

Consolidated Balance Sheet Highlights (Stated in \$'000)

	UNAUDITED As At 31 July 2007	UNAUDITED As At 31 July 2006	AUDITED As At 31 October 2006
ASSETS			
CASH RESOURCES			
Cash	\$ 101,661	\$ 54,976	\$ 70,387
Other cash resources	286,348	135,877	273,883
Deposits with Central Bank	1,224,462	953,176	962,118
Treasury bills	60,262	15,374	17,394
	1,672,733	1,159,403	1,323,782
NET LOANS TO CUSTOMERS	8,365,216	6,720,093	6,982,560
INVESTMENTS	468,149	559,285	549,554
OTHER ASSETS			
Property, plant and equipment	197,360	188,051	185,886
Miscellaneous assets	162,195	132,906	150,559
	359,555	320,957	336,445
TOTAL ASSETS	\$ 10,865,653	\$ 8,759,738	\$ 9,192,341
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits	\$ 7,923,575	\$ 6,899,839	\$ 6,772,531
Other fund raising instruments	-	6,444	-
Other deposit liabilities	797,468	31,082	492,899
Other liabilities	122,579	162,283	123,492
Securities sold under repurchase agreement	94,046	-	78,275
Provision for taxation	32,966	21,307	23,556
Policyholders' liabilities	166,709	111,056	124,032
Debt security in issue	200,000	200,000	200,000
	9,337,343	7,432,011	7,814,785
DEFERRED TAX LIABILITY	23,294	25,737	24,232
SHAREHOLDERS' EQUITY			
Stated capital	267,563	117,563	267,563
Statutory reserve fund	272,778	262,748	272,778
Investment revaluation reserve	4,448	15,867	4,619
Retained earnings	960,317	905,812	808,364
	1,505,106	1,301,990	1,353,324
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 10,865,653	\$ 8,759,738	\$ 9,192,341

Consolidated Income Statement (Stated in \$'000)

	UNAUDITED Nine months ended 31 July 2007	UNAUDITED Nine months ended 31 July 2006	AUDITED Year ended 31 October 2006
NET INTEREST AND OTHER INCOME			
Net interest income	\$ 453,714	\$ 380,792	\$ 520,546
Other income	144,817	129,458	193,939
Net Interest and Other Income	598,531	510,250	714,485
NON-INTEREST EXPENSES			
Salaries and staff benefits	119,306	101,448	140,132
Premises and technology	56,565	44,968	62,979
Communications and marketing	21,264	18,436	28,960
Loan loss expense	1,762	4,709	5,908
Other	50,197	45,100	67,499
Non-Interest Expenses	249,094	214,661	305,478
INCOME BEFORE TAXATION	349,437	295,589	409,007
Provision for taxation	(81,098)	(70,150)	(93,947)
INCOME AFTER TAXATION	\$ 268,339	\$ 225,439	\$ 315,060
Dividends Paid & Proposed for financial year	\$ 111,097	\$ 81,118	\$ 123,441
Dividends per share*	63.0c	46.0c	70.0c
Earnings per share*	152.2c	127.8c	178.7c
Return on Equity	25.10%	24.46%	25.05%
Return on Total Assets	3.58%	3.29%	3.52%
Market Value*	\$ 28.50	\$ 25.31	\$ 25.30

SIGNIFICANT ACCOUNTING POLICIES
Basis of preparation

These financial statements, in all material aspects, have been prepared in accordance with International Financial Reporting Standards. The accounting policies used in the preparation of the financial statements are the same as were followed in the financial statements as at 31 October 2006.

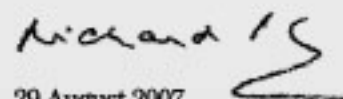
TO OUR SHAREHOLDERS

The Scotiabank Group takes pleasure in announcing its third quarter results for fiscal 2007. The Group realised profit after tax of \$268.3M for the nine months to 31 July 2007, a 19.03% increase over the comparable period in the prior year.

Although additional monetary requirements have impacted our margins, coupled with a very competitive environment, the Group was able to maintain its double digit core earnings momentum. This is a testimony to the dedicated and enthusiastic team of Scotiabankers.

On the basis of performance to date, the Directors have resolved that the Bank pay a third interim dividend of 21 cents per ordinary share (2006 - 15.3 cents) on 01 October 2007 to shareholders on record as at 11 September 2007.

29 August 2007
Richard P. Young
Managing Director



Consolidated Statement Of Changes In Shareholders' Equity

FOR THE PERIOD ENDED 31 JULY 2007 (Stated In \$'000)

	Stated Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Total Shareholders' Equity
NINE MONTHS ENDED 31 JULY 2007					
Balance as at 31 October 2006	\$ 267,563	272,778	4,619	808,364	1,353,324
Changes in fair value, net of tax	-	-	(171)	-	(171)
Net profit for the period	-	-	-	268,339	268,339
Transfer to statutory reserve	-	-	-	-	-
Dividends paid	-	-	-	(116,386)	(116,386)
Balance as at 31 July 2007	\$ 267,563	272,778	4,448	960,317	1,505,106
NINE MONTHS ENDED 31 JULY 2006					
Balance as at 31 October 2005	\$ 117,563	222,748	20,537	801,492	1,162,340
Changes in fair value, net of tax	-	-	(4,670)	-	(4,670)
Net profit for the period	-	-	-	225,439	225,439
Transfer to statutory reserve	-	40,000	-	(40,000)	-
Dividends paid	-	-	-	(81,119)	(81,119)
Balance as at 31 July 2006	\$ 117,563	262,748	15,867	905,812	1,301,990
YEAR ENDED 31 OCTOBER 2006					
Balance as at 31 October 2005	\$ 117,563	222,748	20,537	801,492	1,162,340
Changes in fair value, net of tax	-	-	(15,844)	-	(15,844)
Gains transferred to net profit, net of tax	-	-	(74)	-	(74)
Net income for the year	-	-	-	315,060	315,060
Transfer to statutory reserve	-	50,030	-	(50,030)	-
Issue of bonus shares	150,000	-	-	(150,000)	-
Dividends paid	-	-	-	(108,158)	(108,158)
Balance as at 31 October 2006	\$ 267,563	272,778	4,619	808,364	1,353,324

Consolidated Cash Flow (Stated In \$'000)

	UNAUDITED Nine months ended 31 July 2007	UNAUDITED Nine months ended 31 July 2006	AUDITED Year ended 31 October 2006
Cash flows from operating activities			
Net income before taxes	\$ 349,437	\$ 295,589	\$ 409,007
Increase in loans	(1,382,656)	(1,183,530)	(1,445,996)
Increase in deposits	1,166,815	648,883	756,411
Taxation paid	(72,917)	(82,291)	(102,987)
Other adjustments to reconcile income before taxation to net cash from operating activities	40,044	127,971	91,392
Net cash (used in) / from operating activities	\$ 100,723	\$ (193,378)	\$ (292,173)
Cash flows used in investing activities			
Decrease in investments	\$ 81,436	\$ 83,782	\$ 80,863
Purchase of property, plant & equipment	(22,098)	(19,734)	(25,934)
Proceeds from disposal of property, plant & equipment	708	880	1,401
Net cash from investing activities	\$ 60,046	\$ 64,928	\$ 56,330
Cash flows used in financing activities			
Dividends paid	\$ (116,387)	\$ (81,118)	\$ (108,158)
Net cash used in financing activities	\$ (116,387)	\$ (81,118)	\$ (108,158)
(Decrease) / Increase in cash and cash equivalents	\$ 44,382	\$ (209,568)	\$ (344,001)
Cash and cash equivalents, beginning of period	830,883	1,337,889	1,174,884
Cash and cash equivalents, end of period	\$ 875,265	\$ 1,128,321	\$ 830,883
Cash and cash equivalents			
Cash resources	\$ 1,672,733	\$ 1,159,403	\$ 1,323,782
Other deposit liabilities	(797,468)	(31,082)	(492,899)
Cash and cash equivalents	\$ 875,265	\$ 1,128,321	\$ 830,883

