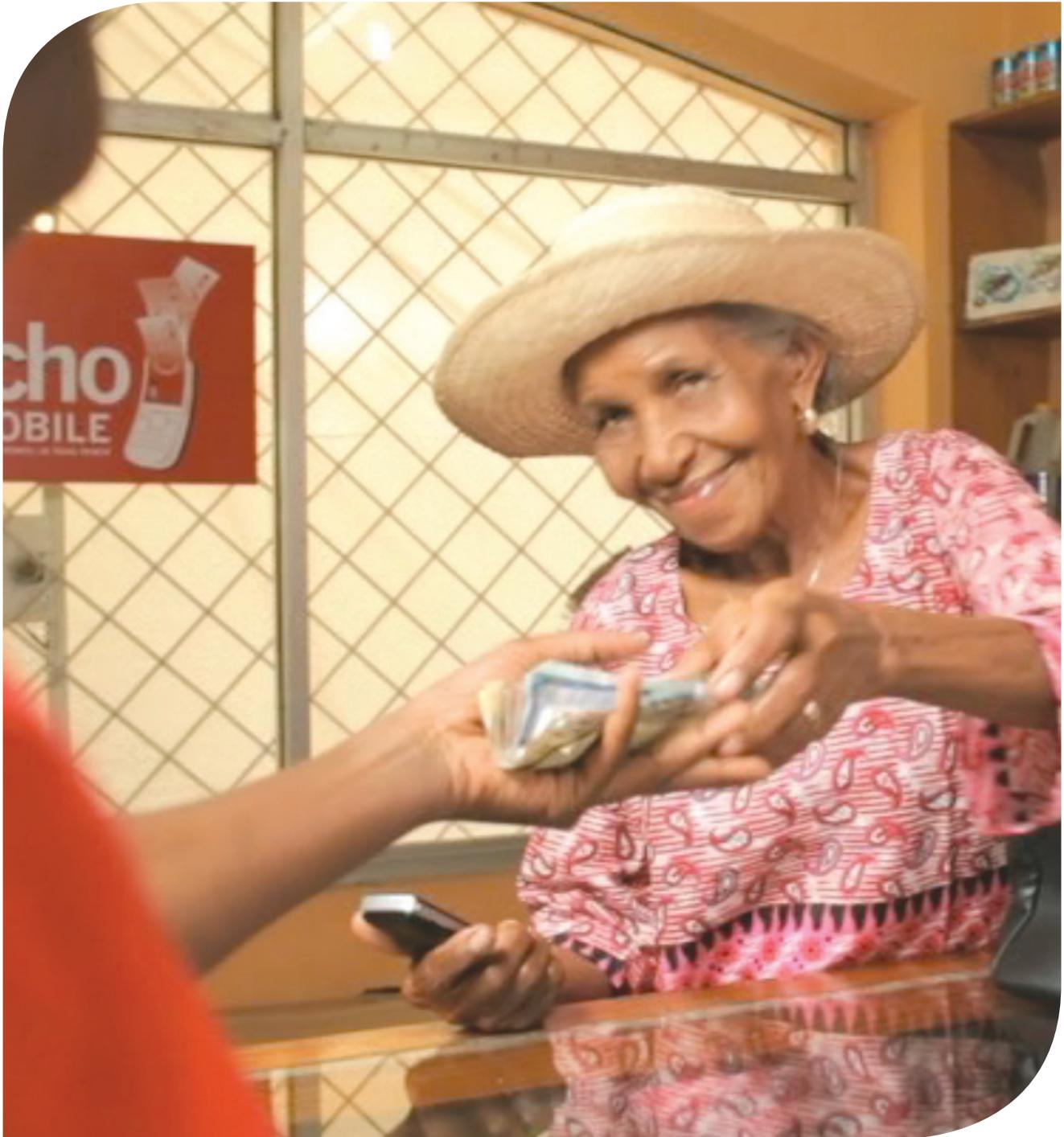


# Commitment in action

2011 SCOTIABANK CORPORATE SOCIAL RESPONSIBILITY REPORT



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## ABOUT THIS REPORT

Scotiabank's philosophy is to integrate corporate social responsibility into all day-to-day business activities. We measure success not only in terms of financial criteria, but also in building customer satisfaction and employee engagement, maintaining strong governance practices and supporting the communities we serve. This is evident in the Bank's balanced scorecard approach to management, which integrates CSR elements into strategic planning and performance evaluation processes.

Scotiabank's CSR report complements the Bank's Annual Report and is a high-level summary of the Bank's CSR strategy and priorities. Scotiabank's CSR website, [scotiabank.com/csr](http://scotiabank.com/csr), provides a complete overview of the Bank's strategy, key performance indicators and examples of all CSR activities.

### Stakeholder Engagement

Every year, Scotiabank reaches out to those who regularly read this report to find out how the Bank is doing. The Bank routinely solicits feedback from a number of stakeholders, including Canadian Business for Social Responsibility, the Consumers Council of Canada, the Financial Consumer Agency of Canada, and its own employees.

In 2011, Scotiabank instituted a formal stakeholder feedback exercise by holding stakeholder focus groups in Vancouver, Toronto and Halifax. Each group provided valuable feedback and comments on the Bank's reporting. The focus groups consisted of a broad range of stakeholders, including suppliers, municipal governments, businesses, non-profits, trade-based and investor organizations, academia and Aboriginal organizations.

Stakeholders consistently indicated that they want to get a better sense of what CSR means to Scotiabank and how it relates to our core business.

This report has been designed to address this feedback, and to illustrate through practical examples how CSR is an integral part of how Scotiabank does business.

### Communicating Progress

The Bank's key performance indicators and additional data are available in the Appendix to this report.

Scotiabank supports the Global Reporting Initiative (GRI), a non-profit organization that provides all companies and organizations with a comprehensive sustainability reporting framework that is widely used around the world. This framework sets out the principles and indicators that organizations use to measure and report their economic, environmental and social performance. Scotiabank reports at a G3 Application Level C, meaning the Bank reports fully on at least 10 Performance Indicators, including at least one from each Indicator Dimension (Economic, Environmental, and Social).

This report also meets the Bank's commitment to submit a Communication on Progress (CoP) to the UN Global Compact to showcase how the Bank is working towards the ten UNGC principles.

For more information on Scotiabank's Corporate Social Responsibility reporting, visit [scotiabank.com/csr/ataglance](http://scotiabank.com/csr/ataglance).

**On the cover:** In Haiti, Scotiabank, in association with Digicel and YellowPepper, launched a "mobile wallet" financial service called TchoTcho Mobile, following last year's devastating earthquake. The mobile wallet service has helped make banking easy, affordable and accessible to all Haitians, including the 90% who do not participate in the traditional financial system, but most do use mobile phones. It allows customers to perform basic financial functions, such as withdrawals, deposits, transfers and payments.



For more information, see page 6 of this report, scan the QR code (left) or visit [scotiabank.com/csr](http://scotiabank.com/csr)

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## UN Global Compact



In 2010, Scotiabank became the first Canadian bank to adopt the UN Global Compact (UNGC), a commitment to uphold and protect human rights, labour, environment and anti-corruption standards through business practices.

In this report, we have identified the areas in which we are working towards the UNGC principles with the UNGC logo. For more detailed information on how we are working towards the 10 UNGC principles, please visit [scotiabank.com/csr/ataglance](http://scotiabank.com/csr/ataglance).

# Scotiabank's framework for success

## Five-point business strategy

1. Sustainable and profitable revenue growth
2. Capital and balance sheet management
3. Leadership
4. Prudent risk management and appetite
5. Efficiency and expense management

## One Team One Goal

### Culture of collaboration

Taking full advantage of business opportunities, synergies, best practices and our global talent pool.

## Values

**Integrity** We interact with others ethically and honourably.

**Respect** We empathize and fully consider the diverse needs of others. **Commitment** We are committed to helping customers succeed. **Insight** We use a high level of knowledge to proactively respond with the right solutions.

**Spirit** We enrich our work environment with teamwork, contagious enthusiasm and a "can-do" attitude.

## Scotiabank's core purpose

To be the best at

helping customers  
become financially better off

by providing practical advice  
and relevant solutions.

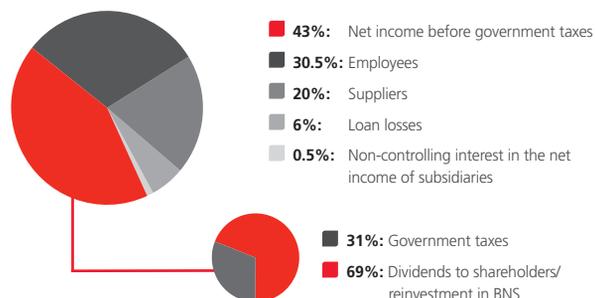
Scotiabank is a leading multinational financial services provider and Canada's most international bank. Through our team of more than **75,000 employees**, Scotiabank and its affiliates offer a broad range of products and services, including personal, commercial, corporate and investment banking to over **19 million customers** in more than **55 countries**.



## Scotiabank's strength is evident in the solid results for 2011.

Total net income

**\$5,268** million



# Maintaining a strong multinational presence



Employees  
worldwide  
**75,362**

Branches and  
offices worldwide  
**2,926**

Automated  
banking machines  
(ABMs) worldwide  
**6,260**

## Locations around the world

**North America:** Canada, Mexico, United States ; **Central & South America:** Belize, Brazil, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Guyana, Nicaragua, Panama, Peru, Uruguay, Venezuela

**Caribbean:** Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Bonaire, British Virgin Islands, Cayman Islands, Curaçao, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Puerto Rico, St. Eustatius, St. Kitts and Nevis, St. Lucia, St. Maarten, St. Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos, U.S. Virgin Islands ; **Europe & Middle East:** Dubai, Egypt, France, Ireland, Luxembourg, Netherlands, Russia, Turkey, United Kingdom ; **Asia/Pacific:** Australia, China, Hong Kong SAR – People's Republic of China, India, Japan, Korea (Republic of), Malaysia, Singapore, Taiwan, Thailand, Vietnam

- Areas in red indicate a full range of corporate, commercial, trade finance and retail services.
- Areas with a red dot indicate global corporate and investment banking, or capital markets businesses, Scotiabank or affiliate bank representative offices, or investment management or retail operations with less than 10 branches.

## Business platforms

### Canadian Banking

Net income\*

**\$1,862**

32% of Scotiabank's total net income\*\*

Providing a full suite of financial advice and solutions, supported by an excellent customer experience, to retail, small business and commercial markets in Canada.

### International Banking

Net income\*

**\$1,485**

26% of Scotiabank's total net income\*\*

Providing a full range of personal and commercial financial services across the Caribbean and Central America, Latin America and Asia.

### Global Wealth Management

Net income\*

**\$1,218**

21% of Scotiabank's total net income\*\*

Combines Scotiabank's wealth management and insurance business in Canada and internationally, along with the Global Transaction Banking group.

### Global Banking and Markets (formerly Scotia Capital)

Net income\*

**\$1,184**

21% of Scotiabank's total net income\*\*

Scotiabank's wholesale banking arm offers a wide variety of products and services to corporate, government and institutional investor clients globally.

\*2011 (\$ millions). \*\* % of 2011 net income, excluding other



**Throughout Scotiabank's history, we have been dedicated to operating with integrity and forging meaningful connections with employees, customers, shareholders and the communities we serve.**

We do this because corporate social responsibility (CSR) is deeply rooted in Scotiabank's business and culture. In fact, CSR is embedded in each priority of the Bank's five-point strategy — whether it is by focusing on customers' needs, providing employees with a workplace where they can thrive, paying close attention to governance, being environmentally aware, or rallying support for local communities.

In 2011, Scotiabank took its CSR commitment even further with some exciting new programs, initiatives and successes.

For example, we created a global HIV-AIDS strategy late last year to continue to battle this life-threatening disease, as well as fight the discrimination and stigma around it. The strategy is a key part of our commitment as a signatory to the UN Global Compact, but more importantly it is good for customers, employees and shareholders in all our communities, including emerging markets, where we operate. And that also makes good business sense.

In January, we launched Scotiabank Bright Future, a global philanthropic program that brings together the insight of our partners, the spirit of our communities from around the world and, most importantly, the passion of our employees — my fellow Scotiabankers. Everyone on this team, which is now over 75,000 strong, brings Scotiabank Bright Future to life through countless volunteer hours and funds raised for their communities.

In 2012, we will continue to grow the EcoLiving program, our key environmental initiative that helps Canadians make greener choices for their homes and reduce their environmental impact. And every year, we increase the scope of our CSR reporting, which today covers 87% of our multinational operations. We will look to increase that number even further next year.

I encourage you to visit our website, [scotiabank.com/csr](http://scotiabank.com/csr), to learn more about Scotiabank's commitment to social responsibility and our progress throughout the year.

Scotiabank's strong core values have inspired us, individually and collectively, for some 180 years, to give back in meaningful ways. We are proud of what we have accomplished as a team so far — but we also know there is still much more to do.

As Scotiabankers, we believe business has a responsibility to operate ethically and with integrity for the benefit of all stakeholders. We also know there are deep connections between successful businesses and vibrant communities. This is the driving force behind corporate social responsibility at Scotiabank, and I am excited about the possibilities ahead as we continue working toward a bright future.

A handwritten signature in black ink that reads "Rick Waugh".

## Corporate Social Responsibility

# and Scotiabank's business strategy

Scotiabank's strategy supports its core purpose of helping customers become financially better off by providing practical advice and relevant solutions. It defines where the Bank is going and how it is going to get there. The strategy guides the Bank's success and its focus on customers, diversity, strength and stability. Scotiabank's CSR priorities are fully integrated into the Bank's five-point business strategy, enriching it through key CSR initiatives.

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### Scotiabank's Five-point business strategy

CSR is an integral component of Scotiabank's five-point strategy.

**1** Sustainable & Profitable Revenue Growth is about focusing on customers. Customers want clear and easy access to services and they want to do business with an ethical financial institution that is also engaged with the community, is environmentally aware and treats employees fairly.

**2** Capital & Balance Sheet Management ensures that the Bank is secure and able to support growth. This is where Corporate Governance plays a role in steering the organization toward long-term success.

**3** Leadership is about developing a broad spectrum of talent to ensure we have the right people to implement our strategy. Employees expect their employer to be ethical, respect human rights and to be a place where they can thrive and where they can participate in philanthropic activities.

**4** Prudent Risk Management & Appetite is about balancing the expectations for growth against risk throughout the organization. Corporate governance efforts help ensure that this balance is achieved by paying attention to global trends and ensuring the Bank meets its regulatory responsibilities. Environmental concerns also play a role in risk management: environmental risk refers to the possibility that environmental concerns involving Scotiabank or its customers could affect the Bank's financial performance and reputation.

**5** Efficiency & Expense Management is about continually improving the way we do business. The Bank's environmental initiatives contribute to this substantially. In reducing our environmental footprint, we are constantly finding ways to be more efficient that also benefit the environment.

### Balanced Scorecard

Scotiabank's balanced scorecard is designed to achieve consistency in strategic focus and measurement across the organization. The Bank's balanced scorecard includes specific objectives for financial performance, customer service, operational achievement and the employee experience. Corporate Social Responsibility is included in the operational quadrant, which reinforces CSR as integral to Scotiabank's business.

### CSR Advisory Committee

The CSR Advisory Committee was started in 2005 and consists of a group of senior Executives from across Business lines and corporate functions. The committee provides input on key CSR issues and champions CSR initiatives in all business areas. The Committee is chaired by the Bank's Vice-President of CSR, Kaz Flinn.

# Scotiabank's Five-Point Strategy



Scotiabank helps to build bright futures worldwide through ethical banking practices, environmental awareness and a commitment to communities.

## Scotiabank's CSR Priorities



### Corporate Governance and Shareholders

The Board of Directors is ultimately accountable for the Bank's actions and results.



### Customers

Scotiabank's core purpose is to help customers become financially better off.



### Employees

Scotiabank aims to provide a place for talented employees to thrive.



### Environment

Scotiabank's integrated approach to environmental issues helps improve the Bank's environmental footprint.



### Communities

Through the Bright Future Program, Scotiabank contributes to communities and causes across the globe.



## Corporate Governance and Shareholders

Corporate governance refers to the oversight mechanisms, such as policies and procedures, and the ways in which a company is governed.

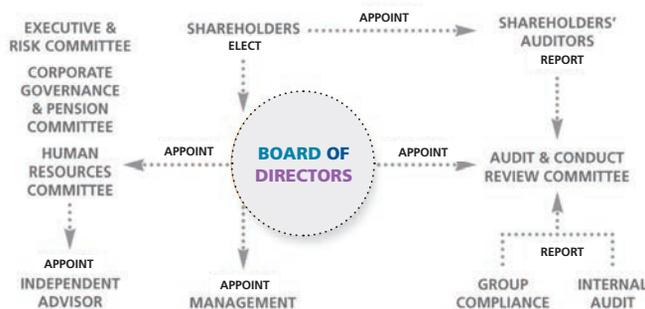
**Governance at Scotiabank** An effective corporate governance structure is crucial to the sound functioning of the Bank. As a multinational financial institution, it is the Bank’s duty to ensure that practices and policies meet or exceed local, Canadian and international governance standards and requirements, and also, that the interests of diverse stakeholders around the world are represented in a balanced way. A solid foundation of openness, integrity and accountability has positioned Scotiabank well in this economic climate by building and maintaining strong, enduring relationships with customers and other stakeholders in the communities in which the Bank operates.

The Board of Directors is elected by shareholders to supervise the management of the business and affairs of Scotiabank, with a view to enhancing long-term shareholder value. All directors nominated for election at Scotiabank’s Annual General Meeting on April 3rd, 2012 are independent, except for one – Mr. Waugh, President and Chief Executive Officer of Scotiabank. The independence of directors is particularly important because independence, or impartiality, helps the Board better monitor management’s performance and encourages a balance of interests.

Scotiabank’s Guidelines for Business Conduct, which are approved by the Board of Directors, serve as the Bank’s code of ethics – a framework for ethical behaviour based on Scotiabank’s mission and values and on applicable laws and regulations. All directors, officers and employees of Scotiabank must annually acknowledge adherence to the Guidelines for Business Conduct.

Specific responsibility for corporate governance at Scotiabank rests with the Corporate Governance and Pension Committee of the Board, which is composed entirely of independent directors. Scotiabank regularly reviews its corporate governance policies and procedures at all levels, and the Board of Directors is committed to reviewing trends and evolving best practices. The Board also implements changes to the Bank’s corporate governance framework where appropriate.

BOARD OF DIRECTORS REPORTING STRUCTURE



“**Accountability** for the Bank’s actions and results is **shared** by **all employees**, and ultimately rests with the **Board of Directors.**”

The UN Global Compact includes a principle against corruption, asking signatories to take proactive measures against bribery, extortion and other forms of corruption, and also to develop policies and concrete programs to address corruption. In 2011, Scotiabank Mexico participated in a UN global study of anti-corruption policies. One of Scotiabank Mexico’s anti-corruption policies is to annually provide employees with an online training course in Scotiabank’s Guidelines for Business Conduct. Scotiabank also has a global Anti-Corruption Policy and Guidance manual available to all employees.



**John T. Mayberry**  
Chairman of the Board



**N. Ashleigh Everett** – Chair,  
Corporate Governance and  
Pension Committee and  
**John C. Kerr** – Chair,  
Human Resources Committee.



**Michael J.L. Kirby** – Chair,  
Audit and Conduct Review  
Committee and  
**Allan C. Shaw** – Chair,  
Executive and Risk Committee.

“The Bank **has been successful** by centralizing transaction screenings in Canada, which helps to ensure that the bank **meets all global standards efficiently and effectively** and in a **balanced way.**”

## CASE STUDY: **Anti-Money Laundering**

Scotiabank, as part of the global financial community conducting business around the world, is committed to preventing our products, services and delivery channels from being used to facilitate illegal activity. The Bank has developed extensive Anti-Money Laundering/Anti-Terrorist Financing policies and procedures.

The Board of Directors is responsible for the integrity of internal controls and compliance with laws and for maintaining the Anti-Money Laundering/Anti-Terrorist Financing Program.

Scotiabank’s Chief Anti-Money Laundering Officer, who answers to senior management and the Board of Directors, implements and maintains the Anti-Money Laundering/Anti-Terrorist Compliance Program.

Ron King, Scotiabank’s Chief Anti-Money Laundering Officer, explains that, across the organization, employees are motivated to implement anti-money laundering programs and policies. “First and foremost, it’s a regulatory requirement to follow the law. But perhaps more importantly, it aligns with the Bank’s core values. Scotiabank employees consider legal compliance a higher cause.”

As a bank with operations in more than 55 countries, establishing standards and building awareness and control is a complex task. 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. King explains that the Bank has been successful by centralizing transaction screenings in Canada, which helps to ensure that the Bank meets all global standards efficiently and effectively and in a balanced way. “It’s very important to ensure that our processes are minimally obtrusive to customers and employees,” says King.

Scotiabank’s efforts in anti-money laundering and anti-terrorist financing are linked to two overarching priorities: sustainable and profitable revenue growth and prudent risk management and appetite. Part of revenue growth is ensuring that we have the products and services customers want and need. The Anti-Money Laundering group works with business lines to ensure that regulatory obligations are met as efficiently as possible with every new product, service or delivery channel.

Scotiabank’s risk management strategy is part of the Bank’s culture, particularly when deterring and detecting illegal activities. “We have a risk-based approach,” says King, “we work diligently to identify risk and exposure.”



## Customers

Scotiabank's core purpose is to be the best at helping customers become financially better off by providing practical advice and relevant solutions. In more than 55 countries, Scotiabank looks to provide the right products and solutions to meet the unique needs of customers.

**Microfinance** Part of helping people become financially better off is making sure that they are able to access banking services. Microfinance can provide a range of services such as credit, savings and insurance to low-income and self-employed individuals. Scotiabank supports innovative microfinance services to small-scale entrepreneurs and micro-business owners through dedicated and expert business units in Peru, Chile, Dominican Republic, Guatemala and Jamaica. Not only does microfinance help individuals and their families with their financial needs, it has also been shown to improve economic development across entire communities.

Scotiabank defines microfinance clients as self-employed or micro-business owners with annual gross revenues below CDN\$100,000 who need funding to invest in the development and growth of their business. In Chile, for example, Scotiabank provides banking services for micro-business owners, serving over 20,000 borrowers with average loans of just under CDN\$3,000. They also provide credit cards, personal loans, mortgage and educational loans for these business owners.

Some of Scotiabank's microfinance operations provide free financial literacy programs to clients and non-clients to strengthen basic business and finance management competencies. Scotiabank plans to expand the coverage of these programs in 2012.

**"Helping individuals and their families with their financial needs and improving economic development across entire communities."**



### Mobile Wallets in Haiti

Over one-third of Haitian banks were destroyed in the devastating earthquake of 2010. Over 90% of the population needed a way to store and have access to money and while they didn't have access to a traditional bank, most of them use mobile phones. With that in mind, Scotiabank launched a "mobile wallet" financial service called TchoTcho Mobile, in association with Digicel and YellowPepper.

The mobile wallet service has helped to make banking easy, affordable and accessible to all Haitians. Users can now safely store money, receive payroll or payments, make bill payments and purchases, among other services. It has been a resounding success as over 100,000 Haitians now have access to mobile banking and can contribute to the economic redevelopment of their nation.

Scotiabank and Digicel together won the 2011 Global Telecoms Business Innovation Award for Consumer Service Innovation for this affordable product for the people of Haiti.



**Multicultural Banking** With our multinational footprint, Scotiabank has a unique perspective on the varying needs of newcomers arriving in Canada. Scotiabank consistently reaches out to Canada's newcomers, offering services in many languages. In addition to providing multilingual products and services, Scotiabank employees reflect the diversity of the communities where the Bank operates. The Bank actively recruits and welcomes employees from multicultural communities who understand and embrace the cultural nuances of its customers and who can speak their language of choice.

Scotiabank employees understand that newcomers to Canada consider how to build their new lives before their arrival. In India and China, through Scotiabank branches and a partnership with China Everbright Bank, newcomers can establish their banking relationships with Scotiabank in Canada prior to leaving their country.

In 2011, arriving through Toronto and Vancouver's international airports, 130,000 newcomers received a free settlement kit: the

Newcomers to Canada DayPlanner, published by the Canadian Foundation for Economic Education and supported by Scotiabank. The planner provides the information they need to start a new life in Canada, including advice on how to rent or buy a home, how to find a job and how to access healthcare and learn about the education system.

As many newcomers maintain ties back home, Scotiabank has partnered with Western Union to help them send money through branches across Canada (or through Scotia OnLine Financial Services) to more than 400,000 Western Union agent locations in 200 countries and territories.

The Scotiabank StartRight® Program—available in eight languages—was designed specifically for newcomers to make settling in Canada easier. The program offers newcomers easier access to credit, free day-to-day banking for one year and a variety of other investment and borrowing products and services customized to meet their unique needs.

**Photo:** Manuel Peñaloza, a Microfinance client in Chile creates oil paintings, and artisanal altarpieces made out of wood, paste, polish, water enamel, and patina. For eleven years he has been working on his craft, and his artwork is sold to business owners that showcase it at the Galerias de Arte located in the Mall of los Muebles del Persa Bio Bio, Chile.



On October 14th, 2011, Scotiabankers,...



...including George Marlatte, Senior Vice President of Scotiabank's Prairie Banking Region



...joined the Right Honourable Paul Martin PC,MP



...Entrepreneurship Program

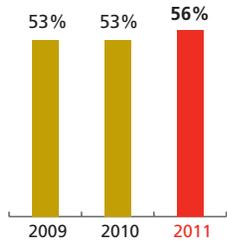


...with enthusiastic students



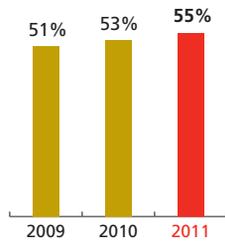
...at the Oscar Lathlin Collegiate.

**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.

**Small Business Customer Loyalty (Canada) – Top Box**

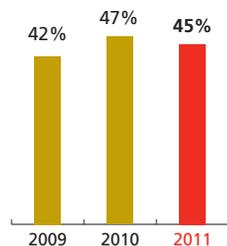


Scotiabank's small business customer loyalty index is based on results from an internal survey, and is a key indicator of our customers' loyalty to Scotiabank.

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

**Scotiabank Retail Customer Loyalty (International Banking)**

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



\*Customer Loyalty Index (CLI) is a composite score, which is the average of the proportion of Top Box responses (highest ranking on a five-point scale) across four loyalty questions.

**Addressing customer concerns** We take customers concerns seriously—it is how trust is earned and how relationships are maintained.

There is a three-step customer process for the escalation of personal banking and small business customer concerns:

1. Contact the local branch management or contact centre,
2. Contact the Scotiabank Office of the President, and
3. Contact the Scotiabank Ombudsman.

If a customer still feels their concern has not been satisfactorily addressed, they may contact the Ombudsman for Banking Services and Investments, an independent organization that investigates customer concerns about financial services providers.

Internationally, Scotiabank locations follow similar complaint management processes, which vary according to local needs or regulatory requirements.



...in The Pas, northern Manitoba



...to launch



...the first ever on reserve



Mr. Martin was honoured by the community...



...Chief Michael Constant



...and students.

## CASE STUDY: **Aboriginal Financial Services**

**In Canada, Scotiabank operates a network of 22 Aboriginal Banking Centres, including four on-reserve branches. Scotiabank branches serving Aboriginal communities are encouraged to purchase products and services from Aboriginal-owned businesses or to offer employment and training opportunities to local community members.**

Scotiabank has long focused on the advancement and education of Aboriginal youth. In 2011, Scotiabank launched a partnership with the Martin Aboriginal Education Initiative (MAEI), to provide mentorship programs in Winnipeg and Edmonton, whereby secondary school students are being mentored by Scotiabank employees.

In October 2011, the Martin Initiative and Scotiabank once again partnered to launch a first-of-its-kind on-reserve youth entrepreneurship program at Oscar Lathlin Collegiate at Opaskwayak Cree Nation. "It is an exciting and groundbreaking program", explains Lee Walker, Director, Aboriginal Financial Services, "we are aiming to create generational change with this pilot project. We want students to enjoy the program, but more importantly, we want to inspire them to continue their education. We hope that some of the students consider coming to work at Scotiabank eventually!"

The program encourages students to stay in school where they can develop the attitudes, knowledge and skills necessary to achieve success in secondary school, postsecondary education or training,

the workplace and daily life. Students are given entrepreneurial experience and the opportunity for business ownership. An important aspect of the program is that it is on-reserve: "We will be engaging other successful people in the community to come and talk to students, but the other key aspect is that on reserve, the whole community will end up knowing about it and being a part of the program," says Walker.

One element of the program will involve students role-playing a business loan pitch to a banker. Not only will students have the opportunity to practise selling their own proposal, they will also have a chance to be the banker and understand what the bank employee is looking for from a potential business client. Scotiabank employee volunteers will also mentor the students as they learn how to use bank accounts, keep records and acquire leadership skills.

The program began in January 2012 with about 20 students. Scotiabank will offer start-up funds to students who start their own micro-businesses. "It's very rewarding to support youth and education," says Walker, "we're passionate about this!"

**Photo:** The Martin Aboriginal Youth Entrepreneurship Program provides students with the tools and rationale to stay in school, where they can develop the attitudes, knowledge, and skills necessary to achieve success in secondary school, postsecondary education or training, and the workplace. The program gives students entrepreneurial experience, financial skills and the chance to start a business.



## Employees

**Scotiabank's greatest strength is its employees—they are the true authors of the Bank's success. The focus on employees is very much a leadership development strategy. Leadership is an enterprise-wide, strategic priority that focuses on developing a global talent pool for long-term individual and business success.**

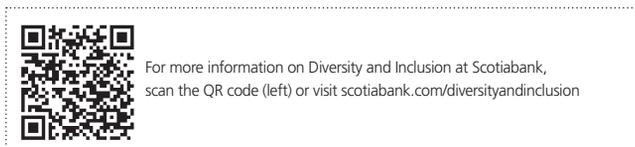
**Diversity** As a multinational financial institution, Scotiabank celebrates diversity. The diversity of talent, background and experience of the Scotiabank team helps the Bank provide leading, competitive service to our diverse customer base.

A culture of diversity and inclusion helps Scotiabank create an environment that generates more innovative thinking, collaboration, better decision-making and stronger business results, providing a clear competitive advantage.

One of the ways the Bank helps to highlight and encourage this culture is through a Diversity and Inclusion website at [scotiabank.com/diversityandinclusion](http://scotiabank.com/diversityandinclusion). The Bank's diversity and inclusion goals are publicly available.

Scotiabank's system of goal-setting, tracking, measuring and evaluating its organizational diversity helps to maintain its focus and creates momentum for achieving results.

In a global market, the ability to be innovative and to leverage Scotiabank's diversity through a culture of inclusion is key to business sustainability. In fact, Scotiabank has been recognized for the third consecutive year as one of the Top 10 Canadian companies in the Corporate Knights 2011 Leadership Diversity Index.



**Human Rights** Scotiabank is committed to an inclusive and accessible workplace globally where employees are treated equitably and with respect. The Bank's Guidelines for Business Conduct describe the standards of behaviour required of all employees, including the equitable treatment of all workforce members, as well as customers.

The Bank is committed to the spirit and principles embodied in the Canadian Human Rights Act (CHRA), reflecting international standards in human rights practices for both employees and customers.

Scotiabank respects all applicable human rights and non-discrimination laws where it operates, with due regard to the spirit and intent of international instruments on human rights, such as the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and on Civil and Political Rights, and the Declaration on Fundamental Principles and Rights at Work.

Employees are encouraged to address concerns relating to human rights issues through a process that is implemented in all of Scotiabank's branches and offices. In 2011, the Bank dealt with 37 human rights matters through internal escalation processes, and six formal human rights complaints through the Canadian Human Rights Commission (CHRC). The Bank takes discrimination concerns very seriously and has developed a proactive working relationship with the Canadian Human Rights Commission, aimed at resolving concerns in a timely manner.

The Bank also conducts training and education that is designed to ensure that employees fully understand their rights and obligations with respect to human rights and discrimination.

### ScotiaLive™

Scotiabank's framework for success and our One Team One Goal philosophy relies on building a culture of collaboration. This means taking full advantage of business opportunities, synergies, best practices and our global talent pool. To enable success, the Bank has been rolling out ScotiaLive, an employee communications and collaboration tool, to employees worldwide.

While it is still in its early stages, ScotiaLive is already opening up new ways of sharing knowledge, expertise, innovative ideas and solutions across business lines and geographies. It enables employees around the globe to connect through one platform with the common goal of serving customers better.



“The diversity of talent, background and experience of the Scotiabank team helps the Bank provide leading, competitive service to our diverse customer base.”

**Photo:** A culture of inclusion is the heart of Scotiabank’s global community. Employees are valued for their individual talents, inspiration and innovative thinking. Scotiabank aims to create an environment that leverages the strengths of all employees to generate better decision-making and stronger business results.

“Identifying and **developing talent globally** is the strength that makes **leadership** a **competitive advantage** for Scotiabank”

**Leadership** Scotiabank is dedicated to developing leaders because strong leadership is a competitive advantage that helps to deliver results.

With operations in more than 55 countries, our international platform uniquely positions us to identify and develop talent from around the globe. It is this strength that makes leadership a competitive advantage for Scotiabank.

Scotiabank actively encourages the early identification of talent and potential on a global basis through the Scotiabank Talent Profile. The Talent Profile is an online resume that helps employees share their career history, leadership competencies, experiences and career aspirations. The Talent Profile is based on the Leader Profile criteria, through which employees can assess and guide their development according to the competency areas that directly relate to leadership growth.

Leadership Development happens across the organization through a number of initiatives. One of them is the Executive Program Office (EPO), which provides a unique, cross-divisional experience for a small group of emerging leaders to participate in an intensive high-level, short-term assignment. Over several months, this small group helps the Executive team shape the Bank’s strategic direction by carrying out in-depth research and analysis on strategic issues. This involves pulling together expertise and perspectives from across Scotiabank, which gives EPO participants a broader, deeper understanding of the Bank. Participants also benefit from individual and team coaching and mentoring opportunities.

Scotiabank also supports development experiences through job rotations, cross-divisional appointments and through participation in cross-functional teams, or through community volunteerism.

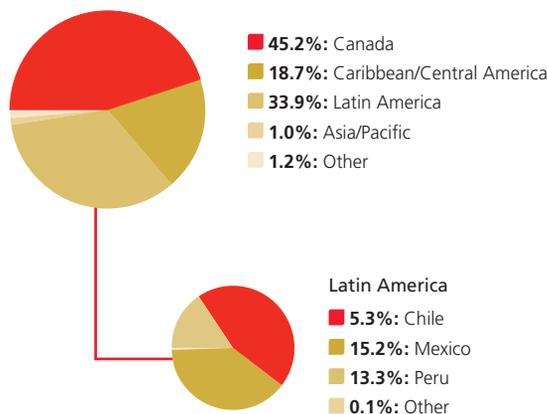
**Employee engagement index (%)\***

	2010	2011
Scotiabank 2011	84%	<b>85%</b>
Norm among global financial services organizations	82%	<b>81%</b>

Overall, Scotiabank employees are highly engaged. Results show that Scotiabank continues to be at the forefront of employee engagement from a global benchmark perspective. At 85% engagement, we are in the top 10% of benchmarked financial services organizations globally and considered a leader in the field of employee engagement.

\*This index measures the passion and commitment employees have for their job, coworkers and organization, that influences them to go the “extra mile.”

**Geographic breakdown by region**





## CASE STUDY: Scotiabank/CUSO International Employee Fellowship Program

Scotiabank has partnered with Cuso International to offer employees the opportunity to develop and enhance their skills through the new Scotiabank/Cuso International Employee Fellowship Program. Employees, who meet eligibility criteria, may take a six-month to one-year unpaid leave of absence to engage in international development work as volunteers. The program was launched in 2010 and two Canadian employees have already participated: Chris Little and Coreena Rorke.

For over 50 years, Cuso International has been sending volunteers abroad to work on collaborative development projects in Africa, Asia, Latin America and the Caribbean. Cuso International works with companies to develop long-term, strategic partnerships that combine critical business skills with volunteering.

"It is important for us to have a partner that shares our values," explains Pamela Miles, Director of Resource Development, Cuso International. "With Scotiabank, we share similar values about human resources, respect, accountability and transparency. And Scotiabank has an incredible resource to offer: its high-quality employees."

The benefits of the program are far-reaching: overseas communities receive hands-on expertise, employers enhance employees' skills and volunteers gain an incredibly rewarding professional development experience while making a difference abroad.

Coreena Rorke, Client Relationship Manager, went to Jamaica to work with Youth Opportunities Unlimited. When asked about how she was able to contribute to the organization, she said: "I was given the opportunity to apply my skills and knowledge towards the improvement and long-term sustainability of an organization whose sole purpose is to improve the opportunities available to the youth in their country."

For Scotiabank, getting involved in the program has a clear link to the Bank's leadership priority. Employees who participate stand to gain valuable insight and experience in areas such as cross-cultural collaboration and leadership. According to Deanna Matzanke, Director HR Policy and Compliance, Diversity and Inclusion, Scotiabank: "As a bank, we're a global citizen and a critical element of our success is encouraging a culture of inclusion, which is very much what this program accomplishes."

In 2010, Chris Little, Manager, Finance & Planning, Global Employment Strategies, went to Guyana to assist the Helping Hands Women's Group with financial management support. Little sums up his experience: "What I learned was a much greater tolerance for difference. I'm a better team player now and I'm better at understanding customers' different points of view. It was also a great opportunity to see a beautiful part of the world. I recommend it to anyone who'll listen."

In 2012, the program is expanding to include employees from other countries: Trinidad García Bernal (Chile), Rosa Murillo Santamaría (Mexico), Mónica Arteaga (Mexico) and Ericka Legua Iglesias (Peru).

**Photo:** Chris Little, as part of the Scotiabank/CUSO International Employee Fellowship Program, worked with the Helping Hands Women's Group, in Lethem, Guyana, providing them with much needed financial management support and training. To learn more about Chris's experience, visit his blog at [chrisinguyana.wordpress.com](http://chrisinguyana.wordpress.com).



## Environment

**As a major multinational financial institution, Scotiabank's day-to-day operations have a number of direct and indirect impacts on the environment. The Bank takes an integrated approach to environmental issues, whether creating environmental products and services, assessing the environmental risk of the Bank's lending portfolio or reducing paper and energy consumption. In doing so, the Bank not only improves its own environmental footprint, but provides tools and financial products that help customers do the same.**

**Reducing the Bank's Environmental Impact** Scotiabank's daily activities have an impact on the environment, including consuming paper, using energy and producing waste, and making many different types of purchases. In 2011, increasing the scope of the Bank's programs in these areas and measuring results continued to be a primary focus.

Measuring Scotiabank's environmental impact in Canada was the first step and, in recent years, the goal has been to increase what gets measured across the organization globally, a task that has its challenges. Each country has its own way of reporting consumption, and countries have differing consumption demands and cultures. The overall objective is to achieve a global standard of reporting to measure and report on the Bank's progress year over year.

In 2009, we began reporting on paper and energy consumption data in some of Scotiabank's international locations. Data on paper consumption in Mexico, Peru, Chile and Costa Rica is now available. Together with Canada, this represents more than 80% of global operations. On the energy measurement front, the Bank reports on Canada, Mexico, Chile, Peru and Costa Rica and, in 2011, Jamaica and El Salvador were added, increasing the scope of energy reporting to 87% of global operations.

In 2011, Scotiabank also made substantial progress in recycling initiatives, particularly internationally, where recycling programs often are not initiated or managed by local government. Rather, companies such as Scotiabank take the lead in creating recycling initiatives to benefit entire communities.

For example, Scotiabank El Salvador has seven "green point" collection depots that receive recyclables from employees, customers, suppliers and the public. As well, branches have smaller recycling stations for employees. Materials collected include paper, plastic, cardboard, glass, aluminum and newsprint. These programs also offer recycling education and provide public drop-off areas.

**Environmental Risk** 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 on climate change where it would have a material impact (including regulatory, physical or reputational impacts) on the borrower. Global Risk Management has primary responsibility for establishing the related policies, processes and standards associated with mitigating environmental risk in the Bank's lending activities.

In 2011, the Bank offered training sessions on environmental and social risk management issues for high-impact sectors and an environment module was added to the Bank's Credit Fundamentals course, which is offered periodically to banking and credit officers.

In addition, the Bank performed stress tests in the current year examining the credit impact of increased environmental compliance costs in the oil and gas sector following the Gulf of Mexico incident in April 2010, as well as increasing concern around leaks in the pipelines subsector and new pipeline construction. Following the nuclear tragedy at Japan's Fukushima Daiichi Nuclear Power Plant in March 2011, the Bank has examined the credit impact of similar events occurring in areas where the Bank has higher levels of exposure.



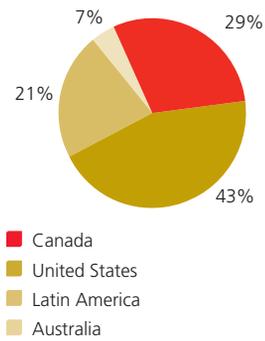
Now in its second year, Scotiabank's EcoLiving program is Canada's go-to print and online resource that helps homeowners save money by reducing their energy bills and making green home improvements. The EcoLiving website and biannual magazine are produced with Green Living Enterprises and feature articles on topics such as sustainable decor, eco-friendly roofing options and green cleaning products.

As part of the EcoLiving program, in 2011, the Bank created the EcoLiving Awards to celebrate and reward innovators in home energy efficiency. The 2011 winners included a green non-profit contractor in Winnipeg, Manitoba, a developer of low-footprint homes in New Brunswick and a student from Alberta who designed a tracking system to maximize the output of solar panels. The winners received CDN\$75,000 in prizes at a gala attended by green leaders from across Canada. Visit [ecoliving.scotiabank.com](http://ecoliving.scotiabank.com) for more information.



**Photo:** Scotiabank El Salvador announced a new partnership with FUDEMAS to create the environmental program, 'Let's Clean El Salvador'. Through this program, Scotiabank employees came together to do a cleanup of the Chilama River in La Libertad, El Salvador.

## 2011 Equator Principles Assessments



Project category	Number of assessments
A	0
B	4
C	10
<b>Total</b>	<b>14</b>

**Category A:** Projects likely to have significant adverse social or environmental impacts that are diverse, irreversible or unprecedented. Examples of these types of impacts include: loss of a major natural habitat, impacts on vulnerable groups or ethnic minorities, involuntary displacement or resettlement, or impacts on significant cultural heritage sites.

**Category B:** Projects with potential adverse social or environmental impacts on human populations or environmentally important areas which are less adverse than those of Category A projects. These impacts tend to be site-specific; few if any of them are irreversible; and in most cases mitigation measures can be designed more readily than for Category A projects.

**Category C:** Projects with minimal or no adverse social or environmental impacts. Beyond screening, no further SEA action is required.

**Environmental Engagement** Throughout the year, Scotiabank engages with environmental stakeholders to share best practices and facilitate action around key environmental initiatives. For example, Scotiabank is a long-standing member of the United Nations Environment Programme Finance Initiative (UNEP FI) and the Bank co-chairs its North American Task Force (NATF). UNEP FI is a unique partnership between the UN and global financial institutions. Its activities focus on research connecting sustainability with financial performance, as well as training and education.

**Project Financing and the Equator Principles** In the area of project finance, Scotiabank adheres to the Equator Principles, a set of internationally recognized, voluntary 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 their ability and willingness to comply with comprehensive social and environmental standards.

The Equator Principles apply to project financing where total capital costs exceed US\$10 million. In 2011, Scotiabank financed 14 projects that met the Equator Principles requirements.

**Environmental Products and Services** Scotiabank provides customers with various kinds of environmental products and services.

The Scotia Global Climate Change Fund, which was the first of its kind in Canada, provides Canadians with the opportunity to invest in environmentally responsible companies adapting to or mitigating the risks of climate change without compromising solid returns. The fund focuses on companies that adopt technological and environmental practices that address the implications of climate change. It is diversified across nine climate-related areas, including clean fuels, water and environmental finance.

Renewable energy technologies now offer Canadians eco-friendly alternatives, which can be funded through Scotiabank's EcoEnergy Financing program. Costs for equipment, installation and grid hookup can be funded for qualifying projects. Scotiabank's EcoEnergy Financing program is designed to support personal and small business customers who wish to install small-scale renewable energy projects.

Scotiabank has two insurance incentives for policyholders that make environmentally friendly decisions. For homes that are LEED (Leadership in Energy and Environmental Design) certified, policyholders are eligible for a discount on their Scotia Home Insurance premiums. As well, to encourage consumers to purchase vehicles with lower carbon dioxide emissions, Scotia Home & Auto Insurance offers policyholders a discount on all hybrid cars.

**Capital Markets** Scotiabank's Global Banking and Markets (GBM) is a strong supporter of the renewable energy sector. In 2011, GBM had approximately CDN\$1.4 billion in authorized credits to the renewables sector in North America. Commitments to the renewables sector comprised a significant portion of GBM's power loan portfolio.

Scotiabank's Environmental Markets Group helps clients manage their carbon footprint. While still relatively new in North America, carbon credit trading has developed as a result of regulations to reduce greenhouse gas (GHG) emissions. The Bank helps to facilitate the carbon market by providing financing for carbon project development, acting as brokers or dealers of carbon credits, doing proprietary trading of credits, and bridging the gap between buyers and sellers of credits.

SCOTIABANK IS A MEMBER OF:

CARBON DISCLOSURE PROJECT





## CASE STUDY: SCOTIABANK PERU'S ENVIRONMENTAL STRATEGY

**Founded in 1943, Scotiabank Peru is the third largest bank in the country, with 182 branches and 507 automated banking machines. According to Fiorella Ceruti, Corporate Social Responsibility Manager, Scotiabank Peru, "The spirit of our approach is to have an overall commitment to the environment integrated into operations. We do this in three ways: donations to environmental causes, reducing our carbon footprint and building environmental awareness through education. All of this is backed by the Bank's environmental policy, which we have adapted to the context of Peru."**

One of the most interesting projects has been the development of a recycling system. "Recycling was not always part of our culture," says Ceruti. Starting in April 2009, Scotiabank Peru began piloting Grupo Scotiabank Ecoeficiente, an internal program to promote environmental practices such as reducing the consumption of paper, electricity and water, as well as recycling paper, glass, plastic, cans, and organic waste in nine Scotiabank buildings in Lima, with more than 4,000 employees participating.

The Bank formed an alliance with the non-profit organization Ciudad Saludable whose work consist of formalizing independent street labourers into small businesses, collecting and selling recyclable materials. Scotiabank set up recycling stations in its offices and encourages participation in the program through training workshops for cleaning and maintenance staff and Bank leaders, who promote the program among their peers.

On a corporate level, Scotiabank Peru has trained over 250 employees in sessions on risks and opportunities. "We now see so many more great business opportunities in environmental markets and the green economy than we ever did before," says Ceruti.

Scotiabank Peru has also been a groundbreaker in carbon credits. In fact, Scotiabank was the first bank in Peru to go carbon neutral, the first company in Peru to purchase carbon credits and the first bank in Peru to measure and reduce its carbon footprint. Scotiabank purchased carbon credits from Maderacre, a sustainable forest management firm that operates in the Iñapari communities in the Amazon.

Scotiabank Peru has also been focusing on projects that help mitigate or adapt to climate change – particularly in rural farming communities. For example, one project the Bank financed helped farmers develop new strategies and alternative businesses to cope with reductions in water available for irrigation. The target was to help farmers increase their income by 25%, but now that the project is in its third year, the 250 families that are participating have seen a 100% increase in income.

As Ceruti explains, "We are passionate about real, sustainable change so we look for projects that build long-term skills that will help people confront not just current, but future challenges."

**Photo:** Scotiabank Peru's annual campaign 'Calor Patrio' helps communities affected by climate change to prepare and adapt to cold temperatures by focusing on improving health, hygiene and nutritional habits. This includes replacing agricultural crops to those that are more appropriate to the changing climate.



## Communities

Scotiabank makes contributions to communities across the globe through the Scotiabank Bright Future program. Donating time and support is part of the Bank's corporate culture.

**Global Donations: Scotiabank Bright Future** Since the Bank's inception, Scotiabankers have been giving back to their communities. Making a difference is part of the Bank's culture.

Scotiabank Bright Future is the Bank's global philanthropic vision. As a prominent multinational financial institution, the Bank's reach has provided a unique opportunity to help people around the world. Scotiabank Bright Future brings together the passion of employees, the insight of partners and the spirit of communities.

Through Scotiabank Bright Future, the Bank's charitable efforts are aimed at being relevant and responsive to the needs of communities at the grassroots level, across six pillars: health, education, social services, sports, arts and culture, and the environment.

In 2011, the Bank contributed about CDN\$50 million in donations, sponsorships and other forms of assistance.

Launched in 2010, the Scotiabank & SIFE Go Green Challenge was designed to cultivate green leadership among university and college students in Canada. The students apply business concepts to develop outreach projects in order to improve the quality of life and standard of living for people in need. Scotiabank employees are also involved. In 2011, 67 employees logged 413 volunteer hours in support of 540 students at 25 academic institutions. Over 60 innovative community projects were implemented in local communities, with significant environmental impact:

- 118 tonnes of CO<sub>2</sub> avoided;
- 1.7 tonnes of compost diverted; and
- 710,000 litres of water conserved;

The Scotiabank & SIFE Go Green Challenge demonstrates that partnerships help to build a better, more sustainable world.

### Examples of 2011 Bright Future initiatives:

#### Health

- Scotiabank Peru continues to support Agua Limpia (Clean Water), a non-profit organization that helps local governments in rural areas improve access to potable water and sanitation. Agua Limpia also offers education programs for families and children about safe water usage, hygiene, nutrition and conservation.

#### Education

- Scotiabank supports scholarships for international students studying at the University of Waterloo, Faculty of Environment and St. Paul's University College. The Scotiabank International Endowment will provide new international opportunities for Canadian students and attract more international students to study in Waterloo, Canada.

#### Social Services

- In El Salvador, Scotiabank partners with A Roof For My Country, an NGO that builds houses for families in need with the help of volunteers. In 2011, Scotiabank participated in the sixth annual A Roof For My Country fundraising campaign called "¡Sigamos Construyendo El Salvador!" (Let's Build El Salvador!). In addition to a corporate donation, customers, employees, suppliers and friends contributed funds for the construction of emergency housing in poor communities.

#### Arts and Culture

- In Chile, Scotiabank supported modular teaching in the Performing Arts Training Hall of the Gabriela Mistral Cultural Centre. The Centre includes an arts library, five classrooms, a recording studio and a new home for the Museo de Arte Popular Americano of the Universidad de Chile.

Additional examples are available at [scotiabank.com/csr/community](http://scotiabank.com/csr/community). We will begin reporting on Sports and Environment in 2012.

**Employee Engagement** In 2011, Scotiabank employees demonstrated incredible spirit and dedication by contributing more than 360,000 hours of volunteering and fundraising time to local charities. As an organization, Scotiabank strongly supports community engagement by employees and encourages their efforts through two programs: Team Scotia Community Program (TSCP) and the Scotia Employee Volunteer Program (SEVP).

The Team Scotia Community Program matches funds raised by employee teams. Through TSCP, the Bank matches up to CDN\$5,000 raised by teams of five or more Scotiabank employees through their work with local charitable fundraising activities.

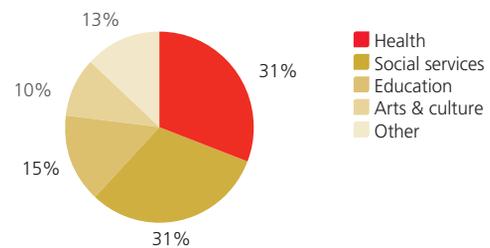


- **For example:** a team of 17 Scotiabank employees from Huancayo, Peru contributed 189 volunteer hours to help raise funds in support of the non-profit organization Leonardo Manuel, that supports the education, rehabilitation, recreation and medical treatment of 33 disabled children. Funds raised by employees also provided medical operations, medicine and equipment to the children.

The Scotiabank Employee Volunteer Program provides donations to community organizations where individual employees have been active volunteers. Individual employees or retirees who volunteered a minimum of 50 hours per year with a qualifying community-based organization can apply for a donation of up to CDN\$1,000 from the Bank.

- **For example:** Norman Locke, a personal banking officer in Long Pond, Newfoundland, has been volunteering with the Canadian Hemophilia Society for almost 20 years. The society seeks to improve the quality of life for those suffering from inherited bleeding disorders. An SEVP grant supported the 2011 annual kids' camp/family weekend.

#### Corporate donations in 2011



#### Employee Perception of CSR

	2011 favourable score	Global Benchmark
Scotiabank is socially and environmentally responsible	91%	86%

Through Scotiabank's employee engagement index, employee perception of Scotiabank being a socially and environmentally responsible organization is measured.

This is a new metric for the Scotiabank Bright Future program.

SCOTIABANK IS  
A MEMBER OF:



**Photo:** Scotiabank volunteers Mona-Maria Metri and Nagesh Rao, at the Scotiabank Buskerfest, Toronto's international street performer festival, which raises funds for epilepsy. This festival is the largest of its kind in North America, showcasing hundreds of the most spectacular street performers in the world.

## CASE STUDY: Global HIV-AIDS policy

Scotiabank has a long history of supporting and working on HIV-AIDS initiatives. In 2005, with the leadership of the Bank's President and CEO, Rick Waugh, the Bank set out a mandate to assist in the prevention and education of HIV-AIDS in the Caribbean. Since then, the Bank has been working on creating more awareness of HIV-AIDS, fighting the stigma and discrimination of this illness and supporting organizations that are working towards treatment and prevention.

In 2011, the Bank introduced a global HIV-AIDS strategy. To help develop this strategy, Scotiabank worked in partnership with GBC Health, an NGO that focuses on mobilizing the private sector to address global health challenges. Sancia Dalley, Manager, Membership and Advisory Services, GBC Health, has stated: "Scotiabank was the first North American bank to address HIV-AIDS issues and it is now the first North American bank to take HIV-AIDS on as a global issue."

Scotiabank created three strategic pillars, which build upon the Bank's strengths and the passion and interest of employees:

### 1. Fighting Stigma and Discrimination

- For example: Scotiabank has Global Principles on HIV-AIDS or other life-threatening illnesses. These principles underscore Scotiabank's responsibility to provide a healthy workplace for employees, free from discrimination, and to support employee engagement and retention through a stable and valued workforce.

### 2. Promoting Awareness and Education

- For example: Since 2008, the Caribbean Broadcast Media Partnership on HIV-AIDS (CBMP) and Scotiabank, in collaboration with regional Ministries of Health, have been hosting Regional Testing Day. In 2011, 17 countries and 37 branches participated, helping more than 9,000 people get tested in the Caribbean.

### 3. Contributing Donations and Volunteering

- For example: The Scotiabank AIDS Walk for Life, Canada's largest annual HIV-AIDS event, takes place in various cities and communities across Canada. Funds raised by the walk support programs and services for people infected by HIV-AIDS.

According to Dalley, the strategy is on track to succeed: "Scotiabank is taking what they have already accomplished in the Caribbean one step further. But I think it will succeed because the passion for this issue is throughout the Bank, from the corporate leadership to the local branch."



**Photo:** Senior Personal Banking Assistant Donia Benjamin and Marcelle Greenidge, Manager Marketing, at the Broad Street branch in Barbados, applying red swatches to a large ribbon to symbolise how people tested for HIV on Regional Testing Day would mark the occasion.

# Appendix

**Scope of reporting** This annual report includes information from November 1, 2010, to October 31, 2011, 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.

## Key economic, social and environmental performance indicators<sup>1</sup>

Bright Future Indicators	Performance		
	2009	2010	2011
Total donations & sponsorships (global)	\$39 million	\$50 million	\$50 million
Number of global employee volunteer hours through formal community involvement programs	299,000 hours	324,000 hours <sup>1</sup>	360,000 hours
Employee Engagement Survey question: "Scotiabank group is socially and environmentally responsible" <sup>2</sup>	N/A	N/A	91% favourable
<b>Economic Indicators</b>			
Salaries & employee benefits (global)	\$4.3 billion	\$4.6 billion	\$5.4 billion
Debt financing to business (Canada)	over \$86 billion	over \$83 billion	over \$90 billion
Taxes (global)	\$1.9 billion	\$2.5 billion	\$2.4 billion
Amount spent on goods & services from suppliers (global)	\$3.1 billion	\$3.0 billion	\$3.5 billion
Return on equity	16.7%	18.3%	18.8%
<b>Social Indicators</b>			
Investment in employee training (global)	\$56 million	\$74 million	\$65 million
Employee satisfaction (global)	86%	85%	85%
Women in senior management (global)	22%	22.6%	23.5%
Women in senior management (Canada)	32%	33.1%	33.6%
Visible minorities in senior management (Canada)	11.6%	12%	9.5%
Aboriginal employees (Canada)	1.1%	1.1%	1.1%
Employees with disabilities (Canada)	4.2%	4%	3.8%
Locations serving Aboriginal customers (Canada)	23 <sup>3</sup>	23	22
<b>Environmental Indicators</b>			
Energy consumption (Canada)	953,292 GJs	1,019,330 GJs <sup>4</sup>	1,008,610 GJs
Greenhouse gas emissions (Canada)	59,617 tonnes	54,362 tonnes	55,168 tonnes
Business travel (air/rail)	32,746,696 km <sup>5</sup>	50,078,224km	57,813,611km
Paper consumption	4,760 tonnes	4,319 tonnes	4,899 tonnes
Paper shredding/recycling (Canada)	5,056 tonnes	5,050 tonnes	4,237 tonnes
Environmental disposal of computer equipment	18,769 items	4,748 items	4,384 items

(1) This is a restated number.

(2) This metric was introduced in 2011.

(3) This is a restated number.

(4) While our GHG emissions decreased by 9% our consumption in GJ increased due to additional locations

(5) Estimated based on calendar year totals. Scotiabank changed providers in Q4 of fiscal 2009, therefore, a total for the fiscal year was not available.

## 2011 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 2011 this totaled \$2.4 billion (taxable equivalent basis), representing 34 per cent of the Bank's pre-tax income for the year.

Total expenses (recoveries) to all levels of government in Canada are shown in the chart. For additional information on the Bank's tax expenses in 2011, please refer to Table 53 in Scotiabank's 2011 Annual Report, available online at scotiabank.com.

### Taxes in Canada

(As at October 31, 2011) (\$ thousands)	Income taxes	Capital taxes	Other taxes <sup>(1)</sup>
<b>Federal</b>	342,635	0	196,108
<b>Provincial</b>			
Newfoundland	4,602	6,221	3,589
Prince Edward Island	1,165	997	121
Nova Scotia	11,196	7,333	5,772
New Brunswick	3,751	2,840	2,159
Quebec	21,294	289	15,759
Ontario	199,368	0	202,493
Manitoba	4,571	5,202	1,687
Saskatchewan	3,923	5,334	748
Alberta	21,537	0	4,782
British Columbia	28,491	0	9,311
Territories	681	0	27
<b>Total provinces</b>	300,579	28,216	246,428
<b>Total</b>	<b>643,214</b>	<b>28,216</b>	<b>442,536</b>

### Taxes in foreign regions

(As at October 31, 2011) (\$ thousands)	Income taxes
Asia Pacific	67,546
Caribbean & Latin America	422,565
Europe & Middle East	27,920
United States	248,453
<b>Total</b>	<b>766,484</b>

## Number of employees in Canada\*

	Full-time	Part-time	Total
Alberta	2,597	1,200	3,797
British Columbia	2,294	1,190	3,484
Manitoba	513	223	736
New Brunswick	552	317	869
Newfoundland & Labrador	519	252	771
Nova Scotia	1,359	583	1,942
Northwest Territories	12	1	13
Ontario	20,840	4,843	25,683
Prince Edward Island	113	59	172
Quebec	1,800	490	2,290
Saskatchewan	471	332	803
Yukon Territories	15	12	27
<b>Total</b>	<b>31,085</b>	<b>9,502</b>	<b>40,587</b>
<b>Total full-time equivalent</b>			<b>33,367</b>

\*As at October 31, 2011, there were 1,239 contract employees, representing 3.0% of the total Canadian Workforce, and 3,199 casual employees, representing 7.9% of the total Canadian Workforce.

(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 1,029 branches and 2,998 ABMs in Canada. In 2011, as part of our expansion plans, we opened 11 new branches. With all branches that were closed or consolidated, we worked 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	510-151 Walden Gate SE, Calgary 404-8888 Country Hills Boulevard NW, Calgary
British Columbia	5960 University Blvd, Vancouver
Nova Scotia	421 Lahave Street, Bridgewater*
Ontario	929 Southdale Road West, London 9301 Bathurst Street, Richmond Hill 3000 Thomas Street, Mississauga 1947 Ravenscroft Road, Ajax 620 Scott Boulevard, Milton 279 King Street East, Toronto
Quebec	451 Rue Des Migrateurs, Terrebonne 300 Colonnade Drive, Kemptville**
Saskatchewan	4510 Gordon Road, Regina

\* New branch as a result of consolidation.

\*\* New branch as a result of relocation.

### Scotiabank Branches Closed, Relocated or Consolidated

British Columbia	555 West 12th Avenue, Vancouver
New Brunswick	3982 Main Street, Jacquet River
Newfoundland	P.O. Box 130, Churchill Falls
Nova Scotia	199 Dominion Street, Bridgewater 421 Lahave Street, Bridgewater*
Ontario	320 Bayfield Street, Barrie* 139 Prescott Street, Kemptville** 1867 Yonge Street, Toronto

\* Closure as a result of consolidation.

\*\* Closure as a result of relocation.

### ABM installations and de-installations\*

#### ABMs installed

##### Alberta

510-151 Walden Gate SE., Calgary  
3808 Bow Tr. SW., Calgary  
404-8888 Country Hills Blvd NW.,  
Calgary

##### British Columbia

325 Boul. De La Marine, Varennes  
8236 Eagle Landings Pkwy. Unit 100,  
Chilliwack  
14780 108th Ave & 148th St., Surrey  
30362 Fraser Hwy (Mt Lehman), Abbotsford  
5960 University Blvd., Vancouver  
3790 Quadra St., Victoria

##### Manitoba

300 Portage Ave., Winnipeg

##### Nova Scotia

6203 HWY 354 General Delivery,  
Kennetcook

##### Ontario

25 Sacre Coeur Blvd., Hull  
119 Mann Ave., Ottawa  
655 Bronson Ave., Ottawa  
1435 Caldwell Ave., Ottawa  
1 Chartewell Ave., Nepean  
1350 Taunton Rd. E., Oshawa  
1947 Ravenscroft Rd., Ajax  
6815 Stanely Ave., Niagara Falls  
International Centre, 573 Glendridge ave B,  
St.Catherines

9301 Bathurst St. Unit #13,  
Richmond Hill  
3000 Thomas St., Mississauga  
325 Dundas St. E., Oakville  
3550 Queen St.E., Brampton  
620 Scott Blvd., Milton  
279 King St.E., Toronto  
50 Bay St., Toronto  
416 Spadina Rd., Toronto  
2562 Weston Rd., Weston  
190 Westmount Rd. N., Waterloo  
929 Southdale Rd. W., London  
397 Bayfield Rd., Goderich  
5555 Ojibway Pkwy, Windsor

##### Quebec

451 Rue des Migrateurs, Terrebonne  
3480 Rue McTavish, Montreal  
108 Greber Blvd., Gatineau  
127 Front St., Alymer

##### Saskatchewan

4510 Gordon Rd., Regina  
1828 McCormand Dr., Saskatoon

#### ABMs de-installed

##### Alberta

5401 51ST St., Grimshaw  
3001 Dunmore Rd. SE., Medicine Hat  
400 2555 32nd St. NE., Calgary  
3330 17TH Ave. SE., Calgary  
703 42nd Ave. SE., Calgary  
6455 Macleod Tr. SW., Calgary  
12550 Symons Valley Rd., Calgary

### ABM installations and de-installations\* (cont'd)

#### ABMs de-installed (cont'd)

5003 Lakeshore Dr., Sylvan lake  
#3030 8882-170 St., Edmonton

##### British Columbia

20090 91A Ave., Langlet  
110 2189 Springfield Rd., Kelowna  
32555 London Ave. Suite 700, Mission  
2929 Barnet Hwy., Coquitlam  
170 Schoolhouse St., Coquitlam  
10785 King George Hwy., Surrey  
4700 Kingsway Ave.  
130-555 West 12TH Ave., Vancouver  
142111 Entertainment Way, Richmond  
6911 No. 3 Rd., Richmond  
710 Granville St. #02R, Vancouver  
677 Davie St., Vancouver  
800 Robson St., Vancouver  
900 Burrard St., Vancouver  
2055 Purcall Way, North Vancouver  
1065 Lahakas Blvd., Kitimat  
550 Bay St., Victoria  
3130 Trilicum Rd., Victoria  
4461 Interurban Rd., Victoria  
1702 Bowen Rd., Nanaimo

##### Manitoba

160 1255 St. Mary's Rd., Winnipeg  
817 St. James, Winnipeg

##### New Brunswick

438 Coverdale Rd., Riverview  
5 Rd. 172, Upper Letang

##### Nova Scotia

6177 Main St., Kennetcook  
2710 Main St., Aylesford  
99 Atlantic St., Cornwallis  
272B Prince St., Sydney  
199 Dominion St., Bridgewater

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

##### Ontario

2385 City Park Dr., Ottawa  
3090 Carling Ave., Ottawa  
3201 Stranderd Dr., Nepean  
1213 Division St., Kingston  
705 Bath Rd., Kingston  
Hwy. 48 - Durham 23, Pefferlaw  
6815 Stanley Ave., Niagara Falls  
18151 Yonge St., East Gwillimbury  
8725 Yonge St., Richmond Hill  
3555 Hwy 7 W., Woodbridge  
320 Bayfield St., Barrie  
309 Rathburn Rd. W., Mississauga  
3055 Vega Blvd., Mississauga  
50 Great Lakes Dr., Brampton  
771 Golf Links Rd, Ancaster  
22 Lebovic Ave., Scarborough  
300 Borough Dr. Unit 765, Scarborough  
1800 Sheppard Ave. E., Toronto  
1120 Finch Ave - Suite 202, Toronto  
2300 Yonge St., Toronto  
259 Richmond St. W., Toronto  
3401 Dufferin St, Yorkdale mall, North York  
1025 The Queensway, Etobicoke  
75 King St. S., Waterloo  
300 King George Rd., Brandorf  
1680 Richmond St., London  
4611 Walker Rd., Windsor  
355 Barrydowne Rd., Sudbury  
850 North May St., Thunder Bay

##### Québec

4825 Ave. Pierre De Coubertin, Montreal  
1080 Cote du Beaver Hall Hill, Montreal  
977 Ste- Catherine W., Montreal  
2800 Cosmodome St. Laval  
3200 Rue Jean Yves, Kirkland  
207 Mont Bleu Blvd., Gatineau

### 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
- Code of Conduct for the Credit and Debit Card Industry in Canada
- 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](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.

## 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 of Oct. 31, 2011, 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 \$ thousands	Outstanding \$ thousands	Customers	Authorized \$ thousands	Outstanding \$ thousands	Customers	Authorized \$ thousands	Outstanding \$ thousands	Customers	Authorized \$ thousands	Outstanding \$ thousands	Customers
British Columbia and Yukon*	101,634	56,187	15,413	277,387	140,463	6,126	291,912	170,897	1,940	288,257	188,038	858
Alberta & NWT**	483,282	107,994	77,575	535,319	195,593	12,547	359,214	202,311	2,406	366,603	229,442	1,084
Saskatchewan	30,441	16,355	3,677	122,666	65,935	2,636	132,112	82,240	873	102,512	73,922	304
Manitoba	102,884	26,418	9,551	793,595	237,564	15,303	767,216	367,342	5,967	212,996	129,109	645
Ontario	313,163	131,379	50,399	985,460	488,394	21,209	1,156,827	684,984	7,663	1,141,113	763,354	3,389
Quebec	85,339	64,049	11,061	225,168	149,497	4,977	206,956	136,376	1,360	200,347	139,116	595
New Brunswick	19,589	7,996	2,780	71,383	35,180	1,512	73,185	45,522	484	37,515	26,979	116
Nova Scotia	31,994	13,101	4,528	118,541	65,354	2,465	140,749	88,669	930	158,139	102,836	465
P.E.I.	5,241	2,372	654	22,856	11,853	458	23,788	15,102	155	16,678	11,805	51
Newfoundland	21,213	8,200	2,980	84,529	38,829	1,857	65,086	36,935	437	41,923	27,829	128
<b>Canada</b>	<b>1,194,780</b>	<b>434,051</b>	<b>178,618</b>	<b>3,236,904</b>	<b>1,428,662</b>	<b>69,090</b>	<b>3,217,045</b>	<b>1,830,378</b>	<b>22,215</b>	<b>2,566,083</b>	<b>1,692,430</b>	<b>7,635</b>

Authorization levels of:	\$500,000 - \$999,999			\$1,000,000 - \$4,999,999			over \$5,000,000		
	Authorized \$ thousands	Outstanding \$ thousands	Customers	Authorized \$ thousands	Outstanding \$ thousands	Customers	Authorized \$ thousands	Outstanding \$ thousands	Customers
British Columbia and Yukon*	263,571	183,786	400	678,666	419,316	329	3,183,314	1,428,393	127
Alberta, Saskatchewan and NWT***	313,412	187,032	493	814,120	467,722	376	12,497,136	5,212,297	283
Manitoba	150,761	75,359	245	264,020	163,314	136	751,507	267,673	27
Ontario	1,027,780	725,020	1,514	3,993,470	2,889,613	1,804	46,835,030	19,674,924	1,159
Quebec	226,334	157,788	337	819,904	540,918	370	5,320,468	2,682,807	184
New Brunswick, Nova Scotia, P.E.I. and Newfoundland****	231,758	145,197	338	809,531	522,747	395	2,315,200	1,434,173	123
<b>Canada</b>	<b>2,213,616</b>	<b>1,474,182</b>	<b>3,327</b>	<b>7,379,711</b>	<b>5,003,630</b>	<b>3,410</b>	<b>70,902,655</b>	<b>30,700,267</b>	<b>1,903</b>

Note: for reasons of client confidentiality, we have combined the following: \* Yukon Territory with British Columbia. \*\* Northwest Territories with Alberta. \*\*\* Northwest Territories, Saskatchewan and Alberta. \*\*\*\* New Brunswick, Prince Edward Island, Newfoundland and Nova Scotia.

## CUSTOMERS

### Customer complaint resolution

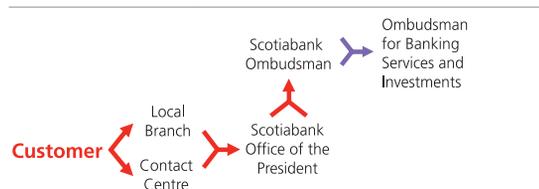
A clear and effective complaint resolution process is essential to our financial success and to being a responsible organization. Our statistical data and complaint resolution process are outlined below. Internationally, Scotiabank follows a similar process, which may vary according to country regulatory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

	2009	2010	2011
Number of customer complaints received by Office of the President	10,470	10,123	<b>10,445*</b>
Percentage of customers surveyed who were fully satisfied with the handling of their complaint	89%	88%	<b>82%**</b>

\*Represents total number of Office of the President complaints out of more than 19 million customers. Complaints are categorized by service, credit, policy, pricing, compliance, documentation and other in order to review for trends and recommend changes.

\*\*Based on surveys of 1,095 customers.

### Complaint resolution process



### Overview of Scotiabank's microfinance services

	Total loans (CDN)	Average loan size (CDN)	# of customers
Chile (Banco del Desarrollo)	\$60 million	\$2,960	20,294
Dominican Republic	\$31 million	\$2,150	14,400
Guatemala	\$41 million	\$3,090	13,090
Jamaica	\$0.4 million	\$300	1,400
Peru	\$458 million	\$3,700	124,000
<b>Total</b>	<b>\$590 million</b>		<b>173,184</b>

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

## CUSTOMERS

### 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: ALL

**Basic banking:** Scotiabank Basic Banking Account (Canada).

**Savings, investment & credit:**

- Bank the Rest Savings Program (Canada) helps customers improve their savings habits while making everyday debit purchases.
- Scotia Power Savings Account provides an online, high-interest savings option.
- The Scotia Global Climate Change Fund allows customers to invest in companies that will help mitigate the impact of climate change.

**Financial literacy:**

- Financial education seminars by Scotiabankers are offered in many locations, including communities in Canada, El Salvador, Guyana, Bahamas and St. Kitts and Nevis.
- Financial education tools on scotiabank.com (e.g., Banking Lingo 101, Understanding Credit).

### CUSTOMER SEGMENT: YOUTH

**Basic banking:**

- The Student Banking Advantage<sup>®</sup> plan (Canada) provides no-fee banking plan with unlimited debit transactions for full-time university or college students.
- Getting There Savings Program Youth (Canada) is a no-fee plan with unlimited debit transactions for children under 19 years of age.

**Savings, investment & credit:**

- L<sup>earn</sup> Visa card for students provides benefits including no annual fee, accelerated *Moneyback* rewards program and up to a 21-day interest-free grace period on purchases.
- Scotiabank Educational Savings Plan is available in 17 Caribbean and Central American countries
- Scotiabank Be Money Plan (Trinidad and Tobago) offers a high-interest savings account with no banking fees for full-time students.

**Financial literacy:**

- Scotiabank sponsored a college/university student financial literacy program in Ontario, Canada, which included a 15 campus speaking tour attended by 6,000 students. As well 6,000 companion books were provided and a website was developed.

### CUSTOMER SEGMENT: SENIORS

**Basic banking:**

- In Canada, customers aged 59 or over can request enrollment into the *Scotia Plus Program for Seniors*, a no-fee banking plan with unlimited debit transactions plus other free or discounted services on eligible accounts.

**Savings, investment & credit:**

- Helpful online RRIF/LIF/LRIF illustrator tool, literature and advice available for seniors.

**Financial literacy:**

- We provide an in-depth Tax Free Savings Account Information Centre in Canada, with tailored content for retirees, at scotiabank.com

### CUSTOMER SEGMENT: NEW CANADIANS

Scotiabank *StartRight* 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 and newcomer financial resources.

### CUSTOMER SEGMENT: ABORIGINALS

**Basic banking:**

- We operate four on-reserve branches and a network of 22 Aboriginal banking centres (Canada).

**Savings, investment & credit:**

- Special GIC offer and no-fee for one-year chequing account for recipients of residential school settlement program (Canada). We provide niche on-reserve lending programs to individuals and band councils across Canada.

**Financial literacy:**

- Scotiabank sponsored CESO financial workshops for more than 1,000 residential school settlement recipients (Canada).

### CUSTOMER SEGMENT: SMALL BUSINESS

**Basic banking:**

- Branch based Small Business advisors proactively deliver practical tools, resources and banking services that help Small Businesses grow and succeed.

**Savings, investment & credit:**

- Running Start for business offers a package of services and resources to start-ups.
- Scotia Professional Plan is customized to meet the needs of professionals.
- Scotia Flex and Scotia One Account Plan for agriculture for agricultural clients.
- Scotia Power Savings for business – a new high interest savings option for businesses.

**Financial literacy:**

- Scotiabanks on-line Small Business community, Get Growing for Business provides articles, video coaching, webinars, tools and a daily blog which provides advice and information on a wide range of Small Business topics from Managing Cashflow to dealing with new technology.

### CUSTOMER SEGMENT: MICRO BUSINESS

Microfinance operations in Chile, Peru, Jamaica, Dominican Republic and Guatemala manage microfinance subsidiaries with outstanding credit balances of more than US\$420.5 million, and financial literacy and business planning resources in select countries.

### CORPORATE HEADQUARTERS

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

**For further information contact:**

Public, Corporate and Government Affairs, Scotiabank, 44 King St. W., Toronto, Ontario Canada M5H 1H1  
E-mail: corporate\_communications@scotiacapital.com.



## EMPLOYEES

### Diversity highlights at Scotiabank

Scotiabank has been tracking female representation at the VP+ level globally since 2007, and is currently exploring tracking other diversity groups from a global perspective.

	2009	2010	2011	Government benchmark**
Visible minorities (Canada)	22.0%	23.8%	<b>24.6%</b>	20.4%
Visible minorities in senior management (Canada)	11.6%	11.5%	<b>9.5%</b>	8.7%
Women (Canada)	70.1%	69.4%	<b>68.4%</b>	62.2%
Women in senior management (Canada)*	32.0%	33.1%	<b>33.6%</b>	24.2%
Women in VP+ positions (Global)	22.1%	22.6%	<b>23.5%</b>	NA
Persons with disabilities (Canada)	4.2%	4.0%	<b>3.8%</b>	4.2%
Aboriginals (Canada)	1.1%	1.1%	<b>1.1%</b>	1.7%

\* 2011 data exclude provincially regulated Scotia/McLeod 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.

### Scotiabank's global salaries and benefits

	2011 (\$millions)
Salaries	\$3,018
Performance-based compensation	\$1,349
Stock-based compensation	\$257
Pensions and other employee benefits	\$775
<b>Total</b>	<b>\$5,399</b>

### Total voluntary<sup>1</sup> turnover of high-performing employees<sup>2</sup> (Canada)

2009	2010	2011
2.6%	3.3%	3.7%

(1) Voluntary denotes those who have left due to resignation, voluntary settlement, or contract expiration

(2) High-performing are those who have received performance ratings of either "exceptional" or "superior" - the highest rating categories

## ENVIRONMENT

### Scotiabank Canadian paper consumption (tonnes)

Paper classification	2009	2010	2011	% change 2010/11 (decrease)	FSC**
Business forms*	2,824	2,610	3,186	22.10	2/5 of highest volume items
Business cards	7	7	9	28.60	100%
Letterhead	10	12	13	8.30	100%
Bond copy paper	1,651	1,560***	1,516	(2.82)	100%
Annual reports	85	75	83	10.70	100%
Marketing direct mail	183	165	92	(44.20)	100%
Total weight (tonnes)	4,760	4,429	4,899****	10.61	
Consumption per employee	0.15	0.13	0.14		

\* 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.

\*\*\* The 2010 number is restated based on supplier error.

\*\*\*\* The increases are due to materials required for new branches and mergers, as well as rebranding and telephone number updates.

### Scotiabank bond copy paper consumption in international locations in 2011

	2011
Mexico	558.85
Peru	207.4
Chile	183.6
Costa Rica	36.7
<b>Total weight (tonnes)</b>	<b>986.55</b>

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

### Measuring energy consumption (Canada)

#### 2011 greenhouse gas emissions

Source	CO <sub>2</sub> emissions* (metric tonnes)
Indirect CO <sub>2</sub> produced from electricity and steam purchases	34,647
Direct CO <sub>2</sub> emissions produced from combustion of fuels	16,254
Indirect CO <sub>2</sub> emissions produced from employee air travel	4,267**
<b>Total CO<sub>2</sub> footprint</b>	<b>55,168</b>

#### 2011 energy consumption

Type of energy buildings	Consumption unit	Total consumption	Consumption per sq. metre	Branches /Owned office
Electricity	Megawatt hours	191,860	0.28	904 / 40
Steam	Pounds (1,000s)	14,673	0.36	0 / 1
Natural gas	Cubic metres	8,079,867	15.47	638 / 32
Fuel oil	Litres	303,970	18.83	38 / 0
Propane	Litres	54,927	27.82	7 / 0

### Measuring energy consumption (Mexico, Jamaica, Costa Rica, El Salvador, Peru and Chile)

#### 2011 greenhouse gas emissions

Source	CO <sub>2</sub> emissions* (metric tonnes)
Indirect CO <sub>2</sub> produced from electricity purchases	44,913
Direct CO <sub>2</sub> emissions produced from combustion of fuels	366
Indirect CO <sub>2</sub> emissions produced from employee air travel	5,174**
<b>Total CO<sub>2</sub> footprint</b>	<b>50,453</b>

#### 2011 energy consumption

Type of energy buildings	Consumption unit	Total consumption	Consumption per sq. metre	Branches /Owned office
Electricity	Megawatt hours	115,034	0.20	1,281 / 94
Natural gas	Cubic metres	21,464	16.26	0 / 1
Propane	Litres	90,440	14.76	0 / 3
Gas/Diesel	Litres	66,590	0.49	0 / 4

Notes:

- 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.
- Our Canadian report is based on 904 owned and leased retail locations and the space occupied by the Bank in 40 office buildings across Canada, representing approximately 700,000 square meters. This area varies depending on utility type.
- Our Mexico, Jamaica, Costa Rica, El Salvador, Peru and Chile report is based on 1,281 retail locations and the space occupied by the Bank in 94 office buildings representing approximately 565,000 square meters. This area varies depending on utility type.

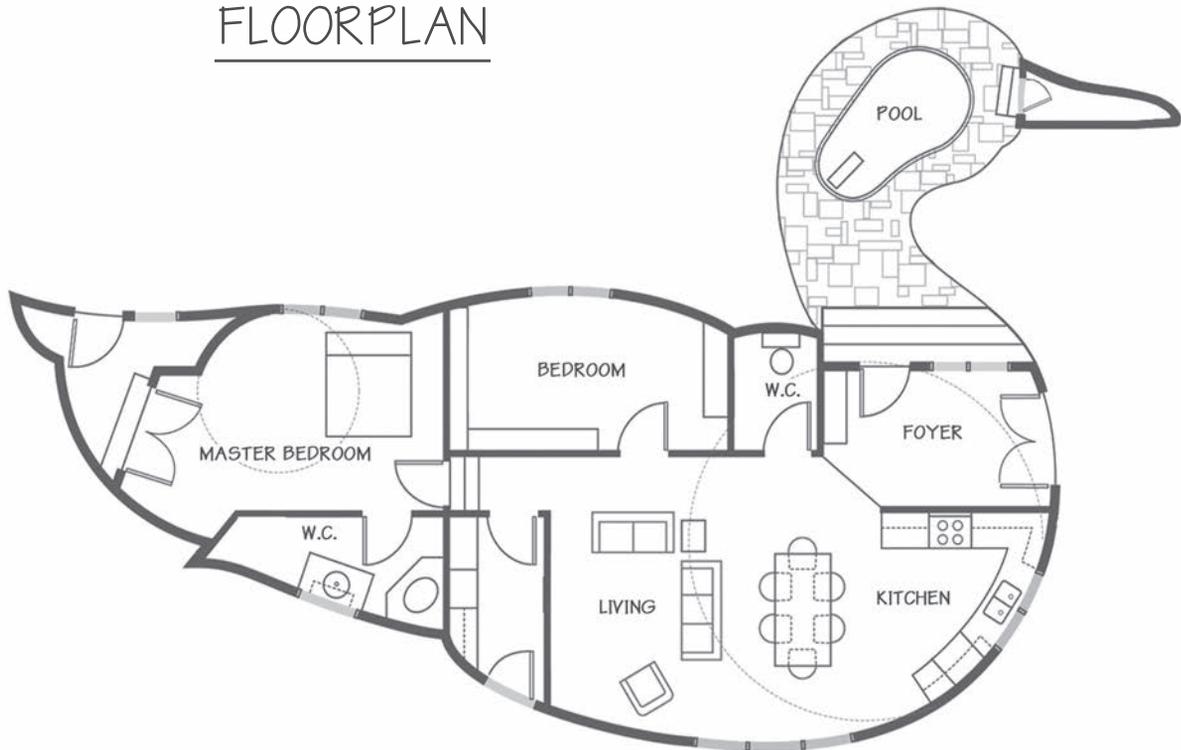
\* Calculated in accordance with the Greenhouse Gas Protocol of the World Resources Institute and the World Business Council for Sustainable Development (www.ghgprotocol.org), including emission factors for electricity purchases, natural gas and fuel.

\*\* Indirect CO<sub>2</sub> emissions for employee air travel are allocated to each reporting segment based on employee population.

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## FLOORPLAN

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