

Scotiabank Purchases WaterStreet Group and Expands Services for Ultra High Net Worth Clients

TORONTO, October 25, 2010 – Scotiabank today announced an agreement to purchase The WaterStreet Group Inc., demonstrating its commitment to providing ultra high net worth clients and their families with a broad offering of services and solutions under a unique Multi Family Office® model. The terms of the transaction, which is subject to regulatory approval, are not financially material to Scotiabank Group and were not disclosed.

“Scotiabank strives to be the best at helping clients become financially better off and we do this by finding relevant and insightful solutions to meet our clients’ unique needs,” said Barbara Mason, Executive Vice-President, Wealth Management, Canada, Scotiabank. “WaterStreet will be the anchor for the expansion of an ultra high net worth service offering within Scotiabank, providing us with the ability to immediately service this growing segment of the Canadian market. We intend to continue to add to our team of experts to meet the needs of our clients.”

WaterStreet is a leading Canadian multi family office advisory firm that provides comprehensive family office services to help affluent families preserve and grow their financial assets and family heritage. The WaterStreet brand will be maintained and will continue to offer clients access to a choice of financial services that best suit the unique needs of its clients. For the past two years, WaterStreet has been named the #1 Family Office Services Firm in Canada by *Euromoney*¹. The services provided include counselling on taxation and compliance, as well as financial planning, detailed financial reporting, investments, risk management, strategic insurance and philanthropy, family continuity, governance and administration.

“At WaterStreet, we have always emphasized the importance of providing our clients with unbiased advice in a multi-disciplinary manner, at a sophisticated level,” said Tim Cestnick, WaterStreet President. “These traits are key drivers for our success in helping families make wise decisions about their wealth and family heritage.”

Through this partnership, WaterStreet clients will have access to an expanded suite of industry leading resources in areas such as Estate & Trust services, Philanthropic Advisory Services and Private Banking. Together, Scotiabank and WaterStreet will bring clients the most complete Multi Family Office service in the country.

“WaterStreet and Scotiabank bring together the components of an ultra high net worth business unlike any other single business in Canada,” added Ms. Mason. “While there are a number of different types of ultra high net worth businesses in Canada, these businesses typically specialize in one aspect of wealth management, while we now have a truly integrated offering.”

“Scotiabank’s commitment to serving affluent families with independent and objective solutions best suited to their needs and regardless of where those solutions originate, is truly unique in Canada, and is the reason we have chosen to partner with Scotiabank,” added Mr. Cestnick.

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 and New York Exchanges (BNS). For more information please visit www.scotiabank.com.

The acquisition will be made by Scotiabank’s broker affiliate, Scotia Capital Inc., and include WaterStreet’s registered advisor, WaterStreet Family Capital Counsel Inc.

Scotiabank and Scotiabank Group are registered trademarks of The Bank of Nova Scotia, used by its affiliates under license. Multi Family Office and WaterStreet are registered trademarks of The WaterStreet Group Inc., used by its affiliates under license.

¹2010 and 2009 Private Banking and Wealth Management Industry Poll

-30-

For further information please contact Ann DeRabbie, Scotiabank Public Affairs, (416) 933-1344, or ann_derabbie@scotiacapital.com.