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NEWS RELEASE

Scotiabank to establish Group Holding Company

Kingston; Feb. 5, 2007// Scotiabank today announced that it will be seeking the approval of the requisite majority of its shareholders in an Extraordinary General Meeting to be held on February 28, 2007, to support an application to the Supreme Court to sanction a Scheme of Reconstruction. The objective of the reconstruction is to more fully align the interests of Scotiabank Jamaica and DB&G Limited under a single corporate umbrella.

Under this scheme of reconstruction, Scotiabank Jamaica would become a wholly owned subsidiary of a newly formed holding company, Scotia Group Jamaica Limited (Scotia Group). Shareholders will be asked to exchange their shares in Scotiabank Jamaica for a similar number of shares in Scotia Group, thus, if a Scotiabank Jamaica shareholder had 100 Scotiabank shares this individual would receive 100 Scotia Group shares.

The existing shareholders of Scotiabank Jamaica will also receive (by way of a bonus issue) preference shares in the Bank at a ratio of one preference share for every 30 ordinary shares held in Scotiabank Jamaica. The preference share will pay dividends semi-annually at the Government of Jamaica Weighted Average Treasury Bill Yield (WATBY) fixed at the start of each 6-month period.

Scotia Group was incorporated as a public company in December 2006 and to date has not engaged in any business activity. Scotia Group will apply for a listing of its ordinary shares by way of introduction so that those shares will be tradable on the Jamaica Stock Exchange.

Scotia Group

The ordinary shares of Scotiabank Jamaica will be de-listed from the Jamaica Stock Exchange and a new listing will be sought in respect of the preference shares, thus, The Bank of Nova Scotia Jamaica Limited will remain a listed company.

The recent joint bid by Scotiabank Jamaica and its parent company, The Bank of Nova Scotia Canada for shares in Dehring Bunting & Golding Limited ("DB&G") resulted in the acquisition of 68.54% of the issued shares of DB&G with Scotiabank Canada and Scotiabank Jamaica being contingently entitled to 52.74% and 15.80% respectively of the shareholding in DB&G.

Miss Stacie-Ann Wright, Chief Financial Officer, Scotiabank Jamaica, explained that, "The objective of the reconstruction is to align the interests of Scotiabank Jamaica and DB&G under a single corporate umbrella to facilitate their efficient management and direction. The Scheme will allow shareholders in Scotiabank Jamaica to participate fully in the investment in DB&G via Scotia Group which would not have been possible otherwise by reason of the limitations imposed on banks in the Banking Act."

Shareholders of Scotiabank Jamaica will receive a Notice of an Extraordinary General Meeting to be held on February 28, 2007 along with details of the Scheme and an explanatory circular.