Q1 2011 | *first* quarter results

FIRST QUARTER FINANCIAL HIGHLIGHTS
Compared to the same period a year ago:

TOTAL REVENUE AFTER PCLs OF P$3,783 MILLION, COMPARED TO P$3,285 MILLION	NET INCOME OF P$917 MILLION VERSUS P$853 MILLION	PRODUCTIVITY RATIO OF 57.2% VERSUS 55.9%	BANK'S CAPITAL RATIO INCREASED TO 17.8% VERSUS 17.4%	CREDIT PROVISIONS OF P$566 MILLION, COMPARED TO P$652 MILLION

Grupo Scotiabank reports earnings of P$917 million for the first quarter

Scotiabank México
Financial and Operating Indicators:

1 CONTINUED GROWTH:

- Business loans up 14%
- Mortgages up 4%
- Demand and Savings account balances up 2%

2 CREDIT RISK MANAGEMENT:

- Past due portfolio at 3.3% of total loans compared to 4.0% in the prior year
- Allowance for credit losses coverage at 106% of past due portfolio compared to 102% in the prior year

3 EFFICIENCY:

- Productivity ratio of 57.3% versus 56.3% in the prior year

Grupo Scotiabank

Mexico D.F., April 29, 2011 – Grupo Scotiabank today announced results for the first quarter of 2011. Consolidated net income was P$917 million in the quarter, an increase of P$64 million or 8% from the same period last year.

The main drivers of these results for the quarter were higher net interest income and non-interest revenues and lower credit provisions, partially offset by the impact of higher operating expenses.

Total revenue after provisions for credit losses for the quarter increased P$498 million or 15% compared to the same period last year, reflecting higher loan commissions and fees, gains on the sale of foreclosed assets and recoveries, and higher net interest income. This was partially offset by lower foreign exchange revenues. Commercial, financial institutions and government loans increased 24%, while mortgage volumes grew 4% compared to the same quarter last year. Total deposits grew 15% during the same period. The positive impact of growth in volumes was partially offset by tighter spreads and a change in the deposit mix.

Loan loss provisions decreased P$86 million or 13% from the same quarter last year, due mainly to lower delinquencies in the retail and commercial portfolios and the effect of new provisioning guidelines. Operating expenses grew 13% or P$286 million due to higher marketing expenses, professional fees and an increase in salary costs due to the expansion of our customer call center.

The Bank's capital ratio increased from 17.4% last year to 17.8% this quarter. Return on equity this quarter was 12%, unchanged from the same period last year.

"The results for the first quarter of 2011 continue to reflect a positive trend. Our on-going investments in customer-focused service initiatives and disciplined risk management culture have enabled us to grow our customer base while maintaining a diversified loan portfolio", said Nicole Reich De Polignac, Grupo Scotiabank President and CEO.

Non-Financial Highlights:

Scotia Fondos was awarded two Platinum Awards by Fund Pro for *Scotia G – Scotia Government Short Term and Scotia D – Scotia for non-contributors*.

Scotiabank Mexico was recognized this quarter by the Labor Department as a “Familiarmente Responsable” company (family responsible company).

FINANCIAL HIGHLIGHTS

Grupo Scotiabank Condensed Financial Information	**Three months ended**		
	March 31, 2011	December 31, 2010	March 31, 2010
Net Income (P$ millions):			
Scotiabank Mexico	840	806	760
Holding company and other subsidiaries	77	72	93
Total Group	**917**	**878**	**853**
ROE	12%	12%	12%

Grupo Scotiabank Condensed Statement of Income	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2011	December 31, 2010	March 31, 2010
Net Interest income	**2,610**	**2,658**	**2,566**
Other Income	1,739	1,544	1,371
Revenue	**4,349**	**4,202**	**3,937**
Provision for credit losses	(566)	(604)	(652)
Total Revenue after provisions for credit losses	**3,783**	**3,598**	**3,285**
Operating expenses	(2,487)	(2,594)	(2,201)
Operational Profit	**1,296**	**1,004**	**1,084**
Participation in results of non-consolidated subsidiaries and associated companies	-	3	-
Profit before income tax	**1,296**	**1,007**	**1,084**
Income tax	(379)	(129)	(231)
Profit after income tax	**917**	**878**	**853**

Grupo Scotiabank is a member of the Scotiabank family. Scotiabank is one of North America's premier financial institutions and Canada's most international bank.

Grupo Scotiabank is one of the leading financial groups in Mexico, with 711 branches and 1,498 ATMs throughout the country. It employs approximately 10,114 people in its main subsidiaries: Scotiabank Mexico, Scotia Fondos, Scotia Casa de Bolsa and Servicios Corporativos Scotia. Together these companies offer an extensive range of financial products and services for individuals, small businesses and multinational corporations.

See Scotiabank Mexico at: www.scotiabank.com.mx

Shares held by Grupo Scotiabank		
	Scotiabank Mexico	99.9999%
	Scotia Casa de Bolsa	99.9864%
	Scotia Fondos	99.9999%
	Servicios Corporativos Scotia	99.9999%

Grupo Scotiabank, Scotiabank, Scotia Casa de Bolsa, Scotia Fondos and Servicios Corporativos Scotia are the trade names of, respectively, Grupo Financiero Scotiabank Inverlat, S.A de C.V.; Scotiabank Inverlat S.A.; Scotia Inverlat Casa de Bolsa S.A. de C.V.; Scotia Fondos S.A. de C.V. and Servicios Corporativos Scotia S.A. de C.V.

April 29, 2011

Scotiabank Mexico

Total revenue, after provision for credit losses, was P$3,517 million for the first quarter of 2011, a P$485 million or 16% increase from the same period last year. The year-over-year growth was due primarily to higher non-interest income and lower provisions for credit losses. The increase in non-interest revenues from last year was due mostly to higher loan commissions, increased trading revenues and higher recoveries and a gain on the sale of foreclosed assets. These were partially offset by lower foreign exchange revenues.

Compared to last quarter, total revenues after provisions for credit losses were higher by P$195 million or 6%. This increase was the result of higher non-interest revenues and lower provisions for credit losses, partially offset by lower net interest income and higher expenses.

After-tax income was P$840 million this quarter compared to P$760 million in the same period last year. The increase was primarily the result of higher non-interest revenues, lower provisions for credit losses partially offset by higher operating expenses and income taxes. After-tax income was relatively flat from last quarter.

Scotiabank Mexico **Condensed Statement of Income**	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2011	December 31, 2010	March 31, 2010
Interest earned	3,592	3,680	3,308
Interest paid	(1,074)	(1,057)	(785)
Net interest income	**2,518**	**2,623**	**2,523**
Other income	1,565	1,303	1,161
Revenue	**4,083**	**3,926**	**3,684**
Provision for credit losses	(566)	(604)	(652)
Total Revenue after provision for credit losses	**3,517**	**3,322**	**3,032**
Operating expenses	(2,339)	(2,423)	(2,074)
Operational Profit	**1,178**	**899**	**958**
Participation in results of non-consolidated subsidiaries and associated companies	-	2	-
Profit before income tax	**1,178**	**901**	**958**
Income tax	(338)	(95)	(198)
Profit after income tax	**840**	**806**	**760**

Net Interest Income

Net interest income was P$2,518 million in the first quarter of 2011, relatively flat when compared to the same quarter last year, and P$105 million or 4% lower than last quarter. The reduction compared to last quarter was the result of higher average interest paid due to a change in the deposit mix and lower credit spreads.

Based on the Bank's overall cost of funds, the interest spread on earning assets was as follows:

Scotiabank Mexico	**Three months ended**			
Analysis of Interest Income	**March 31, 2011**		**March 31, 2010**	
(P$ millions, whole year average)	**Volume**	**Spread**	**Volume**	**Spread**
Deposits with banks	20,955	1.7%	23,215	1.2%
Securities	10,277	3.7%	14,371	2.7%
Loans	103,920	8.8%	94,916	9.8%

Other Income

Scotiabank Mexico Other Income	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2011	December 31, 2010	March 31, 2010
Commissions and fees (net)	441	429	436
Revenues from trading and intermediation	101	67	96
Other operational income (net)	1,023	807	629
Total Other Income	**1,565**	**1,303**	**1,161**

Other income for the quarter was P$1,565 million, up P$404 million or 35% from the same period last year. This was due to higher loan commissions and fees, increased gains from sales of securities, higher recoveries and the gain on sale of foreclosed assets.

Compared to last quarter, the P$262 million or 20% increase in other income was due primarily to an increase in loan commissions and fees, higher foreign exchange and securities trading revenues and higher recoveries from the sale of foreclosed assets and other items. These were partially offset by the effect, last quarter, of recoveries from the early termination of the mortgage support government program.

Scotiabank Mexico Commissions and fees (net)	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2011	December 31, 2010	March 31, 2010
Loan commissions	54	37	23
Account handling commissions	53	65	63
Credit card commissions	131	148	149
Trust	77	54	61
Electronic banking	50	62	69
Other	76	63	71
Total commissions and fees (net)	**441**	**429**	**436**

Net commissions and fees were P$441 million this quarter, P$5 million or 1% higher than the same period last year and up P$12 million or 3% from last quarter. Both the year-over-year and quarter-over-quarter growth were due mainly to higher loan commissions, higher trust and letter of credit fees (in Other), partially offset by lower electronic banking fees and lower credit card commissions.

Scotiabank Mexico Other operational income (net)	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2011	December 31, 2010	March 31, 2010
Loan loss recoveries	103	307	97
Other recoveries	441	99	148
Write-offs & other	(146)	(115)	(42)
Revenue from sale of foreclosed assets	209	21	40
Staff loan interest	19	19	17
Rental income	13	13	13
Other revenues and expenses (net)	381	478	361
Other	3	(15)	(5)
Total other operational income (net)	**1,023**	**807**	**629**

Other operational income (net) was P$1,023 million this quarter, an increase of P$394 million or 63% from the same quarter last year and P$216 million or 27% higher than last quarter. Both the year-over-year and quarter-over-quarter increases were driven mainly by higher recoveries and gains on the sale of foreclosed assets, partially offset by higher write offs.

Provision for credit losses

Scotiabank Mexico **Provision for credit losses (net)**	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2011	December 31, 2010	March 31, 2010
Provision for credit losses	(566)	(604)	(652)
Loan loss recoveries (reported in Other operational income, net)	103	307	97
Total provision for credit losses (net)	**(463)**	**(297)**	**(555)**

New guidelines on mortgage and personal loan provisioning published by the CNBV were applied to the provisions this quarter resulting in a net reduction of P$71 million.

Provisions for credit losses, net of recoveries, were P$463 million this quarter, an improvement of P$92 million or 17% from the same quarter last year. Provisions for credit losses, excluding recoveries, were P$566 million, a decrease of P$86 million or 13% from the same quarter last year. The reduction was due to lower delinquencies and lower provisions in mortgages (due to the new guidelines) and credit cards which were offset by higher provisions on personal loans (due to the new guidelines) and commercial loans.

Provisions for credit losses, net of recoveries, were up P$166 million or 56% from last quarter. This increase was due to the effect, last quarter, of recoveries on the early termination of the government's mortgage support program. Excluding recoveries, provisions for credit losses decreased P$38 million or 6% from the previous quarter. The slightly lower provisions were due to lower credit card and mortgage provisions (due to the new guidelines), partially offset by higher provisions on personal loans (due to the new guidelines and higher delinquencies) and commercial loans.

Non-Interest Expenses

The Bank's productivity ratio[1] was 57.3% this quarter, up from 56.3% in the same quarter last year but better than the 61.7% last quarter.

Scotiabank Mexico **Non-Interest Expenses**	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2011	December 31, 2010	March 31, 2010
Personnel expenses	(1,036)	(850)	(925)
Other operating expenses	(1,303)	(1,573)	(1,149)
Total non-interest expenses	**(2,339)**	**(2,423)**	**(2,074)**

Non-interest expenses were P$2,339 million this quarter, up P$265 million from the same quarter last year but down P$84 million from last quarter. Compared to the same quarter last year, other operating expenses increased P$154 million or 13% due primarily to an increase in marketing expenses and professional fees. Personnel expenses were up P$111 million or 12% as a result of higher PTU and higher salary costs due to the expansion of our customer call centre.

Other operating expenses were down P$270 million or 17% from the previous quarter, due primarily to lower marketing expenses and the effect, last quarter, of terminating the credit card loyalty program. Personnel expenses of P$1,036

[1] Productivity ratio is defined as Non-interest expenses as a percentage of the sum of net interest income and other income. A lower ratio indicates improved productivity.

million this quarter were P$186 million or 22% higher than the previous quarter, due largely to higher PTU expenses and growth of our salary base due to the hiring of personnel in our contact centre.

Participation in results of non-consolidated subsidiaries and associated companies

There was no participation in the results of non-consolidated subsidiaries and associated companies this quarter.

Tax

Scotiabank Mexico **Taxes**	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2011	December 31, 2010	March 31, 2010
Income tax current	(162)	(84)	(225)
Income tax deferred	(176)	(11)	27
Total Taxes	**(338)**	**(95)**	**(198)**

Total income tax expense was P$338 million this quarter, up P$140 million from the same quarter last year. The increase was due primarily to higher deferred taxes, partially offset by lower current taxes resulting from higher deductible loan loss provisions. Total income tax expense was up P$243 million from last quarter due to higher deferred taxes and the effect of lower inflation and lower deductible loan loss provisions.

Balance Sheet

As at March 31, 2011, the Bank's total assets were P$190.6 billion, an increase of P$25.7 billion or 16% from a year ago, and P$10.7 billion or 6% higher than last quarter. The increase from a year ago was due primarily to strong growth in mortgages and loans to businesses and government entities, as well as higher other assets, partially offset by lower credit card and other personal loans and deposits and securities positions.

Scotiabank Mexico – Condensed Balance Sheet *(P$ millions; Consolidated with subsidiaries)*	**March 31, 2011**	**December 31, 2010**	**March 31, 2010**
Cash, banks, securities	49,232	62,291	50,532
Performing loans	106,854	102,235	96,627
Past due loans	3,621	3,788	3,981
Allowance for loan losses	(3,823)	(3,913)	(4,044)
Other assets	34,687	15,447	17,736
Total assets	**190,571**	**179,848**	**164,832**
Deposits	127,193	125,853	110,884
Loans from banks	4,653	4,604	3,762
Other liabilities	30,298	21,830	24,390
Capital	28,427	27,561	25,796
Total liabilities and capital	**190,571**	**179,848**	**164,832**

Performing Loans

Scotiabank Mexico – Performing Loan Portfolio *(P$ millions; Consolidated with subsidiaries)*	**March 31, 2011**	**December 31, 2010**	**March 31, 2010**
Credit card and other personal loans	15,594	15,704	17,073
Mortgages	40,663	40,492	38,913
Total personal loans	**56,257**	**56,196**	**55,986**
Business loans	35,415	34,799	31,010
Loans to financial institutions	3,082	2,258	3,328
Loans to government entities	12,100	8,982	6,303
Total business, financial and government	**50,597**	**46,039**	**40,641**
Total performing loans	**106,854**	**102,235**	**96,627**

The Bank's retail lending portfolio grew by P$0.3 billion from last year. This growth was concentrated in the mortgage portfolio which increased by P$1.8 billion or 4% from the same period last year and P$0.2 billion from last quarter.

Total business, financial and government loans grew by P$10 billion or 24% from the same quarter last year and by P$4.6 billion or 10% from last quarter.

Past due loans

Scotiabank Mexico – Past Due Loan Portfolio *(P$ millions; Consolidated with subsidiaries)*	**March 31, 2011**	**December 31, 2010**	**March 31, 2010**
Past due loans	3,621	3,788	3,981
Allowance for credit losses	(3,823)	(3,913)	(4,044)
Net past due loans	**(202)**	**(125)**	**(63)**
Past due loans as a percent of total loans	3.3%	3.6%	4.0%
Allowance for credit losses as a percent of past due loans	106%	103%	102%

Gross past due loans totalled P$3,621 million this quarter, a reduction of P$360 million or 9% from the same period last year, and P$167 million or 4% lower than last quarter. The Bank's allowance for credit losses was lower both year-over-year and quarter-over-quarter due primarily to lower delinquencies in mortgages, credit cards and personal loans partially offset by higher delinquencies in commercial loans.

As a percent of past due loans, allowance for credit losses was 106% as at March 31, 2011, up from 102% a year ago and from 103% last quarter.

At March 31, 2011, the Bank's past due loan portfolio was 3.3% of the total portfolio compared to 4.0% in the same quarter last year and 3.6% in the prior quarter. The reduction from the same period one year ago was due to lower retail delinquencies.

Deposits

Scotiabank Mexico – Deposits *(P$ millions; Consolidated with subsidiaries)*	**March 31, 2011**	**December 31, 2010**	**March 31, 2010**
Total demand and saving	**57,175**	**61,919**	**55,781**
Term deposits from customers	48,705	48,402	50,875
Money market term deposits (Wholesale)	15,086	9,312	-
Total term deposits	**63,791**	**57,714**	**50,875**
Investment Certificates	**6,227**	**6,220**	**4,228**
Total deposits	**127,193**	**125,853**	**110,884**

Demand and saving deposits totalled P$57.2 billion as at March 31, 2011, an increase of P$1.4 billion or 2% over the same period last year, but P$4.7 billion or 8% lower from last quarter. The year-over-year increase reflects the Bank's continuing emphasis on growing its cost-efficient core deposit base, supported by its no-interest, no-fees customer account. The quarter-over-quarter reduction reflects normal seasonal fluctuations.

Total term deposits increased P$12.9 billion or 25% year-over-year and P$6.1 billion or 11% from last quarter. The increase in both the year-over-year and quarter-over-quarter term deposits reflects favourable funding opportunities in the market.

Investment certificates increased P$2 billion from the same quarter last year due to a placement of long term floating rate bonds as part of the existing bond issuance program.

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Attachment 2 Notes

This document has been prepared by the Group solely for the purposes of providing financial and other information to the markets. All official information (financial and other) of the Group and its subsidiaries is published in Spanish and is furnished to the Mexican financial authorities as required under applicable law and regulations. The information (financial and other) in Spanish published by the Group and its subsidiaries and furnished to the Mexican financial authorities is the only official information (financial and other) of the Group and its subsidiaries that should be used for purposes of determining the financial situation of the Group and its subsidiaries.

The information contained herein is based on financial information of each of the entities described herein. Results for any interim period are not necessarily indicative of results that maybe achieved for a full fiscal year or any other interim period. The financial information contained herein has been prepared in accordance with accounting principles and regulations issued by the National Banking and Securities Commission. The foregoing regulations and accounting principles may differ from each other and from generally accepted accounting principles established by the Mexican Institute of Public Accounting ("Mexican GAAP"). Such accounting practices and principles also differ from generally accepted accounting principles and U.S. Securities and Exchange Commission guidelines applicable to such institutions in the United States of America ("U.S. GAAP"). No reconciliation to U.S. GAAP of any of the financial information contained herein has been made. The information contained herein is not, and should not be interpreted as a solicitation of an offer to purchase, or an offer to sell, any securities of the companies described herein.

Some balances, totals and percentage calculations in this press release may differ slightly to the same balances, totals and/or percentage calculations disclosed elsewhere within this document and/or to the same balances, total and/or percentage calculations in the financial statements due to rounding.

Special Accounting rules

Change in rating methodology for non-revolving and mortgage loans

On October 25, 2010, the resolution revising the regulations generally applicable to credit institutions was published in the Federal Official Gazette, concerning the estimate of the loan loss reserves, which will become effective beginning on March 1, 2011, for the purpose of replacing the current model for setting up loan reserves based on losses incurred with a model based on expected losses, for consumer loan and housing mortgage loan portfolios as follows:

a. **Rating of consumer loan portfolio –** The consumer loan portfolio must be divided into two groups: a) non-revolving consumer loans and b) credit card and other revolving loans. In the specific case of the latter group, the methodology followed for computing the loan loss reserves for the credit card loan portfolio, which became effective in FY 2009, is also applicable to the other revolving loan portfolio. In the case of the non-revolving consumer loan portfolio, the loan loss reserve will be computed based on the figures as of the last day of each month, irrespective of whether payments are made on a weekly, semi-monthly or monthly basis. Additionally, consideration is given to factors such as: i) due amount, ii) payment made, iii) days of default, iv) total term, v) remaining term, vi) original loan amount, vii) original asset value, viii) outstanding loan balance and ix) type of loan. The total amount of the reserve to be set up for each loan is arrived at by multiplying the likelihood of default by the loss seriousness and the default exposure.

b. **Rating of housing loan portfolio –** The reserve is to be set up based on the figures as of the last day of each month. Additionally, factors such as the following are taken into consideration: i) due amount, ii) payment made, iii) house value, iv) outstanding loan balance, v) days of default, vi) loan denomination and vii) record. The total amount of the reserve to be set up for each loan is arrived at by multiplying the likelihood of default by the loss seriousness and the default exposure.

The seriousness of the loss will be determined based on the component of the loan recovery rate, which is affected when the loan is secured by a surety trust or judicial convention classifying by region the federal localities to which the relevant courts pertain.

Furthermore, internal methodologies authorized by the Banking Commission may be used for both consumer and housing mortgage loan portfolios. The initial effect from the change in the amount of the aforementioned reserves to be set up must be recognized for the figures as of March 31, 2011 at the latest, affecting prior years' results of operations, in accordance with the provisions of paragraph 11 of FRS B-1 "Accounting changes and error corrections".

As a result of adopting the new provisioning models, the allowances for credit losses are less than would have been calculated under the previous provisioning models. The Bank is adopting the new provisioning model on a prospective basis.

Attachment 3

GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
LORENZO BOTURINI No. 202, PISO 2, COL. TRANSITO, MEXICO, D.F. C.P. 06820
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

ASSETS

FUNDS AVAILABLE			13,331
MARGIN ACCOUNTS			84
FINANCIAL INSTRUMENTS			
Securities – available for trading		33,896	
Securities – available for sale		3,799	
Securities – held to maturity		1,915	39,610
REPURCHASE AGREEMENTS (DEBTOR)			4,904
DERIVATIVES			
Trading		1,730	
Hedge		79	1,809
MARK TO MARKET ADJUSTMENT RELATED TO HEDGING OF FINANCIAL INSTRUMENTS			148
LOAN PORTFOLIO			
Business loans		50,586	
Commercial	35,415		
Financial intermediaries	3,071		
Government loans	12,100		
Consumer loans		15,595	
Mortgages loans		40,663	
TOTAL CURRENT LOAN PORTFOLIO		106,844	
PAST-DUE LOAN PORTFOLIO			
Business loans		484	
Commercial	441		
Financial intermediaries	43		
Consumer loans		660	
Mortgages loans		2,477	
TOTAL PAST-DUE PORTFOLIO		3,621	
LOAN PORTFOLIO		110,465	
(-) LESS:			
ALLOWANCE FOR LOAN LOSSES		3,823	
LOAN PORTFOLIO (NET)		106,642	106,642
SECURITIZATION RECEIVABLE			207
OTHER RECEIVABLES (NET)			30,242
FORECLOSED ASSETS (NET)			11
PROPERTY, FURNITURE AND EQUIPMENT (NET)			3,779
LONG-TERM INVESTMENT IN EQUITIES			82
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)			583
OTHER ASSETS			
Deferred, advanced and intangibles charges		1,146	
Short and long term assets		757	1,903
TOTAL ASSETS			**203,335**

LIABILITIES AND STOCKHOLDERS' EQUITY

FUNDING			
Demand and saving deposits		57,172	
Term deposits		63,759	
General public	63,759		
Issue credit certificates		6,228	127,159
BANK AND OTHER LOANS			
Demand		62	
Short term		2,853	
Long term		1,738	4,653
REPURCHASE AGREEMENTS			15,087
COLLATERAL SOLD OR GIVEN IN GUARANTEE			
Securities Receivable		143	143
LIABILITIES RELATED TO SECURITIES IN THE COURSE OF SETTLEMENT			5,357
DERIVATIVES			
Trading		3,844	
Hedge		268	4,112
OTHER PAYABLES			
Income taxes		39	
Employee profit sharing		306	
Creditors pending settlements		9,520	
Creditor by colateral received in cash		33	
Sundry creditors and other payables		5,130	15,028
DEFERRED CREDITS AND ADVANCED COLLECTIONS			
Deferred Credits		415	
Advanced Collections		553	968
TOTAL LIABILITIES			**172,507**
STOCKHOLDERS' EQUITY			
PAID-IN CAPITAL			
Capital stock		4,507	4,507
CAPITAL SURPLUS			
Capital reserves		901	
Results from previous years		24,098	
Effects from valuation of securities available for sale		339	
Effects from valuation of hedging instruments		66	
Net result		917	26,321
TOTAL STOCKHOLDERS' EQUITY			**30,828**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			**203,335**

MEMORANDUM ACCOUNTS

Cash Balances	9	
Transaction settlement	(110)	
Other	173	72
Securities held in custody		201,475
Transactions on behalf of customers		
Securities operations	28,102	
Securities receivable operations	143	
Collaterals received in guarantee	111	
Collaterals given in guarantee	2,035	
Administrative trusts	160	30,551
Investment bank transaction on behalf of third parts (net)		62,329
TOTAL ON BEHALF OF THIRD PARTIES		294,427

Assets and liabilities contingent		3,773
Assets in trust s or mandate		
Trust	116,395	
Mandate	26,821	143,216
Assets in custody or under administration		650,204
Commitment loans		3,040
Collateral received for the entity		
Government paper	49,329	
Investment in Financial Instruments	320	
Other	50,278	99,927
Collateral received and sold or delivered in guarantee for the entity		
Goverment paper	74,827	
Investment in Financial Instruments	143	74,970
Interest not collected from past due portfolio		224
Other control accounts		797,049
TOTAL OWN OPERATIONS		1,772,403

"These balance sheets, consolidated with those of the financial and other entities comprising the Group that are subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission based on Article 30 of the Law that Regulates Financial Groups, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the transactions carried out by the Holding Company and the financial and other entities comprising the Group that are subject to consolidation, through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These balance sheets were approved by the Board of Directors under the responsibility of the following officers."

The historical capital stock amounts to $ 3,111 million as March 31, 2011".

NICOLE REICH DE POLIGNAC	DIEGO M. PISINGER ALTER	KEN PFLUGFELDER	GORDON MACRAE
PRESIDENT	DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	DIVISIONAL DIRECTOR AUDIT	DIRECTOR GROUP ACCOUNTING

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GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
LORENZO BOTURINI No. 202, PISO 2 COL. TRANSITO, MEXICO, D.F. C.P. 06820
CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD JANUARY 1 TO MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Total interest earned		3,955
Total interest paid		1,345
Net interest profit		**2,610**
Provision for credit losses		566
Net interest profit, after provision for credit losses		**2,044**
Commissions earned	811	
Commissions paid	101	
Revenues from intermediation	52	
Other operational net income	977	
Administrative and operating expenses	2,487	(748)
Total operating revenues		**1,296**
Net income before income tax		**1,296**
Current income tax	231	
Deferred income tax	(148)	379
Net Income before discontinued operations		**917**
Net Income		917
Net Income including Controller Partipation		**917**

"These statement of income, consolidated with those of the financial and other entities comprising the Group that are subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission based on article 30 of the Law that Regulates Financial Groups, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the revenues and costs relating to the transactions carried out by the Holding Company and the financial and other entities comprising the Group that are subject to consolidation, through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated statements of income were approved by the Board of Directors under the responsibility of the following officers".

NICOLE REICH DE POLIGNAC	DIEGO M. PISINGER ALTER	KEN PFLUGFELDER	GORDON MACRAE
PRESIDENT	DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	DIVISIONAL DIRECTOR AUDIT	DIRECTOR GROUP ACCOUNTING

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GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
LORENZO BOTURINI No. 202 PISO 2, COL. TRANSITO, MEXICO, D.F. C.P. 06820
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE PERIOD JANUARY 1, TO MARCH 31, 2011
(EXPRESSED IN MILLIONS OF MEXICAN PESOS)

CONCEPT	Paid-in Capital	Capital Surplus					
	Capital stock	Statutory reserves	Results from Previous years	Result from valuation of available-for-sale securities	Result from valuation of Hedging instruments	Net income	Total stockholders' equity
Balances as of December 31 , 2010	**4,507**	**901**	**21,162**	**332**	**50**	**2,936**	**29,888**
ITEMS RELATED TO STOCKHOLDERS DECISIONS							
Issuance of shares							
Capitalisation of profits							
Creation of reserves							
Transfer of prior years results	-	-	2,936	-	-	(2,936)	**-**
Total	**-**	**-**	**2,936**	**-**	**-**	**(2,936)**	**-**
ITEMS RELATED TO RECOGNITION OF COMPREHENSIVE INCOME							
Comprehensive income							
Net income						917	**917**
Result from valuation of available-for-sale securities				7			**7**
Result from valuation of hedging instruments					16		**16**
		-					
Total	**-**	**-**	**-**	7	16	917	**940**
Balances as of March 31, 2011	**4,507**	**901**	**24,098**	**339**	**66**	**917**	**30,828**

"These statement of changes stockholders' equity, consolidated with those of the financial and other entities comprising the Group that are subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission based on article 30 of the Law that Regulates Financial Groups, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they all the stockholders' equity account entries relating to the transactions carried out by the Holding Company and the financial and other entities comprising the Group that are subject to consolidation, through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated statements of changes in stockholders' equity were approved by the Board of Directors under the responsibility of the following officers".

NICOLE REICH DE POLIGNAC	DIEGO M. PISINGER ALTER	KEN PFLUGFELDER	GORDON MACRAE
PRESIDENT	DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	DIVISIONAL DIRECTOR AUDIT	DIRECTOR GROUP ACCOUNTING

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GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
LORENZO BOTURINI No. 202 PISO 2, COL. TRANSITO, MEXICO, D.F. C.P. 06820
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD JANUARY 1 TO MARCH 31, 2011
(EXPRESSED IN MILLIONS OF MEXICAN PESOS)

Net income		**917**
Adjustments for items that not imply cash flow:		
Provision for credit losses	566	
Provision for difficult or not collection	4	
Losses for deterioration or cancel effect associated with investment and funding activities	(1)	
Depreciation and amortization	76	
Provisions	219	
Income tax (current and deferred)	372	
Other	(574)	662
Operation activities		
Change in margin accounts		174
Change in investment securities		(1,610)
Change in repurchase agreements (debtor)		9,806
Change in derivates (assets)		1,544
Change in loan portfolio		(5,109)
Change in foreclosed assets		12
Change in other operational assets		(20,962)
Change in funding		1,334
Change in bank and other loans		49
Change in liabilities related to securities in the course or settlement		5,318
Change in repurchase agreements (creditor)		(8,133)
Change in collateral sold or in guarantee		17
Change in derivates (liabilities)		(787)
Change in other operational liabilities		9,920
Change in hedging instruments related to hedged operating activities		3
Operation activities cash flow		**(8,424)**
Investment activities		
Payments for acquisition of property, furniture and equipment		(82)
Collections for regulation in subsidiaries and associated companies		(1)
Payments for acquisition of intangible assets		(1)
Investment activities cash flow		**(84)**
Financing activities		
Payments in cash (dividends)		(439)
Financing activities cash flow		**(439)**
Net Increase or Decrease in cash		**(7,368)**
Cash flow adjustments in foreign exchange and inflation variations		**-**
Cash and equivalent at the beginning of the period		**20,699**
Cash and equivalent at the final of the period		**13,331**

"These statement of cash flow, consolidated with those of the financial and other entities comprising the Group that are subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission based on article 30 of the Law that Regulates Financial Groups, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the cash entrance and cash outflow of funds relating to the transactions carried out by the Holding Company and the financial and other entities comprising the Group that are subject to consolidation, through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated statement of cash flow were approved by the Board of Directors under the responsibility of the following officers".

NICOLE REICH DE POLIGNAC	DIEGO M. PISINGER ALTER	KEN PFLUGFELDER	GORDON MACRAE
PRESIDENT	DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	DIVISIONAL DIRECTOR AUDIT	DIRECTOR GROUP ACCOUNTING

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GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
CONSOLIDATED BALANCE SHEET
(EXPRESSED IN MILLION OF MEXICAN PESOS)

ASSETS	March- 11	December-10	March-10
Funds Available	**13,331**	**20,699**	**21,188**
Margin Accounts	**84**	**257**	**177**
Financial Instruments	**39,610**	**37,987**	**41,953**
Securities – available for trading	33,896	31,070	31,453
Securities – available for sale	3,799	5,022	8,684
Securities – held to maturity	1,915	1,895	1,816
Repurchase Agreements (Debtor**)**	**4,904**	**14,711**	**2,708**
Derivatives	**1,809**	**2,136**	**2,102**
Trading	1,730	2,054	1,949
Hedge	79	82	153
Mark to Market Adjustment Related to Heading of Financial Instruments	**148**	**245**	**267**
Current Loan Portfolio	**106,844**	**102,224**	**96,544**
Business loans	50,586	46,028	40,558
Consumer loans	15,595	15,704	17,073
Mortgage loans	40,663	40,492	38,913
Past Due Loan Portfolio	**3,621**	**3,788**	**3,982**
Business loans	484	331	450
Consumer loans	660	894	1,016
Mortgage loans	2,477	2,563	2,516
Loan Portfolio	**110,465**	**106,012**	**100,526**
(-) Less Allowance for Loan Losses	3,823	3,913	4,044
Loan Portfolio (Net)	**106,642**	**102,099**	**96,482**
Securitization Receivable	**207**	**205**	**219**
Other Receivable (Net)	**30,242**	**9,469**	**12,549**
Foreclosed Assets (Net)	**11**	**23**	**25**
Property, Furniture and Equipment (Net)	**3,779**	**3,771**	**3,451**
Long-term Investment in Equities	**82**	**81**	**90**
Deferred Taxes and Employee Profit Sharing (Net)	**583**	**810**	**606**
Other Assets	**1,903**	**1,723**	**1,910**
Total Assets	**203,335**	**194,216**	**183,727**
LIABILITIES AND STOCKHOLDERS EQUITY			
Funding	**127,159**	**125,825**	**110,784**
Demand and saving deposits	57,172	61,913	55,719
Term deposits	63,759	57,692	50,837
Issue credit certificates	6,228	6,220	4,228
Bank and Other Loans	**4,653**	**4,604**	**3,762**
Repurchase Agreements	**15,087**	**23,220**	**25,482**
Collateral Sold or Given in Guarantee	**143**	**126**	**304**
Liabilities Related to Securities in the Course of Settlement	**5,357**	**39**	**1,470**
Derivatives	**4,112**	**4,381**	**3,088**
Trading	3,844	3,975	2,755
Hedge	268	406	333
Other Payables	**15,028**	**5,182**	**10,161**
Income Taxes	39	196	152
Employee profit sharing	306	268	351
Creditors pending settlements	9,520	531	4,294
Creditors by colateral receivable in cash	33	45	
Sundry creditors and other payables	5,130	4,142	5,364
Deferred Credits and Advanced Collections	**968**	**951**	**834**
Total Liabilities	**172,507**	**164,328**	**155,885**
STOCKHOLDER´S EQUITY			
Paid -In Capital	**4,507**	**4,507**	**4,507**
Capital Surplus	**26,321**	**25,381**	**23,335**
Capital reserves	901	902	901
Results from previous years	24,098	21,161	21,161
Effects from valuation of securities available for sale	339	333	314
Effects from valuation of hedging instruments	66	49	106
Net result	917	2,936	853
Total Stockholder´s Equity	**30,828**	**29,888**	**27,842**
Total Liabilities and Stockholder´s Equity	**203,335**	**194,216**	**183,727**

GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
CONSOLIDATED BALANCE SHEET
(EXPRESSED IN MILLION OF MEXICAN PESOS)

MEMORANDUM ACCOUNTS	March-11	December-10	March-10
OPERATIONS ON BEHALF THIRD PARTIES			
Customer current accounts	72	72	(86)
Cash Balances	9	9	13
Transaction settlement	(110)	(29)	(103)
Other	173	92	4
Custody Operations	201,475	191,682	180,835
Securities hed in custody	201,475	191,682	180,835
Transactions on Behalf of Customers	30,551	32,594	38,790
Securities operations	28,102	30,141	36,472
Securities receivable operations	143	-	204
Collateral received in guarantee	111	107	84
Colaterals given in guarantee	2,035	2,193	1,893
Administrative trusts	160	154	137
Investment bank transaction on behalf of third parts (net)	62,329	68,375	1,178
TOTAL ON BEHALF OF THIRD PARTIES	**294,427**	**292,723**	**270,717**
OWN OPERATIONS			
Assets and liabilities contingent	3,773	3,527	2,392
Assets in trust or mandate	143,216	141,336	137,860
Trust	116,395	114,513	111,036
Mandate	26,821	26,823	26,825
Assets in custody o under administration	650,204	569,590	572,413
Commitment loans	3,040	2,665	2,204
Collateral received for the entity	99,927	85	109,808
Goverment paper	49,329	85	109,225
Investment in Financial Instruments	320	-	50
Other	50,278	-	533
Collateral received and sold or delivered in guarantee for the entity	74,970	-	44,961
Goverment paper	74,827	-	44,596
Bank paper	-	-	49
Investment in Financial Instruments	143	-	315
Interest not collected from past due portfolio	224	-	171
Other control accounts	797,049	33,541	718,575
TOTAL OWN OPERATIONS	**1,772,403**	**225,309**	**1,588,384**

GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
CONSOLIDATED STATEMENT OF INCOME
(EXPRESSED IN MILLION OF MEXICAN PESOS)

	3 MONTHS		
	March-11	**December -10**	**March-10**
Total interest earned	3,955	4,020	3,640
Total interest paid	1,345	1,362	1,074
Net interest profit	**2,610**	**2,658**	**2,566**
Provision for credit losses	566	604	652
Net interest profit, after provision for credit losses	**2,044**	**2,054**	**1,914**
Commissions earned	811	795	772
Commissions paid	101	112	94
Revenues from intermediation	52	81	114
Other operational net income	977	780	579
Administrative and operating expenses	2,487	2,594	2,201
Total operating revenues	**1,296**	**1,004**	**1,084**
Participation in the results of subsidiaries unconsolidated and asociated	-	3	-
Net income before income tax	**1,296**	**1,007**	**1,084**
Current income tax	231	(105)	280
Deferred income tax	(148)	(24)	(49)
	379	**(129)**	**(231)**
Net Income before discontinued operations	**917**	**878**	**853**
Net Income after tax	**917**	**878**	**853**
Net Income including Controller Participation	**917**	**878**	**853**

Attachment 4

SCOTIABANK INVERLAT, S.A.
INSTITUCION DE BANCA MULTIPLE
GRUPO FINANCIERO SCOTIABANK INVERLAT.
LORENZO BOTURINI 202 COL.TRÁNSITO, MEXICO D.F. C.P. 06820 DELEGACIÓN CUAUHTEMOC D.F.
BALANCE SHEETS CONSOLIDATED WITH ITS SUBSIDIARIES AS AT MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

ASSETS

FUNDS AVAILABLE			13,322
MARGIN ACCOUNTS			74
FINANCIAL INSTRUMENTS			
Securities – available for trading		19,352	
Securities – available for sale		3,298	
Securities – held to maturity		1,915	24,565
REPURCHASE AGREEMENTS (DEBTOR)			9,273
DERIVATIVES			
Trading		1,771	
Hedge		78	1,849
MARK TO MARKET ADJUSTMENT RELATED TO HEDGING OF FINANCIAL INSTRUMENTS			148
LOAN PORTFOLIO			
Business loans		50,596	
Commercial	35,415		
Financial intermediaries	3,081		
Government loans	12,100		
Consumer loans		15,595	
Mortgages loans		40,663	
TOTAL CURRENT LOAN PORTFOLIO		106,854	
PAST-DUE LOAN PORTFOLIO			
Business loans		484	
Commercial	441		
Financial intermediaries	43		
Consumer loans		660	
Mortgages loans		2,477	
TOTAL PAST-DUE PORTFOLIO		3,621	
LOAN PORTFOLIO		110,475	
(-) LESS:			
ALLOWANCE FOR LOAN LOSSES		3,823	
LOAN PORTFOLIO (NET)			106,652
SECURITIZATION RECEIVABLE			207
OTHER RECEIVABLES (NET)			28,387
FORECLOSED ASSETS (NET)			11
PROPERTY, FURNITURE AND EQUIPMENT (NET)			3,590
LONG-TERM INVESTMENT IN EQUITIES			78
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)			647
OTHER ASSETS			
Deferred, advanced and intangible charges		1,041	
Short and long term other assets		727	1,768
TOTAL ASSETS			**190,571**

LIABILITIES AND STOCKHOLDERS' EQUITY

FUNDING			
Demand and saving deposits		57,175	
Term deposits		63,791	
General public	48,705		
Money market	15,086		
Issue credit certificate		6,227	127,193
BANK AND OTHER LOANS			
Demand		62	
Short term		2,853	
Long term		1,738	4,653
REPURCHASE AGREEMENTS			8,140
LIABILITIES RELATED TO SECURITIES IN THE COURSE OF SETTLEMENT			4,888
DERIVATIVES			
Trading		2,022	
Hedge		268	2,290
OTHER PAYABLES			
Income Taxes		2	
Employee profit sharing		250	
Creditors pending settlements		8,772	
Creditors by collaterals received in cash		33	
Sundry creditors and other payables		4,955	14,012
DEFERRED CREDITS AND ADVANCED COLLETIONS			968
TOTAL LIABILITIES			**162,144**
STOCKHOLDERS' EQUITY			
PAID-IN CAPITAL			
Capital stock		7,451	
Premium from the sale of shares		473	7,924
CAPITAL SURPLUS			
Capital reserves		2,425	
Results from previous years		17,021	
Effects from valuation of securities available for sale		151	
Effects from valuation of hedging instruments		66	
Net result		840	20,503
TOTAL STOCKHOLDERS' EQUITY			**28,427**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			**190,571**

MEMORANDUM ACCOUNTS

Assets and liabilities contingent		71
Commitment loans		3,040
Assets in trust or mandate		143,213
Trust	116,392	
Mandate	26,821	
Assets in custody or under administration		524,076
Collateral received for the entity		86,680
Collateral received and sold or delivered in guarantee for the entity		27,612
Investment bank transaction on behalf of third parts (net)		62,328
Interest not collected from past due portfolio		224
Other control accounts		787,857

"These balance sheets consolidated were prepared in accordance criteria for institutions issued by the National Banking and Securities Commission based on articles 99, 101 and 102 of the Credit Institutions Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the transactions carried out by the Bank through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These balance sheets consolidated were approved by the Board Directors under the responsibility of the following officers."

The Bank's historical capital stock amounts to $ 6,200 million of pesos as March 31, 2011.

NICOLE REICH DE POLIGNAC	DIEGO M. PISINGER ALTER	KEN PFLUGFELDER	GORDON MACRAE
PRESIDENT	DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	DIVISIONAL DIRECTOR AUDIT	DIRECTOR GROUP ACCOUNTING

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SCOTIABANK INVERLAT, S.A.
INSTITUCION DE BANCA MULTIPLE
GRUPO FINANCIERO SCOTIABANK INVERLAT.
LORENZO BOTURINI 202, COL TRANSITO, C.P. 06820 DELEGACIÓN CUAUHTEMOC D.F.
STATEMENT OF INCOME OF THE BANK CONSOLIDATED WITH ITS SUBSIDIARIES
FOR THE PERIOD JANUARY 1 TO MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Total interest earned		3,592
Total interest paid		1,074
Net interest profit		**2,518**
Provision for credit losses		566
Net interest profit, after provision for credit losses		**1,952**
Commissions earned	530	
Commissions paid	89	
Revenues from intermediation	101	
Other operational income net	1,023	
Administrative and operating expenses	2,339	(774)
Total operating revenues		**1,178**
Participation in the results of subsidiaries unconsolidated and associated		-
Net income before income tax		**1,178**
Current income tax	162	
Deferred income tax (net)	(176)	338
Net Income after income tax		**840**
Discontinued operations		-
Net Income		**840**

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These statement of income consolidated were approved by the Board Directors under the responsibility of the following officers”.

NICOLE REICH DE POLIGNAC	DIEGO M. PISINGER ALTER	KEN PFLUGFELDER	GORDON MACRAE
PRESIDENT	DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	DIVISIONAL DIRECTOR AUDIT	DIRECTOR GROUP ACCOUNTING

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SCOTIABANK INVERLAT, S.A.
INSTITUCION DE BANCA MULTIPLE
GRUPO FINANCIERO SCOTIABANK INVERLAT
LORENZO BOTURINI 202 PISO 2, COL TRANSITO, C.P.06820 DELEGACIÓN CUAUHTEMOC D.F
CONSOLIDATED STATEMENT OF CHANGES IN THE CAPITAL OF THE BANK WITH ITS SUBSIDIARIES
FOR THE PERIOD DECEMBER 31, 2010 TO MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

CONCEPT	Paid-in Capital				**Capital Surplus**								Total stockholders' equity
	Capital stock	Contributions for future increases by the Shareholders' assembly	Premium from the sale of shares	Subordinate debentures	Statutory reserves	Results from previous years	Result from valuation of available-for-sale securities	Results from valuation of hedging instruments	Cumulative effect of restatement	Result from holding non-monetary assets	Net income	Non-controller participation	
Balances as of December 31, 2010	**7,451**	**-**	**473**	**-**	**2,425**	**14,402**	**142**	**49**	**-**	**-**	**2,619**	**-**	**27,561**
ITEMS RELATED TO STOCKHOLDERS DECISIONS													
Issuance of shares													
Capitalisation of profits													
Creation of reserves													-
Transfer of prior year's results						2,619					(2,619)		-
Dividend payment													
Others													
Total	-	-	-	-		**2,619**	-	-	-	-	**(2,619)**	-	-
ITEMS RELATED TO RECOGNITION OF COMPREHENSIVE INCOME													
Net income											840		**840**
Result from valuation of available-for-sale securities							9						**9**
Result from valuation of hedging instruments								17					**17**
Cumulative effect of restatement													
Result from holding non-monetary assets													
Total	-	-	-	-	-	-	**9**	**17**	-	-	**840**	**-**	**866**
Balances as of March 31, 2011	**7,451**	**-**	**473**	**-**	**2,425**	**17,021**	**151**	**66**	**-**	**-**	**840**	**-**	**28,427**

"These statement of changes in stockholders' equity consolidated were prepared in accordance criteria for institutions issued by the National Banking and Securities Commission based on Articles 99, 101 and 102 of the Credit Institutions Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the stockholders' equity account entries relating to the transactions carried out by the Bank through the dates noted above. Furthermore, these transactions were carried out and value in accordance with sound banking practices and the applicable legal and administrative provisions.

These statement of changes in stockholders' equity consolidated were approved by the Board Directors under the responsibility of the following officers".

NICOLE REICH DE POLIGNAC	DIEGO M. PISINGER ALTER	KEN PFLUGFELDER	GORDON MACRAE
PRESIDENT	DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	DIVISIONAL DIRECTOR AUDIT	DIRECTOR GROUP ACCOUNTING

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SCOTIABANK INVERLAT, S.A.
INSTITUCION DE BANCA MULTIPLE
GRUPO FINANCIERO SCOTIABANK INVERLAT
LORENZO BOTURINI 202, COL. TRANSITO C.P. 06820 DELEGACIÓN CUAUHTEMOC D.F.
CONSOLIDATED STATEMENT OF CASH FLOW OF THE BANK WITH ITS SUBSIDIARIES
FOR THE PERIOD JANUARY 1 TO MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Net income	**840**
Provision for credit losses	566
Provision for difficult or not collection	3
Losses for deterioration or cancel effect associated with investment and funding activities	(2)
Depreciation and amortization	72
Provisions	213
Income tax (current and deferred)	332
Other	(578)
Adjustments for items that not imply cash flow:	**606**
Operation activities	
Change in margin accounts	75
Change in investment securities	4,837
Change in repurchase agreements (debtor)	5,283
Change in derivates (assets)	1,178
Change in loan portfolio	(5,108)
Change in foreclosed assets	12
Change in other operational assets	(19,509)
Change in funding	1,339
Change in bank and other loans	49
Change in repurchase agreements (creditor)	(5,406)
Change in derivates (liabilities)	(559)
Change in other operational liabilities	9,518
Change in hedging instruments of hedged items related to operation activities	3
Operation activities cash flow	**(8,288)**
Investment activities	
Payments for acquisition of property, furniture and equipment	(81)
Investment activities cash flow	**(81)**
Financing activities	
Dividends paid in cash	(439)
Financing activities cash flow	**(439)**
Net Increase or Decrease in cash	**(7,362)**
Cash and equivalent at the beginning of the period	**20,684**
Cash and equivalent at the final of the period	**13,322**

“These statement of cash flow consolidated were prepared in accordance criteria for institutions issued by the National Banking and Securities Commission based on Articles 99, 101 and 102 of the Credit Institutions Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the stockholders’ equity account cash entrance and cash outflow relating to the transactions carried out by the Bank through the dates noted above. Furthermore, these transactions were carried out and value in accordance with sound banking practices and the applicable legal and administrative provisions.

These statement of cash flow consolidated were approved by the Board Directors under the responsibility of the following officers”.

NICOLE REICH DE POLIGNAC	DIEGO M. PISINGER ALTER	KEN PFLUGFELDER	GORDON MACRAE
PRESIDENT	DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	DIVISIONAL DIRECTOR AUDIT	DIRECTOR GROUP ACCOUNTING

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SCOTIABANK INVERLAT, S.A.
GRUPO FINANCIERO SCOTIABANK INVERLAT
BALANCE SHEETS CONSOLIDATED WITH ITS SUBSIDIARIES
(EXPRESSED IN MILLION OF MEXICAN PESOS)

ASSETS	March-11	December-10	March-10
Funds Available	**13,322**	**20,684**	**21,001**
Margin Accounts	**74**	**149**	**149**
Financial Instruments	**24,565**	**24,540**	**24,326**
Securities – available for trading	19,352	18,129	14,121
Securities – available for sale	3,298	4,516	8,389
Securities – held to maturity	1,915	1,895	1,816
Repurchase Agreements (Debtor**)**	**9,273**	**14,555**	**2,706**
Derivatives	**1,849**	**2,118**	**2,083**
Trading	1,771	2,037	1,931
Hedge	78	81	152
Mark to Market Adjustment Related to Heading of Financial Instruments	**148**	**245**	**267**
Current Loan Portfolio	**106,854**	**102,235**	**96,627**
Business loans	50,596	46,039	40,641
Consumer loans	15,595	15,704	17,073
Mortgage loans	40,663	40,492	38,913
Past Due Loan Portfolio	**3,621**	**3,788**	**3,981**
Business loans	484	331	450
Consumer loans	660	894	1,015
Mortgage loans	2,477	2,563	2,516
Loan Portfolio	**110,475**	**106,023**	**100,608**
(-) Less Allowance for Loan Losses	**3,823**	**3,913**	**4,044**
Loan Portfolio (Net)	**106,652**	**102,110**	**96,565**
Securitization Receivable	**207**	**205**	**219**
Other Receivable (Net)	**28,387**	**9,091**	**11,754**
Foreclosed Assets (Net)	**11**	**23**	**25**
Property, Furniture and Equipment (Net)	**3,590**	**3,579**	**3,295**
Long-term Investment in Equities	**78**	**78**	**74**
Deferred Taxes and Employee Profit Sharing (Net)	**647**	**908**	**591**
Other Assets	**1,768**	**1,563**	**1,777**
Total Assets	**190,571**	**179,848**	**164,832**
LIABILITIES AND STOCKHOLDER´S EQUITY			
Funding	**127,193**	**125,853**	**110,884**
Demand and saving deposits	57,175	61,919	55,781
Term deposits	63,791	57,714	50,875
Issue credit certificates	6,227	6,220	4,228
Bank and Other Loans	**4,653**	**4,604**	**3,762**
Repurchase Agreements	**8,140**	**13,545**	**10,691**
Liabilities Related to Securities in the Course of Settlement	**4,888**	**39**	**1,413**
Derivatives	**2,290**	**2,649**	**2,301**
Trading	2,022	2,243	1,968
Hedge	268	406	333
Other Payables	**14,012**	**4,646**	**9,151**
Income Taxes	2	137	120
Employee profit sharing	250	225	289
Creditors pending settlements	8,772	342	3,631
Creditors by collaterals received in cash	33	**-**	**-**
Sundry creditors and other payables	4,955	3,942	5,111
Deferred Credits and Advanced Collections	**968**	**951**	**834**
Total Liabilities	**162,144**	**152,287**	**139,036**
STOCKHOLDER´S EQUITY			
Paid -In Capital	**7,924**	**7,924**	**7,923**
Capital Surplus	**20,503**	**19,637**	**17,873**
Capital reserves	2,425	2,425	2,221
Results from previous years	17,021	14,402	14,606
Effects from valuation of securities available for sale	151	142	180
Effects from valuation of hedging instruments	66	49	106
Net result	840	2,619	760
Total Stockholder´s Equity	**28,427**	**27,561**	**25,796**
Total Liabilities and Stockholder´s Equity	**190,571**	**179,848**	**164,832**

SCOTIABANK INVERLAT, S.A.
GRUPO FINANCIERO SCOTIABANK INVERLAT
CONSOLIDATED BALANCE SHEET WITH SUBSIDIARIES
(EXPRESSED IN MILLION OF MEXICAN PESOS)

MEMORANDUM ACCOUNTS	March 11	December-10	March-10
OPERATIONS ON BEHALF THIRD PARTIES			
Assets and liabilities contingent	71	71	71
Commitment loans	3,040	2,665	2,204
Assets in trust s or mandate	143,213	141,330	137,858
Trust	116,392	114,507	111,033
Mandate	26,821	26,823	26,825
Assets in custody or under administration	524,076	444,845	452,495
Collaterals received for the entity	86,680	85,090	82,323
Collaterals received and sold or delivered in guarantee for the entity	27,612	19,947	17,695
Investment bank transaction on behalf of third parts (net)	62,328	68,375	51,178
Interest not collected from past due portfolio	224	214	171
Other control accounts	787,857	767,312	713,440

SCOTIABANK INVERLAT, S.A.
GRUPO FINANCIERO SCOTIABANK INVERLAT
CONSOLIDATED STATEMENT OF INCOME WITH ITS SUBSIDIARIES
(EXPRESSED IN MILLION OF MEXICAN PESOS)

	3 MONTHS		
	March-11	**December -10**	**March-10**
Total interest earned	3,592	3,680	3,308
Total interest paid	1,074	1,057	785
Net interest profit	**2,518**	**2,623**	**2,523**
Provision for credit losses	566	604	652
Net interest profit, after provision for credit losses	**1,952**	**2,019**	**1,871**
Commissions earned	530	522	517
Commissions paid	89	92	81
Revenues from intermediation	101	66	96
Other operational net income	1,023	807	629
Administrative and operating expenses	2,339	2,423	2,074
Total operating revenues	**1,178**	**899**	**958**
Participation in the results of subsidiaries unconsolidated and associated	-	2	-
Net income before income tax	**1,178**	**901**	**958**
Current income tax	162	84	225
Deferred income tax	(176)	(11)	27
	338	**95**	**198**
Net Income before discontinued operations	**840**	**806**	**760**
Discontinued operations	-	-	-
Net Income	**840**	**806**	**760**

Attachment 5

SCOTIA INVERLAT CASA DE BOLSA, S.A. DE C.V.
GRUPO FINANCIERO SCOTIABANK INVERLAT.
BOSQUE DE CIRUELOS No. 120, COL. BOSQUES DE LAS LOMAS, MEXICO D.F. C.P. 11700
BALANCE SHEETS AS AT MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

MEMORANDUM ACCOUNTS

OPERATIONS ON BEHALF THIRD PARTIES			**OWN OPERATIONS**		
CUSTOMER CURRENT ACCOUNTS			**ASSETS AND LIABILITIES CONTINGENT**		3,699
Cash balances	9				
Transaction settlement	(110)				
Other	173	72			
CUSTODY OPERATIONS			**COLLATERAL RECEIVED BY THE ENTITY**		
Securities held in custody	201,475	201,475	Government debt	30,001	
			Own instruments	320	30,321
TRANSACTIONS ON BEHALF OF CUSTOMERS					
			COLLATERAL RECEIVED, SOLD OR DELIVERED IN GUARANTEE FOR THE ENTITY		
Securities operations	28,103		Government debt	30,001	
Securities receivable operations	143		Own instruments	143	30,144
Collaterals received in guarantee	111				
Collaterals given in guarantee	2,035				
Administrative trusts	160	30,552	**Other**		**4,334**
TOTAL ON BEHALF OF THIRD PARTIES		**232,099**	**TOTAL BROKERAGE FIRM**		**68,498**

ASSETS			**LIABILITIES AND STOCKHOLDERS' EQUITY**		
FUNDS AVAILABLE		23	**BANK AND OTHER LOANS**		
			Short term	8	8
MARGIN ACCOUNTS (DERIVATES)		38			
FINANCIAL INSTRUMENTS			**LIABILITIES RELATED TO SECURITIES IN THE COURSE OF SETTLEMENTS**		469
Securities – available for trading	14,290				
Securities – available for sale	501	14,791			
			REPURCHASE AGREEMENTS – CREDITORS		11,458
REPURCHASE AGREEMENTS – DEBTORS		1			
			COLLATERAL SOLD OR GIVEN IN GUARANTEE		
DERIVATES			Securities receivable	143	143
Trading	115	115			
			DERIVATES		
			Trading	1,977	1,977
ACCOUNTS RECEIVABLE (NET)		1,847			
			OTHER PAYABLES		
PROPERTY, FURNITURE AND EQUIPMENT (NET)		154	Income tax	26	
			Employee profit sharing	38	
LONG-TERM INVESTMENTS IN EQUITIES		3	Creditors pending settlements	747	
			Sundry creditors and other payables	215	1,026
			DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)		58
OTHER ASSETS			**TOTAL LIABILITIES**		**15,139**
Deferred, advanced and intangible charges	90				
Short and long term other assets	30	120	**STOCKHOLDERS' EQUITY**		
			PAID-IN CAPITAL		
			Capital stock	551	551
			CAPITAL SURPLUS		
			Statutory reserves	46	
			Results from prior years	1,120	
			Results for valuation of securities available for sale	188	
			Net results	48	1,402
			TOTAL STOCKHOLDERS' EQUITY		**1,953**
TOTAL ASSETS		**17,092**	**EQUITY TOTAL LIABILITIES AND STOCKHOLDERS'**		**17,092**

"These balance sheets have been prepared in accordance with the accounting criteria for brokerage firms, issued by the National Banking and Securities Commission based on Article 205 last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the transactions carried out by the Brokerage Firm through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These balance sheets were approved by the Board Directors under the responsibility of the following officers."

The historical capital stock amount is $386 million as at March 31, 2011.

GONZALO ROJAS RAMOS PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	KEN PFLUGFELDER DIVISIONAL DIRECTOR AUDIT	GORDON MACRAE DIRECTOR GROUP ACCOUNTING

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SCOTIA INVERLAT CASA DE BOLSA, S.A. DE C.V.
GRUPO FINANCIERO SCOTIABANK INVERLAT
BOSQUE DE CIRUELOS No. 120 COL. BOSQUES DE LAS LOMAS, MEXICO D.F. C.P. 11700
STATEMENT OF INCOME FOR THE PERIOD JANUARY 1 TO MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Commissions and fees collected	175	
Commissions and fees paid	(9)	
Financial advisory income	23	189
Service Income		**189**
Gain on purchase and sale of securities	331	
Loss on purchase and sale of securities	(377)	
Interest income	536	
Interest expense	(446)	
Valuation gain (loss) on securities	(5)	
Net Interest Profit for Intermediation		**39**
Total Other Operating Income		**228**
Administrative and operating expenses		159
Operating income		**69**
Other income	9	
Other expense	1	8
Net income before income tax		**77**
Current income tax	50	
Deferred income tax (net)	(21)	29
Results before subsidiaries unconsolidated and associated companies		**48**
Results before discontinued operations		**48**
Net income		**48**

“These statement of income were prepared in accordance with the accounting criteria for brokerage firms, issued by the National Banking and Securities Commission based on Article 205 last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the revenues and disbursement relating to the transactions carried out by the Brokerage Firm through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These statement of income were approved by the Board Directors under the responsibility of the following officers.”

GONZALO ROJAS RAMOS PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	KEN PFLUGFELDER DIVISIONAL DIRECTOR AUDIT	GORDON MACRAE DIRECTOR GROUP ACCOUNTING

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SCOTIA INVERLAT CASA DE BOLSA, S.A. DE C.V.
GRUPO FINANCIERO SCOTIABANK INVERLAT
BOSQUE DE CIRUELOS No. 120, COL. BOSQUES DE LAS LOMAS, MEXICO D.F. C.P. 11700
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE PERIOD DECEMBER 31, 2010 TO MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

	Paid-in Capital				Capital Surplus								
CONCEPT	Capital stock	Contributions for future increases by the Shareholders' assembly	Premium from the sale of shares	Subordinated debentures	Statutory reserves	Results from previous years	Result for valuation of securities available for sale	Result from valuation of hedging instruments	Cumulative effect of restatement	Result from holding non-monetary assets	Net income	Non-controller participation	Total stockholders' equity
Balances as of December 31, 2010	**551**	**-**	**-**	**-**	**46**	**872**	**191**	**-**	**-**	**-**	**248**	**-**	**1,908**
ITEMS RELATED TO STOCKHOLDERS DECISIONS													
Issuance of shares													
Capitalisation of profits													
Creation of reserves													**-**
Transfer of prior year's results						248					(248)		**-**
Dividend payment													
Other													
Total	**-**	**-**	**-**	**-**	**-**	**248**	**-**	**-**	**-**	**-**	**(248)**	**-**	**-**
ITEMS RELATED TO RECOGNITION OF COMPREHENSIVE INCOME													
Net income											48	-	**48**
Result from valuation of available-for-sale securities							(3)						**(3)**
Result from valuation of hedging instruments													
Cumulative effect of restatement										-			-
Result from holding non-monetary assets													
Other	-			-	-	-	-			-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	(3)	-	-	-	48	-	**45**
Balances as of March 31 2011	**551**	**-**	**-**	**-**	**46**	**1,120**	**188**	**-**	**-**	**-**	**48**	**-**	**1,953**

"These statements of changes in stockholders´ equity have been prepared in conformity with the accounting criteria for brokerage firms, issued by the National Banking and Securities Commission based on Article 205 last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect all the stockholders' equity account entries relating to the transactions carried out by the Brokerage Firm through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These statement of changes in stockholders' equity were approved by the Board Directors under the responsibility of the following officers".

GONZALO ROJAS RAMOS PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	KEN PFLUGFELDER DIVISIONAL DIRECTOR AUDIT	GORDON MACRAE DIRECTOR GROUP ACCOUNTING

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SCOTIA INVERLAT CASA DE BOLSA, S.A. DE C.V.
GRUPO FINANCIERO SCOTIABANK INVERLAT
BOSQUE DE CIRUELOS No. 120 COL. BOSQUES DE LAS LOMAS, MEXICO D.F. C.P. 11700
STATEMENT OF CASH FLOW, FOR THE PERIOD JANUARY 1 TO MARCH 31, 2011
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Net income		**48**
Adjustments for items that do not imply flow of cash		
Provision for difficult or not collection	1	
Losses for deterioration or cancel effect associated with investment and funding activities	1	
Depreciation and amortization	3	
Provisions	5	
Income tax (current and deferred)	38	
Other	5	53
Operation Activities		
Change in margin accounts		(70)
Change in investment securities		(1,582)
Change in repurchase agreements (debtor)		69
Change in derivates (assets)		218
Change in other operational assets		(1,525)
Change in bank and other loans		(2)
Change in liabilities related to securities in the course of settlement		469
Change in repurchase agreements (creditor)		1,783
Change in collateral sold or in guarantee		17
Change in derivates (liabilities)		(81)
Change in other operational liabilities		468
Operation activities cash flow		**(96)**
Investment Activities		
Payments for acquisition of property, furniture and equipment		(1)
Payments for acquisition of intangible assets		(1)
Investment activities cash flow		**(2)**
Net Increase or Decrease in cash		**3**
Cash and equivalent at the beginning of the period		**20**
Cash and equivalent at the final of the period		**23**

"These statements of cash flow have been prepared in conformity with the accounting criteria for brokerage firms, issued by the National Banking and Securities Commission based on Article 205 last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the cash entrance and cash outflow of funds relating to the transactions carried out by the Brokerage Firm through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

These statement of cash flow were approved by the Board Directors under the responsibility of the following officers".

GONZALO ROJAS RAMOS PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	KEN PFLUGFELDER DIVISIONAL DIRECTOR AUDIT	GORDON MACRAE DIRECTOR GROUP ACCOUNTING

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SCOTIA INVERLAT CASA DE BOLSA, S.A. DE C.V.
GRUPO FINANCIERO SCOTIABANK INVERLAT
BALANCE SHEETS
(EXPRESSED IN MILLION OF MEXICAN PESOS)

ASSETS	March-11	December-10	March-10
Funds Available	**23**	**20**	**79**
Margin Accounts	**38**	**108**	**28**
Financial Instruments	**14,791**	**13,208**	**17,468**
Securities – available for trading	14,290	12,702	17,173
Securities – available for sale	501	506	295
Repurchase Agreements (Debtor**)**	**1**	**71**	**2**
Derivatives	**115**	**25**	**19**
Trading	115	25	19
Accounts Receivable (Net)	**1,847**	**329**	**769**
Property, Furniture and Equipment (Net)	**154**	**155**	**153**
Long-term Investment in Equities	**3**	**3**	**3**
Deferred Taxes and Employee Profit Sharing (Net)	**-**	**-**	**12**
Other Assets	**120**	**113**	**123**
Total Assets	**17,092**	**14,032**	**18,656**

LIABILITIES AND STOCKHOLDER´S EQUITY			
Bank and Other Loans	**8**	**10**	**83**
Liabilities Related to Securities in the Course of Settlement	**469**	**-**	**56**
Repurchase Agreements	**11,458**	**9,675**	**14,791**
Collateral Sold or Given in Guarantee	**143**	**126**	**304**
Derivatives	**1,977**	**1,739**	**787**
Trading	1,977	1739	787
Other Payables	**1,026**	**491**	**953**
Income Taxes	26	42	26
Employee profit sharing	38	26	45
Creditors pending settlements	747	189	662
Sundry creditors and other payables	215	234	220
Deferred Credits and Advanced Collections	**58**	**83**	**-**
Total Liabilities	**15,139**	**12,124**	**16,974**

STOCKHOLDER´S EQUITY			
Paid -In Capital	**551**	**551**	**551**
Capital Surplus	**1,402**	**1,357**	**1,131**
Capital reserves	46	46	37
Results from previous years	1,120	872	881
Effects from valuation of securities available for sale	188	191	134
Effects from valuation of hedging instruments	48	248	79
Total Stockholder´s Equity	**1,953**	**1,908**	**1,682**
Total Liabilities and Stockholder´s Equity	**17,092**	**14,032**	**18,656**

SCOTIA INVERLAT CASA DE BOLSA, S.A. DE C.V.
GRUPO FINANCIERO SCOTIABANK INVERLAT
BALANCE SHEET
(EXPRESSED IN MILLION OF MEXICAN PESOS)

MEMORANDUM ACCOUNTS	March-11	December-10	March-10
OPERATIONS ON BEHALF THIRD PARTIES			
Customer Current Accounts	**72**	**72**	**(86)**
Cash Balances	9	9	13
Transaction settlement	(110)	(29)	(103)
Other	173	92	4
Custody Operations	**201,475**	**191,682**	**180,835**
Securities held in custody	201,475	191,682	180,835
Transactions on behalf of customers	**30,552**	**32,594**	**38,790**
Securities operations	28,103	30,141	36,472
Securities receivable operations	143	-	204
Collaterals received in guarantee	111	107	84
Collaterals given in guarantee	2,035	2,193	1,893
Administrative trusts	160	154	137
TOTAL ON BEHALF THIRD PARTIES	**232,099**	**224,348**	**219,539**
OWN OPERATIONS			
Assets and liabilities contigent	3,699	3,453	2,319
Collaterals received for the entity	**30,321**	**25,239**	**27,484**
Goverment paper	30,001	24,993	26,901
Bank paper	-		50
Investment in Financial Instruments	320	246	533
Collaterals received and sold or delivered in guarantee for the entity	**30,144**	**25,119**	**27,266**
Goverment paper	30,001	24,993	26,901
Bank paper	-		50
Investment in Financial Instruments	143	126	315
Other control accounts	**4,334**	**875**	**277**
TOTALES OWN OPERATIONS	**68,498**	**54,687**	**57,346**

SCOTIA INVERLAT CASA DE BOLSA, S.A. DE C.V.
GRUPO FINANCIERO SCOTIABANK INVERLAT
STATEMENT OF INCOME
(EXPRESSED IN MILLION OF MEXICAN PESOS)

	3 MONTHS		
	March-11	**December-10**	**March-10**
Commissions and fees collected	175	181	154
Commissions and fess paid	(9)	(15)	(6)
Financial advisory Income	23	26	18
Service Income	**189**	**192**	**166**
Gain on purchase and sale of securities	331	181	65
Loss on purchase and sale of securities	(377)	(101)	(55)
Interest income	536	449	465
Interest expense	(446)	(415)	(424)
Valuation gain (loss) on securities	(5)	(67)	6
Net Interest Profit for Intermediation	**39**	**46**	**57**
Other operational income (net)	-	1	-
Total Other Operating Income	**228**	**238**	**223**
Administrative and operating expenses	159	182	125
Operating income	**69**	**56**	**98**
Other income	9	9	9
Other expense	1	1	1
	8	8	8
Net income before income tax	**77**	**64**	**106**
Current income tax	50	27	28
Deferred income tax (net)	(21)	(5)	(1)
	29	**22**	**(27)**
Results before subsidiaries unconsolidated and associated companies	**48**	**42**	**79**
Results before discontinued operations	**48**	**42**	**79**
Net income	**48**	**42**	**79**

Attachment 6

SCOTIA FONDOS, S.A. DE C.V.
SOCIEDAD OPERADORA DE SOCIEDADES DE INVERSION
GRUPO FINANCIERO SCOTIABANK INVERLAT
BOSQUE DE CIRUELOS No. 120, COL. BOSQUES DE LAS LOMAS, MEXICO D.F., C.P. 11700
BALANCE SHEET AS AT MARCH 31, 2011
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

ASSETS		
FUNDS AVAILABLE		315
SECURITIES INVESTMENT		
Securities – available for trading	254,372	254,372
OTHER ACCOUNTS RECEIVABLE (NET)		73,532
LONG-TERM INVESTMENT IN EQUITIES		1,219
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)		455
OTHER ASSETS		
Deferred, advanced and intangible charges	63	
Short and Long term assets	24	87
TOTAL ASSETS		**329,980**

LIABILITIES AND STOCKHOLDERS' EQUITY		
OTHER PAYABLES		
Income tax	6,066	
Sundry creditors and other payables	63,661	69,727
TOTAL LIABILITIES		**69,727**
STOCKHOLDERS' EQUITY		
PAID-IN CAPITAL		
Capital stock	2,586	2,586
CAPITAL SURPLUS		
Statutory reserves	517	
Results from prior years	231,574	
Net results	25,576	257,667
TOTAL STOCKHOLDERS' EQUITY		**260,253**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**329,980**

MEMORANDUM ACCOUNTS

Assets and Liabilities contingent	2,661
Assets in custody or under administration	116,169,476

"These balance sheets were prepared in accordance with the accounting criteria for mutual fund management companies, issued by the National Banking and Securities Commission based on Article 76 of the Investment Companies Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the transactions carried out by the Management Companies through the dates indicated above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These balance sheets were approved by the Board Directors under the responsibility of the following officers."

The historical capital stock amount is $ 2,000 thousands of pesos as at March 31, 2011.

ERNESTO DIEZ SANCHEZ	GORDON MACRAE
PRESIDENT	DIRECTOR GROUP ACCOUNTING

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SCOTIA FONDOS, S.A. DE C.V.
SOCIEDAD OPERADORA DE SOCIEDADES DE INVERSION
GRUPO FINANCIERO SCOTIABANK INVERLAT
BOSQUE DE CIRUELOS No. 120, COL. BOSQUES DE LAS LOMAS, MEXICO D.F. C.P. 11700
STATEMENT OF INCOME FOR THE PERIOD JANUARY 1 TO MARCH 31, 2011
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

Commissions and fees collected		188,544
Commissions and fees paid		153,211
Service Income		**35,333**
Valuation gain (loss) on securities	587	
Gain and loss on purchase and sale of securities	1,840	2,427
Net Interest Profit		**2,427**
Total Other Operating Income		**37,760**
Administrative expenses		1,808
Operating income		**35,952**
Other income	12	
Other expenses	558	(546)
Net income before income tax		**35,406**
Current income tax	9,919	
Deferred income tax (net)	(99)	9,820
Results before subsidiaries unconsolidated and associated companies		**25,586**
Participation in the results of subsidiaries unconsolidated and associated		(10)
Results before discontinued operations		**25,576**
Net income		**25,576**

"These statement of income were prepared in accordance with the accounting criteria for mutual fund management companies, issued by the National Banking and Securities Commission based on Article 76 of the Investment Companies Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the revenues and costs relating to the transactions carried out by the Management Companies through the dates indicated above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These statement of income were approved by the Board Directors under the responsibility of the following officers".

ERNESTO DIEZ SANCHEZ
PRESIDENT

GORDON MACRAE
DIRECTOR GROUP ACCOUNTING

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SCOTIA FONDOS, S.A. DE C.V.
SOCIEDAD OPERADORA DE SOCIEDADES DE INVERSION
GRUPO FINANCIERO SCOTIABANK INVERLAT
BOSQUE DE CIRUELOS No. 120, COL. BOSQUES DE LAS LOMAS, MEXICO D.F. C.P. 11700
STATEMENT OF CHANGES IN STOCKHOLDERS’ EQUITY FOR THE PERIOD DECEMBER 31, 2010 TO MARCH 31, 2011
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

CONCEPT	Paid-in Capital		Capital Surplus					
	Capital stock	Contributions for future increases by the Shareholders' assembly	Statutory reserves	Results from previous years	Result from valuation of available for sale securities	Result form holding non-monetary assets	Net income	Total stockholders’equity
Balances as of December 31, 2010	**2,586**	**-**	**517**	**135,421**	**-**	**-**	**96,153**	**234,677**
ITEMS RELATED TO STOCKHOLDERS DECISIONS								
Issuance of shares								
Capitalisation of profits								**-**
Creation of reserves								**-**
Transfer of prior year's results				96,153			(96,153)	**-**
Dividend payment								**-**
								-
								-
Total	**-**	**-**	**-**	**96,153**	**-**	**-**	**(96,153)**	**-**
ITEMS RELATED TO RECOGNITION OF COMPREHENSIVE INCOME								
Net income							25,576	**25,576**
Result from valuation of available-for-sale securities								-
Result from holding non-monetary assets								-
Total	**-**	**-**	**-**	**-**	**-**	-	25,576	**25,576**
Balances as of March 31, 2011	**2,586**	**-**	**517**	**231,574**	**-**	**-**	**25,576**	**260,253**

“These statement of changes in stockholders’ equity have been prepared in accordance with the accounting criteria for mutual fund management companies, issued by the National Banking and Securities Commission based on Article 76 of the Investment Companies Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect all the stockholders’ equity account entries relating to the transactions carried out by the Management Companies through the dates indicated above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These statement of changes in stockholders’ equity were approved by the Board Directors under the responsibility of the following officers”.

ERNESTO DIEZ SANCHEZ
PRESIDENT

GORDON MACRAE
DIRECTOR GROUP ACCOUNTING

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SCOTIA FONDOS, S.A. DE C.V.
SOCIEDAD OPERADORA DE SOCIEDADES DE INVERSION
GRUPO FINANCIERO SCOTIABANK INVERLAT
BOSQUE DE CIRUELOS No. 120, COL. BOSQUES DE LAS LOMAS, MEXICO D.F. C.P. 11700
STATEMENT OF CASH FLOW, FOR THE PERIOD JANUARY 1 TO MARCH 31, 2011
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

Net income		**25,576**
Adjustments for items that not imply cash flow		
Provisions	285	
Income tax (current and deferred)	9,819	
Participation in the result of subsidiaries non consolidated and associated	10	
Other	(587)	9,527
Operation activities		
Change in investment securities		(15,237)
Change in other operational assets		(424)
Change in other operational liabilities		(19,478)
Operation activities cash flow		**(35,139)**
Investment activities		
Payments for adquisition of subsidiaries and associated		(1,229)
Financing activities cash flow		**(1,229)**
Net Increase or Decrease in cash		**(1,266)**
Cash and equivalent at the beginning of the period		**1,581**
Cash and equivalent at the final of the period		**315**

“This statement of cash flow has been prepared in accordance with the accounting criteria for mutual fund management companies, issued by the National Banking and Securities Commission based on Article 76 of the Investment Companies Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the cash entrance and cash outflow of funds relating to the transactions carried out by the Management Companies through the dates indicated above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

This statement of cash flow was approved by the Board Directors under the responsibility of the following officers”.

ERNESTO DIEZ SANCHEZ
PRESIDENT

GORDON MACRAE
DIRECTOR GROUP ACCOUNTING

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SCOTIA FONDOS, S.A. DE C.V.
SOCIEDAD OPERADORA DE SOCIEDADES DE INVERSION
GRUPO FINANCIERO SCOTIABANK INVERLAT
BOSQUE DE CIRUELOS No. 120, COL. BOSQUES DE LAS LOMAS, MEXICO D.F. C.P. 11700
STATEMENT OF INVESTMENT LOAN VALUATION, AS AT MARCH 31, 2011
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

REFERENCE NUMBER	INVESTMENT TYPE	ISSUER	SERIES	SECURITY TYPE	MARKET RATE	RATE TYPE	CREDIT RATING	No. OF SECURITIES MANAGEMENT	No. OF SECURITIES SETTLEMENTS	No. OF SECURITIES ISSUED	AVERAGE ACQUISITI ON COST / UNIT	TOTAL ACQUISITION COST	MARKET PRICE	TOTAL MARKET VALUE	DAYS TO MATURITY
201	**D**	**SCOTIAG**	**M6**	**51**	**0**	**TR**	**AAA/2F**	**99,356,779**	**-2,026,850**	**3,320,000,011**	**2.559689**	**254,322**	**2.560187**	**254,372**	**0**
		TOTALS:										**254,322**		**254,372**	

“These statement of investment loan valuation have been prepared in accordance with the accounting criteria for mutual fund management companies, issued by the National Banking and Securities Commission based on Article 76 of the Investment Companies Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the operations of investment assests relating to the transactions carried out by the Management Companies through the dates indicated above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These statement of investment loan valuation were approved by the Board Directors under the responsibility of the following officers”.

ERNESTO DIEZ SANCHEZ
PRESIDENT

GORDON MACRAE
DIRECTOR GROUP ACCOUNTING

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SCOTIA FONDOS, S.A. DE C.V.
SOCIEDAD OPERADORA DE SOCIEDADES DE INVERSION
GRUPO FINANCIERO SCOTIABANK INVERLAT
BALANCE SHEET
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

ASSETS	March 11	December-10	March-10
FUNDS AVAILABLE	**315**	**1,581**	**15**
SECURITIES INVESTMENT			
Securities – available for trading	254,372	238,548	158,836
	254,372	**238,548**	**158,836**
OTHER ACCOUNTS RECEIVABLE (NET)	**73,532**	**73,170**	**66,927**
LONG – TERM INVESTMENT IN EQUITIES	1,219	-	
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)	455	357	**1,394**
OTHER ASSETS			
Deferred, advanced and intangible charges	63	4	165
Short and long term assets	24	20	36
	87	**24**	**201**
TOTAL ASSETS	**329,980**	**313,680**	**227,373**
LIABILITIES AND STOCKHOLDER´S EQUITY			
OTHER PAYABLES			
Income tax	6,066	16,545	5,940
Employee profit sharing	-	-	2,976
Sundry creditors and other payables	63,661	62,457	58,050
	69,727	**79,002**	**66,966**
TOTAL LIABILITIES	**69,727**	**79,002**	**66,966**
STOCKHOLDER´S EQUITY			
PAID IN CAPITAL			
Capital stock	**2,586**	**2,586**	**2,586**
	2,586	**2,586**	**2,586**
CAPITAL SURPLUS			
Statutory reserves	517	517	517
Results from prior years	231,574	135,422	135,421
Net results	25,576	96,153	21,883
	257,667	**232,092**	**157,821**
TOTAL STOCKHOLDER´S EQUITY	**260,253**	**234,678**	**160,407**
TOTAL LIABILITIES AND STOCKHOLDER´S EQUITY	**329,980**	**313,680**	**227,373**
MEMORANDUM ACCOUNTS			
Assets and Liabilities contingent	2,661	2,613	1,951
Assets in custody or under administration	**116,169,476**	**114,786,665**	**109,955,695**

SCOTIA FONDOS, S.A. DE C.V.
SOCIEDAD OPERADORA DE SOCIEDADES DE INVERSIÓN
GRUPO FINANCIERO SCOTIABANK INVERLAT
STATEMENT OF INCOME
(EXPRESSED IN THOUSAND OF MEXICAN PESOS)

	3 MONTHS		
	March 11	**December-10**	**March-10**
Commissions and fees collected	188,544	188,817	167,922
Commissions and fees paid	153,211	153,161	136,247
Service Income	**35,333**	**35,656**	**31,675**
Valuation gain (loss) on securities	587	(178)	176
Gain and loss on purchased and sale of securities	1,840	2,491	1,354
	2,427	**2,313**	**1,530**
Net Interes Profit	**2,427**	**2,313**	**1,530**
Total Other Operating Income	**37,760**	**37,969**	**33,205**
Administrative expenses	1,808	3,587	3,262
Operating income	**35,952**	**34,382**	**29,943**
Other income	12	8	386
Other expenses	558	566	394
Net income before income tax	**35,406**	**33,824**	**29,935**
Current income tax	9,919	8,707	8,191
Deferred income tax(net)	(99)	136	(139)
	9,820	8,843	8,052
Results before subsidiaries uncosolidated and associated companies	**25,586**	**24,981**	**21,883**
Participation in the results of subsidiaries unconsolidated and associated	(10)	-	-
Results before discontinued operations	**25,576**	**24,981**	**21,883**
Net income	**25,576**	**24,981**	**21,883**

Attachment 7 Grupo Scotiabank

Grupo Scotiabank Financial Indicators	2011	2010			
	Q1	**Q4**	**Q3**	**Q2**	**Q1**
ROE *(Annualised quarterly net income / average capital for the quarter)*	12.1	11.9	7.6	9.4	12.5
ROA *(Annualised quarterly net income / average of total assets for the quarter)*	2.0	2.0	1.3	1.6	2.2
Net Interest margin *(Net interest margin including credit loss provisions / average earning assets)*	5.3	5.4	5.8	5.7	5.5
Operating efficiency *(Annualised quarterly operating expenses / average of total assets for the quarter)*	5.7	6.0	6.0	6.0	5.6
Delinquency index *(Balance of past due loans at quarter end / balance total loans)*	3.3	3.6	3.9	4.0	4.0
Reserve coverage of past due loans *(Allowance for credit losses at quarter end / balance of past due loans)*	105.6	103.3	102.0	99.7	101.6
Net capital / Credit risk adjustment assets	23.72	23.66	22.94	22.51	22.66
Net capital / Total risk adjustment assets *(credit, market and operational risk)*	17.83	17.81	17.35	17.19	17.41
Liquidity *(Liquid assets / liquid liabilities)*	52.3	51.9	64.7	57.7	62.5

Note: Include the netting of Restricted Investment related to Repos.

Grupo Scotiabank Segments; *(P$ millions; as at March 31, 2011)*	**Credit & Services**	**Trading & Treasury**	**Other**	**Total Group**
Net interest income	2,302	181	127	2,610
Other income	1,359	108	272	1,739
Revenue	**3,661**	**289**	**399**	**4,349**
Provision for credit losses	(566)	-	-	(566)
Total revenue	**3,095**	**289**	**399**	**3,783**
Operating expenses	(2,126)	(147)	(214)	(2,487)
Operational profit	**969**	**142**	**185**	**1,296**
Participation in results of subsidiaries and associated companies	-	-	-	-
Income tax				(379)
Profit after income tax				**917**

Related-party transactions

During the normal course of business, The Group carries out transactions with related parties. According to the Group's policies, the Bank's Board of Directors authorizes all credit transactions with related parties, which are granted at market rates with guarantees and terms in accordance with sound banking practices.

At March 31, 2011 principal balances with related parties are for bank loans granted of P$2,158 million.

Financial Information Disclosure

The Bank of Nova Scotia ("BNS"), the controlling entity, provides diversified financial services globally, and is listed on the Toronto and New York stock exchanges. As issuer, BNS issues, amongst other information, annual and quarterly financial information prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP). The consolidated financial statements also comply with the accounting requirements of the Canadian Bank Act. The financial information includes the results of entities that are consolidated in Grupo Financiero Scotiabank Inverlat ("SBM").

Based on the requirements set forth by the Comision Nacional Bancaria y de Valores ("CNBV"), SBM issues, through its electronic page in the world wide web ("Internet"), its consolidated financial statements with figures as of March, June, September and December, prepared in accordance with the Accounting Criteria for Financial Institutions defined by the CNBV.

Reconciliation of Mexican and Canadian GAAP

The net income of MXN 878 million reported by SBM for the quarter ending December 31, 2010 is different from the MXN 765 million (CAD 63 million) figure reported by BNS since financial institutions in Mexico prepare and present their financial statements according to Mexican GAAP, which differs in some aspects from Canadian GAAP. The reconciling items can be grouped as follows:

Non-controlling interest - BNS records, as an expense, the non-controlling interest in SBM's net income.

Acquisition accounting and other Canadian GAAP adjustments- On acquisition of SBM, BNS was required to record its share of SBM's assets and liabilities at their fair value. As a result, in subsequent periods, BNS' share of SBM's net income is affected by these differences in carrying values. There are also other measurement differences between Mexican and Canadian GAAP, which are adjusted by BNS.

Summary of the main reconciling items between net income reported by SBM and net income reported by BNS for the quarter ending December 31st, 2010.

In P$ millions (except as indicated)	Q4/10
SBM consolidated net income under Mexican GAAP – per the December 2010 Press Release	878
Non-controlling interest – 2.7%	(23)
Acquisition accounting and other Canadian GAAP adjustments	(90)
SBM consolidated net income under Canadian GAAP as reported by BNS	765
SBM consolidated net income under Canadian GAAP reported by BNS in Canadian dollars	**CAD $63**

Internal Control

The internal control policies establish the internal control framework for Grupo Scotiabank and its subsidiaries and the control environment in which they operate, with the objective of having a reasonable level of confidence that the institution operates in prudent and sound manner.

An internal control model has been established to clearly identify responsibilities, subject to the premise that all the members of GSB share responsibility concerning internal control matters. The internal control model is composed of:

- A Board of Directors that is responsible for overseeing that GSB operates in accordance with sound practices and that it is effectively and efficiently managed. The Board of Directors are also responsible for approving GSB objectives and Internal Control Policies, the Conduct in Business Guidelines and other internal conduct manuals, as well as the organization's structure. The Board is also responsible for appointing GSB internal and external auditors, as well as its key officers.
- An Audit Committee assists the Board of Directors in determining and updating all internal control policies and procedures, and in verifying and evaluating them. The Audit Committee is composed of three regular directors and is presided over by an independent director. It meets on a quarterly basis.
- The Executive Management is responsible for establishing the internal control system that manages all GSB subsidiaries and verifies that they operate efficiently and effectively.
- Organizational and procedural controls supported by an effective management information system (MIS), for the Executive that allows managing GSB's exposure to risk.
- An independent audit area for purposes of supervising the effectiveness and efficiency of all controls in place.
- In additional for compliance and internal control activities, an independent area works for insurance integrity of the Internal Control System.
- Management Integral Risk Area, (UAIR like their initials in Spanish) gives support in all the process areas of risk control establishing policies and methods, keeping development and promotion which includes Self Assessment's methodology of Operative Risk.
- Very clear mandates in terms that each one of the areas and individuals, that compose GSB, is responsible for observing all internal control aspects and complying with the laws, regulations and internal policies of the institution.

In addition to the foregoing, GSB conducts itself in accordance with all applicable laws and regulations, it abides by and observes all best corporate practices, and keeps its annual certification under the 404 rule Sarbanes Oxley Law in 2010, in its capacity as a subsidiary of The Bank of Nova Scotia in Canada.

Treasury Policies

Grupo Scotiabank (GSB) administers and maintains conservative and adequate liquidity levels, always within the best industry practices and in accordance with regulatory requirements. To this end, a stable, traditional and well-diversified deposit base is maintained as well as an active participation in the inter-bank market. In addition to the solid deposit base, GSB has at its disposal a wide range of lines of credit for working capital purposes, as well as irrevocable letters of credit that can be used to cover part of its established liquid asset requirements required by the Bank of Mexico.

Together with the above, The Group has adopted policies, procedures and clear limits for liquidity administration which outline the timely steps to follow to maintain sufficient liquidity gaps and liquid assets in case of some unforeseen contingency. These policies promote the uniform distribution of cash flows and try to minimize the liquidity gaps between assets and liabilities, taking into consideration the historic movements and the various products that make up the liquidity gaps.

The Board of Directors and the Risk Committee have delegated to the Assets and Liabilities Committee, the administration and monitoring of liquidity risk within the parameters and limits established by the Board. The financial position with respect to liquidity, re-pricing, securities investment, risk and intermediation positions are periodically monitored by the Risk Administration area, that in turn, informs the Assets and Liabilities Committee and the Risk Committee for their analysis, follow-up and action as required. The Group Treasury Department is responsible for managing the liquidity risk and strategies to cover the liquidity and re-pricing gaps including taking risk positions and investing in securities.

Remuneration System

Ordinary Compensation

- Ordinary compensation is based on an Organizational Structure that distributes the functions. After this distribution is done, job levels are determined according to the duties assigned and using technical methods of job evaluation.

- To determine the salary ranges for each job level, pay scales are built according to compensation surveys and market information.

- In order to keep motivation and productivity among employees, compensation is linked to individual results measured through Performance Evaluations.

Extraordinary Compensation

- The purpose of variable or extraordinary compensation is to reward our staff according to their individual, department and the whole organization scores.

- The different Variable Compensation schemes are primarily based on market competitive research and the corresponding regulation.

- There are 2 basic Variable Compensation plans according to job profile that are applicable to employees under the Remuneration System:

    - Variable Compensation Plans for Bank and Brokerage House are divided as follows:

        - Staff / Administrative Positions

        - Commercial / Business Positions

    - Variable Compensation Plan for Scotia Capital

Adjustment Methodology

- Approved risk measurement models for each type of risk, are used depending on the type of risks that the employees generate in performing their duties.

- Variable Compensation can be adjusted and/or deferred if risk measurements for the different job positions are materialized.

Attachment 8 Scotiabank Mexico

Scotiabank Mexico Financial Indicators	**2011**	**2010**			
	Q1	**Q4**	**Q3**	**Q2**	**Q1**
ROE *(Annualised quarterly net income / average capital for the quarter)*	12.0	11.9	7.7	8.3	12.0
ROA *(Annualised quarterly net income / average of total assets for the quarter)*	1.9	1.9	1.3	1.4	2.0
Net Interest margin *(Net interest margin including credit loss provisions / average earning assets)*	5.2	5.4	5.8	5.7	5.4
Operating efficiency *(Annualised quarterly operating expenses / average of total assets for the quarter)*	5.4	5.8	5.7	5.7	5.4
Delinquency index *(Balance of past due loans at quarter end / balance total loans)*	3.3	3.6	3.9	4.0	4.0
Reserve coverage of past due loans *(Allowance for credit losses at quarter end / balance of past due loans)*	105.6	103.3	102.0	99.7	101.6
Net capital / Credit risk adjustment assets	23.72	23.66	22.94	22.51	22.66
Net capital / Total risk adjustment assets *(credit, market and operational risk)*	17.83	17.81	17.35	17.19	17.41
Liquidity *(Liquid assets / liquid liabilities)*	46.3	46.0	60.4	50.6	57.2

Note: Include the netting of Restricted Investment related to Repos.

Scotiabank Mexico Performing Loan Portfolio; *(P$ millions, as at March 31, 2011)*	**MX Pesos**	**USD**	**Total**
Business loans	28,191	7,224	35,415
Loans to financial institutions	2,918	163	3,081
Loans to government entities	10,311	1,789	12,100
Consumer loans	15,595	-	15,595
Mortgages	40,487	176	40,663
Total	**97,502**	**9,352**	**106,854**

Scotiabank Mexico Past-due Loan Portfolio; *(P$ millions, as at March 31, 2011)*	**MX Pesos**	**USD**	**Total**
Business loans	421	20	441
Loans to financial institutions	43	-	43
Consumer loans	660	-	660
Mortgages	2,449	28	2,477
Total	**3,573**	**48**	**3,621**

Scotiabank Mexico Financial Information by product and region	March 31, 2011	December 31, 2010	March 31, 2010
Performing Loan Portfolio			
Metro Division	**50.4%**	**48.2%**	**49.4%**
Metro North	22.7%	21.4%	19.7%
Metro South	27.7%	26.8%	29.7%
West Division	**23.8%**	**25.0%**	**24.7%**
Metro East	12.3%	12.8%	12.2%
Mexico Central	11.5%	12.2%	12.5%
East Division	**25.8%**	**26.8%**	**25.9%**
Mexico North	14.2%	14.6%	14.4%
Mexico South	11.6%	12.2%	11.5%
Past-due Loan Portfolio			
Metro Division	**37.6%**	**43.1%**	**46.5%**
Metro North	13.3%	13.9%	24.2%
Metro South	24.3%	29.2%	22.3%
West Division	**34.4%**	**28.6%**	**28.1%**
Metro East	13.7%	14.0%	13.9%
Mexico Central	20.7%	14.6%	14.2%
East Division	**28.0%**	**28.3%**	**25.4%**
Mexico North	13.0%	13.8%	12.5%
Mexico South	15.0%	14.5%	12.9%

Scotiabank Mexico Reconciliation of Past Due Loans *(P$ millions)*	
Balance as at December 31, 2010	**3,788**
Transfers (to) / from current loans	635
Restructured loans	(149)
Loans recovered	(1)
Loans written off	(654)
Foreign exchange	2
Balance as at March 31, 2011	**3,621**

Scotiabank Mexico Allowance for Credit Losses *(P$ millions)*			
Balance as at December 31, 2010			**3,913**
Plus:	Reserves created		566
Less:	Reserves taken into income		-
	Transfer from Trust to Bank		-
	Adjudications		11
	Charge-offs and applications relating to regular loans		643
	Commercial	-	
	Mortgage	223	
	Consumer	420	
	Charge-offs and applications relating to debtor support programs		-
	Foreign exchange		(2)
Balance as at March 31, 2011			**3,823**

Scotiabank Mexico Authorized financing that exceeds 10% Basic Capital *(P$ millions as at March 31, 2011)*		
No. of Credits	Amount	% Basic Capital
-	-	-
Financing to the 3 principal creditors		2,487

Capital management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. The objectives and practices of the Bank's capital management process are consistent with those in place as at March 31, 2010.

The two primary capital ratios used to assess capital adequacy are Tier 1 and total Tier 2 capital ratios, which are determined by dividing those capital components by risk-weighted assets. Risk-weighted assets represent the Bank's exposure to credit, market and operational risk and are computed by applying a combination of the Bank's internal credit risk parameters. On March 31, 2011 the Bank's Tier 1 capital ratio was 23.72% and total Tier 2 capital ratio was 17.83%.

Scotiabank Mexico – Capitalisation *(P$ millions; Consolidated with subsidiaries)*	**March 31, 2011***	**December 31, 2010**	**March 31, 2010**
Share capital	28,427	27,560	25,796
Less: Investment in financial companies	465	472	311
Investment in Non-financial companies	85	69	123
PTU & Income tax, deferred assets	-	201	201
Other non-allowable assets and deferred expenses	2,142	2,153	2,102
Plus: Allowable deferred tax	-	201	201
Basic capital (tier 1)	**25,735**	**24,866**	**23,260**
Allowable reserves against credits	351	457	410
Complementary capital (tier 2)	**351**	**457**	**410**
Total net capital (tier 1 + 2)	**26,086**	**25,323**	**23,670**

Scotiabank Mexico – Risk Assets *(P$ millions as at March 31, 2011)*		**Risk asset equivalent ***	**Capital requirement**
Market Risk	Operation in MXN at nominal rates	13,309	1,065
	Debt Instrument operations with "sur-charge" and adjustable rate	496	40
	Operation in MXN at real rates or rates denominated in UDIS	1,593	127
	Positions in UDIS or with yields related to inflation accounting	63	5
	Operation in foreign currencies at nominal rates	465	37
	Foreign exchange positions	397	32
	Securities positions or with yields related to a group of securities	571	46
	Total market risk	**16,894**	**1,352**
Credit Risk	Group III (weighted at 20%)	1,153	92
	Group III (weighted at 23%)	354	28
	Group III (weighted at 50%)	1,392	111
	Group III (weighted at 57.5%)	161	13
	Group III (weighted at 100%)	3	-
	Group IV (weighted at 20%)	1,609	129
	Group V (weighted at 20%)	928	74
	Group V (weighted at 50%)	1,801	144
	Group VI (weighted at 50%)	11,376	910
	Group VI (weighted at 75%)	11,264	901
	Group VI (weighted at 100%)	17,771	1,422
	Group VII – A (weighted at 100%)	34,820	2,786
	Group VII – A (weighted at 115%)	1	-
	Group VIII (weighted at 125%)	2,147	172
	Group IX (weighted at 100%)	25,211	2,017
	Total credit risk	**109,991**	**8,799**
	Total operational risk	**19,378**	**1,550**
	Total Risk Assets	**146,263**	**11,701**

**Preliminary figures pending Banco de México approval*

Scotiabank Mexico Capital Ratios	March 31, 2011*	December 31, 2010	March 31, 2010
(1) Capital to credit risk:			
Basic capital (tier 1)	23.40%	23.23%	22.27%
Complementary capital (tier 2)	0.32%	0.43%	0.39%
Total net capital (tier 1+ 2)	**23.72%**	**23.66%**	**22.66%**
(2) Capital total risk *(credit, market and operational risk)***:**			
Basic capital (tier 1)	17.60%	17.49%	17.10%
Complementary capital (tier 2)	0.24%	0.32%	0.31%
Total net capital (tier 1+ 2)	**17.83%**	**17.81%**	**17.41%**
Classification according to the general rules referred to in Article 134 bis of the Credit Institutions Law	**I**	**I**	**I**

** Preliminary figures pending Banco de Mexico approval*

Scotiabank Mexico
Composition of Securities Portfolio *(reasonable value)*
(P$ million as at March 31, 2011)

Category	Government Paper	Debt Securities	Investments in Financial Instruments	Other	Total
Trading	**14,568**	**4,663**	**32**	**89**	**19,352**
Without restriction	23	4,306	27	-	4,356
Restricted	14,545	357	5	89	14,996
Repurchase agreements	*8,620*	*357*	-	*30*	*9,007*
Others	*5,925*	-	*5*	*59*	*5,989*
Available for sale	**2,082**	**610**	**51**	**555**	**3,298**
Without restriction	2,032	610	51	555	3,248
Restricted	50	-	-	-	50
Held to maturity	**1,915**	-	-	-	**1,915**
Without restriction	1,915	-	-	-	1,915
Total securities	**18,565**	**5,273**	**83**	**644**	**24,565**

Scotiabank Mexico
Investments in non-Government Securities (In excess of 5% of net capital)
(P$ million as at March 31, 2011)

Issuer	Securities	Rate	Term	Value
INBURSA 11141	1,706,905,782	4.57%	32	1,706
INBURSA 11175	1,104,170,828	4.55%	30	1,100
BANOBRA 11175	1,505,497,912	4.55%	29	1,500
Total	**4,316,574,522**			**4,306**

Scotiabank Mexico
Rates paid on core deposits
(as at March 31, 2011)

	Average rate paid		
	Pesos	Dólares	Udis
Demand and savings	0.87%	0.05%	-
Term Deposits	3.71%	0.45%	0.01%

Scotiabank Mexico **Financial Information by product and region**	**March 31, 2011**	**December 31, 2010**	**March 31, 2010**
Demand deposits	**47.3%**	**51.7%**	**52.2%**
Metro Division	**19.4%**	**21.6%**	**22.9%**
Metro North	8.0%	8.4%	8.7%
Metro South	11.4%	13.2%	14.2%
West Division	**13.4%**	**14.1%**	**14.3%**
Metro East	6.6%	7.3%	6.8%
Mexico Central	6.8%	6.8%	7.5%
East Division	**14.5%**	**16.0%**	**15.0%**
Mexico North	6.4%	6.8%	6.6%
Mexico South	8.1%	9.2%	8.4%
Fixed Term Deposits	**40.2%**	**40.5%**	**47.6%**
Metro Division	**15.9%**	**16.4%**	**18.6%**
Metro North	7.9%	8.4%	9.3%
Metro South	8.0%	8.0%	9.3%
West Division	**10.9%**	**10.9%**	**13.0%**
Metro East	4.2%	4.3%	5.5%
Mexico Central	6.7%	6.6%	7.5%
East Division	**13.4%**	**13.2%**	**16.0%**
Mexico North	5.0%	5.2%	5.5%
Mexico South	8.4%	8.0%	10.5%
Total funding from customers	**87.5%**	**92.2%**	**99.8%**
Professional Funding	**12.5%**	**7.8%**	**0.2%**

Scotiabank Mexico
Funding from Banks and Other Organisations
(P$ million as at March 31, 2011)

Term	Loans		Other funding			Total
	Commercial Banks	Banco de México	Development Bank	Development Funds	Other	
Pesos						
Short	62	-	-	-	-	62
Medium	-	-	1,892	961	-	2,853
Long	-	-	15	1,723	-	1,738
Total	**62**	**-**	**1,907**	**2,684**	**-**	**4,653**
Average Rate*	4.43%	-	7.11%	4.75%	-	-
Other						
Short	-	-	-	-	-	-
Medium	-	-	-	-	-	-
Long	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Average Rate*	-	-	-	-	-	-
Total Interbank and other funding	**62**	**-**	**1,907**	**2,684**	**-**	**4,653**

**Average rate of March 31, 2011*

The bank does not have debt from any creditor that is greater than 10% of total liabilities as at March 31, 2011.

Bank Certificates Issuance

The main features of the Bank Certificates issuances of Scotiabank Mexico are as follow:

Issuance number	First	Third	Fifth	First *	First * - 1st Tranches	Second *
Trade Code	SCB0001 05	SCB0002 05	SCOTIAB 07	SCOTIAB 10	SCOTIAB 10	SCOTIAB 10-2
Amount issued	$400 million	$300 million	$2,000 million	$2,312 million	$830 million	$358 millions
Date	November 10, 2005	December 8, 2005	December 6, 2007	October 14, 2010	November 11, 2010	October 14, 2010
Term	3,652 days, aprox. 10 years	4,750 days, aprox. 13 years	1,820 days 65 periods 28 days, aprox. 5 years	1,820 days, aprox. 5 years	1,792 days aprox. 4 years and 11 months	2,548 days, aprox. 7 years
Guarantees	"Unsecured"	"Unsecured"	"Unsecured"	"Unsecured"	"Unsecured"	"Unsecured"
Interest rate	9.89% Fixed	9.75% Fixed	TIIE 28 - 0.09%	TIIE 28 + 0.40%	TIIE 28 + 0.40%	TIIE 28 + 0.49%
Interest payment	May 10 and November 10 each year until maturity	December 8 and June 8 each year until maturity	Each 28 days	Each 28 days	Each 28 días	Each 28 days
Principal payment	One payment at end of the term	One payment at end of the term	One payment at end of the term	One payment at end of the term	One payment at end of the term	One payment at end of the term

**Program authorized by "CNBV" in October, 2010.*

Scotiabank Mexico
Derivatives and hedging operations; as at March 31, 2011
(P$ millions, reasonable value)

	Forwards		Futures		Options		Structure operations		Swaps			
	Position		Position		Position		Position		Position		Total Asset	Total Liability
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability		
Trading	84	228	2	4	183	184	3	3	1,499	1,603	1,771	2,022
Hedging	-	-	-	-	-	-	-	-	78	268	78	268

Scotiabank Mexico
Notional amounts in derivative operations; as at March 31, 2011
(P$ million nominal values presented in currency origin)

	Forwards		Futures		Options		Swaps	
	Position		Position		Position		Position	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Trading								
USD positions	1,766	316	-	-	-	-	-	-
EUR positions	-	-	-	-	-	-	-	-
CAD Positions	-	-	-	-	-	-	-	-
USD Currency	-	-	-	-	2	2	-	-
EUR Currency	-	-	-	-	1	1	-	-
Stocks	-	-	-	-	84	84	-	-
Index	-	-	-	-	1,298	1,298	-	-
Interest rate	-	-	-	-	-	-	-	-
Pesos	-	-	29,093	1,734	-	-	64,541	66,693
USD	-	-	-	-	-	-	137	266
Hedging								
Interest rate	-	-	-	-	-	-	-	-
Pesos	-	-	-	-	-	-	9,834	8,120
USD	-	-	-	-	-	-	201	-

Scotiabank Mexico **Market Results for the three months ended March 31, 2011** *(P$ million)*		
	Mark to Market	Trading Results
Investment in securities	(2)	88
Derivative trading transactions & hedge	569	(725)
Foreign exchange & other	33	138
Total	**600**	**(499)**

Scotiabank Mexico **Deferred Taxes** *(P$ million as at March 31, 2011)*	
Assets	
Provisions for sundry obligations	210
Mark to market loss	49
Other timing difference	884
Subtotal	**1,143**
Liabilities	
Revaluation of real estate	263
Other timing differences	233
Subtotal	**496**
Net deferred taxes	**647**

As at March 31, 2011 Scotiabank Mexico does not have tax liabilities.

Scotiabank Inverlat, S.A. Clasification of the Loan Portfolio As at March 31, 2011 *(P$ million)*					
	Loan Portfolio	Allowance for Credit Losses Required			
		Commercial Loans	Consumer Loans	Mortgages Loans	Total Allowance for Credit Losses
Excepted portfolio	2,948	-	-	-	-
Classified:					
A1 / A	70,849	151	15	79	245
A2	11,130	106	-	-	106
B1 / B	20,569	407	343	158	908
B2	4,102	29	292	-	321
B3	259	49	-	-	49
C1 / C	2,231	113	229	411	753
C2	-	-	-	-	-
D	438	14	277	17	308
E	989	425	101	180	706
Total	**113,515**	**1,294**	**1,257**	**845**	**3,396**
Provisions Created					3,823
Overage (other credit reserves)					(427)

NOTES:

1. The figures for the classification of the portfolio and the creation of allowance for credit losses correspond to the balance on last day of the month and are reflected in the balance sheet of Marzo 31, 2011.

2. The Commercial credit portfolio is classified using an international borrower classification model that has been authorised by the National Banking and Securities Commissions (CNBV), and which conforms with the applicable general character provisions of the financial credit institutions credit portfolio methodology published in the Federation's Official Diary dated August 22, 2008 and for all the retail credit portfolio products in agreement to the published in the Federation's Official Diary dated October 25, 2010.

3. Other credit reserves are comprised of:

- Reserves against past due interest	$	45
- Reserves – Credit Bureau	$	270
- Reserves CNBV	$	112
Total	$	427

4. The classifications A1, B1, and C2, correspond to the Commercial portfolio and the classifications A, B, B2 and C, correspond to the Personal and Mortgages portfolio.

Early termination of mortgage programs

In accordance with the agreement on July 15, 2010 and the regulations generally applicable to early termination of support programs for housing loan borrowers, published on July 26, 2010, at the end of December 2010 was cleared in advance with the trusts of the mortgage portfolio were terminated udis and trusts, were also awarded to customers eligible for the benefits of both off the portion of the government and the Bank, establishing such effect a term loan of 5 years payable annually by the government for the portion off charge, which accrue interest on the interest rate futures Cetes to 91 days.

As at March 31, 2011 the amount of credit by the Government, was P$337 million.

The amount for which the clients who must show “Proof of payment” no later than March 31, 2011, in order for the Bank to receive the Federal Government’s portion of the conditional discount, amounts to P$6 million this amount will be deducted from credit by the government mentioned in the previous paragraph, once reviewed by the CNBV.

Credit Risk

At the close of March, 2011, the expected loss on the Bank’s total loan portfolio was P$2,132 million, while the unexpected loss was P$10,272 million. The total exposure of the loan portfolio was P$148,541 million, while the average exposure for the January-March, 2011 period was P$152,030 million.

Market Risk

The average daily value at risk observed by Scotiabank Mexico during the quarter was the following

Scotiabank **Average DailyVar** *(P$ million)*	**Q1 11**
VaR 1 day; 99%	6.32

The Value at Risk by risk factor for Scotiabank Mexico at March 31, 2011 was the following:

Scotiabank **Var by Risk Factor** *(P$ million)*	**VaR** **1 day**
Risk Factor	
Interest rate	6.22
Exchange rate	0.68
Equity	0.80
Total non diversified	**7.70**
Efect of diversification	-1.38
Total	**6.32**

The global daily average VaR for the Bank during the first quarter of 2011 was P$6.32 million and the global value at March 31, 2011 was P$2.97 million. The average values of market risk exposure of the trading portfolio during the period January-March 11 were the following:

Scotiabank *(P$ million)*	**Average Position**	**Maxium Position**	**Position Limit**	**VaR average**	**VaR Limit**
Bank	**209,575**	**221,473**	**-**	**6.33**	**52.5**
Money Market	23,787	29,122	105,000	7.56	-
Interest Rate Swaps	141,409	148,753	207,000	2.33	-
Interest Rate Futures / 3	-	-	-	5.82	-
Market Rate for interest and interest derivatives	**165,196**	**177,875**	**312,000**	**6.22**	**50**
Equities	**34**	**62**	**206**	**0.87**	**10**
IPC Futures	**-**	**-**	**2,880**	**-**	**-**
Equity Portfolio /4	**-**	**-**	**-**	**0.87**	**10**
Foreign exchange forwards / 1, 2	2,815	4,425	4,000	0.68	-
Foreign exchange/ 1, 2	1	3	55	0.20	-
Foreign exchange options / 2	2	7	800	0.08	-
Dollar futures / 3	-	-	-	-	-
Foreign exchange swaps / 2	242	248	1,500	0.02	-
Foreign Exchange and FX derivatives / 4	**3,060**	**4,683**	**6,355**	**0.68**	**10**

1/ The forwards position is a gross position (longs more shorts) and the foreign exchange position is net (longs less shorts)
2/ Figures expressed in million of US Dollars.
3/ The position and the limit are based in number of contracts in MexDer.
4/ The observed period (holding period) of the Var of currencies, capitals, interest rates and their limits are 1 day.

To interpret the VaR with an example, the average 1-day value at risk of the Bank in the money market is P$6.22 million. This means that under normal conditions, in 99 out of 100 days, the maximum potential loss is up to P$6.22 million.

During the first quarter of 2011, the Bank executed transactions in the Mexican Derivative Market, called MexDer, for interest rate futures. However, there were no transactions in US dollar futures contracts neither IPC future contracts. The following chart shows the positions and the number of contracts traded:

Scotiabank Derivatives Market, Mexder *(In number of contracts)*	**Average Position**	**Maximum Position**	**Límit Position**
Futures			
Interest rate futures - TIIE28	314,498	367,961	945,000
Interest rate futures - CE91	40,831	73,000	90,000
Futures M/2 Bonds	8,413	13,125	35,300
Interest rate futures /1	**363,742**	**454,086**	**1,070,300**
US Dollar futures /1	**-**	**-**	**10,000**

1/ The position and the limit are in number of contracts negotiated in MexDer
2/ The limit M Bond futures contracts include futures 15,000; M20 Bonds, 20,000 Bond futures contracts and 300 M10 Bond futures contracts M3.

Due to the fact that the VaR measure serves to estimate potential losses in normal conditions of market, daily testes are made under extreme conditions “stress testing” with the purpose to determine the risk exhibition considering bif fluctuations in the market prices. The risk committee has approved limit stress.

The result of the “stress testing” at March 31, 2011 was P$467 million, which compares with a limit of P$1,500 million, and thus lying within the tolerable limits. The hypothetical scenarios that are used for this test are the crisis of 1994 and 1998.

The Back Testing tests from January to March 2011 period shows the level of efficiency of green based on criteria established by the Bank of International Settlements (BIS).

The variance in the estimated economic value is P$728 million (impact over the parallel change in economic value of 100 bp in rates) and the estimated variance in financial revenues of P$289 million (impact over the margin to parallel changes of 100 bp in rates)

Market risk treatment on available for sale securities

At the end of March, 2011, the Bank's available for sale securities position was P$3,298 million.

Available for sale securities are considered on the Bank's structural position and for its risk medition are considered the reprice gap, economic value sensitivity and margin sensitivity versus interest rate exchange.

Liquidity Risk

Límit	Use *(MXN million)* March 31, 2011
Two week accumulated gap (MXP + UDIs)	(9,625)
Liquid Assets	4,243

The accumulated two-week gap shows the Bank's cash commitments for that specific period, while the Liquid Assets serve as resources for its commitments in the event that it does not have access to other funding sources**.**

Operational and Legal Risk

From January to March 2011 the Bank registered loss related for operative risk of P$19.7 million, also in case of materialize operational risk this might be caused a negative impact on the Bank´s result, in case of operational risk by P$107 million and for legal risk P$337 million, botht are reserved at 100% and represent the 1% of the Institution´s Equity of Stockholders.

Debt Rating Agencies

Scotiabank Domestic Debt Rating	Long Term	Short Term	Perspective
Fitch Ratings	AAA(mex)	F1+(mex)	Stable
Moody's	Aaa.mx	MX-1	Stable
Standard & Poor´s	mxAAA	mxA-1+	Stable

The information above is presented by Scotiabank Mexico with the sole purpose of informing its customers of the Bank's domestic credit ratings as defined by Debt Rating Agencies (Fitch Ratings, Moody's and Standard & Poor´s). These ratings could be modified without prior advice.

Dividends

At the Annual General Shareholder's meeting held on March 27, 2009 it was agreed to declare a dividend up to an amount of P$2,000,000,000.00 to be charged to retained earnings. The Assembly authorized the Board to approve the payment program.

The Shareholder’s meeting approved that the aforementioned dividend would be paid quarterly, within a range of between 0% and 45% of the quarterly net income, which was also approved by the Board. It was approved that the dividend payments would be made through “S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V.”.

At the General Shareholder's meeting held on October 8, 2010, approved the extension of the range for the dividend payment from 0% to 100% of net income to report the Company at the close of each quarter.

Payment date	**Amount**
August 28, 2009	$ 111
November 30, 2009	$ 178
March 5, 2010	$ 260
May 28, 2010	$ 299
August 31, 2010	$ 243
November 26, 2010	$ 299
March 11, 2011	$ 439

Internal & External liquidity sources

As at March 31, 2011 the Bank has the following liquidity sources:

- Securitization (Highway loans) for P$1,593 million.
- Securities Investment Portfolio for P$950 million.
- Two credit lines of USD$300 million (USD$50 million and USD$250 million).

Attachment 9 Scotia Casa de Bolsa

As the close of March 31, 2011, Total Assets were P$17,092 million, an annual decrease of P$1,564 million or 8%, primarily due to a decrease in Securities of P$2,677 million, partially offset by an increase in Other accounts receivable of P$1,078 million, due to the settlement of some transactions.

On the other hand, Total Liabilities were P$15,139 million, down P$1,835 million or 11% from the previous year. This decrease was mainly to a decrease in repurchase agreements of P$3,333 million or 23%, partially offset with an increase in derivatives trading position.

Securities held in Custody were P$201 billion, a year-over-year increase of 11% due to the improvement in enconomic environment.

For the three months ended March 31, 2011, net income was P$48 million, a decrease of P$31 million. The decrease was due mainly to an increase in administrative and operative expenses of P$34 million or 27%; primarily personnel expenses and lower intermediation revenues, partially offset with an increase of P$23 million in mutual funds and commercial paper placement fees.

Scotia Casa de Bolsa Financial Indicators					
	2011	**2010**			
	Q1	**Q4**	**Q3**	**Q2**	**Q1**
Solvency *(Total assets / Total liabilities)*	1.5	1.8	1.7	1.5	1.8
Liquidity *(Liquid assets / liquid liabilities)*	1.7	1.7	1.6	1.4	1.7
Financial leverage *(Total liabilities less trading settlement accounts / Capital)*	125.7	112.9	95.0	89.0	89.1
ROE *(Net income / Capital)*	10.0	8.9	5.8	23.3	19.4
ROA *(Net income / earning assets)*	5.41	5.5	3.3	12.1	13.7
Capital requirements / Total Capital	27.83	27.55	28.93	28.92	29.91
Financing margin / Total operating income	17.2	19.2	31.2	53.7	25.6
Operating income / Total operating income	30.6	23.4	21.6	44.1	43.8
Total operating income / Administration expenses	144.1	130.6	127.6	179.0	177.9
Administration expenses / Total operating income	69.4	76.6	78.4	55.9	56.2
Net income / Administrative expenses	30.4	22.8	15.7	56.9	62.7
Personnel expenses / Operating income	52.4	46.5	53.4	40.4	40.8

Note: Include the netting of Restricted Investment related to Repos.

Scotia Casa de Bolsa **Other revenues and expenses (net)** *(P$ million)*	**March 31, 2011**
Reversal provision	4
Commission to refer customer	1
Income for leasing	2
Account handling commissions	1
Other revenues and expenses (net)	**8**

Capitalisation

At March 31, 2011 Brokerage Firm's common shareholders equity was of P$1.9 billion. The global capital needed by risk of credit, market and operational was of 28.75%.

The total capital ratio for credit, market and operational risk was of P$519 million that represent a consumption of capital of the 27.83%

Scotia Casa de Bolsa **Capitalisation** *(P$ million)*	**March 31, 2011 ***
Share capital and reserves	1,953
Less: Investments in financial	-
Other assets	88
Basic capital	1,865
Complementary capital	-
Total capital	1,865

Scotia Casa de Bolsa – Risk Assets *(P$ million as at March 31, 2011)*		**Assets**	**Risk assets**	**Capital requirement***
Market Risk	Operations in MXN at nominal rates	76,759	1,262	101
	Operations in MXN with floating rate premium or yield referred to this	20,455	710	57
	Operations in MXN at real rates or rates denominated in UDIs	802	87	7
	Operations in foreign currencies at nominal rate	360	434	35
	Positions in UDIs or with yields related to inflation accounting	802	3	-
	Foreign exchange positions	15	23	2
	Securities positions or with yields related to a group of securities	403	2,129	170
	Total market risk	**99,596**	**4,648**	**372**
Credit Risk	Counter –party in repurchase agreements and derivatives	58	23	2
	Issuer of debt instruments related to repurchase agreements	13,326	1,066	85
	Due to deposits, loans, other assets and contingencies	316	217	17
	Total credit risk	**13,700**	**1,306**	**104**
Operational Risk	**Total operational risk**	-	532	43
	Total market, credit and operational risk	**113,296**	**6,486**	**519**

Scotia Casa de Bolsa **Capital Ratios**	**March 31, 2011***
Global Equity / Assets under credit, market and operational risk	28.75%
Basic Capital (tier 1)	1,865
Complementary capital (tier 2)	-
Global Equity (tier 1 + tier 2)	1,865

* *Preliminary figures pending Banco de Mexico approval*

Scota Casa de Bolsa
Composition of Securities Portfolio
(P$ million as at March 31, 2011)

Category	Government Paper	Debt Securities	Others	Investments in Financial Instruments	Total
Trading	**9,953**	**3,076**	**305**	**956**	**14,290**
Without restriction	-	1,157	-	75	1,232
Restricted	9,953	1,919	305	881	13,058
Repurchase agreements	*9,237*	*1,919*	*305*	-	*11,461*
Securities Receivable	-	-	-	*177*	*177*
Others	*716*	-	-	*704*	*1,420*
Available for sale	**-**	**-**	**146**	**355**	**501**
Without Restricte:	-	-	146	355	501
Total securities	**9,953**	**3,076**	**451**	**1,311**	**14,791**

Scotia Casa de Bolsa
Investments in non-Government Securities (In excess of 5% of net capital)
(P$ million as at March 31, 2011)

Issuer	Securities	Rate	Term	Amount
BANOBRA 11135	10,284,416	4.45%	1	10,283
BANOBRA 11135	20,598,832	4.45%	1	20,596
BANOBRA 11135	11,168	4.45%	1	11
BANOBRA 11292	7,590,098	4.55%	110	7,484
BANOBRA 11292	1,502,561	4.65%	110	1,481
BANOBRA 11292	1,548,256	4.52%	110	1,527
BANOBRA 11292	660,000	4.49%	110	651
BANOBRA 11135	71,910,571	4.45%	1	71,902
BANOBRA 11424	209,484,222	4.67%	203	204,036
BANOBRA 11435	125,678,400	4.66%	211	122,281
BANOBRA 11522	202,000,000	4.82%	271	194,960
BANOBRA 12031	219,905,700	4.73%	291	211,638
BANOBRA 12084	174,000,000	4.74%	329	166,522
NAFIN 11274	738,537	4.70%	98	729
NAFIN 11274	733,894	4.57%	98	725
NAFIN 11171	142,964,500	4.60%	25	142,515
Total	**1,189,611,155**			**1,157,341**

Scotia Casa de Bolsa
Funding from Banks and Other Organizations
(P$ million as at March 31, 2011)

Term	Loans	Other funding		Total
	Commercial Banks	Development Bank	Other	
Pesos				
Short	8	-	-	8
Medium	-	-	-	-
Long	-	-	-	-
Total	**8**	**-**	**-**	**8**
Average Rate*	6.04%	-	-	-
Total Interbank and other funding	**8**	**-**	**-**	**8**

Scota Casa de Bolsa **Derivatives and hedging operations; as at March 31, 2011** *(P$ million, reasonable value)*								
	Forwards		**Futures**		**Options**			
	Position		Position		Position		Total Asset	Total Liability
	Asset	Liability	Asset	Liability	Asset	Liability		
Trading	-	1	1	2	114	1,974	115	1,977

Scotia Casa de Bolsa **Notional amounts in derivative operations; as at March 31, 2011** *(P$ millions, nominal values presented in currency origin)*						
	Futures		**Options**		**Forwards**	
	Position		Position		Position	
	Asset	Liability	Asset	Liability	Asset	Liability
Trading:						
Currency	-	-	-	-	270	106
Index	112	53	586	1,239	-	-
Stocks	-	-	232	1,735	-	-

Scotia Casa de Bolsa **Market Results for the three months ended March 31, 2011** *(P$ million)*		
	Mark to Market	Trading results
Securities	5	(52)
Derivate trading transaction	(11)	3
Foreign exchange & other	-	4
Total	**(6)**	**(45)**

Scotia Casa de Bolsa **Deferred taxes** *(P$ million as at March 31, 2011)*	
Mark-to-market of investment	1
Prepayment	(15)
Fixed assets	(50)
Expense provisions	48
Imputed Interest	6
Warrants	62
Employee Profit Sharing Expenses (PTU)	15
Shares appraisal	(125)
Net deferred taxes	**(58)**

As at March 31, 2011 Scotia Casa de Bolsa does not have tax liabilities.

Credit Risk

At the close of March, 2011, the expected loss on total credit portfolio of Brokerage Firm's was P$2 million, while the unexpected loss was P$33 million. The total exposure of the credit portfolio, was P$12,910 million as at March 31, 2011 and the average exposure for January-March 2011 period, was P$27,210 million

Market Risk

The average daily value at risk observed by Scotia Casa de Bolsa during the quarter was the following:

Scotia Casa de Bolsa Average DailyVar *(P$ million)*	**Q1 11**
VaR 1 day; 99%	4.51

The global daily average VaR for Casa de Bolsa during the first quarter of 2011 was P$4.51 million and the global value at March 31, 2011 was P$ 3.97 million

The Value at Risk by risk factor, for Scotia Casa de Bolsa during the first quarter was the following:

Scotia Casa de Bolsa Risk Factor *(P$ million as at March 31, 2011)*	**VaR of 1 day**
Risk Factor	
Interest Rates	2.51
Equities	4.19
Total no diversified	**6.70**
Efect of diversification	-2.19
Total	**4.51**

The averages values of market risk exposure of the trading portfolio during the January-March 2011, period were the following:

Scotia Casa de Bolsa *(P$ million as at March 31, 2011)*	**Average Position**	**Maxium Position**	**Position Limit**	**VaR Average**	**VaR Limit**
Casa de Bolsa	**20,370**	**25,699**		**4.52**	**25.0**
Total Money Market	20,209	25,520	-	2.51	25.0
Equity position	77	112	200	1.45	10.0
IPC Derivatives/ 1	84	134	2,880	-	-
Total Equity and IPC Derivatives	**161**	**236**	**-**	**4.19**	**10.0**

1/ includes futures and IPC futures of the equity derivatives desk. The VaR include the warrants portfolio. The average 1 day VaR for warrants is P$3.76 million both are calculated with Equitiy VaR.

To interpret the VaR with an example, the average 1-day value at risk of the Casa de Bolsa in the money market is P$2.51 million. This means that under normal conditions, in 99 out of 100 days, the maximum potential loss is up to P$2.51 million.

During the first quarter of 2011, the Casa de Bolsa executed transactions in the Mexican Derivative Market, called MexDer, celebrating operations of IPC futures contracts. During this quarter, the Casa de Bolsa chose not to participate in interest rate futures contracts. The following chart shows the positions and the number of contracts traded

Scotia Casa de Bolsa Derivatives Market, Mexder *(In number of contracts)*	**Average Position**	**Maximum Position**	**Límit Position**
Futures			
Interest rate futures - TIIE28	-	-	945,000
Interest rate futures - CE91	-	-	90,000
Futures M Bonds	-	-	35,300
IPC Futures /2	224	369	750

2/ includes investment securities of the equity trading desk.
The average 1-day IPC futures VaR is P$ 0.93 million and includes total capital VaR.

The total average position for the quarter for Equity derivatives and IPC futures of Mexder for E quities was P$162 million. Only the Equity derivatives area can enter into options on IPC futures transactions of Mexder. During the quarter, this area did not have any such operations.

It is important to highlight that IPC Futures and Options on futures are fundamentally used to hedge the market risk of the embedded options in the securities or warrants that are issued to clients. The Casa de Bolsa issued on average warrants indexed to IPC and baskets of equities for P$ 9,408 million and the maximum was P$ 10,049 million.

Due to the fact that the VaR measure serves to estimate potential losses in normal conditions of maket, daily tests are made under extreme conditions"stress testing" with the purpose to determine the risk exhibition considering big fluctuations in the market prices. The risk committe has approved limit stress.

At the end of March 31,2011 the test of extreme conditions "stress testing" was P$120 million compared to P$800 million are consider favourable. The scenes that are in use for this test are the crisis of 1994 and 1998 as hypothetical.

The Back-testing tests form January to March 2011 shows the level of efficiency of green based on criteria establisher by th Bank of International Settlements (BIS).

Market risk treatment for available for sale securities

At the end of March 31, 2011 the Brokerage Firm´s total amount of available for sale securities was P$501 million.

The available for sale securities have been included in the Brokerage Firm position and have been considered in its measurement of sentivity of risk analysis.

Liquidity Risk:

Límit	Use *(MXN millon)* March 2011
Two week accumulated gap (MXP + UDIs)	-
Liquid Assets	364

The accumulated two week gap indicate the Casa de Bolsa's cash commitments for that specific period, while the Liquid Assets could act as substitutes to cover these commitments in case of a lack of access to other funding sources.

Operational Risk:

During January-March 2011period the Casa de Bolsa recognized operational risk losses totaling P$261 thousand pesos comprised of 84 different events. With respect to legal risks, operational risks identified should they materialize that would cause a negative impact on the results of the Casa de Bolsa for P$50 million, which are reserved at 100%.

Rating Agencies

Scotia Casa de Bolsa Domestic Debt Ratings	Long Term	Short Term	Perspective
Moody's	Aaa.mx	MX-1	Stable
Standard & Poor´s	mxAAA	mxA-1+	Stable

The information above is presented by Scotia Casa de Bolsa with the sole purpose of informing its customers of the Brokerage house's domestic credit ratings as defined by Rating Agencies (Moody´s and Standard & Poor´s). These ratings could be modified without prior advice.

Internal & External liquidity sources

Scotia Casa de Bolsa has two liquidity sources; internal and external, whose refers to working capital and a credit line for P$95 million respectively.

Attachment 10

Global Risk Management

The Board of Directors is responsible for establishing standards and global risk limits within the Institution. It delegates the authorization, administration and monitoring of compliance to these limits to a Risk Committee.

In compliance with the risk management regulations issued by the banking authorities (CNBV), the Bank and Brokerage House relies on a specialized risk administration area, which has responsibility over the Group, and which has adopted similar policies in risk management and control as those adopted by The Bank of Nova Scotia.

Market Risk

The purpose of the market risk management function is to identify, measure, monitor and control risks arising from changes in interest rates, foreign exchange and equity market and other risk factors in the money, foreign exchange, equity and derivatives markets in which the Group maintains positions for its own account.

The risk positions in the Group include fixed and floating rate assets in money market, equity portfolios, and derivative instruments such as interest rate futures, foreign exchange futures and foreign exchange options, interest rate swaps, as well as foreign exchange positions.

The Group applies a series of techniques designed to evaluate and control market risks at which the Bank is exposed in the current course of its activities. The Board of Directors authorizes the risk limit structure at which the Institution is exposed.

The value at risk (VaR) is an estimate of the potential loss of value within a specific level of statistical confidence that might arise from maintaining a specific position during a determined period of time (the holding period) under normal market conditions. VaR is calculated daily on the entire Group's risk-exposed financial instruments and portfolios using the Risk Watch methodology developed by Algorithmic.

The VaR is calculated using the historical simulation method, with a 300-working day time span. In order to fulfill the measurement methodologies used by BNS, the Group calculates VaR considering a 99% of confidence level and a one-day holding period.

Stress testing exercises are performed daily on the portfolios, assuming extreme market conditions. "Backtesting" are realized monthly to compare losses and earnings to calibrate the models that are used. The efficiency level of the model is based on criteria established by the Bank of International Settlements (BIS).

Because the VaR measurement serves to estimate potencial losses in normal market conditions, stress testing is done under extreme conditions to determne the risk exposure, taking into consideration large abnormal variances in market prices. The Risk Committee has approved the stress limits

Sensitivity

The Group has a specialized Trading Risk Analysis area that methodically supervises and oversees the valuation process, risk measurement and sensitivity analysis. This area liaises continually with the management of the various trading desks.

The Risk area calculates, on a daily basis, market risk sensitivity for each portfolio with risk exposure. During the quarter, there were no changes to the assumptions, methods or parameters used for the analysis.

The following is a description of the methods, parameters and assumptions utilized for the equity, foreign exchange, interest rate and derivative product portfolios.

Interest Rate Portfolio

The sensitivity measurements that are used for the fixed rate instruments (bonds) are based on estimating the behavior of the portfolio value given a change in market interest rates. For this purpose, the benchmark is the interest rate curve (and not to the zero coupon curve) as these are the ones that are quoted in the market and better explain the gains and losses behavior.

The sensitivity of the fixed rate instrument portfolio is based on durations and convexities depending on the type of instrument. In all cases, two types of measurements are produced: i) the expected change in the value of the portfolio given a change of 1 basis point (0.01%) in the yield curve; and, ii) the expected change in the value of the portfolio given a change of 100 basis points (1.0%) in the yield curve. For the purposes of the sensitivity of the fixed rate instrument portfolio only the changes in 1 basis point methodology are used as the benchmark.

The estimated values, based on a methodology of duration and convexity, is a good approximation of the values obtained using the complete valuation methodology and known as "full valuation".

In the case of the floating interest rate bonds, two types of sensitivities are calculated; one related to the free interest rate risk and the other to the spread.

For the zero coupon bonds, the sensitivity calculation is based as if they were instruments without coupons. Therefore the duration is the term to maturity, expressed in years.

Interest Rate Derivatives

The following is a brief explanation about the sensitivity model used for the interest rate derivatives of the Group.

TIIE and CETE interest rate futures: These types of derivative instruments are modeled to calculate their sensitivity, as a future of a zero coupon rate and therefore its duration is considered in the estimation of its sensitivity.

M Bond Futures: The sensitivity considers the duration and convexity over the bonds deliverable in these contracts.

Interest Rate Swaps: To determine the sensitivity to changes in the TIIE swap yield curve, the change of 1 basis point in each one of the relevant points of the yield curve is effected, as well as a change of both 1 and 100 basis points, valuing the portfolio with different curves and calculating the change in value of the portfolio with each one of these changes. For interest rate swaps the change of 1 basis point benchmark is used.

Equity Portfolio and IPC Equity Derivatives

Stocks

For the impact of the equity position, the sensitivity is obtained by calculating the change or delta, by issue, within the portfolio. The delta is defined as the change in the value of the portfolio as the result of a change of 1% in the value of the underlying asset.

Equity Derivatives

Currently, the Group has opted to execute equity derivative transactions through IPC futures that are quoted on the Mexican Derivative Market, MexDer. Their sensitivity is calculated by the delta and this portfolio has limits expressed in notional amounts.

The delta is defined as the change in the value of the derivative with respect to the changes in the underlying asset. The delta risk is defined as the change in the value of the option as a result of the change in a predetermined magnitude in the value of the underlying (for example 1%). Its calculation is determined by valuating the option at different values of the underlying (one original and one with a "shock" of + 1%), while maintaining all the remaining parameters constant.

For futures, the sensitivity calculation is delta, defined as the change in the value of the derivative with regard to changes in the underlying asset. Likewise, Rho is defined as the sensitivity as changes in interest rates. In the case of futures contracts, this sensitivity can be estimated, based on information available in the market. Casa de Bolsa defines Rho as the change in the value of the portfolio in view of a change of 100 basis points (parallel) in the benchmark interest rate.

The sensitivity measures considered for non-linear products, like warrants and options, are Delta and Greeks. The sensitivity calculation is based on an options valuation model on futures, known as Black 1976.

Gamma, is the complement to delta risk, and is another measure of sensitivity in the value of an option with regard to the underlying asset value. Gamma measures the rate of change of Delta with regard to a change in the value of the underlying asset and, similar to Delta calculation. It can be interpreted in an analytic manner, as the partial second derivative of the Black & Scholes function with regard to the underlying asset.

Rho is the sensitivity measure of an option portfolio with regard to changes in interest rates. Mathematically, Rho is the partial first derivative of the Black & Scholes function with regard to interest rates. Rho is defined as the change in the value of an options portfolio regarding an increase of 100 basis points (+1%) in interest rates. Generally, the sensitivity of an option portfolio of interest rates is minor compared with the sensitivity at the price of the underlying (delta) or the implicit volatility (vega).

Theta is the sensitivity measure of an option portfolio that indicates the change in the value of the portfolio before the passage of time. Theta is defined as the change in the value of the derivative product before the passage of time. Theta is only calculated for guidance purposes and for the analysis of profit and loss, given that it does not represent a real market risk, but a hard fact, predictable and quantifiable.

Vega is the name that is given to the sensitivity measurement of the value of an option portfolio with regard to changes in the market volatility of the underlying asset. Generally, long positions in options will benefit from the volatility increase of the underlying asset, while short positions will have the opposite impact, with some exceptions such as binary options.

Dividend Risk. The valuation of options on indexes or equities assumes a continuous compounded dividend rate. The dividends, however, are estimates and therefore an unknown variable, representing a risk factor for the valuation and the resulting profit and loss of option transactions.

The dividend risk does not have a “Greek” letter associated with its sensitivity, and in the case of index and equity options in the Group the measurement is done by means of increasing the dividend rate 1% (ie. from 1% to 1.01%).

Foreign Exchange and Foreign Exchange Derivatives

Foreign Exchange

The portfolio consists of different currencies managed by a foreign currency desk for trading purposes. The sensitivity is calculated by the delta by currency, which is the change in the value of the portfolio as a result of a change of 1% in the value of the underlying.

Foreign Exchange derivatives

Foreign exchange forwards and futures: For this portfolio, the sensitivity of each currency is calculated as a result of fluctuations in the interest rate, as well as the result in the present value due to a change of 1 basis point along the respective yield curves, while all the remaining factors stay constant. We also apply a non-parallel change along the yield curves through term gaps, while all the remaining factors stay constant.

Foreign Exchange Options: In the case of exchange rate options, the sensitivity is calculated by applying the known sensitivities of their Greek letters; delta, gamma, vega, theta and rho.

CCIRS (Cross Currency Interest Rate Swaps): To determine the sensitivity to changes in the yield curve, a 1 basis point change along the respective yield curve is made, valuing the portfolio with different curves and calculating the change in value of the portfolio with each one of these changes. Also, an analysis is done in parallel with a change of 100 basis points. In addition, a non-parallel 1 basis-point change is done to the yield curve through term gaps, while maintaining all other factors constant. For the purposes of this section only the 1 basis point sensitivity benchmark is used.

Sensitivity for Available for Sale and Securities Held to Maturity

The Group faces the volatility in the markets by maintaining a trading model orientated to drive product origination and distribution for its clients. Moreover, the risk profile is conservative and consistent even in periods of low volatility.

In the current environment, the Group has significantly reduced its investment debt portfolio. The risk of this portfolio has been reduced in terms of sensitivity in view of interest rate fluctuations. The equity portfolio remains relatively small. In the foreign exchange market the intraday trading remains without significant risk positions.

Market Risk Management for loan and funding activities.

The Group assumes intrinsic interest rate risks associated with the trading function.

The objective of the interest rate risk management process is to identify measure and manage the risk-yield relation within the established risk tolerance limits, ensuring that these activities are carried out in a prudent manner. The Group manages its interest rate risk exposure in accordance with the applicable regulatory requirements and the industry best practices.

The balance position includes all the Group’s asset and liability activities that are not included in the trading activities. The derivative products are important management tools as much for the Group as for its clients. The Group uses the money market instruments and derivative products to control market risk due to its funding and investing activities and to reduce the funding costs. To control interest rate risk in its fixed-rate lending activities, interest rate swaps and interest rate forwards are traded. In its representative capacity, the Group trades derivative products for its clients’ accounts and takes positions for its own account.

The interest rate risk is monitored and controlled by currency (MXN, USD, UDIs) for the total portfolio. This monitoring includes the measurement of the economic value of the portfolio and sensitivity of the margin to interest rate changes, for the next 12 months, and re-pricing gap limits.

These models consider assumptions over the growth, the mix of new business, the changes in interest rates, maturities and other factors.

The Group periodically monitors its exposure in light of extreme movements in the markets and considers these results for the establishment and review of policies and limits to take interest rate risk.

Market risk treatment on available for sale securities

Available for sale securities are part of the Bank´s structural position and the tools used to measure their risk include reprice buckets, economic value sensitivity and margin sensitivity to interest rate changes.

Liquidity risk

The Group, as part of its normal course of business, takes on liquidity risk. This risk results from cash flow gaps. The main objective of the liquidity risk management process is to guarantee that the Group can cover its obligations as they come due. In order to comply with this objective, the Group applies controls to the liquidity gaps, maintains diverse funding sources, establishes different limits and requires a minimum percentage of assets to be of a liquid nature. This liquidity risk exposure is managed following the existing regulations and best market practices.

Within the various elements that form part of the liquidity management process, the Group evaluates and forecasts the different cash commitments, controls the maturity gaps for assets and liabilities, diversifies its funding sources, establishes prudent limit structures and guarantees immediate access to liquid assets. In addition, the Group has established contingency plans.

Liquidity risk is monitored and controlled by the type of currency (MXN+UDI's, USD), through accumulated liquidity gaps and minimum core liquid assets.

Liquidity gaps are defined as the difference in cash flows (assets minus liabilities) for a specific maturity. The accumulated gap is the total sum of the liquidity gaps for a specific term.

Credit Risk

Credit risk is defined as the potential loss coming from the lack of payment from a borrower or counterparty which the institution carries out business transactions. This risk is not only present in the loan portfolio, but also in the securities portfolio, derivative transaction and in the settlement of foreign exchange transactions.

Scotiabank's Group Management of credit risk is centered on applying well defined strategies to control these risks, including a centralized credit process, portfolio diversification, a good credit analysis, a close follow-up of loans and diverse credit risk rating models.

The Board of Directors establishes credit authorization limits, approves credit policies and procedures, and revises loans of important size and does a follow-up on the overall credit exposure and its management.

The credit policies are based on the prudential model set by the local regulator (Comision Nacional Bancaria y de Valores) and establishes risk concentration limits by industry groups and sectors, currencies and maturity term.

Credit Process

There are several credit approval levels: Board of Directors, Board's Credit Committee and combined authorization powers. The distinction between these levels is in accordance with the transaction size, type of borrower, use of the resources .

The business lines prepare and structure the different credit proposals, which are analyzed and authorized by the Credit area and approved by the appropriate authorization level, assuring an adequate separation between business originators and approval areas.

In addition, the different business lines perform, on a regular basis, a financial review for each borrower, performing, at least annually, an in-depth risk analysis for each loan, modifying, if needed, the approved rating. With these activities, the Financial Group determines any change in the risk profile of every borrower. During these revisions, the global credit risk, including derivative related transactions and forex. In case of risks that may be above the acceptable levels, more frequent reviews are performed, at least quarterly.

The Group has established a risk rating system which is used to identify the risk level of proposed and existing loans and insures that the loan spreads are proportionate to the assumed risk. For this purpose the Group has, for the corporate and commercial segments, a profitability model that explicitly takes into account the expected and unexpected loss by type of transaction, as well as any other revenues or expenses associated with the customer.

In the commercial portfolio, the loan quality is rated in accordance with the risk levels established in the rules set out by the regulating bodies which include assumptions on the possible risks of recovery based on both, the borrower's characteristics, and by the quality and characteristics of the guarantee. On a monthly basis, the Risk Committee closely follows the main risk migrations.

Consumer loans and mortgage portfolios are also reviewed on a monthly basis with the objective of determining the possible trend in their credit quality. The potential losses are measured, considering past due payments and their age.

The credit risk determination is based on a model that includes Expected and Unexpected Loss (CreditMetrics), based on the changes in the credit situation observed for each borrower (transition matrix) and the loss severity by type of portfolio.

- The expected loss represents the estimated impact of default over a 12 month period.

- The unexpected loss is a dispersion measure on the expected loss. It is calculated with a one year horizon at a 99.75% confidence level.

- In addition, stress tests are performed in order to determine the impact on the portfolio's expected and unexpected losses.

Credit culture

To create and promote a credit culture, the Group has permanent training programs for personnel involved in the loan origination and authorisation processes. Among such programs is required advanced training in commercial banking practices that provides support tools for the analysis and evaluation of credit risk, as well as decision-making workshops.

Implementation of prudent credit criteria

In accordance with the General Character Dispositions applicable to credit institutions the Group has established control measures to identify, measure and limit the risk positions from credit activity, on a timely and in its different phases. There are documented in the Credit Policies and Procedures Manual and are constantly reviewed and updated, as well as being submitted for approval annually by the Board Directors.

Concentration of credit risk

The Financial Group has implement policies and procedures to maintain a sound credit portfolio, diversified, controlled and with prudent risk. These policies and procedures emphasise the establishment of credit risk limits considering business units, currency, term, sector, etc. These limits are submitted annually to the Board of Directors for their approval and compliance with these limits is monitored and reported monthly to the Risk Committee.

Methodology to determine credit risk

In order to identify the amount of risk inherent in credits and, on the other hand, ensuring that the yield from each credit is proportional to its risk, the Group uses a system for the classification of credit risk which is based on the methodology used by BNS, which also includes system and strategies for the granting and monitoring of the credit portfolio. As such, the Group has taken advantage of BNS' extensive experience in the areas of loan classification and estimation of reserves and losses and has adapted this experience to conform with the laws and requirements of the Mexican market.

This model considers the following risk factors: country risk, financial performance, debt coverage, management strength, overall strength (the relation among the economic environment, the competition, strengths and weaknesses of the borrower), and administration of the account, state of the industry and payment history.

Such factors give an appraisal of the risk profile of the borrower and the results are entered into an algorithm which weights the various elements. This algorithm is based on the experience and statistical analysis of BNS, adapted to the requirements of the Mexican market.

The system of internal classification (classified by "IG Codes"), has 8 classifications that are considered acceptable (IG 98 to IG 77), 5 classifications to reflect an above average (IG 75 to IG 60) and 4 considered nor acceptable (IG 40 to IG 20).

In accordance with applicable official regulations, a correlation has been established between the internal risk classification and the risk ranking published on 5 December 2005, article 126 and 127 of the general accounting guidelines.

The commercial loan portfolio specifically the portion related to sole proprietary and corporate is rated utilizing Scotiabank Inverlat credit rating methodology approved by the CNBV and it is based on the credit default probability. However, Scotiabank Inverlat does not apply such methodology to the following loan products. Scotia Empresarial uses a credit rating methodology based on the credit worthiness of the debtor. In addition, Scotiabank Inverlat applies the credit rating methodology as described by the general accounting guidelines article 112, appendix 17 for loans not exceeding two million UDIS. These two methodologies previously mentioned are properly authorized by the CNBV

The loan portfolio with governments, Specific Purpose Entities (SPEs) and financial institutions are credit rated individually in accordance with the credit methodology stipulated by the general accounting guidelines article 112, 114 and 115.

The credit classification and their provisioning are carried out respectively in compliance with articles 126,127,130 and 131 of the referenced dispositions.

The following table presents a squeme of the risk levels for internal model of qualification for the loan portfolio applicable to the commercial portfolio.

Classification	IG Code
Excellent risk	98
Very good risk	95
Good risk	90
Satisfactory risk	87
Adequate risk (high)	85
Adequate risk (med)	83
Adequate risk (low)	80
Medium risk	77
Moderate risk (high)	75
Moderate risk (med.)	73
Moderate risk (low)	70
Watch list	65
Special supervision	60
Sub-standard	40
Deteriorated (high)	22
Recovery in doubt	21
Problem loan	20

Description of each risk level

Excellent risk: Borrowers that represent minimal credit risk for the bank. Possess an excellent financial structure along with consistent and earnings; debt service capacity is extremely strong, as evidenced by solid access to money and capital markets and to alternate sources of funding. The management team has broad experience with track record of producing optimum results. They are not vulnerable to the economy of the country or to the economic sector in which they operate.

Very good risk: Borrowers with a solid financial structure that generate sufficient funds and liquidity to cover short and long term debts. However, they depend on the Bank to a greater extent than excellent risk borrowers. The management team is competent, with the capacity to easily overcome moderate setbacks. They operate in a stable or growing economic sector.

Good risk: Borrowers with a good financial structure, with consistent income and reliable cash flow. Their capacity to cover and service the debt is good. The management team has shown itself to be good, with adequate capabilities in critical area. The characteristics of the economic sector and the country's economy are good, without indications that may adversely affect negatively them.

Satisfactory risk: Borrowers whose financial structure is solid and have capacity to effectively cover payment obligations, whose profits are in-line with industry average; however, are a little more susceptible to adverse economic conditions than borrowers with superior classification.

Adequate risk (high): Borrowers still have a high ability to cover their payment obligations, have an adequate financial structure and have consistent earnings which, however, are slightly less than the industry average. These borrowers have an administrative team which has the ability to obtain very satisfactory, efficient and profitable results. The industry in which they operate can have cyclical trends.

Adequate risk (medium): Borrowers who have the ability to meet principal and interest payments, however, their current profits are below the industry average, suggesting that the borrower may have difficulty sustaining its financial strength. Management may be family-owned or professional and its results are relatively satisfactory. The industry in which they operate may have cyclical tendencies.

Adequate risk (low): Borrowers whose financial structure, profitability and financing stream are generally adequate, its operating cash-flow is at the breakeven point but is adequate to cover their debt requirements, however, its profits are below the industry average. Management may have certain weaknesses which are offset by other strengths. The industry in which they operate may have cyclical tendencies or be affected somewhat by changes in the regulations to which it is subject.

Medium risk: Borrowers who have capacity to cover shot-term obligations but for which there is potential uncertainty in the long term, the leverage levels are growing and its indebtedness capacity is modest. Management meets only the minimum criteria for negotiated risk. The industry in which they operate may have cyclical tendencies or be susceptible to macroeconomic changes.

Moderate risk (high): Borrowers that face a slight reduction in profits; however with good potential to successfully overcome these problems. Operating cash flow is at break-even and is sufficient to cover debt service requirements in a timely manner, but with a certain downward trend. Management presents mixed operating results and outlook for the longer term. The industry environment reflects growth weakness.

Moderate risk (medium): Borrowers that face growth problems or weak capitalisation but regularly demonstrate the ability to overcome their financial weaknesses and at this moment are punctually paying their obligations. However, these funds come from secondary sources and therefore their ability to sustain payments is dubious. Management demonstrates certain weaknesses and shareholders exhibit some scepticism of management's ability.

Moderate risk (low): Borrowers whose financial structure exhibits a clear weakening trend which could damage its capacity or ability to cover its long-term obligations. This trend of going to secondary funding sources is recurrent and its repayment is consistently overdue. The management team shows notable weaknesses and there may be a concentration of shareholder reliance on one single person. The economic sector in which the company operates is very vulnerable to macroeconomic conditions.

Watch list: Borrowers with a weak financial structure and whose debt position is unbalanced and over-extended, and require the constant help of non-routine funding sources whose repayment is weak, covering the minimum acceptable bank payment. The management team is performing poorly. They are vulnerable to any setbacks in their specific business and in their business.

Special supervision: Borrowers who exhibit cash flow and liquidity problems that could require them to look for secondary funding sources to avoid default. Urgently require changes to management and the business plan to stop the deterioration; with this it is considered probable that a correction can occur over the medium term. The industry and country environment are of concern. Definitively an unacceptable risk.

Sub-standard: Borrowers whose future viability is in doubt without changes to business activities, market conditions, and/or the management team and where a general reorganisation is required. The repayment history is unsatisfactory and at the moment payments are past due. The industry in which the company operates is experiencing a temporary deterioration.

Deteriorated (high): Borrowers with clearly identified financial deterioration and who are at risk of not complying with debt obligations. Currently have payments in arrears and have a high dependence on secondary sources of funding to meet their obligations. The problems in the direction of management put at risk the viability of the company as a going concern, because of which the deterioration is considered permanent. The viability of the industrial sector depends on structural changes.

Recovery in doubt: Borrowers with permanent financial deterioration. It is probable that the business has ceased to function and as a result the payment performance is nil. Payments are up to one year past due, which in general implies difficulty in recovery. Management is weak or unreliable and the industry in which the company operates is facing a permanent decline.

Problem loan: Borrowers who have ceased paying and whose situation does not appear to have any possibility of restructuring. Management is unsuitable or has demonstrated a lack of honesty. The industry in which the company operates is facing a permanent decline, for which reason keeping the loan as an asset of the bank is unjustifiable.

There exist loans that are exempt from classification because they represent sovereign debt of the Federal Government, and loans that did not arise from the sale of loans. These credits do not require reserves.

Credit Risk in Securities Investments

The Bank is exposed to the non-payment, by the issuer, on any interest and/or principal on its investments in different securities.

Derivatives Transactions Credit Risk

The Credit Risk in Derivative transactions results from the lack of payment by the counterparty.

In addition to the risk measures mentioned in previous sections, in the case of derivative transactions the potential risk is also measured. This type of risk measures the replacement cost along the remaining term of the position.

The counterparty exposure limits consider both the, current market value (only the positive side which bears the exposure for the Group) and the replacement cost (or potential exposure) without netting out the positions; in other words, opposite transactions with the same counterparty are not off-set for information purposes (so that the exposure is over-estimated).

Operational Risk

Operational risk is a non-discretionary risk, which is defined as the potential loss resulting from internal control failures of deficiencies, errors in transaction processing or storage on in data transmission, as well as adverse administrative or legal resolutions, frauds or theft and includes, among other things, technological risk legal risk.

The Group has put in place policies and procedures, enabling it to implement an appropriate operational risk management process, which is described below:

Policies for Operational Risk Management

These policies primarily promote the risk management culture, particularly as to operational risk, so that the Group can measure, identify, monitor, limit control and disseminate the operational risk inherent in the day-to-day activities, in addition to promoting a culture of risk management.

Manual for Operational Risk Data Gathering and Classification

These policies define the requirements for reporting the information that supports the measuring processes, including the information, as well as its classification and specific characteristics.

Operational Risk of tolerance’s level

Is a tool to issue operational losses, let each department of the Group know the levels of tolerance of applicable losses to each event of loss assumed, as well as incentive improvements in the process of Operational Risk issue and adopted as possible the necessary actions to reduce the risk for future losses.

Key Risk Indicators

This process let the Group establish indicators, since variables obtained of the processes which conduct is related with the level of risk assumed, by the follow-up of each indicator that identify the tendency and let issue in the time the indicators value. There are maximum values established or less admissible for each one of the selected indicators.

Legal Risk model for provision of losses

The Group has methodology of provision for expected and non-expected losses for legal risk, through the one it can be the expect losses as a result of judgments in process, this methodology is based in the experience from various years and through an statistic of severity and occurrence it is determine the probably loss of legal business ongoing.

The Group also has an structure methodology of auto-evaluation of operational risk, that its apply through their own structure and identify the operational risk inherent to their process with the following objectives:

- Evaluate the potential impact of significant Operational Risks identified in the competitive objectives, profitability, productivity and recuperation's Group.

- Analyze the priority according with the impact an importance of the moderate measure of operational risk.

- To guide each unit of the Group into a process of negotiation of operational risk.

- Have a systematic procedure, in order that the Group keeps conscience of its operational risk.

Technological Risk

Technological risk is defined as the potencial risk derived from the software failure, damaged hardware, application malfunctioning, network interruptions and any other type of systems errors impacting the Bank´s services to clients.

The Bank has implemented specific policies and procedures in order to mitigate technoological risk to an acceptable level. Market Risk has developed methodology to evaluate such risks. In addition, Information Tecnology has policies and procedures to complement the methodology developed by Market Risk.

Attachment 11

Consejo de Administración
Grupo Financiero Scotiabank Inverlat, S.A. de C.V.

Presidente
Peter Christopher Cardinal

Vicepresidente
Carlos Muriel Vázquez

Representantes de la Serie "F" en el Consejo de Administración de la Sociedad

Miembros Propietarios	Miembros Suplentes
Consejeros Independientes	
Thomas Heather Rodríguez	Javier Pérez Rocha
Carlos Muriel Vázquez	Federico Santacruz González
Consejeros	
Pedro Saez Pueyo	Pablo Pérezalonso Eguía
Peter Christopher Cardinal	Gonzalo Rojas Ramos
Anatol von Hahn	José del Águila Ferrer
Consejero Funcionarios	
Nicole Reich De Polignac	Pablo Aspe Poniatowski

Representantes de la Serie "B" en el Consejo de Administración de la Sociedad

Consejeros Independientes	
Patricio Treviño Westendarp	Jorge Francisco Sánchez Ángeles
Roberto Hemuda Debs	Eduardo Trigueros Gaissman
Juan Manuel Gómez Chávez	Arturo D´Acosta Ruiz
Consejeros Funcionarios	
Felipe De Yturbe Bernal	Alberto Miranda Mijares
Jorge Mauricio Di Sciullo Ursini	Diego Miguel Pisinger Alter

Representantes de la Serie "F" en el Órgano de Vigilancia de la Sociedad

Comisarios

Guillermo García-Naranjo Álvarez	Ricardo Delfín Quinzaños

Representantes de la Serie "B" en el Órgano de Vigilancia de la Sociedad

Jorge Evaristo Peña Tapia	Jorge Oredain Villacampa

Secretario	Prosecretario
Jorge Mauricio Di Sciullo Ursini	Mónica Cardoso Velázquez

The amount paid to Board Members to attend board meetings and committee meetings totalled P$1 million for the three months ended March 31, 2011.

"We the undersigned declare under oath, of telling the truth that, in the scope of our respective functions, we prepared the information relative to the financial group contained in the current report, that which, to our trustworthy knowledge and understanding, reasonably reflects its current financial position"

NICOLE REICH DE POLIGNAC PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLINGENCE
KEN PLUGFELDER DIVISIONAL DIRECTOR AUDIT	GORDON MACRAE DIRECTOR GROUP ACCOUNTING