

Updated as at June 27, 2006

In our website updates of September 27, 2005, August 12, 2005 and January 16, 2006, you were advised that your committee and National Trust had reached an agreement in principle establishing a framework for the negotiation of a formal pension surplus sharing agreement, under which the surplus in The Scotiabank Pension Plan for Former Employees of National Trust Company (the "Plan") could be shared between eligible members and National Trust. We are pleased to announce that the terms of the full, detailed surplus sharing proposal have now been successfully concluded and the surplus sharing agreement is currently being finalized.

On August 11, 2005, eligible Plan members were mailed, to their latest address of record, a package containing two letters and an Authorization and Membership Form. We are pleased to report that around 72% of the Member Group has returned their green "Authorization and Membership Form". In a letter dated January 11, 2006, non-responding eligible Plan members were mailed a Reminder Notice because a high level of member consent must be achieved in order to ensure that the surplus funds can be distributed.

If you believe you are an eligible member, and did not receive a package, or if you have moved since returning your form, please notify **Koskie Minsky LLP** at 1-800-451-3225.

NEXT STEPS

We anticipate to mail out by early Fall a detailed information package which will include a summary of the Proposal, and an estimate of your surplus share (note that this will be an estimate only - the final amount of surplus that might ultimately be payable to you should the Proposal proceed may be higher or lower than the amount that will be shown in your package). This material is currently being prepared by Hewitt Associates (the Plan actuaries), and **Koskie Minsky LLP** (our lawyers) with involvement by our actuary and the lawyers for National Trust. You will also receive an authorization form in the package, which will ask you to vote on the Proposal. Following the mailing, we anticipate that by the late Fall, we will be holding information meetings in certain major cities across Canada, along with representatives of National Trust, to explain the Proposal. At that time, you will have an opportunity to ask questions of the lawyers, actuaries and committee members. You will also be able to contact us at our toll-free number after the meetings with questions, and a separate toll-free number for the Plan actuaries will also be available.

Contact Us

You will notice that committee member contact information has been omitted from recent mailings. Due to the magnitude of these mailings a **Koskie Minsky LLP** toll-free telephone hotline (1-800-451-3225) and an e-mail address have been established to allow you to direct any questions you may have to **Koskie Minsky LLP**.