

# SUPPLEMENTARY FINANCIAL INFORMATION



JULY 31, 2004

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Note: Amounts presented in this report relating to the number of shares, as well as all per share amounts, have been retroactively adjusted to reflect the stock dividend paid on April 28, 2004 of one common share for each issued and outstanding common share. The stock dividend had the same effect as a two-for-one stock split.

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# HIGHLIGHTS



	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR			
	2004			2003				2002		2004	2003	2003	2002 ex. charges for Argentina (1)	2002 (1)
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3					
<b>Operating Performance:</b>														
Net Income (\$MM)	733	786	704	660	626	596	595	583	564	2,223	1,817	2,477	2,337	1,797
Net Income available to Common Shareholders (\$MM)	727	780	684	650	616	572	568	559	537	2,191	1,756	2,406	2,232	1,692
EPS (\$) - basic	0.72	0.77	0.68	0.64	0.61	0.57	0.56	0.56	0.53	2.17	1.74	2.38	2.21	1.68
- diluted	0.71	0.75	0.67	0.63	0.60	0.56	0.55	0.55	0.52	2.13	1.71	2.34	2.18	1.65
ROE (%)	19.4	21.8	19.4	18.6	17.7	17.2	16.6	16.5	16.2	20.2	17.2	17.6	16.6	13.0
Net Interest Margin (%) (2)	2.15	2.21	2.18	2.22	2.28	2.25	2.17	2.28	2.33	2.18	2.23	2.23	2.34	2.34
Productivity Ratio (%)	57.3	54.3	54.3	57.7	55.1	55.6	51.2	57.4	51.1	55.3	54.0	54.9	52.2	54.9
Effective Tax Rate (%)	20.0	22.7	19.4	20.1	23.7	19.2	25.4 (3)	1.1	27.7	20.8	22.9	22.2	25.1	23.0
Effective Tax Rate (TEB) (%)	25.2	27.1	24.8	25.6	29.5	25.3	30.7 (3)	10.3	33.3	25.8	28.6	27.8	30.5	30.2
<b>Cash Flow:</b>														
Cash Net Income (\$MM) (4)	737	790	709	668	633	603	602	590	571	2,236	1,838	2,506	2,365	1,825
Cash EPS (\$) - basic (4)	0.72	0.78	0.68	0.65	0.62	0.57	0.57	0.57	0.54	2.18	1.76	2.41	2.24	1.71
- diluted (4)	0.72	0.76	0.67	0.64	0.60	0.57	0.56	0.56	0.53	2.15	1.73	2.37	2.20	1.68
Cash ROE (%) (4)	19.5	21.9	19.5	18.8	17.9	17.4	16.8	16.7	16.4	20.4	17.4	17.8	16.8	13.2
<b>Balance Sheet:</b>														
Total Assets (\$B)	286.9	283.6	281.5	285.9	282.2	291.7	289.6	296.4	299.8			285.9		296.4
Loans and Acceptances (\$B)	182.2	179.9	175.7	178.5	179.6	189.2	188.0	194.1	194.7			178.5		194.1
Deposits (\$B)	201.1	197.6	191.8	192.7	190.3	189.2	192.7	195.6	197.5			192.7		195.6
Common Equity (\$B)	15.0	14.9	14.2	13.8	13.9	13.6	13.7	13.5	13.4			13.8		13.5
<b>Credit Quality:</b>														
Net Impaired Loans (\$MM)	(227)	(104)	12	47	317	378	559	620	1,019			47		620
- % of Loans and Acceptances	(0.12)	(0.06)	0.01	0.03	0.18	0.20	0.30	0.32	0.52			0.03		0.32
Specific Provisions (\$MM)	100	130	170	120	200	248	325	429	400	400	773	893	1,575	2,029
- % of Average Loans and Acceptances	0.22	0.30	0.38	0.27	0.43	0.53	0.67	0.87	0.82	0.30	0.55	0.48	0.82	1.05
<b>Risk-Weighted Capital Ratios (%):</b>														
Tier 1	11.3	11.2	10.9	10.8	10.6	10.3	10.0	9.9	9.8			10.8		9.9
Total	13.7	13.6	13.4	13.2	13.1	12.7	12.8	12.7	12.5			13.2		12.7
Tangible Common Equity	9.5	9.4	9.2	8.9	8.7	8.4	8.5	8.3	8.0			8.9		8.3
Risk-Weighted Assets (\$B)	155.5	155.7	153.5	154.5	157.2	159.1	163.2	165.4	168.7			154.5		165.4

(1) The Bank recorded charges related to Argentina totalling \$540MM (after tax) in Q1/02 against its operations in Scotiabank Quilmes and against cross-border risk.

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

(3) Excluding offsetting pre-tax net charges and tax credit of \$187MM relating to Argentina in Q4/02, Effective Tax Rate was 22.9% and Effective Tax Rate (TEB) was 28.6%.

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

## COMMON SHARE AND OTHER INFORMATION



QUARTERLY TREND									YEAR-TO-DATE		FULL YEAR	
2004			2003				2002		2004	2003	2003	2002
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				

### Valuation:

Book Value per Share (\$)	<b>14.86</b>	14.73	14.05	13.67	13.76	13.50	13.56	13.39	13.26	<b>14.86</b>	13.76	13.67	13.39
Share Price (\$) - High	<b>36.88</b>	37.45	34.24	33.70	32.19	27.90	27.38	25.62	28.10	<b>37.45</b>	32.19	33.70	28.10
- Low	<b>32.90</b>	33.38	31.08	29.19	27.52	24.84	22.28	21.01	22.03	<b>31.08</b>	22.28	22.28	21.01
- Close	<b>36.60</b>	35.15	33.75	32.74	30.24	27.90	25.35	22.94	24.63	<b>36.60</b>	30.24	32.74	22.94
Share Price (Closing) as % Book Value	<b>246.3</b>	238.6	240.2	239.5	219.7	206.7	187.0	171.3	185.7	<b>246.3</b>	219.7	239.5	171.3
Price (Closing)/Earnings Ratio (X) (1) (2)	<b>13.0</b>	13.0	13.5	13.8	13.2	12.6	11.4	10.4	11.2	<b>13.0</b>	13.2	13.8	10.4
Market Capitalization (\$MM)	<b>36,899</b>	35,452	34,126	33,085	30,605	28,116	25,536	23,129	24,812	<b>36,899</b>	30,605	33,085	23,129

### Dividends:

Common Dividends Paid (\$MM)	<b>302</b>	253	253	223	223	201	202	187	187	<b>808</b>	626	849	732
Common Dividends/Share (\$)	<b>0.300</b>	0.250	0.250	0.220	0.220	0.200	0.200	0.185	0.185	<b>0.800</b>	0.620	0.840	0.725
Payout Ratio (%) (3)	<b>41.6</b>	32.4	37.0	34.2	36.1	35.2	35.6	33.3	34.7	<b>36.9</b>	35.7	35.3	32.8
Dividend Yield (%)	<b>3.4</b>	2.8	3.1	2.8	2.9	3.0	3.2	3.2	3.0	<b>3.1</b>	3.0	3.0	3.0

### Shares:

Number of Common Shares Outstanding at Period End (MM)	<b>1,008</b>	1,009	1,011	1,011	1,012	1,008	1,007	1,008	1,008	<b>1,008</b>	1,012	1,011	1,008
Average Number of Common Shares Outstanding (MM) -- Basic	<b>1,008</b>	1,011	1,011	1,012	1,010	1,007	1,009	1,008	1,010	<b>1,010</b>	1,009	1,010	1,009
-- Diluted	<b>1,024</b>	1,028	1,027	1,028	1,027	1,023	1,025	1,022	1,027	<b>1,026</b>	1,025	1,026	1,026

### Other Information:

Employees	<b>44,253</b>	44,294	44,304	43,986	43,869	43,772	44,500	44,633	46,933			43,986	44,633
Branches and Offices	<b>1,865</b>	1,869	1,875	1,850	1,844	1,846	1,848	1,847	1,952			1,850	1,847
ABMs	<b>4,189</b>	4,175	4,118	3,918	3,768	3,712	3,702	3,693	3,817			3,918	3,693

### Senior Debt Credit Ratings:

Standard & Poor's	<b>A+</b>	A+	A+	A+	A+	A+	A+	A+	A+			A+	A+
Moody's	<b>Aa3</b>	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3			Aa3	Aa3

(1) based on trailing 4 quarters' EPS.

(2) 2002 ratios based on Q1/02 EPS excluding charges for Argentina.

(3) 2002 ratio based on Q1/02 Net Income available to Common Shareholders excluding charges for Argentina.

# CONSOLIDATED STATEMENT OF INCOME AND NET INCOME BY BUSINESS LINES



(\$ MM)

QUARTERLY TREND										YEAR-TO-DATE		FULL YEAR	
2004			2003				2002		2004	2003	2003	2002	
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3					

## CONSOLIDATED STATEMENT OF INCOME:

Interest Income (TEB)	<b>3,089</b>	3,081	3,150	3,161	3,377	3,440	3,546	3,848	3,554	<b>9,320</b>	10,363	13,524	14,636
Interest Expense	<b>1,555</b>	1,523	1,602	1,577	1,747	1,837	1,935	2,146	1,821	<b>4,680</b>	5,519	7,096	7,693
Net Interest Income (TEB)	<b>1,534</b>	1,558	1,548	1,584	1,630	1,603	1,611	1,702	1,733	<b>4,640</b>	4,844	6,428	6,943
Other Income (see Page 7)	<b>1,035</b>	1,249	1,040	1,007	1,009	965	1,034	1,019	996	<b>3,324</b>	3,008	4,015	3,942
Total Revenue (TEB)	<b>2,569</b>	2,807	2,588	2,591	2,639	2,568	2,645	2,721	2,729	<b>7,964</b>	7,852	10,443	10,885
Taxable equivalent adjustment	<b>68</b>	65	68	68	75	67	68	68	71	<b>201</b>	210	278	268
Total Revenue	<b>2,501</b>	2,742	2,520	2,523	2,564	2,501	2,577	2,653	2,658	<b>7,763</b>	7,642	10,165	10,617
Provision for Credit Losses	<b>50</b>	130	170	120	200	248	325	429	400	<b>350</b>	773	893	2,029
Total Non-interest Expenses (see Page 8)	<b>1,472</b>	1,523	1,406	1,494	1,453	1,429	1,355	1,562	1,395	<b>4,401</b>	4,237	5,731	5,974
Net Income before the undernoted:	<b>979</b>	1,089	944	909	911	824	897	662	863	<b>3,012</b>	2,632	3,541	2,614
Provision for Income Taxes	<b>196</b>	248	183	182	216	158	228	7	240	<b>627</b>	602	784	601
Non-controlling Interest in Net Income of Subsidiaries	<b>50</b>	55	57	67	69	70	74	72	59	<b>162</b>	213	280	216
<b>Net Income</b>	<b>733</b>	786	704	660	626	596	595	583	564	<b>2,223</b>	1,817	2,477	1,797
Preferred Dividends Paid and Other	<b>6</b>	6	20	10	10	24	27	24	27	<b>32</b>	61	71	105
Net Income available to Common Shareholders	<b>727</b>	780	684	650	616	572	568	559	537	<b>2,191</b>	1,756	2,406	1,692
<b>Net Income</b>	<b>733</b>	786	704	660	626	596	595	583	564	<b>2,223</b>	1,817	2,477	1,797
Amortization of Intangibles (net of taxes)	<b>4</b>	4	5	8	7	7	7	7	7	<b>13</b>	21	29	28
<b>Cash Net Income</b>	<b>737</b>	790	709	668	633	603	602	590	571	<b>2,236</b>	1,838	2,506	1,825

## NET INCOME BY BUSINESS LINES:

Domestic Banking (1)	<b>289</b>	293	299	264	272	264	294	347	262	<b>881</b>	830	1,094	1,142
International Banking (2)	<b>218</b>	200	163	156	175	171	167	128	212	<b>581</b>	513	669	125
Scotia Capital	<b>196</b>	211	203	221	193	169	138	58	56	<b>610</b>	500	721	380
Other (3)	<b>30</b>	82	39	19	(14)	(8)	(4)	50	34	<b>151</b>	(26)	(7)	150
<b>Total Bank</b>	<b>733</b>	786	704	660	626	596	595	583	564	<b>2,223</b>	1,817	2,477	1,797

(1) includes Wealth Management.

(2) Excluding Q1/02 \$540MM after-tax charges related to Argentina: 2002 - \$665MM.

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

# BUSINESS LINE RESULTS



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>Domestic Banking (1):</b>													
Net Interest Income (TEB)	886	901	877	878	866	861	869	859	861	2,664	2,596	3,474	3,405
Other Income	414	424	417	406	399	352	371	449	378	1,255	1,122	1,528	1,599
Total Revenue (TEB)	1,300	1,325	1,294	1,284	1,265	1,213	1,240	1,308	1,239	3,919	3,718	5,002	5,004
Provision for Credit Losses	(70)	(81)	(92)	(48)	(71)	(77)	(76)	(71)	(69)	(243)	(224)	(272)	(282)
Non-interest Expenses	(805)	(803)	(764)	(844)	(778)	(738)	(716)	(711)	(759)	(2,372)	(2,232)	(3,076)	(2,953)
Income Taxes (TEB) and Other	(136)	(148)	(139)	(128)	(144)	(134)	(154)	(179)	(149)	(423)	(432)	(560)	(627)
<b>Net Income</b>	<b>289</b>	<b>293</b>	<b>299</b>	<b>264</b>	<b>272</b>	<b>264</b>	<b>294</b>	<b>347</b>	<b>262</b>	<b>881</b>	<b>830</b>	<b>1,094</b>	<b>1,142</b>
Amortization of Intangibles (net of taxes)	4	4	5	7	7	6	7	7	6	13	20	27	26
<b>Cash Net Income</b>	<b>293</b>	<b>297</b>	<b>304</b>	<b>271</b>	<b>279</b>	<b>270</b>	<b>301</b>	<b>354</b>	<b>268</b>	<b>894</b>	<b>850</b>	<b>1,121</b>	<b>1,168</b>
Average Assets (\$B)	113	109	107	105	102	100	98	96	94	110	100	101	93
ROE (%)	31.4	32.7	32.4	29.2	30.8	31.0	32.7	32.1	28.7	32.1	31.5	30.9	33.0
Productivity Ratio (%)	61.9	60.6	59.0	65.7	61.5	60.8	57.7	54.4	61.3	60.5	60.0	61.5	59.0
Branches	956	963	964	964	967	969	973	984	997			964	984
Wealth Management Offices	98	98	100	98	102	103	102	87	79			98	87
Employees	20,014	20,095	20,097	20,221	20,287	20,288	20,391	20,564	20,936			20,221	20,564
ABMs	2,554	2,555	2,524	2,378	2,230	2,186	2,193	2,188	2,184			2,378	2,188
<b>International Banking:</b>													
Net Interest Income (TEB)	481	513	448	494	506	501	527	557	521	1,442	1,534	2,028	2,225
Other Income (2)	181	197	174	192	174	217	193	150	245	552	584	776	678
Total Revenue (TEB)	662	710	622	686	680	718	720	707	766	1,994	2,118	2,804	2,903
Provision for Credit Losses (2)	(2)	(18)	(7)	(45)	3	(3)	(28)	-	16	(27)	(28)	(73)	(523)
Non-interest Expenses (2)	(390)	(426)	(390)	(404)	(402)	(440)	(411)	(669)	(428)	(1,206)	(1,253)	(1,657)	(2,096)
Income Taxes (TEB) and Other (2)	(52)	(66)	(62)	(81)	(106)	(104)	(114)	90	(142)	(180)	(324)	(405)	(159)
<b>Net Income (2)</b>	<b>218</b>	<b>200</b>	<b>163</b>	<b>156</b>	<b>175</b>	<b>171</b>	<b>167</b>	<b>128</b>	<b>212</b>	<b>581</b>	<b>513</b>	<b>669</b>	<b>125</b>
Amortization of Intangibles (net of taxes)	-	-	-	1	-	1	-	-	1	-	1	2	2
<b>Cash Net Income (2)</b>	<b>218</b>	<b>200</b>	<b>163</b>	<b>157</b>	<b>175</b>	<b>172</b>	<b>167</b>	<b>128</b>	<b>213</b>	<b>581</b>	<b>514</b>	<b>671</b>	<b>127</b>
Average Assets (\$B)	50	49	48	49	50	53	57	55	56	49	53	52	58
ROE (%) (3)	24.6	24.2	19.4	19.1	21.7	21.9	20.0	15.8	25.1	22.8	21.2	20.7	3.0
Productivity Ratio (%) (4)	58.9	60.0	62.7	58.9	59.1	61.3	57.1	94.6	55.9	60.5	59.2	59.1	72.2
Branches and Offices	761	757	760	738	722	721	720	722	820			738	722
Employees	16,090	16,170	16,225	15,992	15,711	15,722	15,673	15,740	17,434			15,992	15,740
ABMs	1,635	1,620	1,594	1,540	1,538	1,526	1,509	1,505	1,633			1,540	1,505

(1) includes Wealth Management.

(2) Q4/02 results include the following adjustments related to Argentina: Other Income - \$4MM; Provision for Credit Losses - \$46MM; Expenses - \$(237)MM; Income Taxes - \$187MM; Net Income - nil.

(3) Excluding \$540MM after tax charges related to Argentina, ROE was 19.7% for 2002.

(4) Excluding charges related to Argentina, Productivity Ratio was 61.5% for Q4/02, and 61.8% for 2002.

## BUSINESS LINE RESULTS



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>Scotia Capital:</b>													
Net Interest Income (TEB)	230	261	254	279	315	336	319	360	388	745	970	1,249	1,615
Other Income	309	328	332	295	330	315	349	343	285	969	994	1,289	1,255
Total Revenue (TEB)	539	589	586	574	645	651	668	703	673	1,714	1,964	2,538	2,870
Provision for Credit Losses	(28)	(32)	(71)	(22)	(132)	(171)	(224)	(366)	(352)	(131)	(527)	(549)	(1,247)
Non-interest Expenses	(249)	(268)	(241)	(245)	(262)	(250)	(229)	(248)	(236)	(758)	(741)	(986)	(1,022)
Income Taxes (TEB) and Other	(66)	(78)	(71)	(86)	(58)	(61)	(77)	(31)	(29)	(215)	(196)	(282)	(221)
<b>Net Income</b>	<b>196</b>	<b>211</b>	<b>203</b>	<b>221</b>	<b>193</b>	<b>169</b>	<b>138</b>	<b>58</b>	<b>56</b>	<b>610</b>	<b>500</b>	<b>721</b>	<b>380</b>
Amortization of Intangibles (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Net Income</b>	<b>196</b>	<b>211</b>	<b>203</b>	<b>221</b>	<b>193</b>	<b>169</b>	<b>138</b>	<b>58</b>	<b>56</b>	<b>610</b>	<b>500</b>	<b>721</b>	<b>380</b>
Average Assets (\$B)	108	114	112	112	116	123	122	126	124	111	120	119	124
ROE (%)	19.3	20.0	17.4	18.5	14.2	11.5	8.4	3.1	3.2	18.8	11.3	12.9	6.4
Productivity Ratio (%)	46.2	45.5	41.1	42.7	40.6	38.4	34.3	35.3	35.1	44.2	37.7	38.8	35.6
Employees	1,306	1,305	1,318	1,340	1,358	1,377	1,415	1,447	1,468			1,340	1,447
<b>Other (1):</b>													
Net Interest Income (2)	(131)	(182)	(99)	(135)	(132)	(162)	(172)	(142)	(108)	(412)	(466)	(601)	(570)
Other Income	131	300	117	114	106	81	121	77	88	548	308	422	410
Total Revenue	-	118	18	(21)	(26)	(81)	(51)	(65)	(20)	136	(158)	(179)	(160)
Provision for Credit Losses	50	1	-	(5)	-	3	3	8	5	51	6	1	23
Non-interest Expenses	(28)	(26)	(11)	(1)	(11)	(1)	1	66	28	(65)	(11)	(12)	97
Income Taxes and Other (2)	8	(11)	32	46	23	71	43	41	21	29	137	183	190
<b>Net Income</b>	<b>30</b>	<b>82</b>	<b>39</b>	<b>19</b>	<b>(14)</b>	<b>(8)</b>	<b>(4)</b>	<b>50</b>	<b>34</b>	<b>151</b>	<b>(26)</b>	<b>(7)</b>	<b>150</b>
Amortization of Intangibles (net of taxes)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Net Income</b>	<b>30</b>	<b>82</b>	<b>39</b>	<b>19</b>	<b>(14)</b>	<b>(8)</b>	<b>(4)</b>	<b>50</b>	<b>34</b>	<b>151</b>	<b>(26)</b>	<b>(7)</b>	<b>150</b>
Average Assets (\$B)	13	14	16	17	16	16	17	19	21	14	17	17	22

(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 above and on page 4.

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



	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>NET INTEREST MARGIN:</b>													
Net Interest Income (TEB) (\$MM)	1,534	1,558	1,548	1,584	1,630	1,603	1,611	1,702	1,733	4,640	4,844	6,428	6,943
Net Interest Income (TEB) as % of Average Total Assets	2.15	2.21	2.18	2.22	2.28	2.25	2.17	2.28	2.33	2.18	2.23	2.23	2.34
Net Interest Income (TEB) as % of Average Earning Assets	2.41	2.52	2.48	2.53	2.61	2.58	2.49	2.62	2.65	2.47	2.56	2.55	2.67
<b>TRADING REVENUE (TEB) (\$MM):</b>													
Securities Trading	12	17	52	30	61	36	52	3	13	81	149	179	117
Foreign Exchange and Precious Metals Trading	68	70	80	49	70	85	76	59	72	218	231	280	257
Derivative and Other Trading	86	100	89	90	63	85	105	114	95	275	253	343	402
<b>Total</b>	<b>166</b>	<b>187</b>	<b>221</b>	<b>169</b>	<b>194</b>	<b>206</b>	<b>233</b>	<b>176</b>	<b>180</b>	<b>574</b>	<b>633</b>	<b>802</b>	<b>776</b>
Reported in Other Income	101	105	152	107	101	136	157	95	95	358	394	501	439
Reported in Net Interest Income	65	82	69	62	93	70	76	81	85	216	239	301	337
<b>Total</b>	<b>166</b>	<b>187</b>	<b>221</b>	<b>169</b>	<b>194</b>	<b>206</b>	<b>233</b>	<b>176</b>	<b>180</b>	<b>574</b>	<b>633</b>	<b>802</b>	<b>776</b>
<b>DEFERRED REVENUES (\$MM):</b>	289	307	318	329	336	342	351	361	368	289	336	329	361
<b>ASSETS UNDER ADMINISTRATION (\$B):</b>													
Personal													
Retail Brokerage	53.7	53.4	51.2	47.4	45.7	43.1	43.6	41.0	43.5			47.4	41.0
Investment Management and Trust	56.0	55.9	55.4	56.6	59.0	58.1	58.5	57.1	57.2			56.6	57.1
	109.7	109.3	106.6	104.0	104.7	101.2	102.1	98.1	100.7			104.0	98.1
Mutual Funds	15.8	15.8	14.8	14.2	14.4	13.7	14.4	14.4	15.2			14.2	14.4
Institutional	36.6	37.2	46.3	43.8	42.1	40.0	38.4	31.9	40.1			43.8	31.9
<b>Total</b>	<b>162.1</b>	<b>162.3</b>	<b>167.7</b>	<b>162.0</b>	<b>161.2</b>	<b>154.9</b>	<b>154.9</b>	<b>144.4</b>	<b>156.0</b>			<b>162.0</b>	<b>144.4</b>
<b>ASSETS UNDER MANAGEMENT (\$B):</b>													
Personal	7.3	7.2	7.1	7.0	7.0	6.8	7.1	7.8	8.3			7.0	7.8
Mutual Funds	12.0	12.3	11.9	11.6	11.9	11.5	12.1	12.2	12.8			11.6	12.2
Institutional	1.9	1.4	1.5	1.4	1.3	1.3	1.5	1.5	1.6			1.4	1.5
<b>Total</b>	<b>21.2</b>	<b>20.9</b>	<b>20.5</b>	<b>20.0</b>	<b>20.2</b>	<b>19.6</b>	<b>20.7</b>	<b>21.5</b>	<b>22.7</b>			<b>20.0</b>	<b>21.5</b>

# OTHER INCOME



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>Card Revenues</b>	58	53	61	58	49	42	55	69	71	172	146	204	280
<b>Deposit and Payment Services</b>													
Deposit Services	141	131	128	123	123	116	117	115	112	400	356	479	445
Other Payment Services	28	30	27	25	30	26	33	29	26	85	89	114	111
	169	161	155	148	153	142	150	144	138	485	445	593	556
<b>Mutual Funds</b>	43	43	41	41	41	38	41	41	47	127	120	161	174
<b>Investment Management, Brokerage and Trust Services</b>													
Retail Brokerage	80	96	85	78	74	63	65	67	75	261	202	280	304
Personal and Corporate Trust	30	33	27	31	30	29	32	35	34	90	91	122	137
Investment Management and Custody	13	14	13	13	12	14	14	8	8	40	40	53	32
	123	143	125	122	116	106	111	110	117	391	333	455	473
<b>Credit Fees</b>													
Commitment and Other Credit Fees	124	117	120	130	151	140	144	137	140	361	435	565	540
Acceptance Fees	26	27	26	28	30	31	30	32	33	79	91	119	131
	150	144	146	158	181	171	174	169	173	440	526	684	671
<b>Trading Revenue</b>	101	105	152	107	101	136	157	95	95	358	394	501	439
<b>Investment Banking</b>													
Underwriting Fees and Other Commissions	117	139	121	115	141	100	116	104	101	377	357	472	405
Foreign Exchange and Other	43	44	40	50	54	44	53	40	43	127	151	201	187
	160	183	161	165	195	144	169	144	144	504	508	673	592
<b>Net Gain/(Loss) on Investment Securities</b>	106	247	70	66	28	54	11	(16)	105	423	93	159	179
<b>Securitization Revenues</b>	17	40	28	26	43	20	51	65	35	85	114	140	162
<b>Other</b>	108	130	101	116	102	112	115	99	71	339	329	445	317
<b>Subtotal</b>	1,035	1,249	1,040	1,007	1,009	965	1,034	920	996	3,324	3,008	4,015	3,843
<b>Gains on Sale of Businesses</b>	-	-	-	-	-	-	-	99	-	-	-	-	99
<b>Total Other Income</b>	1,035	1,249	1,040	1,007	1,009	965	1,034	1,019	996	3,324	3,008	4,015	3,942
<b>% of Total Revenue (TEB)</b>	40.3	44.5	40.2	38.9	38.2	37.6	39.1	37.4	36.5	41.7	38.3	38.4	36.2



# NON-INTEREST EXPENSES



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
<b>Salaries and Staff Benefits</b>													
Salaries	743	760	713	750	761	715	695	675	709	2,216	2,171	2,921	2,925
Pension and Other Staff Benefits	132	147	128	103	116	110	111	101	105	407	337	440	419
	<b>875</b>	<b>907</b>	<b>841</b>	<b>853</b>	<b>877</b>	<b>825</b>	<b>806</b>	<b>776</b>	<b>814</b>	<b>2,623</b>	<b>2,508</b>	<b>3,361</b>	<b>3,344</b>
<b>Premises and Technology</b>													
Net Premises Rent	43	44	43	43	44	44	49	50	45	130	137	180	192
Premises Repairs and Maintenance	11	11	11	12	11	9	12	12	13	33	32	44	53
Property Taxes	18	15	10	14	16	14	12	11	16	43	42	56	57
Computer Equipment, Software and Data Processing	126	119	127	148	129	116	105	127	107	372	350	498	456
Depreciation	46	48	50	47	55	55	51	58	57	144	161	208	243
Other	39	45	40	41	40	44	45	50	44	124	129	170	182
	<b>283</b>	<b>282</b>	<b>281</b>	<b>305</b>	<b>295</b>	<b>282</b>	<b>274</b>	<b>308</b>	<b>282</b>	<b>846</b>	<b>851</b>	<b>1,156</b>	<b>1,183</b>
<b>Communications</b>													
Telecommunications	15	16	15	18	17	17	16	18	18	46	50	68	74
Stationery, Postage and Courier	47	44	44	43	44	48	48	49	50	135	140	183	207
	<b>62</b>	<b>60</b>	<b>59</b>	<b>61</b>	<b>61</b>	<b>65</b>	<b>64</b>	<b>67</b>	<b>68</b>	<b>181</b>	<b>190</b>	<b>251</b>	<b>281</b>
<b>Advertising and Business Development</b>													
Advertising and Promotion	26	28	26	27	25	26	25	28	25	80	76	103	105
Travel and Business Development	25	25	21	28	23	23	22	29	27	71	68	96	103
	<b>51</b>	<b>53</b>	<b>47</b>	<b>55</b>	<b>48</b>	<b>49</b>	<b>47</b>	<b>57</b>	<b>52</b>	<b>151</b>	<b>144</b>	<b>199</b>	<b>208</b>
<b>Professional Expenses</b>	<b>39</b>	<b>47</b>	<b>29</b>	<b>40</b>	<b>30</b>	<b>41</b>	<b>30</b>	<b>43</b>	<b>32</b>	<b>115</b>	<b>101</b>	<b>141</b>	<b>136</b>
<b>Business and Capital Taxes</b>													
Business Taxes	23	23	23	21	24	23	22	21	28	69	69	90	118
Capital Taxes	14	13	14	12	14	13	15	1	12	41	42	54	50
	<b>37</b>	<b>36</b>	<b>37</b>	<b>33</b>	<b>38</b>	<b>36</b>	<b>37</b>	<b>22</b>	<b>40</b>	<b>110</b>	<b>111</b>	<b>144</b>	<b>168</b>
<b>Other</b>													
Employee Training	12	8	9	12	9	8	8	15	10	29	25	37	42
Amortization of Intangibles	6	7	7	8	7	7	7	7	7	20	21	29	28
Other	107	123	96	127	88	85	82	30	90	326	255	382	347
	<b>125</b>	<b>138</b>	<b>112</b>	<b>147</b>	<b>104</b>	<b>100</b>	<b>97</b>	<b>52</b>	<b>107</b>	<b>375</b>	<b>301</b>	<b>448</b>	<b>417</b>
<b>Total excluding Special Items</b>	<b>1,472</b>	<b>1,523</b>	<b>1,406</b>	<b>1,494</b>	<b>1,453</b>	<b>1,398</b>	<b>1,355</b>	<b>1,325</b>	<b>1,395</b>	<b>4,401</b>	<b>4,206</b>	<b>5,700</b>	<b>5,737</b>
<b>Loss on Disposal of Subsidiary Operations</b>	-	-	-	-	-	31	-	237	-	-	31	31	237
<b>Total Non-Interest Expenses</b>	<b>1,472</b>	<b>1,523</b>	<b>1,406</b>	<b>1,494</b>	<b>1,453</b>	<b>1,429</b>	<b>1,355</b>	<b>1,562</b>	<b>1,395</b>	<b>4,401</b>	<b>4,237</b>	<b>5,731</b>	<b>5,974</b>
% of Total Revenue (TEB)	<b>57.3</b>	<b>54.3</b>	<b>54.3</b>	<b>57.7</b>	<b>55.1</b>	<b>55.6</b>	<b>51.2</b>	<b>57.4</b>	<b>51.1</b>	<b>55.3</b>	<b>54.0</b>	<b>54.9</b>	<b>54.9</b>

# BALANCE SHEET



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2004			2003				2002		2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3		
Cash Resources	20,526	20,712	18,851	20,581	19,265	18,743	17,746	20,273	21,195	20,581	20,273
Securities - Investment	18,343	18,377	18,288	20,293	19,186	20,023	21,514	21,602	22,692	20,293	21,602
- Trading	46,161	42,184	44,439	42,899	40,435	38,509	35,280	34,592	34,098	42,899	34,592
	64,504	60,561	62,727	63,192	59,621	58,532	56,794	56,194	56,790	63,192	56,194
Loans - Residential Mortgages	66,955	63,829	62,583	61,646	59,189	57,300	56,902	56,295	56,231	61,646	56,295
- Personal and Credit Cards	29,475	28,432	27,046	26,277	25,325	24,647	23,788	23,363	22,445	26,277	23,363
- Business and Governments	61,259	62,485	63,155	64,313	68,762	72,931	75,321	77,181	79,841	64,313	77,181
- Reverse Repos	21,307	21,225	19,266	22,648	22,843	30,269	27,359	32,262	31,935	22,648	32,262
- Sub-total	178,996	175,971	172,050	174,884	176,119	185,147	183,370	189,101	190,452	174,884	189,101
Allowance for Credit Losses	(3,242)	(3,303)	(3,257)	(3,217)	(3,498)	(3,576)	(3,639)	(3,430)	(3,877)	(3,217)	(3,430)
- Total Net Loans	175,754	172,668	168,793	171,667	172,621	181,571	179,731	185,671	186,575	171,667	185,671
Acceptances	6,494	7,219	6,887	6,811	6,956	7,611	8,312	8,399	8,135	6,811	8,399
Land, Buildings and Equipment, net	1,872	1,872	1,863	1,944	2,019	2,054	2,070	2,101	2,141	1,944	2,101
Trading Derivatives' Market Valuation	11,163	13,745	15,547	15,308	14,639	16,193	17,735	15,821	16,997	15,308	15,821
Goodwill	271	280	280	270	348	371	292	299	349	270	299
Other Intangibles	246	253	276	284	282	290	297	305	313	284	305
Other Assets	6,060	6,324	6,227	5,835	6,409	6,335	6,611	7,317	7,262	5,835	7,317
<b>Total Assets</b>	<b>286,890</b>	<b>283,634</b>	<b>281,451</b>	<b>285,892</b>	<b>282,160</b>	<b>291,700</b>	<b>289,588</b>	<b>296,380</b>	<b>299,757</b>	<b>285,892</b>	<b>296,380</b>
Deposits - Personal	79,569	79,464	78,328	76,431	77,144	76,783	76,551	75,558	75,765	76,431	75,558
- Banks	24,086	22,691	24,009	22,700	22,742	24,947	26,161	26,230	28,236	22,700	26,230
- Business and Governments	97,478	95,486	89,463	93,541	90,398	87,488	89,946	93,830	93,507	93,541	93,830
- Total	201,133	197,641	191,800	192,672	190,284	189,218	192,658	195,618	197,508	192,672	195,618
Other Liabilities	23,299	22,535	24,144	28,686	27,904	35,777	27,232	31,881	32,767	28,686	31,881
- Repos	11,421	9,527	9,911	9,219	9,640	9,141	9,198	8,737	9,768	9,219	8,737
- Borrowed Securities	10,972	12,645	15,160	14,758	14,144	15,871	16,608	15,500	15,930	14,758	15,500
- Trading Derivatives' Market Valuation	21,868	23,193	23,013	23,282	22,754	24,217	25,335	25,989	24,954	23,282	25,989
- Total	67,560	67,900	72,228	75,945	74,442	85,006	78,373	82,107	83,419	75,945	82,107
Subordinated Debentures	2,666	2,686	2,664	2,661	2,701	3,073	3,852	3,878	3,896	2,661	3,878
Equity - Preferred Shares	550	550	550	800	800	800	1,050	1,275	1,575	800	1,275
- Common Shares and Contributed Surplus	3,204	3,187	3,115	3,141	3,131	3,064	3,024	3,002	2,993	3,141	3,002
- Retained Earnings	12,881	12,512	12,144	11,747	11,392	10,998	10,691	10,398	10,029	11,747	10,398
- Cumulative Foreign Currency Translation	(1,104)	(842)	(1,050)	(1,074)	(590)	(459)	(60)	102	337	(1,074)	102
- Common Equity	14,981	14,857	14,209	13,814	13,933	13,603	13,655	13,502	13,359	13,814	13,502
- Total Equity	15,531	15,407	14,759	14,614	14,733	14,403	14,705	14,777	14,934	14,614	14,777
<b>Total Liabilities and Shareholders' Equity</b>	<b>286,890</b>	<b>283,634</b>	<b>281,451</b>	<b>285,892</b>	<b>282,160</b>	<b>291,700</b>	<b>289,588</b>	<b>296,380</b>	<b>299,757</b>	<b>285,892</b>	<b>296,380</b>

# AVERAGE BALANCE SHEET



(\$MM)	QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				
Deposits with Other Banks	17,569	17,717	15,762	16,465	16,773	15,756	16,031	16,827	16,206	17,011	16,191	16,260	17,325
Securities	63,833	64,544	63,634	61,249	56,349	58,404	57,011	56,207	59,203	64,000	57,242	58,251	59,772
Loans - Residential Mortgages	65,056	62,722	62,049	60,230	57,854	56,920	56,465	55,996	55,565	63,277	57,081	57,875	54,785
- Personal and Credit Cards	28,606	27,610	26,423	25,638	24,716	24,003	23,502	22,614	21,305	27,546	24,073	24,467	21,190
- Business and Governments	58,060	58,994	59,020	61,912	64,200	69,237	73,789	73,407	75,139	58,695	69,076	67,270	74,697
- Reverse Repos	20,012	20,198	21,001	22,861	27,777	30,942	29,915	32,781	31,680	20,405	29,529	27,849	32,443
- Total	171,734	169,524	168,493	170,641	174,547	181,102	183,671	184,798	183,689	169,923	179,759	177,461	183,115
Total Earning Assets	253,136	251,785	247,889	248,355	247,669	255,262	256,713	257,832	259,098	250,934	253,192	251,972	260,212
Acceptances	7,254	7,161	6,879	7,687	7,575	8,215	8,341	8,570	8,109	7,098	8,041	7,952	8,595
Other Assets	24,080	27,086	28,016	26,813	28,983	28,818	29,430	29,754	28,000	26,385	29,105	28,589	28,045
<b>Total Assets</b>	<b>284,470</b>	<b>286,032</b>	<b>282,785</b>	<b>282,855</b>	<b>284,227</b>	<b>292,295</b>	<b>294,484</b>	<b>296,156</b>	<b>295,207</b>	<b>284,417</b>	<b>290,338</b>	<b>288,513</b>	<b>296,852</b>
Deposits - Personal	78,805	78,047	76,411	76,034	75,985	76,039	75,497	74,856	75,204	77,752	75,838	75,888	75,218
- Banks	24,488	24,780	23,113	23,773	23,929	25,680	27,437	27,466	25,317	24,122	25,682	25,201	27,153
- Business and Governments	95,553	94,304	90,550	90,164	87,631	87,910	91,503	93,934	92,601	93,463	89,027	89,313	91,615
- Total	198,846	197,131	190,074	189,971	187,545	189,629	194,437	196,256	193,122	195,337	190,547	190,402	193,986
Other Liabilities	67,478	71,151	75,252	75,544	79,453	84,424	81,324	81,016	82,495	71,317	81,714	80,242	83,443
Subordinated Debentures	2,677	2,667	2,656	2,667	2,661	3,571	3,877	3,889	4,629	2,667	3,367	3,191	4,655
Shareholders' Equity - Preferred	550	550	792	800	800	1,041	1,267	1,565	1,768	631	1,036	976	1,720
- Common	14,919	14,533	14,011	13,873	13,768	13,630	13,579	13,430	13,193	14,465	13,674	13,702	13,048
- Total	15,469	15,083	14,803	14,673	14,568	14,671	14,846	14,995	14,961	15,096	14,710	14,678	14,768
<b>Total Liabilities and Shareholders' Equity</b>	<b>284,470</b>	<b>286,032</b>	<b>282,785</b>	<b>282,855</b>	<b>284,227</b>	<b>292,295</b>	<b>294,484</b>	<b>296,156</b>	<b>295,207</b>	<b>284,417</b>	<b>290,338</b>	<b>288,513</b>	<b>296,852</b>

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
AND RISK WEIGHTED ASSETS**



QUARTERLY TREND								YEAR-TO-DATE		FULL YEAR		
2004			2003				2002		2004	2003	2003	2002
Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3				

**CONSOLIDATED STATEMENT OF CHANGES IN  
SHAREHOLDERS' EQUITY (\$MM):**

Balance at Beginning of Period	15,407	14,759	14,614	14,733	14,403	14,705	14,777	14,934	14,803	14,614	14,777	14,777	14,608
Cumulative Effect of Adoption of New Accounting Standards	-	-	-	-	-	-	-	-	-	-	-	-	(76)
Preferred Shares Redeemed	-	-	(250)	-	-	(250)	(225)	(300)	(200)	(250)	(475)	(475)	(500)
Common Shares Issued, Net of Purchases for Resale and Cancellation, and Contributed Surplus	17	72	(26)	10	67	40	22	9	2	63	129	139	82
Premium on Redemption and Purchase of Shares	(56)	(159)	(44)	(76)	-	(67)	(77)	-	(98)	(259)	(144)	(220)	(154)
Net Income	733	786	704	660	626	596	595	583	564	2,223	1,817	2,477	1,797
Dividends - Preferred	(6)	(6)	(10)	(10)	(10)	(14)	(18)	(24)	(27)	(22)	(42)	(52)	(105)
- Common	(302)	(253)	(253)	(223)	(223)	(201)	(202)	(187)	(187)	(808)	(626)	(849)	(732)
Net Unrealized Foreign Exchange Translation Gains (Losses)	(262)	208	24	(484)	(131)	(399)	(162)	(235)	76	(30)	(692)	(1,176)	(137)
Other	-	-	-	4	1	(7)	(5)	(3)	1	-	(11)	(7)	(6)
<b>Balance at End of Period</b>	<b>15,531</b>	<b>15,407</b>	<b>14,759</b>	<b>14,614</b>	<b>14,733</b>	<b>14,403</b>	<b>14,705</b>	<b>14,777</b>	<b>14,934</b>	<b>15,531</b>	<b>14,733</b>	<b>14,614</b>	<b>14,777</b>

**RISK-WEIGHTED ASSETS (\$B):**

<b>On Balance Sheet Assets</b>													
0 - 20% Cash Resources	3.0	3.0	2.8	3.1	2.8	2.7	2.5	3.0	3.2			3.1	3.0
0 - 100% Securities	8.3	8.6	8.9	9.0	8.7	9.2	9.9	10.3	10.9			9.0	10.3
0 - 50% Residential Mortgages	21.8	20.6	19.9	19.5	18.6	17.8	16.3	15.8	15.5			19.5	15.8
0 - 100% Loans & Acceptances	83.4	84.6	84.1	85.1	88.4	91.7	94.7	97.2	98.7			85.1	97.2
0 - 100% Other Assets	4.7	4.8	4.6	5.0	5.8	5.6	5.6	5.9	6.0			5.0	5.9
	<b>121.2</b>	<b>121.6</b>	<b>120.3</b>	<b>121.7</b>	<b>124.3</b>	<b>127.0</b>	<b>129.0</b>	<b>132.2</b>	<b>134.3</b>			<b>121.7</b>	<b>132.2</b>
<b>Off Balance Sheet Assets</b>													
Indirect Credit Instruments	27.5	27.5	26.1	26.2	26.5	26.1	27.6	26.9	27.7			26.2	26.9
Interest Rate, Foreign Exchange and Other Derivative Instruments	3.3	3.7	4.0	3.5	3.4	3.4	3.8	3.6	4.3			3.5	3.6
Market Risk Adjustment	3.5	2.9	3.1	3.1	3.0	2.6	2.8	2.7	2.4			3.1	2.7
<b>Total Risk-Weighted Assets</b>	<b>155.5</b>	<b>155.7</b>	<b>153.5</b>	<b>154.5</b>	<b>157.2</b>	<b>159.1</b>	<b>163.2</b>	<b>165.4</b>	<b>168.7</b>			<b>154.5</b>	<b>165.4</b>

# REGULATORY CAPITAL AND RISK-WEIGHTED CAPITAL RATIOS



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2004			2003				2002		2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3		
<b>REGULATORY CAPITAL:</b>											
Common Shareholders' Equity	14,981	14,857	14,209	13,814	13,933	13,603	13,655	13,502	13,359	13,814	13,502
Non-Cumulative Preferred Shares	550	550	550	800	800	800	1,050	1,275	1,575	800	1,275
Non-Controlling Interest in Subsidiaries:											
- Scotia BaTS	2,000	2,000	2,000	2,000	2,000	2,000	1,250	1,250	1,250	2,000	1,250
- Other	280	277	316	326	335	318	669	662	638	326	662
Goodwill	(271)	(280)	(280)	(270)	(348)	(371)	(292)	(299)	(349)	(270)	(299)
Tier 1 Capital	17,540	17,404	16,795	16,670	16,720	16,350	16,332	16,390	16,473	16,670	16,390
Debentures (net of amortization)	2,600	2,618	2,598	2,595	2,701	2,714	3,355	3,372	3,384	2,595	3,372
Eligible General Allowance (1)	1,361	1,362	1,343	1,352	1,375	1,393	1,428	1,448	1,475	1,352	1,448
Tier 2 Capital	3,961	3,980	3,941	3,947	4,076	4,107	4,783	4,820	4,859	3,947	4,820
Investment in Associated Corporations and Other	(220)	(214)	(207)	(209)	(223)	(224)	(234)	(250)	(269)	(209)	(250)
<b>Total Regulatory Capital</b>	<b>21,281</b>	<b>21,170</b>	<b>20,529</b>	<b>20,408</b>	<b>20,573</b>	<b>20,233</b>	<b>20,881</b>	<b>20,960</b>	<b>21,063</b>	<b>20,408</b>	<b>20,960</b>
<b>CHANGES IN REGULATORY CAPITAL:</b>											
<b>Total Capital, Beginning of Period</b>	<b>21,170</b>	<b>20,529</b>	<b>20,408</b>	<b>20,573</b>	<b>20,233</b>	<b>20,881</b>	<b>20,960</b>	<b>21,063</b>	<b>21,967</b>	<b>20,960</b>	<b>21,340</b>
<b>Internally Generated Capital</b>											
Net Income	733	786	704	660	626	596	595	583	564	2,477	1,797
Preferred and Common Share Dividends	(308)	(259)	(263)	(233)	(233)	(215)	(220)	(211)	(214)	(901)	(837)
	425	527	441	427	393	381	375	372	350	1,576	960
<b>External Financing</b>											
Debentures (net of amortization)	(18)	20	3	(106)	(13)	(641)	(17)	(12)	(1,156)	(777)	(1,561)
Preferred Shares	-	-	(250)	-	-	(250)	(225)	(300)	(200)	(475)	(500)
Innovative Tier 1 Capital Instruments (Scotia BaTS)	-	-	-	-	-	750	-	-	-	750	750
Common Shares and Contributed Surplus	17	72	(26)	10	67	40	22	9	2	139	82
Premium on Redemption and Purchase of Shares	(56)	(159)	(44)	(76)	-	(67)	(77)	-	(98)	(220)	(154)
	(57)	(67)	(317)	(172)	54	(168)	(297)	(303)	(1,452)	(583)	(1,383)
<b>Other</b>											
Net Unrealized Foreign Exchange Transaction Gains (Losses)	(262)	208	24	(484)	(131)	(399)	(162)	(235)	76	(1,176)	(137)
Non-controlling Interest in Subsidiaries	3	(39)	(10)	(9)	17	(351)	7	24	23	(336)	76
Other (2)	2	12	(17)	73	7	(111)	(2)	39	99	(33)	104
	(257)	181	(3)	(420)	(107)	(861)	(157)	(172)	198	(1,545)	43
<b>Total Capital Generated (Used)</b>	<b>111</b>	<b>641</b>	<b>121</b>	<b>(165)</b>	<b>340</b>	<b>(648)</b>	<b>(79)</b>	<b>(103)</b>	<b>(904)</b>	<b>(552)</b>	<b>(380)</b>
<b>Total Capital, End of Period</b>	<b>21,281</b>	<b>21,170</b>	<b>20,529</b>	<b>20,408</b>	<b>20,573</b>	<b>20,233</b>	<b>20,881</b>	<b>20,960</b>	<b>21,063</b>	<b>20,408</b>	<b>20,960</b>
<b>RISK-WEIGHTED CAPITAL RATIOS (%):</b>											
Tier I	11.3	11.2	10.9	10.8	10.6	10.3	10.0	9.9	9.8	10.8	9.9
Total	13.7	13.6	13.4	13.2	13.1	12.7	12.8	12.7	12.5	13.2	12.7
Tangible Common Equity	9.5	9.4	9.2	8.9	8.7	8.4	8.5	8.3	8.0	8.9	8.3

(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 associated corporations, and other charges (credits) to retained earnings.

# DERIVATIVES



						Jul 31/04	Apr 30/04	Jul 31/03
	Notional Principal Amount	Credit Risk Amount	Potential Future Exposure	Credit Risk Equivalent Amount	CRE/Loans and Acceptances	Risk- Weighted Balance	Risk- Weighted Balance	Risk- Weighted Balance
(\$MM)								
<u>Interest Rate Contracts:</u>								
Futures and Forward Rate Agreements	190,954	29	5	34	-	11	6	5
Interest Rate Swaps	509,731	6,084	2,080	8,164	4.5%	1,904	2,101	2,481
Options Purchased	52,295	412	113	525	0.3%	127	154	171
Options Written	51,841	-	-	-	-	-	-	-
<u>Foreign Exchange Contracts:</u>								
Futures, Spot and Forwards	193,375	2,753	2,425	5,178	2.8%	1,584	1,853	1,790
Currency Swaps	48,974	2,113	2,390	4,503	2.5%	1,227	1,162	1,088
Options Purchased	3,104	79	55	134	0.1%	51	65	72
Options Written	2,978	-	-	-	-	-	-	-
<u>Other Derivative Contracts:</u>								
Equity	22,708	349	1,373	1,722	0.9%	566	589	470
Credit	18,920	194	884	1,078	0.6%	330	312	276
Other	3,291	163	238	401	0.2%	147	229	118
<b>Total Derivatives</b>	<b>1,098,171</b>	<b>12,176</b>	<b>9,563</b>	<b>21,739</b>	<b>11.9%</b>	<b>5,947</b>	6,471	6,471
Less: Impact of Master Netting Agreements		7,097	3,867	10,964	6.0%	2,620	2,825	3,113
<b>Total after Netting</b>		<b>5,079</b>	<b>5,696</b>	<b>10,775</b>	<b>5.9%</b>	<b>3,327</b>	3,646	3,358

# GROSS IMPAIRED LOANS



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2004			2003				2002		2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3		
<b>GROSS IMPAIRED LOANS:</b>											
<u>Domestic</u>											
Retail	242	256	266	292	275	288	289	287	255	292	287
Commercial	273	270	251	184	271	255	246	225	266	184	225
	515	526	517	476	546	543	535	512	521	476	512
<u>International</u>											
Retail	369	384	464	465	514	562	565	594	782	465	594
Commercial	595	657	646	631	769	773	915	953	1,618	631	953
	964	1,041	1,110	1,096	1,283	1,335	1,480	1,547	2,400	1,096	1,547
<u>Scotia Capital</u>											
Canada	170	185	216	199	113	160	93	127	84	199	127
U.S.A.	1,047	1,122	1,131	1,084	1,338	1,397	1,549	1,688	1,651	1,084	1,688
Europe	319	325	295	386	511	496	517	113	183	386	113
	1,536	1,632	1,642	1,669	1,962	2,053	2,159	1,928	1,918	1,669	1,928
<b>Total Gross Impaired Loans (1)</b>	<b>3,015</b>	<b>3,199</b>	<b>3,269</b>	<b>3,241</b>	<b>3,791</b>	<b>3,931</b>	<b>4,174</b>	<b>3,987</b>	<b>4,839</b>	<b>3,241</b>	<b>3,987</b>
Allowance for Credit Losses:											
Specific	(1,817)	(1,828)	(1,782)	(1,719)	(1,999)	(2,078)	(2,140)	(1,892)	(2,345)	(1,719)	(1,892)
General	(1,425)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)
<b>Total Net Impaired Loans (1)</b>	<b>(227)</b>	<b>(104)</b>	<b>12</b>	<b>47</b>	<b>317</b>	<b>378</b>	<b>559</b>	<b>620</b>	<b>1,019</b>	<b>47</b>	<b>620</b>

## CHANGES IN GROSS IMPAIRED LOANS:

	Domestic Retail	Domestic Commercial	International	Scotia Capital	General Allowance	Total
Q2/04 Gross Impaired Loans	256	270	1,041	1,632	-	3,199
Net Formations	53	5	(24)	(41)	-	(7)
Write-Offs	(67)	(2)	(36)	(12)	-	(117)
Forex	-	-	(17)	(43)	-	(60)
<b>Q3/04 Gross Impaired Loans</b>	<b>242</b>	<b>273</b>	<b>964</b>	<b>1,536</b>	<b>-</b>	<b>3,015</b>
Allowance for Credit Losses	(173)	(195)	(675)	(774)	(1,425)	(3,242)
<b>Q3/04 Net Impaired Loans</b>	<b>69</b>	<b>78</b>	<b>289</b>	<b>762</b>	<b>(1,425)</b>	<b>(227)</b>

(1) excludes Designated Emerging Market (DEM) gross impaired loans and offsetting country risk provision prior to 2004.

# NET IMPAIRED LOANS AND ALLOWANCE FOR CREDIT LOSSES



(\$MM)	QUARTERLY TREND								FULL YEAR		
	2004			2003				2002		2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3		
<b>NET IMPAIRED LOANS:</b>											
<u>Domestic</u>											
Retail	69	87	90	102	102	118	108	99	88	102	99
Commercial	78	91	93	59	74	73	88	106	109	59	106
	147	178	183	161	176	191	196	205	197	161	205
<u>International</u>											
Retail	136	133	205	219	244	270	279	303	366	219	303
Commercial	153	192	195	169	287	223	209	254	514	169	254
	289	325	400	388	531	493	488	557	880	388	557
<u>Scotia Capital</u>											
Canada	45	53	82	80	29	45	38	74	39	80	74
U.S.A.	592	669	692	650	808	877	975	1,225	1,271	650	1,225
Europe	125	146	130	243	248	247	337	34	107	243	34
	762	868	904	973	1,085	1,169	1,350	1,333	1,417	973	1,333
Total Net Impaired Loans before General Allowance	1,198	1,371	1,487	1,522	1,792	1,853	2,034	2,095	2,494	1,522	2,095
General Allowance	(1,425)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)	(1,475)
<b>Total Net Impaired Loans</b>	<b>(227)</b>	<b>(104)</b>	<b>12</b>	<b>47</b>	<b>317</b>	<b>378</b>	<b>559</b>	<b>620</b>	<b>1,019</b>	<b>47</b>	<b>620</b>
- % of Loans and Acceptances	(0.12)	(0.06)	0.01	0.03	0.18	0.20	0.30	0.32	0.52	0.03	0.32
- Coverage Ratio (%)	107.5	103.3	99.6	98.5	91.6	90.4	86.6	84.4	78.9	98.5	84.4
<b>ALLOWANCE FOR CREDIT LOSSES:</b>											
Balance, Beginning of Period	3,317	3,270	3,580	3,896	3,995	4,085	3,848	4,335	4,880	3,848	4,697
Presented with Securities	-	-	(363)	-	-	-	-	-	-	-	-
Write-offs	(117)	(140)	(177)	(368)	(258)	(245)	(77)	(705)	(937)	(948)	(2,403)
Recoveries	46	33	40	45	40	30	49	65	42	164	169
Provision for Credit Losses (1)	50	130	170	120	200	248	325	429	400	893	2,029
Disposal of Scotiabank Quilmes operations (including Foreign Exchange thereon)	-	-	-	-	-	-	-	(175)	(60)	-	(504)
Foreign Currency Adjustment and Other	(40)	24	20	(113)	(81)	(123)	(60)	(101)	10	(377)	(140)
<b>Balance, End of Period</b>	<b>3,256</b>	<b>3,317</b>	<b>3,270</b>	<b>3,580</b>	<b>3,896</b>	<b>3,995</b>	<b>4,085</b>	<b>3,848</b>	<b>4,335</b>	<b>3,580</b>	<b>3,848</b>
<u>Comprised of:</u>											
Specific Allowance	1,817	1,828	1,782	1,719	1,999	2,078	2,140	1,892	2,345	1,719	1,892
General Allowance	1,425	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475
Other Liabilities	14	14	13	-	-	-	-	-	-	-	-
Country Risk Allowance - Loans	-	-	-	23	24	23	24	63	57	23	63
- Securities	-	-	-	363	398	419	446	418	458	363	418
<b>Total Allowance for Credit Losses</b>	<b>3,256</b>	<b>3,317</b>	<b>3,270</b>	<b>3,580</b>	<b>3,896</b>	<b>3,995</b>	<b>4,085</b>	<b>3,848</b>	<b>4,335</b>	<b>3,580</b>	<b>3,848</b>

(1) Includes additional provisions of \$500MM taken against Argentine risks in Q1/02 -- \$46MM of these provisions were reversed in Q4/02, \$27MM in Q2/03, \$24MM in Q3/03, and \$13MM in Q4/03.



# CROSS BORDER EXPOSURES TO 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>	<b>Jul 31/04 Total</b>	<b>Apr 30/04 Total</b>	<b>Jan31/04 Total</b>	<b>Oct31/03 Total</b>
<b>ASIA</b>										
Korea	445	295	-	560	-	1	<b>1,301</b>	1,378	1,431	1,240
Japan	404	57	81	393	-	54	<b>989</b>	1,006	1,109	1,031
India	365	660	40	54	-	24	<b>1,143</b>	1,103	1,062	684
Malaysia	499	19	-	327	106	3	<b>954</b>	989	892	891
Hong Kong	298	14	22	166	-	49	<b>549</b>	551	532	529
China	19	363	12	25	-	9	<b>428</b>	505	388	315
Other (3)	147	80	146	369	-	9	<b>751</b>	682	617	636
<b>Total</b>	<b>2,177</b>	<b>1,488</b>	<b>301</b>	<b>1,894</b>	<b>106</b>	<b>149</b>	<b>6,115</b>	6,214	6,031	5,326
<b>LATIN AMERICA</b>										
Mexico	896	149	-	595	825	4	<b>2,469</b>	2,478	2,301	2,096
Chile	371	3	150	-	191	1	<b>716</b>	709	673	670
Brazil	29	313	-	313	-	4	<b>659</b>	652	631	756
Venezuela	2	-	-	104	62	-	<b>168</b>	170	173	183
Argentina	2	-	-	17	-	-	<b>19</b>	26	35	39
Other (4)	900	56	5	58	86	1	<b>1,106</b>	1,133	1,158	1,166
<b>Total</b>	<b>2,200</b>	<b>521</b>	<b>155</b>	<b>1,087</b>	<b>1,164</b>	<b>10</b>	<b>5,137</b>	5,168	4,971	4,910

(1) equity investments in subsidiaries and other affiliates excluding goodwill of US\$83MM in Chile.

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

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

(4) includes Costa Rica, Ecuador, El Salvador, Panama, Peru, and Uruguay.

# ASSET SECURITIZATION, RESERVES AND INTEREST RATE SENSITIVITY



	QUARTERLY TREND									
	2004			2003				2002		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
<b>ASSET SECURITIZATION (\$MM):</b>										
Balance, Beginning of Period	8,494	8,160	7,665	7,424	7,131	7,215	7,205	6,892	6,585	
Securitized	871	908	975	621	704	382	760	864	898	
Paydowns/Maturities	(750)	(574)	(480)	(380)	(411)	(466)	(750)	(551)	(591)	
Balance, End of Period	1,494	1,844	2,128	2,270	2,270	2,411	2,695	2,695	2,952	
Personal Loans	-	-	-	147	295	295	449	681	758	
Credit Card	-	-	-	-	-	-	-	430	511	
Residential Mortgages	7,121	6,650	6,032	5,248	4,860	4,425	4,071	3,399	2,671	
Mortgage-backed Securities	8,615	8,494	8,160	7,665	7,424	7,131	7,215	7,205	6,892	
<b>RESERVES (\$MM):</b>										
General Allowance for Credit Losses	1,425	1,475	1,475	1,475	1,475	1,475	1,475	1,475	1,475	
<b>Investment Securities - Unrealized Gains (Losses)</b>										
Bonds of Emerging Markets	451	489	554	512	477	432	343	219	58	
Other Fixed Income	(2)	-	67	27	27	8	15	(113)	(18)	
Common and Preferred Shares	438	518	536	164	155	(22)	(114)	(131)	(166)	
	887	1,007	1,157	703	659	418	244	(25)	(126)	
<b>INTEREST RATE SENSITIVITY (\$B):</b>										
	Within 3 Months	3 to 12 Months	Cumulative Under 1 Year	Over 1 Year	Non-Interest Rate Sensitive					
<b>Canadian Currency Gap</b>										
July 31, 2004	5.1	(0.2)	4.9	6.6	(11.5)					
April 30, 2004	7.1	(3.4)	3.7	7.4	(11.1)					
July 31, 2003	8.1	(7.4)	0.7	15.1	(15.8)					
<b>Foreign Currency Gap</b>										
July 31, 2004	(8.0)	5.0	(3.0)	10.4	(7.4)					
April 30, 2004	(4.8)	0.1	(4.7)	11.5	(6.8)					
July 31, 2003	(10.6)	3.8	(6.8)	12.8	(6.0)					
<b>Total Currency Gap</b>										
July 31, 2004	(2.9)	4.8	1.9	17.0	(18.9)					
April 30, 2004	2.3	(3.3)	(1.0)	18.9	(17.9)					
July 31, 2003	(2.5)	(3.6)	(6.1)	27.9	(21.8)					

( ) denotes liability gap

Note: Based on the Bank's interest rate positions at July 31, 2004, an immediate and sustained 100 basis point rise in interest rates, across all currencies and maturities, would increase net income after-tax by approximately \$110MM over the next 12 months, and lower the common shareholders' equity, in present value terms, by approximately \$363MM.