# Strategy in Action

March 5, 2013

## Investor Presentation

First Quarter, 2013

Scotiabank

## Caution Regarding Forward-Looking Statements

Our public communications often include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the "safe harbour" provisions of the U.S. Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements may include comments with respect to the Bank's objectives, strategies to achieve those objectives, expected financial results (including those in the area of risk management), and the outlook for the Bank's businesses and for the Canadian, U.S. and global economies. Such statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "intent," "estimate," "plan," "may increase," "may fluctuate," and similar expressions of future or conditional verbs, such as "will," "should," "would" and "could."

By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond our control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity; significant market volatility and interruptions; the failure of third parties to comply with their obligations to us and our affiliates; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; the effect of changes to our credit ratings; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions and liquidity regulatory guidance; operational and reputational risks; the risk that the Bank's risk management models may not take into account all relevant factors; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; the Bank's ability to expand existing distribution channels and to develop and realize revenues from new distribution channels; the Bank's ability to complete and integrate acquisitions and its other growth strategies; changes in accounting policies and methods the Bank uses to report its financial condition and financial performance, including uncertainties associated with critical accounting assumptions and estimates; the effect of applying future accounting changes; global capital markets activity; the Bank's ability to attract and retain key executives; reliance on third parties to provide components of the Bank's business infrastructure; unexpected changes in consumer spending and saving habits; technological developments; fraud by internal or external parties, including the use of new technologies in unprecedented ways to defraud the Bank or its customers; consolidation in the Canadian financial services sector; competition, both from new entrants and established competitors; judicial and regulatory proceedings; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments, including terrorist acts and war on terrorism; the effects of disease or illness on local, national or international economies; disruptions to public infrastructure, including transportation, communication, power and water; and the Bank's anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank's business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank's financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements. For more information, see the discussion starting on page 55 of the 2012 annual report.

The preceding list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf.

The "Outlook" sections in this document are based on the Bank's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections.

Additional information relating to the Bank, including the Bank's Annual Information Form, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC's website at www.sec.gov.

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# Overview

Rick Waugh

Chief Executive Officer

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## Q1 2013 Overview

- **Strong start to the year**
  - Net income: $1,625 million
  - EPS: $1.25
  - ROE: 16.6%
- **Revenue growth of 12% (15% excluding real estate gain in Q1/12)**
- **ING DIRECT transition progressing well**
- **Credit conditions remain stable**
- **Capital position continues to be strong and high quality**
- **Quarterly dividend increase of 5% or $0.03 per share**

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## Strong Growth Year-over-Year

| Business Line | Net Income[1] Growth | Revenue Growth |
|---|---|---|
| Canadian Banking | 20.8% | 13.3% |
| International Banking | 19.2%[2] | 21.0% |
| Global Wealth Management | 7.6% | 12.3% |
| Global Banking and Markets | 28.3% | 12.3% |
| All Bank | 21.1% | 14.8% |

Note: Excludes real estate gains in Q1 2012
(1) Before deduction of non-controlling interest
(2) 12% growth after deduction of non-controlling interest

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# Financial Review

Sean McGuckin
Chief Financial Officer

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## Diversification Contributing to Positive Results

| Q1/13 | Q4/12 | Q/Q | | Q1/12[1] | Y/Y |
|---|---|---|---|---|---|
| $1,625 | $1,519 | 7% | Net Income ($MM) | $1,342 | 21% |
| $1.25 | $1.18 | 6% | EPS | $1.12 | 12% |
| 16.6% | 16.4% | 20 bps | ROE | 18.4% | (180) bps |
| 53.5% | 54.9% | (140) bps | Productivity Ratio | 54.8% | (130) bps |

(1) Excluding $94 million or $0.08 per share real estate gain

### Year-over-Year Comparison

**Q1 earnings benefited from…**

- Strong asset growth and stable margin
- Contribution from recent acquisitions
- Growth in wealth management and transaction-based banking fees
- Stronger earnings from associated corporations
- Higher trading revenues

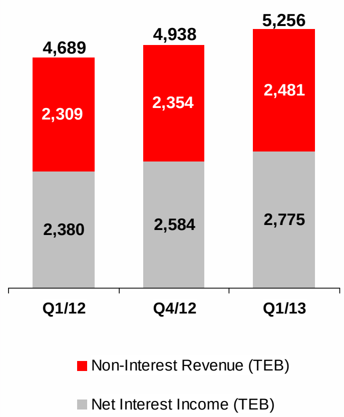
**Partly offset by…**

- Higher provisions for credit losses
- Higher operating expenses: acquisitions accounted for over 55% of the increase
- Lower underwriting and advisory fees



## Solid Revenue Growth Across All Business Lines

**Revenue (TEB)**
($ millions)




### Year-over-Year +12%

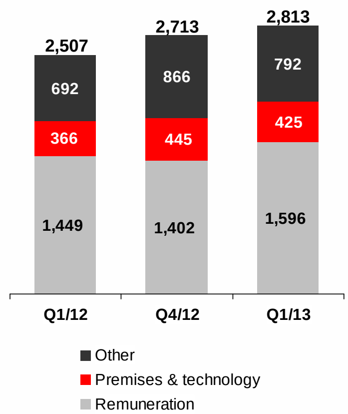
- **Net interest income up 17%**
  + Strong asset growth
  + Recent acquisitions – ING and Colpatria
  + Stable margins
- **Non-interest revenues up 7%**
  + Higher banking fees and payment volumes
  + Higher wealth management revenues
  + Increased contributions from associated corporations
  + Impact of acquisitions
  – Gain on sale of Calgary real estate asset in Q1/12

### Quarter-over-Quarter +6%

- **Net interest income up 7%**
  + Impact of ING DIRECT acquisition
  + Solid residential mortgage and business loan growth
  + Stable margins
- **Non-interest revenues up 5%**
  + Increased contributions from associated corporations
  + Higher wealth management revenues
  + Stronger trading revenues
  – Lower underwriting fees
  – Modestly lower transaction-based revenues

## Positive Operating Leverage

**Non-Interest Expenses**
($ millions)




### Year-over-Year

- **Expenses up 12%**
  - – Acquisitions accounted for over 55% of increase
  - – Higher remuneration costs
  - – Higher premises costs driven by the sale of Scotia Plaza
  - – Increase in pension and benefit expenses

### Quarter-over-Quarter

- **Expenses up 4%**
  - – Acquisitions accounted for 60% of increase
  - – Seasonally higher remuneration costs
  - – Lower benefits costs last quarter
  - – Higher pension costs mainly reflecting the persistent lower rate environment
  - + Lower expenses in almost all other categories

### Operating Leverage

- **Year-over-Year: +2.7%[1]**

(1) Excluding Q1 2012 real estate gains

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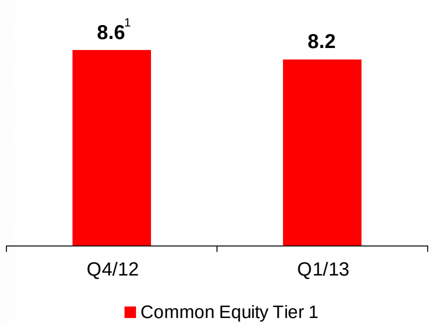
## Strong and High Quality Capital Ratios: Basel III

**Basel III Capital Ratios (%)**




- **Internal capital generation: $829MM**
- **Stock issued under DRIP: $250MM**
- **Completed ING DIRECT acquisition during Q1/13**
- **Increased CET1 by 50 bps from Q4/12 proforma of 7.7% (proforma for ING DIRECT)**
- **Fully-implemented Basel III capital ratios are strong and well above the international regulatory requirements**

(1) Q4/12 CET1 on a proforma basis for announced ING DIRECT acquisition was 7.7%

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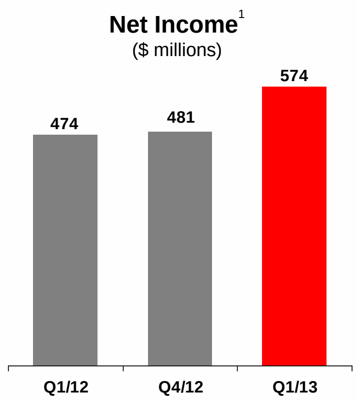
## Canadian Banking: Strong Quarter




(1) Attributable to equity holders of the Bank

### Year-over-Year

- **Revenues up 13%**
  + Strong organic asset and deposit growth
  + Impact of ING DIRECT acquisition (approx. 50%)
  + Higher transaction-driven card revenues
- **PCLs down $18MM to $118MM**
- **Expenses up 12%**
  – Impact of ING DIRECT acquisition (approx. 50%)
  – Higher pension costs and stock-based compensation

### Quarter-over-Quarter

- **Revenues up 10%**
  + Mainly due to impact of ING DIRECT acquisition
  + Solid credit card growth
  + Slight increase in margin (excl. ING)
- **PCLs down $14MM to $118MM**
- **Expenses up 5%**
  – Entirely due to the impact of ING DIRECT acquisition

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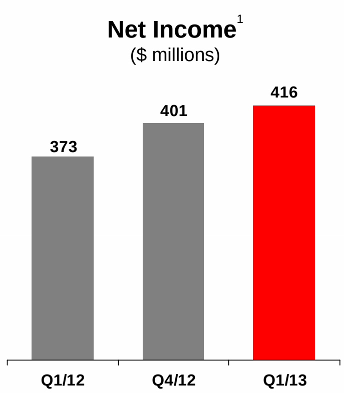
## International Banking: Very Good Quarter




(1) Attributable to equity holders of the Bank

### Year-over-Year

- **Revenues up 21%**
  + Strong loan growth in Latin America
  + Positive impact of Banco Colpatria acquisition
  + Higher income from Thailand
- **PCLs up $62MM to $186MM**
- **Expenses up 16%**
  – Largely attributable to acquisitions
  – Higher remuneration and technology costs from inflationary increases and to support growth
- **Tax benefit in Puerto Rico**

### Quarter-over-Quarter

- **Revenues up 4%**
  + Solid loan growth in Latin America
  + Strong contributions from Thailand
  + Good fee and commission growth
  – Seasonal retail fees in the previous quarter
- **PCLs up $10MM to $186MM**
- **Expenses relatively unchanged**
  – Higher pension and benefit costs
  + Higher campaign and project spending in the prior quarter to drive growth

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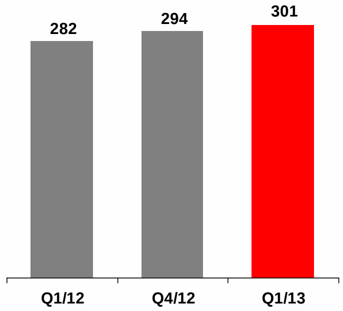
## Global Wealth Management: Strong AUM & AUA Growth

**Net Income**[1]
($ millions)




(1) Attributable to equity holders of the Bank

### Year-over-Year

- **Revenues up 12%**
  + Strong growth across the wealth management and insurance businesses
  + Implementation of new fixed administration fees for Dynamic funds
- **Expenses up 15%**
  – Higher volume-related expenses
  – Implementation of new fixed administration fees
  + Lower discretionary expenses

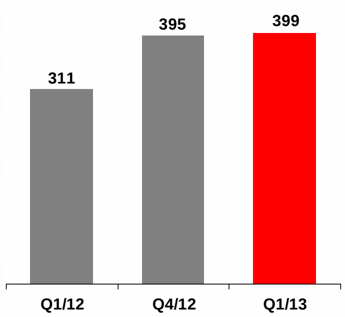
### Quarter-over-Quarter

- **Revenues up 5%**
  + Higher brokerage and international wealth revenues
  + Strong global insurance revenues
- **Expenses up 6%**
  – Increased pension and benefit costs
  – Higher volume-related expenses



## Global Banking & Markets: Continued Strong Performance

**Net Income**[1]
($ millions)




(1) Attributable to equity holders of the Bank

### Year-over-Year

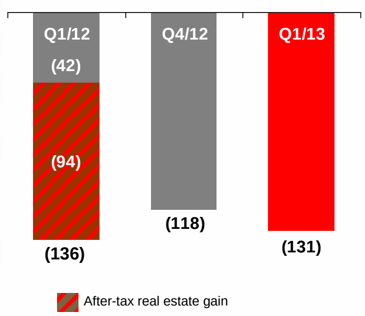
- **Revenues up 12%**
  + Higher fixed income and equities revenues
  + Solid loan growth in the U.S. and Europe
  – Lower advisory fees
- **PCLs unchanged at $5MM**
- **Expenses up 4%**
  – Higher performance-based compensation
  – Impact of Howard Weil acquisition

### Quarter-over-Quarter

- **Revenues up 3%**
  + Stronger precious metals, fixed income, and equities revenues
  + Higher revenues from European lending business
  – Lower underwriting and advisory fees
- **PCLs down $6MM to $5MM**
- **Expenses up 4%**
  – Seasonally higher stock-based compensation
  – Higher support costs

# Other Segment[1]

**Net Income**[2]
($ millions)




### Year-over-Year

- **Net loss increased $89MM**
  – Real estate gain in Q1/12 (-$94MM after-tax)
  – Lower revenues from asset/liability management activities
  + Higher net gains on investment securities

### Quarter-over-Quarter

- **Net loss increased $13MM**
  – Higher taxes
  – Lower net gains on investment securities
  + Lower intercompany elimination related to the Bank's share issuance in the prior quarter

(1) Includes Group Treasury, smaller operating segments, and other corporate items which are not allocated to a business line. The results primarily reflect the impact of asset/liability management activities.
(2) Attributable to equity holders of the Bank

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# Risk Review

Rob Pitfield

Chief Risk Officer

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## Risks Continue to be Well-Managed

- **Risk in credit portfolios continues to be well-managed**
  - Provisions for credit losses on impaired loans remain in line with expectations
  - Overall credit quality of loan portfolio remains strong
- **Market risk remains low and well controlled**
  - Average 1-day all-bank VaR: $17.4MM vs. $19.0MM in Q4/12
- **Exposure to Europe not significant, although up slightly from last quarter**
- **Stress tests on the mortgage portfolio confirm that potential losses under a severe economic downturn are manageable**

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## Credit Provisions Continue to be Stable

| ($ millions) | Q1/12 | Q2/12 | Q3/12 | Q4/12 | Q1/13 |
|---|---|---|---|---|---|
| Canadian Retail | 112 | 105 | 103 | 99 | 108 |
| Canadian Commercial | 24 | 15 | 15 | 33 | 10 |
| | **136** | **120** | **118** | **132** | **118** |
| International Retail | 125 | 133 | 151 | 159 | 171 |
| International Commercial | (1) | 12 | 17 | 17 | 15 |
| | **124** | **145** | **168** | **176**[1] | **186**[1] |
| Global Wealth Management | **–** | **–** | **1** | **2** | **1** |
| Global Banking & Markets | **5** | **(1)** | **15** | **11** | **5** |
| Collective allowance on performing loans | **–** | **–** | **100** | **–** | **–** |
| Total | **265** | **264** | **402** | **321** | **310** |
| PCL ratio (bps) ex. collective allowance on performing loans | 32 | 31 | 34 | 36 | 32 |
| PCL ratio (bps) | 32 | 31 | 46 | 36 | 32 |

(1) Includes the impact of Colombian purchased portfolio. The Bank expects the PCL ratio to rise with the maturity of the acquired portfolio. See pg 10 of the First Quarter Report to Shareholders.

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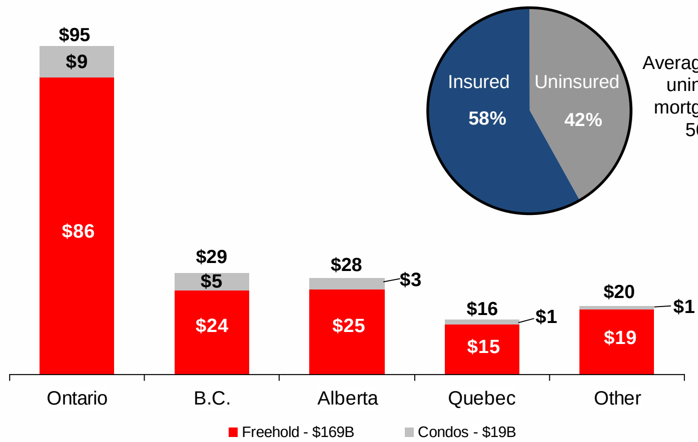
## Canadian Banking: Residential Mortgage Portfolio

($ billions, as at January 31, 2013)

**Total Portfolio: $188 billion**




Average LTV of uninsured mortgages is 56%[1]

(1) LTV calculated based on the total outstanding balance secured by the property. Property values indexed using Teranet and CREA data.

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## Risk Outlook Remains Stable

- **Asset quality remains high**
  - Retail and commercial portfolios performing as expected
  - Corporate portfolios continue to demonstrate strength
- **Combination of growth in portfolios and product mix will result in rising provisions**
  - Canadian Retail provisions stable
  - International Retail provisions will increase in line with portfolio growth, product mix, and a modest softening in economic conditions in certain countries
  - Corporate and Commercial provisions remain modest

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# 2013 Outlook

Brian Porter

President

Scotiabank

## 2013 Outlook

| Canadian Banking | International Banking |
| --- | --- |
| ■ Solid retail asset growth but lower than 2012<br>■ Focus on deposits, payments and wealth<br>■ Growing footprint in automotive lending<br>■ Commercial pipeline remains strong; continue to work with Global Transaction Banking to grow deposits<br>■ Margin remaining stable due to favourable changes in product mix<br>■ Unsustainably low commercial PCLs in Q1/13 | ■ Stable outlook: diversified mix of regional results to generate low double-digit annualized loan growth<br>■ Continue to build on positive retail momentum<br>■ Growth in commercial portfolio supported by a healthy pipeline, particularly in Asia<br>■ Some margin pressure continues, but expected to remain stable<br>■ PCLs expected to rise modestly in line with organic growth, business mix and Colpatria acquisition |
| **Global Wealth Management** | **Global Banking & Markets** |
| ■ Good diversified growth as markets strengthen<br>■ Growing earnings and assets from international businesses, and capitalizing on recent acquisitions<br>■ Strong AUM/AUA base driving wealth management revenues<br>■ Scotia iTrade platform well received and growing<br>■ Global Insurance outlook remains solid | ■ Solid contributions from across the business platform<br>■ Continued emphasis on diversification across focus sectors, products and geographies<br>■ Global economic uncertainty continues to create challenges, but discipline and risk focus have positioned us well<br>■ Mid-to-high single digit loan growth expected with stable margins, while PCLs to remain modest<br>■ Good deposit growth in Global Transaction Banking |

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# Appendix

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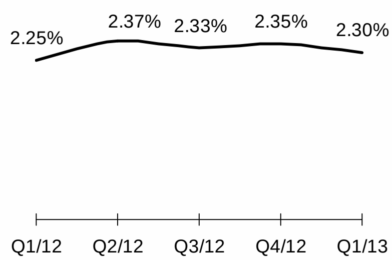
## Core Banking Margin (TEB)[1]




**Quarter-over-Quarter**

- **ING DIRECT acquisition: -6 bps**
- **Canadian dollar margin relatively stable**
- **Foreign currency margin stable – higher margins in Mexico and Chile, offset by lower margins in Peru and Pacific region**

(1) Represents net interest income (TEB) as a % of average earning assets excluding bankers acceptances and total average assets relating to the Global Capital Markets business within Global Banking and Markets.

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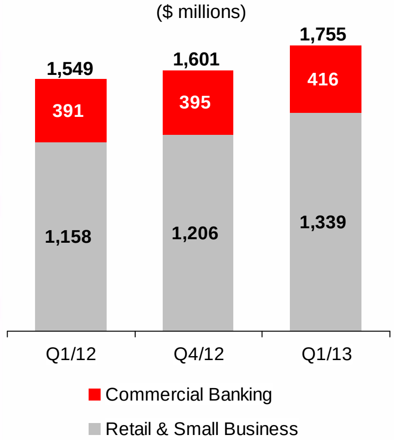
## Canadian Banking: Strong Organic Asset Growth

**Revenues (TEB)**
($ millions)




### Year-over-Year

- **Retail & Small Business +16%**
  + Impact of ING DIRECT acquisition
  + Strong residential mortgage growth combined with wider spreads
  + Solid growth in credit cards and chequing accounts
- **Commercial Banking +6%**
  + Strong asset growth in commercial and auto lending

### Quarter-over-Quarter

- **Retail & Small Business +11%**
  + Impact of ING DIRECT acquisition
  + Solid growth in retail mortgages and retail deposits
- **Commercial Banking +5%**
  + Solid growth in auto lending



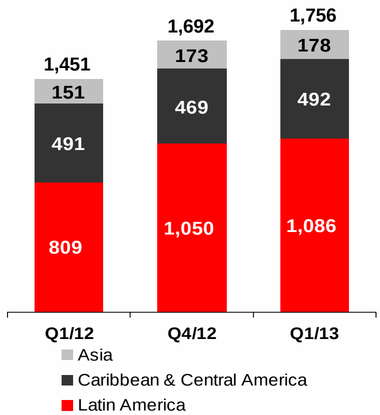
## Canadian Banking: Volume Growth

| Q1/13 | Q4/12 | Q/Q | Average Balances ($ billions) | Q1/12 | Y/Y |
|---|---|---|---|---|---|
| 180.3 | 153.5 | 17.5% | Residential Mortgages[1] | 144.6 | 24.7% |
| 42.1 | 41.0 | 2.7% | Personal Loans | 38.4 | 9.6% |
| 9.0 | 8.9 | 1.1% | Credit Cards[2] | 8.9 | 1.1% |
| 29.5 | 28.4 | 3.9% | Business Loans & Acceptances[3] | 26.3 | 12.2% |
| 127.9 | 104.5 | 22.4% | Personal Deposits[4] | 102.7 | 24.5% |
| 52.5 | 45.0 | 16.7% | Non-Personal Deposits | 41.8 | 25.6% |

(1) ING acquisition added $24.6 billion to Q1/13 average
(2) Includes ScotiaLine VISA
(3) ING acquisition added $0.8 billion to Q1/13 average
(4) ING acquisition added $22.8 billion to Q1/13 average

## International Banking: Strong Loan Growth in LatAm

**Revenues (TEB)**
($ millions)




### Year-over-Year

- **Latin America +34%**
  + Strong retail and commercial loan growth
  + Impact of Banco Colpatria acquisition
- **Caribbean & Central America Flat**
  + Solid growth in retail loan volumes
- **Asia +18%**
  + Stronger contribution from Thailand
  – Lower commercial loan volumes

### Quarter-over-Quarter

- **Latin America +3%**
  + Strong broad-based retail and commercial loan growth
  + Higher margins
  – Seasonally higher retail banking fees in Q4/12
- **Caribbean & Central America +5%**
  + Modest retail loan growth
  + Solid fee income growth
- **Asia +3%**
  + Stronger contribution from Thailand

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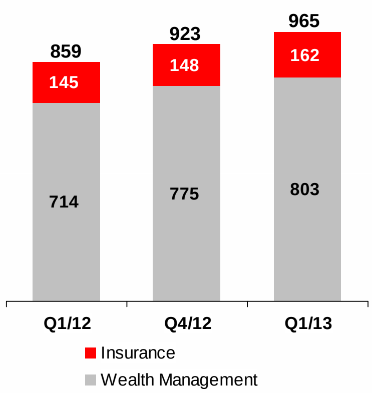
## Global Wealth Mgmt: Improved Market Conditions

**Revenues (TEB)**
($ millions)




### Year-over-Year

- **Wealth Management +12%**
  + Strong AUM and AUA growth – organic and acquisitions
  + Implementation of new fixed admin fees
  + Increase in brokerage revenues
  + Higher international wealth revenues
- **Insurance +12%**
  + Higher global insurance revenues

### Quarter-over-Quarter

- **Wealth Management +4%**
  + Strong AUM and AUA growth
  + Higher brokerage and international wealth revenues
  + Implementation of new fixed admin fees
- **Insurance +9%**
  + Higher global insurance revenues

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## Global Wealth Management: Key Metrics

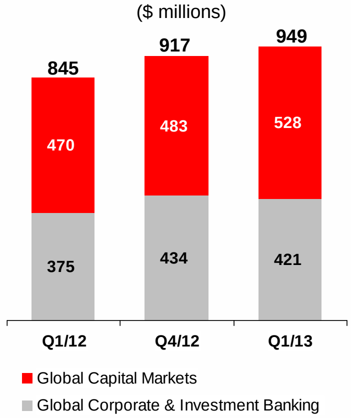
| ($ billions) | Q1/12 | Q2/12 | Q3/12 | Q4/12 | Q1/13 |
|---|---|---|---|---|---|
| Assets Under Administration | 269 | 275 | 272 | 283 | 304[1] |
| Assets Under Management | 106 | 109 | 109 | 115 | 131[1] |
| Mutual Funds Market Share in Canada vs. Schedule 1 Banks[2] | 18.4% | 18.4% | 18.3% | 18.3% | 18.3%[3] |

(1) Colfondos acquisition added $11 billion of AUM and AUA
(2) Excludes Scotiabank's investment in CI Financial
(3) Includes $856 million of ING mutual fund assets



## Global Banking & Markets: Strong Client-Driven Platform

**Revenues (TEB)**
($ millions)




### Year-over-Year

- **Global Capital Markets +12%**
  + Stronger revenues in fixed income and equities businesses
- **Global Corp. & Investment Banking +12%**
  + Good volume growth in Canada, U.S. and Europe
  + Higher credit fees and stable margin
  – Lower advisory fees

### Quarter-over-Quarter

- **Global Capital Markets +9%**
  + Strong revenues in precious metals, fixed income, and equities businesses
- **Global Corp. & Investment Banking -3%**
  + Modest loan growth in Canada, U.S. and Europe
  – Lower underwriting and advisory fees
  – Lower margin in the U.S. and Canada

## Economic Outlook in Key Markets

| Country | Real GDP (Annual % Change) 2000-11 Avg. | 2012E | 2013F | 2014F |
|---|---|---|---|---|
| Mexico | 2.2 | 4.0 | 3.6 | 3.9 |
| Peru | 5.6 | 6.3 | 6.0 | 5.5 |
| Chile | 4.8 | 5.6 | 5.0 | 5.5 |
| Colombia | 4.4 | 3.7 | 4.1 | 5.0 |
| Costa Rica | 4.1 | 5.1 | 4.3 | 4.5 |
| Dominican Republic | 5.4 | 4.0 | 3.5 | 4.5 |
| Thailand | 4.0 | 6.5 | 4.5 | 4.2 |
| | 2000-11 Avg. | 2012E | 2013F | 2014F |
| Canada | 2.2 | 1.9 | 1.6 | 2.4 |
| U.S. | 1.8 | 2.2 | 2.0 | 2.7 |

Source: Scotia Economics, as of February 28, 2013.

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## Unrealized Securities Gains

| ($ millions) | Q1/13 | Q4/12 |
|---|---|---|
| Emerging Market Debt | 206 | 242 |
| Other Debt | 357 | 397 |
| Equities | 580 | 454 |
| | **1,143** | **1,093** |
| Net Fair Value of Derivative Instruments and Other Hedge Amounts | (120) | (202) |
| **Total** | **1,023** | **891** |

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## PCL Ratios

| (Total PCL as % of average loans & BAs) | Q1/12 | Q2/12 | Q3/12 | Q4/12 | Q1/13 |
|---|---|---|---|---|---|
| **Canadian Banking** | | | | | |
| Retail | 0.23 | 0.22 | 0.21 | 0.20 | 0.18 |
| Commercial | 0.36 | 0.22 | 0.22 | 0.46 | 0.14 |
| **Total** | **0.25** | **0.22** | **0.21** | **0.23** | **0.18** |
| **International Banking** | | | | | |
| Retail | 1.90 | 1.79 | 1.99 | 2.03 | 2.12 |
| Commercial | 0.00 | 0.09 | 0.13 | 0.13 | 0.12 |
| **Total** | **0.65** | **0.71** | **0.81** | **0.84**[1] | **0.87**[1] |
| **Global Wealth Management** | **0.03** | **(0.01)** | **0.09** | **0.08** | **0.04** |
| **Global Banking and Markets** | | | | | |
| Corporate Banking | **0.06** | **(0.01)** | **0.16** | **0.12** | **0.05** |
| **All Bank (ex. collective allowance on performing loans)** | **0.32** | **0.31** | **0.34** | **0.36** | **0.32** |
| **All Bank** | **0.32** | **0.31** | **0.46** | **0.36** | **0.32** |

(1) Includes the impact of Colombian purchased portfolio. The Bank expects the PCL ratio to rise with the maturity of the acquired portfolio. See pg 10 of the First Quarter Report to Shareholders.

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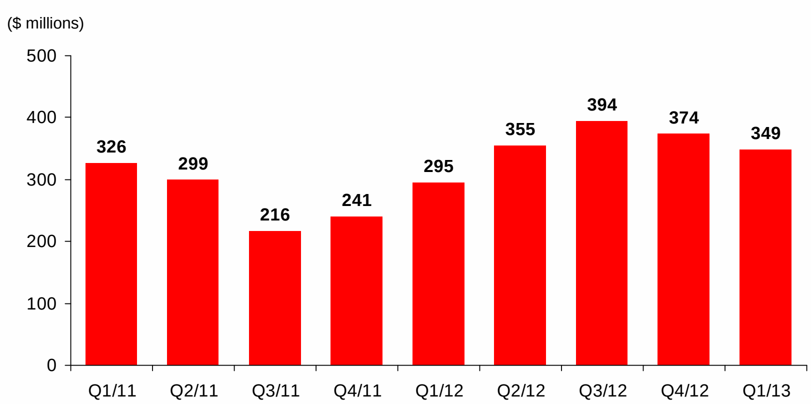
## Lower Net Impaired Loan Formations[1]




(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico

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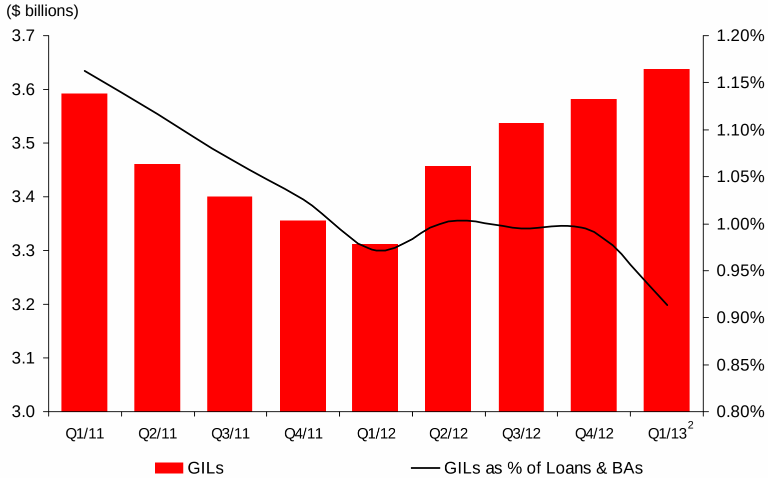
## Downward Trend in Gross Impaired Loans %[1]




(1) Excludes Federal Deposit Insurance Corporation (FDIC) guaranteed loans related to the acquisition of R-G Premier Bank of Puerto Rico

(2) Decline in ratio in Q1/13 primarily due to ING DIRECT acquisition

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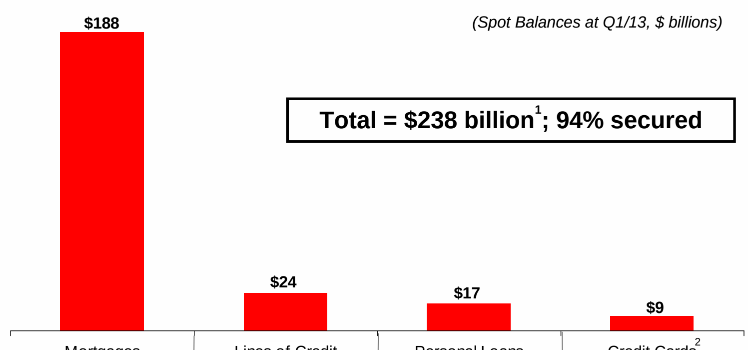
## Canadian Banking Retail: Loans and Provisions

*(Spot Balances at Q1/13, $ billions)*

**Total = $238 billion[1]; 94% secured**




| % secured | Mortgages 100% | | Lines of Credit 65% | | Personal Loans 98% | | Credit Cards[2] 36% | |
|---|---|---|---|---|---|---|---|---|
| PCL | Q1/13 | Q4/12 | Q1/13 | Q4/12 | Q1/13 | Q4/12 | Q1/13 | Q4/12 |
| $ millions | 5 | 4 | 25 | 24 | 39 | 40 | 39 | 32 |
| % of avg. loans (bps) | 1 | 1 | 40 | 39 | 88 | 97 | 173 | 141 |

(1) Includes ING DIRECT balances of $29 billion

(2) Includes $6 billion of Scotialine VISA

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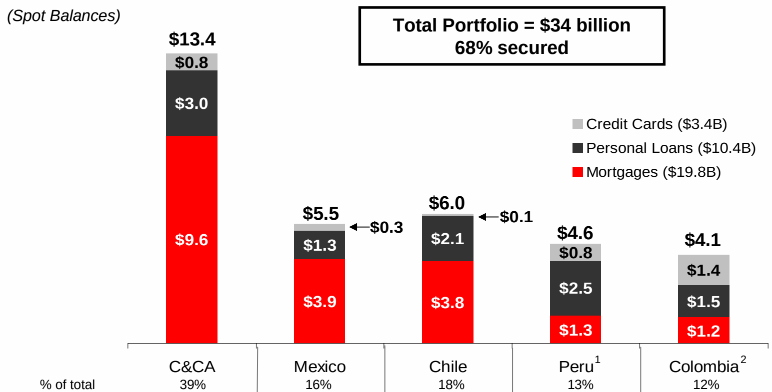
# International Retail Loans and Provisions




| PCL | Q1/13 | Q4/12 | Q1/13 | Q4/12 | Q1/13 | Q4/12 | Q1/13 | Q4/12 | Q1/13 | Q4/12 |
|---|---|---|---|---|---|---|---|---|---|---|
| $ millions | 42 | 35 | 20 | 21 | 25 | 16 | 58 | 55 | 18 | 16 |
| % of avg. loans (bps) | 127 | 105 | 148 | 169 | 171 | 111 | 501 | 483 | 176 | 163 |

Note: Excludes non-material portfolios
(1) Excludes ~$150MM loans reclassified to commercial
(2) Purchased portfolio recorded at fair value, which includes a discount for expected credit losses. The bank expects to see increased provisions as the purchased portfolio in Colombia rolls over and reaches a steady state.

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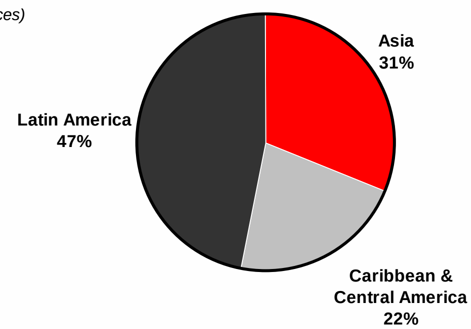
# International Banking Commercial Lending Portfolio

**Q1/13 = $54 billion**

*(Average Balances)*




- **Well secured**
- **Portfolios in Asia, Mexico, Chile, Peru and Central America performing well**
- **Closely managing Caribbean hospitality portfolio**

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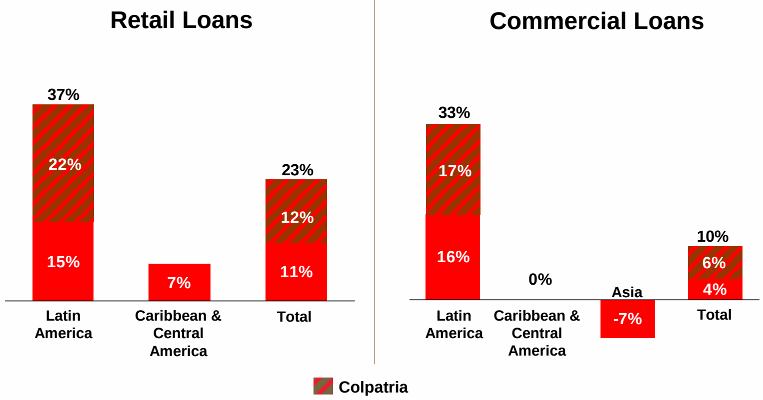
## International Loan Growth By Region

*(Year-over-year, average balances using constant FX rates)*




Note: Asia retail loan growth has been excluded as these loans are predominately within Thanachart Bank, which is not consolidated

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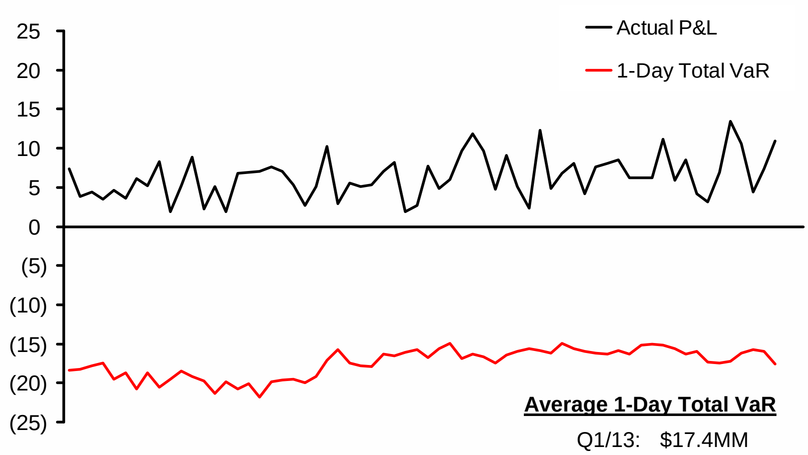
## Q1 2013 Trading Results and One-Day Total VaR

($ millions)




**Average 1-Day Total VaR**

Q1/13: $17.4MM

Q4/12: $19.0MM

Q1/12: $17.5MM

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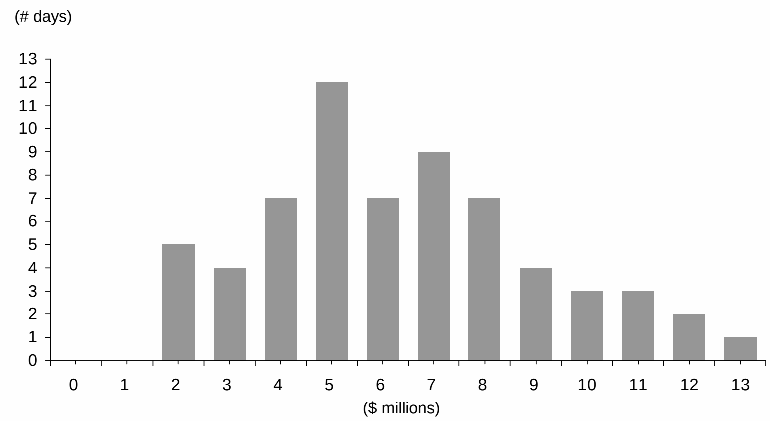
## Q1 2013 Trading Revenue Distribution




- **100% of days had positive results in Q1/13**

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