OUR CORPORATE GOVERNANCE

- Scotiabank was the highest-ranked Canadian financial institution on The Globe and Mail’s 2010 ranking of corporate governance, Board Games.
- Scotiabank is the first Canadian bank to adopt the UN Global Compact.
- 13 of the Board’s current 14 directors are independent.

OUR CUSTOMERS

- Scotiabank has more than 18.6 million customers.
- We have operations in more than 50 countries around the world.
- Scotiabank authorized $9.2 billion in debt financing to small and medium-sized businesses in Canada.

CASE STUDY: Water and Sanitation Program

OUR EMPLOYEES

- For the second year in a row, Scotiabank was named one of Canada’s Best Diversity Employers.
- We have more than 70,000 employees worldwide.
- Close to 55% of our employee base is now outside of Canada.

CASE STUDY: Her Success, Her Way Program

OUR ENVIRONMENT

- In Canada, we have 20 “green” branches.
- Scotiabank was named by Maclean’s and Canadian Business magazines to The Green 30.
- Scotiabank Mexico received an environmental award for best practices to reduce its carbon footprint from CEMEFI.

CASE STUDY: EcoLiving Program

OUR COMMUNITIES

- We launched the global Scotiabank Bright Future Program – www.scotiabankbrightfuture.com.
- Scotiabank contributed about CDN$50 million in donations and philanthropic sponsorships.
- Employees spent more than 324,000 hours volunteering and fundraising.

CASE STUDY: Scotiabank Bright Future Program

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 www.scotiabank.com/csr/ataglance.
Scotiabank is one of North America’s premier financial institutions, and Canada’s most international bank. Through our team of more than 70,000 employees, Scotiabank Group and its affiliates offer a broad range of products and services, including personal, commercial, corporate and investment banking to more than 18.6 million customers in more than 50 countries around the world.

**OUR FISCAL 2010 BUSINESS PLATFORMS OF GROWTH**

- **CANADIAN BANKING** offers a diverse range of financial advice, solutions and service to retail, small business, commercial and wealth management customers through a multi-channel delivery network across the country.
- **INTERNATIONAL BANKING** provides a wide array of financial services to Scotiabank’s retail and commercial banking customers in more than 45 countries across the Caribbean, Mexico, Latin America and Asia.
- **SCOTIA CAPITAL** is the wholesale banking arm of the Scotiabank Group, offering a wide variety of products to corporate, government and institutional investor clients. It is a full-service lender and investment dealer in Canada and Mexico; offers a wide range of products in the U.S. and Latin America; and provides select products and services to niche markets in Europe and Asia.

Scotiabank’s strength is evident in our solid results for 2010*

**TOTAL NET INCOME**

$4,239 MILLION

On October 1, 2010, Global Wealth Management was established as a fourth business line, combining our wealth management and insurance businesses in Canada and internationally, along with our Global Transaction Banking group.

**OUR CORE PURPOSE** To be a leading multinational financial services provider, based in Canada – by being the best at helping customers become financially better off.

**OUR CORPORATE PRIORITIES** 
- Sustainable and profitable revenue growth
- Capital management
- Leadership
- Prudent risk management and appetite
- Efficiency and expense management

**How we work**

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

**OUR VALUES**

- **INTEGRITY** We interact with others ethically and honourably.
- **RESPECT** We empathize and fully consider the diverse needs of others.
- **COMMITMENT** We achieve success for our customers, our teams and ourselves.
- **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.

**BUILDING ON OUR STRENGTHS**

After 179 years in business, common themes emerge as the defining characteristics of who we are and who we strive to be. The framework takes into account our traditions and the reputation we have enjoyed since we were founded. We are defined by our culture and values that are rooted in our key strengths of diversification, execution, efficiency and expense management, and risk management. Our unity as an organization and collaborative approach – One Team, One Goal – is a powerful competitive advantage.

*As at October 31, 2010. See the 2010 Annual Report for complete details on these figures.
Welcome to the tenth edition of our corporate social responsibility (CSR) report. Over the past decade, Scotiabank’s commitment to CSR has evolved and strengthened, and this report has become a valuable tool that has helped us focus our efforts and track our progress.

CSR is now an integral part of all aspects of our business around the globe, and this report now includes comprehensive information from Mexico, Peru, Chile and Costa Rica, as well as Canada. Together, these countries account for about 80 per cent of our global operations.

Early in 2011, we took a major step forward by uniting all of our charitable, social and community efforts and employee volunteer activities under one banner. The Scotiabank Bright Future program enables the Bank and our 70,000 employees worldwide to build upon our long-standing tradition of supporting the communities where we live and work.

We’re very proud that Scotiabank signed the UN Global Compact in 2010 – a commitment to uphold and protect human rights, labour, environment and anti-corruption standards through its business practices. Upon signing, Scotiabank became the first Canadian bank to adopt these UN principles in its day-to-day operations and organizational culture.

We’re also excited about our new EcoLiving program, launched in response to Canadians’ growing interest in reducing their environmental impact. Our EcoLiving website, www.ecoliving.scotiabank.com helps homeowners make greener choices for their homes. The Scotiabank EcoLiving Awards recognize Canadian businesses, individuals and students for excellence and innovation in home energy efficiency.

Our commitment to CSR has been recognized with several awards and honours. For example, Canadian Business Magazine and the Reputation Institute named Scotiabank among the country's most reputable companies and Canada's most reputable bank, and we also received prestigious CSR awards in Mexico and Jamaica.

CSR is more important than ever to Scotiabank – and to our employees, our customers, our shareholders and the communities we serve. We remain committed to helping build bright futures worldwide through ethical banking practices, environmental awareness and a commitment to supporting our communities through corporate donations and employee volunteer activities.

Please visit our website, www.scotiabank.com/csr, to learn more about our CSR efforts and let us know what you think. We value your interest and support, and look forward to sharing future reports with you as we continue expanding our commitment to CSR.

“The Scotiabank Bright Future program takes us to the next level by reinforcing our commitment to being excellent global citizens.”
Scotiabank is included in a number of indices, based on our performance on environmental, social and corporate governance criteria.

In 2010, Scotiabank’s CSR Advisory Committee worked on the development of a new corporate social responsibility statement. It had been five years since we had launched our original CSR definition, and it was time for a new statement to reflect our current goals.

We wanted a new statement to concisely describe the objective of CSR at Scotiabank, both internally and externally. We wanted it to be clear, relevant, current, inspiring, unique and enduring – a tall order. We wanted our statement to engage employees and to underline that we take CSR seriously: it is part of our every working day. We also wanted to capture the excitement we feel about our work in CSR, and what it means to us as an organization.

The committee spent time developing key words and ideas that depict our unique perspective on CSR. The conversation highlighted the different perspectives on CSR across the Bank, as well as significant common values. The CSR team then developed dozens of options. The result was a shorter, clearer statement about CSR and our values (below).

Scotiabank helps to build bright futures worldwide through ethical banking practices, environmental awareness and a commitment to communities.
How we do business every day.

The Scotiabank Advisory Committee members represent key areas of the Bank, such as Compliance, International Banking, Legal, Information Technology & Solutions, Real Estate and Multicultural Banking.

Other issues the CSR committee worked on included integration of the UN Global Compact into our business operations. They provided input into our CSR metrics, and helped to champion some of our key CSR initiatives across the Bank.

This is the 10th annual Corporate Social Responsibility Report. (See the 10 covers on the front cover of this report.) Our very first report focused almost entirely on our Canadian operations. It was almost 40 pages long – yet only one page was devoted to environmental activities.

Since then, we’ve significantly shortened our printed report and put the majority of our CSR information online. We also now report on more than 80% of our global operations, and our environmental activities are now a significant component of CSR across the global bank.

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

Committee members missing from photos:
Phil Griffiths, Vice-President, Strategic Support, Shared Services; Lance Hill, Vice-President, Operations Support Services, International Banking Shared Services; Karen Jodoin, Director, IT & IS Human Resources; Janet Slasor, Director, Donations, Sponsorships & Executive Projects; Rick White, Vice-President, Brand and Marketing Programs
Observe the following guidelines for reading text:

- **our corporate governance**

The Bank’s corporate governance policies are designed to ensure the independence of the Board of Directors and its ability to effectively supervise management’s operation of the Bank. The Board of Directors is committed to adopting best practices for the Bank’s corporate governance.

In 2010

- The Board welcomed a new director: David Dodge, senior adviser at Bennett Jones LLP and former Governor of the Bank of Canada.
- Scotiabank became the first Canadian bank to adopt the UN Global Compact, a commitment to uphold and protect human rights, labour, environment and anti-corruption standards through business practices.
- Scotiabank was the highest-ranked Canadian financial institution on The Globe and Mail’s 2010 ranking of corporate governance, Board Games. Scotiabank led in critical areas such as disclosure issues and shareholder rights.

**Governance facts**

- 13 of the Board’s current 14 directors are independent.
- The Board conducts an annual review of its performance and that of its committees.
- All directors, officers and employees of Scotiabank must review and sign the Scotiabank Guidelines for Business Conduct annually.

**How we govern**

Corporate governance is the way in which a company is governed – its processes, policies and how it deals with the various interests of its many stakeholders including shareholders, customers, employees and the broader community. As a multinational financial institution with operations in some 50 countries, Scotiabank works to ensure that its practices and policies meet or exceed local, Canadian and international standards and requirements, and that the interests of the Bank’s diverse stakeholders around the world are represented in a balanced way.

Scotiabank’s corporate practices do not differ significantly from the corporate governance standards of the New York Stock Exchange (NYSE) for listed companies. They are designed to maintain the independence of the Board of Directors and its ability to effectively supervise the management of the Bank’s business and affairs, as well as to maintain its strength and integrity.

Scotiabank continually looks for ways to strengthen its corporate governance practices and policies at all levels, and the Board of Directors works toward the adoption of best practices as they evolve. Specific responsibility for corporate governance rests with the Corporate Governance and Pension Committee of the Board, which is composed entirely of independent directors. The committee reviews the Bank’s corporate governance policies at least once a year, and any changes it recommends are reviewed and approved by the full Board.
“At the heart of our long and excellent record of success lies a strong foundation of corporate governance – a well-developed culture of accountability, openness and integrity.”

– John T. Mayberry, Chairman of the Board

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

Because of its commitment to openness and accountability throughout the global organization, Scotiabank joined the UN Global Compact in 2010. The Global Compact is a UN policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

AVAILABLE ONLINE

- For more information on Scotiabank’s corporate governance practices and policies, visit www.scotiabank.com/csr/governance.
- To find out more about the UN Global Compact, visit http://www.unglobalcompact.org.
Our Customers

Scotiabank’s goal is to help customers become financially better off. This means delivering outstanding service, as well as carefully measuring our ability to meet our customers’ needs, and providing relevant products and financial advice. It also means meeting customers’ expectations, such as ensuring personal privacy and earning trust. It is what we work towards every day, with more than 18.6 million customers in more than 50 countries.

Microfinance

“By providing access to credit, our programs help households and micro-businesses to achieve economic independence and to drive economic development. Micro-businesses are not just great for people who launch them, they are great for communities,” says Jeremy Pallant, Vice-President, Emerging Retail, Microfinance and Small Business.

Scotiabank is involved in innovative microfinance initiatives that help to create opportunities for entrepreneurs and under-served communities, especially owner-operators of micro-businesses.

Scotiabank defines microfinance clients as self-employed or micro-business owners with annual gross revenues below CDN$100,000. The individuals need funding to invest in the development and growth of their business. We have microfinance operations in five countries (see the Appendix on page 23), and we have plans to expand to other countries during 2011.

Depending on the location, we lend funds for working capital, business premises acquisition, expansion and equipment purchases, as well as credit cards, personal loans, mortgage and educational loans.

Many dependents benefit from these businesses, and the children of loan beneficiaries are more likely to complete primary and secondary school.

In 2010, we increased our total microfinance loans by close to 13%. Our goal is to add nine additional microfinance locations by the end of 2011.

Multicultural Banking

“We embrace and reach out to people in multicultural communities across Canada by offering them services that recognize their unique needs, in many cases in their language of choice. For example, our StartRight Program for Newcomers continues to be a huge success, with customized solutions and resources designed especially for permanent residents, international students and foreign workers,” says Ahmad Dajani, Vice-President, Multicultural Banking.

As Canada’s most international bank, Scotiabank has a unique perspective on the varying needs of newcomers arriving in Canada. Our employees reflect the diversity of the communities where we operate, and we continue to actively recruit and welcome employees from multicultural communities across Canada, who understand and embrace the cultural nuances of our customers and can speak their language of choice.

Our StartRight 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 that have been customized to meet their unique needs. Our StartRight website is available in eight languages.

Some newcomers have found that their lack of credit history in Canada has been a barrier to obtaining vehicle financing. In 2010, Scotiabank introduced the StartRight Auto Loan Program, the first of its kind in Canada from an automotive financing provider. Under this new program, newcomers can get the financing they need to purchase a car.
“Across Canada in 2010, we saw encouraging signs of renewed opportunity for many of our small business customers. While regional stories vary and we see some industries facing ongoing challenges, our relatively strong economy is restoring cautious optimism on many fronts.”

– Islay McGlynn, Managing Director and Head of Small Business, Scotiabank

**COMMITMENT TO CUSTOMERS**

**Fast facts**

- Services at our automated banking machines (ABMs) are available in English, French, Spanish, and traditional and simplified Chinese.

- Our customer contact centres serve customers in Punjabi, Spanish, Mandarin, Cantonese, French and English.

- In Canada, Scotia OnLine has more than 4.5 million registered users.

* For a detailed overview of the access to financial services we provide by segment, see the Appendix on page 24.

**Photo:** Clorinda Canorio Tinoco of Peru (right) began her bakery in 1992. With a small initial loan, this renowned bakery has grown to achieve revenues of over $1 million.
Security
“Providing exceptional service also means protecting customers’ privacy, and addressing financial crimes such as money laundering. We adhere to a number of voluntary codes of conduct and public commitments designed to protect consumer interests on issues ranging from credit and debit card fraud to relations with small-and medium-sized businesses. We also have other policies designed to address financial crimes such as money laundering,” says Louise Cannon, Senior Vice-President, Group Programs & Canadian Banking Compliance.

Scotiabank has a number of programs and policies that help to protect customers, including:

- In 2010, 99% of our retail credit cards and 98% of our active debit cards were converted to chip technology. Chip cards offer enhanced security against lost, stolen or counterfeit card fraud. All Scotiabank branch ABMs have also been converted to chip technology. Scotiabank Mexico has converted all credit cards, and debit card conversion will continue through 2011. In Peru, Scotiabank will start issuing premium credit cards that have chips in 2011.
- In 2010, we updated the Scotiabank Group Privacy Agreement, which explains to customers how we collect, use, safeguard and disclose their personal information.
- In response to the increasing complexities of an online world, the Bank recently launched a comprehensive Privacy and Information Security course for all Canadian employees. This e-learning course addresses all aspects of safely handling customers’ personal and other confidential information, whether in hard copy or electronic format. We plan to roll out the training internationally in 2011.

Addressing customer complaints
Customers who may have concerns or complaints can communicate with Scotiabank by following three-step process:

1. Contacting their local branch or contact centre,
2. Approaching the Scotiabank Office of the President, or
3. Contacting the Scotiabank Ombudsman.

If a customer still feels his or her concern has not been satisfactorily addressed, he or she may contact the Ombudsman for Banking Services and Investments, an independent organization that investigates customer complaints about financial services providers. Internationally, Scotiabank locations follow similar complaint management processes, which vary according to local needs or regulatory requirements.

See the Appendix on page 23 for further details.

Scotiabank Retail Customer Loyalty (Canada) – Top Box
- 2008: 53%
- 2009: 53%
- 2010: 53%

Small Business Customer Loyalty (Canada) – Top Box
- 2008: 55%
- 2009: 51%
- 2010: 53%

Scotiabank Retail Customer Loyalty (International Banking)

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

- 2008: 42%
- 2009: 42%
- 2010: 40%
- 2010*: 47%

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. In 2010, CLI was introduced to replace TYCE and, beginning in 2011, CLI will be the only score we will be reporting on.

Available Online
- For further information on our Privacy Protection, visit www.scotiabank.com/csr/privacy.
- For more information on Multicultural Banking, visit www.scotiabank.com/customers/mcb.
- For more information on microfinance, visit www.scotiabank.com/csr/customers/microfinance.
- We operate a network of 23 aboriginal Banking centres, including four on-reserve branches. To find out more, visit www.scotiabank.com/aboriginalbanking.
- To learn more about low-cost banking, banking for seniors and physical accessibility in branches, visit www.scotiabank.com/csr/customers/accessibility.
- Scotiabank has 1,678 small business advisors to help small business customers in Canada. To find out more, visit www.scotiabank.com/csr/customers/smallbusiness.
CASE STUDY: WATER AND SANITATION PROGRAM

In 2010, Scotiabank Peru launched a unique product in collaboration with the World Bank and CARE (an aid organization dedicated to fighting poverty), for their Water and Sanitation program. Its goal was to provide small loans to very low-income families to help them improve basic sanitation conditions. The product offering included financing and education that was delivered by the Bank’s partners. Scotiabank has been part of this program since its inception in 2008.

The product was targeted to clients in rural and urban Peru with monthly incomes of under $200 per family. Many of these clients had little access to basic sanitation facilities, let alone banking services. This financial service allows families to improve water and sanitation conditions, as well as their knowledge of the links between hygiene, health and nutrition.

While the key social benefit of the program is helping communities obtain a better quality of life through access to credit for sanitation purposes, there are environmental benefits, such as reduced contamination in public latrines, rivers and streams.

The Water and Sanitation program was shortlisted for the 2010 Financial Times Sustainable Banking Awards in the Achievement in Basic Needs Financing category. The Financial Times Awards highlight international banks that demonstrate leadership and innovation in corporate social responsibility. The Achievement in Basic Needs Financing category was new for the awards in 2010, and recognizes a form of microfinance that focuses on providing financing for essential needs such as energy, food and water.
Our Employees

Scotiabank is a leader in many areas, including in employee engagement. At the heart of employee engagement is the connection our employees has with their organization.

More than 70,000 employees are part of the Scotiabank team. To find out more about our employee population, statistics about compensation and employee turnover rate, see the Appendix on the inside back cover.

Diversity

As Canada’s most international bank, Scotiabank knows that embracing diversity will generate more innovative thinking, better decision-making and stronger business results.

“At Scotiabank, diversity has long been a part of who we are,” says Sabi Marwah, Scotiabank’s Vice-Chairman and Chief Operating Officer. “To us, diversity is not a project but a value that is built into the fabric of how we work.”

Improving the diversity of our workforce continues to be a key objective for Scotiabank. One of the ways we improve is by encouraging an inclusive and accessible workplace culture that welcomes and encourages diversity.

In 2010, Scotiabank was named among Canada’s Best Diversity Employers, as part of the Canada’s Top 100 Employers project.

Also this past year, some of Scotiabank’s international locations recognized aboriginal cultures as part of workplace diversity programs. Scotiabank offices in Mexico, Costa Rica and El Salvador held awareness events to mark the United Nations’ International Day of the World’s Indigenous People, including exhibitions of crafts and culture.

Advancement of Women

At Scotiabank, the Advancement of Women (AoW) initiative is a key strategy to remaining competitive in attracting talent. AoW creates a culture that attracts a broad talent pool, so that everyone can contribute to their fullest potential.

It also supports our commitment to being a global employer of choice, and continues to assist us in making positive strides in the representation of women at all levels of our organization.

In 2010, Catalyst Canada recognized Sylvia Chrominska, Group Head of Global Human Resources & Communications, for her contribution in advancing women within and beyond the workplace.

With women comprising 70% of Scotiabank’s total Canadian workforce, and over 30% of its senior management staff, our goal is to be a leading employer for women in the financial services industry.

In 2010, Barb Mason, Executive Vice-President, Wealth Management, Canada, and Wendy Hannam, Executive Vice-President, Sales & Service, Products & Marketing, International Banking, were inducted into Canada’s Most Powerful Women Hall of Fame.

Photo: In celebration of International Women’s Day, employees in Toronto collected toiletries to donate to Interval House, a women’s shelter. Enough toiletries were collected to last the organization two years.
Scotiabank is one of Canada’s top 50 employers, and we continue to strive to make Scotiabank a great place to work.

- Almost 55% of our employee base is outside of Canada.
- Scotiabank is consistently recognized by international and Canadian-based institutions as an employer of choice for its achievements across business lines and in areas related to innovation, customer satisfaction and employee engagement.
- In 2010, more than 57,000 employees responded to our internal employee survey – a high response rate of 85%, and well above the benchmark of 78% among similar global organizations. See results on page 12.

“We believe that harnessing the unique skills and contributions of all employees generates innovative thinking and stronger business results.”
– Sylvia Chrominska, Group Head, Global Human Resources and Communications

COMMITMENT TO EMPLOYEES

Scotiabank is one of Canada’s top 50 employers, and we continue to strive to make Scotiabank a great place to work.

- Almost 55% of our employee base is outside of Canada.
- Scotiabank is consistently recognized by international and Canadian-based institutions as an employer of choice for its achievements across business lines and in areas related to innovation, customer satisfaction and employee engagement.
- In 2010, more than 57,000 employees responded to our internal employee survey – a high response rate of 85%, and well above the benchmark of 78% among similar global organizations. See results on page 12.
**Human Rights in the Workplace**

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

**Human Rights Complaints:** Employees are encouraged to address concerns relating to human rights issues through a process that is implemented in all Bank workplaces. In 2010, we received 14 informal complaints through internal channels, and four through the Canadian Human Rights Commission (CHRC) complaints. The Bank takes discrimination concerns very seriously, and has developed a pro-active working relationship with the Canadian Human Rights Commission, aimed at resolving concerns early.

**Guidelines for Business Conduct:** These guidelines describe the standards of behaviour required of all employees regarding the equitable treatment of all members of our workforce.

**Leadership**

Having the right leaders in place, now and in the future, is critical to Scotiabank’s continued success. Our international platform uniquely positions us to find talent from around the world, and it also provides global opportunities for employees interested in leadership development.

**Talent Identification:** Scotiabank broadens and deepens its talent pool through the early identification of talent. One of the tools we use to do this is the Scotiabank Talent Profile, similar to an online resume, which helps employees develop a blend of experiences that improve their adaptability and flexibility.

**Leadership Development:** Scotiabank provides workshops that focus on coaching, strategic influencing and collaboration. The workshops also focus on networking across divisions to facilitate teamwork and collaboration throughout the organization. Employees can also be appointed to other divisions to help broaden their experience.

In 2010, Scotiabank received the Most Valued Internship Experience Award 2009-10 from Career Bridge, an internship program for internationally qualified professionals. The award recognized our leadership in providing a supportive environment, personal and professional growth, and opportunities for interns to contribute to the organization.

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**Employee engagement index (%)**

<table>
<thead>
<tr>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotiabank 2010</td>
<td>84%</td>
</tr>
<tr>
<td>Norm among global financial services organizations</td>
<td>81%</td>
</tr>
</tbody>
</table>

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**

- **45.9%:** Canada
- **17.6%:** Caribbean/Central America
- **32.4%:** Latin America
- **1.1%:** Asia/Pacific
- **3%:** Other

**Latin America**

- **5.4%:** Chile
- **13.9%:** Mexico
- **13%:** Peru
- **0.1%:** Other

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**AVAILABLE ONLINE**

- For further information on the Bank’s diversity objectives and achievements, visit [www.scotiabank.com/diversityandinclusion](http://www.scotiabank.com/diversityandinclusion).
- For information on employee compensation, including employee benefits, pension plans and share ownership, visit [www.scotiabank.com/csr/employees/compensation](http://www.scotiabank.com/csr/employees/compensation).
- For further information on our employee health and safety programs, visit [www.scotiabank.com/csr/employees/health-safety](http://www.scotiabank.com/csr/employees/health-safety).
CASE STUDY: HER SUCCESS, HER WAY

In 2010, Scotiabank launched “Her Success, Her Way” – a year-long celebration of the accomplishments of women at the Bank around the world, leading up to the 100th anniversary of International Women’s Day in 2011. Each month, two women – one from Canada and one from our Bank’s international locations – were recognized and given $1,000 to donate to their favourite charity. Those who nominated them also received $1,000 to donate. Almost 200 women were nominated, and winners were selected by a panel.

Recognizing that success can take a variety of forms and goes beyond job title and level, the Her Success, Her Way campaign was designed to celebrate Scotiabank women and their personal definitions of success. Two of the women honoured this year were Young Kyu Rim, the first woman to be named head of a bank in Korea, and Paula Shortall, Branch Manager, in St. John’s, Newfoundland.

Young Kyu Rim started her career as a credit analyst. During the 1990s, her career developed to include corporate marketing and managing relationships with prime Korean corporate sector companies. She was very successful in a male-dominated field and proved her capacity for bigger roles. This led to the position of head of marketing at Seoul Branch, and to her appointment as Country Head in 2006.

The Bank has offered Young various opportunities and support during her career, including a four-month, on-the-job training opportunity in Hong Kong. “The finance industry is one of the most conservative industries,” says Young. “The on-the-job training provided me with the skills and experience I needed to get to where I am today.”

In 2004, Paula Shortall became the first female manager at the Commercial Banking Centre & Main Branch in St. John’s, Newfoundland. Paula has held various positions in the Bank, including being the first female manager in the Newfoundland Vice-President’s Office in the 1990s. While managing a branch of more than 30 staff members, Paula also dedicates her time to a number of causes in the community, including the Rotary Club, Big Brothers/Sisters, Rick Hansen Wheels in Motion, the local Cancer Society and World Vision. Most recently, she has been the Chair of the Agnes Pratt Home Foundation, a seniors’ long-term care facility.

“Throughout my career, I’ve been blessed with great mentors and coaches. In the beginning, most mentors were men. Today, there are so many fabulous women who are thrilled to take on these roles. The Bank has been exceptional in fostering a coaching environment that’s now embedded into our culture.”

— Enid Picó, Senior Vice-President, International Operations and Shared Services
We achieved many environmental milestones for Scotiabank in 2010, which include:

- We launched ecoliving, our Canadian flagship environmental awareness program;
- Scotiabank Peru began the process to become carbon neutral by purchasing carbon credits and investing in environmental projects that offset their greenhouse gas emissions;
- Scotiabank became the Canadian Chair of the North American Task Force of the United Nations Environment Programme Finance Initiative (UNEP FI);
- Since 2009, Scotiabank has introduced 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; and
- Scotiabank Mexico was a sponsor of the World Climate Change Summit 2010, the premier business, finance and government conference dedicated to accelerating solutions to climate change, in Cancun Mexico.

Reducing Our Impact

All across the Bank and throughout our global operations, we work to reduce our environmental footprint, focusing primarily on reducing our paper and energy consumption and making environmentally conscious real estate decisions. The Bank has a global Environmental Policy to help guide our work and measure our progress.

In 2010:

- We exceeded our 5% bond copy paper reduction target; in fact, since 2008, we have reduced our Canadian bond copy paper consumption by 24%.
- We have added bond copy paper consumption data for Chile and Costa Rica in addition to our data from Mexico and Peru. Together with our Canadian data, we now report on over 80% of our global operations.
- We added energy consumption data for Mexico and Costa Rica to our reporting, which already included Peru and Chile. Together with our Canadian data (which we have reported on since 2007), we now report on 80% of our global operations.
- Scotiabank now has 20 “green” branches, most of which have been certified under the BOMA BEST (Building Environmental Standards) program, an internationally recognized environmental program.
- We completed 10 full energy studies and 100 site visits to Canadian branches to identify ways to reduce energy consumption.

We also continue to take into account the environmental impact and ethical business practices of our suppliers. Scotiabank’s standard requests for proposals ask all applicants to describe their CSR and environmental policies and practices, recycling and disposal methods, and look to ensure that their employment practices support diversity and human rights.

For our 2010 paper and energy consumption numbers, see the Appendix on the back inside cover.
“From solar power to energy-saving home renovations, thousands of Canadians are already using and benefiting from green power. With Scotiabank’s support, we are telling these stories and helping more Canadians get involved. It’s innovative partnerships like this that are needed to tackle global warming.”

– Rick Smith, Director, Environmental Defence

**AVAILABLE ONLINE**

- For more in-depth information on our environmental practices, visit [www.scotiabank.com/csr/environment](http://www.scotiabank.com/csr/environment).
- To discover more about our Ecoliving program, visit [www.ecoliving.scotiabank.com](http://www.ecoliving.scotiabank.com).
- For a full description on how the Bank is reducing its impact on the environment, visit [www.scotiabank.com/CSR/environment/reducing-impact](http://www.scotiabank.com/CSR/environment/reducing-impact).
- For further information on our environmental lending and investing, visit [www.scotiabank.com/csr/lending-investing](http://www.scotiabank.com/csr/lending-investing).
- For more information on Scotiabank’s response to the Carbon Disclosure Project, visit: [www.cdproject.net](http://www.cdproject.net).

**Photo:** Nightfall at Kruger Energy’s Chatham Wind Farm, Ontario, Canada – a client of Scotia Capital.
Environmental Risk

Scotiabank has a board-approved Environmental Policy that guides day-to-day operations, lending practices, supplier agreements, the management of real estate holdings and external reporting. It helps mitigate environmental risk across the Bank.

We adhere to environmental risk management policies in all of our lending activities.

- Environmental risks that could be associated with the business operations of each borrower and any real property offered as security are considered in our credit evaluation procedures.
- Since 2006, we have incorporated global environmental and social standards in international project financing, through our adoption of the Equator Principles.
- Scotiabank is a signatory, participant and sponsor of the Carbon Disclosure Project, which provides corporate disclosure to the investment community on greenhouse gas emissions and climate change management.
- In 2010, Scotiabank developed a new set of due diligence procedures to help evaluate risks associated with aboriginal issues that may come up in lending practices.

Scotia Global Climate Change Fund

The Scotia Global Climate Change Fund, one of 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.

In 2010, we’ve been tracking global environmental policy developments, including the commitments individual nations are making to address climate change.

Renewable Energies

Scotia Capital is helping to promote the renewable energy sector and attract investor interest by offering extensive expertise to clients, including investment opportunities, industry trends, public policy and economic analysis of the sector. In 2010, Scotia Capital had approximately CDN$1.1 billion in authorized credits to the renewable energy sector in Canada.

Environmental Markets

In 2010, Scotia Capital’s Global Energy Solutions group formed an Environmental Markets group. This group’s carbon origination, structuring and trading capabilities will help meet the needs of an increasing number of clients looking for ways to manage their carbon footprints and liabilities.

Project Financing

We incorporate global environmental and social standards in international project financing, through our adoption of the Equator Principles.

These principles apply to project financing where total capital costs exceed US$10 million. In 2010, Scotiabank financed 16 projects that meet the Equator Principles requirements.

2010 Equator Principles Assessments

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1</td>
</tr>
<tr>
<td>B</td>
<td>7</td>
</tr>
<tr>
<td>C</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>

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.
“Finding ways to reduce our environmental impact is top of mind for Canadians and for Scotiabank. There are hundreds of rebates and environmentally friendly ways to renovate the home, and Scotiabank’s EcoLiving program simplifies this process by providing information and resources to get people on their way.”

— Kaz Flinn, Vice-President, Corporate Social Responsibility

CASE STUDY: ECOLIVING PROGRAM

In 2010, Scotiabank launched the EcoLiving program, the Bank’s Canadian flagship environmental program. The objective of EcoLiving is to enrich the lives of our customers and employees by creating opportunities to save money, reduce energy usage and contribute to a healthier home and planet. We know that customers are taking notice of the environmental actions of their financial institutions, and that employees want to work for companies that are environmentally conscientious.

We partnered with Green Living (experts in the environmental consulting field) to launch the program, which includes a new website, a magazine, an awards program and a partnership with Environmental Defence, an environmental non-governmental organization.

The EcoLiving website (www.ecoliving.scotiabank.com) is the centrepiece of the program, providing access to articles on various green-home topics and potential green renovation ideas, as well as a rebate database that brings together available government rebates to help our customers and employees save money and reduce energy usage.

The EcoLiving magazine, a bi-annual publication, features seasonally specific articles on green power options, home decor, renovation inspiration and eco-friendly consumer goods.

We’ve rolled out the green carpet for Canada’s leaders in home energy efficiency with the launch of the Scotiabank EcoLiving Awards. Through the Scotiabank EcoLiving Awards, we’re recognizing Canadian businesses, innovators and students dedicated to improving energy efficiency in the home. With approximately 60 submissions across the three categories, the awards gala will recognize three leaders at an event in June 2011 at the Art Gallery of Ontario.

As part of the EcoLiving relationship with Environmental Defence, Scotiabank sponsors their I am Green Power campaign, which focuses on empowering Canadians to find local solutions to climate change and features stories from Canadians on how they are making an environmental difference as part of their every day lives. One of the campaign’s public service announcements, Power, showcases the recent solar panel installation completed on a Mississauga Scotiabank branch.

1. EcoLiving Magazine, a bi-annual publication available at Scotiabank branches.
3. Recent solar panel installation completed on a Scotiabank branch in Mississauga, Ontario, Canada.
Our Communities

Scotiabank contributes to communities and causes across the globe. Donating our time and support is an important aspect of who we are and what we do.

Our goal is to have an impact. In 2010, Scotiabank contributed about CDN$50 million in donations, sponsorships and other forms of assistance, mostly to support organizations and projects that make a direct, immediate difference in the communities where we live and work around the world. Throughout this section, we provide examples of our corporate support in 2010. For more information and details, visit www.scotiabankbrightfuture.com.

As of January 2011, Scotiabank’s global Bright Future Program now encompasses all of our community giving initiatives around the world under one banner. To read more about Scotiabank Bright Future, see page 20.

Employee Engagement

In 2010, Scotiabank employees dedicated 324,000 hours of their time to important causes in their communities.

Employees are at the heart and soul of Scotiabank’s community involvement. They support relevant causes in their communities, focusing on areas such as health, education and social services, and respond to urgent calls for aid during crises or natural disasters.

Through the Team Scotia Community Program (TSCP), Scotiabank matches funds raised by employees for local causes, up to a maximum of CDN$5,000 raised by teams of five or more employees or CDN$15,000 raised by teams of 30 or more employees.

In 2010, Scotiabankers in St. Laurent, Quebec, chopped their locks for the Quebec Breast Cancer Foundation’s “Shave to Save” event to raise funds for breast cancer research, education and awareness, and support for people affected by breast cancer. With Scotiabank employees Costa Stavriadis and Harout Terzian volunteering to shave their heads for the second year in a row, the branch helped raise CDN$6,400 for the organization.

Under the Scotia Employee Volunteer Program (SEVP), the Bank donates up to CDN$1,000 per year to charitable organizations in which our employees and pensioners are active volunteers.

In 2010, Chilean Scotiabanker Yessica Cerna volunteered about 200 hours at Hogar Pukuñil, a community organization in the city of Chillón, Chile. The organization provides food, shelter and education, as well as psychological and social support for at-risk children. Yessica uses her skills and expertise to support the educational activities and help coordinate work at the shelter. With the help of the SEVP funds, Hogar Pukuñil was able to purchase three computers, as well as desks and chairs for the children.

Disaster Relief

Scotiabank responds to urgent calls for aid during crises and natural disasters around the world and at home.

In 2010, the Bank helped with disaster relief in Haiti, Peru, Chile, Jamaica, Pakistan, Newfoundland and Labrador, and New Brunswick.

- In July 2010, the government of Peru declared a state of emergency across more than half the country, due to extreme cold weather that resulted in hundreds of deaths – including children – in some of the country’s poorest regions. Scotiabank Peru organized a fundraising campaign to help those most affected by these extreme weather conditions. Thanks to this campaign, Scotiabank Peru was able to raise more than CDN$95,000 from Scotiabank employees both in Peru and Canada, and the Peruvian public. The funds were used to provide residents with solar heaters, more efficient stoves, animal shelters, crop replacement, and health and nutrition lessons.

- On Jan. 12, 2010, Haiti was devastated by a powerful earthquake. Scotiabank donated CDN$250,000 to the Canadian Red Cross, and opened a special account where Scotiabankers worldwide could donate. We matched the funds raised through this account up to CDN$250,000. The fund has been used to assist the 85 Scotiabank employees working at four branches in Haiti, their families and communities.
"Scotiabank Girls HockeyFest gives girls a real taste of possibility. It shows them what they are capable of with the right training and encouragement. I wish there had been a program like this when I was starting out."

– Tessa Bonhomme, 2010 winter Olympic gold medalist and Scotiabank Hockey Ambassador
CASE STUDY: BRIGHT FUTURE

For its entire history, Scotiabank has been providing corporate charitable donations to communities in need. We have a long history of sponsoring valuable programs across the countries where we do business. Scotiabank employees have also been consistent and committed volunteers in their communities.

As a bank, we have always organized these two streams of giving separately.

In January 2011, we introduced the Scotiabank bright Future Program that brings together all of the Bank’s charitable, social and community efforts and employee volunteer activities under one banner. It unites employees and charitable efforts throughout the entire organization, from Victoria to St. John’s, from Antigua to Thailand.

This year, the program introduced the Scotiabank Bright Future Community Leadership Awards. In addition to a number of current employee award programs, every year, the Bank will recognize two employees and two teams of employees (one from Canada and one from an international location) for their outstanding commitment to their community and their demonstrated leadership to helping those in need. Scotiabank will donate CDN$2,500 (or USD equivalent) to the registered charity of the individual, or CDN$5,000 (or USD equivalent) to the winning teams’ registered charities.

“My most sincere thank you, on behalf of the Orangeville Community Band, for the very generous support under the Scotiabank Employee Volunteer Program. When I presented the cheque to the band, there was thunderous applause as well as a drum roll, cymbal crash, in appreciation. I was extremely proud to be a Scotiabanker that evening, which I have been for nearly 25 years.”

— Erin Jenkins, Support Analyst, HR Information Services

Scotiabank is a member of:

AVAILABLE ONLINE

- For more information on Scotiabank’s Bright Future Program and about how Scotiabank and Scotiabank employees have made a difference in communities around the world, visit www.scotiabankbrightfuture.com.
- For Canadian Centre for Philanthropy, visit www.imaginecanada.ca.
APPENDIX


Key economic, social and environmental performance indicators

<table>
<thead>
<tr>
<th>Economic Indicators</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; employee benefits (global)</td>
<td>$4.0 billion</td>
<td>$4.3 billion</td>
<td>$4.6 billion</td>
</tr>
<tr>
<td>Debt financing to business (Canada)</td>
<td>over $99 billion</td>
<td>over $86 billion</td>
<td>over $83 billion</td>
</tr>
<tr>
<td>Taxes (global)</td>
<td>$1.5 billion</td>
<td>$1.9 billion</td>
<td>$2.5 billion</td>
</tr>
<tr>
<td>Amount spent on goods &amp; services from suppliers (global)</td>
<td>$2.8 billion</td>
<td>$3.1 billion</td>
<td>$3.0 billion</td>
</tr>
<tr>
<td>Return on equity</td>
<td>16.7%</td>
<td>16.7%</td>
<td>18.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social Indicators</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total donations &amp; sponsorships (global)</td>
<td>$43 million</td>
<td>$39 million</td>
<td>$50 million</td>
</tr>
<tr>
<td>Number of global employee volunteer hours through formal community involvement programs</td>
<td>240,000 hours</td>
<td>299,000 hours</td>
<td>340,000 hours</td>
</tr>
<tr>
<td>Investment in employee training (global)</td>
<td>$84 million</td>
<td>$56 million</td>
<td>$74 million</td>
</tr>
<tr>
<td>Employee satisfaction (global)</td>
<td>86%</td>
<td>86%</td>
<td>85%</td>
</tr>
<tr>
<td>Women in senior management (global)</td>
<td>22%</td>
<td>22.1%</td>
<td>22.6%</td>
</tr>
<tr>
<td>Women in senior management (Canada)</td>
<td>31.5%</td>
<td>32%</td>
<td>33.1%</td>
</tr>
<tr>
<td>Visible minorities in senior management (Canada)</td>
<td>11.1%</td>
<td>11.6%</td>
<td>12%</td>
</tr>
<tr>
<td>Aboriginal employees (Canada)</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Employees with disabilities (Canada)</td>
<td>4.0%</td>
<td>4.2%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Locations serving Aboriginal customers (Canada)</td>
<td>26</td>
<td>26</td>
<td>27</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental Indicators</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption</td>
<td>1,012,680 GJs</td>
<td>953,292 GJs</td>
<td>1,019,330 GJs</td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>63,352 tonnes</td>
<td>59,617 tonnes</td>
<td>54,362 tonnes</td>
</tr>
<tr>
<td>Business travel (air/rail)</td>
<td>65,352,253 km</td>
<td>32,746,696 km</td>
<td>50,078,224 km</td>
</tr>
<tr>
<td>Paper consumption</td>
<td>5,090 tonnes</td>
<td>4,760 tonnes</td>
<td>4,319 tonnes</td>
</tr>
<tr>
<td>Paper shredding/recycling (Canada)</td>
<td>5,099.97 tonnes</td>
<td>5,056.19 tonnes</td>
<td>5,050 tonnes</td>
</tr>
<tr>
<td>Environmental disposal of computer equipment</td>
<td>24,808 items</td>
<td>18,769 items</td>
<td>4,748 items</td>
</tr>
</tbody>
</table>

1. The 2010 data represents a new index – Employee Engagement – which measures the passion and commitment employees have for their job, coworkers and organization, that influences them to go the “extra mile.”
2. While our GHG emissions decreased by 9%, our consumption in GJ increased due to additional locations.
3. Estimated based on calendar year totals. Scotiabank changed providers in Q4 of fiscal 2009; therefore, a total for the fiscal year was not available.
4. 2008 restated to reflect revised numbers supplied by vendor.

2010 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 2010, this totaled $2.5 billion (taxable equivalent basis), representing 40 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 2010, please refer to Table 53 in Scotiabank’s 2010 Annual Report, available online at www.scotiabank.com.

Number of employees in Canada*

<table>
<thead>
<tr>
<th>Full-time</th>
<th>Part-time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberta</td>
<td>2,544</td>
<td>1,252</td>
</tr>
<tr>
<td>British Columbia</td>
<td>2,279</td>
<td>1,199</td>
</tr>
<tr>
<td>Manitoba</td>
<td>513</td>
<td>234</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>563</td>
<td>325</td>
</tr>
<tr>
<td>Newfoundland &amp; Labrador</td>
<td>529</td>
<td>273</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>1,363</td>
<td>592</td>
</tr>
<tr>
<td>Northwest Territories</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Ontario</td>
<td>19,943</td>
<td>5,047</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>120</td>
<td>58</td>
</tr>
<tr>
<td>Quebec</td>
<td>1,754</td>
<td>402</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>456</td>
<td>329</td>
</tr>
<tr>
<td>Yukon Territories</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>30,119</td>
<td>9,810</td>
</tr>
</tbody>
</table>

Total full-time equivalent: 32,805

*As at October 31, 2010, there were 1,078 contract employees, representing 2.7% of the total Canadian Workforce, and 3,193 casual employees, representing 8.0% of the total Canadian workforce.

Taxes in Canada

<table>
<thead>
<tr>
<th>(As at October 31, 2010)</th>
<th>Income taxes</th>
<th>Capital taxes</th>
<th>Other taxes(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>431,127</td>
<td>0</td>
<td>150,128</td>
</tr>
<tr>
<td>Provincial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newfoundland</td>
<td>4,725</td>
<td>4,447</td>
<td>3,529</td>
</tr>
<tr>
<td>Prince Edward island</td>
<td>1,207</td>
<td>633</td>
<td>113</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>12,045</td>
<td>4,621</td>
<td>5,337</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>4,289</td>
<td>1,742</td>
<td>2,066</td>
</tr>
<tr>
<td>Quebec</td>
<td>18,600</td>
<td>2,683</td>
<td>14,546</td>
</tr>
<tr>
<td>Ontario</td>
<td>219,343</td>
<td>21,459</td>
<td>106,258</td>
</tr>
<tr>
<td>Manitoba</td>
<td>4,966</td>
<td>3,879</td>
<td>1,787</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>4,025</td>
<td>4,079</td>
<td>663</td>
</tr>
<tr>
<td>Alberta</td>
<td>20,651</td>
<td>0</td>
<td>5,069</td>
</tr>
<tr>
<td>British Columbia</td>
<td>19,574</td>
<td>2,775</td>
<td>7,390</td>
</tr>
<tr>
<td>Territories</td>
<td>434</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td>Total provinces</td>
<td>309,859</td>
<td>46,318</td>
<td>146,779</td>
</tr>
<tr>
<td>Total</td>
<td>740,986</td>
<td>46,318</td>
<td>296,907</td>
</tr>
</tbody>
</table>

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

Taxes in foreign regions

<table>
<thead>
<tr>
<th>(As at October 31, 2010)</th>
<th>Income taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>85,742</td>
</tr>
<tr>
<td>Caribbean &amp; Latin America</td>
<td>447,204</td>
</tr>
<tr>
<td>Europe &amp; Middle East</td>
<td>155,724</td>
</tr>
<tr>
<td>United States</td>
<td>315,354</td>
</tr>
<tr>
<td>Total</td>
<td>1,004,024</td>
</tr>
</tbody>
</table>

Scotiabank CSR Report 2010 21

2010 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 2010, this totaled $2.5 billion (taxable equivalent basis), representing 40 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 2010, please refer to Table 53 in Scotiabank’s 2010 Annual Report, available online at www.scotiabank.com.
Scotiabank's strong customer focus and commitment to improving sales and service includes maintaining a strong branch network as part of its overall delivery strategy. The Bank currently has 1,019 branches and 2,998 ABMs in Canada. In 2010, as part of our expansion plans, we opened nine new branches. All branches closed or consolidated this year were relocated within the community.

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

### Scotiabank Branches Opened

**Alberta**
- 904 91st St. SW., Edmonton
- 5000 - 356 Cranston Rd. SE., Calgary
- 16620 50th St NW., Edmonton
- 3730 Mayor Magrath Dr. S., Lethbridge
- 372 Aspen Glen Landing SW., Calgary
- 5188 Windermere Blvd. NW., Edmonton

**British Columbia**
- 15290 56th Ave., Surrey

**Ontario**
- 10631 Chinguacousy Dr., Brampton
- 1260 Castlemore Ave., Unit 1, Markham
- 115 King St. S., Unit 90, Waterloo**
- 6019 Steeles Ave. E., Toronto**
- 343 Glendale Ave., St. Catharines*
- 10850 Yonge St., Unit 1, Richmond Hill*
- 544 Bayfield St., Barrie*

**Quebec**
- 5800 Boul. Cavendish, Cote-Saint-Luc**
- 720 Boul. le Corbusier, Laval*

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

### Scotiabank Branches Closed, Relocated or Consolidated

**Ontario**
- 75 King St. S., Waterloo**
- 3585 McNicoll Ave., Scarborough**
- 4559 Hurontario St., Mississauga
- 211 Glendale Ave., Unit 62, St. Catharines*
- 319 Merritt St., St. Catharines*
- 10355 Yonge St., Richmond Hill*
- 580 Bayfield St., Barrie*
- 320 Bayfield St., Barrie*

**Quebec**
- 5800 Boul. Cavendish, Cote-St-Luc**
- 1600 Boul. le Corbusier, Laval*
- 3400 Boul. du Souvenir, Laval*

* Note: None of the branch relocations or consolidations that took place in 2010 constitute market abandonment.

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

### ABM installations and de-installations*

**ABMs installed**

**Alberta**
- 23263 Wye Rd., Sherwood Park
- 4312 1st & 43rd Ave., Claresholm
- 310 Ridge Rd., Strathmore
- 61 Riverside Dr., Okotoks
- 9420 Macleod Tr. and 94th Ave. S., Calgary
- Manning Dr and 142nd Ave., Edmonton
- 5000-356 Cranston Rd. SE., Calgary
- 16620-50 St. NW., Edmonton
- 3730 Mayor Magrath Dr. S., Lethbridge
- 372 Aspen Glen Landing SW., Calgary
- 904-91 St. SW., Edmonton
- 4825 Mount Royal Gate SW., Calgary
- 55 McKenzie Towne Blvd. SE., Calgary
- 5188 Windermere Blvd. NW., Edmonton

**British Columbia**
- 1120 B St., Dawson Creek
- 13598 88th Ave., Surrey
- 3949 Shelbourne St., Victoria
- 4799 Joyce Ave., Powell River
- 6911 No. 3 Rd., Richmond
- 15290 56th Ave., Surrey

**Ontario**
- 632 Plains Rd. E., Burlington
- 915 Westney Rd. S., Ajax
- 780 South Sheridan Way, Mississauga
- 319 Merritt St., St. Catharines*
- 10850 Yonge St., Unit 1, Richmond Hill*
- 544 Bayfield St., Barrie*
- 3000 Thomas St., Mississauga

**Quebec**
- 720 Boul. le Corbusier, Laval
- 5800 Boul. Cavendish, Cote-St-Luc

**Saskatchewan**
- 1101 Broadway Ave. and 8th St., Saskatoon

**Manitoba**
- 2450 Saskatchewan Ave. W., Portage La Prairie
- 1400 Regent Ave. W., Winnipeg

**New Brunswick**
- 129 Brunswick St., St. George

**Nova Scotia**
- Bloomfield Centre, Antigonish

**Ontario**
- 10909 Yonge St., Richmond Hill
- 166 Davis Dr., Newmarket
- 565 Algonquin Blvd. E., Timmins
- 955 Oliver Rd., Thunder Bay
- 203 Front St., Sturgeon Falls
- 140 - 150 University Ave. W., Waterloo
- 319 Merritt St., St. Catharines

**Quebec**
- 1333 Boul. Jacques Cartier Est., Longueuil
- 3400 Boul. du Souvenir, Laval

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

### Voluntary codes of conduct and public commitments*

Scotiabank is committed to a number of voluntary codes of conduct and public commitments designed to protect consumer interests.

These include:
- Canadian Code of Practice for Consumer Debit Card Services
- 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, Customer Care page. Visit the websites of the Financial Consumer Agency of Canada (www.fcac-acfc.gc.ca) and the Canadian bankers Association (www.cba.ca) for more detailed information on consumer protection.
Debt financing

Scotiabank is committed to meeting the needs of Canadian businesses, including small and medium enterprises. The following charts indicate – by province and for Canada as a whole – the amount of business credit authorized and outstanding, as of Oct. 31, 2010, and the number of customers to whom it was authorized.

<table>
<thead>
<tr>
<th>Authorization levels of:</th>
<th>$0 - $24,999</th>
<th>$25,000 - $99,999</th>
<th>$100,000 - $249,999</th>
<th>$250,000 - $499,999</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Authorized</td>
<td>Outstanding</td>
<td>Customers</td>
<td>Authorized</td>
</tr>
<tr>
<td>British Columbia</td>
<td>97,244</td>
<td>53,563</td>
<td>15,149</td>
<td>269,728</td>
</tr>
<tr>
<td>and Yukon*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alberta &amp; NWT**</td>
<td>95,670</td>
<td>46,343</td>
<td>14,797</td>
<td>282,337</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>29,488</td>
<td>16,372</td>
<td>3,551</td>
<td>122,150</td>
</tr>
<tr>
<td>Manitoba</td>
<td>103,064</td>
<td>28,357</td>
<td>10,905</td>
<td>781,352</td>
</tr>
<tr>
<td>Ontario</td>
<td>301,575</td>
<td>128,083</td>
<td>50,452</td>
<td>946,739</td>
</tr>
<tr>
<td>Quebec</td>
<td>75,605</td>
<td>56,552</td>
<td>10,217</td>
<td>198,971</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>19,364</td>
<td>7,835</td>
<td>2,763</td>
<td>70,898</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>31,197</td>
<td>12,691</td>
<td>4,492</td>
<td>115,762</td>
</tr>
<tr>
<td>P.E.I.</td>
<td>4,733</td>
<td>2,090</td>
<td>610</td>
<td>23,449</td>
</tr>
<tr>
<td>Newfoundland</td>
<td>20,345</td>
<td>7,981</td>
<td>2,933</td>
<td>82,753</td>
</tr>
<tr>
<td>Canada</td>
<td>778,285</td>
<td>359,867</td>
<td>115,869</td>
<td>2,894,139</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorization levels of:</th>
<th>$500,000 - $999,999</th>
<th>$1,000,000 - $4,999,999</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Columbia and Yukon*</td>
<td>277,433</td>
<td>188,638</td>
</tr>
<tr>
<td>Alberta, Saskatchewan and NWTT***</td>
<td>293,696</td>
<td>170,809</td>
</tr>
<tr>
<td>Manitoba</td>
<td>140,863</td>
<td>64,687</td>
</tr>
<tr>
<td>Ontario</td>
<td>981,388</td>
<td>693,887</td>
</tr>
<tr>
<td>Quebec</td>
<td>207,664</td>
<td>143,542</td>
</tr>
<tr>
<td>New Brunswick, Nova Scotia, P.E.I. and Newfoundland****</td>
<td>236,840</td>
<td>146,572</td>
</tr>
<tr>
<td>Canada</td>
<td>2,137,884</td>
<td>1,408,135</td>
</tr>
</tbody>
</table>

Autorization levels of: over $5,000,000

<table>
<thead>
<tr>
<th>Authorized</th>
<th>Outstanding</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Columbia and Yukon*</td>
<td>2,482,767</td>
<td>1,214,567</td>
</tr>
<tr>
<td>Alberta, Saskatchewan and NWTT***</td>
<td>12,135,866</td>
<td>4,879,171</td>
</tr>
<tr>
<td>Manitoba</td>
<td>564,762</td>
<td>235,888</td>
</tr>
<tr>
<td>Ontario</td>
<td>43,511,028</td>
<td>18,967,329</td>
</tr>
<tr>
<td>Quebec</td>
<td>4,375,233</td>
<td>2,625,851</td>
</tr>
<tr>
<td>New Brunswick, Nova Scotia, P.E.I. and Newfoundland****</td>
<td>2,235,915</td>
<td>1,360,556</td>
</tr>
<tr>
<td>Canada</td>
<td>65,305,571</td>
<td>29,283,362</td>
</tr>
</tbody>
</table>

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

OUR 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.

<table>
<thead>
<tr>
<th>Number of customer complaints received by Office of the President</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,692</td>
<td>10,470</td>
<td>10,123*</td>
<td></td>
</tr>
</tbody>
</table>

Percentage of customers surveyed who were fully satisfied with the handling of their complaint: 88% 89% 88% **

*Represents total number of Office of the President complaints out of more than 18.6 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 1,024 customers.

Overview of Scotiabank’s microfinance services

<table>
<thead>
<tr>
<th>Total loans (CDN)</th>
<th>Average loan size (CDN)</th>
<th># of customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile (Banco del Desarrollo)</td>
<td>$139 million</td>
<td>$3,400</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>$28 million</td>
<td>$2,602</td>
</tr>
<tr>
<td>Guatemala</td>
<td>$25 million</td>
<td>$2,300</td>
</tr>
<tr>
<td>Jamaica</td>
<td>$0.6 million</td>
<td>$400</td>
</tr>
<tr>
<td>Peru</td>
<td>$299 million</td>
<td>$2,900</td>
</tr>
<tr>
<td>Total</td>
<td>$491 million</td>
<td>$166,296</td>
</tr>
</tbody>
</table>

* We define microfinance clients as self-employed or micro-business owners with annual revenues below US$100,000.
OUR 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 www.scotiabank.com (e.g., Banking Lingo 101, Understanding Credit).

CUSTOMER SEGMENT: YOUTH

Basic banking:
- The Student Banking Advantage™ plan (Canada) provides discounted banking fees for full-time university or college students.
- Getting There Savings Program for youth (Canada) is a no-fee plan with up to 20 free debit transactions a month.

Savings, investment & credit:
- L’earn 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 (17 Caribbean and Central American countries).
- Scotiabank Be Money (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/RIF 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 www.scotiabank.com.

CUSTOMER SEGMENT: NEW CANADIANS

Scotiabank’s StartRight program offers newcomers easier access to credit, free day-to-day banking for one year and a variety of other products and services that have been customized to meet their unique needs. In addition, newcomers benefit from a dedicated website, available in eight languages, with helpful resources about life and banking in Canada.

Basic banking:
- Customers can send Western Union money transfers from Scotiabank branches, our contact centres or Scotia OnLine banking to 334,000 agent locations worldwide.

Savings, investment & credit:
- Multilingual TeleScotia and ScotiaMcLeod telephone services.

Financial literacy:
- We provide customized multilingual customer materials in many communities.

CUSTOMER SEGMENT: ABORIGINALS

Basic banking:
- We operate a network of 23 Aboriginal Banking Centres, including four on-reserve branches.

Savings, investment & credit:
- Special GIC offer and no-fee for one-year chequing account for recipients of residential school settlement program (Canada).
- Some Scotiabank branches in Canada have special secured-lending programs with individual Aboriginal communities. We also offer investment management and trustee services to First Nation Trusts across Canada.

Financial literacy:
- Scotiabank and the National Aboriginal Achievement Foundation (NAAF) launched the Scotiabank Business and Commerce Bursary Award, providing Aboriginal business and commerce students with bursary funding. The fund, which continues through 2013, will provide $20,000 to help Aboriginal business and commerce students pay their educational costs.
- With the Paul Martin Initiative, in 2010, Scotiabank launched a new two-year, CDN$280,000 sponsorship for an on-reserve youth entrepreneurship program.

CUSTOMER SEGMENT: SMALL BUSINESS

Basic banking:
- Branch-based small business advisors deliver practical tools and resources that support small business success.
- Scotia Running Start for Business program has supported more than 30,000 customers with their start-up businesses since program inception.

Savings, investment & credit:
- Scotiabank authorized more than $9.2 billion in debt financing to Canadian small and medium sized businesses.
- Scotia Flex and Scotia One Account Plan (Canada) for agricultural clients.
- Scotiabank provides unique financial solutions to meet the savings and borrowing needs of international small business customers.

Financial literacy:
- Get Growing to a Million (Canada) campaign to provide expert advice, resources and an online community.

CUSTOMER SEGMENT: MICRO BUSINESS

Microfinance operations in Chile, Peru, Jamaica, Dominican Republic and Guatemala operate microfinance subsidiaries with outstanding credit balances of more than CDN$491 million, and financial literacy and business planning resources in select countries.
**OUR 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.

<table>
<thead>
<tr>
<th>Group</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>Government benchmark**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visible minorities (Canada)</td>
<td>21.8%</td>
<td>22.0%</td>
<td>23.8%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Visible minorities in senior management (Canada)</td>
<td>11.9%</td>
<td>11.6%</td>
<td>12.0%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Women (Canada)</td>
<td>70.8%</td>
<td>70.1%</td>
<td>69.4%</td>
<td>62.2%</td>
</tr>
<tr>
<td>Women in senior management (Canada)*</td>
<td>31.5%</td>
<td>32.0%</td>
<td>33.1%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Women in VP+ positions (Global)</td>
<td>22.0%</td>
<td>22.1%</td>
<td>22.6%</td>
<td>NA</td>
</tr>
<tr>
<td>Persons with disabilities (Canada)</td>
<td>4.0%</td>
<td>4.2%</td>
<td>4.0%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Aborigians (Canada)</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.1%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

* 2010 data exclude provincially regulated ScotiaMcLeod and Rayvat 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.

---

**OUR ENVIRONMENT**

Scotiabank Canadian paper consumption (tonnes)

<table>
<thead>
<tr>
<th>Paper classification</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>% change 2009/10</th>
<th>EFC**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business forms*</td>
<td>2,799</td>
<td>2,824</td>
<td>2,610</td>
<td>(7.6)</td>
<td>2/5 of highest items</td>
</tr>
<tr>
<td>Business cards</td>
<td>8</td>
<td>7</td>
<td>0</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Letterhead</td>
<td>20</td>
<td>10</td>
<td>12</td>
<td>20</td>
<td>100%</td>
</tr>
<tr>
<td>Bond copy paper</td>
<td>1,904</td>
<td>1,651</td>
<td>1,450</td>
<td>(12.2)</td>
<td>100%</td>
</tr>
<tr>
<td>Annual reports</td>
<td>83</td>
<td>85</td>
<td>75</td>
<td>(11.8)</td>
<td>100%</td>
</tr>
<tr>
<td>Marketing direct mail</td>
<td>276</td>
<td>183</td>
<td>165</td>
<td>(9.8)</td>
<td>100%</td>
</tr>
<tr>
<td>Total weight (tonnes)</td>
<td>5,090</td>
<td>4,760</td>
<td>4,319</td>
<td>(9.9)</td>
<td></td>
</tr>
<tr>
<td>Consumption per employee</td>
<td>0.16</td>
<td>0.15</td>
<td>0.13</td>
<td>(0.02)</td>
<td></td>
</tr>
</tbody>
</table>

* 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.

---

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

**Measuring energy consumption (Canada)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct CO2 emissions (metric tonnes)</th>
<th>Indirect CO2 emissions (metric tonnes)</th>
<th>Total CO2 emissions (metric tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>34,231</td>
<td>17,521</td>
<td>51,752</td>
</tr>
</tbody>
</table>

**2010 greenhouse gas emissions**

<table>
<thead>
<tr>
<th>Source</th>
<th>CO2 emissions (metric tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect CO2 produced from electricity and steam purchases</td>
<td>34,231</td>
</tr>
<tr>
<td>Direct CO2 emissions produced from combustion of fuels</td>
<td>17,521</td>
</tr>
<tr>
<td>Indirect CO2 emissions produced from employee air travel</td>
<td>2,609**</td>
</tr>
<tr>
<td><strong>Total CO2 footprint</strong></td>
<td>54,362</td>
</tr>
</tbody>
</table>

**2010 energy consumption**

<table>
<thead>
<tr>
<th>Type of energy</th>
<th>Consumption unit</th>
<th>Total consumption</th>
<th>Consumption per sq. metre</th>
<th>Branches / Owned office buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>Megawatt hours</td>
<td>185,860</td>
<td>0.26</td>
<td>916 / 21</td>
</tr>
<tr>
<td>Steam</td>
<td>Pounds (1000s)</td>
<td>17,583</td>
<td>0.44</td>
<td>0 / 1</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Cubic metres</td>
<td>8,553,219</td>
<td>16.12</td>
<td>640 / 18</td>
</tr>
<tr>
<td>Fuel oil/Propane</td>
<td>Litres</td>
<td>300,984</td>
<td>15.59</td>
<td>37 / 0</td>
</tr>
</tbody>
</table>

**Measuring energy consumption (Mexico, Peru, Chile and Costa Rica)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct CO2 emissions (metric tonnes)</th>
<th>Indirect CO2 emissions (metric tonnes)</th>
<th>Total CO2 emissions (metric tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>34,571</td>
<td>39</td>
<td>34,610</td>
</tr>
</tbody>
</table>

**2010 greenhouse gas emissions**

<table>
<thead>
<tr>
<th>Source</th>
<th>CO2 emissions (metric tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect CO2 produced from electricity purchases</td>
<td>34,571</td>
</tr>
<tr>
<td>Direct CO2 emissions produced from combustion of fuels</td>
<td>39</td>
</tr>
<tr>
<td>Indirect CO2 emissions produced from employee air travel</td>
<td>3,075**</td>
</tr>
<tr>
<td><strong>Total CO2 footprint</strong></td>
<td>37,686</td>
</tr>
</tbody>
</table>

**2010 energy consumption**

<table>
<thead>
<tr>
<th>Type of energy</th>
<th>Consumption unit</th>
<th>Total consumption</th>
<th>Consumption per sq. metre</th>
<th>Branches / Owned office buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>Megawatt hours</td>
<td>81,196</td>
<td>0.16</td>
<td>919 / 59</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Cubic metres</td>
<td>18,587</td>
<td>14.08</td>
<td>2 / 0</td>
</tr>
<tr>
<td>Fuel oil/Propane</td>
<td>Litres</td>
<td>1,000</td>
<td>2.24</td>
<td>1 / 0</td>
</tr>
</tbody>
</table>

Notes:
1. The above information was collected from the best available data and methodologies, which includes information captured from invoices processed for payment from various utility vendors. Given the scope of the system implementation undertaken, we expect to continue refining systems and processes going forward.
2. Our Canadian report is based on 916 owned and leased retail locations and the space occupied by the Bank in 21 owned office buildings across Canada, representing approximately 700,000 square metres. This area varies depending on utility type.
3. Our Mexico, Peru, Chile and Costa Rica report is based on 919 owned and leased retail locations and the space occupied by the Bank in 59 owned office buildings representing approximately 507,000 square metres. This area varies depending on utility type.

Scotiabank's global paper consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Total consumption</th>
<th>Branches / Owned office buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>985.26</td>
<td>916 / 21</td>
</tr>
</tbody>
</table>

Scotiabank bond copy paper consumption in international locations in 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>Total consumption (tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>566.58</td>
</tr>
<tr>
<td>Peru</td>
<td>200</td>
</tr>
<tr>
<td>Chile</td>
<td>194</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>24.68</td>
</tr>
</tbody>
</table>

Scotiabank's global salaries and benefits

<table>
<thead>
<tr>
<th>Year</th>
<th>Salaries (millions)</th>
<th>Performance-based compensation (millions)</th>
<th>Stock-based compensation (millions)</th>
<th>Pensions and other employee benefits (millions)</th>
<th>Total (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$2,751</td>
<td>$1,088</td>
<td>$205</td>
<td>$603</td>
<td>$4,647</td>
</tr>
</tbody>
</table>

(1) Voluntary means 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.
OUR PRIORITIES

The following goals were set out in our 2009 Corporate Social Responsibility Report. Here’s how we did in 2010:

<table>
<thead>
<tr>
<th>OUR CUSTOMERS:</th>
<th>OUR EMPLOYEES:</th>
<th>OUR ENVIRONMENT:</th>
<th>OUR COMMUNITIES:</th>
</tr>
</thead>
</table>
| **Customer Satisfaction**: Increase levels of customer satisfaction and loyalty, and continue to set goals for the percentage of customers who are satisfied with the handling of their complaints. | **Leadership**: Continue to make leadership a competitive advantage. **Results**: Through the guidance of our Human Investment Committee and Senior Vice-President of Talent Management, 2010 leadership opportunities were used to develop, broaden and deepen our global talent pool. Rigorous 2010 Leadership Resource Planning executive roundtables also maintained identification and development of key people as a top priority at Scotiabank. | **Energy/GHG Measurement**: Implement a five-year plan to incorporate more international countries into our total energy and GHG measurements. **Results**: In 2010, we introduced energy/GHG data from Mexico and Costa Rica to our data from Canada, Chile and Peru. Together, these countries represent over 80% of our global operations. **Paper reduction**: Build on the 2009 paper reduction campaign to further reduce paper consumption by another 5%. **Results**: We exceeded our paper reduction target by 19%, for a total reduction of 24% since 2008. | **Continue to support key areas of need in the communities where we live and work, such as health, education, social services, and arts and culture. **Results**: Scotiabank continued to support key areas of need in the community. Our contributions in 2010 were directed as follows: 34% for Health, 15% for Education, 29% for Social Services, and 8% for Arts and Culture. **Expand outreach**: Look to extend our environmental outreach by identifying key partnership opportunities with environmental organizations. **Results**: Sponsored Environmental Defence’s I am Green Power campaign, focused on empowering Canadians to find solutions to climate change and highlight how they are making an environmental difference as part of their daily lives. **Environmental strategy program**: Develop and launch a Canadian Banking green incentive strategy with customer, operational and employee components. | **Canadian Small Business Banking**: Scotiabank Small Business advisors are focused on identifying business owners growth plans and supporting them with practical advice, information and banking services. **Results**: Scotiabank’s Small Business customer loyalty index increased to 53% in 2010. | **Workforce capability**: Continue to enhance workforce talent and capabilities and upgrade the technical platform of the Bank’s Learning Management System to improve employees’ experience with learning and development. **Results**: We successfully completed the upgrade to and implementation of the Bank’s Learning Management System. **Global Employer of Choice**: Continue to implement global human resource principles and shared standards in order to create a consistent employment experience. We want to continue being an employer of choice. **Results**: Developed and implemented Global Principles for Pre-Employment Verification. Global Diversity and Inclusion Strategy approved by Human Investment Committee. All executive committee members and more than half of their direct reports have received a substantive briefing on diversity and inclusion as a key to business sustainability. **Advancement of Women (AOW)**: Continue to expand the Bank’s Advancement of Women framework globally. **Results**: A global, management level, career development survey was launched in November 2009 to both men and women with the aim of better understanding career advancement issues. Additionally, a new governance structure was established to bring a gender-balanced perspective to the Advancement of Women initiative. | **Multicultural Banking**: Continue to develop products and services designed to support newcomers to Canada, through the Scotiabank StarRight program, with an increased focus on expanding our offerings across all customer distribution channels. **Results**: Expanded our offering with customized solutions for foreign workers and international students, in addition to new immigrants. Introduced the StarRight Auto Loan Program, the first of its kind in Canada from an automotive financing provider. | **Global Diversity and Inclusion Strategy approved by Human Investment Committee**: All executive committee members and more than half of their direct reports have received a substantive briefing on diversity and inclusion as a key to business sustainability. **Results**: Developed and implemented Global Principles for Pre-Employment Verification. Global Diversity and Inclusion Strategy approved by Human Investment Committee. All executive committee members and more than half of their direct reports have received a substantive briefing on diversity and inclusion as a key to business sustainability. **Sponsored Environmental Defence’s I am Green Power campaign**, focused on empowering Canadians to find solutions to climate change and highlight how they are making an environmental difference as part of their daily lives. **Environmental strategy program**: Develop and launch a Canadian Banking green incentive strategy with customer, operational and employee components. **Results**: Launched the EcoLiving program, the Bank’s Canadian flagship environmental program, with the objective to help customers and employees save money, reduce energy usage and contribute to a healthier home and planet. Visit www.ecoliving.scotiabank.com. **Continue to reinforce the Scotiabank Bright Future Program and support child-centered charities and initiatives internationally. **Results**: Scotiabank released the fourth annual Bright Future Magazine, highlighting the community initiatives we support in the Caribbean and Latin America. This year, Canada was also represented in this publication. | **Corporate Headquarters**
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Scotiabank has long been recognized as Canada’s most international bank, with a rich heritage that goes back more than 120 years in the Caribbean, and decades in Asia and Latin America. This global reach, and the Bank’s strong business lines, mean that Scotiabank is well diversified from both an earnings and risk perspective.

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, Venezuela

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

**EUROPE & MIDDLE EAST:**
Dubai, Egypt, Ireland, 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
Scotiabank helps to build bright futures

worldwide through ethical banking practices, environmental awareness and a commitment to communities.

The Scotiabank Bright Future program is our international philanthropic program, which unites the Bank’s charitable, social and community efforts and employee volunteer activities under one new banner.

www.scotiabankbrightfuture.com