

Scotiabank Expands Presence in Thriving Brazilian Marketplace

Scotiabank Announces Agreement to Acquire Brazilian Bank

TORONTO, SAO PAULO, September 16th, 2010 – Scotiabank, Canada's most international bank, today announced it has reached an agreement with Commerzbank AG to acquire Dresdner Bank Brasil S.A. - Banco Múltiplo (DBB). Terms of the transaction, which is subject to regulatory approval, are not financially material to Scotiabank and were not disclosed.

DBB is headquartered in Sao Paulo, Brazil and operates as a wholesale bank. It holds a multiple banking license, which enables the holder to offer a range of banking services. On completion of the transaction, Scotiabank expects to be the only Canadian bank in Brazil with a multiple banking license. This new business will report through Scotiabank's wholesale banking division, Scotia Capital.

"Scotia Capital is pleased to broaden our footprint in Latin America through the purchase of Dresdner Bank Brasil S.A. - Banco Múltiplo," said Steve McDonald, Group Head, Global Corporate and Investment Banking, and Co-CEO, Scotia Capital. "This transaction will provide us with an existing wholesale operating platform to accelerate our organic growth strategy in the Brazilian market. Based on our success in the region, we know that our offering in key sectoral areas – including oil and gas, power and mining – will play a dominant role in our growth plans in Latin America's largest economy."

At the end of 2009 DBB had total assets of approximately US\$400 million and approximately 50 employees.

The largest and most populous country in South America, the Federative Republic of Brazil is South America's leading economic power. With 190 million people – including about 67 per cent between the ages of 15 and 64 years – Brazil has the fifth-largest population in the world. The Gross Domestic Product (GDP) is an estimated US\$1.6 trillion – by International Monetary Fund standards the 10th largest GDP in the world – and the nation has large and well-developed energy, agriculture, mining, manufacturing, and service sectors, which serve as the foundation for the country's economy.

"Scotia Capital has been actively expanding our wholesale business in key Latin American markets where we see tremendous potential for growth and we are very optimistic about the opportunity in Brazil," said Mike Durland, Group Head, Global Capital Markets, and Co-CEO, Scotia Capital. "Across the region, we have been able to leverage Scotiabank's history in these countries and deep market knowledge to provide corporate and institutional clients with unique expertise in order to meet their needs."

"We have had a presence in Brazil for almost forty years through our representative office and the addition of a bank with a multiple banking license would give us an opportunity to broaden our future services in a very attractive market," added Rob Pitfield, Group Head, International Banking. "Latin America is an increasingly important part of Scotiabank's international strategy and we continue to build on our already strong franchise by delivering superior service."

In Latin America, Scotiabank has operations in Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Mexico, Panama, Peru, Puerto Rico and Venezuela. The Bank has more than 32,000 employees, 2,605 automated banking machines (ABMs) and 1,889 branches, kiosks and other offices in the region, including affiliates. Scotiabank has been in El Salvador since 1997, where it is the fourth-largest bank; in Peru since 1997, where it is the third-largest bank; Mexico since 1967, where it is the sixth-largest commercial bank; and Chile since 1990, where it is the seventh-largest bank.

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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