

SUPPLEMENTARY FINANCIAL INFORMATION



October 31, 2011 (Restated on IFRS Basis)⁽¹⁾

	<u>Page</u>	<u>INDEX</u>	<u>Page</u>
Highlights	1	Operating Expenses	10
Consolidated Statement of Income	2	Consolidated Statement of Financial Position (Spot Balances)	11 & 12
Business Segment Performance		Average Balance Sheet	13
- Canadian Banking	3		
- International Banking	4	Consolidated Statement of Changes in Equity	14 & 15
- Global Wealth Management	5		
- Scotia Capital	6	Credit-Related Information	
- Other	7	- Customer Loans and Acceptances by Type of Borrower	16
		- Impaired Loans by Business Segment	17
Net Interest Margin	8	- Changes in Gross Impaired Loans by Business Segment	18
		- Allowance for Credit Losses & Other Reserves	19
Revenue from Trading Operations	8	- Impaired Loans by Type of Borrower	20
		- Provision for Credit Losses by Type of Borrower	21
Fee & Commission Revenues and Other Operating Income	9		

(1) The package excludes certain information that either has not been affected by the restatement or will be not be restated for prior periods. See notes on the next page for more details.

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NOTES



Scotiabank has adopted the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board effective November 1, 2011, which replaced Canadian generally accepted accounting principles (CGAAP). The adoption of IFRS resulted in the following key changes to the Bank's consolidated statement of financial position and changes in presentation:

KEY CHANGES

As a first time adopter, on transition to IFRS on November 1, 2010, the Bank made adjustments to its balance sheet to reflect the IFRS requirements which resulted in a net reduction to total shareholders' equity of \$992 million. The key impact was from recognizing cumulative unamortized actuarial losses for employee defined benefit plans. Other impacts were from treating securitizations as on-balance sheet transactions, consolidating certain SPEs, reclassifying certain financial instruments and reclassifying certain capital instruments as non-common equity.

Ongoing key changes under IFRS that impacted the Bank were as follows:

- **Securitization** - Insured residential mortgages securitized under the Canadian government's Canada Mortgage Bond (CMB) program have been reported on-balance sheet under IFRS, along with a corresponding funding liability. The interest rate swaps related to this structure are not recorded on balance sheet. The difference in net income under IFRS is due to recognition of the interest income on the mortgages, interest expense on the related funding and reversal of the gain on sale and the mark-to-market on the swaps.
- **Consolidation** - Certain Special Purpose Entities (SPEs) have been consolidated under IFRS that were previously off-balance sheet. The residual income from these SPE's is now included in the Bank's net income.
- **Employee Benefits** - The impact of recognizing the cumulative actuarial losses in retained earnings on transition date is that there are reduced pension costs going forward to the extent that they relate to actuarial losses that would have been amortized under CGAAP.
- **Foreign exchange** - A change in functional currencies for a small number of the Bank's foreign operations under IFRS has resulted in net foreign exchange translation gains/losses along with prior hedges being recognized in net income instead of other comprehensive income. With accounting hedges in place there should be little impact on earnings going forward.

PRESENTATION CHANGES

The form and presentation of the consolidated statement of income and consolidated statement of financial position has been changed to reflect IFRS best practices. Key changes are as follows:

Income statement:

IFRS requires revenue to be presented by major category of income. Under CGAAP, there were two revenue categories presented: net interest income and other income. Under IFRS, the Bank now presents three revenue categories: net interest income, net fee and commission revenues and other operating income. Other operating income includes income from trading operations and income from associated corporations.

Categories reclassified under IFRS include:

- Net income from investment in associated corporations, is now presented as a separate category of other operating income. Previously, this was presented as either interest income on securities or mutual fund income depending on the nature of the underlying investment;
- Changes in the fair value of financial instruments used for asset/liability management purposes are now presented in other operating income. Previously, this was presented as interest income/expense;
- Impairment losses on financial instruments are now presented separately on the income statement after total revenue. Previously, this was presented in the net gain (loss) on securities, other than trading which was in other income; and
- Net interest income from trading operations has been reclassified to income from trading operations.

Balance sheet:

- Assets and liabilities are presented in order of liquidity under IFRS, versus the product-based categorization used for CGAAP.
- Trading assets are presented as a separate category which includes, trading securities, trading loans and trading commodities.
- Equity accounted investments, previously classified under the Securities category, are classified as a stand-alone line item, Investments in associates and joint ventures.
- Allowances for credit losses attributed to unfunded commitments have been reclassified out of allowances and included Other liabilities - Provisions.
- Allowances for credit card loans, residential mortgages and most personal loans (retail loans) calculated on a portfolio basis and previously considered as specific allowance under CGAAP is presented as part of collective allowance under IFRS. General allowance under CGAAP is also presented as part of collective allowances under IFRS.

HIGHLIGHTS



	QUARTERLY TREND				FULL YEAR
	2011				2011
	Q4	Q3	Q2	Q1	
Operating Performance:					
Net Income (\$MM)	1,157	1,303	1,621	1,249	5,330
Net Income attributable to Common Shareholders (\$MM)	1,071	1,209	1,528	1,157	4,965
EPS (\$) - basic	0.99	1.12	1.42	1.11	4.63
- diluted	0.98	1.11	1.40	1.10	4.57
ROE (%)	16.4	19.1	25.7	20.9	20.3
Net Interest Margin (TEB) (%) (1)	1.51	1.53	1.53	1.62	1.54
Net Interest Margin, excluding Trading (%) (2)	2.06	2.08	2.07	2.20	2.10
Productivity Ratio (TEB) (%)	57.9	53.7	50.9	53.3	53.9
Effective Tax Rate (%)	20.5	23.3	17.9	23.1	21.1
Effective Tax Rate (TEB) (%)	24.3	26.5	20.7	26.3	24.3
Cash Net Income (\$MM) (3)	1,187	1,329	1,646	1,268	5,430
Cash EPS (\$) - basic (3)	1.01	1.14	1.44	1.13	4.72
- diluted (3)	1.01	1.13	1.42	1.11	4.66
Cash ROE (%) (3)	16.8	19.5	26.1	21.2	20.7
Balance Sheet:					
Total Assets (\$B)	594.4	587.6	590.7	559.4	
Customer Loans and Acceptances (\$B)	335.7	326.3	319.3	317.8	
Deposits (\$B)	421.3	415.2	419.5	398.8	
Common Shareholders' Equity (\$B)	26.4	25.6	24.6	22.3	
Credit Quality:					
Net Impaired Loans (\$MM) (4)	1,947	1,990	2,108	2,205	
- % of Customer Loans and Acceptances	0.58	0.61	0.66	0.69	
Allowance for Credit Losses (\$MM)	2,689	2,677	2,638	2,646	
Provision for Credit Losses (\$MM)	281	250	270	275	1,076
- % of Average Customer Loans and Acceptances	0.34	0.32	0.36	0.36	0.34
Valuation:					
Book Value per Share (\$)	24.20	23.59	22.78	21.29	24.20

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

(2) Excludes Average Total Assets relating to Scotia Capital's Global Capital Markets business to be consistent with the reclassification of net interest from trading operations to income from trading operations.

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

(4) Net Impaired Loans are Impaired Loans less Allowance for Credit Losses allocated against such loans.

CONSOLIDATED STATEMENT OF INCOME



(\$ MM)

CONSOLIDATED STATEMENT OF INCOME:

Interest Income (TEB)	Interest Expense	Net Interest Income (TEB)	Net Fee and Commission Revenues (Page 9)	Net Income from Investments in Associated Corporations (Page 9)	Other Operating Income (TEB) (Page 9)	Total Revenue (TEB)	Taxable Equivalent Adjustment	Total Revenue	Provision for Credit Losses	Impairment Losses on Financial Investments	Total Operating Expenses (Page 10)	Income before Taxes	Income Tax Expense	Net Income	Amortization of Intangibles (net of taxes)	Cash Net Income
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QUARTERLY TREND				FULL YEAR
2011				2011
Q4	Q3	Q2	Q1	
4,693	5,006	4,731	4,619	19,049
2,359	2,704	2,590	2,361	10,014
2,334	2,302	2,141	2,258	9,035
1,562	1,502	1,868	1,268	6,200
109	112	98	114	433
317	481	608	622	2,028
4,322	4,397	4,715	4,262	17,696
74	73	69	71	287
4,248	4,324	4,646	4,191	17,409
281	250	270	275	1,076
23	26	7	43	99
2,489	2,348	2,395	2,249	9,481
1,455	1,700	1,974	1,624	6,753
298	397	353	375	1,423
1,157	1,303	1,621	1,249	5,330
30	26	25	19	100
1,187	1,329	1,646	1,268	5,430

NET INCOME ATTRIBUTABLE TO:

Non-controlling Interests	Capital Instrument Holders of the Bank	Preferred Shareholders of the Bank	Common Shareholders of the Bank	Total
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17	24	24	26	91
14	15	14	15	58
55	55	55	51	216
1,071	1,209	1,528	1,157	4,965
1,157	1,303	1,621	1,249	5,330

AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (MM):

- Basic (unchanged)
- Fully Diluted

1,086	1,082	1,078	1,044	1,072
1,117	1,115	1,112	1,078	1,107

BUSINESS SEGMENT PERFORMANCE: CANADIAN BANKING Scotiabank

(\$MM)	QUARTERLY TREND				FULL YEAR
	2011				2011
	Q4	Q3	Q2	Q1	
Net Interest Income (TEB)	1,209	1,226	1,159	1,237	4,831
Net Fee and Commission Revenues	341	340	323	328	1,332
Net Income from Investments in Associated Corporations	2	1	4	-	7
Other Operating Income	7	(9)	1	14	13
Total Revenue (TEB)	1,559	1,558	1,487	1,579	6,183
Provision for Credit Losses	(135)	(146)	(146)	(165)	(592)
Impairment Losses on Financial Investments	(6)	-	(1)	-	(7)
Operating Expenses	(790)	(774)	(754)	(720)	(3,038)
Income Tax Expense (TEB)	(174)	(177)	(164)	(195)	(710)
Net Income	454	461	422	499	1,836

Net Income attributable to:

Non-controlling Interests	1	1	1	1	4
Equity Holders of the Bank	453	460	421	498	1,832
	454	461	422	499	1,836

Profitability Measurements:

Return on Economic Equity (%)	36.2	37.0	35.5	40.4	37.3
Net Interest Margin					
- as % of Average Total Assets	2.23	2.31	2.30	2.39	2.31
- as % of Average Earning Assets	2.27	2.34	2.33	2.42	2.34
Provision for Credit Losses as % of Average Loans & Acceptances	0.25	0.27	0.29	0.32	0.28
Productivity Ratio (%)	50.9	49.7	50.7	45.6	49.2

Average Balances (\$B):

Total Assets	214.8	210.8	206.9	205.3	209.5
Residential Mortgages	142.1	139.1	136.5	135.5	138.3
Personal & Credit Card Loans	46.8	46.0	45.3	45.5	45.9
Business and Government Loans & Acceptances	25.8	25.6	25.0	24.2	25.1
Deposits from Personal Customers	101.2	100.6	100.4	99.8	100.5
Deposits from Business Customers	42.6	41.4	39.7	39.3	40.8

BUSINESS SEGMENT PERFORMANCE: INTERNATIONAL BANKING



(\$MM)

QUARTERLY TREND				FULL YEAR
2011				2011
Q4	Q3	Q2	Q1	

Net Interest Income (TEB)	950	924	860	881	3,615
Net Fee and Commission Revenues	363	282	304	273	1,222
Net Income from Investments in Associated Corporations	100	97	91	90	378
Other Operating Income	30	49	70	75	224
Total Revenue (TEB)	1,443	1,352	1,325	1,319	5,439
Provision for Credit Losses	(158)	(126)	(112)	(113)	(509)
Impairment Losses on Financial Investments	-	(13)	1	(1)	(13)
Operating Expenses	(823)	(764)	(705)	(757)	(3,049)
Income Tax Expense (TEB)	(87)	(104)	(108)	(84)	(383)
Net Income	375	345	401	364	1,485

Net Income attributable to:

Non-controlling Interests	8	16	16	18	58
Equity Holders of the Bank	367	329	385	346	1,427
	375	345	401	364	1,485

Profitability Measurements:

Return on Economic Equity (%)	14.3	13.3	15.8	13.8	14.3
Net Interest Margin					
- as % of Average Total Assets	3.88	3.96	3.97	3.89	3.92
- as % of Average Earning Assets	3.88	3.96	3.97	3.89	3.93
Provision for Credit Losses as % of Average Loans & Acceptances	0.87	0.74	0.70	0.68	0.75
Productivity Ratio (%)	57.0	57.1	53.2	57.4	56.2

Average Balances (\$B):

Total Assets	97.2	92.6	88.9	89.9	92.2
Residential Mortgages	15.5	15.1	15.0	15.2	15.2
Personal & Credit Card Loans	10.4	9.9	9.5	9.6	9.8
Business and Government Loans & Acceptances	46.1	42.8	41.4	40.9	42.8
Financial Investments	9.5	9.3	8.9	9.4	9.3
Total Deposits	47.1	45.5	44.1	44.6	45.3

BUSINESS SEGMENT PERFORMANCE: GLOBAL WEALTH MANAGEMENT



(\$MM)	QUARTERLY TREND				FULL YEAR
	Q4	Q3	Q2	Q1	2011
	2011				
Net Interest Income (TEB)	89	91	90	85	355
Net Fee and Commission Revenues	590	610	900	397	2,497
Net Income from Investments in Associated Corporations	35	39	30	50	154
Other Operating Income	87	78	78	73	316
Total Revenue (TEB)	801	818	1,098	605	3,322
Provision for Credit Losses	(1)	-	(1)	-	(2)
Impairment Losses on Financial Investments	-	-	-	-	-
Operating Expenses	(504)	(501)	(545)	(334)	(1,884)
Income Tax Expense (TEB)	(45)	(59)	(62)	(44)	(210)
Net Income	251	258	490	227	1,226
<u>Net Income attributable to:</u>					
Non-controlling Interests	8	7	7	7	29
Equity Holders of the Bank	243	251	483	220	1,197
	251	258	490	227	1,226
<u>Profitability Measurements:</u>					
Return on Economic Equity (%)	13.2	13.9	26.5	20.0	18.2
Productivity Ratio (%)	62.9	61.2	49.6	55.2	56.7
<u>Breakdown of Total Revenue (TEB):</u>					
Wealth Management	670	696	978	486	2,830
Insurance	131	122	120	119	492
Total	801	818	1,098	605	3,322

BUSINESS SEGMENT PERFORMANCE: SCOTIA CAPITAL


(\$MM)	QUARTERLY TREND				FULL YEAR
	2011				2011
	Q4	Q3	Q2	Q1	
Net Interest Income	182	182	174	185	723
Net Fee and Commission Revenues	269	292	313	285	1,159
Net Income from Investments in Associated Corporations	-	-	-	-	-
Other Operating Income (TEB)	200	264	327	356	1,147
Total Revenue (TEB)	651	738	814	826	3,029
Provision for Credit Losses	(17)	(8)	(11)	3	(33)
Impairment Losses on Financial Investments	(11)	-	-	-	(11)
Operating Expenses	(348)	(306)	(362)	(380)	(1,396)
Income Tax Expense (TEB)	(38)	(125)	(73)	(121)	(357)
Net Income	237	299	368	328	1,232
Net Income attributable to:					
Non-controlling Interests	-	-	-	-	-
Equity Holders of the Bank	237	299	368	328	1,232
	237	299	368	328	1,232
Profitability Measurements:					
Return on Economic Equity (%)	18.0	22.1	26.0	21.3	21.9
Net Interest Margin					
- as % of Average Total Assets	0.36	0.37	0.38	0.40	0.39
- as % of Average Earning Assets	0.45	0.45	0.45	0.48	0.46
Provision for Credit Losses as % of Average Loans & Acceptances (1)	0.23	0.12	0.17	(0.04)	0.12
Productivity Ratio (%)	54.4	41.5	44.5	46.0	46.3
Average Balances (\$B):					
Total Assets	202.6	192.6	187.7	181.3	191.1
Personal Loans	3.8	4.4	5.0	5.9	4.8
Business and Government Loans & Acceptances	30.5	28.2	27.2	27.3	28.3
Securities Purchased Under Resale Agreements	33.7	25.5	27.9	27.9	28.8
Trading Assets -- Securities	65.4	74.3	71.1	66.6	69.3
-- Loans	14.1	13.8	13.2	11.5	13.2
Financial Investments	3.0	2.7	2.3	2.1	2.5
Deposits with Banks	15.8	17.0	16.5	15.9	16.3
Deposits from Customers	47.5	47.4	43.5	43.7	45.5

(1) Corporate & Investment Banking only.

BUSINESS SEGMENT PERFORMANCE: OTHER (1)



(\$MM)

	QUARTERLY TREND				FULL YEAR 2011
	2011				
	Q4	Q3	Q2	Q1	
Net Interest Income (TEB) (2)	(101)	(127)	(147)	(135)	(510)
Net Fee and Commission Revenues	(1)	(22)	28	(15)	(10)
Net Income (Loss) from Investments in Associated Corporations	(28)	(25)	(27)	(26)	(106)
Other Operating Income	(76)	32	68	38	62
Total Revenue (TEB)	(206)	(142)	(78)	(138)	(564)
Provision for Credit Losses	30	30	-	-	60
Impairment Losses on Financial Investments	(6)	(13)	(7)	(42)	(68)
Operating Expenses	(24)	(3)	(29)	(58)	(114)
Income Tax Expense (TEB) (2)	46	68	54	69	237
Net Income	(160)	(60)	(60)	(169)	(449)

Net Income attributable to:

Non-controlling Interests	-	-	-	-	-
Capital Instrument Holders of the Bank	14	15	14	15	58
Equity Holders of the Bank	(174)	(75)	(74)	(184)	(507)
	(160)	(60)	(60)	(169)	(449)

Average Balances (\$B):

Total Assets	90.8	93.1	82.9	67.7	84.0
Deposits with Banks	43.6	40.1	35.2	24.8	35.9
Financial Investments	18.1	17.3	17.3	19.1	18.0
Total Deposits	189.2	178.0	170.3	152.1	172.4

(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 four business segments reported on pages 3 to 6.

NET INTEREST MARGIN AND REVENUE FROM TRADING OPERATIONS



NET INTEREST MARGIN:

Net Interest Income (TEB) (\$MM)

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

Net Interest Income (TEB) as % of
Average Total Assets, excluding Trading (1)

Net Interest Income (TEB) as % of
Average Earning Assets

REVENUE FROM TRADING OPERATIONS(TEB) (\$MM):

Interest Rate and Credit

Equities

Precious Metals and Commodities

Foreign Exchange

Other

sub-total

Taxable Equivalent Adjustment

Total (TEB)

	QUARTERLY TREND				FULL YEAR 2011
	Q4	Q3	Q2	Q1	
Net Interest Income (TEB) (\$MM)	2,334	2,302	2,141	2,258	9,035
Net Interest Income (TEB) as % of Average Total Assets	1.51	1.53	1.53	1.62	1.54
Net Interest Income (TEB) as % of Average Total Assets, excluding Trading (1)	2.06	2.08	2.07	2.20	2.10
Net Interest Income (TEB) as % of Average Earning Assets	1.71	1.72	1.71	1.80	1.74
Interest Rate and Credit	95	38	121	103	357
Equities	(22)	39	(10)	20	27
Precious Metals and Commodities	97	80	66	92	335
Foreign Exchange	34	44	48	55	181
Other	(49)	(34)	(9)	22	(70)
sub-total	155	167	216	292	830
Taxable Equivalent Adjustment	69	67	64	66	266
Total (TEB)	224	234	280	358	1,096

(1) Excludes Average Total Assets relating to Scotia Capital's Global Capital Markets business to be consistent with the reclassification of net interest from trading operations to income from trading operations.

FEE & COMMISSION REVENUES & OTHER OPERATING INCOME

(\$MM)	QUARTERLY TREND				FULL YEAR
	Q4	Q3	Q2	Q1	2011
Fee and Commission Revenues:					
Card Revenues	160	155	140	153	608
Deposit and Payment Services					
Deposit Services	198	194	186	184	762
Other Payment Services	54	51	52	55	212
	252	245	238	239	974
Mutual Funds	298	297	319	136	1,050
Brokerage Fees	224	232	236	183	875
Investment Management and Trust Services					
Investment Management and Custody	35	41	30	27	133
Personal and Corporate Trust	39	44	41	38	162
	74	85	71	65	295
Credit Fees					
Commitment and Other Credit Fees	173	173	165	157	668
Acceptance Fees	49	49	44	46	188
	222	222	209	203	856
Underwriting and Other Advisory Fees	92	120	146	134	492
Non-trading Foreign Exchange Fees	94	57	124	74	349
Other	238	182	464	158	1,042
Total Fee and Commission Revenues	1,654	1,595	1,947	1,345	6,541
Fee and Commission Expenses:					
Card Expenses	39	43	34	37	153
Deposit and Payment Services Expenses	16	12	12	12	52
Mutual Fund Expenses	33	34	29	25	121
Brokerage Expenses	4	4	4	3	15
	92	93	79	77	341
Net Fee and Commission Revenues	1,562	1,502	1,868	1,268	6,200
Net Income from Investments in Associated Corporations	109	112	98	114	433
Other Operating Income (TEB):					
Income from Trading Operations	155	167	216	292	830
Net Income from Financial Instruments at Fair Value	(17)	(13)	10	7	(13)
Net Gain on Sale of Financial Investments	87	135	95	67	384
Other	23	125	223	190	561
sub-total	248	414	544	556	1,762
Taxable Equivalent Adjustment	69	67	64	66	266
Total (TEB)	317	481	608	622	2,028

OPERATING EXPENSES



(\$MM)	QUARTERLY TREND				FULL YEAR
	Q4	Q3	Q2	Q1	2011
	2011				
Salaries and Employee Benefits					
Salaries	792	768	731	727	3,018
Performance-driven Compensation	395	394	405	402	1,596
Pension and Other Employee Benefits	183	193	222	146	744
	1,370	1,355	1,358	1,275	5,358
Premises and Technology					
Net Premises Rent	72	69	70	65	276
Premises Repairs and Maintenance	26	22	20	22	90
Property Taxes	19	22	19	16	76
Computer Equipment, Software and Data Processing	212	182	181	185	760
Other Premises Costs	63	62	62	57	244
	392	357	352	345	1,446
Depreciation and Amortization					
Depreciation	66	67	80	61	274
Amortization of Intangibles	42	36	34	27	139
	108	103	114	88	413
Communications					
Telecommunications	21	20	20	21	82
Stationery, Postage and Courier	66	64	68	64	262
	87	84	88	85	344
Advertising and Business Development					
Advertising and Promotion	89	69	63	61	282
Travel and Business Development	43	36	35	31	145
	132	105	98	92	427
Professional	72	57	70	63	262
Business and Capital Taxes					
Business Taxes	36	38	36	44	154
Capital Taxes	7	6	8	8	29
	43	44	44	52	183
Other					
Employee Training	16	11	9	9	45
Other	269	232	262	240	1,003
	285	243	271	249	1,048
Total Operating Expenses	2,489	2,348	2,395	2,249	9,481

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (SPOT BALANCES)



(\$MM)	QUARTERLY TREND				November 1 2010
	Q4	Q3	Q2	Q1	
Assets					
Cash and Deposits with Banks	45,222	48,706	63,352	44,634	40,231
Precious Metals	9,249	10,069	9,000	8,510	6,497
Trading Assets - Securities	62,192	72,799	74,368	68,965	61,987
- Loans	13,607	14,271	14,250	11,563	11,427
	75,799	87,070	88,618	80,528	73,414
Financial Assets Designated at Fair Value through Profit & Loss	375	376	442	722	823
Securities Purchased under Resale Agreements	34,582	30,296	25,890	33,171	27,920
Derivative Financial Instruments	37,322	29,580	28,445	23,111	26,908
Financial Investments	30,176	29,236	29,710	29,861	31,381
Loans to Customers - Residential Mortgages	161,685	158,724	155,291	153,918	152,324
- Personal and Credit Cards	63,317	62,735	61,702	62,390	63,531
- Business and Government	105,260	99,336	97,222	96,563	94,811
- Sub-total	330,262	320,795	314,215	312,871	310,666
- Allowance for Credit Losses	(2,689)	(2,677)	(2,638)	(2,646)	(2,630)
- Total Net Loans	327,573	318,118	311,577	310,225	308,036
Customers' Liability under Acceptances	8,172	8,148	7,682	7,614	7,616
Current Tax Assets	49	167	167	201	120
Investment Property	252	254	250	253	255
Land, Buildings and Equipment	2,252	2,192	2,175	2,164	2,143
Investments in Associated Corporations	4,434	4,353	4,261	4,617	4,635
Goodwill and Other Intangible Assets	7,639	7,467	7,383	3,629	3,661
Deferred Tax Assets	2,214	2,091	2,139	2,897	2,976
Other Assets	9,113	9,474	9,604	7,278	7,354
Total Assets	594,423	587,597	590,695	559,415	543,970

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(SPOT BALANCES) (continued)



(\$MM)	QUARTERLY TREND				November 1 2010
	Q4	Q3	Q2	Q1	
Liabilities					
Deposits - Customers	399,990	393,546	394,928	375,029	362,199
- Banks	21,345	21,626	24,573	23,723	22,113
- Total	421,335	415,172	419,501	398,752	384,312
Other					
- Acceptances	8,172	8,148	7,682	7,614	7,616
- Securities Sold Short	15,450	22,045	25,470	25,717	21,519
- Derivative Financial Instruments	40,236	33,711	34,267	26,577	31,438
- Securities Sold Under Repurchase Agreements	38,216	38,562	34,385	35,383	32,788
- Current Tax Liabilities	370	268	292	413	509
- Subordinated Debentures	6,923	6,905	6,887	6,913	6,939
- Capital Instrument Liabilities	2,003	1,982	1,962	1,941	2,415
- Legal Provisions and Other	146	130	138	138	140
- Deferred Tax Liabilities	478	463	435	446	444
- Other	28,854	28,775	29,177	27,745	28,632
- Total	140,848	140,989	140,695	132,887	132,440
Total Liabilities	562,183	556,161	560,196	531,639	516,752
Equity					
Common Equity					
- Common Shares	8,336	8,142	7,971	5,933	5,750
- Retained Earnings	18,421	17,922	17,288	16,319	15,684
- Accumulated Other Comprehensive Income (Loss)	(497)	(548)	(676)	(10)	269
- Other Reserves	96	89	58	43	25
- Total Common Equity	26,356	25,605	24,641	22,285	21,728
Preferred Shares	4,384	4,384	4,384	3,975	3,975
Total Equity Attributable to Equity Holders of the Bank	30,740	29,989	29,025	26,260	25,703
Capital Instrument Equity	874	860	915	901	956
Non-controlling Interests	626	587	559	615	559
Total Equity	32,240	31,436	30,499	27,776	27,218
Total Liabilities and Equity	594,423	587,597	590,695	559,415	543,970

AVERAGE BALANCE SHEET



(\$MM)	QUARTERLY TREND				FULL YEAR
	Q4	Q3	Q2	Q1	2011
	2011				
Deposits with Banks	68,887	66,194	59,800	49,545	61,117
Trading Assets - Securities	68,906	78,707	75,687	69,297	73,129
- Loans	14,071	13,836	13,163	11,532	13,150
- Total	82,977	92,543	88,850	80,829	86,279
Securities Purchased under Resale Agreements	38,779	31,882	32,729	32,454	33,971
Financial Investments	34,837	33,358	32,407	34,787	33,859
Loans to Customers - Residential Mortgages	158,656	155,113	152,539	151,565	154,485
- Personal and Credit Cards	63,615	62,934	62,465	63,555	63,151
- Business and Government	93,368	87,798	84,930	83,615	87,445
- Total	315,639	305,845	299,934	298,735	305,081
Total Earning Assets	541,119	529,822	513,720	496,350	520,307
Derivative Financial Instruments	38,954	28,309	25,124	25,497	29,507
Customers' Liability under Acceptances	8,480	7,944	7,761	7,545	7,934
Other Assets	26,408	32,444	28,823	24,044	28,353
Total Assets	614,961	598,519	575,428	553,436	586,101
Deposits - Customers	413,291	400,581	388,058	371,121	393,305
- Banks	26,499	24,413	21,838	20,168	23,241
- Total	439,790	424,994	409,896	391,289	416,546
Securities Sold Short	19,914	25,207	26,602	27,857	24,881
Securities Sold under Repurchase Agreements	42,427	38,384	35,284	33,185	37,337
Subordinated Debentures	6,923	6,898	6,899	6,924	6,911
Capital Instrument Liabilities	2,037	1,880	2,207	2,247	2,092
Other Liabilities	72,085	70,225	64,352	64,410	68,110
Shareholders' Equity					
- Common Shares, Retained Earnings, Accumulated Other Comprehensive Income (Loss) and Other Reserves	25,976	25,116	24,371	22,007	24,484
- Preferred Shares	4,384	4,384	4,384	3,975	4,281
- Capital Instrument	818	858	846	955	870
- Non-controlling Interests	607	573	587	587	589
- Total	31,785	30,931	30,188	27,524	30,224
Total Liabilities and Shareholders' Equity	614,961	598,519	575,428	553,436	586,101

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



(\$MM)	QUARTERLY TREND				FULL YEAR
	Q4	Q3	Q2	Q1	2011
	2011				
Common Shares:					
Balance at Beginning of Period	8,142	7,971	5,933	5,750	5,750
Shares Issued	194	171	2,038	183	2,586
Balance at End of Period	8,336	8,142	7,971	5,933	8,336
Retained Earnings:					
Balance at Beginning of Period	17,922	17,288	16,319	15,684	15,684
Net Income attributable to Common Shareholders of the Bank	1,071	1,209	1,528	1,157	4,965
Dividends Paid to Common Shareholders of the Bank	(564)	(563)	(561)	(512)	(2,200)
Other	(8)	(12)	2	(10)	(28)
Balance at End of Period	18,421	17,922	17,288	16,319	18,421
Accumulated Other Comprehensive Income (Loss):					
Balance at Beginning of Period	(548)	(676)	(10)	269	269
Other Comprehensive Income, net of Income Tax					
Currency Translation Reserve	234	197	(793)	(335)	(697)
Available-for-Sale Reserve	(196)	(55)	91	(15)	(175)
Cash Flow Hedging Reserve	13	(14)	36	71	106
Share of Associated Corporations	-	-	-	-	-
Total	51	128	(666)	(279)	(766)
Balance at End of Period	(497)	(548)	(676)	(10)	(497)
Other Reserves:					
Balance at Beginning of Period	89	58	43	25	25
Share-based payments	7	31	15	18	71
Balance at End of Period	96	89	58	43	96
Total Common Equity at End of Period	26,356	25,605	24,641	22,285	26,356
Composition of Accumulated Other Comprehensive Income (Loss):					
Currency Translation Reserve	(697)	(930)	(1,127)	(335)	
Available-for-Sale Reserve	441	636	691	601	
Cash Flow Hedging Reserve	(251)	(264)	(250)	(286)	
Share of Associated Corporations	10	10	10	10	
Total	(497)	(548)	(676)	(10)	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)



(\$MM)

Preferred Shares:

Balance at Beginning of Period

Shares Issued

Net Income attributable to Preferred Shareholders of the Bank

Dividends paid to Preferred Shareholders of the Bank

Balance at End of Period

Capital Instruments:

Balance at Beginning of Period

Net Income attributable to Capital Instrument Holders of the Bank

Distribution made to Capital Instrument Holders of the Bank

Other

Balance at End of Period

Non-controlling Interests:

Balance at Beginning of Period

Net Income attributable to Non-controlling Interests in Subsidiaries

Other Comprehensive Income, net of Income Tax

Dividends Paid

Other

Balance at End of Period

Total Equity at End of Period

	QUARTERLY TREND				FULL YEAR
	2011				2011
	Q4	Q3	Q2	Q1	
Balance at Beginning of Period	4,384	4,384	3,975	3,975	3,975
Shares Issued	-	-	409	-	409
Net Income attributable to Preferred Shareholders of the Bank	55	55	55	51	216
Dividends paid to Preferred Shareholders of the Bank	(55)	(55)	(55)	(51)	(216)
Balance at End of Period	4,384	4,384	4,384	3,975	4,384
Balance at Beginning of Period	860	915	901	956	956
Net Income attributable to Capital Instrument Holders of the Bank	14	15	14	15	58
Distribution made to Capital Instrument Holders of the Bank	-	(70)	-	(70)	(140)
Other	-	-	-	-	-
Balance at End of Period	874	860	915	901	874
Balance at Beginning of Period	587	559	615	559	559
Net Income attributable to Non-controlling Interests in Subsidiaries	17	24	24	26	91
Other Comprehensive Income, net of Income Tax	22	12	(24)	(5)	5
Dividends Paid	(9)	(8)	(8)	(13)	(38)
Other	9	-	(48)	48	9
Balance at End of Period	626	587	559	615	626
Total Equity at End of Period	32,240	31,436	30,499	27,776	32,240

CUSTOMER LOANS AND ACCEPTANCES BY TYPE OF BORROWER



(\$B)	October 31, 2011		July 31, 2011		April 30, 2011		January 31, 2011	
	Balance	% of Total	Balance	% of Total	Balance	% of Total	Balance	% of Total
Personal								
Residential Mortgages	161.3	48.1	158.4	48.5	155.0	48.5	153.6	48.3
Credit Cards	10.8	3.2	10.7	3.3	10.6	3.3	10.8	3.4
Personal Loans	51.7	15.4	51.2	15.7	50.3	15.8	50.8	16.0
	223.8	66.7	220.3	67.5	215.9	67.6	215.2	67.7
Business & Government								
Financial Services	20.7	6.2	19.8	6.1	20.1	6.3	19.0	6.0
Wholesale and Retail	10.7	3.2	10.3	3.2	9.9	3.1	9.7	3.1
Real Estate	10.3	3.1	10.0	3.1	9.9	3.1	10.4	3.3
Oil and Gas	9.6	2.8	9.0	2.7	8.5	2.7	8.7	2.7
Transportation	7.3	2.2	7.1	2.2	6.8	2.1	6.6	2.1
Automotive	5.4	1.6	5.2	1.6	5.3	1.7	5.0	1.6
Agriculture	5.2	1.5	4.8	1.5	4.5	1.4	4.5	1.4
Government	4.0	1.2	4.0	1.2	4.0	1.3	4.0	1.2
Hotels and Leisure	3.4	1.0	3.5	1.1	3.3	1.0	3.6	1.1
Mining and Primary Metals	6.3	1.9	6.1	1.9	5.7	1.8	5.1	1.6
Utilities	4.9	1.5	4.6	1.4	4.4	1.4	4.6	1.5
Health Care	3.8	1.1	3.4	1.0	3.3	1.0	3.6	1.1
Telecommunications and Cable	3.8	1.1	3.4	1.0	3.3	1.0	3.4	1.1
Media	1.4	0.4	1.4	0.4	1.3	0.4	1.4	0.4
Chemical	1.6	0.5	1.2	0.4	1.2	0.4	1.3	0.4
Food and Beverage	2.7	0.8	2.7	0.8	2.5	0.8	2.5	0.8
Forest Products	1.0	0.3	1.0	0.3	1.0	0.3	1.0	0.3
Other	10.8	3.2	9.5	2.9	9.5	2.9	9.3	2.9
sub-total	112.9	33.6	107.0	32.8	104.5	32.7	103.7	32.6
Collective Allowance (1)	(1.0)	(0.3)	(1.0)	(0.3)	(1.1)	(0.3)	(1.1)	(0.3)
	111.9	33.3	106.0	32.5	103.4	32.4	102.6	32.3
Total Loans and Acceptances, net of Allowances	335.7	100.0	326.3	100.0	319.3	100.0	317.8	100.0

(1) Collective allowances have been allocated against personal categories outlined above, but not allocated against business & government loans.

IMPAIRED LOANS BY BUSINESS SEGMENT



(\$MM)

QUARTERLY TREND			
2011			
Q4	Q3	Q2	Q1

GROSS IMPAIRED LOANS:

Canadian

Retail
Commercial

826	855	848	883
293	324	354	336
1,119	1,179	1,202	1,219

International

Retail
Commercial

1,350	1,340	1,341	1,330
757	747	754	815
2,107	2,087	2,095	2,145

Global Wealth Management

13	14	15	13
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Scotia Capital

Canada
U.S.A.
Europe

35	48	39	63
8	6	80	103
63	66	30	49
106	120	149	215

Total Gross Impaired Loans

3,345	3,400	3,461	3,592
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NET IMPAIRED LOANS:

Canadian

Retail
Commercial

374	395	387	420
76	120	178	160
450	515	565	580

International

Retail
Commercial

888	879	902	877
540	527	537	582
1,428	1,406	1,439	1,459

Global Wealth Management

11	12	12	11
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Scotia Capital

Canada
U.S.A.
Europe

21	11	4	38
-	-	68	79
37	46	20	38
58	57	92	155

Total Net Impaired Loans

1,947	1,990	2,108	2,205
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CHANGES IN GROSS IMPAIRED LOANS BY BUSINESS SEGMENT

(\$MM)	QUARTERLY TREND			
	2011			
	Q4	Q3	Q2	Q1
Balance at Beginning of Period	3,400	3,461	3,592	3,667
Net Classifications				
<u>Canadian Retail</u>				
New Classifications	389	385	401	392
Declassifications, Payments and Sales	(277)	(253)	(292)	(242)
Net Classifications	112	132	109	150
<u>Canadian Commercial</u>				
New Classifications	61	23	64	131
Declassifications, Payments and Sales	(73)	(38)	(30)	(34)
Net Classifications	(12)	(15)	34	97
<u>International Retail</u>				
New Classifications	111	132	204	168
Declassifications, Payments and Sales	-	-	-	-
Net Classifications	111	132	204	168
<u>International Commercial</u>				
New Classifications	58	35	83	78
Declassifications, Payments and Sales	(56)	(47)	(79)	(181)
Net Classifications	2	(12)	4	(103)
<u>Global Wealth Management</u>				
New Classifications	-	-	3	13
Declassifications, Payments and Sales	-	-	-	-
Net Classifications	-	-	3	13
<u>Scotia Capital</u>				
New Classifications	78	25	89	84
Declassifications, Payments and Sales	(69)	(45)	(139)	(82)
Net Classifications	9	(20)	(50)	2
Total	222	217	304	327
Write-offs				
Canadian Retail	(141)	(125)	(144)	(141)
Canadian Commercial	(19)	(15)	(16)	(12)
International Retail	(158)	(138)	(140)	(143)
International Commercial	(22)	(8)	(12)	(46)
Global Wealth Management	-	(1)	(1)	-
Scotia Capital	(30)	(5)	(4)	(3)
Total	(370)	(292)	(317)	(345)
Forex				
International Retail	57	5	(53)	(29)
International Commercial	30	13	(53)	(17)
Global Wealth Management	(1)	-	-	-
Scotia Capital	7	(4)	(12)	(11)
Total	93	14	(118)	(57)
Balance at End of Period	3,345	3,400	3,461	3,592

ALLOWANCE FOR CREDIT LOSSES & OTHER RESERVES



(\$MM)

Balance, Beginning of Period
 Acquisition Related
 Write-offs
 Recoveries
 Provision for Credit Losses
 Foreign Currency Adjustment and Other
 Balance, End of Period

QUARTERLY TREND			
2011			
Q4	Q3	Q2	Q1
2,677	2,638	2,646	2,630
-	-	2	-
(370)	(292)	(317)	(345)
97	73	81	98
281	250	270	275
4	8	(44)	(12)
2,689	2,677	2,638	2,646

Comprised of:

Individually Assessed Allowances
 Collective Allowances
 Total Allowance for Credit Losses

482	487	450	469
2,207	2,190	2,188	2,177
2,689	2,677	2,638	2,646

Allocated as follows:

Impaired Loans-
 Residential Mortgages
 Personal and Credit Cards
 Business and Government

268	268	270	238
648	655	633	680
482	487	450	469
1,398	1,410	1,353	1,387
56	64	62	52
187	156	128	105
1,048	1,047	1,095	1,102
1,291	1,267	1,285	1,259
2,689	2,677	2,638	2,646

Performing Loans-
 Residential Mortgages
 Personal and Credit Cards
 Business and Government

Total Allowance for Credit Losses

Reserves against Unfunded Commitments and Other Off-Balance Sheet items included in Other Liabilities (see Notes page)

137	148	156	165
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IMPAIRED LOANS BY TYPE OF BORROWER



(\$MM)	October 31, 2011			July 31, 2011			April 30, 2011			January 31, 2011		
	Gross	Allowance for Credit Losses	Net	Gross	Allowance for Credit Losses	Net	Gross	Allowance for Credit Losses	Net	Gross	Allowance for Credit Losses	Net
Personal												
Residential Mortgages	1,418	268	1,150	1,481	268	1,213	1,472	270	1,202	1,531	238	1,293
Other Personal Loans	771	648	123	728	655	73	732	633	99	695	680	15
	2,189	916	1,273	2,209	923	1,286	2,204	903	1,301	2,226	918	1,308
Business & Government												
Financial Services	39	24	15	40	22	18	37	23	14	67	34	33
Wholesale and Retail	177	85	92	200	91	109	203	89	114	216	90	126
Real Estate	176	54	122	215	70	145	235	83	152	315	95	220
Oil and Gas	55	61	(6)	55	61	(6)	56	17	39	8	3	5
Transportation	118	51	67	112	66	46	117	57	60	145	49	96
Automotive	13	1	12	13	1	12	14	3	11	12	9	3
Agriculture	62	23	39	68	23	45	70	25	45	76	29	47
Government	32	6	26	36	7	29	37	7	30	40	7	33
Hotels and Leisure	187	31	156	172	28	144	198	26	172	218	28	190
Mining and Primary Metals	16	10	6	16	8	8	17	9	8	15	10	5
Utilities	11	4	7	2	3	(1)	1	-	1	1	-	1
Health Care	17	9	8	21	10	11	26	9	17	25	9	16
Telecommunications and Cable	27	10	17	12	6	6	13	4	9	15	5	10
Media	42	16	26	44	9	35	42	9	33	5	3	2
Chemical	1	-	1	1	1	-	1	1	-	1	1	-
Food and Beverage	34	14	20	32	12	20	32	13	19	38	14	24
Forest Products	22	8	14	18	7	11	15	5	10	13	4	9
Other	127	75	52	134	62	72	143	70	73	156	79	77
	1,156	482	674	1,191	487	704	1,257	450	807	1,366	469	897
Impaired Loans, net of Allocated Allowances	3,345	1,398	1,947	3,400	1,410	1,990	3,461	1,353	2,108	3,592	1,387	2,205

PROVISION FOR CREDIT LOSSES BY TYPE OF BORROWER



(\$MM)	QUARTERLY TREND				FULL YEAR
	Q4	Q3	Q2	Q1	2011
	2011				
PROVISIONS AGAINST IMPAIRED LOANS:					
Personal					
Residential Mortgages	56	41	45	34	176
Personal & Credit Card Loans	175	178	188	209	750
	231	219	233	243	926
Business & Government					
Financial Services	-	-	(7)	-	(7)
Wholesale and Retail	6	4	3	10	23
Real Estate	12	(0)	3	14	29
Oil and Gas	-	36	12	-	48
Transportation	14	10	19	-	43
Automotive	-	-	(1)	(1)	(2)
Agriculture	-	(1)	(1)	1	(1)
Government	-	-	-	-	-
Hotels and Leisure	5	1	1	1	8
Mining and Primary Metals	1	-	-	-	1
Utilities	-	3	-	-	3
Health Care	1	1	1	1	4
Telecommunications and Cable	5	2	-	(6)	1
Media	10	-	7	-	17
Chemical	-	-	-	-	-
Food and Beverage	3	-	-	-	3
Forest Products	1	2	2	(1)	4
Other	22	3	(2)	13	36
	80	61	37	32	210
Total Provisions against Impaired Loans	311	280	270	275	1,136
Reversal of Unallocated Collective Allowance	(30)	(30)	-	-	(60)
Total Provisions	281	250	270	275	1,076
Individually Assessed Provisions	80	61	37	32	210
Collective Provisions	201	189	233	243	866
Total Provisions	281	250	270	275	1,076