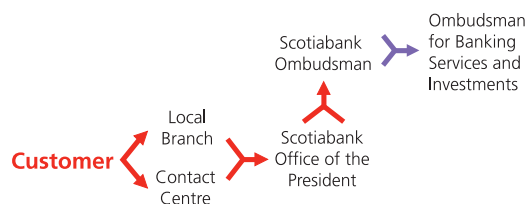
A clear and effective complaint resolution process is essential to our financial success and to being a responsible organization. Our statistical data and complaint resolution process are outlined below. Internationally, Scotiabank follows a similar process, which may vary according to country regulatory requirements or local needs.

	2007	2008	2009
Number of customer complaints received by Office of the President	8,172	7,692	10,470*
Percentage of customers surveyed who were fully satisfied with the handling of their complaint	88%	88%	89%**

*Represents total number of Office of the President complaints out of more than 14 million customers. Complaints are categorized by service, credit, policy, pricing, compliance, documentation and other in order to review for trends and recommend changes. The increase in complaints in 2009 can be attributed partly to difficult economic conditions which resulted in higher levels of customer service and policy concerns.

**Based on surveys of 996 customers.

Complaint resolution process



For more about how Scotiabank is ensuring access to services, visit our website at www.scotiabank.com/csr/customers/smallbusiness.



For further information on our Privacy Protection, please visit www.scotiabank.com/csr/privacy.

Access to financial services

Financial institutions play a critical role in creating access to financial services, especially for groups with special needs, including youth, seniors, the economically disadvantaged and new Canadians. Scotiabank has developed customized products, services and financial education programs in a number of markets to help improve access to these services.

Customer segment	Basic banking	Savings, investment & credit	Financial literacy
All	<p>Scotiabank Basic Banking Account (Canada).</p> <p>Quick Pay Service (Jamaica) provides low-income workers with electronic bank accounts to safely access their pay.</p>	<p>Bank the Rest Savings Program (Canada) helps customers improve their savings habits while making everyday debit purchases.</p> <p>Scotia Power Savings Account provides an online, high-interest savings option.</p> <p>The Scotia Global Climate Change Fund allows customers to invest in companies that will help mitigate the impact of climate change.</p>	<p>Financial education seminars by Scotiabankers are offered in many locations, including communities in Canada, El Salvador, Guyana, Bahamas and St. Kitts and Nevis.</p> <p>Financial education tools on www.scotiabank.com (e.g., Banking Lingo 101, Understanding Credit).</p>
Youth	<p>The Student Banking Advantage™ plan (Canada) provides discounted banking fees for full-time university or college students.</p> <p>Getting There Savings Program for youth (Canada) is a no-fee plan with up to 20 free debit transactions a month.</p>	<p>L'earn Visa card for students provides benefits including no annual fee, accelerated <i>Moneyback</i> rewards program and up to a 21-day interest-free grace period on purchases.</p> <p>Scotiabank Educational Savings Plan (17 Caribbean and Central American countries).</p> <p>Scotiabank Be Money (Trinidad and Tobago) offers a high-interest savings account with no banking fees for full-time students.</p>	<p>We offer students a Scotiabank Education Savings Solutions and a Scotiabank School Financing Options website.</p> <p>Our employees in Puerto Rico volunteer in the American Bankers Association Teach Children to Save Day seminars.</p>
Seniors	<p>Scotia Plus program (Canada) offers no-fee account with unlimited debit transactions for eligible persons aged 59 or over.</p>	<p>Helpful online RRIF/LIF/LRIF illustrator tool, literature and advice available for seniors.</p>	<p>We launched an in-depth Tax Free Savings Account Information Centre in Canada, with tailored content for retirees, at www.scotiabank.com.</p>
New Canadians	<p>Scotiabank <i>StartRight</i> program (Canada) – easier access to credit for newcomers, free day-to-day banking for one year and a multilingual website that provides links to settlement assistance research and newcomer financial information.</p> <p>Scotiabank and Western Union rolled out convenient money transfers from branches, our contact centres and Scotia OnLine banking to 350,000 locations worldwide.</p>	<p>Multilingual TeleScotia and ScotiaMcLeod telephone services.</p>	<p>We provide customized multilingual customer materials in many communities.</p>
Aboriginals	<p>We operate four on-reserve branches and a network of 22 Aboriginal banking centres (Canada).</p>	<p>Special GIC offer and no-fee for one-year chequing account for recipients of residential school settlement program (Canada).</p> <p>We provide niche on-reserve lending programs to individuals and band councils as well as investment management and trustee services to First Nation Trusts across Canada.</p>	<p>Scotiabank sponsored CESO financial workshops for more than 1,000 residential school settlement recipients (Canada).</p>
Small Business	<p>Branch-based small business advisors deliver practical tools and resources that support small business success.</p> <p>Scotia Running Start for Business program for start-up businesses.</p>	<p>Scotiabank authorized more than \$9.2 billion in debt financing to Canadian small businesses.</p> <p>Scotia Flex and Scotia One Account Plan (Canada) for agricultural clients.</p> <p>Scotia Running Start and Scotia Business Builder (Jamaica) – Cdn\$3.5 million to help SMEs reach their potential, plus advice to help entrepreneurs manage their business.</p>	<p>Get Growing to a Million (Canada) campaign to provide expert advice, resources and an online community.</p>
Micro Business	<p>Microfinance operations in Chile, Peru, Jamaica, Dominican Republic and Guatemala operate microfinance subsidiaries with outstanding credit balances of more than US\$432 million, and financial literacy and business planning resources in select countries.</p>		

SCOTIABANK PERU HAS A SCOTIABANK COUNSELLOR BUS TO BRING FINANCIAL EDUCATION TO THE STREETS OF LIMA AND PROVINCIAL COMMUNITIES.



More details available online
www.scotiabank.com/csr/employees

Our Employees

Employee satisfaction is a crucial component of good corporate citizenship. It can be measured through surveys, but it's also important to understand who employees are and what opportunities, options and rewards are available to them.



ABOVE: At Scotiabank, our core values guide our interactions with customers, the public and each other, no matter where we work in the world. Here, Angélica Cáceres, surrounded by her team at the Contact Centre in Santiago, Chile, gives a thumbs up.

SCOTIABANK BELIZE NAMED BEST OVERALL EMPLOYER BY THE BELIZE CHAMBER OF COMMERCE & INDUSTRY AND THE ROTARY CLUB.



“We strive to ensure that our organization is a place where talented people want to work and have the opportunity to thrive in their careers. We know that engaged and satisfied employees create satisfied and loyal customers, which helps drive long-term business success. We focus our efforts on attracting and retaining the best people by recognizing and rewarding strong performance and placing real value on strong relationships.”

Cory Garlough

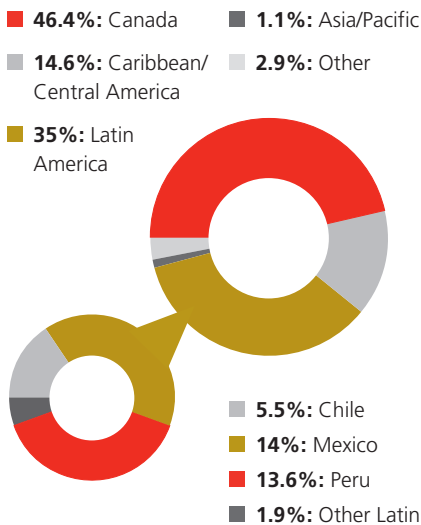
Vice-President, Global Employment Strategies
 CSR Advisory Committee Member

Who we are

Scotiabank’s strength comes from our highly diverse workforce – composed of thousands of employees around the world – who contribute their wide range of talents and skills, and share their unique perspectives, backgrounds and experiences.

As Canada’s most international bank, in one of the world’s most multicultural nations, we foster an inclusive work culture and continue to develop a broad skills base. Our diversity objectives continue to cover four designated groups: women, visible minorities, persons with disabilities and Aboriginals. (See Diversity highlights table on page 13.)

Geographic breakdown by region



The following goals were set out in our 2008 Corporate Social Responsibility Report. Here’s how we did in 2009:

Goals	Results
Leadership: Continue to build leadership as a competitive advantage through implementation of a global strategy to identify and mobilize talent where the business need is most critical, and through a global talent technology program.	Scotiabank was named a Leadership Company to Watch, the only Canadian company to make the list. Talent Profile technology launched to better understand the experiences, competencies and aspirations of our global leadership talent pool.
Workforce capability: Continue to enhance workforce talent and capabilities and upgrade the technical platform of the Bank’s Learning Management System to improve employees’ experience with learning and development.	Launched a project in 2009 to upgrade the Bank’s Learning Management System; implementation scheduled for 2010.
Global Employer of Choice: Continue to implement global human resource principles and shared standards in order to create a consistent employment experience, thereby enhancing our employer of choice status as we grow in various markets.	Developed and implemented Scotiabank’s <i>Global Principles on HIV-AIDS and Other Life Threatening Illnesses in the Workplace</i> .
Advancement of Women: Continue to expand the Bank’s Advancement of Women framework internationally through locally adopted initiatives.	Scotiabank Mexico named to 2009 Best Companies to Work® for Women.



For further information on the Bank’s diversity objectives and achievements, please visit www.scotiabank.com/diversityandinclusion.

SCOTIABANK IS A MEMBER OF:



SCOTIABANK MEXICO WAS NAMED TO THE 2009 LIST OF BEST COMPANIES TO WORK® FOR WOMEN IN MEXICO.

Training & development

Scotiabank offers learning through classroom learning, e-learning, coaching, job shadowing, and mini-training sessions in the workplace. During 2009, we expanded access to our virtual classroom technology, iShare.

Scotiabank's learning management system, My Learning Centre, has been made accessible to employees in Mexico. My Learning Centre is being upgraded in early 2010 and will be rolled out to additional international locations.

Leadership

Leadership is one of the Bank's five strategic priorities and, in 2009, focus was placed on two elements: talent identification and leadership development.

- Talent identification:** Scotiabank launched talent management technology, which included the rollout of the Talent Profile. The Talent Profile is a centralized resource of in-depth employee information and provides leaders with improved information for career development.

Diversity highlights at Scotiabank

Scotiabank has been tracking female representation at the VP+ and equivalent levels for several years and, in 2008, we extended metrics to include feeder pool targets for employees at the senior manager and director levels, introducing accountability for the development and advancement of feeder pool employees.

	2007	2008	2009	Government benchmark**
Visible minorities (Canada)	21.1%	21.8%	22.0%	20.4%
Visible minorities in senior management (Canada)	10.2%	11.9%	11.6%	8.7%
Women	71.3%	70.8%	70.1%	62.2%
Women in senior management (Canada)*	31.5%	31.5%	32.0%	24.2%
Women in VP+ positions (Global)	22.0%	22.0%	22.1%	NA
Persons with disabilities (Canada)	4.0%	4.0%	4.2%	4.2%
Aboriginals (Canada)	1.1%	1.1%	1.1%	1.7%

*2009 data exclude provincially regulated ScotiaMcLeod and Roynat Capital employees.

** This is a tailored availability rate derived from the 2006 Census that is customized to the banking environment and is calculated by looking at specific occupations where Scotiabank has employees. Actual non-customized rates may be lower.

- Leadership development:** Scotiabank offers workshops on coaching, strategic influencing, cross-divisional networking and collaboration.

Competitive compensation

Scotiabank is committed to providing competitive total compensation, which includes base pay (salary), incentive pay (both long- and short-term incentives), pension plan and benefits (health care, share ownership, group life insurance, disability benefits, banking services, paid time off and wellness programs).

Employee health & safety

In 2009, we launched a new initiative that concentrated on providing better support and training for occupational health & safety representatives in 19 mid-sized locations (100-299 employees) across Canada.

Scotiabank has Global Principles on HIV/AIDS and Other Life-Threatening Illnesses in the Workplace. Medical benefits for current employees with HIV/AIDS are provided in accordance with local legislation and practices. Other benefits – such as short- and long-term disability, as well as support services and Employee Assistance Program resources, where available – are also accessible, subject to the plan terms.

Employee training

	2009 (Global)	2009 (Canada) ¹
Total training investment (\$ millions) ²	\$56	\$33
Training investment per employee (approx) ³	\$831	\$1,062
Formal learning days per employee (approx) ⁴	4.7	4.3

- Excludes International Banking employees based in Canada.
- Includes direct and indirect expenditures.
- Average per full-time employee.
- 2009 data includes additional detail that was unavailable in 2008.

Scotiabank's global salaries and benefits

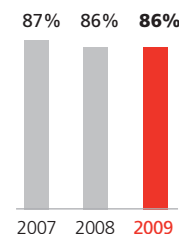
	2009 (\$millions)
Salaries	\$2,676
Performance-based compensation	\$1,035
Stock-based compensation	\$79
Pensions and other employee benefits	\$554
Total	\$4,344

Scotiabank workplace accidents*

	2006	2007	2008**
Major accidents – Resulting in lost work time occurrences	138	139	84
Minor accidents – Reportable, requiring medical attention, but not involving lost work time beyond the day of injury	64	88	64
Other reportable occurrences – as defined by the Canada Labour Code Part II	227	220	173
Total number of lost days due to injury	1,602	1,943	1,210

- * Represents reported accidents in Canada during the calendar year.
 ** Data from 2008 is the most recent information available.

Employee satisfaction index (%)



This index measures the level of our employees' satisfaction with their immediate work environment.



For further information on our employee compensation, including employee benefits, pension plans and share ownership, please visit www.scotiabank.com/csr/employees/compensation.

Human rights in the workplace

Scotiabank Group is committed to the spirit and principles embodied in the Canadian Human Rights Act (CHRA), and extends that commitment to our operations outside of Canada. These principles reflect international standards in human rights practices with respect to both employees and customers, including the Universal Declaration of Human Rights, and the Declaration on the Fundamental Principles and Rights at Work. Any new policies or policy changes are subject to a rigorous review by stakeholders and experts in human rights.

Our Guidelines for Business Conduct describe the standards of behaviour required of all employees regarding the equitable treatment of all members of our workforce.

Employee engagement

For more than 10 years, Scotiabank Group employees have been invited to rate their employment experience by completing the annual ViewPoint employee survey.

In 2009, almost 57,000 employees, or 91 per cent of the Scotiabank Group workforce took part in the ViewPoint survey, up from 82 per cent the year before.

Highlights from employee ViewPoint survey

Survey questions that had the highest positive response rate in 2009*

	% Total favourable
It is important to my branch/dept.'s success that I successfully complete my work responsibilities.	98%
I understand how my objectives and goals are connected to my branch/dept.'s overall strategy.	93%
My branch/dept. provides high quality service to customers/clients.	92%
My branch/dept. has defined plans to meet its targets and goals.	90%
I am treated with respect as an individual at work.	90%

* based on % total favourable results

In 2010, we will be focusing on several priorities, and we are starting, in this report to consider how we measure progress. Look back in 2010 and see how we did.

Priorities	Meeting our priorities
Leadership: Continue to make leadership a competitive advantage.	Continue to focus on identification and development of our future leaders.
Workforce Capability: Continue to enhance workforce talent and capabilities by making learning more accessible to employees worldwide through an upgraded learning platform.	Implement the upgraded Learning Management System for the Bank in Canada, Mexico and internationally for Scotia Capital.
Global Employer of Choice: Continue to implement global human resource principles and shared standards in order to create a consistent employment experience. We want to continue being an employer of choice.	Focus on development of global principles for key employment issues, such as human rights, and implementation of our global diversity and inclusion strategy.
Advancement of Women: Continue to expand the Bank's Advancement of Women framework globally.	Launch a career development survey with the purpose of identifying employees perceptions around career development and measure progress, over the past 4 years, against AOW objectives. We will work to action some of these findings in 2010.



For further information on our employee health and safety programs, please visit www.scotiabank.com/csr/employees/health-safety

Survey questions that had the lowest positive response rate in 2009*

	% Total favourable
I receive recognition for doing good work.	81%
Communication in my branch/dept. is healthy (open, honest, two-way).	80%
My branch/dept. offers training that helps me perform my present job more effectively.	78%
I feel positive actions have been taken as a result of last year's survey.	67%

* based on % total favourable results

Country-specific ViewPoint employee survey results (%)

Country/region	Employee satisfaction index	
	2008	2009
Asia Pacific & Middle East	78	79
Chile	77	78
Costa Rica	79	82
Dominican Republic	90	91
El Salvador	86	87
Jamaica	79	82
Mexico	89	89
Peru	82	81



For further information on our Guidelines for Business Conduct and employee engagement, please visit www.scotiabank.com/csr/employees/engagement.

SCOTIABANK TRINIDAD AND TOBAGO WAS HONOURED WITH THE CHAMPION EMPLOYER OF THE YEAR AWARD.



Our Environment

Our Environmental Policy is the touchstone for all our environmental initiatives and how we keep issues top of mind across the Bank. It helps us address our environmental impacts, and provides a foundation for the work we do and the work we need to do to reduce our impact. In 2009, the policy was updated and reviewed by the Board of Directors.



ABOVE: Scotiabank supports the organization Asociación para la Niñez y el Ambiente, ANIA, an NGO in Lima, Peru that teaches children about the environment through initiatives such as their Children's Gardens Environmental Program.



“There is growing momentum across the Bank for environmental considerations to be part of how we operate. Whether it’s employee enthusiasm for green initiatives internally or the development of new financial products and services to help transition to a greener economy, at Scotiabank, the environment is increasingly becoming a vehicle for positive change.”

Kim Brand

Director, Environmental Affairs
CSR Advisory Committee Member

Environmental management

Various groups across the Bank provide their expertise in addressing environmental issues, such as energy efficiency, environmental stewardship and environmental risk management.

To help ensure that environmental issues are addressed at all levels of the Bank, we created a new position – Director of Environmental Affairs – to work closely with four key areas of the Bank and help them integrate environmental considerations in their business strategies.

Reducing our impact

Our daily activities have an impact on the environment, and we are working to improve our performance in this area. Below are some of our key focus areas and results:

Paper

To help reduce paper consumption and promote sustainable forestry, Scotiabank adopted an Environmental Paper Policy in 2008 that details the Bank’s commitment to integrating environmental considerations into its paper purchasing decisions.

The following goals were set out in our 2008 Corporate Social Responsibility Report. Here’s how we did in 2009:

Goals	Results
Paper reduction: Launch an employee paper reduction awareness campaign and reduce copy paper consumption by 5%.	Through various employee campaigns, including the launch of an internal website – ScotiaGreen – which provides tips on reducing paper consumption in the workplace and home, Scotiabank employees were able to exceed the 5% reduction goal.
Paper recycling: Increase paper recycling in three international locations, as set out in our Environmental Paper Policy.	Recycling programs were implemented in Peru, Costa Rica and a pilot program in the Dominican Republic.
Energy/GHG measurement: Increase coverage of energy tracking systems in international locations.	We have increased our energy consumption tracking to include Peru and Chile. We are working to continue to include more international locations in the next five years.
Energy efficiency: Complete a study of the energy consumption pattern of our branches/owned office buildings, with a view to improving energy efficiency and lowering GHG emissions.	In 2009, the Bank used outside qualified engineers to complete a study on its Canadian branch network to identify branches with unusually high energy consumption rates. In 2010, the Bank will study these target sites and identify strategies to reduce their utility consumption.
Climate change and lending: Roll out climate risk assessment procedures and training.	Climate change risk assessment procedures were incorporated into the Bank’s lending procedures, and several training sessions were offered to Corporate Banking groups, especially in the extractive sectors.



For further information on our Environmental Policy, please visit www.scotiabank.com/csr/environment/policy.

In 2009, we focused on four things: We encouraged Internet banking; we launched ScotiaGreen, an internal website with tips on sustainable forestry and reducing our consumption; we expanded our paper consumption measuring to include Mexico and Peru; and we extended recycling programs in three additional countries.

Internet banking: Internet banking at Scotiabank has continued to increase year over year. Internet banking is also increasing in most of our countries, although Internet use is not as prevalent in many of these countries as it is in North America.

ScotiaGreen: In 2009, Scotiabank launched an internal website, ScotiaGreen, to help us reduce the amount of paper we use on a day-to-day basis while supporting the Bank's long-term paper reduction goals. ScotiaGreen sought the support of WWF-Canada to engage Scotiabank employees in our paper reduction efforts.

WWF-Canada recognizes that the business community offers one of the most effective routes to finding sustainable solutions to the world's pressing environmental challenges and, as a result, engages with companies to drive change and raise funds for critical conservation work.

Through initiatives such as this, Scotiabank reached its 5% paper consumption reduction target, and is now working towards exceeding that goal by an additional 5%.

Measuring paper consumption: Since 2006, Scotiabank has reported paper usage within our Canadian operations. The numbers are broken down by major category, and calculate total weight and annual increase or decrease in consumption (see chart below). For the first time, in 2009, we are providing paper consumption data for our other major international operations where numbers are available. (See data for Mexico and Peru below.)

Scotiabank paper consumption in Mexico (tonnes)

	2009
Business forms	1,719.10
Business cards	0.13
Letterhead	1.83
Bond copy paper	607.72
Marketing direct mail	547.73
Total weight (tonnes)	2,876.51

Scotiabank paper consumption in Peru (tonnes)

	2009
Statements	32.1
Bond copy paper	210.99
Total weight (tonnes)	243.09

Scotiabank Canadian paper consumption (tonnes)

Paper classification	2007	2008	2009	% change 2008/09 (decrease)	FSC**
Business forms*	3,056	2,799	2,824	0.9	2/5 of highest volume items
Business cards	8	8	7	(12.5)	100%
Letterhead	14	20	10	(50.0)	100%
Bond copy paper	1,979	1,904	1,651	(13.3)	100%
Annual reports	81	83	85	2.4	100%
Marketing direct mail	270	276	183	(33.7)	100%
Total weight (tonnes)	5,408	5,090	4,760	(6.5)	
Consumption per employee	0.17	0.16	0.15		

* Scotiabank uses more than 4,500 different kinds of forms, but the majority fall into five categories: regular format, high speed printer/ABM rolls, snap sets (carbonless), envelopes and companion booklets. Currently, two of these categories – envelopes and account companion booklets – use FSC paper.


** Forest Stewardship Council (FSC) certified paper, a stringent system for guiding responsible forest management, guarantees that paper is produced in a way that conserves biological diversity and fragile ecosystems, ensures social responsibility and respects the rights of First Nations peoples and local communities.

Recycling: Recycling is not just a priority for us in Canada. We have been working to introduce and expand recycling programs to all the countries where we operate. In Canada, Scotiabank is a member of both Stewardship Ontario and Eco Entreprises Quebec, provincial industry-funded organizations through which the Bank and other companies pay 50 per cent of the cost of provincial Blue Box recycling programs.


In addition to meeting the target we set in 2008 to introduce recycling programs in three additional countries (Peru, Costa Rica and Dominican Republic), a number of other initiatives were undertaken.

- Scotiabank de Puerto Rico launched an internal "Go Green" program, including office paper recycling through international supplier, Shred-it. It is estimated that paper recycling at Bank offices in Puerto Rico in 2009 saved 819 trees from being harvested. The Bank has also programmed all copying machines to print double-sided documents and posters have been placed in offices to give employees paper-saving tips.
- In Trinidad and Tobago, office furniture is constructed of mostly recyclable materials and all photocopying machines are built with 100% recycled material.
- We donate surplus Canadian office supplies to community groups and school boards. In 2009, we provided more than 87 boxes of excess binders, CD and video tape covers to school boards and libraries.


SCOTIABANK IS A MEMBER OF:



CARBON DISCLOSURE PROJECT



The Equator Principles



UNEP Finance Initiative

Innovative financing for sustainability

 For full description of how the Bank is reducing its impact on the environment, please visit www.scotiabank.com/csr/environment/reducing-impact.

Energy

Energy efficiency and awareness of energy consumption has become part of operations business at Scotiabank around the world. The Bank has an energy tracking system which measures energy consumption, and allows us to determine greenhouse gas emissions in our branches and the space occupied by the Bank in our owned office buildings across Canada. Our goal is to continue to expand reporting of energy consumption to include key international locations within the next five years. This year, we've included Scotiabank Chile and Scotiabank Peru.

Some of our energy savings initiatives include:

- Scotiabank Mexico implemented a carbon footprint study with Instituto Politécnico Nacional. The scope was nationwide and it included power, water and paper. The study provided benchmark information and recommendations for environmental improvements in our facilities and day-to-day operations.

- Scotiabank branches and offices in Jamaica reduce energy usage by switching off air conditioning units daily at 5:30 p.m.
- In 2009, Scotiabank Trinidad & Tobago installed timers in branches and offices to switch off air conditioning units after office hours.

Sustainable real estate practices

Scotiabank's Real Estate Department develops real estate solutions globally for the Bank and its customers with due consideration of environmental matters. We've been working to make our branches "greener" by introducing energy-saving innovations, such as high efficiency roof-top HVAC units and heat recovery ventilators.

Scotiabank now has 15 "green" branches, most of which have been certified under the "Green Globe" benchmarking program, an internationally recognized environmental program.

Supply chain

As a purchaser of many products and services around the world, we look to buy environmentally friendly products to help reduce our impact. Our request for proposal (RFP) documents ask applicants to describe their CSR and environmental policies and practices, relevant environmental or CSR accreditations, programs to deliver energy-efficient products and services, recycling and disposal methods, and employment practices that support diversity and human rights.

Lending and investing

Environmental risk

Scotiabank evaluates environmental factors as part of our lending and investment decisions. We incorporate global environmental and social standards in international project financing, through our adoption of the Equator Principles.

Scotiabank maintains an ongoing commitment to operating in an energy-efficient manner to minimize our carbon footprint.

Measuring energy consumption (Canada)

2009 greenhouse gas emissions

Source	CO ₂ emissions* (metric tonnes)
Indirect CO ₂ produced from electricity and steam purchases	38,938
Direct CO ₂ emissions produced from combustion of fuels	15,870
Indirect CO ₂ emissions produced from employee air travel	4,809
Total CO₂ footprint	59,617

2009 energy consumption

Type of energy	Consumption unit	Total consumption	Consumption per sq. metre	Branches /Owned office buildings
Electricity	Megawatt hours	190,723	0.29	914 / 22
Steam	Pounds (1000s)	18,757	0.46	0 / 1
Natural gas	Cubic metres	7,738,324	15.51	633 / 20
Fuel oil/Propane	Litres	344,440	14.27	55 / 0

Measuring energy consumption (Chile and Peru)

2009 greenhouse gas emissions

Source	CO ₂ emissions* (metric tonnes)
Indirect CO ₂ produced from electricity and steam purchases	6,031
Direct CO ₂ emissions produced from combustion of fuels	14
Total CO₂ footprint	6,045

2009 energy consumption

Type of energy	Consumption unit	Total consumption	Consumption per sq. metre	Branches /Owned office buildings
Electricity	Megawatt hours	24,078	0.15	291
Natural gas	Cubic metres	7,399	3.32	4
Fuel oil/Propane	Litres	0	0	0

* Calculated in accordance with the Greenhouse Gas Protocol of the World Resources Institute and the World Business Council for Sustainable Development (www.ghgprotocol.org), including emission factors for electricity purchases, natural gas and fuel (Canada, Chile and Peru).

Notes:

1. The above information was collected from the best available data and methodologies, which includes information captured from invoices processed for payment from various utility vendors. Given the scope of the system implementation undertaken, we expect to continue refining systems and processes going forward.
2. Our Canadian report is based on 914 owned and leased retail locations and the space occupied by the Bank in 22 owned office buildings across Canada, representing approximately 659,000 square metres. This area varies depending on utility type.
3. Our Chile and Peru report is based on 291 owned and leased retail locations across Chile and Peru representing approximately 158,236 square metres.

Environmental risks associated with the business operations of each borrower and any real property offered as security are considered in the Bank's credit evaluation procedures. This includes an environmental assessment, where applicable, and commentary where climate change would have a material impact (including regulatory, physical or reputational impacts) on the borrower.

The Global Energy Solutions (GES) team works with producers and consumers of energy to help mitigate their exposure to energy prices. GES has the ability to assist with the trading of carbon emission credits or green energy credits, and works with clients to structure programs that accomplish their desired carbon reduction goals. In order to assist our clients throughout the development of carbon emissions markets, we are working to educate and inform industry leaders on new market and policy evolution.

Project financing

Scotiabank is a signatory to the Equator Principles, a set of internationally recognized, voluntary project finance guidelines that establish social and environmental standards in the banking industry.

In adopting these principles, Scotiabank agrees to provide loans only to those projects where borrowers can demonstrate that their projects are developed in a socially responsible manner and according to sound environmental management practices. The Bank has a comprehensive set of tools and guidance documents to help ensure banking and credit officers have the necessary information to meet the Equator Principles requirements.

Renewable and clean technology equity financing and research

Scotia Capital actively supports the development of renewable energy via the financing of wind, hydro, solar, geothermal and other clean energy

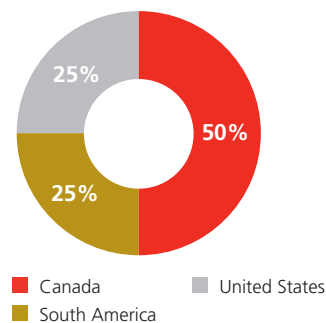
projects. In 2009, Scotia Capital had \$1.6 billion in authorized credits and provided \$202 million in financing for clients in the renewable sector.

The availability of financial products and services that can help the renewable energy sector thrive is an important component in addressing the issue of climate change. Scotia Capital is helping to promote this sector and is attracting investor interest by offering extensive expertise to institutional clients in the area of renewable energy, including investment opportunities, industry trends, public policy and economic analysis of the sector.

Scotia Global Climate Change Fund

Since 2008, Scotia Asset Management, in partnership with leading global sustainability portfolio advisor, F&C Investments, has offered the Scotia Global Climate Change Fund to Canadian investors. The fund is designed to give Canadians a chance to invest in environmentally responsible companies, without compromising solid returns. It's the first of its kind in Canada.

2009 Equator Principles Assessments



Project category	Number of assessments
A	0
B	1
C	3
Total	4



For further information on the Equator Principles, please visit www.equator-principles.com.

In 2010, we will be focusing on several priorities, and we are starting, in this report, to consider how we measure progress.

Priorities	Meeting our priorities
Energy/GHG measurement: Implement a five-year plan to incorporate more international countries into our total energy and GHG measurements.	In 2010, we plan to include two additional international locations in our total numbers.
Paper reduction: Build on the 2009 paper reduction campaign to further reduce paper consumption by another 5%.	Report on the organization-wide accomplishments in the reduction of paper use.
Expand outreach: Look to extend our environmental outreach by identifying key partnership opportunities with environmental organizations.	Develop a partnership with an environmental organization in Canada on climate change.
Environmental strategy program: Develop and launch a Canadian Banking green incentive strategy with customer, operational and employee components.	Launch a new green strategy for Canadian Banking.



See our conference on Bioenergy opportunities at: <http://webcast.streamlogics.com/audience/index.asp?eventid=96921937>.



For further information on our environmental lending and investing, please visit www.scotiabank.com/csr/lending-investing.



More details available online
www.scotiabank.com/csr/community

Our Communities

Our goal is to make a difference: In 2009, Scotiabank contributed about \$39 million in donations, sponsorships and other forms of assistance to support organizations and unique projects around the world. Scotiabankers also gave generously of their time and efforts. In 2009, our employees volunteered almost 300,000 hours toward fundraising activities for local causes in their communities.



ABOVE: In 2009, more than 400 teams of Scotiabank employees across Canada participated in the annual Juvenile Diabetes Research Foundation Ride, raising over \$600,000 to help find a cure for diabetes and its complications. This Toronto team included from left: Linh La, Chris Beckford, Sophie Pateras (rider), Vivien Tyers, Margaret Carey and Al DiMauro (in background).

SCOTIABANK EMPLOYEES IN MIDDLETON, NOVA SCOTIA, RAISED MORE THAN \$4,000 FOR THE MIDDLETON REGIONAL HIGH SCHOOL ENHANCEMENT FUND.



“The Scotiabank Group and its employees are committed to communities and causes across the globe. Donating our time and support is an important part of the Scotiabank culture.”

Janet Slasor

Director, Donations, Sponsorships & Executive Projects
CSR Advisory Committee Member

Community giving in Canada

Community contributions in Canada focus on four areas where we believe we can make a meaningful difference in local communities. They are education, health, social services, and arts and culture:

A few examples of the large commitments made in Canada during 2009 in these areas include:

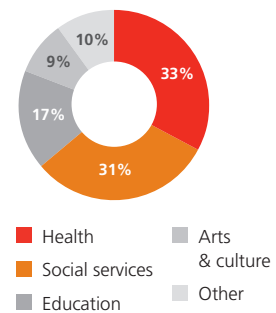
- **Education:** Some 400 Scotiabank employees volunteered in Junior Achievement’s *Economics for Success Program* and the *Dollars with Sense Program* in 208 schools. These programs teach children about career planning, as well as the importance of financial planning skills, such as budgeting, saving and investing and the setting of financial goals.
- **Health:** Scotiabank’s gift to the Montreal Neurological Institute and Hospital at McGill University (The Neuro) will help expand the Institute’s Multiple Sclerosis Clinic. The donation will allow the facility to improve its level of care and service for its 2,000 patients.
- **Social services:** The Bluenose Marathon is a fundraising event in Halifax that also promotes healthy living and active lifestyles. In 2009, Scotiabank entered into a three-year commitment as the title sponsor of the Scotiabank Bluenose Marathon and introduced the *Scotiabank Charity Challenge*, which raised more than \$117,000 and benefited 17 local charities.

The following goals were set out in our 2008 Corporate Social Responsibility Report. Here’s how we did in 2009:

Goals	Results
Support international education programs and scholarships to help promote leadership and education among youth in the Caribbean and Latin America.	Supported trade skills development in Costa Rica; gathered school supplies for 192 children in Chile; 150 students from Barbados and St. Kitts (and 14 other Caribbean countries) participated in the Scotiabank-York University Emerging Leaders Program.
Continue to encourage and support volunteering, fundraising and active community involvement.	Employees spent almost 300,000 hours volunteering and fundraising through our formal community programs.
Continue to reinforce the Scotiabank Bright Future Program and support child-centred charities and initiatives internationally.	Released our second Bright Future Report, highlighting initiatives for children in the Caribbean and Latin America.

- **Arts & culture:** 2009 marked the 50th anniversary of the Vancouver Opera, and Scotiabank was the proud to partner with them in this historic milestone. Vancouver Opera is the second-largest opera company in Canada and one of the most forward-thinking arts organizations in the country.

Corporately administered community giving in Canada 2009 (%)



For further information on community giving in Canada, please visit www.scotiabank.com/csr/communitygiving.

International community giving

Charitable giving in our international countries is channeled through our Scotiabank Bright Future Program. Launched in 2007, the program helps us focus our charitable activities on enhancing the well-being of children – particularly in the key areas of education, health, poverty reduction and community wellness.



Scotiabank's 2009 Bright Future magazine.



Scotiabank's 2009 My Hero Award from Aid for AIDS International



Joining the fight against HIV/AIDS

Since 2005, the Scotiabank Group, under the direction of our President and CEO, Rick Waugh, has been active in mitigating the HIV/AIDS stigma. We are proud of the work we have done to raise awareness and funding for the fight against HIV/AIDS.

One of our biggest accomplishments in 2009 was Scotiabank's participation in the 2009 Regional Testing Day. In partnership with the Caribbean Broadcast Media Partnership on HIV/AIDS (CBMP), and in collaboration with regional ministries of health, 40 Scotiabank branches in 14 Caribbean countries participated as testing sites, where trained professionals provided free confidential testing and counselling to the public. Over 4,000 people in the Caribbean came to our branches and were tested.

On December 1, 2009, World AIDS Day, Scotiabank Group was awarded the My Hero Award from Aid for AIDS International in recognition of Scotiabank's efforts in fighting HIV/AIDS across our global network.

Employee-based community programs

We are proud to support our employees in their efforts to make their communities better places. They work tirelessly to help those in need, to raise funds for important initiatives and they roll up their sleeves to make a difference. Our employees donated more than 299,999 hours of their time in 2009 through:

- **Team Scotia Community Program (TSCP)** matches funds raised by employee teams up to Cdn\$5,000. In 2009, more than 2,000 fundraising activities received over Cdn\$5.6 million from TSCP.
- **Scotiabank Employee Volunteer Program (SEVP)** provides donations of Cdn\$1,000 to community organizations where individual employees have been active volunteers.

In 2010, we will be focusing on several priorities, and we are starting, in this report to consider how we measure progress.

Priorities

Continue to support key areas of need in the communities where we live and work, such as health, education, social services and arts and culture.

Continue to encourage and support volunteering, fundraising and active community involvement among our multi national workforce.

Continue to reinforce the Scotiabank Bright Future Program and support child-centered charities and initiatives internationally.

Meeting our priorities

Develop ways of measuring our progress and programs in community involvement. Scotiabank's new metrics to be launched in 2010.



To learn about what specific countries are doing in their communities and for more information on the Scotiabank Bright Future Program, please visit www.scotiabankbrightfuture.com.



For more information on the Bank's employee-based programs, please visit www.scotiabank.com/csr/community/employee.



Appendix

Scope of reporting This annual report includes information from November 1, 2008, to October 31, 2009, for the following affiliates of the Bank in Canada: Scotia Capital Inc., The Mortgage Insurance Company of Canada, National Trust Company, Scotia Mortgage Corporation, Scotia General Insurance Company, Maple Trust Company, Dundee Bank of Canada, 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.

Number of employees in Canada*

	Full-time	Part-time	Total
Alberta	2,461	1,111	3,572
British Columbia	2,251	1,174	3,425
Manitoba	510	224	734
New Brunswick	558	322	880
Newfoundland & Labrador	516	270	786
Nova Scotia	1,356	585	1,941
Northwest Territories	12	1	13
Ontario	19,217	4,953	24,170
Prince Edward Island	115	54	169
Quebec	1,767	459	2,226
Saskatchewan	454	314	768
Yukon Territories	13	12	25
Total	29,230	9,479	38,709
Total full-time equivalent			31,701

*As at October 31, 2009, there were 1,024 contract employees, representing 2.6% of the total Canadian workforce, and 2,992 casual employees, representing 7.7% of the total Canadian workforce.

2009 taxes

Scotiabank incurs 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 2009, this totalled \$1.9 billion (taxable equivalent basis), representing 38 per cent of the Bank's pre-tax income for the year.

Total tax expenses (recoveries) to all levels of government in Canada are shown in the chart (right). For additional information on the Bank's tax expenses in 2009, please refer to Table 54 in Scotiabank's 2009 Annual Report, available online at www.scotiabank.com.

Taxes in foreign regions

(As at October 31, 2009)
(\$ thousands)

Income
taxes

Asia Pacific	84,190
Caribbean & Latin America	406,441
Europe & Middle East	230,286
United States	354,360
Total	1,075,277

Taxes in Canada

(As at October 31, 2009)
(\$ thousands)

Income
taxes

Capital
taxes

Other
taxes⁽¹⁾

Federal	(69,891)	0	159,207
Provincial			
Newfoundland	1,091	3,724	3,250
Prince Edward Island	253	390	115
Nova Scotia	4,853	2,588	4,638
New Brunswick	1,362	1,035	2,015
Quebec	10,021	2,766	14,680
Ontario	92,675	27,332	88,900
Manitoba	1,959	3,843	1,769
Saskatchewan	1,493	3,452	721
Alberta	7,009	0	4,237
British Columbia	6,838	2,614	5,457
Territories	38	0	29
Total provinces	127,592	47,744	125,811
Total	57,701	47,744	285,018

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

Branches/Offices/ABMs

Scotiabank's strong customer focus and commitment to improving sales and service includes maintaining a strong branch network as part of its overall delivery strategy. The Bank currently has 1,019 branches and 2,964 ABMs in Canada. In 2009, as part of our expansion plans, we opened five new branches. All branches closed or consolidated this year were relocated within the community.

In these situations, we work closely with our customers and the community to ensure a smooth transition and to continue to find ways to meet their needs. The important thing is to balance solutions that are right for the individual community and our customers.

Scotiabank Branches Opened

Alberta	180 - 100 Anderson Rd. S.E., Calgary** 7515 44th St., Lloydminster** 9829 116th St., Grande Prairie** 3403 17th Ave. S.W., Calgary**
Saskatchewan	523 Nelson Rd., Saskatoon
Ontario	9930 Dufferin St., Vaughan 300 - 606 Laurelwood Dr., Waterloo 1401 Michigan Ave., Sarnia 54 Peel Centre Dr., Brampton** 35 Alkenbrack St., Napanee** 1255 Barton St. E., Hamilton*
Quebec	2055 rue University, Montréal

* New branch as a result of consolidation

** New branch as a result of relocation

Scotiabank Branches Closed, Relocated or Consolidated

British Columbia	200 - 13401 108th Ave., Surrey
Alberta	4802 50th Ave., Lloydminster** 106 - 10915 104A Ave., Grande Prairie** 24 - 100 Anderson Rd. S.E., Calgary** 3820 17th Ave. S.W., Calgary**
Ontario	1 Dundas St. W., Napanee** 25 Peel Centre Dr., Brampton** 1227 Barton St. E., Hamilton* 1396 Main St., Hamilton*

Note: None of the branch relocations or consolidations that took place in 2009 constitute market abandonment.

* Closure as a result of consolidation

** Closure as a result of relocation

ABM installations and de-installations*

ABMs installed

Alberta

3403 - 17th Ave. S.W., Calgary
9829 - 116th St., Grand Prairie
5401 - 51st St., Grimshaw
7515 - 44th St., Lloydminster
7401 - 100th Ave., Peace River

Saskatchewan

523 Nelson Rd. (3), Saskatoon

Ontario

10631 Chinguacousy Dr., Brampton
54 Peel Centre Dr., Brampton
16 Central Ave., Unit D, Brockville
915 Watters St., Cumberland
1255 Barton St. E., Hamilton
800 Stonehaven Dr., Kanata
16 Bath Rd., Kingston
35 Alkenbrack St., Unit 1 (2), Napanee
1600 Forest Valley Dr., Orleans
2016 Ogilvie Rd., Ottawa
1 Rideaucrest Dr., Ottawa
435 Albert St., Ottawa
3332 McCarthy Rd., Ottawa
1034 Pleasant Park Dr., Ottawa
1401 Michigan Ave. (3), Sarnia
110 Beckwith St. N., Smiths Falls
9930 Dufferin St. (3), Vaughan
606 Laurelwood Dr. (2), Unit 300, Waterloo

Quebec

2 Boulevard des Grives, Gatineau
207 Mont Bleu Blvd., Gatineau
2335 St. Louis Blvd., Gatineau
2055 rue University (2), Montreal
505 rue Principale (4), Quebec

Newfoundland and Labrador

272 Torbay Rd., St. Johns

Nova Scotia

91-93 Portland St., Dartmouth

ABMs de-installed

British Columbia

1250 Lonsdale Ave., North Vancouver
205 - 13340 Smallwood Place, Richmond
200 - 13401 108th Ave., Surrey
1250 Lonsdale Ave., Vancouver
1125 Denman St., Vancouver

Ontario

85 King St. E., Bowmanville
100 City Centre Dr., Mississauga
50 Terminal Rd., North Bay
2839 Jane St., North York
828 Bank St. (2), Ottawa
6 Albert St., Parry Sound
1380 London Rd., Sarnia

Québec

1255 Peel Street, Suite 100, Montreal
34 rue Ste-Anne, Quebec
1270 chemin Sainte-Foy, Bureau 1124, Quebec

New Brunswick

4 Johnson, Suite 12, Miramichi

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

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: Principal Protected Notes Regulations
- Online Payments
- Reduced cheque hold periods

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

Debt financing

Scotiabank is committed to meeting the needs of Canadian businesses, including small and medium enterprises. The following charts indicate – by province and for Canada as a whole – the amount of business credit authorized and outstanding, as at Oct. 31, 2009, and the number of customers to whom it was authorized.

Authorization levels of:	\$0 - \$24,999			\$25,000 - \$99,999			\$100,000 - \$249,999			\$250,000 - \$499,999		
	Authorized	Outstanding	Customers	Authorized	Outstanding	Customers	Authorized	Outstanding	Customers	Authorized	Outstanding	Customers
	\$ thousands	\$ thousands		\$ thousands	\$ thousands		\$ thousands	\$ thousands		\$ thousands		
British Columbia and Yukon*	90,017	47,331	14,560	259,705	134,341	5,593	287,954	171,719	1,934	269,150	177,010	803
Alberta & NWT**	87,528	41,010	14,051	274,298	153,230	5,902	324,744	197,057	2,156	312,703	191,710	937
Saskatchewan	27,960	14,400	3,382	118,916	68,242	2,485	115,273	74,086	775	78,956	56,434	240
Manitoba	131,625	26,720	14,609	950,562	234,686	18,490	679,701	317,793	5,406	163,597	86,345	500
Ontario	285,448	122,790	49,273	937,768	491,029	19,791	1,186,869	731,420	7,824	1,041,181	690,135	3,130
Quebec	64,402	46,195	9,145	179,515	111,966	3,968	219,147	147,207	1,414	162,433	111,245	491
New Brunswick	18,859	8,037	2,665	68,947	36,551	1,435	71,681	45,068	471	35,139	24,236	107
Nova Scotia	29,887	12,280	4,297	116,577	68,107	2,381	149,888	96,781	970	164,489	102,913	480
P.E.I.	4,815	2,295	615	22,409	12,123	452	25,650	16,177	171	12,581	8,910	38
Newfoundland	20,116	8,077	2,863	77,866	40,101	1,663	67,722	40,848	453	34,513	23,500	108
Canada	760,657	329,135	115,460	3,006,563	1,350,376	62,160	3,128,629	1,838,156	21,574	2,274,742	1,472,438	6,834

Authorization levels of:	\$500,000 - \$999,999			\$1,000,000 - \$4,999,999		
	Authorized	Outstanding	Customers	Authorized	Outstanding	Customers
	\$ thousands	\$ thousands		\$ thousands	\$ thousands	
British Columbia and Yukon*	267,229	172,573	401	665,164	411,334	335
Alberta, Saskatchewan and NWT***	281,752	165,134	440	856,006	491,957	390
Manitoba	129,746	61,108	211	190,676	95,963	105
Ontario	947,782	647,918	1,403	3,899,137	2,723,924	1,787
Quebec	207,222	141,951	305	787,704	496,006	351
New Brunswick, Nova Scotia, P.E.I. and Newfoundland****	228,180	133,595	331	799,046	499,247	378
Canada	2,061,911	1,322,279	3,091	7,197,733	4,718,431	3,346

Authorization levels of:	over \$5,000,000		
	Authorized	Outstanding	Customers
	\$ thousands	\$ thousands	
British Columbia and Yukon*	2,174,441	1,156,092	115
Alberta, Saskatchewan and NWT***	12,578,043	5,444,118	282
Manitoba	712,470	287,551	26
Ontario	46,346,902	21,130,286	1,139
Quebec	4,108,323	2,323,779	160
New Brunswick, Nova Scotia, P.E.I. and Newfoundland****	2,262,951	1,396,161	115
Canada	68,183,130	31,737,987	1,837

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.

Additional information

Corporate Headquarters

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

For further information

Public, Corporate and Government Affairs
Scotiabank
44 King Street West
Toronto, Ontario
Canada M5H 1H1
Tel: (416) 866-3925
Fax: (416) 866-4988
E-mail: corpaff@scotiabank.com

Online

For product, corporate, financial and shareholder information: www.scotiabank.com and www.scotiacapital.com



Heading towards a common goal.
One step at a time.



CSR at Scotiabank www.scotiabank.com/csr