

Scotia Capital Expands Global Fixed Income Rates Team into Europe

TORONTO, November 5, 2010 – Scotia Capital, the wholesale banking division of Scotiabank, today announced an expanded Global Fixed Income Rates platform, leveraging its solid Canadian operations to build new capabilities in London. This move is supported by the acquisition of Primary Dealer status in Germany and France earlier this year, and in the UK starting November 8, 2010. Additional applications for Primary Dealer status are currently underway in other key jurisdictions.

“Scotiabank and its fixed income business have fared well through extreme market turbulence in recent years, and we are now well positioned to expand Scotia Capital’s fixed income franchise by developing a long-term, top-tier presence in the European fixed income markets,” said Mike Durland, Group Head, Global Capital Markets, and Co-Chief Executive Officer, Scotia Capital. “Scotiabank has a long history of operating a top fixed income franchise in Canada and the expansion into Europe and other key jurisdictions is a natural extension of its core strength.”

The Global Fixed Income Rates expansion into Europe significantly adds to Scotia Capital’s distribution capability, while supporting its origination, emerging markets, infrastructure, energy and prime brokerage initiatives. It also enhances Scotia Capital’s existing franchise in Canadian fixed income products which are increasingly being traded internationally. Scotia Capital’s clients will receive an enhanced and expanded service offering through the new platform, as more automated client interfaces for trade execution and client reporting – such as trade activity, settlement tracking and account opening – are developed.

“At Scotia Capital, we have leveraged our traditional strengths in fixed income and the Bank’s international reach to expand our franchise globally,” said Michael Zych, Managing Director and Head, Global Fixed Income, Scotia Capital. “Scotia Capital has a new Global Fixed Income platform incorporating rates, origination and underwriting, credit sales and trading, credit cross markets, and a team specializing in emerging markets, which enables us to better serve our clients.”

Leading the bank’s European Operations, Mark Caplan, CEO of Scotiabank Europe Plc, added: “We are very grateful for the confidence shown in us by the authorities in Germany, France and now the UK. Our intention is to be an enduring positive presence in the major European Debt markets.”

In addition to the European rates expansion, significant work is being done in the US for a rollout of US dollar products.

The global rates business reports to Vikram Rao, Managing Director, Head, Global Rates Sales and Trading. Scotia Capital’s rates business involves the sales and trading of government debt, including inflation bonds, interest rate derivatives, rates volatility, repo and money market products.

Leading the European Rates expansion is **Sunay Yildiz**, Managing Director & Head of Rates Sales and Trading, Europe. Mr. Yildiz previously worked for a major US bank where he spent 13 years in the European liquid products market running the rates trading desk. **Martin Ball**, Managing Director and Head of Rates Sales, Europe, recently joined from a global dealer where he spent 8 years leading their UK sales desk. Mr. Ball has also held various sales and buy-side roles and brings over 20 years of experience to the desk. Mr. Ball will be working closely with **Iqbal Khan-Cheema**, Managing Director and Head of UK Trading. Mr. Khan-Cheema has spent many years managing various trading and sales desks in

London, and will be acting as the bridge between the Rates Sales and Trading groups. **Jeremy Palliser**, Managing Director, will lead the team's Investment Managers & Central Bank coverage.

Scotia Capital is the wholesale banking arm of the Scotiabank Group, offering a wide variety of corporate and investment banking and capital markets products and services to corporate, government and institutional clients. Scotia Capital provides full-service coverage across North America, and also serves selected niche markets globally. It has 29 offices and more than 300 relationship managers organized around industry specialties. For more information, please visit www.scotiacapital.com.

Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With close to 70,000 employees, Scotiabank Group and its affiliates serve approximately 14.6 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 more than \$523 billion in assets (as at July 31, 2010), Scotiabank trades on the Toronto (BNS) and New York Exchanges (BNS). For more information please visit www.scotiabank.com.

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