



CDB AND SCOTIABANK CLOSE UNPRECEDENTED TRANSACTION FOR FUNDING



Sean Albert, Managing Director, Scotiabank,
Caribbean East

Bridgetown, July 20, 2012 – In what is being described as an unprecedented success, The Bank of Nova Scotia (Scotiabank) and the Caribbean Development Bank (CDB) announce the closure of a JPY12.5B/USD103 m Interest Rate Cross Currency Swap transaction. The transaction includes funding rates on the novation. This has been heralded as a win/win for both financial institutions and will allow CDB to continue to prudently manage its financial liabilities.

For this transaction, CDB needed to partner with a financial institution with a strong credit rating and Scotiabank's rating (AA-) has remained unchanged since 2008, despite the global

economic downturn. The deal was structured by a Scotiabank team comprising local Corporate Banking and Treasury and the New York- based Scotiabank, Global Banking and Markets. On the ground, the Scotiabank team, led by Managing Director Sean Albert, worked closely with the Finance and Legal staff at CDB to close the transaction.

This deal is one of the largest transactions closed by the Scotiabank Global Banking and Markets division and one which showcased Scotiabank's investment banking capabilities and commitment to regional development institutions. Managing Director Sean Albert commented: "We worked collaboratively with CDB and in conjunction with our Global Banking and Markets partners to deliver for the first time in our banking experience something on this scale in the Caribbean, for the Caribbean Development Bank. I am exceptionally pleased that we were able to complete such a complex deal we look forward to doing similar wholesale transactions in the future."

Dr. Warren Smith, President of CDB noted: "This will enable CDB to maintain an efficient hedge of foreign exchange exposure in our borrowing portfolio and will also assist with our continuing efforts to minimize borrowing costs so that our lending rate can remain affordable for our clients. We wish to thank the Scotiabank staff and the members of our own staff who worked to successfully conclude this transaction."

About CDB

The Caribbean Development Bank (CDB), is a regional financial institution which was established by an Agreement signed on October 18, 1969, in Kingston, Jamaica, and entered into force on January 26, 1970. The Bank came into existence for the purpose of contributing to the harmonious economic growth and development of the member countries in the Caribbean and promoting economic cooperation and integration among them, having special and urgent regard to the needs of the less developed members of the region.

About Scotiabank

Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With more than 80,000 employees, Scotiabank Group and its affiliates serve some 19 million customers in more than 55 countries around the world. Scotiabank offers a broad range of products and services including personal, corporate and commercial, and investment banking. With assets above \$590 billion (as at April 2012), Scotiabank trades on the Toronto (BNS) and New York Exchanges (BNS). For more information please visit www.scotiabank.com.

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