First Quarter results • 2012

Q1 /2012

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

TOTAL REVENUE AFTER PCLs OF P$4,098 MILLION, VERSUS P$3,783 MILLION	NET INCOME OF P$1,157 MILLION VERSUS P$917 MILLION	PRODUCTIVITY RATIO OF 60.9% VERSUS 57.2%	BANK'S CAPITAL RATIO OF 16.7% VERSUS 17.4%	PROVISIONS FOR CREDIT LOSSES OF P$322 MILLION, VERSUS P$566 MILLION

Grupo Scotiabank reports earnings of P$1,157 million for the first quarter

Scotiabank Mexico

Financial and Operating Indicators:

1 CONTINUED GROWTH:

- Business loans up 19%
- Mortgages up 8%
- Demand and Savings account balances up 16%

2 CREDIT RISK MANAGEMENT:

- Past due portfolio at 2.5% of total loans compared to 3.3% in the prior year
- Allowance for credit losses coverage at 117% of past due portfolio compared to 106% in the prior year

3 EFFICIENCY:

- Productivity ratio of 62.0% versus 57.3% in the prior year

Mexico D.F., April 30, 2012 – Grupo Scotiabank today announced results for the first quarter of 2012. Consolidated net income was P$1,157 million in the quarter, an increase of P$240 million or 26% from the same period last year.

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

Total revenue for the quarter, after provisions for credit losses, increased P$315 million or 8% compared to the same period last year, reflecting higher non-interest revenues from higher commissions and fees, stronger capital markets results and lower loan loss provisions. These were partially offset by lower net interest income as a result of tighter loan spreads and higher funding costs, notwithstanding the positive growth in volumes. Total business loans increased 19%, and mortgage volumes grew 8%, while credit cards and personal loans grew 7% compared to the same quarter last year. Demand and savings deposits were up 16% during the same period.

Loan loss provisions decreased P$244 million or 43% from the same quarter last year, due mainly to lower retail delinquencies and lower provisions in the commercial portfolio. Operating expenses grew 8% or P$205 million due to higher salary and other costs related to growth initiatives, particularly the expansion of our customer call center.

The Bank's capital ratio remained strong at 16.7% this quarter, well above regulatory requirements, though down from 17.4% a year ago. Return on equity this quarter was 15%, compared to 12% during the same period last year.

"Our strong results for the first quarter reflect the benefits of the growth initiatives invested in over the last year which produced year-over-year increases in our retail portfolios, business loans and our core deposit base. We continue our focus on risk management practices and credit discipline which has resulted in lower provision for credit losses. We expect solid results to continue over the coming year," said Nicole Reich De Polignac, Grupo Scotiabank President and CEO.

Grupo Scotiabank

Non-Financial Highlights:

For a ninth consecutive year, Scotiabank was recognized by The Great Place To Work Institute as one of the best places to work in Mexico.

Once again, Scotiabank figured in the ranking of "Mundo Ejecutivo" magazine as a Social Responsible Company. This year Scotiabank was ranked 13th.

Scotiabank Funds SCOTIA2 (Scotia Fund Medium term), SCOTI11 (Scotia Fund Government Long term) and SCOTI14 (Fund of Scotia Funds Growth in Long term) were recognized by Morningstar, a leading provider of independent investment research, as one of the best in Mexico.

Scotia Fondos was awarded a Platinum Award by Fund Pro for Scotia7 – Scotia Fund IPC index.

For a sixth consecutive year, Scotiabank Mexico was awarded the "JPMorgan Chase 2011 Quality” recognition.

Scotiabank was named as "Best Trade Finance Bank" by Global Finance magazine.

FINANCIAL HIGHLIGHTS

Grupo Scotiabank Condensed Financial Information	Three months ended		
	March 31, 2012	December 31, 2011	March 31, 2011
Net Income (P$ millions):			
Scotiabank Mexico	1,049	755	840
Holding company and other subsidiaries	108	76	77
Total Group	**1,157**	**831**	**917**
ROE	15%	11%	12%

Grupo Scotiabank Condensed Statement of Income	Three months ended		
(P$ millions; Consolidated with subsidiaries)	March 31, 2012	December 31, 2011	March 31, 2011
Net Interest income	**2,496**	**2,454**	**2,553**
Other Income	1,924	1,803	1,796
Revenue	**4,420**	**4,257**	**4,349**
Provision for credit losses	(322)	(521)	(566)
Total Revenue after provisions for credit losses	**4,098**	**3,736**	**3,783**
Operating expenses	(2,692)	(2,883)	(2,487)
Operational Profit	**1,406**	**853**	**1,296**
Participation in results of non-consolidated subsidiaries and associated companies	-	1	-
Profit before income tax	**1,406**	**854**	**1,296**
Income tax	(249)	(23)	(379)
Profit after income tax	**1,157**	**831**	**917**

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 1,560 ATMs throughout the country. It employs approximately 10,372 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 30, 2012

Scotiabank Mexico

Total revenue, after provision for credit losses, was P$3,769 million for the first quarter of 2012, a P$252 million or 7% 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, partially offset by lower net interest income. The increase in non-interest revenues from last year was due mainly to higher trading revenues, commissions and fees, insurance and mutual fund fees and lower write-offs. These were partially offset by lower recoveries, and lower revenues from the sale of foreclosed assets.

Compared to last quarter, total revenues, after provisions for credit losses, were higher by P$329 million or 10%. This increase was the result of higher non-interest revenues, and lower provisions for credit losses.

Net income after tax was P$1,049 million this quarter compared to P$840 million in the same period last year. The increase was primarily the result of higher non-interest revenues, lower provisions for credit losses and lower taxes, partially offset by lower net interest income and higher operating expenses.

Net income after tax increased P$294 million from last quarter due to higher non-interest revenue, lower provisions for credit losses and lower operating expenses, partially offset by higher taxes.

Scotiabank Mexico Condensed Statement of Income	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2012	December 31, 2011	March 31, 2011
Interest earned	3,739	3,631	3,568
Interest paid	(1,295)	(1,212)	(1,096)
Net interest income	**2,444**	**2,419**	**2,472**
Other income	1,647	1,542	1,611
Revenue	**4,091**	**3,961**	**4,083**
Provision for credit losses	(322)	(521)	(566)
Total Revenue after provision for credit losses	**3,769**	**3,440**	**3,517**
Operating expenses	(2,536)	(2,685)	(2,339)
Operational Profit	**1,233**	**755**	**1,178**
Participation in results of non-consolidated subsidiaries and associated companies	-	1	-
Profit before income tax	**1,233**	**756**	**1,178**
Income tax	(184)	(1)	(338)
Profit after income tax	**1,049**	**755**	**840**

Net Interest Income

Net interest income was P$2,444 million in the first quarter of 2012, P$28 million or 1% lower compared to the same quarter last year, but P$25 million or 1% higher when compared to last quarter. The reduction from the same period last year was driven by lower credit spreads on loans and higher interest paid on funding costs.

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, 2012**		**March 31, 2011**	
(P$ millions, whole year average)	**Volume**	**Spread**	**Volume**	**Spread**
Deposits with banks	20,080	1.6%	20,955	1.7%
Securities	11,975	2.7%	10,277	3.7%
Loans	110,276	8.4%	103,920	8.8%

Other Income

Scotiabank Mexico Other Income	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2012	December 31, 2011	March 31, 2011
Commissions and fees (net)	509	465	446
Revenues from trading and intermediation	356	285	142
Other operational income (net)	782	792	1,023
Total Other Income	**1,647**	**1,542**	**1,611**

Other income for the quarter was P$1,647 million, up P$36 million or 2% from the same period last year. This was due to higher revenues from trading activities, account handling and credit card commissions, insurance and mutual fund fees and lower write-offs. These were partially offset by lower recoveries and lower revenues from the sale of foreclosed assets.

Compared to last quarter, the P$105 million or 7% increase in Other income was due primarily to higher revenue from trading activities and higher account handling and credit card commissions and fees.

Scotiabank Mexico Commissions and fees (net)	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2012	December 31, 2011	March 31, 2011
Loan commissions	50	39	59
Account handling commissions	112	57	53
Credit card commissions	157	144	131
Trust	46	41	66
Electronic banking	58	57	50
Other	86	127	87
Total commissions and fees (net)	**509**	**465**	**446**

Net commissions and fees were P$509 million this quarter, P$63 million or 14% higher than the same period last year and P$44 million or 9% than last quarter. The year-over-year increase was due mainly to higher commissions and fees from account handling, credit cards and electronic banking which were partially offset by lower loan commissions and trust fees. The quarter-over-quarter increase was due to higher loan, account handling, credit card commissions and trust fees, partially offset by lower structuring fees in Other.

Scotiabank Mexico **Other operational income (net)**	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2012	December 31, 2011	March 31, 2011
Loan loss recoveries	154	133	103
Other recoveries	107	86	441
Write-offs & other	(32)	(54)	(146)
Revenue from sale of foreclosed assets	29	21	209
Staff loan interest	19	19	19
Rental income	14	14	13
Other revenues and expenses (net)	490	558	381
Other	1	15	3
Total other operational income (net)	**782**	**792**	**1,023**

Other operational income (net) was P$782 million this quarter, P$241 million or 24% lower than the same quarter last year, but in line with last quarter. The year-over-year results were driven by lower revenues from the sale of foreclosed assets and lower recoveries, partially offset by lower write-offs and higher insurance and mutual fund fees and higher loan loss recoveries. The quarter-over-quarter change was the result of lower Other revenues and expenses (net), partially offset by higher loan loss recoveries, higher other recoveries and lower write-offs.

Provision for credit losses

Scotiabank Mexico **Provision for credit losses (net)**	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2012	December 31, 2011	March 31, 2011
Provision for credit losses	(322)	(521)	(566)
Loan loss recoveries (reported in Other operational income, net)	154	133	103
Total provision for credit losses (net)	**(168)**	**(388)**	**(463)**

Provisions for credit losses, net of recoveries, were P$168 million this quarter, P$295 million or 64% lower than the same quarter last year. Provisions for credit losses, excluding recoveries, were P$322 million, a decrease of P$244 million or 43% from the same quarter last year. The reduction was due to lower delinquencies and lower provisions in most retail products, partially offset by higher mortgage provisions driven primarily by the CNBV guidelines implemented in 2011. In addition, commercial loan loss provisions were lower this quarter.

Provisions for credit losses, net of recoveries, were down P$220 million or 57% from last quarter. Excluding recoveries, provisions for credit losses decreased P$199 million or 38% from the previous quarter. This decrease was due to lower provisions in personal loans and credit cards and mainly due to lower provisions in commercial loans, partially offset by higher provisions in mortgages.

Non-Interest Expenses

The Bank's productivity ratio[1] was 62.0% this quarter, up from 57.3% in the same quarter last year, but lower than the 67.8% last quarter, as a result of various initiatives to support the growth strategy.

Scotiabank Mexico **Non-Interest Expenses**	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2012	December 31, 2011	March 31, 2011
Personnel expenses	(1,085)	(1,142)	(1,036)
Other operating expenses	(1,451)	(1,543)	(1,303)
Total non-interest expenses	**(2,536)**	**(2,685)**	**(2,339)**

Non-interest expenses were P$2,536 million this quarter, up P$197 million from the same quarter last year but down P$149 million from last quarter. Personnel expenses were up P$49 million or 5% from the same quarter last year as a result of higher salary costs due to the additional staffing in branches and sales support areas, in line with the Bank's growth strategy. Compared to the same quarter last year, Other operating expenses increased P$148 million or 11% due primarily to an increase in other costs related to sales and service initiatives, including the expansion of the call centre.

Personnel expenses of P$1,085 million this quarter were down P$57 million or 5% compared to the previous quarter. Other operating expenses were also down P$92 million or 6% from the previous quarter, due primarily to lower value added taxes and lower marketing expenses.

Participation in results of non-consolidated subsidiaries and associated companies

The income this quarter from the non-consolidated subsidiaries and associated companies was not significant.

Tax

Scotiabank Mexico **Taxes**	**Three months ended**		
(P$ millions; Consolidated with subsidiaries)	March 31, 2012	December 31, 2011	March 31, 2011
Income tax current	(279)	11	(162)
Income tax deferred	95	(12)	(176)
Total Taxes	**(184)**	**(1)**	**(338)**

Total income tax expense was P$184 million this quarter, down P$154 million from the same quarter last year. The decline in total tax expense was due primarily to higher deductible loan loss provisions and lower inflationary adjustments. This decline has resulted in a lower effective tax rate this quarter compared to the same quarter last year.

The total income tax expense for the quarter was up P$183 million from last quarter due primarily to higher taxable earnings and lower inflation adjustments, partially offset by higher benefits from deductible loan loss provisions. The effective tax rate for the quarter was higher than last quarter.

[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.

Balance Sheet

As at March 31, 2012, the Bank's total assets were P$192.5 billion, P$2.2 billion or 1% higher than a year ago and P$14.8 billion or 8% higher than last quarter. When compared with the previous year, there was strong growth in the loan portfolio, cash and deposits with banks and repurchase agreements partially offset by lower other assets.

Total liabilities (excluding capital) totalled P$164.2 billion, an increase of P$2.4 billion or 1% from a year ago and P$13.8 billion or 9% higher than last quarter, mainly resulting from higher demand deposits when compared to last year and by higher wholesale term deposits when compared to last quarter.

Scotiabank Mexico – Condensed Balance Sheet *(P$ millions; Consolidated with subsidiaries)*	**March 31, 2012**	**December 31, 2011**	**March 31, 2011**
Cash, banks, securities	64,465	48,764	49,231
Performing loans	111,420	111,415	106,854
Past due loans	2,903	3,110	3,621
Allowance for loan losses	(3,398)	(3,576)	(3,823)
Other assets	17,076	17,942	34,338
Total assets	**192,466**	**177,655**	**190,221**
Deposits	135,197	123,073	127,193
Loans from Banks	5,857	5,605	4,653
Other liabilities	23,133	21,689	29,948
Capital	28,279	27,288	28,427
Total liabilities and capital	**192,466**	**177,655**	**190,221**

Performing Loans

Scotiabank Mexico – Performing Loan Portfolio *(P$ millions; Consolidated with subsidiaries)*	**March 31, 2012**	**December 31, 2011**	**March 31, 2011**
Credit card and other personal loans	16,691	16,098	15,594
Mortgages	43,814	43,147	40,663
Total personal loans	**60,505**	**59,245**	**56,257**
Business loans	42,145	41,841	35,415
Loans to financial institutions	3,454	3,466	3,082
Loans to government entities	5,316	6,863	12,100
Total business, financial institution and government loans	**50,915**	**52,170**	**50,597**
Total performing loans	**111,420**	**111,415**	**106,854**

The Bank's retail lending portfolio grew by P$4.2 billion from last year. This growth was in the mortgage portfolio which increased by P$3.2 billion or 8% from the same period last year and P$0.7 billion or 2% from last quarter and in credit card and other personal loans which grew P$1.1 billion or 7% from last year and P$0.6 billion or 4% from last quarter, in line with the bank's growth strategy.

Total business, financial and government loans grew by P$0.3 billion or 1% from the same quarter last year but declined P$1.2 billion or 2% from last quarter. The year-over-year growth was the result of a P$6.7 billion or 19% increase in business loans which was offset by the maturity of certain loans to government entities. The quarter-over-quarter decline was due to the reduction in loans to government entities, partially offset by an increase in business loans.

Past due loans

Scotiabank Mexico – Past Due Loan Portfolio *(P$ millions; Consolidated with subsidiaries)*	March 31, 2012	December 31, 2011	March 31, 2011
Past due loans	2,903	3,110	3,621
Allowance for credit losses	(3,398)	(3,576)	(3,823)
Net past due loans	**(495)**	**(466)**	**(202)**
Past due loans as a percent of total loans	2.5%	2.7%	3.3%
Allowance for credit losses as a percent of past due loans	117%	115%	106%

Gross past due loans totalled P$2,903 million this quarter, a reduction of P$718 million or 20% from the same period last year and P$207 million or 7% lower than last quarter. The Bank's allowance for credit losses was lower both year-over-year and quarter-over-quarter due to lower delinquencies in credit cards and personal loans as well as lower provisions for commercial loan this quarter.

As a percentage of past due loans, allowance for credit losses was 117% as at March 31, 2012, up from 106% a year ago and from 115% last quarter.

At March 31, 2012, the Bank's past due loan portfolio was 2.5% of the total portfolio compared to 3.3% in the same quarter last year and 2.7% in the prior quarter. The reduction from the same period last year was due to improvement in the credit quality of the retail portfolio.

Deposits

Scotiabank Mexico – Deposits *(P$ millions; Consolidated with subsidiaries)*	March 31, 2012	December 31, 2011	March 31, 2011
Total demand and saving	**66,179**	**69,613**	**57,175**
Term deposits from customers	49,976	47,239	48,705
Money market term deposits (Wholesale)	12,813	-	15,086
Total term deposits	**62,789**	**47,239**	**63,791**
Investment Certificates	**6,229**	**6,221**	**6,227**
Total deposits	**135,197**	**123,073**	**127,193**

Demand and saving deposits totalled P$66.2 billion as at March 31, 2012, an increase of P$9.0 billion or 16% over the same period last year, but P$3.4 billion or 5% lower than last quarter. The year-over-year increase reflects the Bank's continuing emphasis on growing its core demand and savings deposit base. The quarter-over-quarter reductions are the effect of normal seasonal fluctuations.

Total term deposits decreased P$1.0 billion or 2% year-over-year but grew P$15.6 billion or 33% from last quarter. The year-over-year decrease was mainly in the money market term deposits. The quarter-over-quarter growth was mainly due to new money market term deposits reflecting favourable funding opportunities.

Investment certificates had no change in the period.

For further information, please contact:

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Attachment 1 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

Changes in accounting standards applicable to credit institutions, issued by the National Banking and Securities Commission

On October 5, 2011, the resolution revising the regulations generally applicable to credit institutions was published in the Federal Official Gazette, which modified Criteria B-6 “Credit Portfolio” and became effective March 1, 2012.The effects of the adoption of these changes were immaterial.

The accounting changes so established, among others, are listed below:

- Fees charged on credit granted: It establishes the deferral of fees for credit renewal, under the straight line method during the new term of the loan.
- Restructures and renewals: It establishes the new conditions to consider current those restructured and renewed loans and additional disclosure.

Changes in accounting standards applicable to administrators of mutual funds, issued by the National Banking and Securities Commission

On March 16, 2012 the General Provisions applicable to administrators of mutual funds were published in the Federal Official Gazette, where modify the accounting standards and became effective March 30, 2012. The effects of the adoption of these changes were immaterial.

The applicable accounting changes are summarized below:

a) Criteria A-3 "Application of general accounting standards"- It provides for the following:

- Operating assets that are not liquidated on the same day are added to restricted assets.

- The concept of relative importance is clarified focusing on that established in FRS for improved precision in application (professional judgment).

b) Criteria A-4 “Suppletory application of accounting criteria”
It revises and clarifies the scope and elements constituting the US GAAP for suppletory application purposes.

c) Criteria B-2 “Investment securities” - It provides for the following:

- Identifying of transaction costs related to dispositions of investment securities
- Disclose of net income and losses of each investment securities category
- Disclose of interest expense and commissions income / expense generated by investment securities
- Disclose of accounting policies on the basis valuation used in investment securities
- Disclose related to risks arising from investment securities

d) Criteria C-2 "Related Parties"- It provides for the following:

- The term “relationship” is replaced with the term “close relative” in convergence with FRS, specifying that the applicable legislation must also be abided by.
- “Close relatives of any individual” rather than the “spouses or the persons related to the individuals” are deemed to be related parties.
- Individuals “regarded as close relatives” rather than “those with a relationship occurring by blood, legal ties or law up to fourth degree, the spouse and common-law wife/husband” are deemed to be within the power of command.

e) Criteria D-3 “Statement of income” – The statement of income is entirely restructured to converge with FRS and IFRS.

- Reporting of minimum items related to the following is eliminated from the statement of income:

  –Total operating income (expenses).
  –Income before equity in results of operations of non-consolidated subsidiaries and Associated companies.

- Item “Administrative and promotion expenses” is grouped after financial margin for intermediation with “Operating income (expenses)”

- Upon elimination of “other income (expenses)”, items making up this caption are regrouped under “Other operating income (expenses)”.

Equity in results of operations of non-consolidated subsidiaries and associated companies is reported after “results of operations” and prior to “income before tax on earnings”.

Methodology for commercial portfolio

Until December 2011, the Bank applied an internal provisioning methodology for commercial portfolio based on own estimates of the probability of default. Starting in March 2012, the bank applies a new internal methodology considering the default probability and loss given default own estimates. The objective of the change in methodology is to implement an advanced model for provisioning to determine the reserve requirements according to the Bank’s own experience.

On December 9, 2011, we received authorization from the CNBV by an official letter No. 142-2/33563/2011.

Attachment 2

GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
LORENZO BOTURINI No. 202, COL. TRANSITO, C.P. 06820, MEXICO, D.F.
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

(EXPRESSED IN MILLION OF MEXICAN PESOS)

ASSETS

FUNDS AVAILABLE			**23,334**
MARGIN ACCOUNTS			**64**
FINANCIAL INSTRUMENTS			
Securities – available for trading		24,171	
Securities – available for sale		8,048	
Securities – held to maturity		1,998	**34,217**
REPURCHASE AGREEMENTS (DEBTOR)			**12,555**
DERIVATIVES			
Trading		1,985	
Hedge		86	**2,071**
MARK TO MARKET ADJUSTMENT RELATED TO HEDGING OF FINANCIAL INSTRUMENTS			**132**
LOAN PORTFOLIO			
Business loans		50,907	
Commercial	42,145		
Financial intermediaries	3,446		
Government loans	5,316		
Consumer loans		16,691	
Mortgages loans		43,814	
TOTAL CURRENT LOAN PORTFOLIO		**111,412**	
PAST-DUE LOAN PORTFOLIO			
Business loans		370	
Commercial	370		
Consumer loans		506	
Mortgages loans		2,027	
TOTAL PAST-DUE PORTFOLIO		**2,903**	
LOAN PORTFOLIO		**114,315**	
(-) LESS:			
ALLOWANCE FOR LOAN LOSSES		**3,398**	
LOAN PORTFOLIO (NET)			**110,917**
SECURITIZATION RECEIVABLE			**190**
OTHER RECEIVABLES (NET)			**11,459**
FORECLOSED ASSETS (NET)			**15**
PROPERTY, FURNITURE AND EQUIPMENT (NET)			**4,065**
LONG-TERM INVESTMENT IN EQUITIES			**85**
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)			**840**
OTHER ASSETS			
Deferred, advanced and intangibles charges		853	
Short and long term assets		669	**1,522**
TOTAL ASSETS			**201,466**

LIABILITIES AND STOCKHOLDERS' EQUITY

FUNDING			
Demand and saving deposits		66,170	
Term deposits		62,735	
General public	49,922		
Money Market	12,813		
Issue credit certificates		6,229	**135,134**
BANK AND OTHER LOANS			
Demand		-	
Short term		3,343	
Long term		2,514	**5,857**
REPURCHASE AGREEMENTS			**13,720**
COLLATERAL SOLD OR GIVEN IN GUARANTEE			
Securities Receivable		81	**81**
LIABILITIES RELATED TO SECURITIES IN THE COURSE OF SETTLEMENT			**2,504**
DERIVATIVES			
Trading		3,545	
Hedge		359	**3,904**
OTHER PAYABLES			
Income taxes		183	
Employee profit sharing		301	
Creditors pending settlements		3,142	
Sundry creditors and other payables		5,021	**8,647**
DEFERRED CREDITS AND ADVANCED COLLECTIONS			**823**
TOTAL LIABILITIES			**170,670**
STOCKHOLDERS' EQUITY			
PAID-IN CAPITAL			
Capital stock		4,507	**4,507**
CAPITAL SURPLUS			
Capital reserves		901	
Results from previous years		23,940	
Effects from valuation of securities available for sale		361	
Effects from valuation of hedging instruments		(70)	
Net result		1,157	26,289
TOTAL STOCKHOLDERS' EQUITY			**30,796**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			**201,466**

MEMORANDUM ACCOUNTS

Customer current accounts		
Cash Balances	9	
Transaction settlement	64	
Other	227	**300**
Custody operations		
Securities held in custody	207,493	**207,493**
Transactions on behalf of customers		
Securities operations	31,057	
Securities receivable operations	117	
Collaterals received in guarantee	203	
Collaterals given in guarantee	1,319	
Administrative trusts	181	**32,877**
Investment bank transaction on behalf of third parts (net)		**73,045**
TOTAL ON BEHALF OF THIRD PARTIES		**313,715**

Assets and liabilities contingent		**74**
Assets in trust s or mandate		
Trust	129,527	
Mandate	26,831	**156,358**
Assets in custody or under administration		**639,707**
Commitment loans		**353,968**
Collateral received for the entity		
Government paper	69,736	
Bank paper	10	
Investment in Financial Instruments	180	
Other	23,230	**93,156**
Collateral received and sold or delivered in guarantee for the entity		
Goverment paper	92,767	
Bank paper	81	**92,848**
Interest not collected from past due portfolio		**150**
Other control accounts		**462,156**
TOTAL OWN OPERATIONS		**1,798,417**

"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, 2012".

NICOLE REICH DE POLIGNAC PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H.VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE

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GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
LORENZO BOTURINI No. 202, COL. TRANSITO, C.P. 06820, MEXICO, D.F.
CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Total interest earned		4,043
Total interest paid		(1,547)
Net interest profit		**2,496**
Provision for credit losses		(322)
Net interest profit, after provision for credit losses		**2,174**
Commissions earned	897	
Commissions paid	(106)	
Revenues from intermediation	393	
Other operational net income	740	
Administrative and operating expenses	(2,692)	(768)
Total operating revenues		**1,406**
Participation in the results of subsidiaries unconsolidated and associated companies		-
Net income before income tax		**1,406**
Current income tax	358	
Deferred income tax (net)	(109)	(249)
Net Income before discontinued operations		**1,157**
Net Income		**1,157**
Net Income including Controller Partipation		**1,157**

"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 PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H.VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE

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GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
LORENZO BOTURINI No. 202 COL. TRANSITO, C.P. 06820, MEXICO, D.F.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE PERIOD DECEMBER 31, 2011 TO MARCH 31, 2012
(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 , 2011	**4,507**	**901**	**20,798**	**372**	**(57)**	**3,142**	**29,663**
ITEMS RELATED TO STOCKHOLDERS DECISIONS							
Transfer of prior years results	-	-	3,142	-	-	(3,142)	**-**
Dividend payment			-				
Total	**-**	**-**	**3,142**	**-**	**-**	**(3,142)**	
ITEMS RELATED TO RECOGNITION OF COMPREHENSIVE INCOME							
Net income						1,157	**1,157**
Result from valuation of available-for-sale securities				(11)			**11**
Result from valuation of hedging instruments		-			(13)		**(13)**
Total	**-**	**-**	**-**	**(11)**	**(13)**	**1,157**	**1,133**
Balances as of March 31, 2012	**4,507**	**901**	**23,940**	**361**	**(70)**	**1,157**	**30,796**

"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
PRESIDENT

DIEGO M. PISINGER ALTER
DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE

AGUSTIN CORONA GAHBLER
DIRECTOR GENERAL AUDIT GROUP

H. VALERIO BUSTOS QUIROZ
DEPUTY DIRECTOR FINANCE

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GRUPO FINANCIERO SCOTIABANK INVERLAT, S.A. DE C.V.
LORENZO BOTURINI No. 202 COL. TRANSITO, C.P. 06820, MEXICO, D.F.
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN MILLIONS OF MEXICAN PESOS)

Net income		**1,157**
Adjustments for items that not imply cash flow:		
Losses for deterioration or cancel effect associated with investment and funding activities	(8)	
Depreciation of property plant and equipment	83	
Amortization of intangible assets	3	
Provisions	451	
Income tax (current and deferred)	250	
Other	(126)	653
Operation activities:		
Change in margin accounts		4
Change in investment securities		2,841
Change in repurchase agreements (debtor)		(9,402)
Change in derivates (assets)		1,056
Change in loan portfolio (net)		(294)
Change in Securizatión receivable		29
Change in foreclosed assets (net)		1
Change in other operational assets (net)		563
Change in funding		12,097
Change in bank and other loans		251
Change in repurchase agreements (creditor)		(5,605)
Change in collateral sold or in guarantee		(66)
Change in derivates (liabilities)		(1,455)
Change in other operational liabilities		2,955
Payments for income taxes		(192)
Operation activities cash flow		**2,783**
Investment activities:		
Payments for acquisition of property, furniture and equipment		(72)
Payments for acquisition of intangible assets		(83)
Other		2
Investment activities cash flow		**(153)**
Financing activities:		
Payments in cash (dividends)		(499)
Financing activities cash flow		**(499)**
Net Increase or Decrease in net cash and cash equivalents		**3,941**
Cash and cash equivalent at the beginning of the period		**19,393**
Cash and cash equivalent at the final of the period		**23,334**

"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 PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H. VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE

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

ASSETS	MAR- 12	DEC- 11	MAR-11
Funds Available	**23,334**	**19,393**	**13,331**
Margin Accounts	**64**	**69**	**84**
Financial Instruments	**34,217**	**37,038**	**39,610**
Securities – available for trading	24,170	28,034	33,896
Securities – available for sale	8,048	7,027	3,799
Securities – held to maturity	1,999	1,977	1,915
Repurchase Agreements (Debtor**)**	**12,555**	**3,153**	**4,904**
Derivatives	**2,071**	**2,485**	**1,810**
Trading	1,985	2,444	1,731
Hedge	86	41	78
Mark to Market Adjustment Related to Heading of Financial Instruments	**132**	**150**	**148**
Current Loan Portfolio	**111,412**	**111,409**	**106,843**
Business loans	50,907	52,165	50,536
Consumer loans	16,691	16,098	15,594
Mortgage loans	43,814	43,147	40,663
Past Due Loan Portfolio	**2,903**	**3,110**	**3,621**
Business loans	370	378	484
Consumer loans	506	581	660
Mortgage loans	2,027	2,151	2,477
Loan Portfolio	**114,315**	**114,519**	**110,464**
(-) Less Allowance for Loan Losses	3,398	3,576	3,823
Loan Portfolio (Net)	**110,916**	**110,944**	**106,642**
Securitization Receivable	**190**	**205**	**207**
Other Receivable (Net)	**11,459**	**11,612**	**30,179**
Foreclosed Assets (Net)	**15**	**17**	**11**
Property, Furniture and Equipment (Net)	**4,065**	**4,076**	**3,777**
Long-term Investment in Equities	**85**	**86**	**82**
Deferred Taxes and Employee Profit Sharing (Net)	**840**	**687**	**583**
Other Assets	**1,522**	**1,849**	**1,618**
Total Assets	**201,466**	**191,764**	**202,986**

LIABILITIES AND STOCKHOLDERS EQUITY

	MAR- 12	DEC- 11	MAR-11
Funding	**135,134**	**123,037**	**127,159**
Demand and saving deposits	66,170	69,609	**57,172**
Term deposits	62,735	47,207	**63,759**
Issue credit certificates	6,229	6,221	**6,227**
Bank and Other Loans	**5,857**	**5,605**	**4,653**
Repurchase Agreements	**13,720**	**19,325**	**15,087**
Collateral Sold or Given in Guarantee	**81**	**147**	**143**
Liabilities Related to Securities in the Course of Settlement	**2,504**	**731**	**5,357**
Derivatives	**3,904**	**4,812**	**4,112**
Trading	3,545	4,417	**3,845**
Hedge	359	395	**268**
Other Payables	**8,647**	**7,647**	**14,965**
Income Taxes	183	17	**39**
Employee profit sharing	301	251	**306**
Creditors pending settlements	3,142	1,687	**9,520**
Creditors by colateral receivable in cash	-	-	**33**
Sundry creditors and other payables	5,021	5,692	**5,067**
Deferred Credits and Advanced Collections	**823**	**795**	**682**
Total Liabilities	**170,670**	**162,100**	**172,158**

STOCKHOLDER´S EQUITY

	MAR- 12	DEC- 11	MAR-11
Paid -In Capital	**4,507**	**4,507**	**4,507**
Capital Surplus	**26,289**	**25,157**	**26,321**
Capital reserves	901	901	**901**
Results from previous years	23,940	20,797	**24,098**
Effects from valuation of securities available for sale	361	372	**339**
Effects from valuation of hedging instruments	(70)	(57)	**66**
Net result	1,157	3,143	**917**
Total Stockholder´s Equity	**30,796**	**29,664**	**30,828**
Total Liabilities and Stockholder´s Equity	**201,466**	**191,764**	**202,986**

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

MEMORANDUM ACCOUNTS	MAR- 12	DEC- 11	MAR-11
OPERATIONS ON BEHALF THIRD PARTIES			
Customer current accounts	**301**	**424**	**72**
Cash Balances	9	13	9
Transaction settlement	64	188	(110)
Other	227	223	173
Custody Operations	**207,493**	**201,932**	**201,475**
Securities hed in custody	207,493	201,932	201,475
Transactions on Behalf of Customers	**32,877**	**31,059**	**30,551**
Securities operations	31,057	29,247	28,102
Securities receivable operations	117	81	143
Collateral received in guarantee	203	91	111
Colaterals given in guarantee	1,319	1,464	2,035
Administrative trusts	180	176	160
Investment bank transaction on behalf of third parts (net)	**73,045**	**63,934**	**62,328**
TOTAL ON BEHALF OF THIRD PARTIES	**313,715**	**297,349**	**294,427**
OWN OPERATIONS			
Assets and liabilities contingent	**75**	**74**	**3,773**
Assets in trust or mandate	**156,358**	**154,776**	**143,216**
Trust	129,527	127,943	116,395
Mandate	26,831	26,833	26,821
Assets in custody o under administration	**639,707**	**616,639**	**650,204**
Commitment loans	**353,968**	**338,005**	**300,490**
Collateral received for the entity	**93,156**	**60,947**	**99,927**
Goverment paper	69,736	36,278	49,329
Bank paper	10	800	-
Investment in Financial Instruments	180	3	320
Other	23,230	23,866	50,279
Collateral received and sold or delivered in guarantee for the entity	**92,848**	**50,485**	**74,970**
Goverment paper	92,767	50,485	74,827
Bank paper	81	-	143
Investment in Financial Instruments	-	-	-
Interest not collected from past due portfolio	**150**	**165**	**224**
Other control accounts	**462,156**	**523,950**	**499,600**
TOTAL OWN OPERATIONS	**1,798,417**	**1,745,042**	**1,772,403**

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

	3 MONTHS		
	MAR-12	**DEC-11**	**MAR-11**
Total interest earned	4,043	3,963	3,920
Total interest paid	(1,547)	(1,509)	(1,367)
Net interest profit	**2,496**	**2,454**	**2,553**
Provision for credit losses	(322)	(521)	(566)
Net interest profit, after provision for credit losses	**2,174**	**1,933**	**1,987**
Commissions earned	897	809	816
Commissions paid	(106)	(111)	(101)
Revenues from intermediation	393	318	104
Other operational net income	740	787	977
Administrative and operating expenses	(2,692)	(2,883)	(2,487)
Total operating revenues	**1,406**	**853**	**1,296**
Participation in the results of subsidiaries unconsolidated and asociated	-	1	-
Net income before income tax	**1,406**	**854**	**1,296**
Current income tax	358	2	231
Deferred income tax (net)	(109)	(25)	148
	249	**(23)**	**378**
Net Income before discontinued operations	**1,157**	**831**	**917**
Net Income	**1,157**	**831**	**917**
Net Income including Controller Participation	**1,157**	**831**	**917**

Attachment 3

SCOTIABANK INVERLAT, S.A.
INSTITUCION DE BANCA MULTIPLE
GRUPO FINANCIERO SCOTIABANK INVERLAT.
LORENZO BOTURINI 202 COL.TRÁNSITO, C.P. 06820, MEXICO D.F.
BALANCE SHEETS CONSOLIDATED WITH ITS SUBSIDIARIES AS AT MARCH 31, 2012
(EXPRESSED IN MILLION OF MEXICAN PESOS)

ASSETS

FUNDS AVAILABLE			23,324
MARGIN ACCOUNTS			61
FINANCIAL INSTRUMENTS			
Securities – available for trading		13,918	
Securities – available for sale		7,523	
Securities – held to maturity		1,999	23,440
REPURCHASE AGREEMENTS (DEBTOR)			15,199
DERIVATIVES			
Trading		2,223	
Hedge		86	2,309
MARK TO MARKET ADJUSTMENT RELATED TO HEDGING OF FINANCIAL INSTRUMENTS			132
LOAN PORTFOLIO			
Business loans		50,915	
Commercial	42,145		
Financial intermediaries	3,454		
Government loans	5,316		
Consumer loans		16,691	
Mortgages loans		43,814	
TOTAL CURRENT LOAN PORTFOLIO		111,420	
PAST-DUE LOAN PORTFOLIO			
Business loans		370	
Commercial	370		
Financial intermediaries	-		
Consumer loans		506	
Mortgages loans		2,027	
TOTAL PAST-DUE PORTFOLIO		2,903	
LOAN PORTFOLIO		114,323	
(-) LESS:			
ALLOWANCE FOR LOAN LOSSES		3,398	
LOAN PORTFOLIO (NET)			110,925
SECURITIZATION RECEIVABLE			190
OTHER RECEIVABLES (NET)			10,633
FORECLOSED ASSETS (NET)			15
PROPERTY, FURNITURE AND EQUIPMENT (NET)			3,860
LONG-TERM INVESTMENT IN EQUITIES			78
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)			927
OTHER ASSETS			
Deferred, advanced and intangible charges		735	
Short and long term other assets		638	1,373
TOTAL ASSETS			**192,466**

LIABILITIES AND STOCKHOLDERS' EQUITY

FUNDING			
Demand and saving deposits		66,179	
Term deposits		62,789	
General public	49,976		
Money market	12,813		
Issue credit certificate		6,229	135,197
BANK AND OTHER LOANS			
Demand		-	
Short term		3,343	
Long term		2,514	5,857
LIABILITIES RELATED TO SECURITIES IN THE COURSE OF SETTLEMENT			2,504
REPURCHASE AGREEMENTS			9,437
DERIVATIVES			
Trading		2,320	
Hedge		359	2,679
OTHER PAYABLES			
Income Taxes		139	
Employee profit sharing		248	
Creditors pending settlements		2,404	
Creditors by collaterals received in cash		-	
Sundry creditors and other payables		4,899	7,690
DEFERRED CREDITS AND ADVANCED COLLETIONS			823
TOTAL LIABILITIES			**164,187**
STOCKHOLDERS' EQUITY			
PAID-IN CAPITAL			
Capital stock		7,451	
Premium from the sale of shares		473	7,924
CAPITAL SURPLUS			
Capital reserves		2,687	
Results from previous years		16,531	
Effects from valuation of securities available for sale		158	
Effects from valuation of hedging instruments		(70)	
Net result		1,049	20,355
TOTAL STOCKHOLDERS' EQUITY			28,279
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			**192,466**

MEMORANDUM ACCOUNTS

Assets and liabilities contingent		71
Commitment loans		353,968
Assets in trust or mandate		156,358
Trust	129,527	
Mandate	26,831	
Assets in custody or under administration		504,534
Collateral received for the entity		71,695
Collateral received and sold or delivered in guarantee for the entity		34,441
Investment bank transaction on behalf of third parts (net)		73,045
Interest not collected from past due portfolio		150
Other control accounts		452,085

"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, 2012.

NICOLE REICH DE POLIGNAC PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H. VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE

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SCOTIABANK INVERLAT, S.A.
INSTITUCION DE BANCA MULTIPLE
GRUPO FINANCIERO SCOTIABANK INVERLAT.
LORENZO BOTURINI 202, COL TRANSITO, C.P. 06820, MEXICO D.F.
STATEMENT OF INCOME OF THE BANK CONSOLIDATED WITH ITS SUBSIDIARIES
FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Total interest earned		3,739
Total interest paid		(1,295)
Net interest profit		**2,444**
Provision for credit losses		(322)
Net interest profit, after provision for credit losses		**2,122**
Commissions earned	600	
Commissions paid	(91)	
Revenues from intermediation	356	
Other operational net income	782	
Administrative and operating expenses	(2,536)	(889)
Total operating revenues		**1,233**
Participation in the results of subsidiaries unconsolidated and associated		-
Net income before income tax		**1,233**
Current income tax	279	
Deferred income tax (net)	(95)	(184)
Net Income before discontinued operations		**1,049**
Net Income		**1,049**

“These statement of income consolidated was 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 revenues and costs the transactions carried out by the institution 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 income consolidated were approved by the Board Directors under the responsibility of the following officers”.

NICOLE REICH DE POLIGNAC PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H. VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE

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SCOTIABANK INVERLAT, S.A.
INSTITUCION DE BANCA MULTIPLE
GRUPO FINANCIERO SCOTIABANK INVERLAT
LORENZO BOTURINI 202, COL TRANSITO, C.P.06820, MEXICO D.F
CONSOLIDATED STATEMENT OF CHANGES IN THE CAPITAL OF THE BANK WITH ITS SUBSIDIARIES
FOR THE PERIOD DECEMBER 31, 2011 TO MARCH 31, 2012
(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, 2011	**7,451**	-	**473**	-	**2,687**	**13,659**	**203**	**(57)**	-	-	**2,872**	-	**27,288**
ITEMS RELATED TO STOCKHOLDERS DECISIONS													
Creation of reserves					-								-
Transfer of prior year's results						2,872					(2,872)		-
Dividend payment						-							**-**
Total	**-**	-	**-**	-	**-**	**2,872**	**-**	**-**	-	-	**(2,872)**	-	**-**
ITEMS RELATED TO RECOGNITION OF COMPREHENSIVE INCOME													
Net income											1,049		**1,049**
Result from valuation of available-for-sale securities							(45)						**(45)**
Result from valuation of hedging instruments								(13)					**(13)**
Total	**-**	-	**-**	-	**-**	**-**	**(45)**	**(13)**	-	-	**1,049**	-	**991**
Balances as of March 31, 2012	**7,451**	-	**473**	-	**2,687**	**16,531**	**158**	**(70)**	-	-	**1,049**	-	**28,279**

"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
PRESIDENT

DIEGO M. PISINGER ALTER
DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE

AGUSTIN CORONA GAHBLER
DIRECTOR GENERAL AUDIT GROUP

H.VALERIO BUSTOS QUIROZ
DEPUTY DIRECTOR FINANCE

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SCOTIABANK INVERLAT, S.A.
INSTITUCION DE BANCA MULTIPLE
GRUPO FINANCIERO SCOTIABANK INVERLAT
LORENZO BOTURINI 202, COL. TRANSITO C.P. 06820, MEXICO D.F.
CONSOLIDATED STATEMENT OF CASH FLOW OF THE BANK WITH ITS SUBSIDIARIES
FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Net income	**1,049**
Losses for deterioration or cancel effect associated with investment and funding activities	(8)
Depreciation of property plant and equipment	78
Amortization of intangible assets	3
Provisions	417
Income tax (current and deferred)	184
Other	(162)
Adjustments for items that not imply cash flow	**512**
Operation activities	
Change in margin accounts	(1)
Change in investment securities	(59)
Change in repurchase agreements (debtor)	(10,242)
Change in derivates (assets)	575
Change in loan portfolio (net)	(296)
Change in securitization receivable	29
Change in foreclosed assets (net)	1
Change in other operational assets (net)	1,080
Change in funding	12,124
Change in bank and other loans	251
Change in repurchase agreements (creditor)	(405)
Change in derivates (liabilities)	(624)
Change in other operational liabilities	765
Payments for income taxes	(211)
Operation activities cash flow	**2,987**
Investment activities	
Payments for acquisition of property, furniture and equipment	(68)
Payments for acquisition of intangible assets	(41)
Otros	2
Investment activities cash flow	**(107)**
Financing activities	
Dividends paid in cash	(499)
Financing activities cash flow	**(499)**
Net Increase or Decrease in net cash and cash equivalents	**(3,942)**
Cash and cash equivalent at the beginning of the period	19,382
Cash and cash equivalent at the final of the period	**23,324**

“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 PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H.VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE

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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	MAR-12	DEC-11	MAR-11
Funds Available	**23,324**	**19,382**	**13,322**
Margin Accounts	**61**	**60**	**74**
Financial Instruments	**23,441**	**21,660**	**24,565**
Securities – available for trading	13,918	13,126	19,352
Securities – available for sale	7,523	6,557	3,298
Securities – held to maturity	1,999	1,977	1,915
Repurchase Agreements (Debtor**)**	**15,199**	**4,957**	**9,273**
Derivatives	**2,309**	**2,555**	**1,849**
Trading	2,223	2,514	1,771
Hedge	86	41	78
Mark to Market Adjustment Related to Heading of Financial Instruments	**132**	**150**	**148**
Current Loan Portfolio	**111,420**	**111,415**	**106,854**
Business loans	50,915	52,170	50,596
Consumer loans	16,691	16,098	15,595
Mortgage loans	43,814	43,147	40,663
Past Due Loan Portfolio	**2,903**	**3,110**	**3,621**
Business loans	370	378	484
Consumer loans	506	581	660
Mortgage loans	2,027	2,151	2,477
Loan Portfolio	**114,323**	**114,525**	**110,475**
(-) Less Allowance for Loan Losses	**3,398**	**3,576**	**3,823**
Loan Portfolio (Net)	**110,925**	**110,949**	**106,652**
Securitization Receivable	**190**	**205**	**207**
Other Receivable (Net)	**10,633**	**11,417**	**28,323**
Foreclosed Assets (Net)	**15**	**17**	**11**
Property, Furniture and Equipment (Net)	**3,860**	**3,871**	**3,590**
Long-term Investment in Equities	**78**	**80**	**78**
Deferred Taxes and Employee Profit Sharing (Net)	**927**	**773**	**647**
Other Assets	**1,373**	**1,579**	**1,482**
Total Assets	**192,466**	**177,655**	**190,221**

LIABILITIES AND STOCKHOLDER´S EQUITY	MAR-12	DEC-11	MAR-11
Funding	**135,197**	**123,073**	**127,193**
Demand and saving deposits	66,179	69,613	**57,175**
Term deposits	62,789	47,239	**63,791**
Issue credit certificates	6,229	6,221	**6,227**
Bank and Other Loans	**5,857**	**5,605**	**4,653**
Liabilities Related to Securities in the Course of Settlement	**2,504**	**731**	**4,888**
Repurchase Agreements	**9,437**	**9,842**	**8,140**
Derivatives	**2,679**	**3,122**	**2,290**
Trading	2,320	2,727	**2,022**
Hedge	359	395	**268**
Other Payables	**7,690**	**7,199**	**13,948**
Income Taxes	139	2	**2**
Employee profit sharing	248	210	**250**
Creditors pending settlements	2,404	1,535	**8,772**
Creditors by collaterals received in cash	-	-	**33**
Sundry creditors and other payables	4,899	5,452	**4,891**
Deferred Credits and Advanced Collections	**823**	**795**	**682**
Total Liabilities	**164,187**	**150,367**	**161,794**

STOCKHOLDER´S EQUITY	MAR-12	DEC-11	MAR-11
Paid -In Capital	**7,924**	**7,924**	**7,924**
Capital Surplus	**20,355**	**19,364**	**20,503**
Capital reserves	2,687	2,687	**2,425**
Results from previous years	16,531	13,658	**17,021**
Effects from valuation of securities available for sale	158	204	**151**
Effects from valuation of hedging instruments	(70)	(57)	**66**
Net result	1,049	2,872	**840**
Total Stockholder´s Equity	**28,279**	**27,288**	**28,427**
Total Liabilities and Stockholder´s Equity	**192,466**	**177,655**	**190,221**

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

MEMORANDUM ACCOUNTS	MAR- 12	DEC- 11	MAR-11
OWN OPERATIONS			
Assets and liabilities contingent	71	71	71
Commitment loans	353,968	338,005	300,490
Assets in trust s or mandate	156,358	154,776	143,213
Trust	129,527	127,943	116,392
Mandate	26,831	26,833	26,821
Assets in custody or under administration	504,534	482,236	524,076
Collaterals received for the entity	71,695	48,364	86,680
Collaterals received and sold or delivered in guarantee for the entity	34,441	20,780	27,612
Investment bank transaction on behalf of third parts (net)	73,045	63,934	62,328
Interest not collected from past due portfolio	150	165	224
Other control accounts	452,085	512,734	490,407
TOTAL OWN OPERATIONS	**1,646**	**1,621**	**1,635**

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

	3 MONTHS		
	MAR-12	**DEC-11**	**MAR-11**
Total interest earned	3,739	3,631	3,658
Total interest paid	(1,295)	(1,212)	(1,096)
Net interest profit	**2,444**	**2,419**	**2,472**
Provision for credit losses	(322)	(521)	(566)
Net interest profit, after provision for credit losses	**2,122**	**1,898**	**1,906**
Commissions earned	600	561	535
Commissions paid	(91)	(96)	(89)
Revenues from intermediation	356	285	142
Other operational net income	782	792	1,023
Administrative and operating expenses	(2,536)	(2,685)	(2,339)
Total operating revenues	**1,233**	**755**	**1,178**
Participation in the results of subsidiaries unconsolidated and associated	-	1	-
Net income before income tax	**1,233**	**756**	**1,178**
Current income tax	279	11	162
Deferred income tax (net)	(95)	(12)	176
	184	**(1)**	**338**
Net Income before discontinued operations	**1,049**	**755**	**840**
Net Income	**1,049**	**755**	**840**

Attachment 4

SCOTIA INVERLAT CASA DE BOLSA, S.A. DE C.V.
GRUPO FINANCIERO SCOTIABANK INVERLAT.
BOSQUE DE CIRUELOS No. 120, COL. BOSQUES DE LAS LOMAS, C.P. 11700, MEXICO D.F.
BALANCE SHEETS AS AT MARCH 31, 2012
(EXPRESSED IN MILLION OF MEXICAN PESOS)

MEMORANDUM ACCOUNTS

OPERATIONS ON BEHALF THIRD PARTIES		
CUSTOMER CURRENT ACCOUNTS		
Cash balances	9	
Transaction settlement	64	
Other	227	**300**
CUSTODY OPERATIONS		
Securities held in custody		**207,493**
MANAGEMENT OPERATIONS		
Securities operations	31,057	
Securities receivable operations	117	
Collaterals received in guarantee	203	
Collaterals given in guarantee	1,319	
Administrative trusts	181	**32,877**
TOTAL ON BEHALF OF THIRD PARTIES		**240,670**

OWN OPERATIONS		
COLLATERAL RECEIVED BY THE ENTITY		
Government debt	39,803	
Own instruments	180	**39,983**
COLLATERAL RECEIVED, SOLD OR DELIVERED IN GUARANTEE FOR THE ENTITY		
Government debt	39,803	
Own instruments	81	**39,884**
Other		**5,213**
TOTAL BROKERAGE FIRM		**85,080**

ASSETS

FUNDS AVAILABLE		**37**
MARGIN ACCOUNTS (DERIVATES)		**10**
FINANCIAL INSTRUMENTS		
Securities – available for trading	9,893	
Securities – available for sale	524	**10,417**
REPURCHASE AGREEMENTS – DEBTORS		**1**
DERIVATES		
Trading		**527**
ACCOUNTS RECEIVABLE (NET)		**863**
PROPERTY, FURNITURE AND EQUIPMENT (NET)		**168**
LONG-TERM INVESTMENTS IN EQUITIES		**3**
OTHER ASSETS		
Deferred, advanced and intangible charges	95	
Short and long term other assets	31	**126**
TOTAL ASSETS		**12,152**

LIABILITIES AND STOCKHOLDERS' EQUITY

BANK AND OTHER LOANS		
Short term		**8**
LIABILITIES RELATED TO SECURITIES IN THE COURSE OF SETTLEMENT		**-**
REPURCHASE AGREEMENTS – CREDITORS		**7,014**
COLLATERAL SOLD OR GIVEN IN GUARANTEE		
Securities receivable		**81**
DERIVATES		
Trading		**1,990**
OTHER PAYABLES		
Income tax	36	
Employee profit sharing	30	
Creditors pending settlements	738	
Sundry creditors and other payables	255	**1,059**
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)		**71**
TOTAL LIABILITIES		**10,223**
STOCKHOLDERS' EQUITY		
PAID-IN CAPITAL		
Capital stock		**551**
CAPITAL SURPLUS		
Statutory reserves	58	
Results from prior years	1,050	
Results for valuation of securities available for sale	202	
Net results	68	**1,378**
TOTAL STOCKHOLDERS' EQUITY		**1,929**
EQUITY TOTAL LIABILITIES AND STOCKHOLDERS'		**12,152**

"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, 2012.

GONZALO ROJAS RAMOS PRESIDENT	DIEGO M. PISINGER ALTER DIRECTOR GENERAL FINANCE AND BUSINESS INTELLIGENCE	AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H.VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE

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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, C.P. 11700, MEXICO D.F.
STATEMENT OF INCOME FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Commissions and fees collected		178
Commissions and fees paid		(12)
Financial advisory income		21
Service Income		**187**
Gain on purchase and sale of securities	243	
Loss on purchase and sale of securities	(175)	
Interest income	534	
Interest expense	(483)	
Valuation gain (loss) on securities	(36)	83
Net Interest Profit for Intermediation		**83**
Other operational net income	19	
Administrative and operating expenses	(174)	(155)
Operating income		**115**
Net income before income tax		**115**
Current income tax	68	
Deferred income tax (net)	(21)	(47)
Net income before discontinued operations		**68**
Net income		**68**

"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	AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H.VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE

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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, C.P. 11700, MEXICO D.F.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE PERIOD DECEMBER 31, 2011 TO MARCH 31, 2012
(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	Total stockholders' equity
Balances as of December 31, 2011	**551**	-	-	-	**58**	**872**	**169**	**-**	-	-	**142**	**1,828**
ITEMS RELATED TO STOCKHOLDERS DECISIONS												
Creation of reserves												
Transfer of prior year's results					-	142					(142)	
Dividend payment						-						**-**
Total	**-**	-	-	-	**-**	**142**	**-**	**-**	-	-	**(142)**	**-**
ITEMS RELATED TO RECOGNITION OF COMPREHENSIVE INCOME												
Net income											68	**68**
Result from valuation of available-for-sale securities							33					**33**
Total	**-**	-	-	-	**-**	**-**	**33**	**-**	-	-	**68**	**101**
Balances as of March 31, 2012	**551**	-	-	-	**58**	**1,050**	**202**	**-**	-	-	**68**	**1,929**

"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

AGUSTIN CORONA GAHBLER
DIRECTOR GENERAL AUDIT GROUP

H.VALERIO BUSTOS QUIROZ
DEPUTY DIRECTOR FINANCE

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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, C.P. 11700, MEXICO D.F.
STATEMENT OF CASH FLOW, FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN MILLION OF MEXICAN PESOS)

Net income		**68**
Adjustments for items that do not imply flow of cash:		
Depreciation and amortization	3	
Provisions	19	
Income tax (current and deferred)	47	
Other	36	**105**
Operation Activities:		
Change in margin accounts		2
Change in investment securities		4,699
Change in derivates (assets)		42
Change in other operational assets		(592)
Change in bank and other loans		2
Change in repurchase agreements (creditor)		(4,416)
Change in collateral sold or in guarantee		(66)
Change in derivates (liabilities)		(393)
Change in other operational liabilities		598
Payments for income taxes		(40)
Operation activities cash flow		**(164)**
Investment Activities		
Payments for acquisition of property, furniture and equipment		(1)
Investment activities cash flow		**(1)**
Net Increase or Decrease in cash		**8**
Cash and cash equivalent at the beginning of the period		**29**
Cash and cash equivalent at the final of the period		**37**

"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	AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H.VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE

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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	MAR-12	DEC-11	MAR-11
Funds Available	**37**	**29**	**23**
Margin Accounts (Derivatives)	**10**	**12**	**38**
Financial Instruments	**10,417**	**15,043**	**14,791**
Securities – available for trading	9,893	14,574	14,290
Securities – available for sale	525	469	501
Repurchase Agreements (Debtor**)**	**1**	**1**	**1,374**
Derivatives	**527**	**257**	**115**
Trading	527	257	115
Accounts Receivable (Net)	**863**	**170**	**1,847**
Property, Furniture and Equipment (Net)	**168**	**169**	**152**
Long-term Investment in Equities	**3**	**3**	**3**
Other Assets	**126**	**227**	**122**
Total Assets	**12,152**	**15,911**	**17,092**

LIABILITIES AND STOCKHOLDER´S EQUITY	MAR-12	DEC-11	MAR-11
Bank and Other Loans	**8**	**6**	**8**
Liabilities Related to Securities in the Course of Settlement	**-**	**-**	**469**
Repurchase Agreements	**7,014**	**11,430**	**11,458**
Collateral Sold or Given in Guarantee	**81**	**147**	**143**
Derivatives	**1,990**	**2,017**	**1,977**
Trading	1,990	2,017	**1,977**
Other Payables	**1,059**	**406**	**1,026**
Income Taxes	36	9	**26**
Employee profit sharing	30	20	**38**
Creditors pending settlements	738	152	**747**
Sundry creditors and other payables	255	225	**215**
Deferred Taxes and Employee Profit Sharing (Net)	**71**	**77**	**58**
Total Liabilities	**10,223**	**14,083**	**15,138**

STOCKHOLDER´S EQUITY	MAR-12	DEC-11	MAR-11
Paid -In Capital	**551**	**551**	**551**
Capital Surplus	**1,378**	**1,277**	**1,402**
Capital reserves	58	58	**46**
Results from previous years	1,050	908	**1,120**
Effects from valuation of securities available for sale	202	169	**188**
Net Income	68	142	**48**
Total Stockholder´s Equity	**1,929**	**1,828**	**1,953**
Total Liabilities and Stockholder´s Equity	**12,152**	**15,911**	**17,092**

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

MEMORANDUM ACCOUNTS	MAR-12	DEC-11	MAR-11
OPERATIONS ON BEHALF THIRD PARTIES			
Customer Current Accounts	**301**	**424**	**72**
Cash Balances	9	13	9
Transaction settlement	-	188	(110)
Other	227	223	173
Custody Operations	**207,493**	**201,932**	**201,475**
Securities held in custody	207,493	201,932	201,475
Managemente Operations	**32,877**	**31,059**	**30,551**
Securities operations	31,057	29,247	28,102
Securities receivable operations	117	81	143
Collaterals received in guarantee	203	91	111
Collaterals given in guarantee	1,319	1,464	2,035
Administrative trusts	180	176	160
TOTAL ON BEHALF THIRD PARTIES	**240,670**	**233,415**	**232,099**
OWN OPERATIONS			
Assets and liabilities contigent	**-**	**-**	**3,699**
Collaterals received for the entity	**39,983**	**21,145**	**30,321**
Goverment paper	39,803	21,143	30,001
Investment in Financial Instruments	180	2	320
Collaterals received and sold or delivered in guarantee for the entity	**39,884**	**21,143**	**30,144**
Goverment paper	39,803	21,143	30,001
Investment in Financial Instruments	81	-	143
Other control accounts	**5,213**	**6,358**	**4,334**
TOTAL OWN OPERATIONS	**85,080**	**48,646**	**68,498**

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		
	MAR-12	**DEC-11**	**MAR-11**
Commissions and fees collected	178	129	175
Commissions and fess paid	(12)	(12)	(9)
Financial advisory Income	21	21	23
Service Income	**187**	**138**	**189**
Gain on purchase and sale of securities	243	353	440
Loss on purchase and sale of securities	(175)	(301)	(478)
Interest income	534	456	525
Interest expense	(483)	(423)	(446)
Valuation gain (loss) on securities	(36)	(24)	(2)
Net Interest Profit for Intermediation	**83**	**61**	**39**
Other operational net income	19	23	8
Administrative and operating expenses	(174)	(180)	(159)
Operating income	**115**	**42**	**77**
Net income before income tax	**115**	**42**	**77**
Current income tax	68	4	(50)
Deferred income tax (net)	(21)	(12)	21
	(47)	**(8)**	**(29)**
Net income before discontinued operations	**68**	**34**	**48**
Net income	**68**	**34**	**48**

Attachment 5

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, C.P. 11700, MEXICO D.F.
BALANCE SHEET AS AT MARCH 31, 2012
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

ASSETS		
FUNDS AVAILABLE		**14**
SECURITIES INVESTMENT		
Securities – available for trading		**357,708**
OTHER ACCOUNTS RECEIVABLE (NET)		**86,392**
LONG-TERM INVESTMENT IN EQUITIES		**3,318**
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)		**511**
OTHER ASSETS		
Deferred, advanced and intangible charges	80	
Short and Long term assets	44	**124**
TOTAL ASSETS		**448,067**

LIABILITIES AND STOCKHOLDERS' EQUITY		
OTHER PAYABLES		
Income tax	7,631	
Sundry creditors and other payables	67,830	**75,461**
TOTAL LIABILITIES		**75,461**
STOCKHOLDERS' EQUITY		
PAID-IN CAPITAL		
Capital stock		**2,586**
CAPITAL SURPLUS		
Statutory reserves	517	
Results from prior years	339,242	
Net results	30,261	**370,020**
TOTAL STOCKHOLDERS' EQUITY		**372,606**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**448,067**

MEMORANDUM ACCOUNTS

Assets and Liabilities contingent	3,405
Assets in custody or under administration	125,401,591

"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, 2012.

ERNESTO DIEZ SANCHEZ
PRESIDENT

H.VALERIO BUSTOS QUIROZ
DEPUTY DIRECTOR FINANCE

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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, C.P. 11700, MEXICO D.F.
STATEMENT OF INCOME FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

Commissions and fees collected		205,035
Commissions and fees paid		(165,122)
Service Income		**39,913**
Valuation gain (loss) on securities	275	
Gain and loss on purchase and sale of securities	3,595	3,870
Net Interest Profit		**3,870**
Other Operational Net Income		(1)
Administrative expenses		(1,981)
Operational income		**41,801**
Participation in the results of subsidiaries unconsolidated and associated		1
Net income before income tax		**41,802**
Current income tax	(11,632)	
Deferred income tax (net)	91	(11,541)
Results before discontinued operations		**30,261**
Net income		**30,261**

"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

H.VALERIO BUSTOS QUIROZ
DEPUTY DIRECTOR FINANCE

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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, C.P. 11700, MEXICO D.F.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE PERIOD DECEMBER 31, 2010 TO MARCH 31, 2012
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

CONCEPT	Paid-in Capital			Capital Surplus					
	Capital stock	Contributions for future increases by the Shareholders' assembly	Premium from the sale of shares	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, 2011	**2,586**	**-**	**-**	**517**	**231,574**	-	-	**107,668**	**342,345**
ITEMS RELATED TO STOCKHOLDERS DECISIONS									
Transfer of prior year's results					107,668			(107,668)	**-**
Total	**-**	**-**	**-**	**-**	**107,668**	-	-	**(107,668)**	**-**
ITEMS RELATED TO RECOGNITION OF COMPREHENSIVE INCOME									
Comprehensive Income									
Net income								30,261	**30,261**
Total	**-**	**-**	**-**	**-**	**-**	-	-	**30,261**	**30,261**
Balances as of March 31, 2012	**2,586**	**-**	**-**	**517**	**339,242**	-	-	**30,261**	**372,606**

"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

H.VALERIO BUSTOS QUIROZ
DEPUTY DIRECTOR FINANCE

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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, C.P. 11700, MEXICO D.F.
STATEMENT OF CASH FLOW, FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

Net income		**30,261**
Adjustments for items that not imply cash flow		
Provisions	442	
Income tax (current and deferred)	11,541	
Participation in the result of subsidiaries non consolidated and associated	(1)	
Other	(275)	**11,707**
Operation activities		
Change in investment securities		(26,697)
Change in other operational assets		(5,718)
Change in other operational liabilities		(440)
Payment income taxes		(10,113)
Operation activities cash flow		**(41,968)**
Net Increase or Decrease in cash		**-**
Cash and cash equivalent at the beginning of the period		**14**
Cash and cash equivalent at the final of the period		**14**

“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

H.VALERIO BUSTOS QUIROZ
DEPUTY DIRECTOR FINANCE

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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, C.P. 11700, MEXICO D.F.
STATEMENT OF INVESTMENT LOAN VALUATION, AS AT MARCH 31, 2012
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

INVESTMENT PORTFOLIO	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
Securities available for traiding 3% Mutual Funds	SCOTIAG	C1	51	-	TR	AAA/2 F	130,959,511	3,179,710	190,245,992	2.731068	357,659	2.731443	357,708	-
Permanent investments in shares:														
Other	SCOTEME	A	52	-	-	-	80,646	80,646	80,646	14.082777	1,136	14.353991	1,157	-
Other	SCOT - FX	A	52			AA/2F	62,501	62,501	62,501	18.571517	1,161	18.571517	1,161	
Other	SCOTLPG	A	51			AAA/7F	1,000,000	1,000,000	1,000,000	1.000000	1,000	1.000000	1,000	
											360,956		361,026	

“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

H.VALERIO BUSTOS QUIROZ
DEPUTY DIRECTOR FINANCE

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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	MAR-12	DEC-11	MAR-11
FUNDS AVAILABLE	**14**	**14**	**315**
SECURITIES INVESTMENT	**357,709**	**331,737**	**254,372**
Securities – available for trading	357,709	331,737	254,372
OTHER ACCOUNTS RECEIVABLE (NET)	**86,390**	**80,742**	**73,532**
LONG – TERM INVESTMENT IN EQUITIES	**3,318**	**3,318**	**1,219**
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)	**512**	**421**	**455**
OTHER ASSETS	**124**	**54**	**87**
Deferred, advanced and intangible charges	80	34	63
Short and long term assets	44	20	24
TOTAL ASSETS	**448,067**	**416,286**	**329,980**
LIABILITIES AND STOCKHOLDER´S EQUITY			
OTHER PAYABLES	**75,461**	**73,941**	**69,727**
Income tax	7,631	6,817	6,066
Sundry creditors and other payables	67,830	67,124	63,661
TOTAL LIABILITIES	**75,461**	**73,941**	**69,727**
STOCKHOLDER´S EQUITY			
PAID IN CAPITAL	**2,586**	**2,586**	**2,586**
CAPITAL SURPLUS	**370,020**	**339,759**	**257,667**
Statutory reserves	517	517	517
Results from prior years	339,242	231,574	231,574
Net results	30,261	107,668	25,576
TOTAL STOCKHOLDER´S EQUITY	**372,606**	**342,345**	**260,253**
TOTAL LIABILITIES AND STOCKHOLDER´S EQUITY	**448,067**	**416,286**	**329,980**
MEMORANDUM ACCOUNTS			
Assets and Liabilities contingent	3,406	3,276	2,661
Assets in custody or under administration	125,401,591	124,631,335	116,169,476

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		
	MAR-12	**DEC-11**	**MAR-11**
Commissions and fees collected	205,035	206,735	188,544
Commissions and fees paid	(165,122)	(166,797)	(153,211)
Service Income	**39,913**	**39,938**	**35,333**
Valuation gain (loss) on securities	275	462	587
Gain and loss on purchase and sale of securities	3,595	3,238	1,840
Net Interest Profit	**3,870**	**3,700**	**2,427**
Other Operational Net Income	(1)	-	(546)
Administrative expenses	(1,981)	(3,052)	(1,808)
Operational income	**41,801**	**40,587**	**35,406**
Participation in the results of subsidiaries unconsolidated and associated	1	70	(10)
Net income before income tax	**41,802**	**39,969**	**35,396**
Current income tax	11,632	(9,568)	9,919
Deferred income tax (net)	(91)	(236)	(99)
	(11,541)	(9,804)	(9,820)
Results before discontinued operations	**30,261**	**30,236**	**25,576**
Operational Income	-	-	-
Net income	**30,261**	**30,236**	**25,576**

Attachment 6

SERVICIOS CORPORATIVOS SCOTIA, S.A. DE C.V.
LORENZO BOTURINI 202, COL. TRÁNSITO, MÉXICO, D.F. C.P. 06820.
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012
(EXPRESSES IN THOUSANDS OF MEXICAN PESOS)

ASSETS			LIABILITIES AND STOCKHOLDER'S EQUITY		
FUNDS AVAILABLE		**113,929**	**OTHER PAYABLES**		
			Employee profit sharing	23,992	
			Sundry creditors and other payables	44,155	**68,147**
			DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)		**19,772**
			TOTAL LIABILITIES		**87,919**
OTHER ACCOUNTS RECEIVABLE (NET)		**110,903**			
PROPERTY, FURNITURE AND EQUIPMENT (NET)		**37,152**	**STOCKHOLDERS' EQUITY**		
LONG-TERM INVESTMENT IN EQUITIES		**-**	**PAID-IN CAPITAL**		
			Capital stock		**267,080**
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)		**-**			
OTHER ASSETS			**CAPITAL SURPLUS**		
Deferred, advanced and intangible charges	22,013		Results from prior years	(80,915)	
Short and long term assets	409	**22,422**	Net results	10,332	**(70,593)**
			TOTAL STOCKHOLDERS' EQUITY		**196,487**
TOTAL ASSETS		**284,406**	**EQUITY TOTAL LIABILITIES AND STOCKHOLDERS'**		**284,406**

JAVIER E. ACEVES OLIVARES
DIRECTOR HR SHARE SERVICES

JESUS VELASCO RODRIGUEZ
DIRECTOR FINANCE AND ADMINISTRATION

SERVICIOS CORPORATIVOS SCOTIA, S.A. DE C.V.
LORENZO BOTURINI 202, COL. TRÁNSITO, MÉXICO, D.F. C.P. 06820.
STATEMENT OF INCOME FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

Income:	
Service income	120,386
Expenses:	
Salaries and personnel benefits	(60,860)
Professional fees	(24,611)
Rental expenses	(9,846)
Other expenses	(7,326)
Total expenses	(102,643)
Operating income	17,743
Other income (expenses)	
Employee profit sharing	
Over legal base	**(2,792)**
Deffered	601
Other products	1,621
Other expenses (net)	(570)
Financial integral results:	
Interest earned (net)	1,420
Net income before tax	**18,593**
Current	-
Deffered	**8,271**
Income tax	**8,271**
Net income for discontinued operations	**10,322**
Loss for discontinued operations, net of income tax	-
Net results	**10,322**

JAVIER E. ACEVES OLIVARES
DIRECTOR HR SHARE SERVICES

JESUS VELASCO RODRIGUEZ
DIRECTOR FINANCE AND ADMINISTRATION

SERVICIOS CORPORATIVOS SCOTIA , S.A. DE C.V.

LORENZO BOTURINI No. 202 COL. TRANSITO, MÉXICO, D.F. C.P. 06820

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012

(EXPRESSED IN MILLION OF MEXICAN PESOS)

	Capital paid				
	Fixed update	Variable update	Results from previous years	Net result	Total stockholders' equity
Balances as of December 31, 2010	**2,679**	**264,401**	**(79,264)**	**(24,271)**	**163,545**
Items related to stockholders decisions:					
Transfer of prior year's result	-	-	(24,271)	24,271	-
Items related to recognition of comprehensive income:					
Net income	-	-		22,620	22,620
Balances as of December 31, 2011	2,679	264,401	(103,535)	22,620	186,165
Items related to stockholders decisions:					
Transfer of prior year's result.	-	-	22,620	(22,620)	-
Items related to recognition of comprehensive income:					
Net income	-	-		10,322	10,322
Balances as of March 31, 2012	2,679	264,401	(80,915)	10,322	196,487

JAVIER E. ACEVES OLIVARES
DIRECTOR HR SHARE SERVICES

JESUS VELASCO RODRIGUEZ
DIRECTOR FINANCE AND ADMINISTRATION

SERVICIOS CORPORATIVOS SCOTIA, S.A. DE C.V.
LORENZO BOTURINI 202, COL. TRÁNSITO, MÉXICO, D.F. C.P. 06820
STATEMENT OF CASH FLOW, FOR THE PERIOD JANUARY 1 TO MARCH 31, 2012
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

Operation activities:	
Operational results before income tax	18,593
Adjustment for items that not imply cash flow:	
Deferred taxes	7,669
Other provissions	13,924
Depreciation and amortizations	2,105
Subtotal	**42,291**
Otras receivable accounts, net	(68,395)
Otros liabilities	(16,758)
Otros assets	19,703
Income tax paid	(5,479)
Operation activities cash flow	**(28,638)**
Investment activities:	
Investment interest	1,420
Intangibles	(398)
Furniture and equiptment acquisition	(2,925)
Investment activities cash flow	**(1,903)**
Increase in cash and cash equivalents	**(30,541)**
Cash and cash equivalents	
At the begining of the year	144,470
By the end of the year	113,929

JAVIER E. ACEVES OLIVARES
DIRECTOR HR SHARE SERVICES

JESUS VELASCO RODRIGUEZ
DIRECTOR FINANCE AND ADMINISTRATION

SERVICIOS CORPORATIVOS SCOTIA, S.A. DE C.V.
BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

ASSETS	MAR-12	DEC-11	MAR-11
FUNDS AVAILABLE	**113,929**	**144,470**	**141,350**
OTHER ACCOUNTS RECEIVABLE (NET)	**110,903**	**42,508**	**49,036**
PROPERTY, FURNITURE AND EQUIPMENT (NET)	**37,152**	**36,256**	**35,136**
OTHER ASSETS	**22,422**	**43,222**	**14,542**
Deferred, advanced and intangible charges	22,013	42,822	14,009
Short and long term assets	409	400	533
TOTAL ASSETS	**284,406**	**266,456**	**240,064**
LIABILITIES AND STOCKHOLDER'S EQUITY			
OTHER PAYABLES	68,147	68,188	63,632
Income tax paid			4,998
Employee profit sharing	23,992	21,453	18,244
Sundry creditors and other payables	44,155	46,735	40,390
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)	**19,772**	**12,103**	**9,341**
TOTAL LIABILITIES	**87,919**	**80,291**	**72,973**
STOCKHOLDERS' EQUITY			
PAID-IN CAPITAL	**267,080**	**267,080**	**267,080**
CAPITAL SURPLUS	**(70,593)**	**(80,915)**	**(99,989)**
Results from prior years	(80,915)	(103,535)	(103,535)
Net results	10,322	22,620	3,546
TOTAL STOCKHOLDERS' EQUITY	**196,487**	**186,165**	**167,091**
EQUITY TOTAL LIABILITIES AND STOCKHOLDERS'	**284,406**	**266,456**	**240,064**

SERVICIOS CORPORATIVOS SCOTIA, S.A. DE C.V.
STATEMENT OF INCOME
(EXPRESSED IN THOUSANDS OF MEXICAN PESOS)

	3 MONTHS		
	MAR-12	**DEC-11**	**MAR-11**
Income:			
Service income	120,396	80,513	66,490
Expenses:			
Salaries and personnel benefits	**(60,860)**	**(40,359)**	**(30,212)**
Professional fees	(24,611)	(19,131)	(17,921)
Rental expenses	(9,846)	(6,551)	(9,517)
Other expenses	(7,326)	(5,184)	(4,121)
Total expenses	(102,643)	(71,225)	(61,771)
Operating income	17,743	9,288	4,719
Other income (expenses)			
Employee profit sharing			
Over legal base	(2,792)	(1,028)	(2,240)
Deffered	601	160	1,047
Other products	1,621	1,329	1,234
Other expenses (net)	**(570)**	**141**	**41**
Financial integral results:			
Interest earned (net)	1,420	1,001	953
Net income before tax	**18,593**	**10,430**	**5,713**
Impuestos a la utilidad			
Current	-	(2,467)	(8,840)
Deferred	(8,271)	(162)	6,673
Net income for discontinued operations	**10,322**	**7,801**	**3,546**
Loss for discontinued operations, net of income tax	**-**	**-**	**-**
Net results	**10,322**	**7,801**	**3,546**

Attachment 7 Grupo Scotiabank

Grupo Scotiabank Financial Indicators					
	2012	**2011**			
	Q1	**Q4**	**Q3**	**Q2**	**Q1**
ROE *(Annualised quarterly net income / average capital for the quarter)*	15.3	11.0	10.0	8.3	12.1
ROA *(Annualised quarterly net income / average of total assets for the quarter)*	2.4	1.7	1.5	1.3	1.9
Net Interest margin *(Net interest margin including credit loss provisions / average earning assets)*	4.9	4.4	4.2	4.9	4.6
Operating efficiency *(Annualised quarterly operating expenses / average of total assets for the quarter)*	5.5	5.9	5.4	5.0	5.0
Delinquency index *(Balance of past due loans at quarter end / balance total loans)*	2.5	2.7	2.6	2.9	3.3
Reserve coverage of past due loans *(Allowance for credit losses at quarter end / balance of past due loans)*	117.1	115.0	116.6	113.2	105.6
Net capital / Credit risk adjustment assets	22.16	20.80	21.70	22.51	23.71
Net capital / Total risk adjustment assets *(credit, market and operational risk)*	16.70	15.71	16.30	16.86	17.44
Liquidity *(Liquid assets / liquid liabilities)*	79.9	108.1	103.7	95.2	84.9

Grupo Scotiabank Segments; *(P$ millions; as at March 31, 2012)*				
	Credit & Services	**Trading & Treasury**	**Other**	**Total Group**
Net interest income	2,269	131	96	2,496
Other income	1,162	356	406	1,924
Revenue	**3,431**	**487**	**502**	**4,420**
Provision for credit losses	(322)	-	-	(322)
Total revenue	**3,109**	**487**	**502**	**4,098**
Operating expenses	(2,289)	(134)	(269)	(2,692)
Participation in results of subsidiaries and associated companies	-	-	-	-
Operational profit	**820**	**353**	**233**	**1,406**
Income tax	-	-	-	(249)
Profit after income tax				**1,157**

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, 2012 principal balances with related parties are for bank loans granted of P$2,694 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 IFRS

The net income of MXN 831 million reported by SBM for the quarter ending December 31, 2011 is different from the MXN 958 million (CAD 71 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 IFRS. 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 IFRS 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 IFRS, 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 31, 2011.

In MXN$ million (except as indicated)	Q4/11
SBM consolidated net income under Mexican GAAP – per the December 2011 Press Release	831
Non-controlling interest – 2.7%	(22)
Acquisition accounting and other IFRS adjustments	149
SBM consolidated net income under IFRS as reported by BNS	958
SBM consolidated net income under IFRS reported by BNS in Canadian dollars	**CAD $71**

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 y 302 rule Sarbanes Oxley Law in 2011, 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	**2012**	**2011**			
	Q1	**Q4**	**Q3**	**Q2**	**Q1**
ROE *(Annualised quarterly net income / average capital for the quarter)*	15.1	10.9	9.8	8.4	12.0
ROA *(Annualised quarterly net income / average of total assets for the quarter)*	2.3	1.7	1.5	1.3	1.8
Net Interest margin *(Net interest margin including credit loss provisions / average earning assets)*	5.1	4.7	4.7	5.0	4.8
Operating efficiency *(Annualised quarterly operating expenses / average of total assets for the quarter)*	5.5	5.9	5.6	5.0	5.1
Delinquency index *(Balance of past due loans at quarter end / balance total loans)*	2.5	2.7	2.6	2.9	3.3
Reserve coverage of past due loans *(Allowance for credit losses at quarter end / balance of past due loans)*	117.1	115.0	116.6	113.2	105.6
Net capital / Credit risk adjustment assets	22.16	20.80	21.70	22.51	23.71
Net capital / Total risk adjustment assets *(credit, market and operational risk)*	16.70	15.71	16.30	16.86	17.44
Liquidity *(Liquid assets / liquid liabilities)*	64.4	53.7	59.4	66.0	59.9

Scotiabank Mexico Performing Loan Portfolio; *(P$ millions, as at March 31, 2012)*	**MX Pesos**	**USD**	**Total**
Business loans	33,030	9,115	42,145
Loans to financial institutions	3,200	254	3,454
Loans to government entities	4,112	1,204	5,316
Consumer loans	16,691	-	16,691
Mortgages	43,643	171	43,814
Total	**100,676**	**10,744**	**111,420**

Scotiabank Mexico Past-due Loan Portfolio; *(P$ millions, as at March 31, 2012)*	**MX Pesos**	**USD**	**Total**
Business loans	327	43	370
Consumer loans	506	-	506
Mortgages	1,985	42	2,027
Total	**2,818**	**85**	**2,903**

Scotiabank Mexico Financial Information by product and region	Mar, 31, 2012	Dec, 31, 2011	Mar, 31, 2011
Performing Loan Portfolio			
Metro South	34.8%	32.2%	28.6%
Metro North	21.1%	21.5%	23.6%
Northwest	11.4%	12.0%	12.2%
North	12.1%	12.8%	14.2%
Center	11.5%	11.8%	11.5%
South	9.1%	9.7%	9.9%
Past-due Loan Portfolio			
Metro South	21.7%	32.8%	26.4%
Metro North	21.6%	13.7%	14.5%
Northwest	15.5%	14.6%	13.7%
North	13.3%	12.4%	13.0%
Center	16.7%	14.6%	20.6%
South	11.2%	11.9%	11.8%

Scotiabank Mexico Reconciliation of Past Due Loans *(P$ millions)*	
Balance as at December 31, 2011	**3,110**
Transfers (to) / from current loans	311
Restructured loans	(32)
Loans recovered	(2)
Loans written off	(480)
Foreign exchange	(4)
Balance as at March 31, 2012	**2,903**

Scotiabank Mexico Allowance for Credit Losses *(P$ millions)*		
Balance as at December 31, 2011		**3,576**
Plus: Reserves created		322
Less: Reserves taken into income		-
Transfer from Trust to Bank		-
Adjudications		14
Charge-offs and applications relating to regular loans		466
Commercial	1	
Mortgage	232	
Consumer	233	
Charge-offs and applications relating to debtor support programs		-
Foreign exchange		(20)
Balance as at March 31, 2012		**3,398**

Scotiabank Mexico Authorized financing that exceeds 10% Basic Capital *(P$ millions as at March 31, 2012)*		
No. of Credits	Amount	% Basic Capital
-	-	-
Financing to the 3 principal creditors		5,230

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, 2012.

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, 2012 the Bank's Tier 1 capital ratio was 22.16% and total Tier 2 capital ratio was 16.70%.

Scotiabank Mexico – Capitalisation *(P$ millions; Consolidated with subsidiaries)*	**Mar, 31, 2012 (*)**	**Dec, 31, 2011**	**Mar, 31, 2011**
Share capital	28,278	27,288	28,427
Less: Investment in financial companies	917	660	465
Investment in Non-financial companies	-	78	85
PTU & Income tax, deferred assets	201	201	201
Other non-allowable assets and deferred expenses	2,315	2,285	2,142
Plus: Allowable deferred tax	201	201	201
Basic capital (tier 1)	**25,046**	**24,265**	**25,735**
Allowable reserves against credits	278	390	351
Complementary capital (tier 2)	**278**	**390**	**351**
Total net capital (tier 1 + 2)	**25,324**	**24,655**	**26,086**

Scotiabank Mexico – Risk Assets *(P$ millions as at March 31, 2012)*		**Risk asset equivalent (*)**	**Capital requirement**
Market Risk	Operation in MXN at nominal rates	13,169	1,053
	Debt Instrument operations with "sur-charge" and adjustable rate	842	67
	Operation in MXN at real rates or rates denominated in UDIS	1,169	94
	Positions in UDIS or with yields related to inflation accounting	6	1
	Operation in foreign currencies at nominal rates	366	29
	Foreign exchange positions	211	17
	Securities positions or with yields related to a group of securities	2,151	172
	Total market risk	**17,914**	**1,433**
Credit Risk	Group II (weighted at 20%)	68	5
	Group III (weighted at 20%)	1,695	136
	Group III (weighted at 23%)	585	47
	Group III (weighted at 50%)	32	3
	Group III (weighted at 57.5%)	276	22
	Group III (weighted at 100%)	1	-
	Group IV (weighted at 20%)	791	63
	Group V (weighted at 20%)	730	58
	Group V (weighted at 50%)	136	11
	Group V (weighted at 150%)	1,196	96
	Group VI (weighted at 50%)	12,429	994
	Group VI (weighted at 75%)	11,801	944
	Group VI (weighted at 100%)	18,806	1,504
	Group VII – A (weighted at 20%)	356	28
	Group VII – A (weighted at 50%)	835	67
	Group VII – A (weighted at 57.5%)	49	4
	Group VII – A (weighted at 100%)	41,874	3,350
	Group VII – A (weighted at 115%)	9	1
	Group VII – A (weighted at 120%)	39	3
	Group VII – A (weighted at 150%)	155	12
	Group VIII (weighted at 125%)	2,253	180
	Group IX (weighted at 100%)	20,177	1,614
	Total credit risk	**114,293**	**9,142**
	Total operational risk	**19,429**	**1,554**
	Total Risk Assets	**151,636**	**12,129**

** Preliminar figures pending Banco de Mexico approval*

Scotiabank Mexico Capital Ratios	**Mar, 31, 2012 (*)**	**Dec, 31, 2011**	**Mar, 31, 2011**
(1) Capital to credit risk:			
Basic capital (tier 1)	21.91%	20.47%	23.39%
Complementary capital (tier 2)	0.25%	0.33%	0.32%
Total net capital (tier 1+ 2)	**22.16%**	**20.80%**	**23.71%**
(2) Capital total risk *(credit, market and operational risk)*:			
Basic capital (tier 1)	16.52%	15.46%	17.21%
Complementary capital (tier 2)	0.18%	0.25%	0.23%
Total net capital (tier 1+ 2)	**16.70%**	**15.71%**	**17.44%**
Classification according to the general rules referred to in Article 134 bis of the Credit Institutions Law	**I**	**I**	**I**

** Preliminar figures pending Banco de Mexico approval*

Scotiabank Mexico
Composition of Securities Portfolio *(reasonable value)*
(P$ million as at March 31, 2012)

Category	Government Paper	Debt Securities	Investments in Financial Instruments	Other	Total
Trading	**12,640**	**1,126**	**18**	**134**	**13,918**
Without restriction	-	1,111	10	-	1,121
Restricted	12,640	15	8	134	12,797
Repurchase agreements	*9,912*	*15*	-	*134*	10,061
Others	*2,728*	-	*8*	-	2,736
Available for sale	**3,018**	**1,611**	**3**	**2,891**	**7,523**
Without restriction	3,018	1,611	3	2,329	6,961
Restricted	-	-	-	562	562
Held to maturity	**1,999**	**-**	**-**	**-**	**1,999**
Without restriction	1,999	-	-	-	1,999
Total securities	**17,657**	**2,737**	**21**	**3,025**	**23,440**

Scotiabank Mexico
Investments in non-Government Securities (In excess of 5% of net capital)
(P$ million as at March 31, 2012)

Issuer	Securities	Rate	Term	Value
BANORTE 12184	5,331,671	4.52%	85	5
NAFIN 12205	708,157,335	4.51%	93	704
NAFIN 12172	403,120,665	4.46%	63	402
Total	**1,111,098,112**			**1,111**

Note: *This quarther the Investment in non – Goverment Securities did not exceed 5% of net capital.*

Scotiabank Mexico
Rates paid on core deposits
(as at March 31, 2012)

	Average rate paid		
	Pesos	Usd	Udis
Demand and savings	1.15%	0.07%	-
Term Deposits	3.80%	0.49%	0.02%

Scotiabank Mexico Financial Information by product and region	**Mar, 31, 2012**	**Dec, 31, 2011**	**Mar, 31, 2011**
Demand deposits	**51.3%**	**59.5%**	**47.2%**
Metro South	14.0%	16.7%	12.2%
Metro North	9.1%	10.7%	8.4%
Northwest	7.2%	7.7%	6.8%
North	6.6%	8.4%	6.6%
Center	7.3%	7.5%	6.4%
South	7.1%	8.5%	6.8%
Fixed Term Deposits	**38.8%**	**40.3%**	**40.3%**
Metro South	9.3%	8.8%	9.2%
Metro North	7.8%	8.3%	8.1%
Northwest	4.2%	6.9%	6.7%
North	4.4%	4.3%	4.2%
Center	6.6%	5.0%	5.0%
South	6.5%	7.0%	7.1%
Total funding from customers	**90.1%**	**99.8%**	**87.5%**
Professional Funding	9.9%	0.2%	12.5%

Scotiabank Mexico
Funding from Banks and Other Organisations
(P$ million as at March 31, 2012)

Term	Loans		Other funding			Total
	Commercial Banks	Banco de México	Development Bank	Development Funds	Other	
Pesos						
Short	-	-	-	-	-	-
Medium	-	-	1,981	1,019	-	3,000
Long	-	-	5	1,960	-	1,965
Total	**-**	**-**	**1,986**	**2,979**	**-**	**4,965**
Average Rate*	0.00%	0.00%	6.02%	4.72%	0.00%	-
Other						
Short	-	-	-	-	-	-
Medium	-	-	6	337	-	343
Long	-	-	-	549	-	549
Total	**-**	**-**	**6**	**886**	**-**	**892**
Average Rate*	0.00%	0.00%	3.23%	0.63%	0.00%	-
Total Interbank and other funding	**-**	**-**	**1,992**	**3,865**	**-**	**5,857**

**Average rate of March 31, 2012*

The bank does not have debt from any creditor that is greater than 10% of total liabilities as at March 31, 2012.

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 million
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, 2012
(P$ million, reasonable value)

	Forwards		Futures		Options		Swaps			
	Position		Position		Position		Position		Total Assets	Total Liability
	Assets	Liability	Assets	Liability	Assets	Liability	Assets	Liability		
Trading	199	46	1	2	766	767	1,257	1,505	2,223	2,320
Hedging	-	-	-	-	-	-	86	359	86	359

Scotiabank Mexico
Notional amounts in derivative operations; as at March 31, 2012
(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	1,220	133	-	-	-	-	-	-
EUR positions	-	1	-	-	-	-	-	-
XAU Positions	-	2	-	-	-	-	-	-
USD Currency	-	-	-	-	5	5	-	-
EUR Currency	-	-	-	-	-	-	-	-
Stocks	-	-	-	-	915	915	-	-
Index	-	-	-	-	1,392	1,392	-	-
Interest rate	-	-	-	-	-	-	-	-
Pesos	6,300	-	10,927	8,746	-	-	36,249	35,586
USD	-	-	-	-	-	-	121	222
Hedging								
Interest rate	-	-	-	-	-	-	-	-
Pesos							7,325	5,600
USD	-	-	-	-	-	-	200	-
EUR	-	-	-	-	-	-	44	-

Scotiabank Mexico **Market Results for the three months ended March 31, 2012** *(P$ million)*		
	Mark to Market	Trading Results
Investment in securities	107	215
Derivative trading transactions & hedge	147	(994)
Foreign exchange & other	740	141
Total	**994**	**(638)**

Scotiabank Mexico **Deferred Taxes** *(P$ million as at March 31, 2012)*	
Assets	
Provisions for sundry obligations	341
Mark to market loss	28
Subtotal	1,046
Liabilities	**1,415**
Revaluation of real estate	254
Other timing differences	234
Subtotal	**488**
Net deferred taxes	**927**

As at March 31, 2012 Scotiabank Mexico does not have tax liabilities.

Scotiabank Inverlat, S.A. Clasification of the Loan Portfolio As at March 31, 2012 *(P$ million)*					
	Loan Portfolio	Allowance for Credit Losses Required			
		Commercial Loans	Consumer Loans	Mortgages Loans	Total Allowance for Credit Losses
Excepted portfolio	269	-	-	-	-
Classified:					
Risk A1 / A	76,291	82	15	81	178
Risk A2	14,040	93	-	-	93
Risk B1 / B	19,549	124	390	135	649
Risk B2	4,676	65	308	-	373
Risk B3	571	81	-	-	81
Risk C1 / C	1,665	119	217	224	560
Risk C2	374	198	-	-	198
Risk D	606	175	241	1	417
RiskE	798	398	78	99	575
Total	**118,839**	**1,335**	**1,249**	**540**	**3,124**
Provisions Created					3,398
Overage (other credit reserves)					(274)

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 March 31, 2012.

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 on past due mortgages	$	229
- Reserves – Credit Bureau	$	20
- Reserves for accrued interest on past due loans	$	25
Total	$	274

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.

Credit Risk

At the close of March, 2012, the expected loss on the Bank's total loan portfolio was P$2,592 million, while the unexpected loss was P$16,461 million. The total exposure of the loan portfolio was P$191,153 million, while the average exposure for the January-March, 2012 period was P$198,225 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 12**
VaR 1 day; 99%	4.27

The global daily average VaR for 1 day in the Bank (P$4.27 million) as a percentage of total capital (P$28,277 million) by the end of the period is 0.02%

The Value at Risk by risk factor for Scotiabank Mexico at March 31, 2012 was the following:

Scotiabank **Var by Risk Factor** *(P$ million)*	**VaR** **1 day**
Risk Factor	
Interest rate	4.26
Exchange rate	0.52
Equity	0.65
Total non diversified	**5.43**
Efect of diversification	-1.16
Total	**4.27**

The global daily average VaR for the Bank during the first quarter of 2012 was P$4.27 million and the global value at March 31, 2012 was P$3.79 million. The average values of market risk exposure of the trading portfolio during the period January-March 12 were the following:

Scotiabank *(P$ million)*	Average Position	Maxium Position	Position Limit	VaR Average/[1]	VaR Limit
Bank	**198,170**	**233,238**		**4.27**	**52.5**
Money Market	25,812	36,380	105,000	3.85	50
Interest Rate Swaps	125,521	141,637	207,000	3.28	50
Mexican Treasury Bill Certificates (CETES) Forwards/[2]	8,144	9,800	10,000	0.04	
Interest Rate Futures /[3]	-	-	-	3.73	-
Market Rate for interest and interest derivatives	**159,477**	**187,817**	**322,000**	**4.26**	**50**
Equities	**18**	**35**	**206**	**0.70**	**10**
IPC Futures	**-**	**-**	**2,880**	**-**	**-**
Equity Portfolio /[4]	**-**	**-**	**-**	**0.70**	**10**
Foreign exchange forwards /[5,6,7]	584	748	4,020	0.41	-
Foreign exchange/[5,6]	-	4	55	0.19	-
Foreign exchange options /[6]	3	11	800	0.00	-
Dollar futures /[3]	-	-	-	-	-
Foreign exchange swaps /[6]	238	256	1,500	0.02	-
Metal forwards/[6]	8	14	100	0.23	
Metal options/[6]	-	-	200	0.00	
Metal spot/[6]	-	-		0.25	
Foreign Exchange and FX derivatives /[4]	**833**	**1,032**	**6,675**	**0.52**	**10**

1/Var is expressed in million pesos
2/Special position treasury
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.
5/The forwards position is a gross position (longs more shorts) and the foreign exchange position is net (longs less shorts)
6/ Figures expressed in million of US Dollars
7/Net position includes treasury foreign exchange forwards

To interpret the VaR with an example, the average 1-day value at risk of the Bank in the money market is P$3.85 million. This means that under normal conditions, in 99 out of 100 days, the maximum potential loss is up to P$3.85 million.

During the first quarter of 2012, 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	246,585	386,009	945,000
Interest rate futures - CE91	15,873	32,000	90,000
Futures M/2 Bonds	4,505	8,175	37,550
Swaps Futures	167	250	1,000
Interest rate futures /[1]	**267,130**	**426,434**	**1,073,550**
IPC Futures	**-**	**-**	**750**
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 M 1 Bonds futures contracts 300 M3 Bonds futures contracts, 750 M 5futures contracts and 1500 M30 contracts.

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, 2012 was P$98 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 2012 period shows the level of efficiency of green based on criteria established by the Bank of International Settlements (BIS), such as the VaR of IPC Futures and Interes rates Swaps due to the high volatility that presented in the interest rate, capital, and foreign exchange markets in the first quarter of 2012.

The variance in the estimated economic value is P$795 million (impact over the parallel change in economic value of 100 bp in rates) and the estimated variance in financial revenues of P$178 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, 2012, the Bank’s available for sale securities position was P$7,523 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, 2012
Two week accumulated gap (MXP + UDIs)	(6,488)
Liquid Assets	6,082

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

During the period from January to March 2012 the Bank recognized operational risk losses of P$107 million, also in case of materialize operational risk this might be caused a negative impact on the Bank´s result, of P$148 million, which have already been provisiones, in case of legal risk, contingencies totalized P$405 million, thar are reserved to then 100%.

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	P$ 111
November 30, 2009	P$ 178
March 5, 2010	P$ 260
May 28, 2010	P$ 299
August 31, 2010	P$ 243
November 26, 2010	P$ 299
March 18, 2011	P$ 439
May 27, 2011	P$ 171
	P$ 2,000

At the annual General Shareholder´s meeting held on April 28 2011, it was agreed to declare a dividend up to an amount of P$1,300,000,000

Payment date	**Amount**
May 27, 2011	P$ 288
August 26, 2011	P$ 477
November 30, 2011	P$ 535
	P$1,300

At the annual General Shareholder´s meeting held on November 25 2011, it was agreed to declare a dividend up to an amount of P$2,000,000,000

Payment date	**Amount**
November 30, 2011	P$800
March 30, 2012	P$499

Internal & External liquidity sources

At March 31, 2012 the Bank had the following positions in liquidity assets, to meet the requirements of any short term liquidity:

- Government Instruments for P$2,065 million.
- Non Government Instruments for P$2,708 million.

Additionally has committed lines with foreign institutions:

- Stand By not exerted for $300 million dollars
- Funding Bank for $40 million dollars maturing on August 30, 2013, secured by Brazilian goberment bonds

Significant investment in capital

At March 31, 2012 the Bank has no significant investments in capital

Attachment 9 Scotia Casa de Bolsa

As at March 31, 2012, Total Assets were P$12,152 million, an annual decrease of P$4,940 million or 29%, mainly due to a decrease in Securities of P$4,374 millions.

Total Liabilities were P$10,223 million, down P$4,916 million or 32% from the previous year, primarily as a result of $4,444 million decrease in repurchase agreements.

Securities held in Custody were P$207 billion, a year-over-year increase of 3%, primarily due to higher bank and government debt, partially offset with a decrease in other debt securities and investments in financial instruments.

For the three months ended March 31, 2012, net income was P$68 million, an increase of P$20 million or 42% over the same period last year. The year-over-year increase was due mainly to higher intermediation revenues of $44 million and higher revenues from recoveries, which were partially offset with an increase of $15 million in expenses, primarily from higher salaries, and higher provissions and other general expenses; as well as higher taxes.

Scotia Casa de Bolsa Financial Indicators					
	2012	**2011**			
	Q1	**Q4**	**Q3**	**Q2**	**Q1**
Solvency *(Total assets / Total liabilities)*	1.2	1.1	1.1	1.1	1.1
Liquidity *(Liquid assets / liquid liabilities)*	1.2	1.1	1.1	1.1	1.1
Financial leverage *(Total liabilities less trading settlement accounts / Capital)*	4.9	7.6	10.5	8.5	7.1
ROE *(Net income / Capital)*	14.5	7.5	8.1	4.4	10.0
ROA *(Net income / earning assets)*	1.7	0.7	0.8	0.5	1.4
Capital requirements / Total Capital	29.65	35.33	35.09	28.85	27.83
Financing margin / Total operating income	28.8	27.3	25.3	34.9	16.6
Operating income / Total operating income	39.8	19.2	17.6	17.3	32.8
Total operating income / Administration expenses	166.2	123.7	121.4	120.9	148.8
Administration expenses / Total operating income	60.2	80.8	82.4	82.7	67.2
Net income / Administrative expenses	39.2	18.7	22.4	12.1	30.4
Personnel expenses / Operating income	44.0	56.7	50.2	56.2	50.8

Scota Casa de Bolsa Other operational net income *(P$ million)*	Mar 31, 2012
Reversal provision	8
Commission to refer customer	3
Income for leasing	2
Account handling commissions	-
Other	6
Write offs	-
Other operational net income	**19**

Capitalisation

At March 31, 2012 Brokerage Firm's common shareholders equity was of P$1.8 billion. The total capital ratio for credit, market and operational risk was of P$544 million that represent a consumption of capital of the 29.65%

Scotia Casa de Bolsa Capitalisation *(P$ million)*	Mar 31, 2012 (*)
Share capital and reserves	1,930
Less: Investments in financial	-
Other assets	94
Basic capital	1,836
Complementary capital	-
Total capital	1,836

Scotia Casa de Bolsa – Risk Assets *(P$ million as at March 31, 2012)*		Assets	Risk assets (*)	Capital requirement
Market Risk	Operations in MXN at nominal rates referred to this	89,790	1,642	131
	Operations in MXN with floating rate premium or yield referred to this	31,972	268	22
	Operations in MXN at real rates or rates denominated in UDIs	665	20	2
	Operations in foreign currencies with nominal rate	255	1	0
	Positions in UDIs or with yields related to inflation accounting	665	3	0
	Foreign exchange positions	28	41	3
	Securities positions or with yields related to a group of securities	629	2,515	201
	Total market risk	**124,004**	**4,490**	**359**
Credit Risk	Counter –party in repurchase agreements, hedges and derivatives	45	27	2
	Issuer of debt instruments related to repurchase agreements	9,327	1,089	87
	Due to deposits, loans, other assets and contingencies	613	410	33
	Total credit risk	**9,985**	**1,526**	**122**
	Total credit and market risk	**133,988**	**6,016**	**481**
Operational Risk	**Total operational risk**	**-**	**789**	**63**
	Total market, credit and operational risk	**133,989**	**6,805**	**544**

** Preliminar figures pending Banco de Mexico approval*

Scotia Casa de Bolsa Capital Ratios	Mar 31, 2012(*)
Global Equity / Assets under credit, market and operational risk	26.98%
Basic Capital (tier 1)	1,836
Complementary capital (tier 2)	-
Global Equity (tier 1 + tier 2)	1,836

** Preliminar figures pending Banco de Mexico approval*

Scotia Casa de Bolsa
Composition of Securities Portfolio
(P$ million as at March 31, 2012)

Category	Government Paper	Debt Securities	Others	Investments in Financial Instruments	Total
Trading	**6,884**	**1,910**	**268**	**831**	**9,893**
Without restriction	756	792	-	387	1,935
Restricted	6,128	1,118	268	444	7,958
Repurchase agreements	*5,653*	*1,096*	*268*	-	7,017
Securities Receivable	-	-	-	*99*	99
Others	*475*	*22*	-	*345*	842
Available for sale	**-**	**-**	**158**	**366**	**524**
Without Restricte:	-	-	158	366	524
Total securities	**6,884**	**1,910**	**426**	**1,197**	**10,417**

Scotia Casa de Bolsa
Investments in non-Government Securities (In excess of 5% of net capital)
(P$ million as at March 31, 2012)

Issuer	**Securities**	**Rate**	**Term**	**Amount**
BANOBRA - 12141	9,515,947	4.43%	2	10
BANOBRA - 12141	67,135,912	4.43%	2	67
BANOBRA - 12141	337,964,449	4.43%	2	338
BANOBRA - 12254	1,539,021	4.65%	82	2
BANOBRA - 12254	729,290	4.55%	82	1
BANOBRA - 12254	753,044	4.50%	82	1
BANOBRA - 12254	740,596	4.40%	82	1
BANOBRA - 12254	702,423	4.37%	82	1
BANOBRA - 12254	157,260,000	4.80%	82	156
BANOBRA - 12424	742,081	4.50%	201	1
BANOBRA - 12424	62,604,800	4.44%	201	61
BANOBRA - 12502	721,704	4.50%	255	1
BANOBRA - 12502	743,560	4.60%	255	1
BANOBRA - 12502	12,042,661	4.56%	255	12
BANOBRA - 12502	687,185	4.50%	255	1
BANOBRA - 12502	167,377,067	4.56%	255	162
BANOBRA - 13044	759,308	4.60%	306	1
BANOBRA - 13044	740,687	4.58%	306	1
BANOBRA - 13044	778,958	4.57%	306	1
Total	**823,538,693**			**814**

Scotia Casa de Bolsa
Funding from Banks and Other Organizations
(P$ million as at March 31, 2012)

Term	Loans	Other funding		Total
	Commercial Bank	Development Bank	Other	
Pesos				
Short	8	-	-	8
Medium	-	-	-	-
Long	-	-	-	-
Total	**8**	**-**	**-**	**8**
Average Rate*	5.96%	-	-	5.96%
Total Interbank and other funding	**8**	**-**	**-**	**8**

**Average rate of March 31, 2012*

Scota Casa de Bolsa **Derivatives and hedging operations; as at March 31, 2012** *(P$ million, reasonable value)*								
	Forwards		**Futures**		**Options**			
	Position		Position		Position		Total Asset	Total Liability
	Asset	Liability	Asset	Liability	Asset	Liability		
Trading	-	-	-	2	527	1,988	527	1,990

Scotia Casa de Bolsa **Notional amounts in derivative operations; as at March 31, 2012** *(P$ million, nominal values presented in currency origin)*						
	Futures		**Options**		**Forwards**	
	Position		Position		Position	
	Asset	Liability	Asset	Liability	Asset	Liability
Trading:						
Currency	-	-	-	-	175	25
Index	-	51	807	1,042		
Stocks	-	-	725	2,387		

Scotia Casa de Bolsa **Market Results for the three months ended March 31, 2012** *(P$ million)*		
	Mark to Market	Trading results
Securities	18	70
Derivate trading transaction	(54)	(3)
Foreign exchange & other	-	1
Total	**36**	**68**

Scotia Casa de Bolsa **Deferred taxes** *(P$ million as at March 31, 2012)*	
Mark-to-market of investment	6
Prepayment	(15)
Fixed assets	(49)
Expense provisions	51
Warrants	59
Employee Profit Sharing Expenses (PTU)	11
Shares appraisal	(134)
Net deferred taxes	**(71)**

As at March 31, 2012 Scotia Casa de Bolsa does not have tax liabilities.

Credit Risk

At the close of March, 2012, the expected loss on total credit portfolio of Brokerage Firm's was P$2 million, while the unexpected loss was P$305 million. The total exposure of the credit portfolio, was P$2,219 million as at March 31, 2012 and the average exposure for January-March 2012 period, was P$11,427 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 12**
VaR 1 day; 99%	3.93

The global daily average VaR for Brokerage Firm´s during the first quarter of 2012 was P$3.93 million and the global value at March 31, 2012 was P$ 3.04 million

The global daily average VaR for 1 day for Brokerage Firm´s (P$3.93 million) as a percentage of global capital (P$1,929 million) equivalent 0.20% at the end of the period.

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, 2012)*	**VaR of 1 day**
Risk Factor	
Interest Rates	2.23
Equities	3.30
Total no diversified	**5.54**
Efect of diversification	-1.61
Total	**3.93**

The averages values of market risk exposure of the trading portfolio during the January-March 2012, period were the following:

Scotia Casa de Bolsa *(P$ million as at March 31, 2012)*	**Average Position**	**Maxium Position**	**Position Limit**	**VaR Average**	**VaR Limit**
Casa de Bolsa	20,795	29,573		3.93	25.0
Money Market	20,754	29,532		2.23	25.0
Equity position	41	78	200	1.45	10.0
IPC Derivatives/[1]	-	-	2,880		
Total Equity and IPC Derivatives	41	78		3.30	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$2.67 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$2.23 million. This means that under normal conditions, in 99 out of 100 days, the maximum potential loss is up to P$2.23 million.

Although the Brokerage Firms is authorized to operate future contracts in the Mexican Derivative Market,for its portfolio traiding. During this quarter, the Casa de Bolsa was not presente position. The following chart shows the current limits:

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	-	-	750

2/ includes contracts of the equity trading desk.
The average 1-day IPC futures VaR is P$ 0.00 million and includes total capital VaR.

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. During this period the Brokerage Firm operated IPC future contracts MexDer with an average of 330 an a maximum of 562 in number of contracts. In the case of IPC options on futures of MexDer . Equity derivatives area abstained from perform operations. The Casa de Bolsa issued on average warrants indexed to IPC and baskets of equities for P$7,773 million and the maximum was P$8,879 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, 2012 the test of extreme conditions "stress testing" was P$193 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 from January to March 2012 period shows the level of efficiency of yellow based on criteria established by the Bank of International Settlements (BIS), such as the VaR of IPC Futures and Interes rates Swaps, Global Casa de Bolsa, due to the high volatility that presented in the interest rate, capital, and foreign exchange markets in the first quarter of 2012.

Market risk treatment for available for sale securities

At the end of March 31, 2012 the Brokerage Firm´s total amount of available for sale securities was P$524 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)* **Mar 2012**
Two week accumulated gap (MXP + UDIs)	-
Liquid Assets	1,454

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 2012 period the Casa de Bolsa recognized operational risk losses totaling P$82 thousand pesos comprised of 40 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$85 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.

Dividends

There is no policy to dividends payment established, however the Annual General Shareholder's are authorized for it.

On the Board meeting held on July 26, 2011 it was agreed announce the Annual General Shareholder's to declare a dividend up to an amount of $200,000,000.00 to $9,081.8272636454 per share.

By August 19, 2011 the Ordinary Annual General Stockholder's approve to declare and pay a dividend in cash for $200,000,000.00 to $9,081.8272636454 per share; to be distribute among the 22,022 "F" and "B" serial which incorporate Capital Stock and Earned Capital.

It was approved that the dividend payments would be made through "S.D. Indeval, Institucion para el Deposito de Valores, S.A. de C.V. on August 26, 2011.

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. In the market for operations not listed or OTC "Over the counter" the brokerage firm participates with warrants on the IPC and IPC options.

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.

Portfolio of metals and metals derivatives

The Group´s foreign exchange desk sells commodities (futures and options) only on gold and silver.

This business is fully hedge with Scotia Mocatta so SBI takes no position on market risk, just play an intermediary role with the client. It has notional limits for both products (futures and options).

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.

The new global policies on risk management, related to Basel III, have remarked the importance of liquidity risk management in financial institutions. In this context, the Bank of Mexico and the CNBV have implemented various initiatives to familiarize the local financial environment with liquidity risk, and include the precepts of regulatory compliance that institutions must follow in terms of risks.

From September 2011 Scotiabank Inverlat transmitted on a monthly and quarterly forms to the Central Bank for liquidity and concentration of funding.

This information will allow the Central Bank evaluates the impact of the liquidity requirements proposed by the Basel Committee and provide timely follow-up of liquidity risk of the institutions, both domestic and foreign currency.

By monitoring the liquidity position of banks, The Central Bank of Mexico will not only strengthen procedures and risk management schemes, but also it will provide additional elements of certainty about the strength of banks under episodes of extreme volatility in the local environment, or contagion effect, derived from systemic events.

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 internal model for credit risk rating.

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.

For monitoring and monthly analysis of the retail portfolio, internal probability models of default, loss severity and exposure at default were used. The analysis was performed by product; including credit cards, Scotialine, car loans, personal loans and mortgage portfolios.

Additionally, a segmentation, default versus non-default, was performed on the portfolio status.

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.

Internal Credit Risk Ratings

In order to identify the credit quality of the debtor 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 to the Mexican market needs.

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 internal credit riks ratings (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).

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.

Methodology to determine the preventive estimations for credit risks

The loan loss provisions estimations for the commercial loans are based on individual assessment of the credit risk of the borrowers and its classification, in compliance with the general rules applicable to credit institutions in Mexico "Disposiciones de caracter general aplicables a las Instituciones de Crédito" (here in after "rules of CNBV") established by the National Commission Banking and Securities (here in after "CNBV"). It is excluded for these purposes the portfolio guaranteed or due by the Federal Government, the Bank of Mexico and the Institute for the Protection of Bank Savings, according to the rules of CNBV for the risk rating of the Credit Portfolio of the Commercial Banks of the SHCP.

On the commercial portfolios segment that includes States and Municipalities and its Decentralized Organizations, specialized lending, acting as Trustee under Trust credit schemes and “structured” with assets that allow to assess the individually associated risk and the portfolio of Financial Institutions, it is used the specific rating methodologies defined in the current rules of CNBV.

For the commercial portfolio from the first quarter of 2012 in after, the internal rating methodology approved by the CNBV is been used, based on an expected loss estimation including now the loss given default parameter associated to the value and nature of the loan collateral, as defined in section 129 of the current rule. Scotiabank excludes for the internal model the segment classified as Scotia Credito Empresarial which is rated under a different internal model also approved by the CNBV and the segment of obligors whose authorized credit facilities are equal or lower than 2 million UDIS, this last segment is rated with the CNBV methodology described in the Mexican Bank Regulation (Circular Unica de Bancos) appendix 17 Art. 112.

The approved internal rating methodology follows a two-dimensional approach including as key elements for the calculation of provisions, the borrower's credit quality through the Probability of Default (PD), and the Loss Given Default (LGD) of the facility, depending on their individual characteristics, both elements are estimated from Scotiabank´s own historical data:

• The PD is a measure of the probability that a borrower defaults within a one year time horizon and is assigned by the internal rating of the obligor named IG Code. Each IG code is mapped to a probability of default.

• The LGD is a measure of the loss on a loan if the borrower defaults and is calculated based on the existence of collateral type to support the recovery of such credit. In particular LGD estimates takes into account the seniority, type of collateral and collateral coverage, and other loan structural elements.

Credit Risk in Securities Investments

The Group 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 technological 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
Pedro Saez Pueyo	Pablo Pérezalonso Eguía
Consejeros	
Peter Christopher Cardinal	Paul D´Agata Hechema
Timothy Paul Hayward	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
Consejeros Funcionarios	
Felipe De Yturbe Bernal	Alberto Miranda Mijares
Jorge Mauricio Di Sciullo Ursini	Carlos Mauricio Lomeli Alonzo

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 totaled P$0.8 million for the three months ended March 31, 2012.

“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
AGUSTIN CORONA GAHBLER DIRECTOR GENERAL AUDIT GROUP	H.VALERIO BUSTOS QUIROZ DEPUTY DIRECTOR FINANCE