



Scotiabank Group of Companies' Anti-Money Laundering Policies

The Scotiabank Group has developed extensive anti-money laundering and anti-terrorist financing policies and procedures. The Scotiabank Group Anti-Money Laundering/Anti-Terrorist Financing Handbook defines at a high level the policies and principles for managing the risks of involvement of such illegal activities. It provides the basis to further develop specific policies and operational procedures within each business line, support function and geographic location to meet Group-wide standards. All international branches and subsidiaries are required to meet Scotiabank's stringent standards and must also comply with all applicable local laws and regulations of each jurisdiction.

Scotiabank has appointed a Chief Anti-Money Laundering Officer who is responsible to senior management and the board of directors for establishing and maintaining the Scotiabank Group's Anti-Money Laundering Compliance Program.

In Canada, procedures are designed to ensure compliance with Canadian anti-money laundering laws and regulations. These procedures are described in branch manuals, circulars and supporting documentation and address customer identification requirements, record keeping and the submission of Large Cash Transactions and Electronic Funds Transfer reports to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) in accordance with the regulations.

The Branch Manager, or in larger branches another senior officer, is the designated Anti-Money Laundering Compliance Officer (AMLCO) who is responsible for ensuring the branch is in compliance with money laundering deterrence and detection procedures. These procedures include the review of customer transactions for consistency with their normal legitimate business activities or banking practices. Unusual transactions are advised to the Anti-Money Laundering Compliance Unit at Executive Offices for analysis and submission of Suspicious Transaction Reports to FINTRAC, where required.

Specific procedures required within each jurisdiction to meet that country's anti-money laundering regulations are documented in the Branch Services and Procedures Manual for international branches and subsidiaries. All transactions deemed suspicious are reported to the agency designated by local law and regulation for this purpose. Where necessary or required by local regulation, reports are made to the appropriate law enforcement authorities. Source of Funds Declaration forms are completed for cash transactions in excess of each jurisdiction's reporting limits.

Annually, all staff are required to read and acknowledge the Scotiabank Guidelines for Business Conduct. The guidelines require that staff be alert to and report any illegal, suspicious or unusual activity. Management officers must be aware of all legal requirements pertinent to their activities; must make sure that these requirements are communicated to their staff and are reviewed regularly; and must manage and supervise their staff to ensure that the law, the Guidelines and other policies and procedures are followed.

A minimum of every two years all staff are required to complete a Groupwide technology-based Anti-Money Laundering training program, customized according to job responsibilities, line of business and legal jurisdiction. Where required by local regulations, more frequent training is provided.

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