

Scotiabank Adopts Revised Equator Principles, Renews Commitment to Environmental Risk Management and Sustainable Development

TORONTO, September 25, 2006 – Scotiabank announced today the bank has adopted the revised Equator Principles, a set of internationally recognized, voluntary project finance guidelines that establish social and environmental standards in the banking industry.

“Scotiabank is proud to take part in a common framework and language for environmental and social issues in the project finance industry,” said Rick Waugh, President and Chief Executive Officer, Scotiabank. “We are committed to supporting the communities in which we live and work.”

The new principles have a wider scope and apply to project financing where capital costs exceed US\$10 million, instead of US\$50 million. They also reflect recent revisions to the International Finance Corporation’s (IFC)’s performance standards, upon which the Equator Principles are in part based.

In adopting the Equator Principles, Scotiabank agrees to provide loans only to those projects whose borrowers can demonstrate their ability and willingness to comply with comprehensive processes aimed at ensuring that projects are developed in a socially responsible manner and according to sound environmental management practices.

“The Equator Principles have enabled Scotiabank to better assess, mitigate, document and monitor the potentially adverse social and environmental risks associated with financing projects,” said Brian Porter, Executive Vice-President and Chief Risk Officer. “We are fully committed to integrating the revised Equator Principles into policies and processes, including the establishment of reporting mechanisms and proper training.”

The full text of the revised Equator Principles can be found at www.equator-principles.com.

Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With more than 55,000 employees, Scotiabank Group and its affiliates serve about 10 million customers in some 50 countries around the world. Scotiabank offers a diverse range of products and services including personal, commercial, corporate and investment banking. With \$365 billion in assets (as at July 31, 2006), Scotiabank trades on the Toronto (BNS) and New York (BNS) Stock Exchanges. For more information please visit www.scotiabank.com.

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