

SUPPLEMENTARY FINANCIAL INFORMATION



January 31, 2007

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Note: Certain comparative amounts have been reclassified to conform with current period presentation. Refer to Note 1 on pages 22 to 24 of the First Quarter 2007 Report to Shareholders for impact of new accounting policies related to financial instruments adopted in Q1/07.

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HIGHLIGHTS



| | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|-------------------------------------------------------------|-----------------|-------|-------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | |
| Operating Performance: | | | | | | | | | | | | |
| Net Income (\$MM) | 1,020 | 897 | 936 | 894 | 852 | 811 | 784 | 826 | 788 | 3,579 | 3,209 | 2,908 |
| Net Income available to Common Shareholders (\$MM) | 1,012 | 890 | 928 | 887 | 844 | 803 | 775 | 822 | 784 | 3,549 | 3,184 | 2,892 |
| EPS (\$) - basic | 1.02 | 0.90 | 0.94 | 0.90 | 0.85 | 0.81 | 0.78 | 0.82 | 0.78 | 3.59 | 3.19 | 2.87 |
| - diluted | 1.01 | 0.89 | 0.93 | 0.89 | 0.84 | 0.80 | 0.77 | 0.81 | 0.77 | 3.55 | 3.15 | 2.82 |
| ROE (%) | 23.0 | 21.1 | 22.8 | 23.2 | 21.6 | 20.5 | 19.9 | 22.3 | 21.0 | 22.1 | 20.9 | 19.9 |
| Net Interest Margin (%) (1) | 1.91 | 1.89 | 1.98 | 1.97 | 1.97 | 1.97 | 1.97 | 2.07 | 2.00 | 1.95 | 2.00 | 2.10 |
| Productivity Ratio (TEB) (%) | 53.6 | 56.9 | 53.8 | 55.3 | 55.2 | 57.8 | 56.4 | 55.4 | 55.7 | 55.3 | 56.3 | 56.9 |
| Effective Tax Rate (%) | 21.0 | 18.0 | 20.2 | 17.9 | 20.5 | 20.4 | 20.3 | 21.2 | 20.1 | 19.2 | 20.5 | 20.8 |
| Effective Tax Rate (TEB) (%) | 26.8 | 26.5 | 26.3 | 25.5 | 26.9 | 25.8 | 26.3 | 27.5 | 25.7 | 26.3 | 26.3 | 26.2 |
| Cash Net Income available to Common Shareholders (\$MM) (2) | 1,020 | 898 | 934 | 893 | 849 | 809 | 780 | 826 | 788 | 3,574 | 3,203 | 2,909 |
| Cash EPS (\$) - basic (2) | 1.03 | 0.91 | 0.95 | 0.90 | 0.86 | 0.81 | 0.79 | 0.83 | 0.78 | 3.62 | 3.21 | 2.88 |
| - diluted (2) | 1.02 | 0.90 | 0.93 | 0.89 | 0.85 | 0.80 | 0.77 | 0.82 | 0.77 | 3.57 | 3.16 | 2.84 |
| Cash ROE (%) (2) | 23.1 | 21.3 | 23.0 | 23.3 | 21.7 | 20.7 | 20.0 | 22.4 | 21.1 | 22.3 | 21.1 | 20.1 |
| Balance Sheet: | | | | | | | | | | | | |
| Total Assets (\$B) | 396.5 | 379.0 | 365.0 | 357.0 | 325.0 | 314.0 | 317.5 | 309.1 | 300.5 | | | |
| Loans and Acceptances (\$B) | 222.7 | 212.3 | 202.9 | 192.2 | 180.7 | 178.0 | 176.2 | 172.0 | 168.8 | | | |
| Deposits (\$B) | 277.0 | 263.9 | 255.2 | 247.6 | 227.5 | 217.4 | 220.0 | 214.8 | 206.9 | | | |
| Common Shareholders' Equity (\$B) | 18.9 | 16.9 | 16.5 | 15.8 | 15.6 | 15.5 | 15.6 | 15.3 | 14.9 | | | |
| Credit Quality: | | | | | | | | | | | | |
| Net Impaired Loans (\$MM) (3) | 579 | 570 | 479 | 579 | 659 | 681 | 573 | 666 | 762 | | | |
| General Allowance for Credit Losses (\$MM) | 1,323 | 1,307 | 1,330 | 1,330 | 1,330 | 1,330 | 1,375 | 1,375 | 1,375 | | | |
| Net Impaired Loans as % of Loans and Acceptances (3) | 0.26 | 0.27 | 0.24 | 0.30 | 0.36 | 0.38 | 0.33 | 0.39 | 0.45 | | | |
| Specific Provisions (\$MM) | 63 | 92 | 74 | 35 | 75 | 81 | 85 | 35 | 74 | 276 | 275 | 490 |
| - % of Average Loans and Acceptances | 0.12 | 0.18 | 0.15 | 0.08 | 0.17 | 0.18 | 0.19 | 0.08 | 0.18 | 0.14 | 0.16 | 0.31 |
| Risk-Weighted Capital Ratios (%): | | | | | | | | | | | | |
| Tier 1 | 10.4 | 10.2 | 10.0 | 10.2 | 10.8 | 11.1 | 11.1 | 11.4 | 11.2 | | | |
| Total | 11.7 | 11.7 | 11.6 | 11.9 | 12.7 | 13.2 | 13.1 | 13.4 | 13.5 | | | |
| Tangible Common Equity | 8.4 | 8.3 | 8.4 | 8.5 | 9.0 | 9.3 | 9.3 | 9.5 | 9.5 | | | |
| Risk-Weighted Assets (\$B) | 206.8 | 197.0 | 190.3 | 180.1 | 168.9 | 162.8 | 163.8 | 160.1 | 155.5 | | | |

(1) Net Interest Income (TEB) as % of Average Total Assets.

(2) Excludes amortization of intangibles (net of taxes).

(3) Net Impaired Loans are Impaired Loans less Specific Allowance for Credit Losses.

COMMON SHARE AND OTHER INFORMATION



| | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|-----------------------------------------------------------|-----------------|--------|--------|--------|--------|--------|--------|--------|-----------|--------|--------|--------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | | |
| Valuation: | | | | | | | | | | | | |
| Book Value per Share (\$) | 18.99 | 17.13 | 16.66 | 15.98 | 15.76 | 15.64 | 15.68 | 15.44 | 14.95 | 17.13 | 15.64 | 14.56 |
| Share Price (\$) - High | 53.39 | 49.50 | 47.24 | 48.67 | 49.80 | 44.22 | 42.64 | 41.37 | 41.35 | 49.80 | 44.22 | 40.00 |
| - Low | 48.80 | 45.36 | 41.55 | 45.03 | 42.89 | 40.31 | 39.19 | 38.63 | 36.41 | 41.55 | 36.41 | 31.08 |
| - Close | 50.76 | 49.30 | 45.55 | 46.52 | 46.25 | 42.99 | 41.75 | 39.99 | 39.50 | 49.30 | 42.99 | 39.60 |
| Share Price (Closing) as % Book Value | 267.3 | 287.8 | 273.4 | 291.1 | 293.5 | 274.9 | 266.3 | 259.0 | 264.2 | 287.8 | 274.9 | 272.0 |
| Price (Closing)/Earnings Ratio (X) (1) | 13.5 | 13.7 | 13.0 | 13.9 | 14.2 | 13.5 | 13.6 | 13.2 | 13.3 | 13.7 | 13.5 | 13.8 |
| Market Capitalization (\$MM) | 50,397 | 48,783 | 45,022 | 45,950 | 45,696 | 42,568 | 41,547 | 39,734 | 39,425 | 48,783 | 42,568 | 39,937 |
| Dividends: | | | | | | | | | | | | |
| Common Dividends Paid (\$MM) | 416 | 386 | 385 | 356 | 356 | 338 | 339 | 318 | 322 | 1,483 | 1,317 | 1,110 |
| Common Dividends/Share (\$) | 0.42 | 0.39 | 0.39 | 0.36 | 0.36 | 0.34 | 0.34 | 0.32 | 0.32 | 1.50 | 1.32 | 1.10 |
| Payout Ratio (%) | 41.2 | 43.3 | 41.5 | 40.1 | 42.2 | 42.1 | 43.7 | 38.7 | 41.1 | 41.8 | 41.4 | 38.4 |
| Dividend Yield (%) | 3.3 | 3.3 | 3.5 | 3.1 | 3.1 | 3.2 | 3.3 | 3.2 | 3.3 | 3.3 | 3.3 | 3.1 |
| Shares: | | | | | | | | | | | | |
| Number of Common Shares Outstanding at Period End (MM) | 993 | 990 | 988 | 988 | 988 | 990 | 995 | 994 | 998 | | | |
| Average Number of Common Shares Outstanding (MM) -- Basic | 991 | 989 | 988 | 988 | 989 | 995 | 995 | 996 | 1,006 | 988 | 998 | 1,010 |
| -- Diluted | 1,001 | 1,000 | 999 | 1,001 | 1,002 | 1,008 | 1,009 | 1,011 | 1,021 | 1,001 | 1,012 | 1,026 |
| Share Buybacks: | | | | | | | | | | | | |
| Number of Common Shares Purchased (M) | - | 777 | 1,300 | 1,900 | 3,671 | 6,371 | 1,136 | 5,891 | 12,699 | 7,648 | 26,097 | 9,138 |
| Average Purchase Price (\$) | - | 46.53 | 44.84 | 45.66 | 45.87 | 42.33 | 41.66 | 39.88 | 39.80 | 45.71 | 40.51 | 34.96 |
| Other Information: | | | | | | | | | | | | |
| Employees | 53,937 | 53,251 | 52,232 | 51,503 | 47,166 | 46,631 | 46,269 | 44,094 | 43,930 | | | |
| Branches and Offices | 2,225 | 2,191 | 2,147 | 2,132 | 1,968 | 1,959 | 1,944 | 1,871 | 1,871 | | | |
| ABMs | 5,018 | 4,937 | 4,833 | 4,781 | 4,498 | 4,449 | 4,411 | 4,274 | 4,244 | | | |
| Senior Debt Credit Ratings: | | | | | | | | | | | | |
| Standard & Poor's | AA- | AA- | AA- | AA- | AA- | AA- | AA- | AA- | AA- | | | |
| Moody's | Aa3 | Aa3 | Aa3 | Aa3 | Aa3 | Aa3 | Aa3 | Aa3 | Aa3 | | | |

(1) based on trailing 4 quarters' EPS.

CONSOLIDATED STATEMENT OF INCOME AND NET INCOME AVAILABLE TO COMMON SHAREHOLDERS BY BUSINESS SEGMENT



(\$ MM)

CONSOLIDATED STATEMENT OF INCOME:

| | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|---------------------------------------------------------|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | | |
| Interest Income (TEB) | 5,194 | 5,084 | 4,825 | 4,223 | 3,990 | 3,715 | 3,645 | 3,459 | 3,310 | 18,122 | 14,129 | 12,451 |
| Interest Expense | 3,313 | 3,301 | 3,009 | 2,579 | 2,385 | 2,134 | 2,084 | 1,907 | 1,807 | 11,274 | 7,932 | 6,476 |
| Net Interest Income (TEB) | 1,881 | 1,783 | 1,816 | 1,644 | 1,605 | 1,581 | 1,561 | 1,552 | 1,503 | 6,848 | 6,197 | 5,975 |
| Other Income (see Page 9) | 1,333 | 1,216 | 1,173 | 1,186 | 1,225 | 1,154 | 1,128 | 1,136 | 1,111 | 4,800 | 4,529 | 4,320 |
| Total Revenue (TEB) | 3,214 | 2,999 | 2,989 | 2,830 | 2,830 | 2,735 | 2,689 | 2,688 | 2,614 | 11,648 | 10,726 | 10,295 |
| Taxable Equivalent Adjustment (TEB) | 105 | 131 | 100 | 113 | 96 | 75 | 81 | 94 | 76 | 440 | 326 | 274 |
| Total Revenue | 3,109 | 2,868 | 2,889 | 2,717 | 2,734 | 2,660 | 2,608 | 2,594 | 2,538 | 11,208 | 10,400 | 10,021 |
| Provision for Credit Losses | 63 | 32 | 74 | 35 | 75 | 36 | 85 | 35 | 74 | 216 | 230 | 390 |
| Total Non-interest Expenses (see Page 10) | 1,724 | 1,708 | 1,608 | 1,565 | 1,562 | 1,579 | 1,517 | 1,490 | 1,457 | 6,443 | 6,043 | 5,862 |
| Net Income before the undernoted: | 1,322 | 1,128 | 1,207 | 1,117 | 1,097 | 1,045 | 1,006 | 1,069 | 1,007 | 4,549 | 4,127 | 3,769 |
| Provision for Income Taxes | 277 | 203 | 244 | 200 | 225 | 214 | 205 | 226 | 202 | 872 | 847 | 786 |
| Non-controlling Interest in Net Income of Subsidiaries | 25 | 28 | 27 | 23 | 20 | 20 | 17 | 17 | 17 | 98 | 71 | 75 |
| Net Income | 1,020 | 897 | 936 | 894 | 852 | 811 | 784 | 826 | 788 | 3,579 | 3,209 | 2,908 |
| Preferred Dividends Paid | 8 | 7 | 8 | 7 | 8 | 8 | 9 | 4 | 4 | 30 | 25 | 16 |
| Net Income available to Common Shareholders | 1,012 | 890 | 928 | 887 | 844 | 803 | 775 | 822 | 784 | 3,549 | 3,184 | 2,892 |
| Amortization of Intangibles (net of taxes) | 8 | 8 | 6 | 6 | 5 | 6 | 5 | 4 | 4 | 25 | 19 | 17 |
| Cash Net Income available to Common Shareholders | 1,020 | 898 | 934 | 893 | 849 | 809 | 780 | 826 | 788 | 3,574 | 3,203 | 2,909 |

NET INCOME AVAILABLE TO COMMON SHAREHOLDERS BY BUSINESS SEGMENT:

| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
|-----------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | | |
| Domestic Banking (1) | 361 | 335 | 319 | 296 | 329 | 326 | 319 | 279 | 329 | 1,279 | 1,253 | 1,105 |
| International Banking | 316 | 268 | 285 | 268 | 233 | 174 | 234 | 186 | 206 | 1,054 | 800 | 718 |
| Scotia Capital | 294 | 235 | 278 | 276 | 258 | 229 | 200 | 239 | 247 | 1,047 | 915 | 819 |
| Other (2) | 41 | 52 | 46 | 47 | 24 | 74 | 22 | 118 | 2 | 169 | 216 | 250 |
| Total Bank | 1,012 | 890 | 928 | 887 | 844 | 803 | 775 | 822 | 784 | 3,549 | 3,184 | 2,892 |

(1) includes Wealth Management.

(2) represents corporate adjustments and smaller operating segments including Group Treasury.

BUSINESS SEGMENT PERFORMANCE -- DOMESTIC BANKING


| (\$MM) | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|---------------------------------------------------------|-----------------|--------|--------|--------|--------|--------|--------|--------|-----------|---------|---------|---------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | |
| Net Interest Income (TEB) | 953 | 957 | 932 | 884 | 909 | 929 | 905 | 852 | 890 | 3,682 | 3,576 | 3,494 |
| Other Income | 518 | 498 | 480 | 485 | 472 | 474 | 453 | 445 | 447 | 1,935 | 1,819 | 1,671 |
| Total Revenue (TEB) | 1,471 | 1,455 | 1,412 | 1,369 | 1,381 | 1,403 | 1,358 | 1,297 | 1,337 | 5,617 | 5,395 | 5,165 |
| Provision for Credit Losses | (74) | (58) | (69) | (88) | (64) | (69) | (63) | (66) | (76) | (279) | (274) | (317) |
| Non-interest Expenses | (870) | (912) | (879) | (845) | (833) | (870) | (825) | (817) | (784) | (3,469) | (3,296) | (3,217) |
| Income Taxes (TEB) | (164) | (147) | (143) | (138) | (153) | (136) | (149) | (134) | (147) | (581) | (566) | (522) |
| Net Income | 363 | 338 | 321 | 298 | 331 | 328 | 321 | 280 | 330 | 1,288 | 1,259 | 1,109 |
| Preferred Dividends Paid | (2) | (3) | (2) | (2) | (2) | (2) | (2) | (1) | (1) | (9) | (6) | (4) |
| Net Income available to Common Shareholders | 361 | 335 | 319 | 296 | 329 | 326 | 319 | 279 | 329 | 1,279 | 1,253 | 1,105 |
| Amortization of Intangibles (net of taxes) | 6 | 7 | 4 | 5 | 5 | 4 | 5 | 4 | 4 | 21 | 17 | 17 |
| Cash Net Income available to Common Shareholders | 367 | 342 | 323 | 301 | 334 | 330 | 324 | 283 | 333 | 1,300 | 1,270 | 1,122 |
| ROE (%) | 31.1 | 27.3 | 26.3 | 27.3 | 30.5 | 30.1 | 31.2 | 28.9 | 34.1 | 27.8 | 31.0 | 30.6 |
| Net Interest Margin (%) | 2.58 | 2.62 | 2.67 | 2.74 | 2.78 | 2.89 | 2.88 | 2.88 | 2.95 | 2.70 | 2.90 | 3.14 |
| Productivity Ratio (%) | 59.1 | 62.7 | 62.3 | 61.7 | 60.3 | 62.0 | 60.8 | 63.0 | 58.6 | 61.8 | 61.1 | 62.3 |
| Average Balances (\$B): | | | | | | | | | | | | |
| Total Assets | 146 | 145 | 139 | 132 | 130 | 127 | 124 | 121 | 120 | 136 | 123 | 112 |
| Residential Mortgages | 91 | 90 | 85 | 80 | 78 | 76 | 74 | 72 | 72 | 83 | 74 | 65 |
| Personal Loans | 33 | 33 | 32 | 31 | 31 | 31 | 29 | 29 | 28 | 32 | 29 | 27 |
| Business Loans & Acceptances | 22 | 22 | 22 | 21 | 21 | 20 | 21 | 20 | 20 | 21 | 20 | 20 |
| Personal Deposits | 74 | 73 | 72 | 71 | 70 | 68 | 67 | 67 | 65 | 71 | 67 | 64 |
| Non-personal Deposits | 40 | 39 | 36 | 35 | 34 | 33 | 33 | 31 | 31 | 36 | 32 | 27 |
| Other: | | | | | | | | | | | | |
| Branches | 977 | 972 | 967 | 964 | 953 | 954 | 953 | 952 | 952 | | | |
| Wealth Management Offices | 99 | 100 | 99 | 99 | 97 | 97 | 97 | 97 | 97 | | | |
| Employees | 20,865 | 20,810 | 20,728 | 20,498 | 19,945 | 19,661 | 19,599 | 19,450 | 19,280 | | | |
| ABMs | 2,761 | 2,742 | 2,703 | 2,680 | 2,656 | 2,624 | 2,620 | 2,594 | 2,575 | | | |

BUSINESS SEGMENT PERFORMANCE -- INTERNATIONAL BANKING


| (\$MM) | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|---------------------------------------------------------|-----------------|--------|--------|--------|--------|--------|--------|--------|-----------|---------|---------|---------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | |
| Net Interest Income (TEB) | 670 | 628 | 607 | 542 | 529 | 506 | 512 | 489 | 462 | 2,306 | 1,969 | 1,858 |
| Other Income | 297 | 267 | 237 | 220 | 215 | 202 | 237 | 174 | 180 | 939 | 793 | 741 |
| Total Revenue (TEB) | 967 | 895 | 844 | 762 | 744 | 708 | 749 | 663 | 642 | 3,245 | 2,762 | 2,599 |
| Provision for Credit Losses | (19) | (8) | (24) | (1) | (27) | (16) | (21) | (26) | (7) | (60) | (70) | (70) |
| Non-interest Expenses | (562) | (555) | (477) | (443) | (452) | (486) | (447) | (391) | (388) | (1,927) | (1,712) | (1,606) |
| Income Taxes (TEB) | (43) | (34) | (29) | (25) | (10) | (10) | (28) | (42) | (23) | (98) | (103) | (126) |
| Non-controlling Interest in Net Income of Subsidiaries | (25) | (28) | (27) | (23) | (20) | (20) | (17) | (17) | (17) | (98) | (71) | (75) |
| Net Income | 318 | 270 | 287 | 270 | 235 | 176 | 236 | 187 | 207 | 1,062 | 806 | 722 |
| Preferred Dividends Paid | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (1) | (1) | (8) | (6) | (4) |
| Net Income available to Common Shareholders | 316 | 268 | 285 | 268 | 233 | 174 | 234 | 186 | 206 | 1,054 | 800 | 718 |
| Amortization of Intangibles (net of taxes) | 1 | 1 | 1 | - | - | 1 | - | - | - | 2 | 1 | - |
| Cash Net Income available to Common Shareholders | 317 | 269 | 286 | 268 | 233 | 175 | 234 | 186 | 206 | 1,056 | 801 | 718 |
| ROE (%) | 22.2 | 21.1 | 23.9 | 26.2 | 22.9 | 17.5 | 24.1 | 21.0 | 24.2 | 23.4 | 21.6 | 21.7 |
| Net Interest Margin (%) | 4.09 | 4.20 | 4.19 | 4.15 | 4.06 | 3.93 | 3.98 | 4.04 | 3.85 | 4.15 | 3.95 | 3.81 |
| Productivity Ratio (%) | 58.1 | 62.0 | 56.5 | 58.1 | 60.8 | 68.6 | 59.7 | 59.0 | 60.4 | 59.4 | 62.0 | 61.8 |
| Average Balances (\$B): | | | | | | | | | | | | |
| Total Assets | 65 | 59 | 57 | 54 | 52 | 51 | 51 | 49 | 48 | 56 | 50 | 49 |
| Personal Loans & Mortgages | 14 | 13 | 12 | 12 | 11 | 10 | 10 | 9 | 9 | 12 | 10 | 8 |
| Business Loans & Acceptances | 26 | 23 | 22 | 19 | 19 | 19 | 19 | 18 | 17 | 21 | 18 | 19 |
| Securities | 14 | 13 | 13 | 13 | 14 | 14 | 14 | 14 | 13 | 13 | 14 | 13 |
| Total Deposits | 48 | 44 | 43 | 40 | 38 | 37 | 38 | 37 | 36 | 41 | 37 | 38 |
| Other: | | | | | | | | | | | | |
| Branches and Offices | 1,100 | 1,070 | 1,030 | 1,019 | 870 | 860 | 846 | 779 | 779 | | | |
| Employees | 23,967 | 23,545 | 22,494 | 22,249 | 18,463 | 18,297 | 17,899 | 16,071 | 16,033 | | | |
| ABMs | 2,257 | 2,195 | 2,130 | 2,101 | 1,842 | 1,825 | 1,791 | 1,680 | 1,669 | | | |

BUSINESS SEGMENT PERFORMANCE -- SCOTIA CAPITAL


| (\$MM) | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|---------------------------------------------------------|-----------------|-------|-------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | |
| Net Interest Income (TEB) | 269 | 251 | 262 | 229 | 209 | 201 | 202 | 230 | 216 | 951 | 849 | 937 |
| Other Income | 361 | 324 | 351 | 351 | 411 | 338 | 316 | 329 | 337 | 1,437 | 1,320 | 1,227 |
| Total Revenue (TEB) | 630 | 575 | 613 | 580 | 620 | 539 | 518 | 559 | 553 | 2,388 | 2,169 | 2,164 |
| Provision for Credit Losses | 30 | (26) | 19 | 54 | 16 | 7 | (2) | 57 | 9 | 63 | 71 | (106) |
| Non-interest Expenses | (259) | (216) | (232) | (253) | (254) | (198) | (214) | (256) | (261) | (955) | (929) | (960) |
| Income Taxes (TEB) | (105) | (97) | (120) | (104) | (122) | (117) | (100) | (120) | (53) | (443) | (390) | (275) |
| Net Income | 296 | 236 | 280 | 277 | 260 | 231 | 202 | 240 | 248 | 1,053 | 921 | 823 |
| Preferred Dividends Paid | (2) | (1) | (2) | (1) | (2) | (2) | (2) | (1) | (1) | (6) | (6) | (4) |
| Net Income available to Common Shareholders | 294 | 235 | 278 | 276 | 258 | 229 | 200 | 239 | 247 | 1,047 | 915 | 819 |
| Amortization of Intangibles (net of taxes) | 1 | - | 1 | 1 | - | 1 | - | - | - | 2 | 1 | - |
| Cash Net Income available to Common Shareholders | 295 | 235 | 279 | 277 | 258 | 230 | 200 | 239 | 247 | 1,049 | 916 | 819 |
| ROE (%) | 30.7 | 26.2 | 31.9 | 35.4 | 32.3 | 27.4 | 24.7 | 31.1 | 30.5 | 31.3 | 28.4 | 20.3 |
| Net Interest Margin (%) | 0.71 | 0.71 | 0.76 | 0.73 | 0.72 | 0.70 | 0.70 | 0.84 | 0.79 | 0.73 | 0.76 | 0.86 |
| Productivity Ratio (%) | 41.1 | 37.6 | 37.8 | 43.6 | 41.0 | 36.7 | 41.3 | 45.8 | 47.2 | 40.0 | 42.8 | 44.3 |
| Average Balances (\$B): | | | | | | | | | | | | |
| Total Assets | 150 | 140 | 136 | 128 | 115 | 114 | 114 | 113 | 108 | 130 | 112 | 109 |
| Business Loans & Acceptances | 41 | 36 | 32 | 30 | 29 | 28 | 29 | 29 | 27 | 32 | 29 | 29 |
| Securities Purchased Under Resale Agreements | 22 | 22 | 19 | 19 | 18 | 21 | 21 | 19 | 17 | 20 | 19 | 17 |
| Securities -- Investment | 14 | 14 | 14 | 11 | 6 | 5 | 5 | 6 | 5 | 11 | 5 | 1 |
| -- Trading | 58 | 53 | 52 | 51 | 46 | 44 | 44 | 42 | 40 | 50 | 43 | 40 |
| Deposits with Banks | 4 | 3 | 3 | 4 | 3 | 2 | 2 | 2 | 1 | 3 | 2 | 8 |
| Total Deposits | 25 | 26 | 22 | 21 | 20 | 22 | 22 | 20 | 17 | 22 | 20 | 47 |
| Employees | 1,418 | 1,382 | 1,410 | 1,354 | 1,369 | 1,379 | 1,376 | 1,292 | 1,299 | | | |

BUSINESS SEGMENT PERFORMANCE -- OTHER (1)


| (\$MM) | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|---------------------------------------------------------|-----------------|-------|------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | | |
| Other (1): | | | | | | | | | | | | |
| Net Interest Income (2) | (116) | (184) | (85) | (124) | (138) | (130) | (139) | (113) | (141) | (531) | (523) | (588) |
| Other Income | 157 | 127 | 105 | 130 | 127 | 140 | 122 | 188 | 147 | 489 | 597 | 681 |
| Total Revenue | 41 | (57) | 20 | 6 | (11) | 10 | (17) | 75 | 6 | (42) | 74 | 93 |
| Provision for Credit Losses | - | 60 | - | - | - | 42 | 1 | - | - | 60 | 43 | 103 |
| Non-interest Expenses | (33) | (25) | (20) | (24) | (23) | (25) | (31) | (26) | (24) | (92) | (106) | (79) |
| Income Taxes (2) | 35 | 75 | 48 | 67 | 60 | 49 | 72 | 70 | 21 | 250 | 212 | 137 |
| Net Income | 43 | 53 | 48 | 49 | 26 | 76 | 25 | 119 | 3 | 176 | 223 | 254 |
| Preferred Dividends Paid | (2) | (1) | (2) | (2) | (2) | (2) | (3) | (1) | (1) | (7) | (7) | (4) |
| Net Income available to Common Shareholders | 41 | 52 | 46 | 47 | 24 | 74 | 22 | 118 | 2 | 169 | 216 | 250 |
| Amortization of Intangibles (net of taxes) | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash Net Income available to Common Shareholders | 41 | 52 | 46 | 47 | 24 | 74 | 22 | 118 | 2 | 169 | 216 | 250 |
| Average Balances (\$B): | | | | | | | | | | | | |
| Total Assets | 30 | 30 | 32 | 29 | 25 | 25 | 25 | 24 | 22 | 29 | 24 | 14 |
| Deposits with Banks | 11 | 13 | 12 | 12 | 11 | 11 | 11 | 10 | 10 | 12 | 11 | 3 |
| Securities | 13 | 12 | 13 | 12 | 12 | 11 | 10 | 10 | 10 | 12 | 10 | 10 |
| Total Deposits | 85 | 80 | 77 | 71 | 62 | 58 | 56 | 55 | 53 | 73 | 56 | 19 |

(1) represents corporate adjustments and smaller operating segments including Group Treasury.

(2) includes elimination of the tax-exempt income gross-up reported in net interest income and provision for income taxes in the three business segments reported on pages 4 to 6.

NET INTEREST MARGIN, TRADING REVENUE AND ASSETS UNDER ADMINISTRATION & MANAGEMENT



| | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|-------------------------------------------------------------|-----------------|-------|-------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | | |
| NET INTEREST MARGIN: | | | | | | | | | | | | |
| Net Interest Income (TEB) (\$MM) | 1,881 | 1,783 | 1,816 | 1,644 | 1,605 | 1,581 | 1,561 | 1,552 | 1,503 | 6,848 | 6,197 | 5,975 |
| Net Interest Income (TEB) as % of Average Total Assets | 1.91 | 1.89 | 1.98 | 1.97 | 1.97 | 1.97 | 1.97 | 2.07 | 2.00 | 1.95 | 2.00 | 2.10 |
| Net Interest Income (TEB) as % of Average Earning Assets | 2.11 | 2.10 | 2.23 | 2.21 | 2.21 | 2.20 | 2.20 | 2.32 | 2.27 | 2.18 | 2.25 | 2.38 |
| TRADING REVENUE (TEB) (\$MM): | | | | | | | | | | | | |
| Securities Trading | 45 | 25 | 6 | 34 | 80 | 28 | 33 | 45 | 69 | 145 | 175 | 112 |
| Foreign Exchange and Precious Metals Trading | 66 | 70 | 67 | 78 | 86 | 68 | 57 | 66 | 104 | 301 | 295 | 306 |
| Derivative and Other Trading | 136 | 159 | 114 | 147 | 165 | 111 | 123 | 111 | 119 | 585 | 464 | 345 |
| Total | 247 | 254 | 187 | 259 | 331 | 207 | 213 | 222 | 292 | 1,031 | 934 | 763 |
| Reported in Other Income | 149 | 138 | 99 | 157 | 243 | 126 | 133 | 125 | 210 | 637 | 594 | 476 |
| Reported in Net Interest Income | 98 | 116 | 88 | 102 | 88 | 81 | 80 | 97 | 82 | 394 | 340 | 287 |
| Total | 247 | 254 | 187 | 259 | 331 | 207 | 213 | 222 | 292 | 1,031 | 934 | 763 |
| DEFERRED REVENUES (\$MM): | 267 | 243 | 243 | 253 | 243 | 251 | 269 | 257 | 261 | | | |
| ASSETS UNDER ADMINISTRATION (\$B): | | | | | | | | | | | | |
| Personal | | | | | | | | | | | | |
| Retail Brokerage | 74.0 | 69.7 | 67.5 | 70.1 | 66.2 | 64.2 | 60.8 | 59.0 | 57.6 | | | |
| Investment Management and Trust | 62.7 | 59.5 | 56.0 | 57.4 | 56.3 | 57.0 | 56.3 | 54.8 | 53.4 | | | |
| | 136.7 | 129.2 | 123.5 | 127.5 | 122.5 | 121.2 | 117.1 | 113.8 | 111.0 | | | |
| Mutual Funds | 21.4 | 19.8 | 18.6 | 19.5 | 18.4 | 18.4 | 17.7 | 17.2 | 16.1 | | | |
| Institutional | 45.0 | 42.9 | 38.8 | 41.5 | 33.2 | 31.8 | 31.9 | 32.0 | 30.9 | | | |
| Total | 203.1 | 191.9 | 180.9 | 188.5 | 174.1 | 171.4 | 166.7 | 163.0 | 158.0 | | | |
| ASSETS UNDER MANAGEMENT (\$B): | | | | | | | | | | | | |
| Personal | 11.1 | 10.0 | 9.8 | 9.9 | 9.7 | 9.4 | 8.4 | 8.0 | 7.8 | | | |
| Mutual Funds | 13.5 | 13.2 | 12.6 | 13.3 | 12.9 | 13.4 | 12.3 | 11.9 | 11.7 | | | |
| Institutional | 4.6 | 4.6 | 4.2 | 3.7 | 3.6 | 3.8 | 3.3 | 3.4 | 3.1 | | | |
| Total | 29.2 | 27.8 | 26.6 | 26.9 | 26.2 | 26.6 | 24.0 | 23.3 | 22.6 | | | |

OTHER INCOME



| (\$MM) | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|------------------------------------------------------------|-----------------|-------|-------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | | |
| Card Revenues | 93 | 83 | 78 | 71 | 75 | 67 | 66 | 56 | 62 | 307 | 251 | 231 |
| Deposit and Payment Services | | | | | | | | | | | | |
| Deposit Services | 165 | 160 | 159 | 150 | 153 | 149 | 151 | 140 | 141 | 622 | 581 | 536 |
| Other Payment Services | 41 | 36 | 39 | 33 | 36 | 32 | 33 | 28 | 27 | 144 | 120 | 110 |
| | 206 | 196 | 198 | 183 | 189 | 181 | 184 | 168 | 168 | 766 | 701 | 646 |
| Mutual Funds | 68 | 63 | 60 | 60 | 58 | 52 | 50 | 47 | 44 | 241 | 193 | 171 |
| Investment Management, Brokerage and Trust Services | | | | | | | | | | | | |
| Retail Brokerage | 138 | 121 | 115 | 126 | 119 | 114 | 101 | 110 | 102 | 481 | 427 | 335 |
| Personal and Corporate Trust | 30 | 31 | 27 | 31 | 26 | 29 | 27 | 29 | 26 | 115 | 111 | 116 |
| Investment Management and Custody | 20 | 19 | 17 | 18 | 16 | 16 | 15 | 17 | 14 | 70 | 62 | 53 |
| | 188 | 171 | 159 | 175 | 161 | 159 | 143 | 156 | 142 | 666 | 600 | 504 |
| Credit Fees | | | | | | | | | | | | |
| Commitment and Other Credit Fees | 101 | 97 | 110 | 104 | 103 | 104 | 113 | 110 | 109 | 414 | 436 | 477 |
| Acceptance Fees | 31 | 30 | 30 | 28 | 28 | 27 | 27 | 25 | 27 | 116 | 106 | 106 |
| | 132 | 127 | 140 | 132 | 131 | 131 | 140 | 135 | 136 | 530 | 542 | 583 |
| Trading Revenues | 149 | 138 | 99 | 157 | 243 | 126 | 133 | 125 | 210 | 637 | 594 | 476 |
| Investment Banking | | | | | | | | | | | | |
| Underwriting Fees and Other Commissions | 135 | 122 | 113 | 114 | 104 | 121 | 115 | 123 | 134 | 453 | 493 | 477 |
| Foreign Exchange and Other | 59 | 53 | 54 | 48 | 51 | 50 | 47 | 44 | 46 | 206 | 187 | 171 |
| | 194 | 175 | 167 | 162 | 155 | 171 | 162 | 167 | 180 | 659 | 680 | 648 |
| Net Gain on Investment Securities | 127 | 64 | 105 | 108 | 94 | 109 | 109 | 134 | 62 | 371 | 414 | 477 |
| Securitization Revenues | 9 | 17 | 5 | 8 | 13 | 19 | 21 | 20 | 19 | 43 | 79 | 111 |
| Other | 167 | 182 | 162 | 130 | 106 | 139 | 120 | 128 | 88 | 580 | 475 | 473 |
| Total Other Income | 1,333 | 1,216 | 1,173 | 1,186 | 1,225 | 1,154 | 1,128 | 1,136 | 1,111 | 4,800 | 4,529 | 4,320 |
| % of Total Revenue (TEB) | 41.5 | 40.5 | 39.2 | 41.9 | 43.3 | 42.2 | 41.9 | 42.3 | 42.5 | 41.2 | 42.2 | 42.0 |

NON-INTEREST EXPENSES



| (\$MM) | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|--------------------------------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2007 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | |
| Salaries and Employee Benefits | | | | | | | | | | | | |
| Salaries | 565 | 558 | 539 | 505 | 498 | 515 | 494 | 480 | 474 | 2,100 | 1,963 | 1,933 |
| Stock-based Compensation | 57 | 50 | 23 | 27 | 64 | 42 | 38 | 30 | 30 | 164 | 140 | 174 |
| Other Performance-based Compensation | 244 | 217 | 241 | 249 | 229 | 180 | 208 | 245 | 247 | 936 | 880 | 817 |
| Pension and Other Employee Benefits | 137 | 141 | 137 | 147 | 143 | 124 | 134 | 128 | 119 | 568 | 505 | 528 |
| | 1,003 | 966 | 940 | 928 | 934 | 861 | 874 | 883 | 870 | 3,768 | 3,488 | 3,452 |
| Premises and Technology | | | | | | | | | | | | |
| Net Premises Rent | 48 | 46 | 46 | 44 | 45 | 45 | 43 | 46 | 42 | 181 | 176 | 170 |
| Premises Repairs and Maintenance | 19 | 17 | 16 | 13 | 14 | 15 | 12 | 11 | 12 | 60 | 50 | 46 |
| Property Taxes | 15 | 17 | 17 | 16 | 11 | 15 | 16 | 15 | 15 | 61 | 61 | 58 |
| Computer Equipment, Software and Data Processing | 141 | 152 | 139 | 135 | 123 | 145 | 129 | 125 | 120 | 549 | 519 | 509 |
| Depreciation | 56 | 50 | 49 | 48 | 45 | 38 | 46 | 46 | 43 | 192 | 173 | 189 |
| Other Premises Costs | 48 | 40 | 46 | 42 | 43 | 44 | 42 | 42 | 41 | 171 | 169 | 167 |
| | 327 | 322 | 313 | 298 | 281 | 302 | 288 | 285 | 273 | 1,214 | 1,148 | 1,139 |
| Communications | | | | | | | | | | | | |
| Telecommunications | 18 | 19 | 17 | 16 | 16 | 17 | 16 | 16 | 15 | 68 | 64 | 63 |
| Stationery, Postage and Courier | 55 | 56 | 53 | 51 | 48 | 49 | 50 | 47 | 45 | 208 | 191 | 185 |
| | 73 | 75 | 70 | 67 | 64 | 66 | 66 | 63 | 60 | 276 | 255 | 248 |
| Advertising and Business Development | | | | | | | | | | | | |
| Advertising and Promotion | 50 | 41 | 33 | 27 | 25 | 54 | 34 | 28 | 23 | 126 | 139 | 113 |
| Travel and Business Development | 26 | 32 | 26 | 26 | 22 | 27 | 24 | 22 | 20 | 106 | 93 | 97 |
| | 76 | 73 | 59 | 53 | 47 | 81 | 58 | 50 | 43 | 232 | 232 | 210 |
| Professional | 45 | 58 | 46 | 38 | 32 | 55 | 44 | 45 | 42 | 174 | 186 | 163 |
| Business and Capital Taxes | 39 | 36 | 37 | 23 | 37 | 30 | 38 | 42 | 37 | 133 | 147 | 142 |
| Other | | | | | | | | | | | | |
| Employee Training | 12 | 16 | 13 | 10 | 8 | 20 | 11 | 8 | 6 | 47 | 45 | 43 |
| Amortization of Intangibles | 12 | 12 | 10 | 8 | 8 | 9 | 6 | 7 | 7 | 38 | 29 | 27 |
| Other | 137 | 150 | 120 | 140 | 151 | 155 | 132 | 107 | 119 | 561 | 513 | 438 |
| | 161 | 178 | 143 | 158 | 167 | 184 | 149 | 122 | 132 | 646 | 587 | 508 |
| Total Non-Interest Expenses | 1,724 | 1,708 | 1,608 | 1,565 | 1,562 | 1,579 | 1,517 | 1,490 | 1,457 | 6,443 | 6,043 | 5,862 |
| Productivity Ratio (TEB) (%) | 53.6 | 56.9 | 53.8 | 55.3 | 55.2 | 57.8 | 56.4 | 55.4 | 55.7 | 55.3 | 56.3 | 56.9 |

BALANCE SHEET



| (\$MM) | QUARTERLY TREND | | | | | | | | |
|---------------------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2007 | 2006 | | | | 2005 | | | |
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Cash Resources | 26,384 | 23,376 | 24,181 | 25,667 | 23,940 | 20,505 | 22,135 | 20,494 | 19,985 |
| Securities - Available for Sale | 36,208 | 33,012 | 33,725 | 29,758 | 26,140 | 23,452 | 23,235 | 22,781 | 22,477 |
| - Trading | 64,307 | 62,490 | 57,600 | 58,417 | 51,873 | 50,007 | 50,541 | 50,164 | 46,656 |
| | 100,515 | 95,502 | 91,325 | 88,175 | 78,013 | 73,459 | 73,776 | 72,945 | 69,133 |
| Securities Purchased under Resale Agreements | 24,129 | 25,705 | 22,535 | 22,208 | 20,058 | 20,578 | 23,290 | 20,748 | 19,769 |
| Loans - Residential Mortgages | 92,055 | 89,590 | 85,541 | 81,575 | 77,042 | 75,520 | 73,867 | 70,848 | 70,070 |
| - Personal and Credit Cards | 39,757 | 39,058 | 38,245 | 36,857 | 35,331 | 34,695 | 33,981 | 34,403 | 33,855 |
| - Business and Governments | 83,067 | 76,733 | 72,568 | 67,407 | 62,608 | 62,681 | 63,604 | 62,174 | 61,281 |
| - Sub-total | 214,879 | 205,381 | 196,354 | 185,839 | 174,981 | 172,896 | 171,452 | 167,425 | 165,206 |
| Allowance for Credit Losses | (2,620) | (2,607) | (2,695) | (2,706) | (2,434) | (2,469) | (2,565) | (2,591) | (2,641) |
| - Total Net Loans | 212,259 | 202,774 | 193,659 | 183,133 | 172,547 | 170,427 | 168,887 | 164,834 | 162,565 |
| Acceptances | 10,431 | 9,555 | 9,200 | 9,104 | 8,147 | 7,576 | 7,353 | 7,194 | 6,283 |
| Trading Derivatives' Market Valuation | 10,688 | 10,369 | 11,929 | 16,685 | 12,926 | 11,622 | 11,334 | 12,884 | 12,493 |
| Land, Buildings and Equipment, net | 2,344 | 2,256 | 2,209 | 2,178 | 1,926 | 1,934 | 1,947 | 1,904 | 1,937 |
| Goodwill | 1,121 | 873 | 688 | 639 | 497 | 498 | 546 | 292 | 270 |
| Other Intangible Assets | 317 | 294 | 267 | 269 | 226 | 235 | 219 | 226 | 233 |
| Other Assets | 8,282 | 8,302 | 8,988 | 8,921 | 6,671 | 7,191 | 8,046 | 7,569 | 7,879 |
| Total Assets | 396,470 | 379,006 | 364,981 | 356,979 | 324,951 | 314,025 | 317,533 | 309,090 | 300,547 |
| Deposits - Personal | 96,823 | 93,450 | 91,904 | 90,718 | 86,289 | 83,953 | 83,840 | 82,527 | 81,059 |
| - Banks | 31,201 | 29,392 | 28,072 | 32,567 | 27,606 | 24,103 | 24,912 | 25,184 | 24,341 |
| - Business and Governments | 148,995 | 141,072 | 135,249 | 124,363 | 113,652 | 109,389 | 111,257 | 107,071 | 101,466 |
| - Total | 277,019 | 263,914 | 255,225 | 247,648 | 227,547 | 217,445 | 220,009 | 214,782 | 206,866 |
| Other Liabilities | | | | | | | | | |
| - Securities Sold Under Repurchase Agreements | 29,612 | 33,470 | 29,117 | 29,960 | 24,902 | 26,032 | 27,003 | 25,164 | 24,846 |
| - Securities Sold Short | 18,201 | 13,396 | 14,663 | 10,961 | 10,513 | 11,250 | 9,976 | 8,542 | 7,453 |
| - Trading Derivatives' Market Valuation | 11,039 | 11,211 | 11,815 | 15,746 | 13,639 | 11,193 | 12,049 | 11,445 | 11,993 |
| - Other | 37,714 | 36,447 | 34,068 | 33,257 | 28,851 | 28,676 | 28,926 | 29,830 | 30,796 |
| - Total | 96,566 | 94,524 | 89,663 | 89,924 | 77,905 | 77,151 | 77,954 | 74,981 | 75,088 |
| Subordinated Debentures | 2,340 | 2,271 | 2,275 | 2,268 | 2,578 | 2,597 | 2,617 | 2,633 | 2,625 |
| Capital Instrument Liabilities | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 |
| Equity - Preferred Shares | 945 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 300 |
| - Common Shares and Contributed Surplus | 3,520 | 3,425 | 3,393 | 3,363 | 3,339 | 3,317 | 3,314 | 3,242 | 3,234 |
| - Retained Earnings | 16,376 | 15,843 | 15,372 | 14,884 | 14,433 | 14,126 | 13,909 | 13,517 | 13,236 |
| - Accumulated Other Comprehensive Income (Loss) | (1,046) | (2,321) | (2,297) | (2,458) | (2,201) | (1,961) | (1,620) | (1,415) | (1,552) |
| - Common Equity | 18,850 | 16,947 | 16,468 | 15,789 | 15,571 | 15,482 | 15,603 | 15,344 | 14,918 |
| - Total Equity | 19,795 | 17,547 | 17,068 | 16,389 | 16,171 | 16,082 | 16,203 | 15,944 | 15,218 |
| Total Liabilities and Shareholders' Equity | 396,470 | 379,006 | 364,981 | 356,979 | 324,951 | 314,025 | 317,533 | 309,090 | 300,547 |

AVERAGE BALANCE SHEET



| (\$MM) | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|------------------------------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | |
| Deposits with Other Banks | 22,407 | 23,163 | 21,339 | 21,000 | 18,457 | 19,098 | 18,063 | 17,755 | 17,037 | 20,989 | 17,990 | 16,809 |
| Securities | 99,212 | 92,138 | 92,801 | 87,131 | 78,572 | 74,842 | 74,544 | 71,145 | 67,946 | 87,665 | 72,127 | 63,409 |
| Securities Purchased under Resale Agreements | 26,461 | 25,820 | 23,070 | 23,366 | 22,190 | 24,328 | 23,853 | 23,136 | 20,712 | 23,614 | 23,007 | 20,195 |
| Loans - Residential Mortgages | 90,982 | 89,091 | 83,437 | 78,225 | 76,510 | 74,537 | 71,986 | 70,252 | 69,634 | 81,845 | 71,613 | 64,490 |
| - Personal and Credit Cards | 38,680 | 38,205 | 37,324 | 36,083 | 34,767 | 34,041 | 34,144 | 34,257 | 32,565 | 36,599 | 33,748 | 27,997 |
| - Business and Governments | 75,298 | 69,052 | 64,664 | 59,643 | 57,828 | 57,726 | 58,758 | 58,065 | 54,972 | 62,823 | 57,375 | 57,874 |
| - Total | 204,960 | 196,348 | 185,425 | 173,951 | 169,105 | 166,304 | 164,888 | 162,574 | 157,171 | 181,267 | 162,736 | 150,361 |
| Total Earning Assets | 353,040 | 337,469 | 322,635 | 305,448 | 288,324 | 284,572 | 281,348 | 274,610 | 262,866 | 313,535 | 275,860 | 250,774 |
| Acceptances | 10,419 | 9,574 | 9,339 | 8,992 | 8,138 | 7,749 | 7,455 | 7,149 | 7,099 | 9,011 | 7,365 | 7,061 |
| Other Assets | 28,080 | 27,551 | 31,804 | 28,429 | 25,988 | 25,264 | 25,531 | 25,607 | 27,858 | 28,163 | 26,149 | 26,151 |
| Total Assets | 391,539 | 374,594 | 363,778 | 342,869 | 322,450 | 317,585 | 314,334 | 307,366 | 297,823 | 350,709 | 309,374 | 283,986 |
| Deposits - Personal | 94,233 | 92,184 | 89,825 | 87,183 | 84,546 | 82,617 | 82,158 | 80,947 | 79,327 | 88,445 | 81,265 | 77,958 |
| - Banks | 30,817 | 29,377 | 29,868 | 29,120 | 25,581 | 23,586 | 24,778 | 24,181 | 22,029 | 28,481 | 23,646 | 23,774 |
| - Business and Governments | 146,891 | 141,347 | 130,553 | 121,289 | 113,902 | 111,818 | 108,627 | 104,722 | 101,225 | 126,818 | 106,607 | 94,494 |
| - Total | 271,941 | 262,908 | 250,246 | 237,592 | 224,029 | 218,021 | 215,563 | 209,850 | 202,581 | 243,744 | 211,518 | 196,226 |
| Other Liabilities | 97,723 | 91,358 | 93,786 | 85,940 | 78,966 | 80,072 | 79,322 | 78,557 | 76,779 | 87,210 | 78,796 | 67,979 |
| Subordinated Debentures | 2,286 | 2,270 | 2,268 | 2,307 | 2,591 | 2,600 | 2,625 | 2,620 | 2,612 | 2,359 | 2,614 | 2,661 |
| Capital Instrument Liabilities | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 2,311 |
| Shareholders' Equity | | | | | | | | | | | | |
| - Preferred Shares | 630 | 600 | 600 | 600 | 600 | 600 | 600 | 458 | 300 | 600 | 490 | 300 |
| - Common Shares, Contributed Surplus and Retained Earnings | 19,551 | 19,017 | 18,506 | 18,010 | 17,595 | 17,333 | 16,992 | 16,615 | 16,469 | 18,294 | 16,872 | 15,680 |
| - Accumulated Other Comprehensive Income | (1,342) | (2,309) | (2,378) | (2,330) | (2,081) | (1,791) | (1,518) | (1,484) | (1,668) | (2,248) | (1,666) | (1,171) |
| - Total | 18,839 | 17,308 | 16,728 | 16,280 | 16,114 | 16,142 | 16,074 | 15,589 | 15,101 | 16,646 | 15,696 | 14,809 |
| Total Liabilities and Shareholders' Equity | 391,539 | 374,594 | 363,778 | 342,869 | 322,450 | 317,585 | 314,334 | 307,366 | 297,823 | 350,709 | 309,374 | 283,986 |

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY



| (\$MM) | QUARTERLY TREND | | | | | | | | FULL YEAR | | | |
|-------------------------------------------------------------------------------|-----------------|---------|---------|---------|---------|---------|---------|---------|-----------|---------|---------|---------|
| | 2007 Q1 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 |
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | | |
| Preferred Shares: | | | | | | | | | | | | |
| Balance at Beginning of Period | 600 | 600 | 600 | 600 | 600 | 600 | 300 | 300 | 600 | 300 | 300 | |
| Preferred Shares Issued | 345 | - | - | - | - | - | 300 | - | - | 300 | - | |
| Balance at End of Period | 945 | 600 | 600 | 600 | 600 | 600 | 600 | 300 | 600 | 600 | 300 | |
| Common Shares and Contributed Surplus: | | | | | | | | | | | | |
| Balance at Beginning of Period | 3,425 | 3,393 | 3,363 | 3,339 | 3,317 | 3,314 | 3,242 | 3,234 | 3,229 | 3,317 | 3,229 | 3,141 |
| Common Shares Issued less Purchases for Cancellation | 95 | 32 | 30 | 24 | 22 | 3 | 72 | 8 | 5 | 108 | 88 | 88 |
| Balance at End of Period | 3,520 | 3,425 | 3,393 | 3,363 | 3,339 | 3,317 | 3,314 | 3,242 | 3,234 | 3,425 | 3,317 | 3,229 |
| Retained Earnings: | | | | | | | | | | | | |
| Balance at Beginning of Period | 15,843 | 15,372 | 14,884 | 14,433 | 14,126 | 13,909 | 13,517 | 13,236 | 13,239 | 14,126 | 13,239 | 11,747 |
| Cumulative Effect of Adopting New Accounting Policies | (61) | - | - | - | (25) | - | - | - | - | (25) | - | - |
| | 15,782 | 15,372 | 14,884 | 14,433 | 14,101 | 13,909 | 13,517 | 13,236 | 13,239 | 14,101 | 13,239 | 11,747 |
| Net Income | 1,020 | 897 | 936 | 894 | 852 | 811 | 784 | 826 | 788 | 3,579 | 3,209 | 2,908 |
| Dividends - Preferred | (8) | (7) | (8) | (7) | (8) | (8) | (9) | (4) | (4) | (30) | (25) | (16) |
| - Common | (416) | (386) | (385) | (356) | (356) | (338) | (339) | (318) | (322) | (1,483) | (1,317) | (1,110) |
| Premium on Redemption and Repurchase of Shares | - | (33) | (55) | (80) | (156) | (248) | (44) | (216) | (465) | (324) | (973) | (290) |
| Other | (2) | - | - | - | - | - | - | (7) | - | - | (7) | - |
| Balance at End of Period | 16,376 | 15,843 | 15,372 | 14,884 | 14,433 | 14,126 | 13,909 | 13,517 | 13,236 | 15,843 | 14,126 | 13,239 |
| Accumulated Other Comprehensive Income (1): | | | | | | | | | | | | |
| Balance at Beginning of Period | (2,321) | (2,297) | (2,458) | (2,201) | (1,961) | (1,620) | (1,415) | (1,552) | (1,783) | (1,961) | (1,783) | (1,074) |
| Cumulative Effect of Adopting New Accounting Policies | 683 | - | - | - | - | - | - | - | - | - | - | - |
| Other Comprehensive Income- | | | | | | | | | | | | |
| Net Change in Unrealized Foreign Currency Translation Gains (Losses) | 522 | (24) | 161 | (257) | (240) | (341) | (205) | 137 | 231 | (360) | (178) | (709) |
| Net Change in Unrealized Gains on available-for-sale Securities | 48 | - | - | - | - | - | - | - | - | - | - | - |
| Net Change in Gains on Derivative Instruments, designated as cash flow hedges | 22 | - | - | - | - | - | - | - | - | - | - | - |
| Total | 592 | (24) | 161 | (257) | (240) | (341) | (205) | 137 | 231 | (360) | (178) | (709) |
| Balance at End of Period | (1,046) | (2,321) | (2,297) | (2,458) | (2,201) | (1,961) | (1,620) | (1,415) | (1,552) | (2,321) | (1,961) | (1,783) |
| Total Shareholders' Equity at End of Period | 19,795 | 17,547 | 17,068 | 16,389 | 16,171 | 16,082 | 16,203 | 15,944 | 15,218 | 17,547 | 16,082 | 14,985 |
| Composition of Accumulated Other Comprehensive Income: | | | | | | | | | | | | |
| Unrealized Foreign Currency Translation Gains (Losses) | (1,799) | (2,321) | (2,297) | (2,458) | (2,201) | (1,961) | (1,620) | (1,415) | (1,552) | (2,321) | (1,961) | (1,783) |
| Unrealized Gains on available-for-sale Securities | 754 | - | - | - | - | - | - | - | - | - | - | - |
| Gains on Derivative Instruments, designated as cash flow hedges | (1) | - | - | - | - | - | - | - | - | - | - | - |
| Total | (1,046) | (2,321) | (2,297) | (2,458) | (2,201) | (1,961) | (1,620) | (1,415) | (1,552) | (2,321) | (1,961) | (1,783) |

(1) Accumulated Other Comprehensive Income balances prior to Q1/07 were previously reported as Cumulative Foreign Currency Translation Losses.

REGULATORY CAPITAL



| (\$MM) | QUARTERLY TREND | | | | | | | | FULL YEAR | | | | |
|--------------------------------------------------------------------------------------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| | 2007 | 2006 | | | | 2005 | | | | 2006 | 2005 | 2004 | |
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | | | | |
| REGULATORY CAPITAL: | | | | | | | | | | | | | |
| Common Shares, Contributed Surplus & Retained Earnings | 19,896 | 19,268 | 18,765 | 18,247 | 17,772 | 17,443 | 17,223 | 16,759 | 16,470 | 19,268 | 17,443 | 16,468 | |
| OCI - Accumulated Foreign Currency Translation Gains (Losses) | (1,799) | (2,321) | (2,297) | (2,458) | (2,201) | (1,961) | (1,620) | (1,415) | (1,552) | (2,321) | (1,961) | (1,783) | |
| Non-Cumulative Preferred Shares | 945 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 300 | 600 | 600 | 300 | |
| Innovative Capital Instruments | 3,000 | 3,000 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 3,000 | 2,250 | 2,250 | |
| Non-Controlling Interest in Subsidiaries | 491 | 435 | 411 | 387 | 310 | 306 | 296 | 290 | 287 | 435 | 306 | 280 | |
| Goodwill | (1,121) | (873) | (688) | (639) | (497) | (498) | (546) | (292) | (270) | (873) | (498) | (261) | |
| Tier 1 Capital | 21,412 | 20,109 | 19,041 | 18,387 | 18,234 | 18,140 | 18,203 | 18,192 | 17,485 | 20,109 | 18,140 | 17,254 | |
| OCI - Accumulated Net Unrealized Gains (after-tax) on available-for-sale Equity Securities | 374 | - | - | - | - | - | - | - | - | - | - | - | |
| Debentures (net of amortization) | 2,060 | 2,046 | 2,105 | 2,100 | 2,407 | 2,420 | 2,495 | 2,508 | 2,501 | 2,046 | 2,420 | 2,493 | |
| Eligible General Allowance (1) | 1,323 | 1,307 | 1,330 | 1,330 | 1,330 | 1,330 | 1,375 | 1,375 | 1,361 | 1,307 | 1,330 | 1,317 | |
| Tier 2 Capital | 3,757 | 3,353 | 3,435 | 3,430 | 3,737 | 3,750 | 3,870 | 3,883 | 3,862 | 3,353 | 3,750 | 3,810 | |
| Investment in Insurance Entities, Associated Corporations & Other | (949) | (476) | (457) | (406) | (436) | (358) | (534) | (591) | (313) | (476) | (358) | (200) | |
| Total Regulatory Capital | 24,220 | 22,986 | 22,019 | 21,411 | 21,535 | 21,532 | 21,539 | 21,484 | 21,034 | 22,986 | 21,532 | 20,864 | |
| CHANGES IN REGULATORY CAPITAL: | | | | | | | | | | | | | |
| Total Capital, Beginning of Period | 22,986 | 22,019 | 21,411 | 21,535 | 21,532 | 21,539 | 21,484 | 21,034 | 20,864 | 21,532 | 20,864 | 20,408 | |
| Internally Generated Capital | | | | | | | | | | | | | |
| Net Income | 1,020 | 897 | 936 | 894 | 852 | 811 | 784 | 826 | 788 | 3,579 | 3,209 | 2,908 | |
| Preferred and Common Share Dividends | (424) | (393) | (393) | (363) | (364) | (346) | (348) | (322) | (326) | (1,513) | (1,342) | (1,126) | |
| | 596 | 504 | 543 | 531 | 488 | 465 | 436 | 504 | 462 | 2,066 | 1,867 | 1,782 | |
| External Financing | | | | | | | | | | | | | |
| Debentures (net of amortization) | 14 | (59) | 5 | (307) | (13) | (75) | (13) | 7 | 8 | (374) | (73) | (102) | |
| Innovative Capital Instruments | - | 750 | - | - | - | - | - | - | - | 750 | - | (250) | |
| Preferred Shares | 345 | - | - | - | - | - | - | 300 | - | - | 300 | - | |
| Common Shares and Contributed Surplus | 95 | 32 | 30 | 24 | 22 | 3 | 72 | 8 | 5 | 108 | 88 | 88 | |
| Premium on Redemption and Repurchase of Shares | - | (33) | (55) | (80) | (156) | (248) | (44) | (216) | (465) | (324) | (973) | (290) | |
| | 454 | 690 | (20) | (363) | (147) | (320) | 15 | 99 | (452) | 160 | (658) | (554) | |
| Other | | | | | | | | | | | | | |
| OCI - Net Change in Foreign Currency Translation Gains (Losses) | 522 | (24) | 161 | (257) | (240) | (341) | (205) | 137 | 231 | (360) | (178) | (709) | |
| OCI - Change in Net Unrealized Gains (after-tax) on available-for-sale Equity Securities | 374 | - | - | - | - | - | - | - | - | - | - | - | |
| Non-controlling Interest in Subsidiaries | 56 | 24 | 24 | 77 | 4 | 10 | 6 | 3 | 7 | 129 | 26 | (46) | |
| Other (2) | (768) | (227) | (100) | (112) | (102) | 179 | (197) | (293) | (78) | (541) | (389) | (17) | |
| | 184 | (227) | 85 | (292) | (338) | (152) | (396) | (153) | 160 | (772) | (541) | (772) | |
| Total Capital Generated (Used) | 1,234 | 967 | 608 | (124) | 3 | (7) | 55 | 450 | 170 | 1,454 | 668 | 456 | |
| Total Capital, End of Period | 24,220 | 22,986 | 22,019 | 21,411 | 21,535 | 21,532 | 21,539 | 21,484 | 21,034 | 22,986 | 21,532 | 20,864 | |

OCI = Other Comprehensive Income

(1) Under OSFI Guidelines, the general allowance is included in Tier 2 capital up to a maximum of 0.875% of risk-weighted assets.

(2) Represents changes to eligible general allowance, regulatory capital deductions for goodwill, securitization-related amounts and investments in insurance entities (beginning Q1/07) and associated corporations, and other charges (credits) to retained earnings. Q1/07 includes a \$61MM charge (Q1/06: \$25MM charge) for cumulative effect of adopting new accounting policy on financial instruments (2006: stock-based compensation).

RISK-WEIGHTED ASSETS AND CAPITAL RATIOS



| | QUARTERLY TREND | | | | | | | | |
|---------------------------------------------------------------------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2007 Q1 | 2006 | | | | 2005 | | | |
| | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| RISK-WEIGHTED ASSETS (\$B): | | | | | | | | | |
| On Balance Sheet Assets | | | | | | | | | |
| 0 - 20% Cash Resources | 3.7 | 4.4 | 4.4 | 4.5 | 3.4 | 2.8 | 3.2 | 2.9 | 2.9 |
| 0 - 100% Securities | 13.2 | 12.3 | 12.0 | 10.9 | 10.4 | 7.4 | 7.2 | 7.2 | 7.6 |
| 0 - 50% Residential Mortgages | 31.4 | 30.3 | 28.9 | 27.3 | 26.0 | 25.3 | 24.6 | 23.5 | 23.0 |
| 0 - 100% Loans & Acceptances (1) | 109.7 | 103.5 | 99.3 | 92.7 | 87.2 | 85.1 | 87.5 | 85.3 | 82.7 |
| 0 - 100% Other Assets | 7.4 | 8.2 | 8.0 | 7.5 | 6.4 | 5.3 | 5.3 | 4.9 | 4.6 |
| | 165.4 | 158.7 | 152.6 | 142.9 | 133.4 | 125.9 | 127.8 | 123.8 | 120.8 |
| Off Balance Sheet Assets | | | | | | | | | |
| Indirect Credit Instruments | 30.4 | 29.1 | 28.8 | 28.4 | 28.1 | 29.7 | 28.9 | 28.8 | 27.3 |
| Interest Rate, Foreign Exchange and Other Derivative Instruments | 4.9 | 4.2 | 4.1 | 5.1 | 3.9 | 3.9 | 3.7 | 4.0 | 3.8 |
| Market Risk -- Risk Assets Equivalent | 6.1 | 5.0 | 4.8 | 3.7 | 3.5 | 3.3 | 3.4 | 3.5 | 3.6 |
| Total Risk-Weighted Assets | 206.8 | 197.0 | 190.3 | 180.1 | 168.9 | 162.8 | 163.8 | 160.1 | 155.5 |
| RISK-WEIGHTED CAPITAL RATIOS (%): | | | | | | | | | |
| Tier I | 10.4 | 10.2 | 10.0 | 10.2 | 10.8 | 11.1 | 11.1 | 11.4 | 11.2 |
| Total | 11.7 | 11.7 | 11.6 | 11.9 | 12.7 | 13.2 | 13.1 | 13.4 | 13.5 |
| Tangible Common Equity | 8.4 | 8.3 | 8.4 | 8.5 | 9.0 | 9.3 | 9.3 | 9.5 | 9.5 |

(1) includes Securities Purchased under Resale Agreements

DERIVATIVES



| | | | | | | Jan 31/07 | Oct 31/06 | Jan 31/06 |
|-------------------------------------------|---------------------------------|--------------------------|---------------------------------|-------------------------------------|-----------------------------------|------------------------------|------------------------------|------------------------------|
| (\$MM) | Notional Principal Amount | Credit Risk Amount | Potential Future Exposure | Credit Risk Equivalent Amount | CRE/Loans & Acceptances (%) | Risk- Weighted Balance | Risk- Weighted Balance | Risk- Weighted Balance |
| <u>Interest Rate Contracts:</u> | | | | | | | | |
| Futures and Forward Rate Agreements | 108,253 | 3 | 15 | 18 | - | 6 | 8 | 4 |
| Interest Rate Swaps | 516,403 | 3,342 | 2,645 | 5,987 | 2.7 | 1,425 | 1,344 | 1,403 |
| Options Purchased | 32,031 | 152 | 53 | 205 | 0.1 | 54 | 62 | 67 |
| Options Written | 23,394 | - | - | - | - | - | - | - |
| <u>Foreign Exchange Contracts:</u> | | | | | | | | |
| Futures, Spot and Forwards | 212,155 | 3,501 | 2,184 | 5,685 | 2.6 | 1,692 | 1,403 | 2,060 |
| Currency Swaps | 91,593 | 4,127 | 4,752 | 8,879 | 4.0 | 2,167 | 2,120 | 1,880 |
| Options Purchased | 2,038 | 79 | 26 | 105 | 0.1 | 39 | 35 | 34 |
| Options Written | 2,182 | - | - | - | - | - | - | - |
| <u>Other Derivative Contracts:</u> | | | | | | | | |
| Equity | 37,501 | 703 | 2,212 | 2,915 | 1.3 | 933 | 739 | 670 |
| Credit | 51,729 | 320 | 2,888 | 3,208 | 1.4 | 973 | 682 | 467 |
| Other | 5,643 | 302 | 446 | 748 | 0.3 | 272 | 273 | 192 |
| Total Derivatives | 1,082,922 | 12,529 | 15,221 | 27,750 | 12.5 | 7,561 | 6,666 | 6,777 |
| Less: Impact of Master Netting Agreements | | 5,902 | 5,358 | 11,260 | 5.1 | 2,631 | 2,484 | 2,878 |
| Total after Netting | | 6,627 | 9,863 | 16,490 | 7.4 | 4,930 | 4,182 | 3,899 |

GROSS IMPAIRED LOANS



| (\$MM) | QUARTERLY TREND | | | | | | | | |
|----------------------------------------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2007 Q1 | 2006 | | | | 2005 | | | |
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | |
| GROSS IMPAIRED LOANS: | | | | | | | | | |
| <u>Domestic</u> | | | | | | | | | |
| Retail | 362 | 374 | 346 | 339 | 332 | 311 | 255 | 268 | 264 |
| Commercial | 264 | 263 | 254 | 238 | 194 | 201 | 184 | 182 | 178 |
| | 626 | 637 | 600 | 577 | 526 | 512 | 439 | 450 | 442 |
| <u>International</u> | | | | | | | | | |
| Retail | 460 | 411 | 390 | 384 | 333 | 319 | 363 | 346 | 342 |
| Commercial | 592 | 569 | 604 | 645 | 435 | 413 | 420 | 438 | 441 |
| | 1,052 | 980 | 994 | 1,029 | 768 | 732 | 783 | 784 | 783 |
| <u>Scotia Capital</u> | | | | | | | | | |
| Canada | 18 | 18 | 18 | 19 | 20 | 25 | 33 | 43 | 48 |
| U.S.A. | 107 | 119 | 138 | 224 | 257 | 331 | 355 | 394 | 544 |
| Europe | 73 | 116 | 94 | 106 | 192 | 220 | 153 | 211 | 211 |
| | 198 | 253 | 250 | 349 | 469 | 576 | 541 | 648 | 803 |
| Total Gross Impaired Loans | 1,876 | 1,870 | 1,844 | 1,955 | 1,763 | 1,820 | 1,763 | 1,882 | 2,028 |
| Specific Allowance for Credit Losses | (1,297) | (1,300) | (1,365) | (1,376) | (1,104) | (1,139) | (1,190) | (1,216) | (1,266) |
| Total Net Impaired Loans after Specific Allowance | 579 | 570 | 479 | 579 | 659 | 681 | 573 | 666 | 762 |
| General Allowance for Credit Losses | (1,323) | (1,307) | (1,330) | (1,330) | (1,330) | (1,330) | (1,375) | (1,375) | (1,375) |
| Total Net Impaired Loans after General Allowance | (744) | (737) | (851) | (751) | (671) | (649) | (802) | (709) | (613) |

CHANGES IN GROSS IMPAIRED LOANS:

| | Domestic Retail | Domestic Commercial | International | Scotia Capital | General Allowance | Total |
|---------------------------------------|--------------------|------------------------|---------------|-------------------|----------------------|--------------|
| Q4/06 Gross Impaired Loans | 374 | 263 | 980 | 253 | - | 1,870 |
| Acquisition of Subsidiaries | - | - | 26 | - | - | 26 |
| New Classifications | 193 | 40 | 86 | - | - | 319 |
| Declassifications, payments and sales | (112) | (34) | (21) | (75) | - | (242) |
| Net Classifications | 81 | 6 | 65 | (75) | - | 77 |
| Write-Offs | (93) | (5) | (61) | (9) | - | (168) |
| Forex | - | - | 42 | 29 | - | 71 |
| Q1/07 Gross Impaired Loans | 362 | 264 | 1,052 | 198 | - | 1,876 |
| Allowance for Credit Losses | (231) | (150) | (813) | (103) | (1,323) | (2,620) |
| Q1/07 Net Impaired Loans | 131 | 114 | 239 | 95 | (1,323) | (744) |

NET IMPAIRED LOANS AND ALLOWANCE FOR CREDIT LOSSES



| (\$MM) | QUARTERLY TREND | | | | | | | | |
|----------------------------------------------------------|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2007 Q1 | 2006 | | | | 2005 | | | |
| | | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| NET IMPAIRED LOANS: | | | | | | | | | |
| <u>Domestic</u> | | | | | | | | | |
| Retail | 131 | 130 | 123 | 121 | 120 | 95 | 74 | 93 | 82 |
| Commercial | 114 | 115 | 88 | 77 | 75 | 88 | 55 | 54 | 43 |
| | 245 | 245 | 211 | 198 | 195 | 183 | 129 | 147 | 125 |
| <u>International</u> | | | | | | | | | |
| Retail | 94 | 61 | 55 | 110 | 89 | 73 | 42 | 60 | 42 |
| Commercial | 145 | 146 | 103 | 78 | 90 | 52 | 70 | 103 | 128 |
| | 239 | 207 | 158 | 188 | 179 | 125 | 112 | 163 | 170 |
| <u>Scotia Capital</u> | | | | | | | | | |
| Canada | 2 | 2 | 1 | 1 | 2 | 5 | 4 | 5 | 12 |
| U.S.A. | 58 | 45 | 83 | 160 | 188 | 249 | 254 | 268 | 368 |
| Europe | 35 | 71 | 26 | 32 | 95 | 119 | 74 | 83 | 87 |
| | 95 | 118 | 110 | 193 | 285 | 373 | 332 | 356 | 467 |
| Total Net Impaired Loans after Specific Allowance | 579 | 570 | 479 | 579 | 659 | 681 | 573 | 666 | 762 |
| General Allowance for Credit Losses | (1,323) | (1,307) | (1,330) | (1,330) | (1,330) | (1,330) | (1,375) | (1,375) | (1,375) |
| Total Net Impaired Loans after General Allowance | (744) | (737) | (851) | (751) | (671) | (649) | (802) | (709) | (613) |
| Coverage Ratio (%) (1) | 139.7 | 139.4 | 146.1 | 138.4 | 138.1 | 135.7 | 145.5 | 137.7 | 130.2 |
| ALLOWANCE FOR CREDIT LOSSES: | | | | | | | | | |
| Balance, Beginning of Period | 2,618 | 2,706 | 2,717 | 2,445 | 2,475 | 2,572 | 2,599 | 2,650 | 2,704 |
| Acquisition of Subsidiaries | 26 | 18 | - | 335 | 7 | 24 | 35 | - | - |
| Write-offs | (168) | (150) | (142) | (120) | (131) | (160) | (188) | (153) | (149) |
| Recoveries | 34 | 36 | 50 | 56 | 39 | 68 | 53 | 48 | 36 |
| Provision for Credit Losses | 63 | 32 | 74 | 35 | 75 | 36 | 85 | 35 | 74 |
| Foreign Currency Adjustment and Other (2) | 58 | (24) | 7 | (34) | (20) | (65) | (12) | 19 | (15) |
| Balance, End of Period | 2,631 | 2,618 | 2,706 | 2,717 | 2,445 | 2,475 | 2,572 | 2,599 | 2,650 |
| <u>Comprised of:</u> | | | | | | | | | |
| Specific Allowance | 1,297 | 1,300 | 1,365 | 1,376 | 1,104 | 1,139 | 1,190 | 1,216 | 1,266 |
| General Allowance | 1,323 | 1,307 | 1,330 | 1,330 | 1,330 | 1,330 | 1,375 | 1,375 | 1,375 |
| Other Liabilities | 11 | 11 | 11 | 11 | 11 | 6 | 7 | 8 | 9 |
| Total Allowance for Credit Losses | 2,631 | 2,618 | 2,706 | 2,717 | 2,445 | 2,475 | 2,572 | 2,599 | 2,650 |

(1) Specific and General Allowances for Credit Losses as a percentage of Total Gross Impaired Loans.

(2) includes transfer to Other Assets of \$64MM in Q1/05 as a result of the new CICA accounting standard on Variable Interest Entity (VIE) effective November 1, 2004.

CROSS BORDER EXPOSURES TO SELECT COUNTRIES IN ASIA AND LATIN AMERICA



Outstandings (net of provisions), US\$ millions

| | <u>Loans</u> | <u>Trade</u> | <u>Interbank Deposits</u> | <u>Govt./ Other Sec.</u> | <u>Invest. in Affiliates (1)</u> | <u>Other (2)</u> | <u>Jan 31/07 Total</u> | <u>Oct 31/06 Total</u> | <u>Jan 31/06 Total</u> |
|----------------------|--------------|--------------|-------------------------------|------------------------------|--------------------------------------|------------------|----------------------------|----------------------------|----------------------------|
| ASIA | | | | | | | | | |
| Korea | 623 | 392 | - | 469 | - | 50 | 1,534 | 1,251 | 1,151 |
| Japan | 740 | 87 | 14 | 67 | - | 87 | 995 | 1,008 | 1,169 |
| India | 602 | 345 | 5 | 238 | - | 14 | 1,204 | 1,357 | 970 |
| Malaysia | 353 | 1 | - | 332 | 132 | - | 818 | 760 | 670 |
| Hong Kong | 348 | 37 | 50 | 544 | - | 42 | 1,021 | 963 | 835 |
| China | 338 | 684 | 26 | 54 | - | 12 | 1,114 | 880 | 522 |
| Other (3) | 376 | 161 | 90 | 271 | - | 8 | 906 | 917 | 523 |
| Total | 3,380 | 1,707 | 185 | 1,975 | 132 | 213 | 7,592 | 7,136 | 5,840 |
| LATIN AMERICA | | | | | | | | | |
| Mexico | 1,343 | 118 | - | 534 | 1,772 | 1 | 3,768 | 3,644 | 2,899 |
| Chile | 595 | 2 | - | - | 261 | - | 858 | 965 | 661 |
| Brazil | 372 | 354 | - | 311 | - | - | 1,037 | 1,306 | 672 |
| Peru | 51 | 12 | - | 27 | 324 | - | 414 | 343 | 102 |
| El Salvador | 197 | 13 | - | - | 179 | - | 389 | 391 | 357 |
| Costa Rica | 339 | 14 | - | - | 163 | - | 516 | 680 | 319 |
| Venezuela | 2 | 1 | - | 54 | 82 | - | 139 | 144 | 141 |
| Other (4) | 541 | 22 | 8 | 56 | - | - | 627 | 614 | 635 |
| Total | 3,440 | 536 | 8 | 982 | 2,781 | 1 | 7,748 | 8,087 | 5,786 |

(1) equity investments in subsidiaries and other affiliates excluding goodwill in Chile (US\$98MM), Costa Rica (US\$211MM), El Salvador (US\$117MM) and Peru (US\$146MM).

(2) includes forex contracts, precious metals, derivatives (positive mark-to-market).

(3) includes Indonesia, The Philippines, Singapore, Taiwan, and Thailand.

(4) includes Argentina, Colombia, Ecuador, Panama and Uruguay.

ASSET SECURITIZATION, RESERVES AND INTEREST RATE SENSITIVITY



| | QUARTERLY TREND | | | | | | | | | | |
|----------------------------------------------------------|--------------------|-------------------|----------------------------|----------------|--------------------------------|-------|-------|-------|-------|--|----|
| | 2007 Q1 | Q4 | Q3 | 2006 | | Q1 | Q4 | Q3 | 2005 | | Q1 |
| ASSET SECURITIZATION (\$MM): | | | | | | | | | | | |
| Balance, Beginning of Period | 12,083 | 12,736 | 13,517 | 8,395 | 8,610 | 8,678 | 8,757 | 8,489 | 8,842 | | |
| Securizations | 861 | 703 | 699 | 712 | 437 | 479 | 450 | 644 | 588 | | |
| Paydowns/Maturities | (643) | (682) | (717) | (1,059) | (652) | (547) | (529) | (376) | (941) | | |
| Maple Trust's Mortgage-backed Securities | (346) | (674) | (763) | 5,469 | - | | | | | | |
| Balance, End of Period | | | | | | | | | | | |
| Personal Loans | 170 | 170 | 170 | 170 | 596 | 809 | 809 | 809 | 809 | | |
| Credit Card | - | - | - | - | - | - | - | - | - | | |
| Mortgage-backed Securities | 11,785 | 11,913 | 12,566 | 13,347 | 7,799 | 7,801 | 7,869 | 7,948 | 7,680 | | |
| | 11,955 | 12,083 | 12,736 | 13,517 | 8,395 | 8,610 | 8,678 | 8,757 | 8,489 | | |
| RESERVES (\$MM): | | | | | | | | | | | |
| General Allowance for Credit Losses | 1,323 | 1,307 | 1,330 | 1,330 | 1,330 | 1,330 | 1,375 | 1,375 | 1,375 | | |
| Investment Securities - Unrealized Gains (Losses) | | | | | | | | | | | |
| Bonds of Emerging Markets | 714 | 683 | 624 | 619 | 709 | 693 | | | | | |
| Other Fixed Income | (127) | (113) | (184) | (201) | (57) | (40) | | | | | |
| Common and Preferred Shares | 574 | 521 | 457 | 523 | 543 | 506 | | | | | |
| | 1,161 | 1,091 | 897 | 941 | 1,195 | 1,159 | | | | | |
| INTEREST RATE SENSITIVITY (\$B): | | | | | | | | | | | |
| | Within 3 Months | 3 to 12 Months | Cumulative Under 1 Year | Over 1 Year | Non-Interest Rate Sensitive | | | | | | |
| Canadian Currency Gap | | | | | | | | | | | |
| January 31, 2007 | 9.6 | (7.0) | 2.6 | 7.9 | (10.5) | | | | | | |
| October 31, 2006 | 7.3 | (8.6) | (1.3) | 11.2 | (9.9) | | | | | | |
| January 31, 2006 | 14.0 | (8.9) | 5.1 | 5.7 | (10.8) | | | | | | |
| Foreign Currency Gap | | | | | | | | | | | |
| January 31, 2007 | (8.1) | 3.4 | (4.7) | 18.4 | (13.7) | | | | | | |
| October 31, 2006 | (8.0) | 4.2 | (3.8) | 16.4 | (12.6) | | | | | | |
| January 31, 2006 | (9.6) | 7.0 | (2.6) | 11.7 | (9.1) | | | | | | |
| Total Currency Gap | | | | | | | | | | | |
| January 31, 2007 | 1.5 | (3.6) | (2.1) | 26.3 | (24.2) | | | | | | |
| October 31, 2006 | (0.7) | (4.4) | (5.1) | 27.6 | (22.5) | | | | | | |
| January 31, 2006 | 4.4 | (1.9) | 2.5 | 17.4 | (19.9) | | | | | | |

() denotes liability gap

Note: Based on the Bank's interest rate positions at January 31, 2007, an immediate and sustained 100 basis point rise in interest rates, across all currencies and maturities, would increase net income after-tax by approximately \$55MM over the next 12 months, and lower the common shareholders' equity, in present value terms, by approximately \$582MM.