

## SUPPLEMENTARY FINANCIAL INFORMATION



January 31, 2009

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# HIGHLIGHTS



	QUARTERLY TREND								FULL YEAR			
	2009 Q1	2008				2007				2008	2007	2006
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Operating Performance:</b>												
Net Income (\$MM)	842	315	1,010	980	835	954	1,032	1,039	1,020	3,140	4,045	3,579
Net Income available to Common Shareholders (\$MM)	805	283	978	958	814	938	1,016	1,028	1,012	3,033	3,994	3,549
EPS (\$) - basic	0.80	0.28	0.99	0.97	0.83	0.95	1.03	1.04	1.02	3.07	4.04	3.59
- diluted	0.80	0.28	0.98	0.97	0.82	0.95	1.02	1.03	1.01	3.05	4.01	3.55
ROE (%)	16.9	6.0	21.0	21.4	18.3	21.0	21.7	22.4	22.1	16.7	22.0	22.1
Net Interest Margin (%) (1)	1.53	1.68	1.79	1.76	1.79	1.87	1.86	1.93	1.91	1.75	1.89	1.95
Productivity Ratio (TEB) (%)	58.7	75.2	54.3	54.8	56.5	54.4	53.0	53.8	53.6	59.4	53.7	55.3
Effective Tax Rate (%)	17.9	0.6	21.7	17.0	18.2	17.1	21.8	21.1	21.0	17.5	20.3	19.2
Effective Tax Rate (TEB) (%)	23.0	22.3	27.3	23.3	26.4	29.9	27.2	27.0	26.8	25.4	27.7	26.3
Cash Net Income (\$MM) (2)	857	334	1,023	992	847	965	1,043	1,049	1,030	3,196	4,087	3,610
Cash EPS (\$) - basic (2)	0.82	0.31	1.00	0.98	0.84	0.96	1.04	1.05	1.03	3.13	4.08	3.62
- diluted (2)	0.82	0.30	1.00	0.98	0.83	0.96	1.03	1.04	1.02	3.11	4.05	3.58
Cash ROE (%) (2)	17.2	6.4	21.3	21.7	18.6	21.2	22.0	22.7	22.3	17.0	22.3	22.3
<b>Balance Sheet:</b>												
Total Assets (\$B)	509.8	507.6	462.4	452.6	449.4	411.5	408.1	411.7	396.5			
Loans and Acceptances (\$B)	304.3	300.6	283.7	267.9	260.5	238.7	233.0	226.3	222.7			
Deposits (\$B)	346.6	346.6	332.5	322.4	316.8	288.5	287.0	291.6	277.0			
Common Shareholders' Equity (\$B)	19.1	18.8	18.8	18.2	18.1	17.2	18.4	18.7	18.9			
<b>Credit Quality:</b>												
Net Impaired Loans (\$MM) (3)	1,602	1,191	1,009	845	689	601	584	579	579			
General Allowance for Credit Losses (\$MM)	1,323	1,323	1,323	1,323	1,298	1,298	1,298	1,298	1,323			
Net Impaired Loans as % of Loans and Acceptances (3)	0.53	0.40	0.36	0.32	0.26	0.25	0.25	0.26	0.26			
Specific Provisions (\$MM)	281	207	159	153	111	95	92	45	63	630	295	276
- % of Average Loans and Acceptances	0.37	0.29	0.23	0.24	0.18	0.16	0.16	0.08	0.12	0.24	0.13	0.14
<b>Capital Measures:</b>												
Tier 1 Capital Ratio (%)	9.5	9.3	9.8	9.6	9.0							
Total Capital Ratio (%)	11.4	11.1	11.5	11.7	10.2							
Tangible Common Equity Ratio (%)	7.8	7.3	7.6	7.5	7.2							
Risk-Weighted Assets (\$B)	239.7	250.6	225.8	218.9	234.9							

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

(2) Excludes amortization of intangibles (net of taxes). Prior period data has been restated, where applicable, as a result of reclassification in certain expense categories affecting calculation of such data.

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

## COMMON SHARE AND OTHER INFORMATION



QUARTERLY TREND									FULL YEAR		
2009 Q1	2008				2007						
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2008	2007	2006
18.87	18.94	18.99	18.45	18.40	17.45	18.71	18.90	18.99	18.94	17.45	17.13
40.68	51.55	52.51	50.00	54.00	53.49	54.67	54.73	53.39	54.00	54.73	49.80
27.35	35.25	41.95	42.00	43.10	46.70	48.91	49.34	48.80	35.25	46.70	41.55
29.67	40.19	49.98	47.82	48.19	53.48	49.45	53.39	50.76	40.19	53.48	49.30
157.2	212.2	263.2	259.2	261.9	306.5	264.3	282.5	267.3	212.2	306.5	287.8
9.8	13.1	13.4	12.7	12.5	13.2	12.4	13.7	13.5	13.1	13.2	13.7
30.039	39,865	49,475	47,194	47,487	52,612	48,578	52,840	50,397	39,865	52,612	48,783

### Dividends:

Common Dividends Paid (\$MM)	<b>493</b>	485	485	463	463	442	445	417	416	1,896	1,720	1,483
Common Dividends/Share (\$)	<b>0.49</b>	0.49	0.49	0.47	0.47	0.45	0.45	0.42	0.42	1.92	1.74	1.50
Dividend Yield (%)	<b>5.8</b>	4.5	4.1	4.1	3.9	3.6	3.5	3.2	3.3	4.3	3.4	3.3

### Shares:

Number of Common Shares Outstanding at Period End (MM)	<b>1,012</b>	992	990	987	985	984	982	990	993			
Average Number of Common Shares Outstanding (MM) -- Basic	<b>1,001</b>	990	989	986	985	983	988	992	991	987	989	988
-- Diluted	<b>1,003</b>	994	994	992	992	991	996	1,001	1,001	993	997	1,001

### Share Buybacks:

Number of Common Shares Purchased (M)	-	750	125	-	-	-	7,680	4,357	-	875	12,037	7,648
Average Purchase Price (\$)	-	45.16	48.30	-	-	-	51.47	53.52	-	45.61	52.21	45.71

### Other Information:

Employees	<b>69,451</b>	69,049	62,209	62,143	62,002	58,113	57,152	55,926	54,889
Branches and Offices	<b>2,696</b>	2,672	2,557	2,529	2,458	2,331	2,289	2,242	2,225
ABMs	<b>5,703</b>	5,609	5,531	5,476	5,395	5,283	5,127	5,068	5,018

### Senior Debt Credit Ratings:

Standard & Poor's	<b>AA-</b>	AA-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Moody's	<b>Aa1</b>	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa3

(1) based on trailing 4 quarters' EPS.

# **CONSOLIDATED STATEMENT OF INCOME AND NET INCOME BY BUSINESS SEGMENT**



(\$ MM)

## **CONSOLIDATED STATEMENT OF INCOME:**

Interest Income (TEB)	5,440	5,908	5,603	5,562	5,659	5,578	5,446	5,348	5,194	22,732	21,566	18,122
Interest Expense	3,404	3,872	3,554	3,589	3,727	3,646	3,533	3,445	3,313	14,742	13,937	11,274
Net Interest Income (TEB)	2,036	2,036	2,049	1,973	1,932	1,932	1,913	1,903	1,881	7,990	7,629	6,848
Other Income (see Page 9)	1,385	550	1,428	1,299	1,025	1,362	1,389	1,308	1,333	4,302	5,392	4,800
Total Revenue (TEB)	3,421	2,586	3,477	3,272	2,957	3,294	3,302	3,211	3,214	12,292	13,021	11,648
Taxable Equivalent Adjustment (TEB)	70	95	103	100	118	216	101	109	105	416	531	440
Total Revenue	3,351	2,491	3,374	3,172	2,839	3,078	3,201	3,102	3,109	11,876	12,490	11,208
Provision for Credit Losses	281	207	159	153	111	95	92	20	63	630	270	216
Total Non-interest Expenses (see Page 10)	2,010	1,944	1,889	1,794	1,669	1,792	1,752	1,726	1,724	7,296	6,994	6,443
Net Income before the undernoted:	1,060	340	1,326	1,225	1,059	1,191	1,357	1,356	1,322	3,950	5,226	4,549
Provision for Income Taxes	190	2	287	209	193	204	296	286	277	691	1,063	872
Non-controlling Interest in Net Income of Subsidiaries	28	23	29	36	31	33	29	31	25	119	118	98
Net Income	842	315	1,010	980	835	954	1,032	1,039	1,020	3,140	4,045	3,579
Amortization of Intangibles (net of taxes)	15	19	13	12	12	11	11	10	10	56	42	31
Cash Net Income	857	334	1,023	992	847	965	1,043	1,049	1,030	3,196	4,087	3,610

## **NET INCOME BY BUSINESS SEGMENT:**

Canadian Banking (1)	<b>438</b>	466	463	422	373	439	395	367	363	1,724	1,564	1,288
International Banking	<b>388</b>	227	335	335	289	359	276	297	318	1,186	1,250	1,062
Scotia Capital	<b>300</b>	44	297	255	191	229	280	320	296	787	1,125	1,053
Other (2)	<b>(284)</b>	(422)	(85)	(32)	(18)	(73)	81	55	43	(557)	106	176
<b>Total Bank</b>	<b>842</b>	315	1,010	980	835	954	1,032	1,039	1,020	3,140	4,045	3,579

(1) includes Wealth Management.

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

## BUSINESS SEGMENT PERFORMANCE -- CANADIAN BANKING



(\$MM)	QUARTERLY TREND								FULL YEAR			
	2009 Q1	2008				2007				2008	2007	2006
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Net Interest Income (TEB)	1,146	1,160	1,122	1,051	991	954	1,006	942	953	4,324	3,855	3,682
Other Income	556	554	564	537	519	663	537	530	518	2,174	2,248	1,935
Total Revenue (TEB)	1,702	1,714	1,686	1,588	1,510	1,617	1,543	1,472	1,471	6,498	6,103	5,617
Provision for Credit Losses	(155)	(107)	(99)	(102)	(91)	(78)	(77)	(66)	(74)	(399)	(295)	(279)
Non-interest Expenses	(934)	(939)	(914)	(890)	(889)	(927)	(892)	(870)	(870)	(3,632)	(3,559)	(3,469)
Provision for Income Taxes (TEB)	(175)	(202)	(210)	(174)	(157)	(173)	(179)	(169)	(164)	(743)	(685)	(581)
Net Income	438	466	463	422	373	439	395	367	363	1,724	1,564	1,288
ROE (%)	25.8	38.0	38.5	35.3	30.6	37.0	31.8	32.0	31.1	35.6	33.0	27.8
Net Interest Margin												
- as % of Average Total Assets	2.41	2.49	2.52	2.49	2.35	2.33	2.56	2.58	2.58	2.46	2.51	2.70
- as % of Average Earning Assets	2.45	2.54	2.57	2.54	2.40	2.37	2.62	2.63	2.63	2.51	2.56	2.75
Specific Provisions as % of Average Loans & Acceptances	0.33	0.23	0.22	0.24	0.22	0.19	0.20	0.18	0.20	0.23	0.19	0.20
Productivity Ratio (%)	54.9	54.8	54.2	56.0	58.9	57.3	57.8	59.1	59.1	55.9	58.3	61.8
<b>Average Balances (\$B):</b>												
Total Assets	189	185	177	172	168	163	156	149	146	175	154	136
Residential Mortgages	118	115	112	109	106	104	98	94	91	111	97	83
Personal Loans	42	41	38	37	36	35	34	33	33	38	34	32
Business Loans & Acceptances	26	28	26	25	25	24	24	22	22	26	23	21
Personal Deposits	91	87	85	83	82	77	76	75	74	84	76	71
Non-personal Deposits	49	45	43	43	42	41	41	39	40	43	40	36
<b>Other:</b>												
Branches	1,019	1,016	1,010	1,010	1,006	1,005	988	981	977			
Wealth Management Offices	101	102	100	98	98	99	98	98	99			
Employees	21,550	21,565	21,269	21,401	21,505	21,827	21,637	21,253	20,865			
ABMs	2,954	2,943	2,896	2,896	2,869	2,852	2,808	2,781	2,761			

## BUSINESS SEGMENT PERFORMANCE -- INTERNATIONAL BANKING



(\$MM)

(\$MM)	QUARTERLY TREND								FULL YEAR			
	2009 Q1	2008				2007				2008	2007	2006
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Net Interest Income (TEB)	947	940	847	797	731	710	703	679	670	3,315	2,762	2,306
Other Income	471	228	389	356	309	380	250	300	297	1,282	1,227	939
Total Revenue (TEB)	1,418	1,168	1,236	1,153	1,040	1,090	953	979	967	4,597	3,989	3,245
Provision for Credit Losses	(116)	(90)	(56)	(60)	(30)	(27)	(25)	(30)	(19)	(236)	(101)	(60)
Non-interest Expenses	(772)	(753)	(698)	(615)	(568)	(582)	(558)	(577)	(562)	(2,634)	(2,279)	(1,927)
Provision for Income Taxes (TEB)	(114)	(75)	(118)	(107)	(122)	(89)	(65)	(44)	(43)	(422)	(241)	(98)
Non-controlling Interest in Net Income of Subsidiaries	(28)	(23)	(29)	(36)	(31)	(33)	(29)	(31)	(25)	(119)	(118)	(98)
Net Income	388	227	335	335	289	359	276	297	318	1,186	1,250	1,062
ROE (%)	17.2	10.5	15.8	17.6	19.6	21.3	16.1	18.7	22.2	15.5	19.5	23.4
Net Interest Margin												
- as % of Average Total Assets	3.96	4.27	4.14	4.10	4.18	4.32	4.27	4.03	4.09	4.17	4.18	4.15
- as % of Average Earning Assets	3.97	4.28	4.15	4.11	4.19	4.33	4.28	4.03	4.10	4.18	4.19	4.17
Specific Provisions as % of Average Loans & Acceptances	0.69	0.59	0.40	0.47	0.27	0.26	0.25	0.29	0.19	0.44	0.25	0.18
Productivity Ratio (%)	54.4	64.5	56.5	53.3	54.6	53.4	58.6	58.9	58.1	57.3	57.1	59.4
<b>Average Balances (\$B):</b>												
Total Assets	95	88	81	79	70	65	65	69	65	79	66	56
Residential Mortgages	13	12	12	9	9	8	8	8	8	10	8	7
Personal Loans	9	9	8	8	7	7	7	7	6	8	7	5
Business Loans & Acceptances	45	40	36	35	29	26	25	28	26	35	26	21
Securities	14	14	16	16	15	15	15	16	14	15	15	13
Total Deposits (1)	52	48	47	48	40	48	49	50	48	45	49	41
<b>Other:</b>												
Branches and Offices	1,521	1,502	1,396	1,372	1,305	1,178	1,154	1,114	1,100			
Employees	37,616	37,280	30,702	30,599	30,324	26,829	26,087	25,545	24,919			
ABMs	2,749	2,666	2,635	2,580	2,526	2,431	2,319	2,287	2,257			

(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								FULL YEAR			
	2009 Q1	2008				2007				2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
Net Interest Income (TEB)	338	331	269	246	274	364	231	296	269	1,120	1,160	951
Other Income	366	(99)	383	292	131	156	413	360	361	707	1,290	1,437
Total Revenue (TEB)	704	232	652	538	405	520	644	656	630	1,827	2,450	2,388
Provision for Credit Losses	(10)	(10)	(4)	9	10	10	10	51	30	5	101	63
Non-interest Expenses	(291)	(249)	(254)	(243)	(191)	(225)	(267)	(262)	(259)	(937)	(1,013)	(955)
Provision for Income Taxes (TEB)	(103)	71	(97)	(49)	(33)	(76)	(107)	(125)	(105)	(108)	(413)	(443)
Net Income	300	44	297	255	191	229	280	320	296	787	1,125	1,053
ROE (%)	22.4	3.6	34.1	29.6	22.6	24.2	27.7	33.4	30.7	21.5	29.0	31.3
Net Interest Margin												
- as % of Average Total Assets	0.69	0.78	0.66	0.60	0.69	0.96	0.59	0.79	0.71	0.68	0.76	0.73
- as % of Average Earning Assets	0.97	1.00	0.82	0.76	0.86	1.16	0.69	0.92	0.82	0.86	0.89	0.87
Specific Provisions as a % of Average Loans & Acceptances (1)	0.07	0.10	0.04	(0.10)	(0.12)	(0.13)	(0.13)	(0.70)	(0.39)	(0.01)	(0.33)	(0.25)
Productivity Ratio (%)	41.3	107.3	39.0	45.2	47.2	43.3	41.5	39.9	41.1	51.3	41.3	40.0
Average Balances (\$B):												
Total Assets	194	169	162	167	157	150	156	153	150	164	152	130
Business Loans & Acceptances	67	58	57	54	48	41	43	41	41	54	42	32
Securities Purchased Under Resale Agreements	16	14	15	18	16	23	23	20	22	16	22	20
Securities -- Trading	46	52	56	58	58	57	63	61	58	56	60	50
-- Other	11	10	7	7	7	6	6	14	14	8	10	11
Deposits with Banks	10	8	6	6	8	7	6	5	4	7	6	3
Total Deposits	24	31	31	29	33	29	24	28	25	31	26	22
Employees	1,558	1,548	1,506	1,473	1,479	1,468	1,471	1,395	1,418			

(1) Corporate Banking only

## BUSINESS SEGMENT PERFORMANCE -- OTHER (1)



(\$MM)

	QUARTERLY TREND								FULL YEAR			
	2009 Q1	2008				2007				2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
Net Interest Income (2)	(465)	(490)	(292)	(221)	(182)	(312)	(128)	(123)	(116)	(1,185)	(679)	(531)
Other Income	(8)	(133)	92	114	66	163	189	118	157	139	627	489
Total Revenue	(473)	(623)	(200)	(107)	(116)	(149)	61	(5)	41	(1,046)	(52)	(42)
Provision for Credit Losses	-	-	-	-	-	-	-	25	-	-	25	60
Non-interest Expenses	(13)	(3)	(23)	(46)	(21)	(58)	(35)	(17)	(33)	(93)	(143)	(92)
Provision for Income Taxes (2)	202	204	138	121	119	134	55	52	35	582	276	250
Net Income	(284)	(422)	(85)	(32)	(18)	(73)	81	55	43	(557)	106	176

Average Balances (\$B):

Total Assets	51	39	37	37	34	31	32	33	30	37	31	29
Deposits with Banks	22	15	14	15	14	14	14	13	11	15	13	12
Securities	24	17	16	16	16	13	13	13	13	16	13	12
Total Deposits (3)	143	127	121	116	107	95	97	89	85	118	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								FULL YEAR			
	2009 Q1	2008				2007				2008	2007	2006
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>NET INTEREST MARGIN:</b>												
Net Interest Income (TEB) (\$MM)	<b>2,036</b>	2,036	2,049	1,973	1,932	1,932	1,913	1,903	1,881	7,990	7,629	6,848
Net Interest Income (TEB) as % of Average Total Assets	<b>1.53</b>	1.68	1.79	1.76	1.79	1.87	1.86	1.93	1.91	1.75	1.89	1.95
Net Interest Income (TEB) as % of Average Earning Assets	<b>1.81</b>	1.93	2.03	2.03	2.04	2.11	2.07	2.14	2.11	2.00	2.11	2.18
<b>TRADING REVENUE (TEB) (\$MM):</b>												
Securities Trading	<b>179</b>	(55)	19	20	(11)	(1)	(2)	24	44	(27)	65	145
Foreign Exchange and Precious Metals Trading	<b>184</b>	124	77	92	91	91	85	81	66	384	323	301
Derivative and Other Trading	<b>(106)</b>	(8)	151	106	(1)	64	229	151	137	248	581	585
<b>Total</b>	<b>257</b>	61	247	218	79	154	312	256	247	605	969	1,031
Reported in Other Income (see Page 9)	<b>180</b>	(41)	150	123	(44)	(67)	217	151	149	188	450	637
Reported in Net Interest Income	<b>77</b>	102	97	95	123	221	95	105	98	417	519	394
<b>Total</b>	<b>257</b>	61	247	218	79	154	312	256	247	605	969	1,031
<b>DEFERRED REVENUES (\$MM):</b>	<b>356</b>	384	327	339	403	333	290	286	259			
<b>ASSETS UNDER ADMINISTRATION (\$B):</b>												
Personal												
Retail Brokerage	<b>65.0</b>	74.3	75.5	75.2	76.8	77.4	77.9	76.3	74.0			
Investment Management and Trust	<b>53.8</b>	55.8	57.9	56.8	53.5	53.1	56.5	62.8	62.7			
	<b>118.8</b>	130.1	133.4	132.0	130.3	130.5	134.4	139.1	136.7			
Mutual Funds	<b>25.5</b>	27.9	29.7	26.0	25.1	24.8	24.5	23.6	21.4			
Institutional	<b>47.5</b>	45.1	44.3	44.3	39.8	39.8	39.9	45.7	45.0			
<b>Total</b>	<b>191.8</b>	203.1	207.4	202.3	195.2	195.1	198.8	208.4	203.1			
<b>ASSETS UNDER MANAGEMENT (\$B):</b>												
Personal	<b>11.8</b>	12.5	12.6	11.3	11.2	11.2	11.1	10.9	11.1			
Mutual Funds	<b>17.9</b>	19.6	20.6	17.1	16.0	15.9	15.9	15.4	13.5			
Institutional	<b>4.6</b>	4.6	4.6	4.5	4.5	4.3	4.0	4.1	4.6			
<b>Total</b>	<b>34.3</b>	36.7	37.8	32.9	31.7	31.4	31.0	30.4	29.2			

## OTHER INCOME



	QUARTERLY TREND									FULL YEAR		
	2009 Q1	2008				2007				2008	2007	2006
(\$MM)		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Card Revenues</b>	<b>113</b>	107	102	93	95	92	92	89	93	397	366	307
<b>Deposit and Payment Services</b>												
Deposit Services	<b>179</b>	172	176	165	162	161	167	159	165	675	652	622
Other Payment Services	<b>52</b>	50	49	43	45	43	41	40	41	187	165	144
	<b>231</b>	222	225	208	207	204	208	199	206	862	817	766
<b>Mutual Funds</b>	<b>80</b>	78	83	78	78	78	77	73	68	317	296	241
<b>Investment Management, Brokerage and Trust Services</b>												
Retail Brokerage	<b>122</b>	133	140	131	134	135	139	141	138	538	553	481
Personal and Corporate Trust	<b>33</b>	32	32	33	29	28	31	31	30	126	120	115
Investment Management and Custody	<b>23</b>	24	24	25	23	22	22	23	20	96	87	70
	<b>178</b>	189	196	189	186	185	192	195	188	760	760	666
<b>Credit Fees</b>												
Commitment and Other Credit Fees	<b>137</b>	106	125	106	99	93	111	98	101	436	403	414
Acceptance Fees	<b>48</b>	36	39	34	34	33	32	31	31	143	127	116
	<b>185</b>	142	164	140	133	126	143	129	132	579	530	530
<b>Trading Revenues</b>	<b>180</b>	(41)	150	123	(44)	(67)	217	151	149	188	450	637
<b>Investment Banking</b>												
Underwriting Fees and Other Commissions	<b>165</b>	101	116	90	95	100	126	137	135	402	498	453
Foreign Exchange and Other	<b>122</b>	88	77	80	69	64	58	58	59	314	239	206
	<b>287</b>	189	193	170	164	164	184	195	194	716	737	659
<b>Net Gain (Loss) on Securities, other than Trading</b>	<b>(144)</b>	(543)	90	59	20	148	134	79	127	(374)	488	371
<b>Other</b>	<b>275</b>	207	225	239	186	432	142	198	176	857	948	623
<b>Total Other Income</b>	<b>1,385</b>	550	1,428	1,299	1,025	1,362	1,389	1,308	1,333	4,302	5,392	4,800
<b>% of Total Revenue (TEB)</b>	<b>40.5</b>	21.3	41.1	39.7	34.7	41.3	42.1	40.7	41.5	35.0	41.4	41.2

# NON-INTEREST EXPENSES



(\$MM)	QUARTERLY TREND								FULL YEAR			
	2009 Q1	2008				2007				2008	2007	2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
<b>Salaries and Employee Benefits</b>												
Salaries	681	685	646	610	608	595	584	571	565	2,549	2,315	2,100
Stock-based Compensation	25	10	27	16	36	27	20	29	57	89	133	164
Other Performance-based Compensation	277	221	253	237	202	236	278	259	244	913	1,017	936
Pension and Other Employee Benefits	147	142	142	142	132	105	131	145	137	558	518	568
	1,130	1,058	1,068	1,005	978	963	1,013	1,004	1,003	4,109	3,983	3,768
<b>Premises and Technology</b>												
Net Premises Rent	57	57	55	55	50	50	50	49	48	217	197	181
Premises Repairs and Maintenance	24	24	22	20	17	22	17	17	19	83	75	60
Property Taxes	15	14	19	18	13	16	18	16	15	64	65	61
Computer Equipment, Software and Data Processing	174	182	161	158	149	170	148	144	141	650	603	549
Depreciation (1)	59	56	51	52	50	51	51	49	52	209	203	184
Other Premises Costs	59	49	53	50	42	48	46	50	48	194	192	171
	388	382	361	353	321	357	330	325	323	1,417	1,335	1,206
<b>Communications</b>												
Telecommunications	21	22	20	19	18	19	19	17	18	79	73	68
Stationery, Postage and Courier	69	67	62	61	57	57	57	58	55	247	227	208
	90	89	82	80	75	76	76	75	73	326	300	276
<b>Advertising and Business Development</b>												
Advertising and Promotion	51	64	50	51	41	60	42	42	49	206	193	126
Travel and Business Development	27	32	27	27	28	34	29	28	27	114	118	106
	78	96	77	78	69	94	71	70	76	320	311	232
<b>Professional</b>												
	54	59	55	68	45	81	53	48	45	227	227	174
<b>Business and Capital Taxes</b>												
Business Taxes	38	27	28	26	9	24	27	27	29	90	107	98
Capital Taxes	12	(3)	12	12	5	9	10	7	10	26	36	35
	50	24	40	38	14	33	37	34	39	116	143	133
<b>Other</b>												
Employee Training	7	14	8	10	11	18	13	10	12	43	53	47
Amortization of Intangibles (1)	23	28	20	18	17	17	16	15	16	83	64	46
Other	190	194	178	144	139	153	143	145	137	655	578	561
	220	236	206	172	167	188	172	170	165	781	695	654
<b>Total Non-Interest Expenses</b>	<b>2,010</b>	<b>1,944</b>	<b>1,889</b>	<b>1,794</b>	<b>1,669</b>	<b>1,792</b>	<b>1,752</b>	<b>1,726</b>	<b>1,724</b>	<b>7,296</b>	<b>6,994</b>	<b>6,443</b>
Productivity Ratio (TEB) (%)	58.7	75.2	54.3	54.8	56.5	54.4	53.0	53.8	53.6	59.4	53.7	55.3

(1) prior period amounts have been reclassified to conform to current period presentation.

# BALANCE SHEET



(\$MM)	QUARTERLY TREND								
	2009 Q1	2008				2007			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash Resources	33,797	37,318	32,896	32,487	36,411	29,195	28,776	31,122	26,384
Securities - Trading	50,529	48,292	56,016	62,138	60,702	59,685	63,797	71,547	64,307
- Available for Sale	43,788	38,823	34,314	34,322	32,992	28,426	28,636	28,474	36,037
- Equity Accounted Investments	3,266	920	853	802	788	724	424	153	171
	97,583	88,035	91,183	97,262	94,482	88,835	92,857	100,174	100,515
Securities Purchased under Resale Agreements	14,182	19,451	17,774	15,323	20,362	22,542	26,834	25,867	24,129
Loans - Residential Mortgages	111,984	115,084	113,830	108,382	105,532	102,154	99,000	94,706	92,055
- Personal and Credit Cards	51,674	50,719	48,971	45,273	43,513	41,734	41,360	40,408	39,757
- Business and Government	130,182	125,503	111,921	104,928	101,389	85,500	84,778	83,424	83,067
- Sub-total	293,840	291,306	274,722	258,583	250,434	229,388	225,138	218,538	214,879
Allowance for Credit Losses	(2,706)	(2,626)	(2,477)	(2,490)	(2,451)	(2,241)	(2,423)	(2,505)	(2,620)
- Total Net Loans	291,134	288,680	272,245	256,093	247,983	227,147	222,715	216,033	212,259
Customers' Liability under Acceptances	13,144	11,969	11,497	11,782	12,518	11,538	10,289	10,277	10,431
Derivative Instruments	43,526	44,810	23,504	25,638	25,217	21,960	16,635	16,186	12,529
Land, Buildings and Equipment (1)	2,422	2,449	2,305	2,278	2,240	2,061	2,098	2,121	2,168
Goodwill	2,820	2,273	2,134	2,162	1,266	1,134	1,140	1,176	1,121
Other Intangible Assets (1)	561	521	524	491	493	483	485	488	493
Other Assets	10,660	12,119	8,345	9,057	8,450	6,615	6,286	8,266	6,441
Total Assets	509,829	507,625	462,407	452,573	449,422	411,510	408,115	411,710	396,470
Deposits - Personal	122,648	118,919	112,872	109,994	108,219	100,823	98,171	97,218	96,823
- Banks	25,035	27,095	28,358	35,566	32,806	26,406	32,146	36,466	31,201
- Business and Government	198,887	200,566	191,239	176,878	175,772	161,229	156,668	157,919	148,995
- Total	346,570	346,580	332,469	322,438	316,797	288,458	286,985	291,603	277,019
Other Liabilities									
- Securities Sold Under Repurchase Agreements	35,578	36,506	29,116	27,446	32,967	28,137	31,223	29,577	29,612
- Securities Sold Short	11,963	11,700	11,765	15,028	13,570	16,039	21,322	21,521	18,201
- Derivative Instruments	43,831	42,811	22,981	24,010	25,046	24,689	15,352	14,167	12,106
- Other	43,167	43,534	40,677	38,782	38,399	33,173	31,042	31,796	36,647
- Total	134,539	134,551	104,539	105,266	109,982	102,038	98,939	97,061	96,566
Subordinated Debentures	5,407	4,352	3,538	3,946	2,150	1,710	1,774	2,301	2,340
Capital Instrument Liabilities	500	500	500	500	500	500	750	750	750
Equity - Preferred Shares	3,710	2,860	2,560	2,210	1,865	1,635	1,290	1,290	945
- Common Shares and Contributed Surplus	4,496	3,829	3,728	3,643	3,614	3,566	3,521	3,539	3,520
- Retained Earnings	18,853	18,549	18,784	18,300	17,809	17,460	16,967	16,763	16,376
- Accumulated Other Comprehensive Income (Loss)	(4,246)	(3,596)	(3,711)	(3,730)	(3,295)	(3,857)	(2,111)	(1,597)	(1,046)
- Common Equity	19,103	18,782	18,801	18,213	18,128	17,169	18,377	18,705	18,850
- Total Equity	22,813	21,642	21,361	20,423	19,993	18,804	19,667	19,995	19,795
Total Liabilities and Shareholders' Equity	509,829	507,625	462,407	452,573	449,422	411,510	408,115	411,710	396,470

(1) prior period amounts have been reclassified to conform to current period presentation.

# AVERAGE BALANCE SHEET



	2009 Q1	QUARTERLY TREND								FULL YEAR		
		2008				2007				2008	2007	2006
(\$MM)		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Deposits with Other Banks	<b>42,037</b>	32,122	27,783	28,165	28,815	26,944	26,785	25,461	22,407	29,227	25,399	20,989
Securities - Trading	<b>51,142</b>	55,657	60,601	63,352	63,644	62,854	69,775	67,227	64,059	60,799	65,968	57,022
- Other	<b>46,059</b>	38,228	34,967	34,402	32,969	28,741	27,595	36,650	35,153	35,146	31,997	30,643
	<b>97,201</b>	93,885	95,568	97,754	96,613	91,595	97,370	103,877	99,212	95,945	97,965	87,665
Securities Purchased under Resale Agreements	<b>22,158</b>	19,009	18,461	21,730	19,471	26,461	26,877	23,426	26,461	19,656	25,826	23,614
Loans - Residential Mortgages	<b>113,122</b>	114,741	111,342	105,874	103,599	100,777	96,477	93,163	90,982	108,905	95,367	81,845
- Personal and Credit Cards	<b>50,493</b>	49,206	45,463	43,960	42,159	41,051	40,255	39,564	38,680	45,204	39,890	36,599
- Business and Government	<b>121,582</b>	111,038	103,198	98,701	86,995	76,838	78,765	78,413	75,298	99,991	77,320	62,823
- Total	<b>285,197</b>	274,985	260,003	248,535	232,753	218,666	215,497	211,140	204,960	254,100	212,577	181,267
Total Earning Assets	<b>446,593</b>	420,001	401,815	396,184	377,652	363,666	366,529	363,904	353,040	398,928	361,767	313,535
Customers' Liability under Acceptances	<b>13,201</b>	11,929	12,442	12,715	11,884	11,316	10,881	10,653	10,419	12,240	10,819	9,011
Other Assets	<b>69,289</b>	48,819	42,419	46,511	39,001	33,819	31,736	29,787	28,080	44,371	30,889	28,163
<b>Total Assets</b>	<b>529,083</b>	480,749	456,676	455,410	428,537	408,801	409,146	404,344	391,539	455,539	403,475	350,709
Deposits - Personal	<b>120,430</b>	112,687	111,948	108,072	102,729	97,544	96,542	96,246	94,233	108,863	96,140	88,445
- Banks	<b>26,465</b>	30,374	29,767	33,200	29,970	28,450	35,480	32,306	30,817	30,815	31,759	28,481
- Business and Government	<b>211,220</b>	195,877	185,561	177,637	170,561	164,171	155,615	152,475	146,891	182,435	154,808	126,818
- Total	<b>358,115</b>	338,938	327,276	318,909	303,260	290,165	287,637	281,027	271,941	322,113	282,707	243,744
Other Liabilities	<b>144,013</b>	116,049	104,092	112,919	103,753	96,999	98,737	100,423	97,722	109,441	98,665	87,210
Subordinated Debentures	<b>4,469</b>	3,741	3,894	2,906	1,738	1,749	2,191	2,326	2,286	3,071	2,137	2,359
Capital Instrument Liabilities	<b>500</b>	500	500	500	500	750	750	750	750	500	750	750
Shareholders' Equity												
- Preferred Shares	<b>3,043</b>	2,729	2,408	2,006	1,638	1,365	1,290	1,040	630	2,196	1,082	600
- Common Shares, Contributed Surplus, Retained Earnings and Accumulated Other Comprehensive Income (Loss)	<b>18,943</b>	18,792	18,506	18,170	17,648	17,773	18,541	18,778	18,210	18,218	18,134	16,046
- Total	<b>21,986</b>	21,521	20,914	20,176	19,286	19,138	19,831	19,818	18,840	20,414	19,216	16,646
<b>Total Liabilities and Shareholders' Equity</b>	<b>529,083</b>	480,749	456,676	455,410	428,537	408,801	409,146	404,344	391,539	455,539	403,475	350,709

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY



(\$MM)	QUARTERLY TREND								FULL YEAR			
	2009 Q1	2008				2007				2008	2007	2006
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Preferred Shares:</b>												
Balance at Beginning of Period	2,860	2,560	2,210	1,865	1,635	1,290	1,290	945	600	1,635	600	600
Preferred Shares Issued	850	300	350	345	230	345	-	345	345	1,225	1,035	-
<b>Balance at End of Period</b>	<b>3,710</b>	<b>2,860</b>	<b>2,560</b>	<b>2,210</b>	<b>1,865</b>	<b>1,635</b>	<b>1,290</b>	<b>1,290</b>	<b>945</b>	<b>2,860</b>	<b>1,635</b>	<b>600</b>
<b>Common Shares and Contributed Surplus:</b>												
Balance at Beginning of Period	3,829	3,728	3,643	3,614	3,566	3,521	3,539	3,520	3,425	3,566	3,425	3,317
Common Shares Issued less Purchased for Cancellation	667	101	85	29	48	45	(18)	19	95	263	141	108
<b>Balance at End of Period</b>	<b>4,496</b>	<b>3,829</b>	<b>3,728</b>	<b>3,643</b>	<b>3,614</b>	<b>3,566</b>	<b>3,521</b>	<b>3,539</b>	<b>3,520</b>	<b>3,829</b>	<b>3,566</b>	<b>3,425</b>
<b>Retained Earnings:</b>												
Balance at Beginning of Period	18,549	18,784	18,300	17,809	17,460	16,967	16,763	16,376	15,843	17,460	15,843	14,126
Cumulative Effect of Adopting New Accounting Policies	-	-	-	-	-	-	-	-	(61)	-	(61)	(25)
Adjusted Balance at Beginning of Period	18,549	18,784	18,300	17,809	17,460	16,967	16,763	16,376	15,782	17,460	15,782	14,101
Net Income	842	315	1,010	980	835	954	1,032	1,039	1,020	3,140	4,045	3,579
Dividends - Preferred	(37)	(32)	(32)	(22)	(21)	(16)	(16)	(11)	(8)	(107)	(51)	(30)
- Common	(493)	(485)	(485)	(463)	(463)	(442)	(445)	(417)	(416)	(1,896)	(1,720)	(1,483)
Premium on Purchase of Shares for Cancellation	-	(31)	(6)	-	-	-	(368)	(218)	-	(37)	(586)	(324)
Other	(8)	(2)	(3)	(4)	(2)	(3)	1	(6)	(2)	(11)	(10)	-
<b>Balance at End of Period</b>	<b>18,853</b>	<b>18,549</b>	<b>18,784</b>	<b>18,300</b>	<b>17,809</b>	<b>17,460</b>	<b>16,967</b>	<b>16,763</b>	<b>16,376</b>	<b>18,549</b>	<b>17,460</b>	<b>15,843</b>
<b>Accumulated Other Comprehensive Income (Loss) (1):</b>												
Balance at Beginning of Period	(3,596)	(3,711)	(3,730)	(3,295)	(3,857)	(2,111)	(1,597)	(1,046)	(2,321)	(3,857)	(2,321)	(1,961)
Cumulative Effect of Adopting New Accounting Policies	-	-	-	-	-	-	-	-	683	-	683	-
Other Comprehensive Income-												
Net Change in Unrealized Foreign Currency Translation												
Gains (Losses)	(126)	1,375	193	(85)	885	(1,697)	(465)	(588)	522	2,368	(2,228)	(360)
Net Change in Unrealized Gains (Losses) on Available-for-Sale												
Securities	(386)	(1,075)	(243)	(210)	(60)	14	(146)	17	48	(1,588)	(67)	-
Net Change in Gains (Losses) on Derivative Instruments,												
designated as cash flow hedges	(138)	(185)	69	(140)	(263)	(63)	97	20	22	(519)	76	-
Total	(650)	115	19	(435)	562	(1,746)	(514)	(551)	592	261	(2,219)	(360)
<b>Balance at End of Period</b>	<b>(4,246)</b>	<b>(3,596)</b>	<b>(3,711)</b>	<b>(3,730)</b>	<b>(3,295)</b>	<b>(3,857)</b>	<b>(2,111)</b>	<b>(1,597)</b>	<b>(1,046)</b>	<b>(3,596)</b>	<b>(3,857)</b>	<b>(2,321)</b>
<b>Total Shareholders' Equity at End of Period</b>	<b>22,813</b>	<b>21,642</b>	<b>21,361</b>	<b>20,423</b>	<b>19,993</b>	<b>18,804</b>	<b>19,667</b>	<b>19,995</b>	<b>19,795</b>	<b>21,642</b>	<b>18,804</b>	<b>17,547</b>
<b>Composition of Accumulated Other Comprehensive Income (Loss):</b>												
Unrealized Foreign Currency Translation Gains (Losses)	(2,307)	(2,181)	(3,556)	(3,749)	(3,664)	(4,549)	(2,852)	(2,387)	(1,799)			
Unrealized Gains (Losses) on Available-for-Sale Securities	(1,335)	(949)	126	369	579	639	625	771	754			
Unrealized Gains (Losses) on Derivative Instruments,												
designated as cash flow hedges	(604)	(466)	(281)	(350)	(210)	53	116	19	(1)			
Total	(4,246)	(3,596)	(3,711)	(3,730)	(3,295)	(3,857)	(2,111)	(1,597)	(1,046)			

(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:

### Domestic

Retail

Commercial

### International

Retail

Commercial

### Scotia Capital

Canada

U.S.A.

Europe

## Total Gross Impaired Loans

Specific Allowance for Credit Losses

**Total Net Impaired Loans after Specific Allowance**

General Allowance for Credit Losses

Total Net Impaired Loans after General Allowance

QUARTERLY TREND									
2009 Q1	2008					2007			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
621	523	472	444	422	391	362	366	362	
262	238	228	244	207	197	207	228	264	
883	761	700	688	629	588	569	594	626	
997	833	688	664	559	426	488	486	460	
919	776	674	604	566	471	576	602	592	
1,916	1,609	1,362	1,268	1,125	897	1,064	1,088	1,052	
-	-	-	24	48	18	18	18	18	
169	107	86	8	16	11	18	20	107	
17	17	15	24	24	30	40	66	73	
186	124	101	56	88	59	76	104	198	
2,985	2,494	2,163	2,012	1,842	1,544	1,709	1,786	1,876	
(1,383)	(1,303)	(1,154)	(1,167)	(1,153)	(943)	(1,125)	(1,207)	(1,297)	
1,602	1,191	1,009	845	689	601	584	579	579	
(1,323)	(1,323)	(1,323)	(1,323)	(1,298)	(1,298)	(1,298)	(1,298)	(1,323)	
279	(132)	(314)	(478)	(609)	(697)	(714)	(719)	(744)	

# CHANGES IN GROSS IMPAIRED LOANS



(\$MM)	QUARTERLY TREND								
	2009	2008				2007			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Balance at Beginning of Period	2,494	2,163	2,012	1,842	1,544	1,709	1,786	1,876	1,870
Acquisition of Subsidiaries									
Domestic Retail	-	-	-	-	-	-	-	1	-
Domestic Commercial	-	-	-	-	-	-	-	-	-
International Retail	-	38	-	65	108	-	-	1	-
International Commercial	-	-	-	10	120	-	-	5	26
Scotia Capital	-	-	-	-	-	-	-	-	-
Total	-	38	-	75	228	-	-	7	26
Net Classifications									
Domestic Retail									
New Classifications	328	277	234	242	224	234	193	199	193
Declassifications, Payments and Sales	(110)	(129)	(119)	(128)	(108)	(127)	(116)	(121)	(112)
Net Classifications	218	148	115	114	116	107	77	78	81
Domestic Commercial									
New Classifications	31	39	47	50	33	30	9	10	40
Declassifications, Payments and Sales	-	(14)	(32)	(10)	(13)	(22)	(8)	(30)	(34)
Net Classifications	31	25	15	40	20	8	1	(20)	6
International Retail									
New Classifications	336	215	106	110	103	56	97	88	76
Declassifications, Payments and Sales	-	(1)	(3)	(2)	(15)	(7)	(3)	(1)	(2)
Net Classifications	336	214	103	108	88	49	94	87	74
International Commercial									
New Classifications	142	78	159	68	23	21	20	60	10
Declassifications, Payments and Sales	(9)	(15)	(65)	(41)	(64)	(16)	(21)	(19)	(19)
Net Classifications	133	63	94	27	(41)	5	(1)	41	(9)
Scotia Capital									
New Classifications	60	6	83	-	61	1	1	-	-
Declassifications, Payments and Sales	-	-	(33)	(26)	(28)	(12)	(25)	(121)	(75)
Net Classifications	60	6	50	(26)	33	(11)	(24)	(121)	(75)
Total	778	456	377	263	216	158	147	65	77
Write-offs									
Domestic Retail	(120)	(97)	(87)	(92)	(85)	(78)	(81)	(75)	(93)
Domestic Commercial	(7)	(15)	(31)	(3)	(10)	(18)	(22)	(16)	(5)
International Retail	(130)	(140)	(73)	(84)	(78)	(68)	(73)	(40)	(42)
International Commercial	(26)	(26)	(21)	(4)	(14)	(51)	(2)	(4)	(19)
Scotia Capital	-	-	(6)	(7)	(7)	-	(1)	(1)	(9)
Total	(283)	(278)	(218)	(190)	(194)	(215)	(179)	(136)	(168)
Forex									
International Retail	(42)	33	(6)	16	15	(43)	(19)	(22)	17
International Commercial	36	65	(3)	5	30	(59)	(23)	(32)	25
Scotia Capital	2	17	1	1	3	(6)	(3)	28	29
Total	(4)	115	(8)	22	48	(108)	(45)	(26)	71
Balance at End of Period	2,985	2,494	2,163	2,012	1,842	1,544	1,709	1,786	1,876



# NET IMPAIRED LOANS AND ALLOWANCE FOR CREDIT LOSSES



(\$MM)	QUARTERLY TREND								
	2009 Q1	2008				2007			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>NET IMPAIRED LOANS:</b>									
<u>Domestic</u>									
Retail	334	243	198	171	148	139	120	125	131
Commercial	115	111	110	120	96	90	88	90	114
	449	354	308	291	244	229	208	215	245
<u>International</u>									
Retail	362	273	249	234	173	115	137	113	94
Commercial	657	481	377	291	219	245	220	216	145
	1,019	754	626	525	392	360	357	329	239
<u>Scotia Capital</u>									
Canada	-	-	-	18	36	2	2	2	2
U.S.A.	131	80	72	4	10	4	3	3	58
Europe	3	3	3	7	7	6	14	30	35
	134	83	75	29	53	12	19	35	95
<b>Total Net Impaired Loans after Specific Allowance</b>	1,602	1,191	1,009	845	689	601	584	579	579
General Allowance for Credit Losses	(1,323)	(1,323)	(1,323)	(1,323)	(1,298)	(1,298)	(1,298)	(1,298)	(1,323)
<b>Total Net Impaired Loans after General Allowance</b>	279	(132)	(314)	(478)	(609)	(697)	(714)	(719)	(744)
Coverage Ratio (%) (1)	90.6	105.3	114.5	123.8	134.9	145.1	141.8	140.3	139.7
<b>ALLOWANCE FOR CREDIT LOSSES:</b>									
Balance, Beginning of Period	2,634	2,485	2,498	2,462	2,252	2,433	2,516	2,631	2,618
Acquisition of Subsidiaries	-	89	(6)	(3)	177	1	10	17	26
Write-offs	(283)	(278)	(218)	(190)	(194)	(215)	(179)	(136)	(168)
Recoveries	59	77	52	51	51	50	38	64	34
Provision for Credit Losses	281	207	159	153	111	95	92	20	63
Foreign Currency Adjustment and Other	23	54	-	25	65	(112)	(44)	(80)	58
<b>Balance, End of Period</b>	2,714	2,634	2,485	2,498	2,462	2,252	2,433	2,516	2,631
<u>Comprised of:</u>									
Specific Allowance	1,383	1,303	1,154	1,167	1,153	943	1,125	1,207	1,297
General Allowance	1,323	1,323	1,323	1,323	1,298	1,298	1,298	1,298	1,323
Other Liabilities	8	8	8	8	11	11	10	11	11
<b>Total Allowance for Credit Losses</b>	2,714	2,634	2,485	2,498	2,462	2,252	2,433	2,516	2,631

(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>Jan 31/09 Total</u>	<u>Oct 31/08 Total</u>	<u>Jan 31/08 Total</u>
<b>ASIA</b>									
South Korea	1,445	533	-	445	-	222	<b>2,645</b>	2,710	1,993
Japan	534	33	15	57	-	302	<b>941</b>	1,234	1,091
India	1,503	744	1	250	-	65	<b>2,563</b>	2,504	2,187
Malaysia	709	48	-	299	151	4	<b>1,211</b>	1,114	773
Hong Kong	575	51	20	410	-	29	<b>1,085</b>	999	979
China	880	1,080	35	233	-	14	<b>2,242</b>	1,899	1,482
Thailand	63	13	-	142	206	1	<b>425</b>	394	374
Other (2)	543	242	18	263	-	9	<b>1,075</b>	1,323	1,004
<b>Total</b>	<b>6,252</b>	<b>2,744</b>	<b>89</b>	<b>2,099</b>	<b>357</b>	<b>646</b>	<b>12,187</b>	12,177	9,883
<b>LATIN AMERICA</b>									
Mexico	1,588	162	-	485	1,657	155	<b>4,047</b>	4,096	4,063
Chile	810	30	-	1	1,373	3	<b>2,217</b>	2,174	2,417
Brazil	489	732	-	263	-	9	<b>1,493</b>	1,567	1,413
Peru	298	164	-	-	1,090	4	<b>1,556</b>	1,457	970
El Salvador	399	4	-	-	353	-	<b>756</b>	761	555
Costa Rica	1,164	131	-	-	365	-	<b>1,660</b>	1,441	1,140
Venezuela	5	-	-	-	96	-	<b>101</b>	98	89
Other (3)	1,010	78	10	18	-	24	<b>1,140</b>	1,118	801
<b>Total</b>	<b>5,763</b>	<b>1,301</b>	<b>10</b>	<b>767</b>	<b>4,934</b>	<b>195</b>	<b>12,970</b>	12,712	11,448

(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								
	2009 Q1	2008				2007			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>ASSET SECURITIZATION (\$MM):</b>									
Balance, Beginning of Period	13,022	11,650	11,909	11,450	12,045	12,103	11,988	11,955	12,083
Acquisition of subsidiaries	-	-	-	-	-	-	-	335	-
Securitizations	4,827	2,577	900	1,142	555	1,010	1,351	605	861
Paydowns/Maturities	(1,183)	(1,205)	(1,159)	(683)	(1,150)	(1,068)	(1,236)	(907)	(989)
Balance, End of Period									
Personal Loans	226	235	249	265	285	414	452	505	170
Mortgages	16,440	12,787	11,401	11,644	11,165	11,631	11,651	11,483	11,785
	16,666	13,022	11,650	11,909	11,450	12,045	12,103	11,988	11,955

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

Bonds of Emerging Markets	336	237	345	493	547	530	527	676	667
Other Fixed Income	(1,464)	(1,194)	(292)	(179)	89	(14)	(103)	(33)	(80)
Common and Preferred Shares	(445)	(271)	140	257	259	456	536	565	574
	(1,573)	(1,228)	193	571	895	972	960	1,208	1,161
Net Fair Value of Derivative Instruments and Other Hedge Amounts	(257)	(92)	14	(16)	(40)	5	20	(10)	7
Net Unrealized Gains (Losses)	(1,830)	(1,320)	207	555	855	977	980	1,198	1,168

### INTEREST RATE SENSITIVITY (\$B):

#### January 31, 2009

	Within 3 Months	3 to 12 Months	Cumulative Under 1 Year	Over 1 Year	Non-Interest Rate Sensitive
Canadian Currency Gap	32.4	(14.1)	18.3	(24.5)	(6.2)
Foreign Currency Gap	(6.9)	4.7	(2.2)	(12.8)	(15.0)
Total Currency Gap	25.5	(9.4)	16.1	(37.3)	(21.2)

( ) denotes liability gap

Note: Based on the Bank's interest rate positions as at January 31, 2009, an immediate and sustained 100 basis point rise in interest rates, across all currencies and maturities, would increase net income after-tax by approximately \$145MM over the next 12 months, and lower common shareholders' equity, in present value terms, by approximately \$109MM. 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 \$113MM over the next 12 months, and increase common shareholders' equity, in present value terms, by approximately \$107MM.

# Basel II Appendix



January 31, 2009

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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 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.

### 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-types<sup>1</sup>: 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 (AIRB) Approach, 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 (PD<sup>1</sup>), loss given default (LGD<sup>1</sup>) and exposure at default (EAD<sup>1</sup>).

- 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 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 approach, 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.

<sup>1</sup> refer to glossary

## REGULATORY CAPITAL



(\$MM)

### REGULATORY CAPITAL:

Common Shares, Contributed Surplus & Retained Earnings	23,349
OCI - Accumulated Foreign Currency Translation Losses	(2,307)
Non-Cumulative Preferred Shares	3,710
Innovative Capital Instruments	2,750
Accumulated Net Unrealized Losses (after-tax) on available-for-sale Equity Securities	(315)
Non-Controlling Interest in Subsidiaries	549
Gross Tier 1 Capital	27,736
Less: Goodwill and Excess Intangibles	(2,820)
Other Capital Deductions <sup>(1)</sup>	(2,077)
Net Tier 1 Capital	22,839
Accumulated Net Unrealized Gains (after-tax) on available-for-sale Equity Securities	-
Debentures (net of amortization) <sup>(2)</sup>	6,357
Eligible Allowance for Credit Losses <sup>(3)</sup>	520
Tier 2 Capital	6,877
Less: Other Capital Deductions <sup>(4)</sup>	(2,338)

### Total Regulatory Capital

### CHANGES IN REGULATORY CAPITAL:

#### Total Capital, Beginning of Period

#### Internally Generated Capital

Net Income	842
Preferred and Common Share Dividends	(530)
	312

#### External Financing

Debentures (net of amortization) <sup>(2)</sup>	1,130
Innovative Capital Instruments	-
Preferred Shares	850
Common Shares Issued less Purchased for Cancellation	667
Premium on Purchase of Shares for Cancellation	-
	2,647

#### Other

Net Change in Foreign Currency Translation Gains Losses	(126)
Net Change in Net Unrealized Gains / Losses (after-tax) on available-for-sale Equity Securities	(120)
Non-controlling Interest in Subsidiaries	47
Other <sup>(5)</sup>	(3,229)
	(3,428)

### Total Capital Generated (Used)

### Total Capital, End of Period

QUARTERLY TREND				
2009	2008			
Q1	Q4	Q3	Q2	Q1
23,349	22,378	22,512	21,943	21,423
(2,307)	(2,181)	(3,556)	(3,749)	(3,664)
3,710	2,860	2,560	2,210	1,865
2,750	2,750	2,750	2,750	2,750
(315)	(195)	-	-	-
549	502	455	588	548
27,736	26,114	24,721	23,742	22,922
(2,820)	(2,273)	(2,134)	(2,162)	(1,266)
(2,077)	(578)	(512)	(507)	(490)
22,839	23,263	22,075	21,073	21,166
-	-	122	200	161
6,357	5,227	4,234	4,659	2,859
520	534	747	783	754
6,877	5,761	5,103	5,642	3,774
(2,338)	(1,177)	(1,134)	(1,127)	(1,066)
27,378	27,847	26,044	25,588	23,874
27,847	26,044	25,588	23,874	22,321
842	315	1,010	980	835
(530)	(517)	(517)	(485)	(484)
312	(202)	493	495	351
1,130	993	(425)	1,800	407
-	-	-	-	-
850	300	350	345	230
667	101	85	29	48
-	(31)	(6)	-	-
2,647	1,363	4	2,174	685
(126)	1,375	193	(85)	885
(120)	(317)	(78)	39	(137)
47	47	(133)	40	51
(3,229)	(463)	(23)	(949)	(282)
(3,428)	642	(41)	(955)	517
(469)	1,803	456	1,714	1,553
27,378	27,847	26,044	25,588	23,874

(1) Comprised of net after-tax gains on sale of securitized assets, and 50% of all investments in certain specified corporations, and other items.

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

(3) Under Basel II, eligible general allowances in excess of expected losses under AIRB approach and allocated allowances under Standardized approach can be included in capital, subject to certain limitations.

(4) Comprised of 50% of all investments in certain specified corporations, 100% of investments in insurance entities and other items.

(5) Represents changes to eligible allowances for credit losses and other charges (credits) to retained earnings as well as to regulatory capital deductions relating to goodwill, net after-tax gains on sale on securitizations, investments in associated corporations, and insurance entities.

## RISK-WEIGHTED ASSETS AND CAPITAL RATIOS



(\$B)

### RISK-WEIGHTED ASSETS :

#### On- Balance Sheet Assets <sup>(1)</sup>

	2009 Q1	2008 Q4	2008 Q3	2008 Q2	2008 Q1
Cash Resources	3.0	3.7	4.6	4.6	6.4
Securities	13.9	14.5	13.9	12.6	11.1
Residential Mortgages	10.5	9.4	8.8	8.2	8.0
Loans & Acceptances					
- Personal	19.9	18.6	17.8	15.8	14.4
- Non-personal	96.2	95.2	82.4	80.7	75.7
All Other	12.9	14.9	12.1	12.0	11.2

	156.4	156.3	139.6	133.9	126.8
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#### Off- Balance Sheet Assets

Indirect Credit Instruments	37.1	41.6	38.4	37.1	39.7
Interest Rate, Foreign Exchange and Other Derivative Instruments	9.9	9.7	7.9	8.1	10.7

	47.0	51.3	46.3	45.2	50.4
--	------	------	------	------	------

#### **Total Credit Risk before AIRB scaling factor <sup>(2)</sup>**

AIRB Scaling factor	203.4	207.6	185.9	179.1	177.2
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#### **Total Credit Risk after AIRB scaling factor <sup>(3)</sup>**

Market Risk -- Risk Assets Equivalent	6.8	6.9	6.3	6.2	6.0
---------------------------------------	-----	-----	-----	-----	-----

Operational Risk -- Risk Assets Equivalent	8.7	15.5	13.5	13.8	12.9
--	-----	------	------	------	------

#### **Total Risk-Weighted Assets before Transitional Adjustment**

Transitional Adjustment	20.8	20.6	20.1	19.8	19.6
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<b>Total Risk-Weighted Assets</b>	239.7	250.6	225.8	218.9	215.7
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### **RISK-WEIGHTED CAPITAL RATIOS (%):**

Tier I	9.5	9.3	9.8	9.6	9.0
Total	11.4	11.1	11.5	11.7	10.2
Tangible Common Equity	7.8	7.3	7.6	7.5	7.2

(1) Basel II RWA computations are calculated by exposure types and exposure sub-types (as shown in the following page). For purposes of this presentation only, RWA is shown by balance sheet categories.

(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.

# RISK-WEIGHTED ASSETS FOR CREDIT RISK PORTFOLIOS



(\$MM)

		January 31, 2009						October 31, 2008	
		AIRB		Standardized		Total		Total	
Basel II Exposure Type	Basel II Exposure Sub-type	Exposure at Default	Risk-Weighted Assets	Exposure at Default <sup>(1)</sup>	Risk-Weighted Assets	Exposure at Default	Risk-Weighted Assets	Exposure at Default	Risk-Weighted Assets
<b>Non-retail</b>									
Corporate	Drawn	73,249	46,439	50,619	49,853	123,868	96,292	117,649	95,688
	Undrawn	35,629	16,937	3,774	3,748	39,403	20,685	43,943	24,886
	Other <sup>(2)</sup>	14,464	5,643	2,444	2,361	16,908	8,004	16,856	8,615
	Total	123,342	69,019	56,837	55,962	180,179	124,981	178,448	129,189
Bank	Drawn	23,680	4,674	8,103	2,368	31,783	7,042	32,986	7,284
	Undrawn	16,115	2,810	86	17	16,201	2,827	16,586	3,056
	Other <sup>(2)</sup>	15,673	2,541	340	69	16,013	2,610	16,587	2,860
	Total	55,468	10,025	8,529	2,454	63,997	12,479	66,159	13,200
Sovereign	Drawn	14,211	18	12,306	2,389	26,517	2,407	24,626	2,533
	Undrawn	962	72	207	143	1,169	215	1,270	210
	Other <sup>(2)</sup>	591	5	188	0	779	5	1,280	67
	Total	15,764	95	12,701	2,532	28,465	2,627	27,176	2,810
<b>Total Non-retail</b>									
	Drawn	111,140	51,131	71,028	54,610	182,168	105,741	175,261	105,505
	Undrawn	52,706	19,819	4,067	3,908	56,773	23,727	61,799	28,152
	Other <sup>(2)</sup>	30,728	8,189	2,972	2,430	33,700	10,619	34,723	11,542
	<b>Total</b>	<b>194,574</b>	<b>79,139</b>	<b>78,067</b>	<b>60,948</b>	<b>272,641</b>	<b>140,087</b>	<b>271,783</b>	<b>145,199</b>
<b>Retail</b>									
Retail residential mortgages	Drawn	94,531	3,540	23,513	6,981	118,044	10,521	120,709	9,409
	Undrawn	3,798	125	0	0	3,798	125	3,292	33
	Total	98,329	3,665	23,513	6,981	121,842	10,646	124,001	9,442
Home Equity Lines Of Credit (HELOCs)	Drawn	15,650	728			15,650	728	14,644	544
	Undrawn	0	0			0	0	0	0
	Total	15,650	728			15,650	728	14,644	544
Qualifying Revolving Retail Exposures (QRRE)	Drawn	12,234	4,755			12,234	4,755	12,051	4,005
	Undrawn	8,022	810			8,022	810	7,076	756
	Total	20,256	5,565			20,256	5,565	19,127	4,761
Other Retail	Drawn	9,728	4,791	13,420	9,659	23,148	14,450	23,453	14,087
	Undrawn	37	33	220	165	257	198	243	187
	Total	9,765	4,824	13,640	9,824	23,405	14,648	23,696	14,274
<b>Total Retail</b>									
	Drawn	132,143	13,814	36,933	16,640	169,076	30,454	170,857	28,045
	Undrawn	11,857	968	220	165	12,077	1,133	10,611	976
	<b>Total</b>	<b>144,000</b>	<b>14,782</b>	<b>37,153</b>	<b>16,805</b>	<b>181,153</b>	<b>31,587</b>	<b>181,468</b>	<b>29,021</b>
Securitizations		26,646	4,290			26,646	4,290	28,539	4,354
Trading derivatives		26,506	9,531			26,506	9,531	24,451	8,595
<b>Total Credit risk (excl. Equities &amp; Other Assets)</b>		<b>391,726</b>	<b>107,742</b>	<b>115,220</b>	<b>77,753</b>	<b>506,946</b>	<b>185,495</b>	<b>506,241</b>	<b>187,169</b>
Equities		3,072	5,614			3,072	5,614	3,375	6,142
Other Assets				23,690	12,272	23,690	12,272	21,929	14,215
<b>Total Credit Risk, before scaling factor</b>		<b>394,798</b>	<b>113,356</b>	<b>138,910</b>	<b>90,025</b>	<b>533,708</b>	<b>203,381</b>	<b>531,545</b>	<b>207,526</b>
Add-on for 6% scaling factor <sup>(3)</sup>			6,801				6,801		6,946
<b>Total Credit Risk</b>		<b>394,798</b>	<b>120,157</b>	<b>138,910</b>	<b>90,025</b>	<b>533,708</b>	<b>210,182</b>	<b>531,545</b>	<b>214,472</b>

(1) Net of related allowances for credit losses.

(2) Includes lending instruments such as letters of credit and letters of guarantee, OTC derivatives and repo-style exposures, net of related collateral.

(3) Basel Committee imposed scaling factor (6%) on risk-weighted assets for AIRB credit risk portfolios.



# TOTAL CREDIT RISK EXPOSURES BY GEOGRAPHY <sup>(1,2)</sup>



(\$MM)

January 31, 2009

	Drawn	Undrawn	Other Exposures <sup>(3)</sup>	Total
Canada	202,578	44,960	33,291	280,829
USA	35,330	17,575	36,244	89,149
Mexico	12,996	320	1,092	14,408
Other International				
Europe	26,303	2,272	9,816	38,391
Caribbean	27,743	1,703	2,652	32,098
Latin America (excl. Mexico)	23,061	903	1,085	25,049
All Other	23,233	1,117	2,672	27,022
<b>Total</b>	<b>351,244</b>	<b>68,850</b>	<b>86,852</b>	<b>506,946</b>

(\$MM)

October 31, 2008

	Drawn	Undrawn	Other Exposures <sup>(3)</sup>	Total
Canada	199,672	44,376	34,722	278,770
USA	34,262	17,949	37,240	89,451
Mexico	13,858	332	947	15,137
Other International				
Europe	26,298	4,637	8,551	39,486
Caribbean	27,085	1,632	2,071	30,788
Latin America (excl. Mexico)	20,751	844	1,058	22,653
All Other	24,192	2,640	3,124	29,956
<b>Total</b>	<b>346,118</b>	<b>72,410</b>	<b>87,713</b>	<b>506,241</b>

(1) Before credit risk mitigation, excluding AFS equity securities and other assets.

(2) Geographic segmentation is based upon the location of the ultimate risk of the credit exposure.

(3) Includes off-balance sheet lending instruments such as letters of credit and letters of guarantee, OTC derivatives, securitization and repo-style transactions net of related collateral.

# CREDIT RISK EXPOSURES BY MATURITY <sup>(1,2)</sup>



## AIRB Non-retail and Retail portfolio

(\$MM)	January 31, 2009				October 31, 2008			
	Drawn	Undrawn	Other Exposures <sup>(3)</sup>	Total	Drawn	Undrawn	Other Exposures <sup>(3)</sup>	Total
<b>Non-retail</b>								
Less than 1 year	51,498	29,261	38,708	119,467	43,663	21,306	37,508	102,477
One to 5 years	50,688	22,304	38,848	111,840	50,000	34,386	41,232	125,618
Over 5 Years	8,954	1,141	6,324	16,419	10,975	1,610	6,065	18,650
<b>Total Non-Retail</b>	<b>111,140</b>	<b>52,706</b>	<b>83,880</b>	<b>247,726</b>	<b>104,638</b>	<b>57,302</b>	<b>84,805</b>	<b>246,745</b>
<b>Retail</b>								
Less than 1 year	15,529	11,857		27,386	13,710	10,391		24,101
One to 5 years	85,703	-		85,703	90,120	-		90,120
Over 5 Years	1,870	-		1,870	1,782	-		1,782
Revolving Credits <sup>(4)</sup>	29,041	-		29,041	27,849	-		27,849
<b>Total Retail</b>	<b>132,143</b>	<b>11,857</b>		<b>144,000</b>	<b>133,461</b>	<b>10,391</b>		<b>143,852</b>
<b>Total</b>	<b>243,283</b>	<b>64,563</b>	<b>83,880</b>	<b>391,726</b>	<b>238,099</b>	<b>67,693</b>	<b>84,805</b>	<b>390,597</b>

(1) Before credit risk mitigation, excluding AFS equity securities and other assets.

(2) Remaining term to maturity of the credit exposure.

(3) Off-balance sheet lending instruments such as letters of credit and letters of guarantee, securitization, derivatives and repo-style transactions net of related collateral.

(4) Credit cards and lines of credit.

# CREDIT RISK EXPOSURES BY RISK WEIGHT - STANDARDIZED APPROACH



(\$MM)

January 31, 2009

Risk Weight	Non-Retail					Retail			
	Exposure at Default <sup>(1)</sup>				Risk-Weighted Assets	Exposure at Default <sup>(1)</sup>			Risk-Weighted Assets
	Corporate	Bank	Sovereign	Total		Residential Mortgages	Other Retail	Total	
0%	808	282	8,620	9,710	-	6,621	278	6,899	-
20%	222	7,204	1,936	9,362	1,872				
35%						14,375	642	15,017	5,256
50%	215	66	-	281	140				
75%						2,269	12,603	14,872	11,154
100%	55,156	970	2,145	58,271	58,271	248	58	306	306
150%	436	7	-	443	665	-	59	59	89
<b>Total</b>	<b>56,837</b>	<b>8,529</b>	<b>12,701</b>	<b>78,067</b>	<b>60,948</b>	<b>23,513</b>	<b>13,640</b>	<b>37,153</b>	<b>16,805</b>

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

(\$MM)

October 31, 2008

Risk Weight	Non-Retail					Retail			
	Exposure at Default <sup>(1)</sup>				Risk-Weighted Assets	Exposure at Default <sup>(1)</sup>			Risk-Weighted Assets
	Corporate	Bank	Sovereign	Total		Residential Mortgages	Other Retail	Total	
0%	782	219	8,352	9,353	-	7,076	282	7,358	-
20%	245	8,204	1,586	10,035	2,007				
35%						14,200	618	14,818	5,186
50%	7	3	-	10	5				
75%						2,211	12,891	15,102	11,327
100%	55,129	1,320	2,130	58,579	58,579	210	74	284	284
150%	51	-	-	51	77	-	54	54	80
<b>Total</b>	<b>56,214</b>	<b>9,746</b>	<b>12,068</b>	<b>78,028</b>	<b>60,668</b>	<b>23,697</b>	<b>13,919</b>	<b>37,616</b>	<b>16,877</b>

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

## RISK ASSESSMENT OF CREDIT RISK EXPOSURES



### Non-retail AIRB - Credit quality

(\$MM)		January 31, 2009			October 31, 2008			
Category of Internal Grades <sup>(1)</sup>	Exposure at default <sup>(2)</sup>	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>	Exposure at default <sup>(2)</sup>	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>
	\$	%	%	%	\$	%	%	%
Investment Grade	197,384	0.13	30	21	196,911	0.13	31	23
Non-investment Grade	53,568	0.77	37	67	54,567	0.82	43	75
Watch List	4,223	23.50	39	202	2,735	24.41	44	229
Default	618 <sup>(7)</sup>	100.00	46	447	297 <sup>(7)</sup>	100.00	53	546
<b>Total</b>	<b>255,793</b>	<b>0.89</b>	<b>31</b>	<b>35</b>	<b>254,510</b>	<b>0.65</b>	<b>34</b>	<b>37</b>

(1) The cross references of the Bank's internal borrower grades with equivalent rating categories utilized by external rating agencies are outlined on page 141 of the Bank's 2008 Annual Report.

(2) After credit risk mitigation, includes all non-retail exposures except securitization; includes residential mortgages of \$34.7 bn (October 31, 2008: \$36.3 bn) guaranteed by Canada Mortgage Housing Corporation.

(3) PD - Probability of Default, see glossary for details.

(4) LGD - downturn Loss Given Default including a certain conservative factor as per Basel accord, see glossary for details.

(5) RW - Risk Weight.

(6) Exposure at default used as basis for estimated weightings.

(7) Gross defaulted exposures, before any related allowances.

### Non-retail AIRB - Credit commitments

(\$MM)		January 31, 2009		October 31, 2008	
Exposure Type	Notional Undrawn	Weighted Average EAD (%)	Notional Undrawn	Weighted Average EAD (%)	
<b>Non-retail</b>					
Corporate	62,992	57	69,426	57	
Bank	23,154	70	23,691	70	
Sovereign	1,395	69	1,405	69	
<b>Total</b>	<b>87,541</b>	<b>61</b>	<b>94,522</b>	<b>61</b>	

# RISK ASSESSMENT OF CREDIT RISK EXPOSURES



## Credit quality of retail AIRB portfolio

(\$MM)	January 31, 2009				October 31, 2008			
Category of PD Grades <sup>(1)</sup>	Exposure at default <sup>(2)</sup>	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>	Exposure at default <sup>(2)</sup>	Weighted Average PD <sup>(3,6)</sup>	Weighted Average LGD <sup>(4,6)</sup>	Weighted Average RW <sup>(5,6)</sup>
	\$	%	%	%	\$	%	%	%
<b>Real Estate Secured</b>								
Very Low	56,758	0.07	12	2	61,953	0.07	12	2
Low	7,658	0.36	12	7	9,243	0.37	12	7
Medium	13,116	0.90	12	13	6,770	0.79	12	12
High	1,510	12.05	12	56	569	11.14	12	55
Very High	107	18.06	12	64	0			
Default	117 <sup>(7)</sup>	100.00	12	0	109 <sup>(7)</sup>	100.00	12	0
<b>Sub-total</b>	<b>79,266</b>	<b>0.64</b>	<b>12</b>	<b>6</b>	<b>78,644</b>	<b>0.39</b>	<b>12</b>	<b>4</b>
<b>Qualifying revolving retail exposures(QRRE)</b>								
Very Low	9,290	0.11	86	6	7,755	0.11	86	5
Low	4,054	0.37	86	15	3,860	0.37	86	15
Medium	5,200	1.28	86	38	6,406	1.16	86	36
High	864	4.37	86	95	599	4.50	86	97
Very High	727	19.42	86	223	395	19.54	86	224
Default	120 <sup>(7)</sup>	100.00	86	0	112 <sup>(7)</sup>	100.00	86	0
<b>Sub-total</b>	<b>20,255</b>	<b>1.93</b>	<b>86</b>	<b>27</b>	<b>19,127</b>	<b>1.64</b>	<b>86</b>	<b>25</b>
<b>Other retail</b>								
Very Low	4,004	0.13	70	20	4,505	0.12	70	19
Low	1,836	0.39	70	43	2,071	0.37	70	42
Medium	3,140	1.32	70	75	2,686	1.19	70	72
High	510	7.39	70	110	300	7.20	70	110
Very High	175	44.94	70	185	123	44.97	70	184
Default	100 <sup>(7)</sup>	100.00	70	0	92 <sup>(7)</sup>	100.00	70	0
<b>Sub-total</b>	<b>9,765</b>	<b>2.76</b>	<b>70</b>	<b>49</b>	<b>9,777</b>	<b>2.19</b>	<b>70</b>	<b>43</b>
<b>Total retail</b>								
Very Low	70,051	0.08	25	4	74,214	0.08	23	4
Low	13,549	0.37	42	14	15,174	0.37	39	14
Medium	21,456	1.05	38	28	15,862	1.01	52	32
High	2,884	8.92	44	78	1,468	7.62	54	84
Very High	1,009	23.69	75	200	518	25.59	82	215
Default	337 <sup>(7)</sup>	100.00	56	0	312 <sup>(7)</sup>	100.00	55	0
<b>Total</b>	<b>109,286</b>	<b>1.07</b>	<b>31</b>	<b>14</b>	<b>107,548</b>	<b>0.77</b>	<b>30</b>	<b>11</b>

(1) The general relationship between probability of default (PD) ranges and the category of PD grades is detailed on page 142 of the Bank's 2008 Annual Report.

(2) After credit risk mitigation, includes drawn and undrawn commitments; excludes residential mortgages (\$34.7 bn) guaranteed by Canada Mortgage Housing Corporation.

(3) PD - Probability of Default, see glossary for details.

(4) LGD - downturn Loss Given Default, see glossary for details.

(5) RW - Risk Weight.

(6) Exposure at default used as basis for estimated weightings.

(7) Gross defaulted exposures, before any related allowances.

# CREDIT RISK MITIGATION



(\$MM)	Exposures at Default <sup>(1)</sup>					
	January 31, 2009			October 31, 2008 <sup>(2)</sup>		
	Financial Collateral	Guarantees / Credit Derivatives		Financial Collateral	Guarantees / Credit Derivatives	
	Standardized Approach	Standardized Approach	AIRB Approach	Standardized Approach	Standardized Approach	AIRB Approach
<b>Basel II Exposure type</b>						
<b>Non-Retail</b>						
Corporate	815	209	3,995	789	238	3,659
Bank	282	0	169	219	0	79
Sovereign	26	23	0	45	23	0
<b>Sub-total</b>	<b>1,123</b>	<b>232</b>	<b>4,164</b>	<b>1,053</b>	<b>261</b>	<b>3,738</b>
<b>Retail</b>						
Residential mortgages <sup>(3)</sup>	44	8,370	34,713	37	8,761	36,304
Home equity line of credit (HELOC)			-			0
Qualifying revolving retail exposures(QRRE)			-			0
Other Retail	840	80	-	816	84	0
<b>Sub-total</b>	<b>884</b>	<b>8,450</b>	<b>34,713</b>	<b>853</b>	<b>8,845</b>	<b>36,304</b>
<b>Total</b>	<b>2,007</b>	<b>8,682</b>	<b>38,877</b>	<b>1,906</b>	<b>9,106</b>	<b>40,042</b>

(1) Includes drawn, undrawn and other off balance sheet exposures (e.g. letters of credit, letters of guarantee) covered by eligible collateral and guarantees.

(2) Comparative amounts have been reclassified to conform with the current presentation.

(3) Primarily includes residential mortgages guaranteed by Canada Mortgage Housing Corporation.

# DERIVATIVES



(\$MM)

## Interest Rate Contracts:

Futures and Forward Rate Agreements

Swaps

Options Purchased

Options Written

## Foreign Exchange Contracts:

Futures, Spot and Forwards

Swaps

Options Purchased

Options Written

## Other Derivative Contracts:

Equity

Credit

Other

## Total Derivatives

Less: Impact of Master Netting Agreements, Collateral

## Total after Netting & Collateral

January 31, 2009

Notional Amount	Credit Risk Amount	Potential Future Exposure	Credit Risk Equivalent Amount	Risk Weighted Amount <sup>(1)</sup>
102,527	17	-	17	
777,498	17,529	3,538	21,067	
44,501	456	68	524	
40,596	-	-	-	
965,122	18,002	3,606	21,608	2,950
234,758	6,874	2,502	9,376	
125,526	5,461	5,829	11,290	
6,385	371	78	449	
6,678	-	-	-	
373,347	12,706	8,409	21,115	3,598
22,590	1,346	1,269	2,615	1,006
116,365	10,618	6,233	16,851	1,955
6,722	854	541	1,395	409
145,677	12,818	8,043	20,861	3,370
1,484,146	43,526	20,058	63,584	9,918
	26,769	8,881	35,650	
	16,757	11,177	27,934	9,918

October 31, 2008

Notional Amount	Credit Risk Equivalent Amount	Risk Weighted Amount <sup>(1)</sup>
103,872	20	
741,732	13,635	
72,412	426	
63,679	-	
981,695	14,081	2,225
290,429	15,963	
127,005	12,332	
4,651	435	
4,908	-	
426,993	28,730	4,265
25,852	3,463	869
120,399	17,834	1,920
7,002	1,709	374
153,253	23,006	3,163
1,561,941	65,817	9,653
	37,296	
	28,521	9,653

(1) Risk-weighted balances reported are net of impact of collateral and master netting arrangements.

# RISK-WEIGHTED ASSETS FOR SECURITIZATION EXPOSURES



(\$MM)		January 31, 2009					October 31, 2008	
Risk Category	External Rating (S&P)	Risk-Weight %	Exposure at Default <sup>(1)</sup>			Risk-Weighted Assets	Exposure at Default <sup>(1)</sup>	Risk-Weighted Assets
			On- Balance Sheet	Off- Balance Sheet	Total			
Investment Grade	AAA to A	7 - 25	8,493	14,426	22,919	2,369	25,823	2,662
	A- to BBB-	35 - 100	935	2,571	3,506	1,869	2,474	1,563
Non-Investment Grade	BB+ to BB-	150 - 650	12	-	12	52	24	129
	Below BB-	First Loss protection	209 <sup>(2)</sup>	-	209 <sup>(2)</sup>	n/a <sup>(2)</sup>	218 <sup>(2)</sup>	n/a <sup>(2)</sup>
<b>Total</b>			<b>9,649</b>	<b>16,997</b>	<b>26,646</b>	<b>4,290</b>	<b>28,539</b>	<b>4,354</b>

(1) Includes on- balance sheet investments in asset backed securities (ABS), mortgage backed securities (MBS), collateralized loan obligations (CLOs), and collateralized debt obligations (CDOs), and off- balance sheet liquidity lines to Bank's sponsored ABCP conduits and non-bank sponsored ABCP conduits.

(2) First loss protection amounts are deducted 50/50 from tier 1 and tier 2 capital.



## RISK-WEIGHTED ASSETS FOR EQUITY EXPOSURES



(\$MM)

Equity Investments	January 31, 2009		October 31, 2008	
	Gross Exposures	Risk-Weighted Assets	Gross Exposures	Risk-Weighted Assets
Grandfathered equity investments	1,767	1,767	1,793	1,793
Non-grandfathered - Simple risk weight method	869	3,195	1,043	3,504
<b>Total Banking Book Equities (excl Preferred)</b>	<b>2,636 <sup>(1)</sup></b>	<b>4,962</b>	<b>2,836 <sup>(1)</sup></b>	<b>5,298</b>
Preferred Shares - PD/LGD Approach	436	652	539	845
<b>Total Banking Book Equities</b>	<b>3,072</b>	<b>5,614</b>	<b>3,375</b>	<b>6,142</b>

(1) Of the banking book equity exposures (excluding preferred) approximately 58% in Q1/09 (Q4/08: 59%) are traded in a public exchange, with the remaining 42% in Q1/09 (Q4/08: 41%) representing private equity investments which are not actively traded.

<b>Credit Risk Parameters</b>	
Exposure at Default (EAD)	Generally represents the expected gross exposure - outstanding amount for on-balance sheet exposure and loan equivalent amount for off-balance sheet exposure.
Probability of Default (PD)	Measures the likelihood that a borrower will default within a 1-year time horizon, expressed as a percentage.
Loss Given Default (LGD)	Measures the severity of loss on a facility in the event of a borrower's default, expressed as a percentage of exposure at default.
<b>Exposure Types</b>	
<i>Non-retail</i>	
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.
Securitization	On- balance sheet investments in asset backed securities (ABS), mortgage backed securities (MBS), collateralized loan obligations (CLOs), and collateralized debt obligations (CDOs), and off- balance sheet liquidity lines and credit enhancements to Bank's sponsored ABCP conduits and liquidity lines to non-bank sponsored ABCP conduits.
<i>Retail</i>	
Real Estate Secured	
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 Revolving Retail Exposures (QRRE)	Credit cards and unsecured line of credit for individuals.
Other Retail	All other personal loans.
<b>Exposure Sub-types</b>	
Drawn	Outstanding amounts for loans, leases, acceptances, deposits with banks and available-for-sale debt securities.
Undrawn	Unutilized portion of an authorized credit line.
Other Exposures	
Repo-Style transactions	Reverse repurchase agreements (reverse repos) and repurchase agreements (repos), securities lending and borrowing.
OTC Derivatives	Over-the-counter derivatives contracts.
Other Off Balance Sheet	Direct credit substitutes such as standby letters of credits and guarantees, trade letters of credits, and performance letters of credits and guarantees.