

SUPPLEMENTARY FINANCIAL INFORMATION



July 31, 2008

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HIGHLIGHTS



	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Operating Performance:													
Net Income (\$MM)	1,010	980	835	954	1,032	1,039	1,020	897	936	2,825	3,091	4,045	3,579
Net Income available to Common Shareholders (\$MM)	978	958	814	938	1,016	1,028	1,012	890	928	2,750	3,056	3,994	3,549
EPS (\$) - basic	0.99	0.97	0.83	0.95	1.03	1.04	1.02	0.90	0.94	2.79	3.09	4.04	3.59
- diluted	0.98	0.97	0.82	0.95	1.02	1.03	1.01	0.89	0.93	2.77	3.06	4.01	3.55
ROE (%)	21.0	21.4	18.3	21.0	21.7	22.4	22.1	21.1	22.8	20.3	22.2	22.0	22.1
Net Interest Margin (%) (1)	1.79	1.76	1.79	1.87	1.86	1.93	1.91	1.89	1.98	1.78	1.90	1.89	1.95
Productivity Ratio (TEB) (%)	54.3	54.8	56.5	54.4	53.0	53.8	53.6	56.9	53.8	55.1	53.5	53.7	55.3
Effective Tax Rate (%)	21.7	17.0	18.2	17.1	21.8	21.1	21.0	18.0	20.2	19.1	21.3	20.3	19.2
Effective Tax Rate (TEB) (%)	27.3	23.3	26.4	29.9	27.2	27.0	26.8	26.5	26.3	25.7	27.0	27.7	26.3
Cash Net Income available to Common Shareholders (\$MM) (2)	987	966	821	946	1,023	1,035	1,020	898	934	2,774	3,078	4,024	3,574
Cash EPS (\$) - basic (2)	1.00	0.98	0.83	0.96	1.04	1.04	1.03	0.91	0.95	2.81	3.11	4.07	3.62
- diluted (2)	0.99	0.97	0.83	0.96	1.03	1.03	1.02	0.90	0.93	2.79	3.08	4.04	3.57
Cash ROE (%) (2)	21.2	21.6	18.5	21.1	21.9	22.6	22.2	21.3	23.0	20.5	22.4	22.2	22.3
Balance Sheet:													
Total Assets (\$B)	462.4	452.6	449.4	411.5	408.1	411.7	396.5	379.0	365.0				
Loans and Acceptances (\$B)	283.7	267.9	260.5	238.7	233.0	226.3	222.7	212.3	202.9				
Deposits (\$B)	332.5	322.4	316.8	288.5	287.0	291.6	277.0	263.9	255.2				
Common Shareholders' Equity (\$B)	18.8	18.2	18.1	17.2	18.4	18.7	18.9	16.9	16.5				
Credit Quality:													
Net Impaired Loans (\$MM) (3)	1,009	845	689	601	584	579	579	570	479				
General Allowance for Credit Losses (\$MM)	1,323	1,323	1,298	1,298	1,298	1,298	1,323	1,307	1,330				
Net Impaired Loans as % of Loans and Acceptances (3)	0.36	0.32	0.26	0.25	0.25	0.26	0.26	0.27	0.24				
Specific Provisions (\$MM)	159	153	111	95	92	45	63	92	74	423	200	295	276
- % of Average Loans and Acceptances	0.23	0.24	0.18	0.16	0.16	0.08	0.12	0.18	0.15	0.22	0.12	0.13	0.14
Capital Measures (4):													
Tier 1 Capital Ratio (%)	9.8	9.6	9.0	9.3	9.7	10.1	10.4	10.2	10.0				
Total Capital Ratio (%)	11.5	11.7	10.2	10.5	10.6	11.4	11.7	11.7	11.6				
Tangible Common Equity Ratio (%)	7.6	7.5	7.2	7.2	7.7	8.0	8.4	8.3	8.4				
Risk-Weighted Assets (\$B)	225.8	218.9	234.9	218.3	219.8	213.1	206.8	197.0	190.3				

(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.

(4) Effective Q1/08, regulatory capital ratios are determined in accordance with Basel II rules. Comparative amounts for periods prior to Q1/08 were determined under Basel I rules.

COMMON SHARE AND OTHER INFORMATION



	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Valuation:													
Book Value per Share (\$)	18.99	18.45	18.40	17.45	18.71	18.90	18.99	17.13	16.66	18.99	18.71	17.45	17.13
Share Price (\$) - High	52.51	50.00	54.00	53.49	54.67	54.73	53.39	49.50	47.24	54.00	54.73	54.73	49.80
- Low	41.95	42.00	43.10	46.70	48.91	49.34	48.80	45.36	41.55	41.95	48.80	46.70	41.55
- Close	49.98	47.82	48.19	53.48	49.45	53.39	50.76	49.30	45.55	49.98	49.45	53.48	49.30
Share Price (Closing) as % Book Value	263.2	259.2	261.9	306.5	264.3	282.5	267.3	287.8	273.4	263.2	264.3	306.5	287.8
Price (Closing)/Earnings Ratio (X) (1)	13.4	12.7	12.5	13.2	12.4	13.7	13.5	13.7	13.0	13.4	12.4	13.2	13.7
Market Capitalization (\$MM)	49,475	47,194	47,487	52,612	48,578	52,840	50,397	48,783	45,022	49,475	48,578	52,612	48,783
Dividends:													
Common Dividends Paid (\$MM)	485	463	463	442	445	417	416	386	385	1,411	1,278	1,720	1,483
Common Dividends/Share (\$)	0.49	0.47	0.47	0.45	0.45	0.42	0.42	0.39	0.39	1.43	1.29	1.74	1.50
Payout Ratio (%)	49.6	48.4	56.9	47.1	43.7	40.6	41.2	43.3	41.5	51.3	41.8	43.1	41.8
Dividend Yield (%)	4.1	4.1	3.9	3.6	3.5	3.2	3.3	3.3	3.5	4.0	3.3	3.4	3.3
Shares:													
Number of Common Shares Outstanding at Period End (MM)	990	987	985	984	982	990	993	990	988				
Average Number of Common Shares Outstanding (MM) -- Basic	989	986	985	983	988	992	991	989	988	986	990	989	988
-- Diluted	994	992	992	991	996	1,001	1,001	1,000	999	993	999	997	1,001
Share Buybacks:													
Number of Common Shares Purchased (M)	125	-	-	-	7,680	4,357	-	777	1,300	125	12,037	12,037	7,648
Average Purchase Price (\$)	48.30	-	-	-	51.47	53.52	-	46.53	44.84	48.30	52.21	52.21	45.71
Other Information:													
Employees	62,209	62,143	62,002	58,113	57,152	55,926	54,889	54,199	53,095				
Branches and Offices	2,557	2,529	2,458	2,331	2,289	2,242	2,225	2,191	2,147				
ABMs	5,531	5,476	5,395	5,283	5,127	5,068	5,018	4,937	4,833				
Senior Debt Credit Ratings:													
Standard & Poor's	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-				
Moody's	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	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)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
CONSOLIDATED STATEMENT OF INCOME:													
Interest Income (TEB)	5,603	5,562	5,659	5,578	5,446	5,348	5,194	5,084	4,825	16,824	15,988	21,566	18,122
Interest Expense	3,554	3,589	3,727	3,646	3,533	3,445	3,313	3,301	3,009	10,870	10,291	13,937	11,274
Net Interest Income (TEB)	2,049	1,973	1,932	1,932	1,913	1,903	1,881	1,783	1,816	5,954	5,697	7,629	6,848
Other Income (see Page 9)	1,428	1,299	1,025	1,362	1,389	1,308	1,333	1,216	1,173	3,752	4,030	5,392	4,800
Total Revenue (TEB)	3,477	3,272	2,957	3,294	3,302	3,211	3,214	2,999	2,989	9,706	9,727	13,021	11,648
Taxable Equivalent Adjustment (TEB)	103	100	118	216	101	109	105	131	100	321	315	531	440
Total Revenue	3,374	3,172	2,839	3,078	3,201	3,102	3,109	2,868	2,889	9,385	9,412	12,490	11,208
Provision for Credit Losses	159	153	111	95	92	20	63	32	74	423	175	270	216
Total Non-interest Expenses (see Page 10)	1,889	1,794	1,669	1,792	1,752	1,726	1,724	1,708	1,608	5,352	5,202	6,994	6,443
Net Income before the undernoted:	1,326	1,225	1,059	1,191	1,357	1,356	1,322	1,128	1,207	3,610	4,035	5,226	4,549
Provision for Income Taxes	287	209	193	204	296	286	277	203	244	689	859	1,063	872
Non-controlling Interest in Net Income of Subsidiaries	29	36	31	33	29	31	25	28	27	96	85	118	98
Net Income	1,010	980	835	954	1,032	1,039	1,020	897	936	2,825	3,091	4,045	3,579
Preferred Dividends Paid	32	22	21	16	16	11	8	7	8	75	35	51	30
Net Income available to Common Shareholders	978	958	814	938	1,016	1,028	1,012	890	928	2,750	3,056	3,994	3,549
Amortization of Intangibles (net of taxes)	9	8	7	8	7	7	8	8	6	24	22	30	25
Cash Net Income available to Common Shareholders	987	966	821	946	1,023	1,035	1,020	898	934	2,774	3,078	4,024	3,574

NET INCOME AVAILABLE TO COMMON SHAREHOLDERS BY BUSINESS SEGMENT:

Domestic Banking (1)	455	416	367	434	391	364	361	335	319	1,238	1,116	1,550	1,279
International Banking	321	326	282	353	270	293	316	268	285	929	879	1,232	1,054
Scotia Capital	291	251	187	226	276	318	294	235	278	729	888	1,114	1,047
Other (2)	(89)	(35)	(22)	(75)	79	53	41	52	46	(146)	173	98	169
Total Bank	978	958	814	938	1,016	1,028	1,012	890	928	2,750	3,056	3,994	3,549

(1) includes Wealth Management.

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

BUSINESS SEGMENT PERFORMANCE -- DOMESTIC BANKING


(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Net Interest Income (TEB)	1,122	1,051	991	954	1,006	942	953	957	932	3,164	2,901	3,855	3,682
Other Income	564	537	519	663	537	530	518	498	480	1,620	1,585	2,248	1,935
Total Revenue (TEB)	1,686	1,588	1,510	1,617	1,543	1,472	1,471	1,455	1,412	4,784	4,486	6,103	5,617
Provision for Credit Losses	(99)	(102)	(91)	(78)	(77)	(66)	(74)	(58)	(69)	(292)	(217)	(295)	(279)
Non-interest Expenses	(914)	(890)	(889)	(927)	(892)	(870)	(870)	(912)	(879)	(2,693)	(2,632)	(3,559)	(3,469)
Provision for Income Taxes (TEB)	(210)	(174)	(157)	(173)	(179)	(169)	(164)	(147)	(143)	(541)	(512)	(685)	(581)
Net Income	463	422	373	439	395	367	363	338	321	1,258	1,125	1,564	1,288
Preferred Dividends Paid	(8)	(6)	(6)	(5)	(4)	(3)	(2)	(3)	(2)	(20)	(9)	(14)	(9)
Net Income available to Common Shareholders	455	416	367	434	391	364	361	335	319	1,238	1,116	1,550	1,279
Amortization of Intangibles (net of taxes)	6	5	6	6	6	5	6	7	4	17	17	23	21
Cash Net Income available to Common Shareholders	461	421	373	440	397	369	367	342	323	1,255	1,133	1,573	1,300
ROE (%)	38.5	35.3	30.6	37.0	31.8	32.0	31.1	27.3	26.3	34.8	31.6	33.0	27.8
Net Interest Margin													
- as % of Average Total Assets	2.52	2.49	2.35	2.33	2.56	2.58	2.58	2.62	2.67	2.45	2.57	2.51	2.70
- as % of Average Earning Assets	2.57	2.54	2.40	2.37	2.62	2.63	2.63	2.67	2.72	2.50	2.63	2.56	2.75
Specific Provisions as % of Average Loans & Acceptances	0.22	0.24	0.22	0.19	0.20	0.18	0.20	0.16	0.20	0.23	0.19	0.19	0.20
Productivity Ratio (%)	54.2	56.0	58.9	57.3	57.8	59.1	59.1	62.7	62.3	56.3	58.7	58.3	61.8
Average Balances (\$B):													
Total Assets	177	172	168	163	156	149	146	145	139	172	151	154	136
Residential Mortgages	112	109	106	104	98	94	91	90	85	109	94	97	83
Personal Loans	38	37	36	35	34	33	33	33	32	37	34	34	32
Business Loans & Acceptances	26	25	25	24	24	22	22	22	22	25	23	23	21
Personal Deposits	85	83	82	77	76	75	74	73	72	83	75	76	71
Non-personal Deposits	43	43	42	41	41	39	40	39	36	43	40	40	36
Other:													
Branches	1,010	1,010	1,006	1,005	988	981	977	972	967				
Wealth Management Offices	100	98	98	99	98	98	99	100	99				
Employees	21,269	21,401	21,505	21,827	21,637	21,253	20,865	20,810	20,728				
ABMs	2,896	2,896	2,869	2,852	2,808	2,781	2,761	2,742	2,703				

BUSINESS SEGMENT PERFORMANCE -- INTERNATIONAL BANKING



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Net Interest Income (TEB)	847	797	731	710	703	679	670	628	607	2,375	2,052	2,762	2,306
Other Income	389	356	309	380	250	300	297	267	237	1,054	847	1,227	939
Total Revenue (TEB)	1,236	1,153	1,040	1,090	953	979	967	895	844	3,429	2,899	3,989	3,245
Provision for Credit Losses	(56)	(60)	(30)	(27)	(25)	(30)	(19)	(8)	(24)	(146)	(74)	(101)	(60)
Non-interest Expenses	(698)	(615)	(568)	(582)	(558)	(577)	(562)	(555)	(477)	(1,881)	(1,697)	(2,279)	(1,927)
Provision for Income Taxes (TEB)	(118)	(107)	(122)	(89)	(65)	(44)	(43)	(34)	(29)	(347)	(152)	(241)	(98)
Non-controlling Interest in Net Income of Subsidiaries	(29)	(36)	(31)	(33)	(29)	(31)	(25)	(28)	(27)	(96)	(85)	(118)	(98)
Net Income	335	335	289	359	276	297	318	270	287	959	891	1,250	1,062
Preferred Dividends Paid	(14)	(9)	(7)	(6)	(6)	(4)	(2)	(2)	(2)	(30)	(12)	(18)	(8)
Net Income available to Common Shareholders	321	326	282	353	270	293	316	268	285	929	879	1,232	1,054
Amortization of Intangibles (net of taxes)	2	2	1	1	1	2	1	1	1	5	4	5	2
Cash Net Income available to Common Shareholders	323	328	283	354	271	295	317	269	286	934	883	1,237	1,056
ROE (%)	15.8	17.6	19.6	21.3	16.1	18.7	22.2	21.1	23.9	17.5	18.8	19.5	23.4
Net Interest Margin													
- as % of Average Total Assets	4.14	4.10	4.18	4.32	4.27	4.03	4.09	4.20	4.19	4.14	4.13	4.18	4.15
- as % of Average Earning Assets	4.15	4.11	4.19	4.33	4.28	4.03	4.10	4.21	4.20	4.15	4.14	4.19	4.17
Specific Provisions as % of Average Loans & Acceptances	0.40	0.47	0.27	0.26	0.25	0.29	0.19	0.09	0.28	0.38	0.24	0.25	0.18
Productivity Ratio (%)	56.5	53.3	54.6	53.4	58.6	58.9	58.1	62.0	56.5	54.9	58.5	57.1	59.4
Average Balances (\$B):													
Total Assets	81	79	70	65	65	69	65	59	57	77	66	66	56
Residential Mortgages	12	9	9	8	8	8	8	7	7	10	8	8	7
Personal Loans	8	8	7	7	7	7	6	6	5	8	7	7	5
Business Loans & Acceptances	36	35	29	26	25	28	26	23	22	33	26	26	21
Securities	16	16	15	15	15	16	14	13	13	16	15	15	13
Total Deposits (1)	47	48	40	48	49	50	48	44	43	45	49	49	41
Other:													
Branches and Offices	1,396	1,372	1,305	1,178	1,154	1,114	1,100	1,070	1,030				
Employees	30,702	30,599	30,324	26,829	26,087	25,545	24,919	24,447	23,311				
ABMs	2,635	2,580	2,526	2,431	2,319	2,287	2,257	2,195	2,130				

(1) Effective Q1/08, certain deposits, which were previously reported in the International segment, are now reported in the Other segment (Q1/08 impact: \$12 billion).

BUSINESS SEGMENT PERFORMANCE -- SCOTIA CAPITAL



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Net Interest Income (TEB)	269	246	274	364	231	296	269	251	262	789	796	1,160	951
Other Income	383	292	131	156	413	360	361	324	351	806	1,134	1,290	1,437
Total Revenue (TEB)	652	538	405	520	644	656	630	575	613	1,595	1,930	2,450	2,388
Provision for Credit Losses	(4)	9	10	10	10	51	30	(26)	19	15	91	101	63
Non-interest Expenses	(254)	(243)	(191)	(225)	(267)	(262)	(259)	(216)	(232)	(688)	(788)	(1,013)	(955)
Provision for Income Taxes (TEB)	(97)	(49)	(33)	(76)	(107)	(125)	(105)	(97)	(120)	(179)	(337)	(413)	(443)
Net Income	297	255	191	229	280	320	296	236	280	743	896	1,125	1,053
Preferred Dividends Paid	(6)	(4)	(4)	(3)	(4)	(2)	(2)	(1)	(2)	(14)	(8)	(11)	(6)
Net Income available to Common Shareholders	291	251	187	226	276	318	294	235	278	729	888	1,114	1,047
Amortization of Intangibles (net of taxes)	1	1	-	1	-	-	1	-	1	2	1	2	2
Cash Net Income available to Common Shareholders	292	252	187	227	276	318	295	235	279	731	889	1,116	1,049
ROE (%)	34.1	29.6	22.6	24.2	27.7	33.4	30.7	26.2	31.9	28.8	30.5	29.0	31.3
Net Interest Margin													
- as % of Average Total Assets	0.66	0.60	0.69	0.96	0.59	0.79	0.71	0.71	0.76	0.65	0.70	0.76	0.73
- as % of Average Earning Assets	0.82	0.76	0.86	1.16	0.69	0.92	0.82	0.82	0.92	0.81	0.81	0.89	0.87
Specific Provisions as a % of Average Loans & Acceptances (1)	0.04	(0.10)	(0.12)	(0.13)	(0.13)	(0.70)	(0.39)	0.36	(0.29)	(0.06)	(0.40)	(0.33)	(0.25)
Productivity Ratio (%)	39.0	45.2	47.2	43.3	41.5	39.9	41.1	37.6	37.8	43.1	40.8	41.3	40.0
Average Balances (\$B):													
Total Assets	162	167	157	150	156	153	150	140	136	162	153	152	130
Business Loans & Acceptances	57	54	48	41	43	41	41	36	32	53	42	42	32
Securities Purchased Under Resale Agreements	15	18	16	23	23	20	22	22	19	16	22	22	20
Securities -- Trading	56	58	58	57	63	61	58	53	52	57	61	60	50
-- Other	7	7	7	6	6	14	14	14	14	7	11	10	11
Deposits with Banks	6	6	8	7	6	5	4	3	3	7	5	6	3
Total Deposits	31	29	33	29	24	28	25	26	22	31	25	26	22
Employees	1,506	1,473	1,479	1,468	1,471	1,395	1,418	1,382	1,410				

(1) Corporate Banking only

BUSINESS SEGMENT PERFORMANCE -- OTHER (1)



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Net Interest Income (2)	(292)	(221)	(182)	(312)	(128)	(123)	(116)	(184)	(85)	(695)	(367)	(679)	(531)
Other Income	92	114	66	163	189	118	157	127	105	272	464	627	489
Total Revenue	(200)	(107)	(116)	(149)	61	(5)	41	(57)	20	(423)	97	(52)	(42)
Provision for Credit Losses	-	-	-	-	-	25	-	60	-	-	25	25	60
Non-interest Expenses	(23)	(46)	(21)	(58)	(35)	(17)	(33)	(25)	(20)	(90)	(85)	(143)	(92)
Provision for Income Taxes (2)	138	121	119	134	55	52	35	75	48	378	142	276	250
Net Income	(85)	(32)	(18)	(73)	81	55	43	53	48	(135)	179	106	176
Preferred Dividends Paid	(4)	(3)	(4)	(2)	(2)	(2)	(2)	(1)	(2)	(11)	(6)	(8)	(7)
Net Income available to Common Shareholders	(89)	(35)	(22)	(75)	79	53	41	52	46	(146)	173	98	169
Amortization of Intangibles (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Net Income available to Common Shareholders	(89)	(35)	(22)	(75)	79	53	41	52	46	(146)	173	98	169
Average Balances (\$B):													
Total Assets	37	37	34	31	32	33	30	30	32	36	32	31	29
Deposits with Banks	14	15	14	14	14	13	11	13	12	14	13	13	12
Securities	16	16	16	13	13	13	13	12	13	16	13	13	12
Total Deposits (3)	121	116	107	95	97	89	85	80	77	115	90	91	73

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

(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.

(3) Effective Q1/08, certain deposits, which were previously reported in the International segment, are now reported in the Other segment (Q1/08 impact: \$12 billion).

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



	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
NET INTEREST MARGIN:													
Net Interest Income (TEB) (\$MM)	2,049	1,973	1,932	1,932	1,913	1,903	1,881	1,783	1,816	5,954	5,697	7,629	6,848
Net Interest Income (TEB) as % of Average Total Assets	1.79	1.76	1.79	1.87	1.86	1.93	1.91	1.89	1.98	1.78	1.90	1.89	1.95
Net Interest Income (TEB) as % of Average Earning Assets	2.03	2.03	2.04	2.11	2.07	2.14	2.11	2.10	2.23	2.03	2.11	2.11	2.18
TRADING REVENUE (TEB) (\$MM):													
Securities Trading (1)	19	20	(11)	(1)	(2)	24	44	25	6	28	66	65	145
Foreign Exchange and Precious Metals Trading	77	92	91	91	85	81	66	70	67	260	232	323	301
Derivative and Other Trading (1)	151	106	(1)	64	229	151	137	159	114	256	517	581	585
Total	247	218	79	154	312	256	247	254	187	544	815	969	1,031
Reported in Other Income	150	123	(44)	(67)	217	151	149	138	99	229	517	450	637
Reported in Net Interest Income	97	95	123	221	95	105	98	116	88	315	298	519	394
Total	247	218	79	154	312	256	247	254	187	544	815	969	1,031
DEFERRED REVENUES (\$MM):	327	339	403	333	290	286	259	243	243				
ASSETS UNDER ADMINISTRATION (\$B):													
Personal													
Retail Brokerage	75.5	75.2	76.8	77.4	77.9	76.3	74.0	69.7	67.5				
Investment Management and Trust	57.9	56.8	53.5	53.1	56.5	62.8	62.7	59.5	56.0				
	133.4	132.0	130.3	130.5	134.4	139.1	136.7	129.2	123.5				
Mutual Funds	29.7	26.0	25.1	24.8	24.5	23.6	21.4	19.8	18.6				
Institutional	44.3	44.3	39.8	39.8	39.9	45.7	45.0	42.9	38.8				
Total	207.4	202.3	195.2	195.1	198.8	208.4	203.1	191.9	180.9				
ASSETS UNDER MANAGEMENT (\$B):													
Personal	12.6	11.3	11.2	11.2	11.1	10.9	11.1	10.0	9.8				
Mutual Funds	20.6	17.1	16.0	15.9	15.9	15.4	13.5	13.2	12.6				
Institutional	4.6	4.5	4.5	4.3	4.0	4.1	4.6	4.6	4.2				
Total	37.8	32.9	31.7	31.4	31.0	30.4	29.2	27.8	26.6				

(1) prior period numbers restated to conform with current presentation.

OTHER INCOME



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Card Revenues	102	93	95	92	92	89	93	83	78	290	274	366	307
Deposit and Payment Services													
Deposit Services	176	165	162	161	167	159	165	160	159	503	491	652	622
Other Payment Services	49	43	45	43	41	40	41	36	39	137	122	165	144
	225	208	207	204	208	199	206	196	198	640	613	817	766
Mutual Funds	83	78	78	78	77	73	68	63	60	239	218	296	241
Investment Management, Brokerage and Trust Services													
Retail Brokerage	140	131	134	135	139	141	138	121	115	405	418	553	481
Personal and Corporate Trust	32	33	29	28	31	31	30	31	27	94	92	120	115
Investment Management and Custody	24	25	23	22	22	23	20	19	17	72	65	87	70
	196	189	186	185	192	195	188	171	159	571	575	760	666
Credit Fees													
Commitment and Other Credit Fees	125	106	99	93	111	98	101	97	110	330	310	403	414
Acceptance Fees	39	34	34	33	32	31	31	30	30	107	94	127	116
	164	140	133	126	143	129	132	127	140	437	404	530	530
Trading Revenues	150	123	(44)	(67)	217	151	149	138	99	229	517	450	637
Investment Banking													
Underwriting Fees and Other Commissions	116	90	95	100	126	137	135	122	113	301	398	498	453
Foreign Exchange and Other	77	80	69	64	58	58	59	53	54	226	175	239	206
	193	170	164	164	184	195	194	175	167	527	573	737	659
Net Gain on Securities, other than Trading	90	59	20	148	134	79	127	64	105	169	340	488	371
Other	225	239	186	432	142	198	176	199	167	650	516	948	623
Total Other Income	1,428	1,299	1,025	1,362	1,389	1,308	1,333	1,216	1,173	3,752	4,030	5,392	4,800
% of Total Revenue (TEB)	41.1	39.7	34.7	41.3	42.1	40.7	41.5	40.5	39.2	38.7	41.4	41.4	41.2

NON-INTEREST EXPENSES



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Salaries and Employee Benefits													
Salaries	646	610	608	595	584	571	565	558	539	1,864	1,720	2,315	2,100
Stock-based Compensation	27	16	36	27	20	29	57	50	23	79	106	133	164
Other Performance-based Compensation	253	237	202	236	278	259	244	217	241	692	781	1,017	936
Pension and Other Employee Benefits	142	142	132	105	131	145	137	141	137	416	413	518	568
	1,068	1,005	978	963	1,013	1,004	1,003	966	940	3,051	3,020	3,983	3,768
Premises and Technology													
Net Premises Rent	55	55	50	50	50	49	48	46	46	160	147	197	181
Premises Repairs and Maintenance	22	20	17	22	17	17	19	17	16	59	53	75	60
Property Taxes	19	18	13	16	18	16	15	17	17	50	49	65	61
Computer Equipment, Software and Data Processing	161	158	149	170	148	144	141	152	139	468	433	603	549
Depreciation	58	58	56	56	56	53	56	50	49	172	165	221	192
Other Premises Costs	53	50	42	48	46	50	48	40	46	145	144	192	171
	368	359	327	362	335	329	327	322	313	1,054	991	1,353	1,214
Communications													
Telecommunications	20	19	18	19	19	17	18	19	17	57	54	73	68
Stationery, Postage and Courier	62	61	57	57	57	58	55	56	53	180	170	227	208
	82	80	75	76	76	75	73	75	70	237	224	300	276
Advertising and Business Development													
Advertising and Promotion	50	51	41	60	42	42	49	41	33	142	133	193	126
Travel and Business Development	27	27	28	34	29	28	27	32	26	82	84	118	106
	77	78	69	94	71	70	76	73	59	224	217	311	232
Professional	55	68	45	81	53	48	45	58	46	168	146	227	174
Business and Capital Taxes	40	38	14	33	37	34	39	36	37	92	110	143	133
Other													
Employee Training	8	10	11	18	13	10	12	16	13	29	35	53	47
Amortization of Intangibles	13	12	11	12	11	11	12	12	10	36	34	46	38
Other	178	144	139	153	143	145	137	150	120	461	425	578	561
	199	166	161	183	167	166	161	178	143	526	494	677	646
Total Non-Interest Expenses	1,889	1,794	1,669	1,792	1,752	1,726	1,724	1,708	1,608	5,352	5,202	6,994	6,443
Productivity Ratio (TEB) (%)	54.3	54.8	56.5	54.4	53.0	53.8	53.6	56.9	53.8	55.1	53.5	53.7	55.3

BALANCE SHEET



(\$MM)	QUARTERLY TREND								
	2008			2007				2006	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Cash Resources	32,896	32,487	36,411	29,195	28,776	31,122	26,384	23,376	24,181
Securities - Trading	56,016	62,138	60,702	59,685	63,797	71,547	64,307	62,490	57,600
- Available for Sale	34,314	34,322	32,992	28,426	28,636	28,474	36,037	-	-
- Investment	-	-	-	-	-	-	-	32,870	33,593
- Equity Accounted Investments	853	802	788	724	424	153	171	142	132
	91,183	97,262	94,482	88,835	92,857	100,174	100,515	95,502	91,325
Securities Purchased under Resale Agreements	17,774	15,323	20,362	22,542	26,834	25,867	24,129	25,705	22,535
Loans - Residential Mortgages	113,830	108,382	105,532	102,154	99,000	94,706	92,055	89,590	85,541
- Personal and Credit Cards	48,971	45,273	43,513	41,734	41,360	40,408	39,757	39,058	38,245
- Business and Government	111,921	104,928	101,389	85,500	84,778	83,424	83,067	76,733	72,568
- Sub-total	274,722	258,583	250,434	229,388	225,138	218,538	214,879	205,381	196,354
Allowance for Credit Losses	(2,477)	(2,490)	(2,451)	(2,241)	(2,423)	(2,505)	(2,620)	(2,607)	(2,695)
- Total Net Loans	272,245	256,093	247,983	227,147	222,715	216,033	212,259	202,774	193,659
Customers' Liability under Acceptances	11,497	11,782	12,518	11,538	10,289	10,277	10,431	9,555	9,200
Derivative Instruments	23,504	25,638	25,217	21,960	16,635	16,186	12,529	12,098	13,771
Land, Buildings and Equipment	2,542	2,506	2,460	2,271	2,296	2,308	2,344	2,256	2,209
Goodwill	2,134	2,162	1,266	1,134	1,140	1,176	1,121	873	688
Other Intangible Assets	287	263	273	273	287	301	317	294	267
Other Assets	8,345	9,057	8,450	6,615	6,286	8,266	6,441	6,573	7,146
Total Assets	462,407	452,573	449,422	411,510	408,115	411,710	396,470	379,006	364,981
Deposits - Personal	112,872	109,994	108,219	100,823	98,171	97,218	96,823	93,450	91,904
- Banks	28,358	35,566	32,806	26,406	32,146	36,466	31,201	29,392	28,072
- Business and Government	191,239	176,878	175,772	161,229	156,668	157,919	148,995	141,072	135,249
- Total	332,469	322,438	316,797	288,458	286,985	291,603	277,019	263,914	255,225
Other Liabilities									
- Securities Sold Under Repurchase Agreements	29,116	27,446	32,967	28,137	31,223	29,577	29,612	33,470	29,117
- Securities Sold Short	11,765	15,028	13,570	16,039	21,322	21,521	18,201	13,396	14,663
- Derivative Instruments	22,981	24,010	25,046	24,689	15,352	14,167	12,106	12,869	13,715
- Other	40,677	38,782	38,399	33,173	31,042	31,796	36,647	34,789	32,168
- Total	104,539	105,266	109,982	102,038	98,939	97,061	96,566	94,524	89,663
Subordinated Debentures	3,538	3,946	2,150	1,710	1,774	2,301	2,340	2,271	2,275
Capital Instrument Liabilities	500	500	500	500	750	750	750	750	750
Equity - Preferred Shares	2,560	2,210	1,865	1,635	1,290	1,290	945	600	600
- Common Shares and Contributed Surplus	3,728	3,643	3,614	3,566	3,521	3,539	3,520	3,425	3,393
- Retained Earnings	18,784	18,300	17,809	17,460	16,967	16,763	16,376	15,843	15,372
- Accumulated Other Comprehensive Income (Loss)	(3,711)	(3,730)	(3,295)	(3,857)	(2,111)	(1,597)	(1,046)	(2,321)	(2,297)
- Common Equity	18,801	18,213	18,128	17,169	18,377	18,705	18,850	16,947	16,468
- Total Equity	21,361	20,423	19,993	18,804	19,667	19,995	19,795	17,547	17,068
Total Liabilities and Shareholders' Equity	462,407	452,573	449,422	411,510	408,115	411,710	396,470	379,006	364,981

AVERAGE BALANCE SHEET



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Deposits with Other Banks	27,783	28,165	28,815	26,944	26,785	25,461	22,407	23,163	21,339	28,255	24,878	25,399	20,989
Securities - Trading	60,601	63,352	63,644	62,854	69,775	67,227	64,059	58,489	59,433	62,526	67,018	65,968	57,022
- Other	34,967	34,402	32,969	28,741	27,595	36,650	35,153	33,649	33,368	34,111	33,094	31,997	30,643
	95,568	97,754	96,613	91,595	97,370	103,877	99,212	92,138	92,801	96,637	100,112	97,965	87,665
Securities Purchased under Resale Agreements	18,461	21,730	19,471	26,461	26,877	23,426	26,461	25,820	23,070	19,874	25,612	25,826	23,614
Loans - Residential Mortgages	111,342	105,874	103,599	100,777	96,477	93,163	90,982	89,091	83,437	106,946	93,544	95,367	81,845
- Personal and Credit Cards	45,463	43,960	42,159	41,051	40,255	39,564	38,680	38,205	37,324	43,860	39,499	39,890	36,599
- Business and Government	103,198	98,701	86,995	76,838	78,765	78,413	75,298	69,052	64,664	96,281	77,483	77,320	62,823
- Total	260,003	248,535	232,753	218,666	215,497	211,140	204,960	196,348	185,425	247,087	210,526	212,577	181,267
Total Earning Assets	401,815	396,184	377,652	363,666	366,529	363,904	353,040	337,469	322,635	391,853	361,128	361,767	313,535
Customers' Liability under Acceptances	12,442	12,715	11,884	11,316	10,881	10,653	10,419	9,574	9,339	12,344	10,651	10,819	9,011
Other Assets	42,419	46,511	39,001	33,819	31,736	29,787	28,080	27,551	31,804	42,402	29,730	30,889	28,163
Total Assets	456,676	455,410	428,537	408,801	409,146	404,344	391,539	374,594	363,778	446,599	401,509	403,475	350,709
Deposits - Personal	111,948	108,072	102,729	97,544	96,542	96,246	94,233	92,184	89,825	107,579	95,668	96,140	88,445
- Banks	29,767	33,200	29,970	28,450	35,480	32,306	30,817	29,377	29,868	30,963	32,874	31,759	28,481
- Business and Government	185,561	177,637	170,561	164,171	155,615	152,475	146,891	141,347	130,553	177,922	151,651	154,808	126,818
- Total	327,276	318,909	303,260	290,165	287,637	281,027	271,941	262,908	250,246	316,464	280,193	282,707	243,744
Other Liabilities	104,092	112,919	103,753	96,999	98,737	100,423	97,722	91,358	93,786	106,696	98,939	98,665	87,210
Subordinated Debentures	3,894	2,906	1,738	1,749	2,191	2,326	2,286	2,270	2,268	2,845	2,267	2,137	2,359
Capital Instrument Liabilities	500	500	500	750	750	750	750	750	750	500	750	750	750
Shareholders' Equity													
- Preferred Shares	2,408	2,006	1,638	1,365	1,290	1,040	630	600	600	2,017	985	1,082	600
- Common Shares, Contributed Surplus, Retained Earnings and Accumulated Other Comprehensive Income (Loss)	18,506	18,170	17,648	17,773	18,541	18,778	18,210	16,708	16,128	18,077	18,375	18,134	16,046
- Total	20,914	20,176	19,286	19,138	19,831	19,818	18,840	17,308	16,728	20,094	19,360	19,216	16,646
Total Liabilities and Shareholders' Equity	456,676	455,410	428,537	408,801	409,146	404,344	391,539	374,594	363,778	446,599	401,509	403,475	350,709

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2008			2007				2006		2008	2007	2007	2006
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Preferred Shares:													
Balance at Beginning of Period	2,210	1,865	1,635	1,290	1,290	945	600	600	600	1,635	600	600	600
Preferred Shares Issued	350	345	230	345	-	345	345	-	-	925	690	1,035	-
Balance at End of Period	2,560	2,210	1,865	1,635	1,290	1,290	945	600	600	2,560	1,290	1,635	600
Common Shares and Contributed Surplus:													
Balance at Beginning of Period	3,643	3,614	3,566	3,521	3,539	3,520	3,425	3,393	3,363	3,566	3,425	3,425	3,317
Common Shares Issued less Purchased for Cancellation	85	29	48	45	(18)	19	95	32	30	162	96	141	108
Balance at End of Period	3,728	3,643	3,614	3,566	3,521	3,539	3,520	3,425	3,393	3,728	3,521	3,566	3,425
Retained Earnings:													
Balance at Beginning of Period	18,300	17,809	17,460	16,967	16,763	16,376	15,843	15,372	14,884	17,460	15,843	15,843	14,126
Cumulative Effect of Adopting New Accounting Policies	-	-	-	-	-	-	(61)	-	-	-	(61)	(61)	(25)
Adjusted Balance at Beginning of Period	18,300	17,809	17,460	16,967	16,763	16,376	15,782	15,372	14,884	17,460	15,782	15,782	14,101
Net Income	1,010	980	835	954	1,032	1,039	1,020	897	936	2,825	3,091	4,045	3,579
Dividends - Preferred	(32)	(22)	(21)	(16)	(16)	(11)	(8)	(7)	(8)	(75)	(35)	(51)	(30)
- Common	(485)	(463)	(463)	(442)	(445)	(417)	(416)	(386)	(385)	(1,411)	(1,278)	(1,720)	(1,483)
Premium on Purchase of Shares for Cancellation	(6)	-	-	-	(368)	(218)	-	(33)	(55)	(6)	(586)	(586)	(324)
Other	(3)	(4)	(2)	(3)	1	(6)	(2)	-	-	(9)	(7)	(10)	-
Balance at End of Period	18,784	18,300	17,809	17,460	16,967	16,763	16,376	15,843	15,372	18,784	16,967	17,460	15,843
Accumulated Other Comprehensive Income (Loss) (1):													
Balance at Beginning of Period	(3,730)	(3,295)	(3,857)	(2,111)	(1,597)	(1,046)	(2,321)	(2,297)	(2,458)	(3,857)	(2,321)	(2,321)	(1,961)
Cumulative Effect of Adopting New Accounting Policies	-	-	-	-	-	-	683	-	-	-	683	683	-
Other Comprehensive Income-													
Net Change in Unrealized Foreign Currency Translation Gains/Losses	193	(85)	885	(1,697)	(465)	(588)	522	(24)	161	993	(531)	(2,228)	(360)
Net Change in Unrealized Gains/Losses on available-for-sale Securities	(243)	(210)	(60)	14	(146)	17	48	-	-	(513)	(81)	(67)	-
Net Change in Gains/Losses on Derivative Instruments, designated as cash flow hedges	69	(140)	(263)	(63)	97	20	22	-	-	(334)	139	76	-
Total	19	(435)	562	(1,746)	(514)	(551)	592	(24)	161	146	(473)	(2,219)	(360)
Balance at End of Period	(3,711)	(3,730)	(3,295)	(3,857)	(2,111)	(1,597)	(1,046)	(2,321)	(2,297)	(3,711)	(2,111)	(3,857)	(2,321)
Total Shareholders' Equity at End of Period	21,361	20,423	19,993	18,804	19,667	19,995	19,795	17,547	17,068	21,361	19,667	18,804	17,547
Composition of Accumulated Other Comprehensive Income (Loss):													
Unrealized Foreign Currency Translation Losses	(3,556)	(3,749)	(3,664)	(4,549)	(2,852)	(2,387)	(1,799)	(2,321)	(2,297)				
Unrealized Gains on available-for-sale Securities	126	369	579	639	625	771	754	-	-				
Gains on Derivative Instruments, designated as cash flow hedges	(281)	(350)	(210)	53	116	19	(1)	-	-				
Total	(3,711)	(3,730)	(3,295)	(3,857)	(2,111)	(1,597)	(1,046)	(2,321)	(2,297)				

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

GROSS IMPAIRED LOANS



(\$MM)

GROSS IMPAIRED LOANS:

	QUARTERLY TREND								
	2008			2007				2006	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Domestic									
Retail	472	444	422	391	362	366	362	374	346
Commercial	228	244	207	197	207	228	264	263	254
	700	688	629	588	569	594	626	637	600
International									
Retail	688	664	559	426	488	486	460	411	390
Commercial	674	604	566	471	576	602	592	569	604
	1,362	1,268	1,125	897	1,064	1,088	1,052	980	994
Scotia Capital									
Canada	-	24	48	18	18	18	18	18	18
U.S.A.	86	8	16	11	18	20	107	119	138
Europe	15	24	24	30	40	66	73	116	94
	101	56	88	59	76	104	198	253	250
Total Gross Impaired Loans	2,163	2,012	1,842	1,544	1,709	1,786	1,876	1,870	1,844
Specific Allowance for Credit Losses	(1,154)	(1,167)	(1,153)	(943)	(1,125)	(1,207)	(1,297)	(1,300)	(1,365)
Total Net Impaired Loans after Specific Allowance	1,009	845	689	601	584	579	579	570	479
General Allowance for Credit Losses	(1,323)	(1,323)	(1,298)	(1,298)	(1,298)	(1,298)	(1,323)	(1,307)	(1,330)
Total Net Impaired Loans after General Allowance	(314)	(478)	(609)	(697)	(714)	(719)	(744)	(737)	(851)

CHANGES IN GROSS IMPAIRED LOANS



(M)	QUARTERLY TREND								
	2008			2007				2006	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Balance at Beginning of Period	2,012	1,842	1,544	1,709	1,786	1,876	1,870	1,844	1,955
Acquisition of Subsidiaries									
Domestic Retail	-	-	-	-	-	1	-	-	-
Domestic Commercial	-	-	-	-	-	-	-	-	-
International	-	75	228	-	-	6	26	16	-
Scotia Capital	-	-	-	-	-	-	-	-	-
Total	-	75	228	-	-	7	26	16	-
Net Classifications									
<u>Domestic Retail</u>									
New Classifications	234	242	224	234	193	199	193	170	183
Declassifications, Payments and Sales	(119)	(128)	(108)	(127)	(116)	(121)	(112)	(93)	(107)
Net Classifications	115	114	116	107	77	78	81	77	76
<u>Domestic Commercial</u>									
New Classifications	47	50	33	30	9	10	40	63	27
Declassifications, Payments and Sales	(32)	(10)	(13)	(22)	(8)	(30)	(34)	(34)	(7)
Net Classifications	15	40	20	8	1	(20)	6	29	20
<u>International</u>									
New Classifications	265	178	126	77	117	148	86	77	66
Declassifications, Payments and Sales	(68)	(43)	(79)	(23)	(24)	(20)	(21)	(50)	(45)
Net Classifications	197	135	47	54	93	128	65	27	21
<u>Scotia Capital</u>									
New Classifications	83	-	61	1	1	-	-	63	-
Declassifications, Payments and Sales	(33)	(26)	(28)	(12)	(25)	(121)	(75)	(27)	(98)
Net Classifications	50	(26)	33	(11)	(24)	(121)	(75)	36	(98)
Total	377	263	216	158	147	65	77	169	19
Write-offs									
Domestic Retail	(87)	(92)	(85)	(78)	(81)	(75)	(93)	(49)	(69)
Domestic Commercial	(31)	(3)	(10)	(18)	(22)	(16)	(5)	(20)	(4)
International	(94)	(88)	(92)	(119)	(75)	(44)	(61)	(49)	(61)
Scotia Capital	(6)	(7)	(7)	-	(1)	(1)	(9)	(32)	(8)
Total	(218)	(190)	(194)	(215)	(179)	(136)	(168)	(150)	(142)
Forex									
Domestic Retail	-	-	-	-	-	-	-	-	-
Domestic Commercial	-	-	-	-	-	-	-	-	-
International	(9)	21	45	(102)	(42)	(54)	42	(8)	5
Scotia Capital	1	1	3	(6)	(3)	28	29	(1)	7
Total	(8)	22	48	(108)	(45)	(26)	71	(9)	12
Balance at End of Period	2,163	2,012	1,842	1,544	1,709	1,786	1,876	1,870	1,844

NET IMPAIRED LOANS AND ALLOWANCE FOR CREDIT LOSSES



(\$MM)	QUARTERLY TREND								
	2008			2007				2006	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
NET IMPAIRED LOANS:									
<u>Domestic</u>									
Retail	198	171	148	139	120	125	131	130	123
Commercial	110	120	96	90	88	90	114	115	88
	308	291	244	229	208	215	245	245	211
<u>International</u>									
Retail	249	234	173	115	137	113	94	61	55
Commercial	377	291	219	245	220	216	145	146	103
	626	525	392	360	357	329	239	207	158
<u>Scotia Capital</u>									
Canada	-	18	36	2	2	2	2	2	1
U.S.A.	72	4	10	4	3	3	58	45	83
Europe	3	7	7	6	14	30	35	71	26
	75	29	53	12	19	35	95	118	110
Total Net Impaired Loans after Specific Allowance	1,009	845	689	601	584	579	579	570	479
General Allowance for Credit Losses	(1,323)	(1,323)	(1,298)	(1,298)	(1,298)	(1,298)	(1,323)	(1,307)	(1,330)
Total Net Impaired Loans after General Allowance	(314)	(478)	(609)	(697)	(714)	(719)	(744)	(737)	(851)
Coverage Ratio (%) (1)	114.5	123.8	134.9	145.1	141.8	140.3	139.7	139.4	146.1
ALLOWANCE FOR CREDIT LOSSES:									
Balance, Beginning of Period	2,498	2,462	2,252	2,433	2,516	2,631	2,618	2,706	2,717
Acquisition of Subsidiaries	(6)	(3)	177	1	10	17	26	18	-
Write-offs	(218)	(190)	(194)	(215)	(179)	(136)	(168)	(150)	(142)
Recoveries	52	51	51	50	38	64	34	36	50
Provision for Credit Losses	159	153	111	95	92	20	63	32	74
Foreign Currency Adjustment and Other	-	25	65	(112)	(44)	(80)	58	(24)	7
Balance, End of Period	2,485	2,498	2,462	2,252	2,433	2,516	2,631	2,618	2,706
<u>Comprised of:</u>									
Specific Allowance	1,154	1,167	1,153	943	1,125	1,207	1,297	1,300	1,365
General Allowance	1,323	1,323	1,298	1,298	1,298	1,298	1,323	1,307	1,330
Other Liabilities	8	8	11	11	10	11	11	11	11
Total Allowance for Credit Losses	2,485	2,498	2,462	2,252	2,433	2,516	2,631	2,618	2,706

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

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</u>	<u>Other (1)</u>	<u>Jul 31/08 Total</u>	<u>Apr 30/08 Total</u>	<u>Jul 31/07 Total</u>
ASIA									
South Korea	1,299	500	-	422	-	125	2,346	2,080	1,504
Japan	660	76	13	67	-	71	887	946	920
India	1,477	857	31	273	-	46	2,684	2,493	1,551
Malaysia	603	42	-	382	159	6	1,192	1,036	759
Hong Kong	643	135	-	440	-	5	1,223	1,123	835
China	795	1,192	17	8	-	40	2,052	1,852	1,225
Thailand	48	8	-	102	214	-	372	570	364
Other (2)	578	136	46	274	-	79	1,113	1,113	738
Total	6,103	2,946	107	1,968	373	372	11,869	11,213	7,896
LATIN AMERICA									
Mexico	1,401	39	-	473	2,420	17	4,350	4,129	3,837
Chile	814	27	-	2	1,585	-	2,428	2,542	1,119
Brazil	424	837	-	262	-	6	1,529	1,488	1,191
Peru	221	144	-	-	963	-	1,328	1,329	717
El Salvador	355	7	-	-	346	-	708	689	529
Costa Rica	823	66	-	-	406	-	1,295	1,297	1,014
Venezuela	5	1	-	-	93	-	99	95	93
Other (3)	888	92	14	18	-	13	1,025	890	667
Total	4,931	1,213	14	755	5,813	36	12,762	12,459	9,167

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

(2) includes Indonesia, The Philippines, Singapore and Taiwan.

(3) includes Argentina, Colombia, Panama and Uruguay.

ASSET SECURITIZATION, RESERVES AND INTEREST RATE SENSITIVITY



	QUARTERLY TREND								
	Q3	2008 Q2	Q1	Q4	2007 Q3	Q2	Q1	Q4	2006 Q3
ASSET SECURITIZATION (\$MM):									
Balance, Beginning of Period	11,909	11,450	12,045	12,103	11,988	11,955	12,083	12,736	13,517
Acquisition of subsidiaries	-	-	-	-	-	335	-	-	-
Securitized	900	1,142	555	1,010	1,351	605	861	703	699
Paydowns/Maturities	(1,159)	(683)	(1,150)	(1,068)	(1,236)	(907)	(989)	(1,356)	(1,480)
Balance, End of Period									
Personal Loans	249	265	285	414	452	505	170	170	170
Mortgages	11,401	11,644	11,165	11,631	11,651	11,483	11,785	11,913	12,566
	11,650	11,909	11,450	12,045	12,103	11,988	11,955	12,083	12,736

AVAILABLE-FOR-SALE SECURITIES - UNREALIZED GAINS (LOSSES) (\$MM):

Bonds of Emerging Markets	345	493	547	530	527	676	667	658	593
Other Fixed Income	(292)	(179)	89	(14)	(103)	(33)	(80)	(88)	(153)
Common and Preferred Shares	140	257	259	456	536	565	574	521	457
	193	571	895	972	960	1,208	1,161	1,091	897
Net Fair Value of Derivative Instruments and Other Hedge Amounts	14	(16)	(40)	5	20	(10)	7	(90)	(49)
Net Unrealized Gains (Losses)	207	555	855	977	980	1,198	1,168	1,001	848

INTEREST RATE SENSITIVITY (\$B):

	Within 3 Months	3 to 12 Months	Cumulative Under 1 Year	Over 1 Year	Non-Interest Rate Sensitive
July 31, 2008					
Canadian Currency Gap	25.4	(12.0)	13.4	(5.0)	(8.4)
Foreign Currency Gap	(9.0)	6.1	(2.9)	18.5	(15.6)
Total Currency Gap	16.4	(5.9)	10.5	13.5	(24.0)

() denotes liability gap

Note: Based on the Bank's interest rate positions as at July 31, 2008, an immediate and sustained 100 basis point rise in interest rates, across all currencies and maturities, would increase net income after-tax by approximately \$14MM over the next 12 months, and lower common shareholders' equity, in present value terms, by approximately \$153MM. Conversely, an immediate and sustained 100 basis point fall in interest rates, across all currencies and maturities, would decrease net income after-tax by approximately \$75MM over the next 12 months, and increase common shareholders' equity, in present value terms, by approximately \$190MM.

Basel II Appendix



July 31, 2008

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Basel II Introduction



Effective November 1, 2007, Canadian banks are subject to revised capital adequacy requirements based on the "International Convergence of Capital Measurement and Capital Standards: A Revised Framework", commonly known as Basel II. The new Framework is designed to reflect more risk-sensitive capital requirements and to strengthen soundness and stability of banks by promoting adoption of stronger risk management practices.

The Basel II Framework introduces the concept of 3 Pillars:

- Pillar 1 – the actual methodologies that must be applied to calculate the minimum capital requirements.
- Pillar 2 – the requirement that banks have internal processes to assess their capital adequacy in relation to their strategies, risk appetite and actual risk profile. Regulators are expected to review these internal capital adequacy assessments.
- Pillar 3 – reflects the market disclosures required by banks to assist users of the information to better understand the risk profile.

This Appendix reflects a portion of the Pillar 3 market disclosures based on information gathered as part of the Pillar 1 process, and should assist users in understanding the changes to the risk weighted assets and capital requirements arising from the new Framework. The Bank will provide the remaining required disclosures in the fourth quarter of 2008.

Basel II vs. Basel I

Basel II classifies risk into three broad categories: credit risk, market risk and operational risk (new), while Basel I had only two categories: credit risk and market risk. The regulatory capital required under Basel I, for credit risk, was based on pre-specified risk weights applied to categories of claims. This did not provide for a granular differentiation of credit risk capital (e.g. all corporate loans were risk-weighted 100% irrespective of the quality of the loans).

Under Pillar 1 of the new Basel II Framework, minimum capital is calculated using one of the following approaches:

- Credit risk capital – Internal Ratings Based Approach (Advanced or Foundation) or Standardized approach.
- Operational risk capital – Advanced Measurement Approach (AMA), Standardized Approach or Basic Indicator Approach.
- Market risk capital - more granular treatment for specific risk under Standardized Approach compared to Basel I.

Credit Risk

The credit risk component consists of on- and off- balance sheet claims. The new rules are not applied to the traditional balance sheet categories but introduce new categories of on- and off- balance sheet exposures which represent general classes of assets/exposures (corporate, sovereign, bank, retail, equity) based on their different underlying risk characteristics.

Generally, while calculating capital requirements, exposure classes such as Corporate, Sovereign, Bank, Retail, Equity are analyzed by the following credit risk exposure sub-types¹: Drawn, Undrawn, Repo-style transactions, Over-the-counter (OTC) Derivatives and Other off-balance sheet claims.

The Bank has received approval from OSFI to use the Advanced Internal Ratings Based Approach (AIRB), subject to certain conditions, for credit risk of its material portfolios booked in Canada, US and Europe. The Bank uses internal estimates, based on historical experience, for probability of default (PD¹), loss given default (LGD¹) and exposure at default (EAD¹).

- Under the AIRB approach, credit risk risk-weighted assets (RWA) are calculated by multiplying the capital requirement (K) by EAD times 12.5, where K is a function of the PD, LGD, Maturity and prescribed correlation factors. This results in the capital calculations being more sensitive to underlying risks.
- To address concerns that the new Basel II rules might cause significant decreases in capital required, banks are currently required to add an overall scaling factor of 6% to the credit risk RWA for AIRB portfolios.

For the remaining material portfolios, the interim treatment is the Standardized approach, until such time they become AIRB compliant (the remaining material portfolios are targeted to be compliant by the beginning of fiscal 2011).

- The Standardized Approach applies regulator prescribed risk weight factors to credit exposures based on the external credit assessments (public ratings), where available, and also considers other additional factors (e.g. provision levels for defaulted exposures, loan-to-value for retail, eligible collateral, etc).

Operational Risk

The Bank is using the Standardized Approach for operational risk, where the capital charge is based on a fixed percentage of the average of the previous 3 years' gross income. The fixed percentages range from 12% - 18% and are based on the type of business, with retail banking activities at the low end of the range and investment banking and capital markets activities at the high end.

Transitional Considerations

The regulator's transitional arrangements prescribe that for institutions receiving full approval to use the AIRB, a capital floor will be applied for at least two years post approval. The floor is based on a regulatory formula that essentially compares the minimum capital required under Basel I to the minimum capital required under Basel II, and does not allow the latter to fall below the floor based on the former. If a floor is invoked, a prescribed adjustment to risk weighted assets is required to increase the capital to the targeted floor threshold. The Bank's AIRB approval conditions required a 100% floor to be applied for Q1/08. Subsequently, OSFI has given the Bank their approval to move to 90% floor effective Q2/08.

¹ refer to glossary

REGULATORY CAPITAL



(\$MM)	QUARTERLY TREND									
	Basel II			Basel I						
	2008			2008			2007			
Q3	Q2	Q1	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
REGULATORY CAPITAL:										
Common Shares, Contributed Surplus & Retained Earnings	22,512	21,943	21,423	22,512	21,943	21,423	21,026	20,488	20,302	19,896
OCI - Accumulated Foreign Currency Translation Losses	(3,556)	(3,749)	(3,664)	(3,556)	(3,749)	(3,664)	(4,549)	(2,852)	(2,387)	(1,799)
Non-Cumulative Preferred Shares	2,560	2,210	1,865	2,560	2,210	1,865	1,635	1,290	1,290	945
Innovative Capital Instruments	2,750	2,750	2,750	2,750	2,750	2,750	2,750	3,000	3,000	3,000
Non-Controlling Interest in Subsidiaries	455	588	548	455	588	548	497	505	496	491
Gross Tier 1 Capital	24,721	23,742	22,922	24,721	23,742	22,922	21,359	22,431	22,701	22,533
Less: Goodwill and Excess Intangibles	(2,134)	(2,162)	(1,266)	(2,134)	(2,162)	(1,266)	(1,134)	(1,140)	(1,176)	(1,121)
Other Capital Deductions (1)	(512)	(507)	(490)	-	-	-	-	-	-	-
Net Tier 1 Capital	22,075	21,073	21,166	22,587	21,580	21,656	20,225	21,291	21,525	21,412
OCI - Accumulated Net Unrealized Gains (after-tax) on available-for-sale Equity Securities	122	200	161	122	200	161	298	350	368	374
Debentures (net of amortization) (2)	4,234	4,659	2,859	4,234	4,659	2,859	2,452	1,531	2,043	2,060
Eligible Allowance for Credit Losses (3)	747	783	754	1,323	1,323	1,298	1,298	1,298	1,298	1,323
Tier 2 Capital	5,103	5,642	3,774	5,679	6,182	4,318	4,048	3,179	3,709	3,757
Less: Investment in Insurance Entities and Associated Corporations and other items	(1,134)	(1,127)	(1,066)	(1,525)	(1,517)	(1,442)	(1,292)	(1,158)	(942)	(949)
Total Regulatory Capital	26,044	25,588	23,874	26,741	26,245	24,532	22,981	23,312	24,292	24,220
CHANGES IN REGULATORY CAPITAL:										
Total Capital, Beginning of Period	25,588	23,874	22,321				23,312	24,292	24,220	22,986
Internally Generated Capital										
Net Income	1,010	980	835				954	1,032	1,039	1,020
Preferred and Common Share Dividends	(517)	(485)	(484)				(458)	(461)	(428)	(424)
	493	495	351				496	571	611	596
External Financing										
Debentures (net of amortization) (2)	(425)	1,800	407				921	(512)	(17)	14
Innovative Capital Instruments	-	-	-				(250)	-	-	-
Preferred Shares	350	345	230				345	-	345	345
Common Shares Issued less Purchased for Cancellation	85	29	48				45	(18)	19	95
Premium on Purchase of Shares for Cancellation	(6)	-	-				-	(368)	(218)	-
	4	2,174	685				1,061	(898)	129	454
Other										
OCI - Net Change in Foreign Currency Translation Gains Losses	193	(85)	885				(1,697)	(465)	(588)	522
OCI - Net Change in Net Unrealized Gains (after-tax) on available-for-sale Equity Securities	(78)	39	(137)				(52)	(18)	(6)	374
Non-controlling Interest in Subsidiaries	(133)	40	51				(8)	9	5	56
Other (4)	(23)	(949)	(282)				(131)	(179)	(79)	(768)
	(41)	(955)	517				(1,888)	(653)	(668)	184
Total Capital Generated (Used)	456	1,714	1,553				(331)	(980)	72	1,234
Total Capital, End of Period	26,044	25,588	23,874				22,981	23,312	24,292	24,220

OCI = Other Comprehensive Income

(1) Comprised of net after-tax gains on sale of securitized assets, investments in associated corporations and other items

(2) Includes Scotia Trust Subordinated Notes - Series A.

(3) Under Basel I, the general allowance is included in Tier 2 capital up to a maximum of 0.875% of risk-weighted assets as per OSFI guidelines. Under Basel II, eligible general allowances in excess of expected losses can be included in capital, subject to certain limitations.

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

RISK-WEIGHTED ASSETS AND CAPITAL RATIOS



	QUARTERLY TREND									
	Basel II			Basel I						
	2008			2008			2007			
	Q3	Q2	Q1	Q3	Q2	Q1	Q4	Q3	Q2	Q1
RISK-WEIGHTED ASSETS (\$B):										
On Balance Sheet Assets										
Cash Resources				4.6	4.8	5.5	4.3	4.3	4.5	3.7
Securities				13.3	13.5	12.0	10.7	10.0	9.7	13.2
Residential Mortgages				40.1	38.1	36.8	35.0	33.9	32.1	31.4
Loans ⁽¹⁾ & Acceptances				139.9	132.2	127.0	113.0	112.4	110.3	109.7
All Other				9.7	9.8	9.3	8.1	7.3	8.8	7.4
				207.6	198.4	190.6	171.1	167.9	165.4	165.4
Off Balance Sheet Assets										
Indirect Credit Instruments				37.5	34.0	33.7	30.9	34.2	32.6	30.4
Interest Rate, Foreign Exchange and Other Derivative Instruments				6.9	8.1	6.9	6.3	6.2	6.7	4.9
Total Credit Risk before AIRB scaling factor ⁽²⁾	185.9	179.1	177.2	252.0	240.5	231.2	208.3	208.3	204.7	200.7
Total Credit Risk after AIRB scaling factor ⁽³⁾	192.2	185.3	183.2							
Market Risk -- Risk Assets Equivalent	13.5	13.8	12.9	11.1	12.3	11.9	10.0	11.5	8.4	6.1
Operational Risk -- Risk Assets Equivalent ⁽⁴⁾	20.1	19.8	19.6							
Total Risk Weighted Assets before Transitional Adjustment	225.8	218.9	215.7	263.1	252.8	243.1	218.3	219.8	213.1	206.8
Transitional Adjustment			19.2							
Total Risk Weighted Assets	225.8	218.9	234.9							
RISK-WEIGHTED CAPITAL RATIOS (%):										
Tier I	9.8	9.6	9.0	8.6	8.5	8.9	9.3	9.7	10.1	10.4
Total	11.5	11.7	10.2	10.2	10.4	10.1	10.5	10.6	11.4	11.7
Tangible Common Equity	7.6	7.5	7.2	6.5	6.5	6.9	7.2	7.7	8.0	8.4

(1) Basel I comparatives include Securities Purchased under Resale Agreements

(2) Details by Basel II exposure type shown in the following page - "risk-weighted assets for credit risk portfolios"

(3) The Basel II framework imposes an additional 6% scaling factor to AIRB credit risk portfolios.

(4) New capital requirements for operational risk under Basel II.

RISK-WEIGHTED ASSETS FOR CREDIT RISK PORTFOLIOS


(\$MM)

July 31, 2008

Basel II Exposure Type	Basel II Exposure Sub-type	Basel II						Basel I Risk Weighted Assets
		Internal Ratings Based		Standardized		Total		
		Exposure at Default	Risk Weighted Assets	Exposure at Default ¹	Risk Weighted Assets	Exposure at Default	Risk Weighted Assets	
Credit Risk - non trading								
Corporate	Drawn	59,335	39,854	43,899	43,116	103,234	82,970	
	Undrawn	37,440	19,701	3,341	3,330	40,781	23,031	
	Other ²	13,712	6,149	2,341	2,289	16,053	8,438	
	Total	110,487	65,704	49,581	48,735	160,068	114,439	
Bank	Drawn	24,347	4,484	10,328	2,946	34,675	7,430	
	Undrawn	14,729	2,776	135	33	14,864	2,809	
	Other ²	15,944	2,528	406	179	16,350	2,707	
	Total	55,020	9,788	10,869	3,158	65,889	12,946	
Sovereign	Drawn	4,678	178	10,649	3,276	15,327	3,454	
	Undrawn	1,092	93	234	34	1,326	127	
	Other ²	296	8	0	0	296	8	
	Total	6,066	279	10,883	3,310	16,949	3,589	
Non-retail	Drawn	88,360	44,516	64,876	49,338	153,236	93,854	110,484
	Undrawn	53,261	22,570	3,710	3,397	56,971	25,967	21,062
	Other ²	29,952	8,685	2,747	2,468	32,699	11,153	15,395
	Total	171,573	75,771	71,333	55,203	242,906	130,974	146,941
Retail residential mortgages	Drawn	91,720	2,163	21,294	6,661	113,014	8,824	39,273
	Undrawn	2,489	33	0	0	2,489	33	0
	Total	94,209	2,196	21,294	6,661	115,503	8,857	39,273
Home Equity Lines Of Credit (HELOCs)	Drawn	14,029	469			14,029	469	7,568
	Undrawn	21	3			21	3	0
	Total	14,050	472			14,050	472	7,568
Qualifying Retail Revolving Exposures (QRRE)	Drawn	11,863	3,830			11,863	3,830	11,339
	Undrawn	8,004	784			8,004	784	0
	Total	19,867	4,614			19,867	4,614	11,339
Other Retail	Drawn	9,619	4,195	12,988	9,351	22,607	13,546	21,607
	Undrawn	33	25	129	97	162	122	0
	Total	9,652	4,220	13,117	9,448	22,769	13,668	21,607
Retail	Drawn	127,231	10,657	34,282	16,012	161,513	26,669	79,787
	Undrawn	10,547	845	129	97	10,676	942	0
	Total	137,778	11,502	34,411	16,109	172,189	27,611	79,787
Equities		2,911	5,116			2,911	5,116	2,911
Securitized		32,098	4,603			32,098	4,603	6,518
Trading derivatives		19,252	7,125			19,252	7,125	6,077
Other Assets				19,773	10,516	19,773	10,516	9,745
Total Credit Risk, before scaling factor		363,612	104,117	125,517	81,828	489,129	185,945	251,979
Add-on for 6% scaling factor ³			6,247				6,247	
Total Credit Risk		363,612	110,364	125,517	81,828	489,129	192,192	251,979

(1) Net of related allowances for credit losses.

(2) Other exposures include lending instruments such as letters of credit, letters of guarantee, etc., OTC derivatives and repo-style exposures, after collateral.

(3) Basel Committee imposed scaling factor (6%) on risk weighted assets for Internal ratings based credit risk portfolios.

RISK-WEIGHTED ASSETS FOR CREDIT RISK PORTFOLIOS


(\$MM)

April 30, 2008

Basel II Exposure Type	Basel II Exposure Sub-type	Basel II						Basel I Risk Weighted Assets
		Internal Ratings Based		Standardized		Total		
		Exposure at Default	Risk Weighted Assets	Exposure at Default ¹	Risk Weighted Assets	Exposure at Default	Risk Weighted Assets	
Credit Risk - non trading								
Corporate	Drawn	59,333	38,925	41,729	41,188	101,062	80,113	
	Undrawn	37,106	19,663	3,543	3,498	40,649	23,161	
	Other ²	12,832	5,622	2,197	2,149	15,029	7,771	
	Total	109,271	64,210	47,469	46,835	156,740	111,045	
Bank	Drawn	24,591	4,498	8,541	3,300	33,132	7,798	
	Undrawn	15,050	2,986	128	62	15,178	3,048	
	Other ²	14,794	2,389	421	173	15,215	2,562	
	Total	54,435	9,873	9,090	3,535	63,525	13,408	
Sovereign	Drawn	4,146	276	9,993	2,633	14,139	2,909	
	Undrawn	990	67	171	31	1,161	98	
	Other ²	347	8	105	0	452	8	
	Total	5,483	351	10,269	2,664	15,752	3,015	
Non-retail	Drawn	88,070	43,699	60,263	47,121	148,333	90,820	106,986
	Undrawn	53,146	22,716	3,842	3,591	56,988	26,307	19,713
	Other ²	27,973	8,019	2,723	2,322	30,696	10,341	13,103
	Total	169,189	74,434	66,828	53,034	236,017	127,468	139,802
Retail residential mortgages	Drawn	88,208	2,011	19,286	6,140	107,494	8,151	36,882
	Undrawn	3,794	42	0	0	3,794	42	0
	Total	92,002	2,053	19,286	6,140	111,288	8,193	36,882
Home Equity Lines Of Credit (HELOCs)	Drawn	13,437	457			13,437	457	6,718
	Undrawn	0	0			0	0	0
	Total	13,437	457			13,437	457	6,718
Qualifying Retail Revolving Exposures (QRRE)	Drawn	11,741	3,818			11,741	3,818	11,636
	Undrawn	8,076	747			8,076	747	0
	Total	19,817	4,565			19,817	4,565	11,636
Other Retail	Drawn	9,193	4,007	10,457	7,500	19,650	11,507	19,120
	Undrawn	32	24	104	78	136	102	0
	Total	9,225	4,031	10,561	7,578	19,786	11,609	19,120
Retail	Drawn	122,579	10,293	29,743	13,640	152,322	23,933	74,356
	Undrawn	11,902	813	104	78	12,006	891	0
	Total	134,481	11,106	29,847	13,718	164,328	24,824	74,356
Equities		2,848	4,538			2,848	4,538	2,848
Securitized		33,613	3,925			33,613	3,925	6,615
Trading derivatives		21,773	7,735			21,773	7,735	7,060
Other Assets ⁽⁴⁾				19,067	10,652	19,067	10,652	9,790
Total Credit Risk, before scaling factor		361,904	101,738	115,742	77,404	477,646	179,142	240,471
Add-on for 6% scaling factor ³			6,104				6,104	
Total Credit Risk		361,904	107,842	115,742	77,404	477,646	185,246	240,471

(1) Net of related allowances for credit losses.

(2) Other exposures include lending instruments such as letters of credit, letters of guarantee, etc., OTC derivatives and repo-style exposures, after collateral.

(3) Basel Committee imposed scaling factor (6%) on risk weighted assets for Internal ratings based credit risk portfolios.

CREDIT RISK EXPOSURES BY GEOGRAPHY ⁽¹⁾



(\$MM)

July 31, 2008

	Drawn	Undrawn	Other Exposures ⁽²⁾	Total
Canada	189,209	44,014	13,996	247,219
USA	22,323	16,730	11,220	50,273
Mexico	13,823	319	1,236	15,378
Other International	89,394	6,584	6,247	102,225
Total	314,749	67,647	32,699	415,095

(\$MM)

April 30, 2008

	Drawn	Undrawn	Other Exposures ⁽²⁾	Total
Canada	180,803	44,566	13,498	238,867
USA	21,813	16,958	9,624	48,395
Mexico	12,230	384	796	13,410
Other International	85,813	7,085	6,775	99,673
Total	300,659	68,993	30,693	400,345

(1) Geographic segmentation is based upon the location of the ultimate risk of the credit exposure. Includes all credit risk portfolios and excludes equities, securitizations, and trading derivatives.

(2) Other exposures include lending instruments such as letters of credit, letters of guarantee, etc., OTC derivatives and repo-style exposures, after collateral.

CREDIT RISK EXPOSURES BY RISK WEIGHT - STANDARDIZED APPROACH



(\$MM)

July 31, 2008

Risk Weight	Non-Retail					Retail			
	Exposure at Default ⁽¹⁾				Risk Weighted Assets	Exposure at Default ⁽¹⁾			Risk-Weighted Assets
	Corporate	Bank	Sovereign	Total		Residential Mortgages	Other Retail	Total	
0%	687	237	7,556	8,480	-	4,982	313	5,295	-
20%	216	9,341	21	9,578	1,916				
35%						14,045	457	14,502	5,076
50%	16	5	-	21	11				
75%	-	-	-	-	-	2,089	12,256	14,345	10,759
100%	48,617	1,286	3,306	53,209	53,209	178	81	259	259
150%	45	0	-	45	67	-	10	10	15
Total	49,581	10,869	10,883	71,333	55,203	21,294	13,117	34,411	16,109

(\$MM)

April 30, 2008

Risk Weight	Non-Retail					Retail			
	Exposure at Default ⁽¹⁾				Risk Weighted Assets	Exposure at Default ⁽¹⁾			Risk-Weighted Assets
	Corporate	Bank	Sovereign	Total		Residential Mortgages	Other Retail	Total	
0%	484	90	7,588	8,162	-	4,283	258	4,541	-
20%	199	6,828	22	7,049	1,410				
35%						12,844	460	13,304	4,656
50%	15	4	-	19	10				
75%	-	-	-	-	-	2,058	9,747	11,805	8,854
100%	46,738	2,168	2,659	51,565	51,565	101	74	175	175
150%	33	-	-	33	49	-	22	22	33
Total	47,469	9,090	10,269	66,828	53,034	19,286	10,561	29,847	13,718

(1) Net of allowances for credit losses, after credit risk mitigation.

DERIVATIVES



(\$MM)	July 31, 2008				April 30, 2008		January 31, 2008	
	Notional Amount	Credit Risk Amount	Potential Future Exposure	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount	Notional Amount	Credit Risk Equivalent Amount
<u>Interest Rate Contracts:</u>								
Futures and Forward Rate Agreements	129,280	13	-	13	115,741	29	141,204	51
Swaps	674,394	6,436	3,301	9,737	620,573	9,670	612,806	8,715
Options Purchased	77,871	262	68	330	124,802	360	97,387	340
Options Written	62,531	-	-	-	64,264	-	50,832	-
<u>Foreign Exchange Contracts:</u>								
Futures, Spot and Forwards	265,464	4,075	2,623	6,698	272,166	7,389	314,781	9,710
Swaps	108,302	6,404	5,183	11,587	104,457	12,362	105,622	12,131
Options Purchased	3,810	186	55	241	3,733	184	2,851	156
Options Written	4,431	-	-	-	4,029	-	3,154	-
<u>Other Derivative Contracts:</u>								
Equity	41,582	1,414	2,296	3,710	46,913	5,343	37,200	3,649
Credit	110,206	4,216	6,582	10,798	108,500	9,518	111,336	9,637
Other	7,092	498	542	1,040	7,426	1,077	6,642	880
Total Derivatives	1,484,963	23,504	20,650	44,154	1,472,604	45,932	1,483,815	45,269
Less: Impact of Master Netting Agreements, Collateral ⁽¹⁾		14,253	7,763	22,016		20,516		21,663
Total after Netting & Collateral ⁽¹⁾		9,251	12,887	22,138		25,416		23,606
Total Risk Weighted Assets				7,867		8,708		10,745

(1) Comparative amounts for Q1/08 have been reclassified to conform with the current presentation.

Glossary



Credit Risk Parameters

EAD	Exposure at Default	Generally represents the expected gross exposure of the facility upon default of the obligor for both on-balance sheet and off-balance sheet exposures.
PD	Probability of Default	Expressed as a percentage, measures the likelihood that a borrower will default within a 1-year time horizon
LGD	Loss Given Default	Expressed as a percentage of exposure at default, measures the severity of loss on a facility in the event of a borrower's default
M	Effective Maturity	Represents the maximum remaining time (in years) that the borrower is permitted to take to fully discharge its contractual obligation. Effective maturity is generally subject to a 1 year floor and 5 year cap (except for repo-style transactions).

Exposure Types

Non-retail	Corporate	Defined as a debt obligation of a corporation, partnership, or proprietorship
	Bank	Defined as a debt obligation of a bank or bank equivalent (including certain public sector entities (PSEs) treated as Bank equivalent exposures)
	Sovereign	Defined as a debt obligation of a sovereign, central bank, certain Multi Development Banks (MDBs) and certain PSEs treated as Sovereign.
Equity		Ownership interest in a corporation in the form of common stock or preferred stock.
Securitization		Includes liquidity lines to Bank's own sponsored and third party ABCP Conduits, credit enhancements and on-balance sheet investments in asset backed securities, mortgage backed securities, and collateralized debt obligations.
Retail	Residential Mortgages	Loans to individuals against residential property (four units or less)
	Home Equity Lines Of Credit (HELOCs)	Revolving personal lines of credit secured by home equity
	Qualifying Retail Revolving Exposures (QRRE)	Includes credit cards and unsecured line of credit for individuals
	Other Retail	Includes all other personal loans

Exposure Sub-types

Drawn	Outstanding amounts including all loans and loan related products, deposits with banks (DWBs), leases and bankers acceptances
Undrawn	Unutilized portion of an authorized credit line
Repo-Style	Securities reverse repurchase agreements (reverse repo) and repurchase agreements (repos), securities lending and borrowing.
OTC derivatives	Comprises all over-the-counter derivatives contracts (i.e. excludes exchange-traded derivative contracts and written options as they have no counterparty credit risk).
Other Off Balance Sheet	Comprises all off-balance sheet arrangements other than derivatives, securities lending and borrowing and undrawn commitments (e.g. direct credit substitutes, standby letters of credits, guarantees, trade letters of credits, transaction related contingencies etc.)