



Latin America

Investor Day
January 2013



Introduction

Peter Slan
Senior Vice President, Investor Relations

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.



Latin America

Investor Day
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Opening Remarks

Brian Porter
President



Latin America

Investor Day
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Overview of International Banking & LatAm Region

Dieter Jentsch
Group Head, International Banking

Agenda



International Banking's growth record

Investment thesis for LatAm

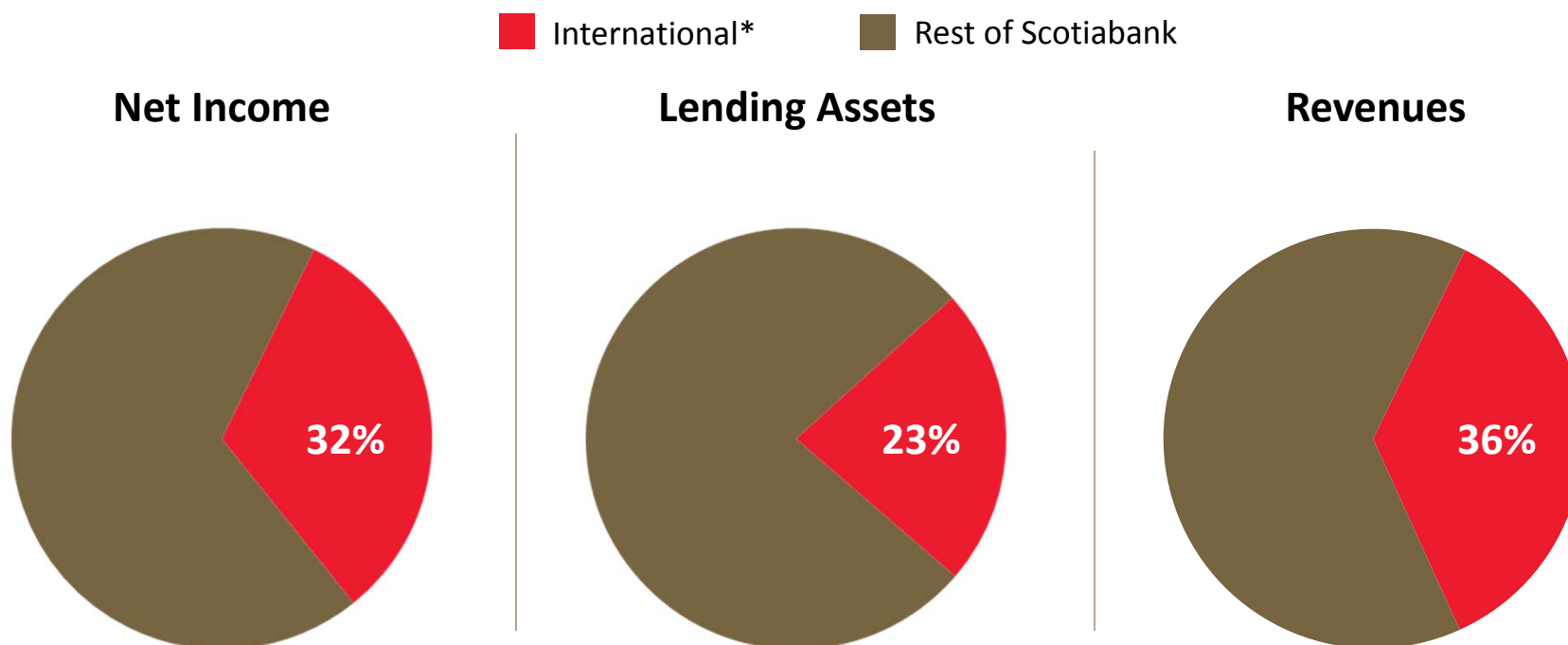
Managing our international businesses

Growth strategies for LatAm

International is a Significant Contributor to the Bank



Proportion of Scotiabank Results in 2012**



* For this slide, "International" means the results reported by the International Banking division (which includes Personal, Commercial & Corporate banking) plus the international wealth & insurance results reported by the Global Wealth Management division

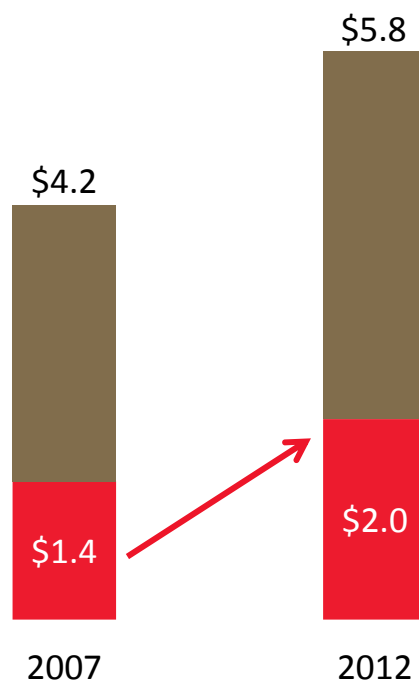
** Real estate gains and Other segment are excluded

International has had Strong Performance...

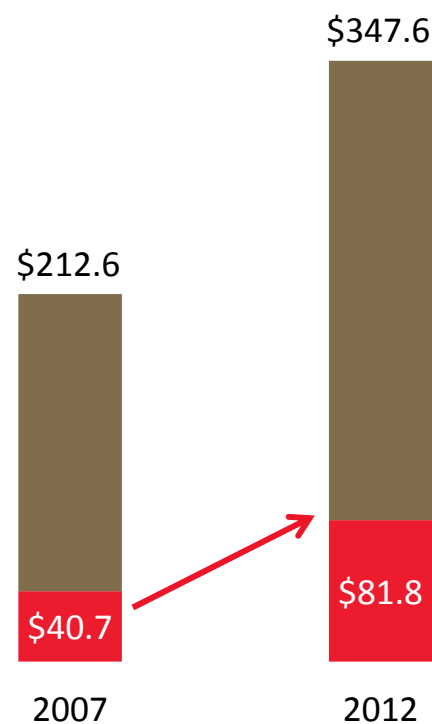


(in billions of Canadian dollars)

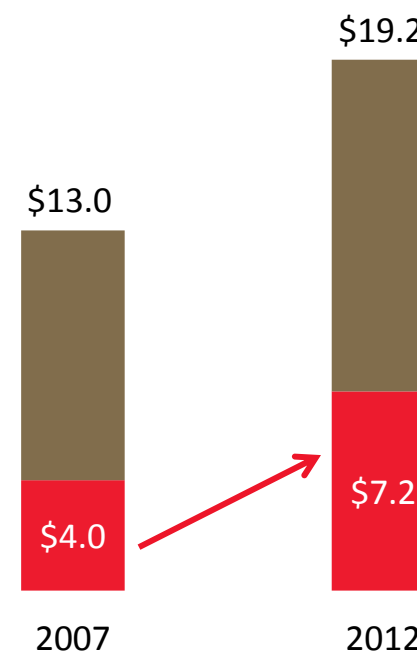
Net Income



Lending Assets



Revenues



■ International* ■ Rest of Scotiabank**

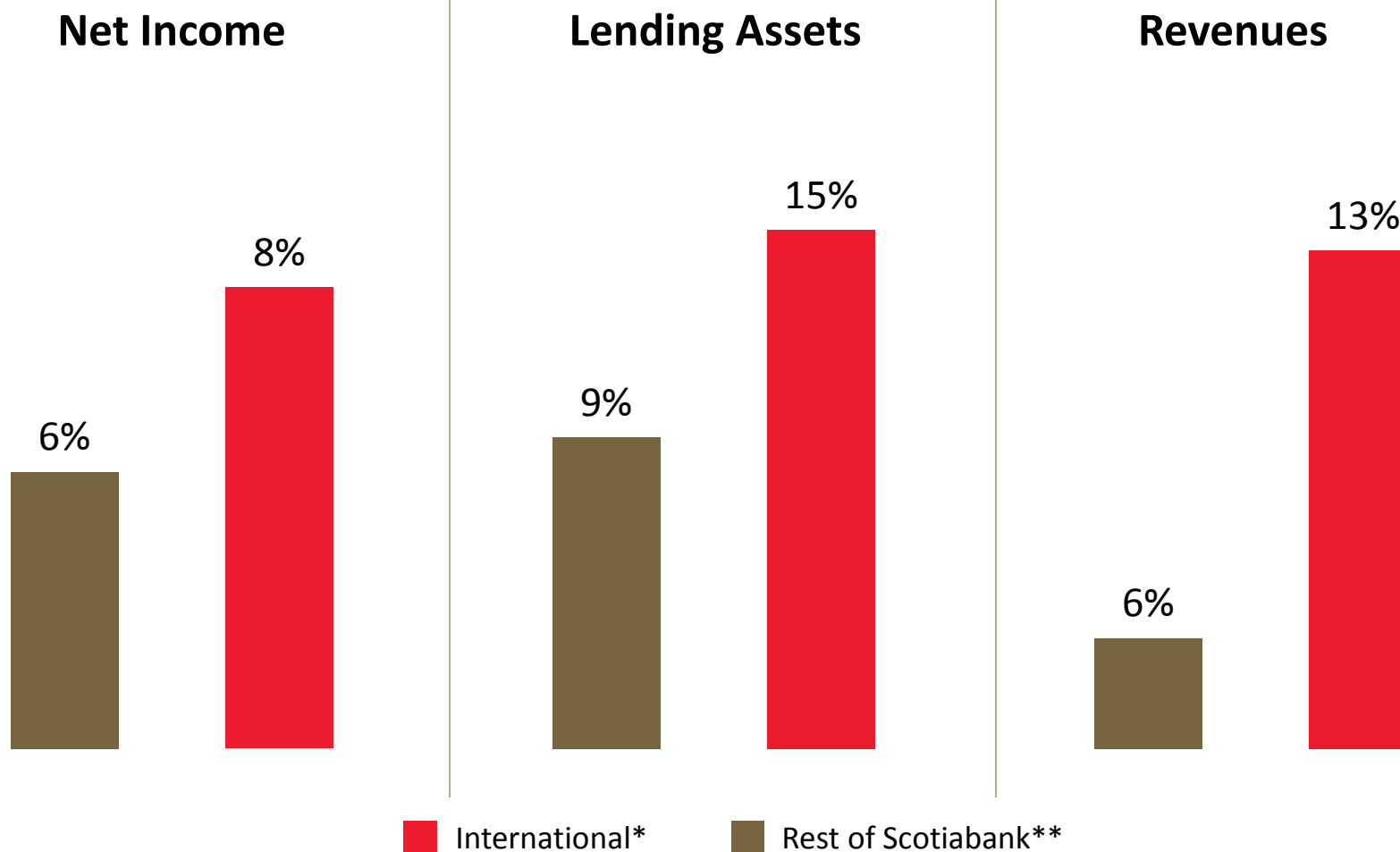
Note: 2007 Net Income is adjusted to exclude NCI

* For this slide, "International" means the results reported by the International Banking division (which includes Personal, Commercial & Corporate banking) plus the international wealth & insurance results reported by the Global Wealth Management division

** Real estate gains are excluded

...With Higher Growth Rates than the Rest of the Bank

(5-year CAGR, 2007-2012)



* For this slide, "International" means the results reported by the International Banking division (which includes Personal, Commercial & Corporate banking) plus the international wealth & insurance results reported by the Global Wealth Management division

** Real estate gains are excluded

IB Division: Significantly Expanded Footprint & Geographies

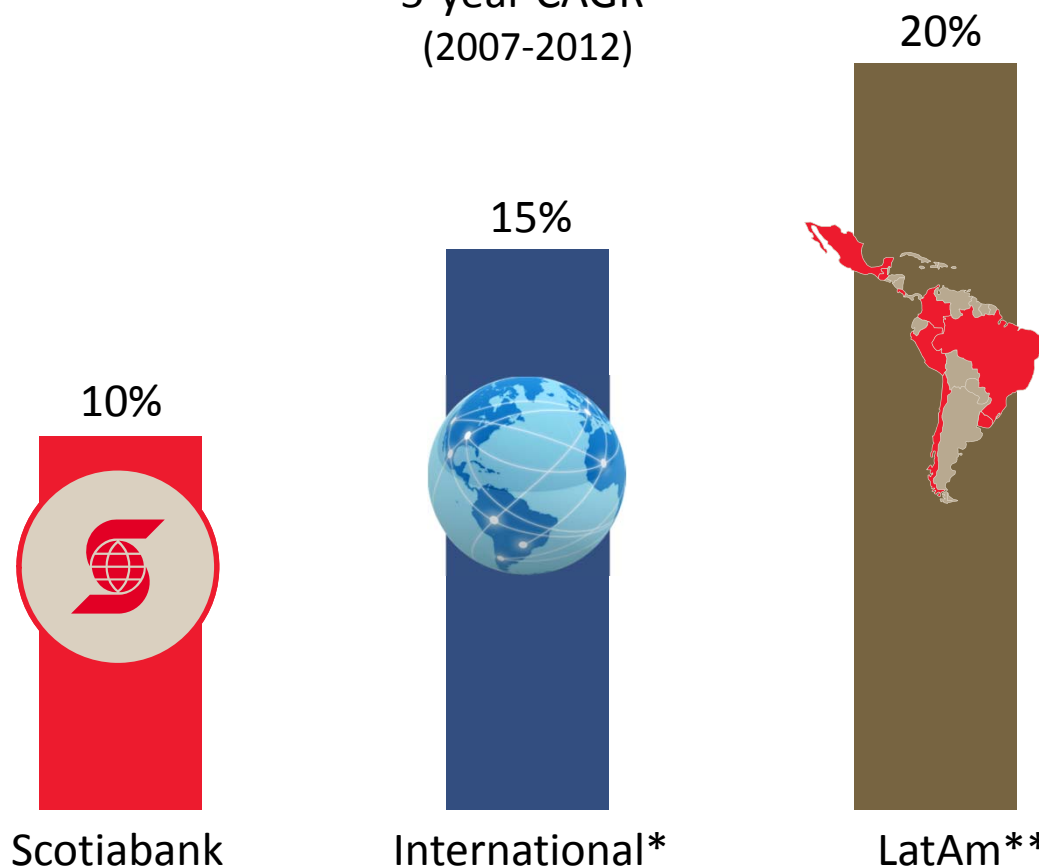
IB Division		2007	2012	Change
	Customers	5.2 million	13.7 million	+163%
	Employees	27,800	69,300	+149%
	Branches	1,500	2,900	+93%
	ABMs	3,000	6,800	+127%
	Acquisitions		20+	

LatAm Growth has Outpaced International & Scotiabank



Growth in Average Lending Assets

5-year CAGR
(2007-2012)

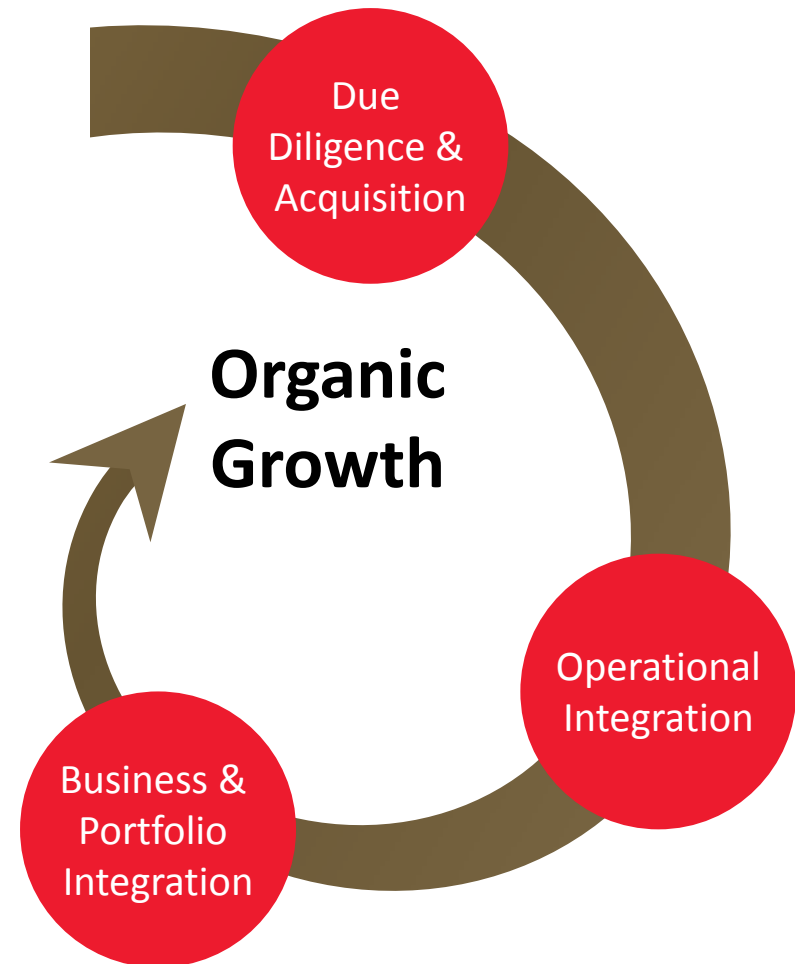


* For this slide, "International" means the Personal, Commercial & Corporate results reported by the International Banking division, plus the international wealth & insurance results reported by the Global Wealth Management division

** For this slide, LatAm includes Mexico, Peru, Chile, Colombia, Brazil & Uruguay

Converting Acquisitions into Organic Growth

- 20+ international acquisitions for \$6 billion since 2007
- Different timelines for in-market vs. new market acquisitions
- Multiple factors drive the timing for achieving full organic growth potential



Agenda



International Banking's growth record

Investment thesis for LatAm

Managing our international businesses

Growth strategies for LatAm

Investment Thesis for LatAm

- Strong economic growth rates



- Considerable room to increase banking products & services



- Fast-growing middle class



- Significant opportunities for consumer & micro-finance segment

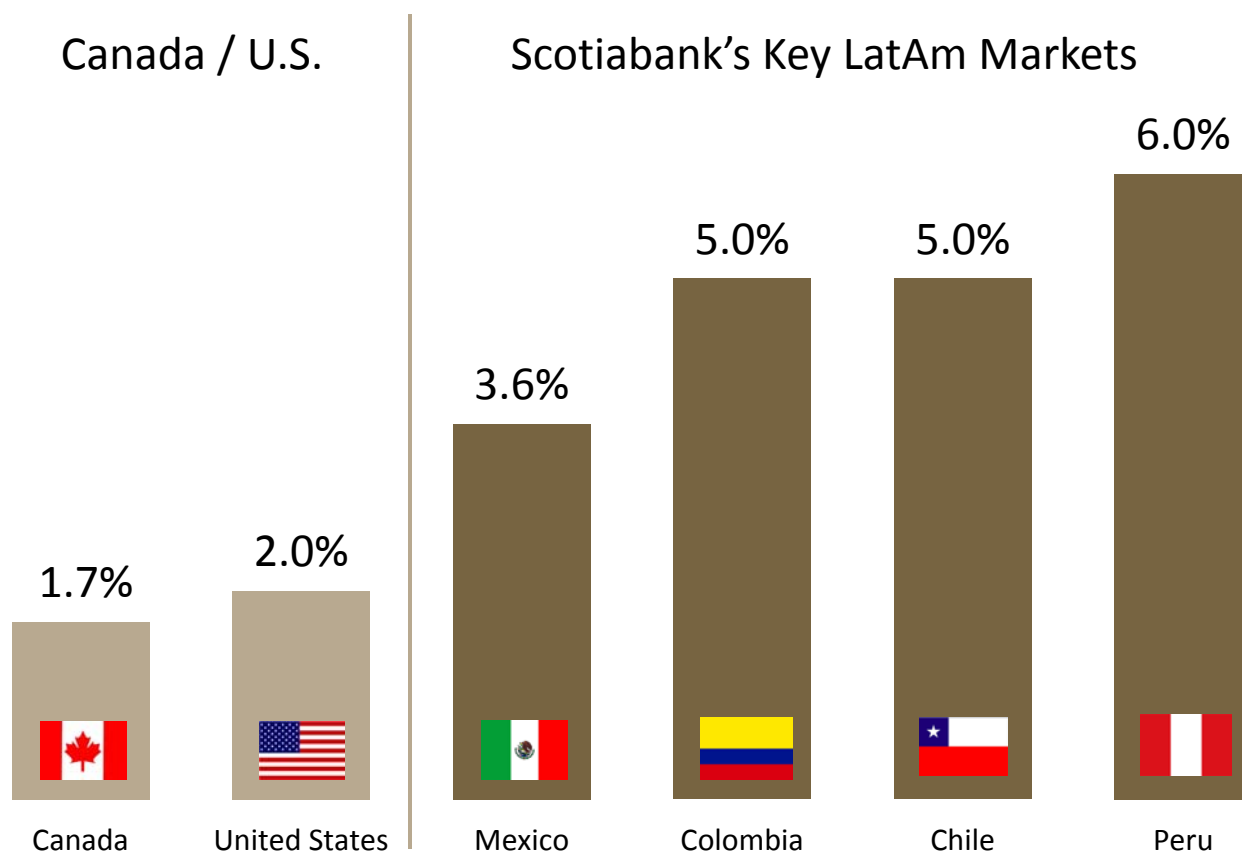


- Sound & stable regulatory environment



Strong Growth Prospects in LatAm

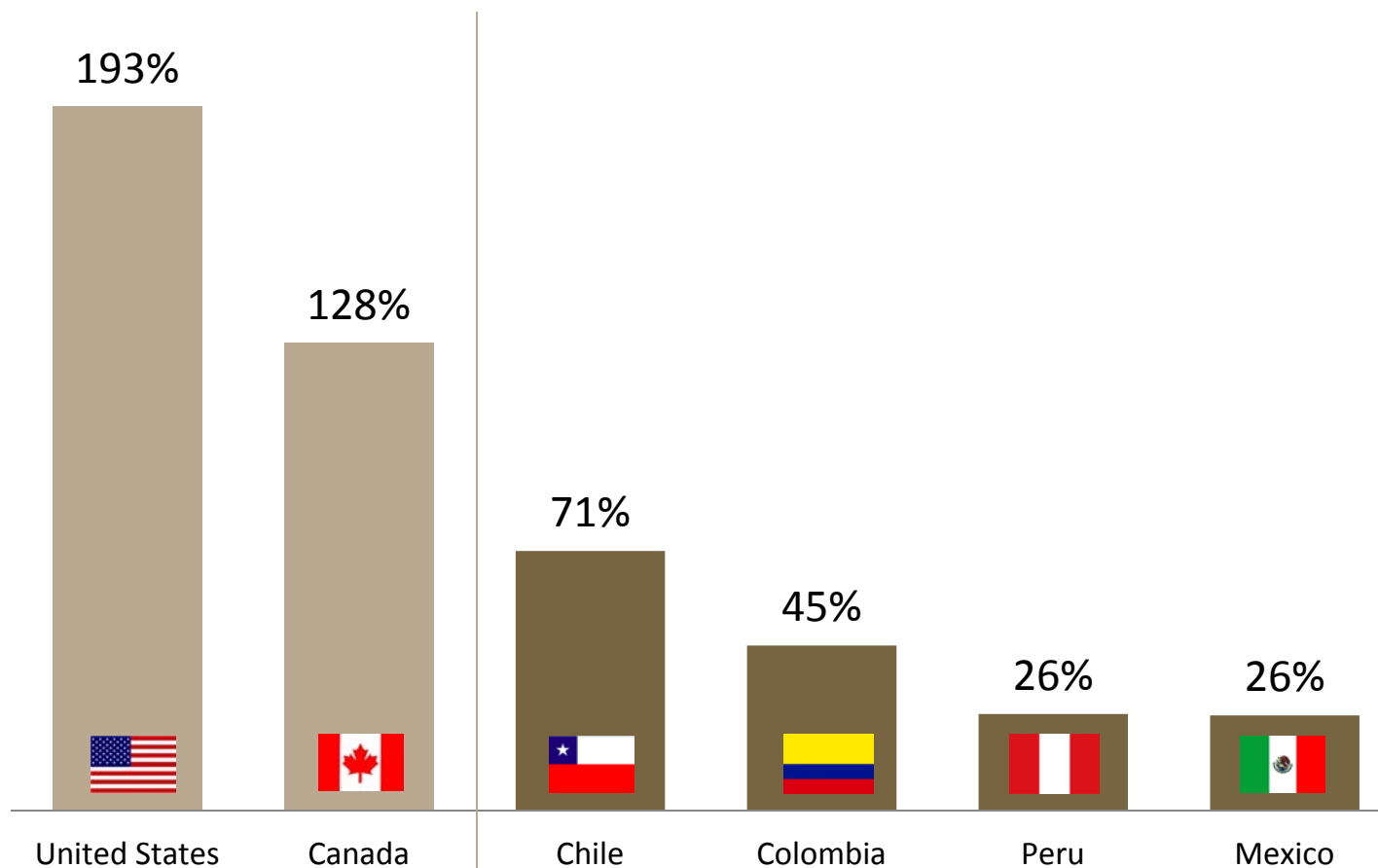
2013 Real GDP Growth Forecast



Source: Scotia Economics, as of December, 2012

Considerable Room to Provide More Banking Products & Services...

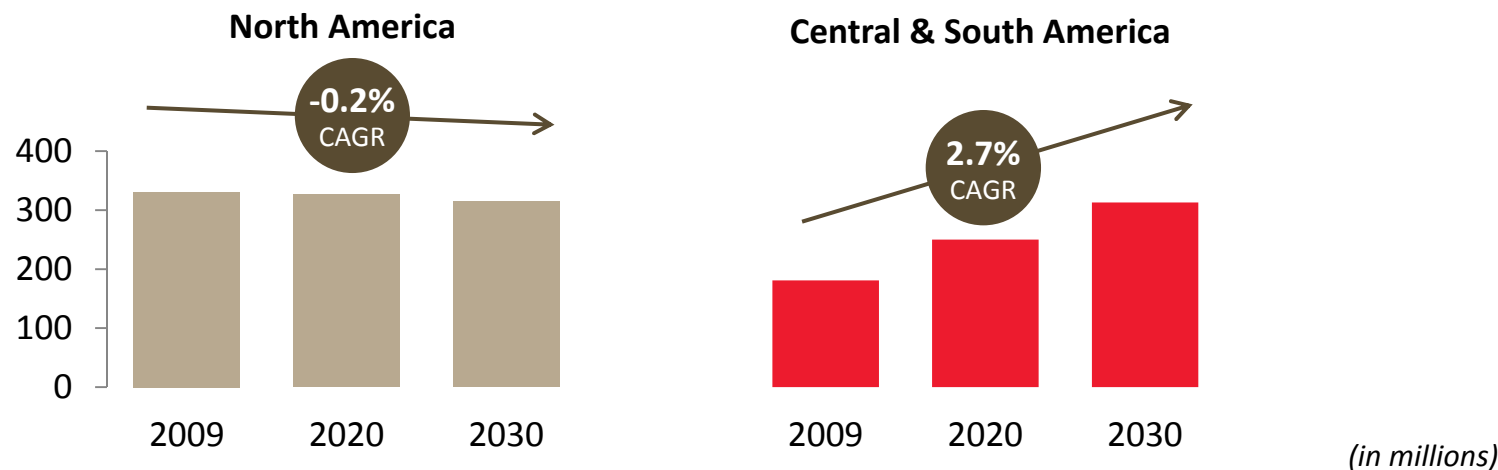
Private Sector Loans as a % of GDP



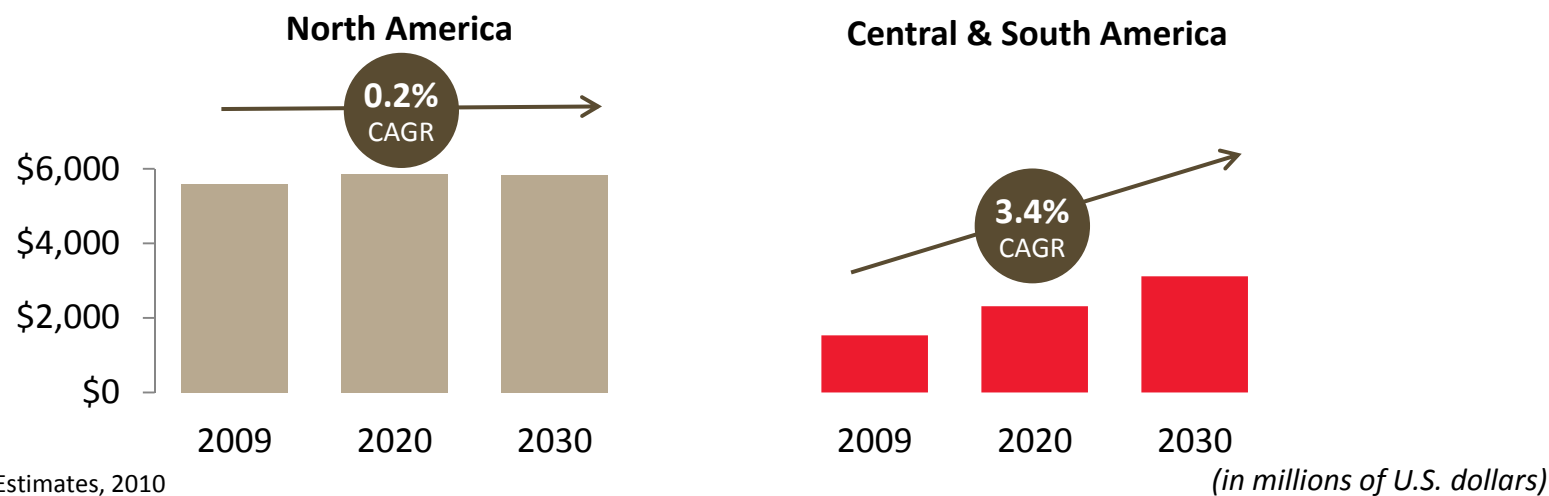
Source: The World Bank, October 2012

...to a Fast-Growing Middle Class

Middle Class – Population



Middle Class – Purchasing Power



Source: OECD Estimates, 2010

Significant Opportunities in a Unique Segment

- 50% of the population in Mexico, Peru, Chile & Colombia

- 30% of the purchasing power in Mexico, Peru, Chile & Colombia

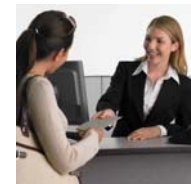
- Excellent potential for generating attractive risk-adjusted returns



**Consumer &
Micro-finance
Opportunity**

Sound & Stable Banking Environment

- Strong banking regulations
- Well-capitalized banking systems
- Effective prudential oversight
- Moving to IFRS compliance



Agenda



International Banking's growth record

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Key Aspects of Managing our International Businesses

- Strong & robust risk management



- Effective control functions & overall governance framework



- Country Heads have key accountabilities



- Experienced leadership & deep talent pool



Risk Management: A Strong Foundation

- 1** Pervasive risk culture and strong risk management framework
- 2** Highly centralized risk oversight, balanced with local expertise and input
- 3** All-Bank risk appetite framework is cascaded to all international subsidiaries
- 4** All major subsidiaries have highly seasoned Chief Risk Officers

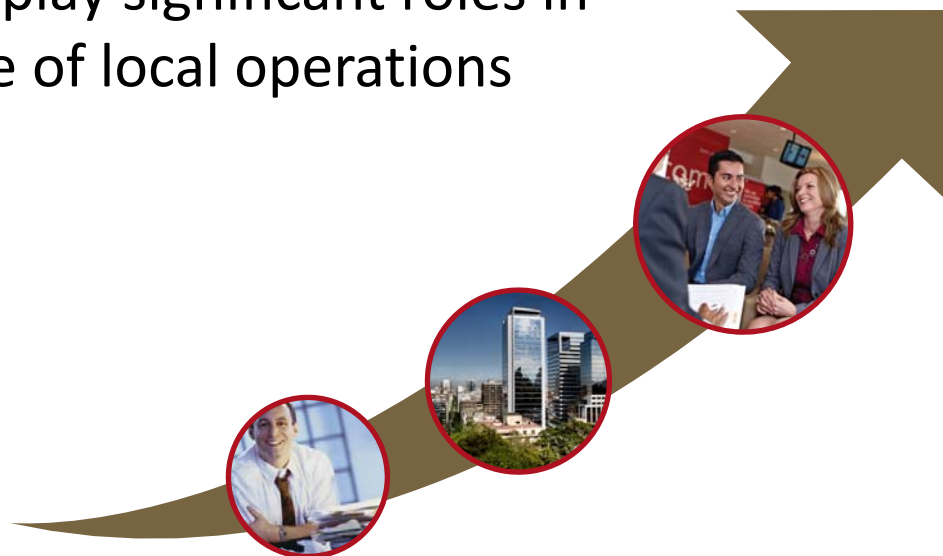


Risk Management: Recent Enhancements

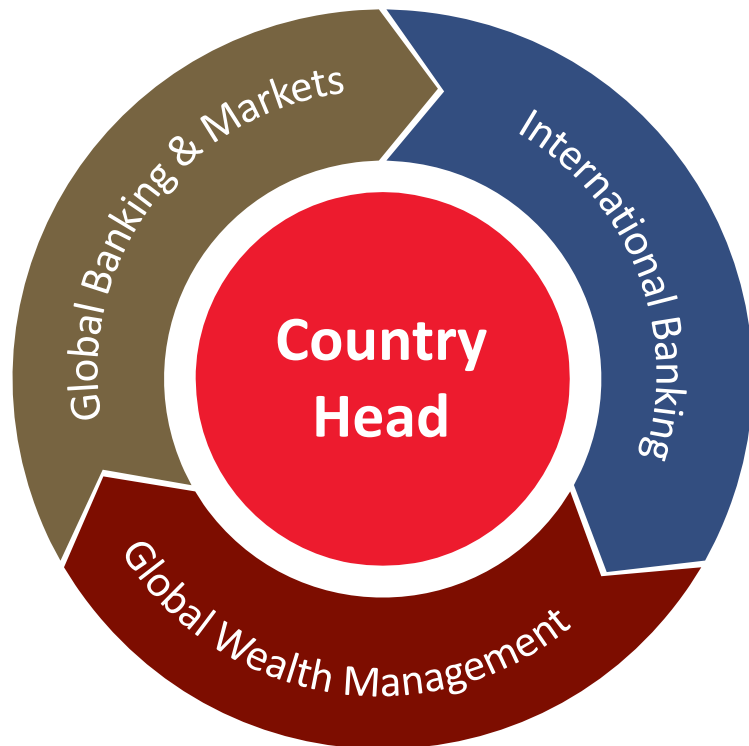


Governance & Control: Effective Framework and Policies

- 1** Key control functions (Finance, Risk, Audit, Compliance, Legal & Tax) report jointly to Toronto and local management
- 2** Governance model is based on all-Bank standards
- 3** Toronto-based officers play significant roles in oversight & governance of local operations

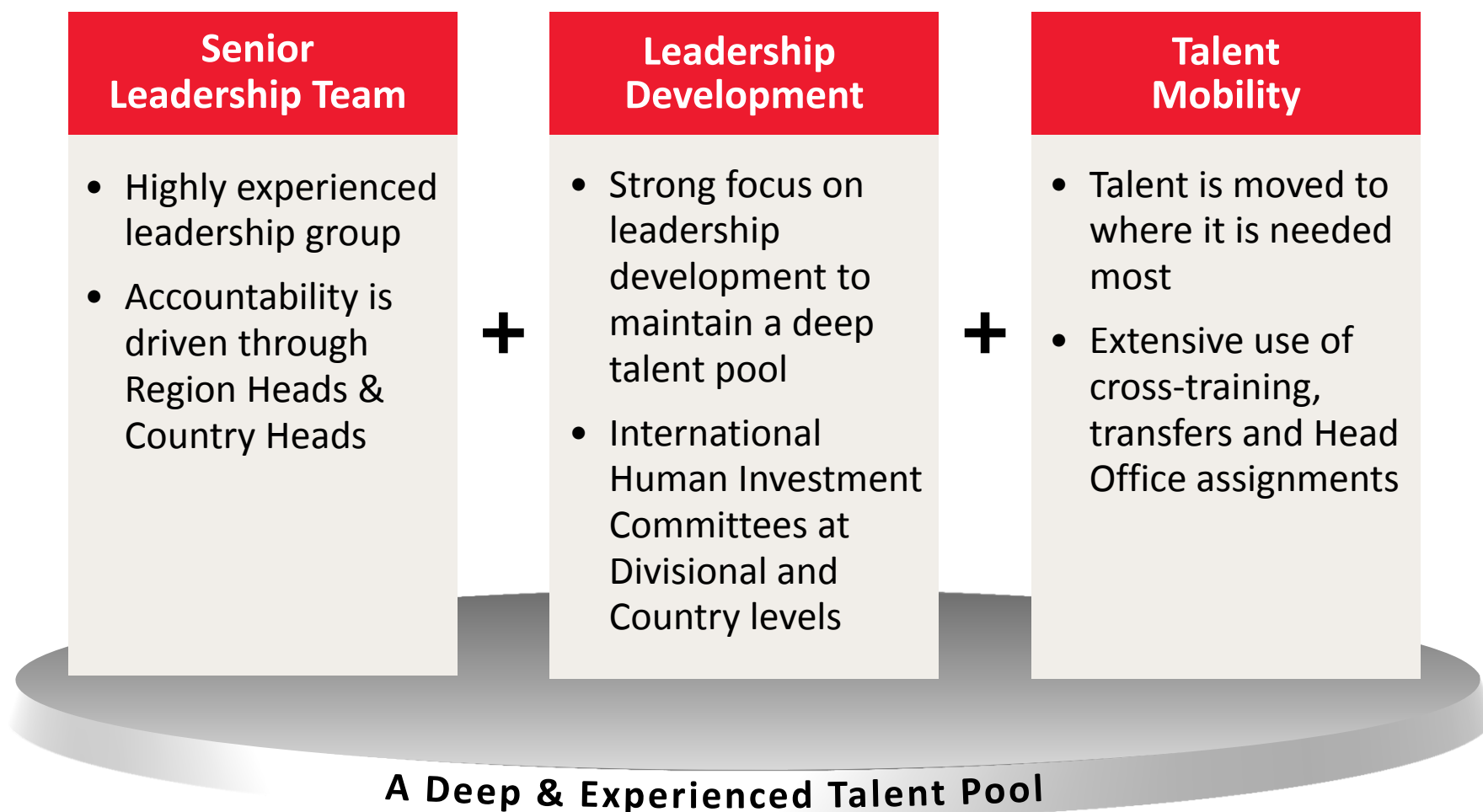


Country Heads: Several Key Roles



- Significant role in ensuring effective governance
- Central to effective collaboration between the Business Lines
- Accountable through their Balanced Scorecard for a wide range of factors

Leadership & Talent: Experienced, Deep and Mobile



Agenda



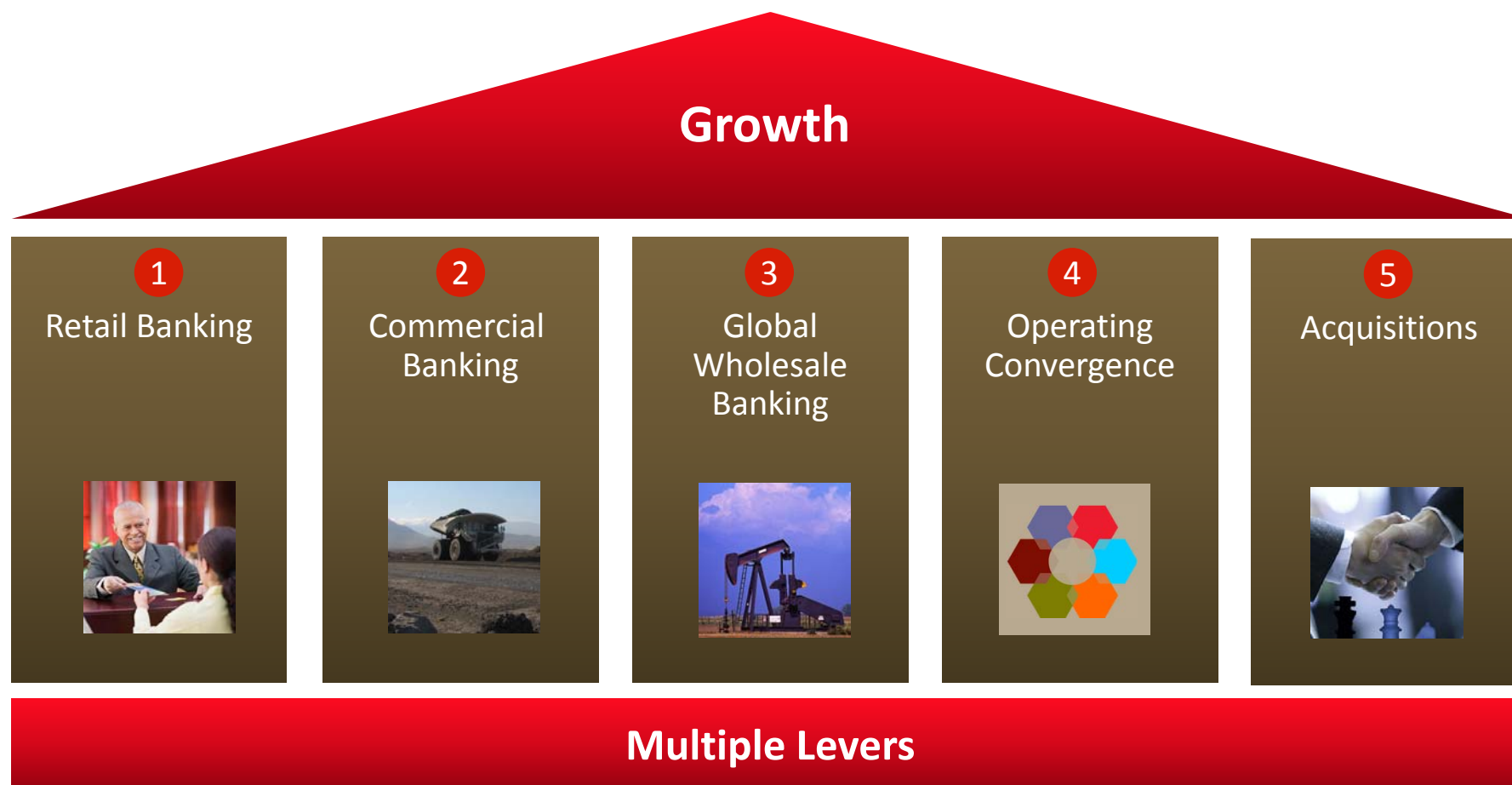
International Banking's growth record

Investment thesis for LatAm

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Growth strategies for LatAm

Multiple Levers to Drive LatAm Growth



Retail Banking: Organic Growth Priorities



Segments	<ul style="list-style-type: none">• Focus on small business, consumer & micro-finance and mid-market affluent
Distribution	<ul style="list-style-type: none">• Strengthen channels, especially non-branch channels and payments
Products	<ul style="list-style-type: none">• Leverage auto loans, mortgages and deposits
Technology	<ul style="list-style-type: none">• Leverage risk & customer relationship management technologies

Commercial Banking: Organic Growth Priorities



Customers	<ul style="list-style-type: none">• Grow client base, including an increased focus on mid-market segment
Cross-Sell	<ul style="list-style-type: none">• Increase number of Scotiabank products per commercial banking customer
Process Improvements	<ul style="list-style-type: none">• Enhance end-to-end processes to drive productivity, increase customer retention and deepen customer loyalty

Global Wholesale Banking: Context & Key Priorities



Context

Contribution	<ul style="list-style-type: none">Global Wholesale Banking accounted for 8% of LatAm's revenue in 2012, mainly Mexico (56%) and Peru (17%)
Activities	<ul style="list-style-type: none">Corporate Banking, Foreign Exchange, Fixed Income & Equity

Key Priorities

Customers	<ul style="list-style-type: none">Pursue a focused strategy to develop relationships with preferred customers
Technology	<ul style="list-style-type: none">Leverage Global Foreign Exchange platform and expand Equity Platform
Products	<ul style="list-style-type: none">Expand cross-sell of capital market products

Operating Convergence: Driving Better Performance



Acquisitions: Opportunistic & Selective

Criteria

- Shifting primary emphasis to organic growth
- Will consider acquisitions on an opportunistic & selective basis
- Must meet stringent financial & strategic goals
- Bias for building out our LatAm footprint

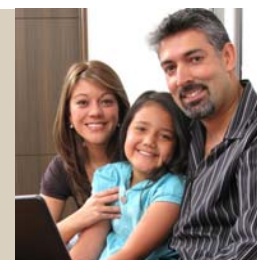
International Banking: A Key Growth Engine for Scotiabank



- International Banking has an excellent track record of delivering strong growth



- We have a sound investment thesis for the LatAm region



- We have multiple levers to drive continued growth in LatAm





Latin America

Investor Day
January 2013



Overview of International Wealth Management & Insurance – LatAm Region

Barb Mason

Executive Vice President, Global Wealth Management

Agenda

The business today

Current state & key priorities: Wealth

Current state & key priorities: Insurance

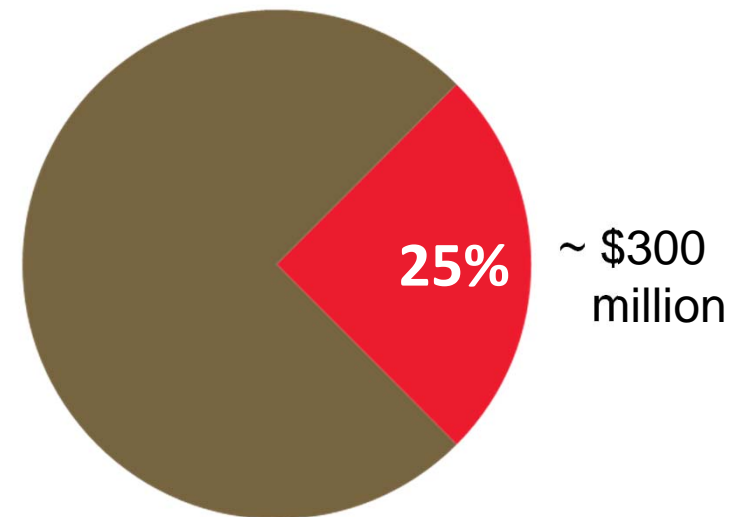
Selective acquisitions

International: A Significant and Growing Contributor to GWM's Net Income



- Includes International Wealth Distribution, International Asset Management and International Insurance
- LatAm is the primary regional driver

Contribution to GWM's Net Income 2012



Multiple Levers to Drive LatAm Growth

Growth

**International
Wealth**



**International
Insurance**



**Selective
Acquisitions**



Multiple Levers

Agenda



The business today

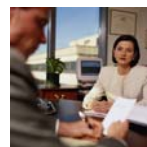
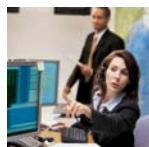
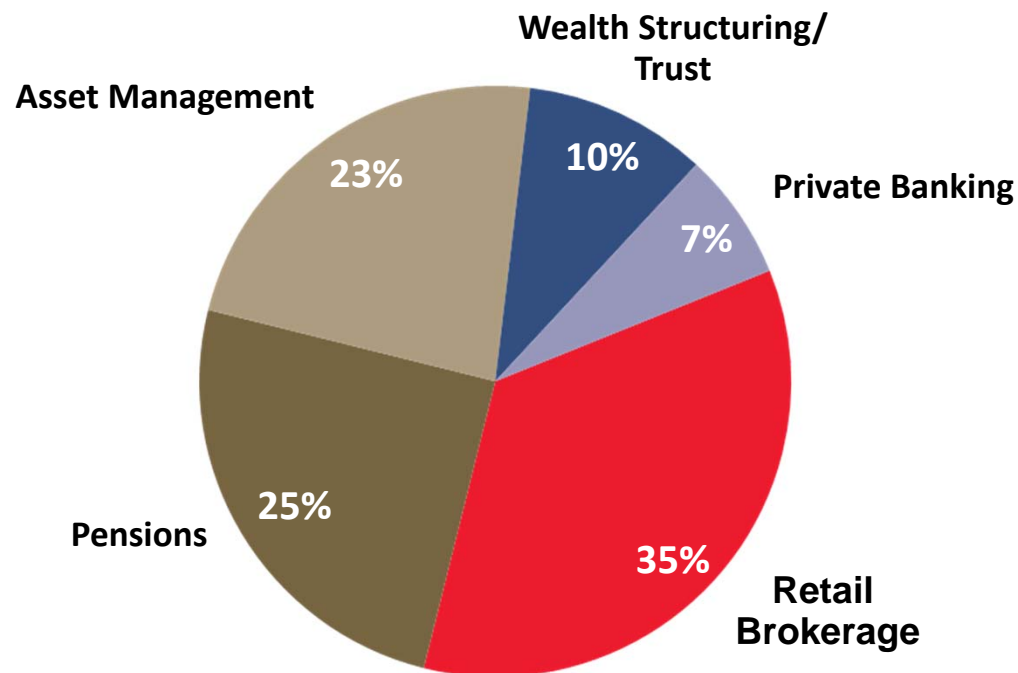
Current state & key priorities: Wealth

Current state & key priorities: Insurance

Selective acquisitions

Wealth: Good Revenue Diversification

**2012 Revenue Mix
By Business**

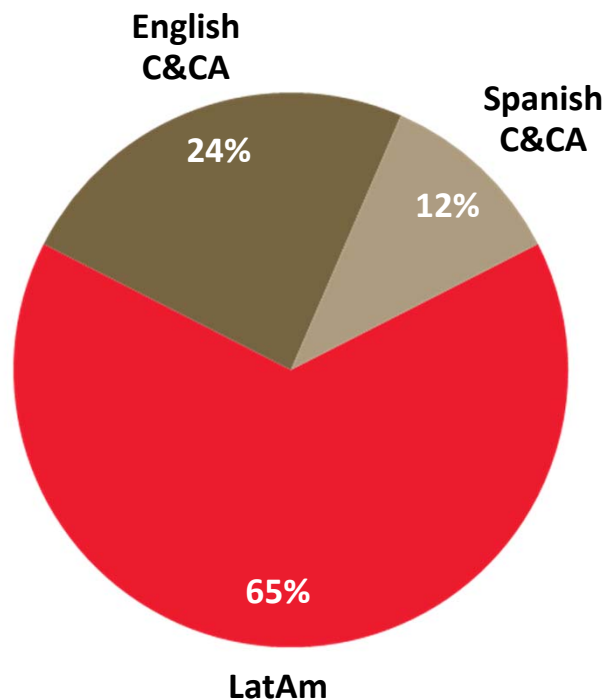


Wealth: LatAm is the Largest Regional Opportunity

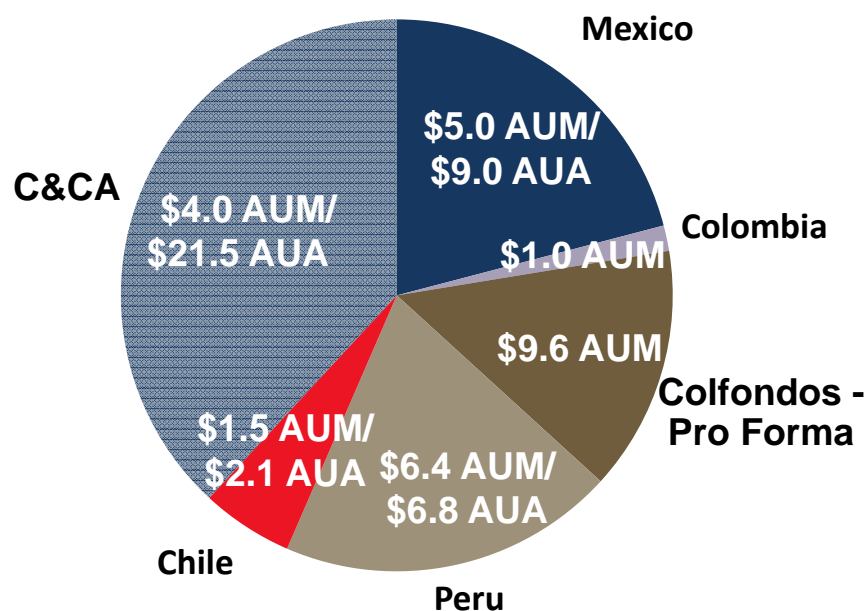


(in billions of Canadian dollars)

2012 Revenue Contribution By Region



2012 AUM/AUA by Country



Wealth Distribution: Key Priorities to Drive Organic Growth



Wealth Distribution

Priorities

1. Prioritize select markets, segments and solutions
2. Develop regional centers of excellence
3. Generate new client relationships through bank referrals
4. Pensions: Leverage economic growth and formalization of employment



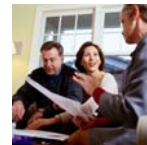
Asset Management: Key Priorities to Drive Organic Growth



Asset Management

Priorities

1. Leverage multiple bank distribution channels from primarily brokerage to retail (Premium Banking) and institutional
2. Leverage global portfolio management bench strength for cross border products and to export investment strategies
3. Improve operational efficiencies



Agenda



The business today

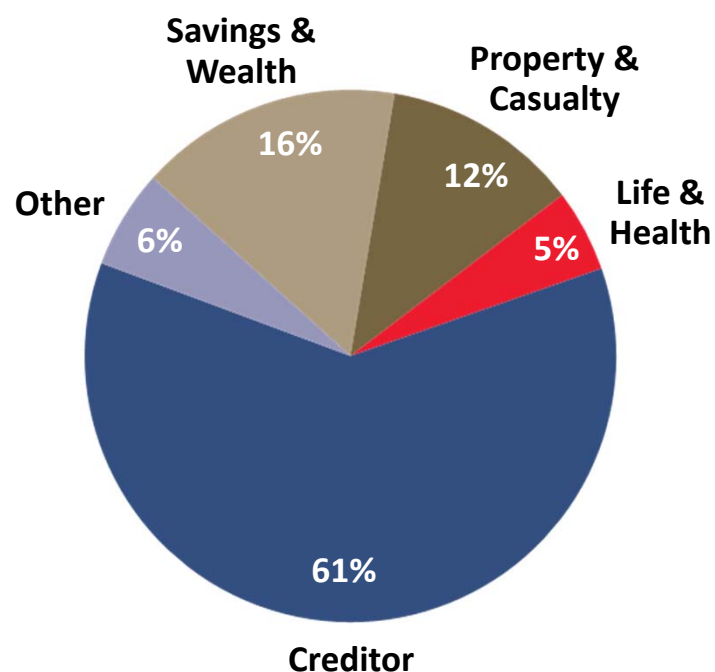
Current state & key priorities: Wealth

Current state & key priorities: Insurance

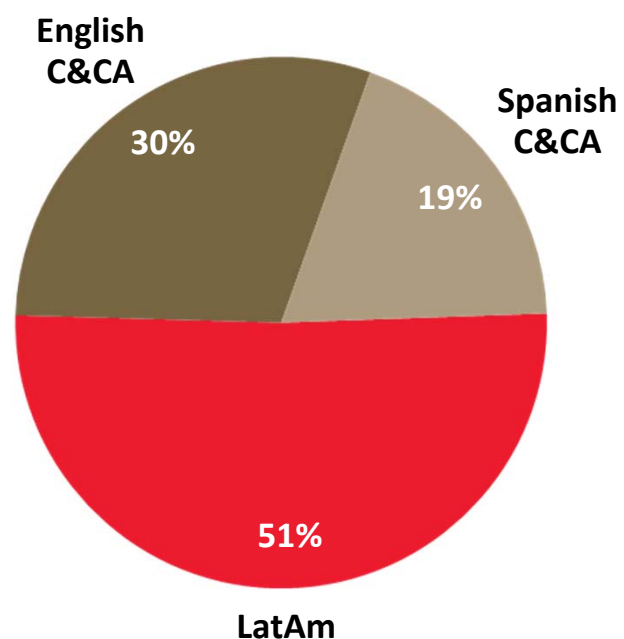
Selective acquisitions

Insurance: Well-Diversified with Minimal Risk

2012 Revenue Mix by Product







2012 Revenue Contribution by Region



Insurance: Providing Convenient Solutions for Scotiabank's International Customers



Top 3 Insurance Products by Country (2012)

 Mexico	Creditor Life & Health	Creditor Homeowners	Creditor Automobile
 Chile	Creditor Life & Health	Creditor Homeowners	Creditor Unemployment
 Peru	Creditor Life & Health	Creditor Homeowners	Creditor Small Business Property
 Colombia	Creditor Life & Health	Life & Health (Non-Creditor)	Assistance

Insurance: Key Priorities to Drive Organic Growth



Insurance

Priorities

1. Develop segment-specific new product offerings
2. Increase penetration through bank distribution channels
3. Invest in technology and processes to support our product and distribution strategy



Agenda



The business today

Current state & key priorities: Wealth

Current state & key priorities: Insurance

Selective acquisitions

Opportunistic & Selective Acquisitions



- International M&A over the last decade: Colfondos, Crecer, DB&G Brokerage and Profuturo
- Will consider acquisitions selectively to grow scale internationally
- Includes teams and entities
- Must meet stringent financial and strategic goals

Significant Growth Opportunity Across International Footprint



- Multiple bank channels (retail/corporate/commercial/institutional) to provide growth opportunities



- Canadian wealth management expertise and capabilities will be leveraged



- Region's affluence growth trajectory is very positive



- Low penetration of insurance products





Latin America

Investor Day
January 2013



Financial Overview

Paul Baroni

Senior Vice President & Chief Financial Officer, International Banking

Agenda

Performance record: International

Focus on LatAm

Accounting considerations

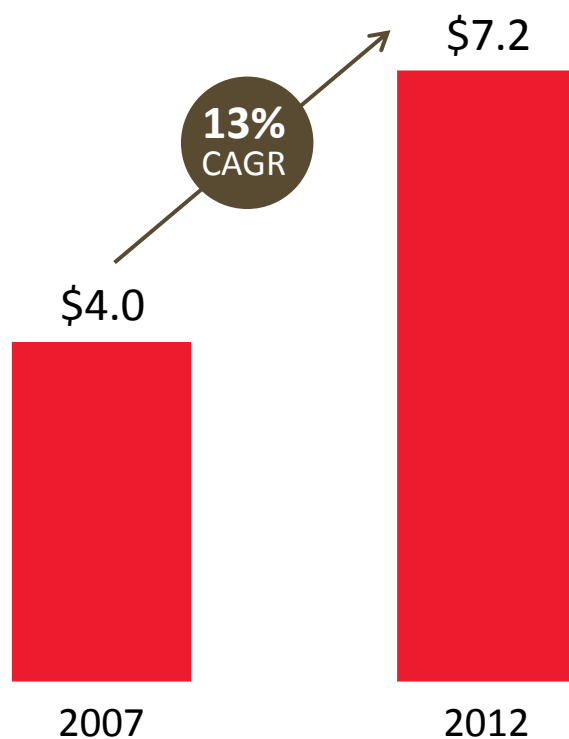
Summary

International Banking: Strong Performance

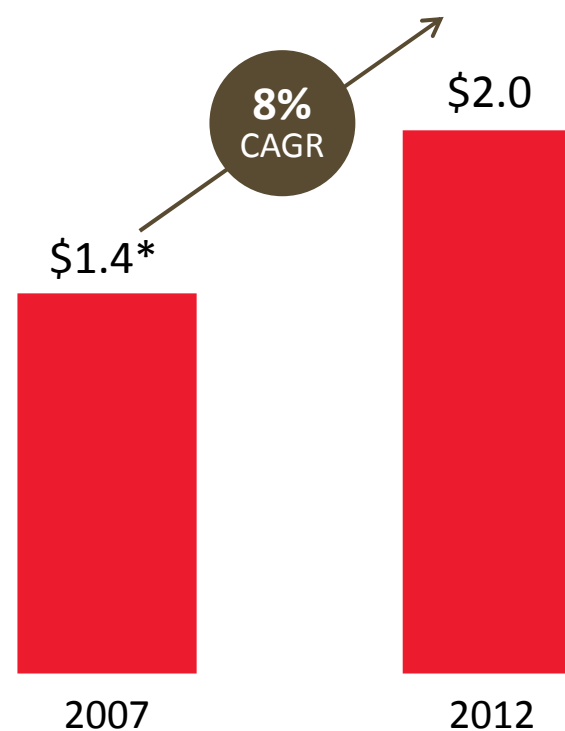


(in billions of Canadian dollars)

Growth in Revenues



...and in Net Income



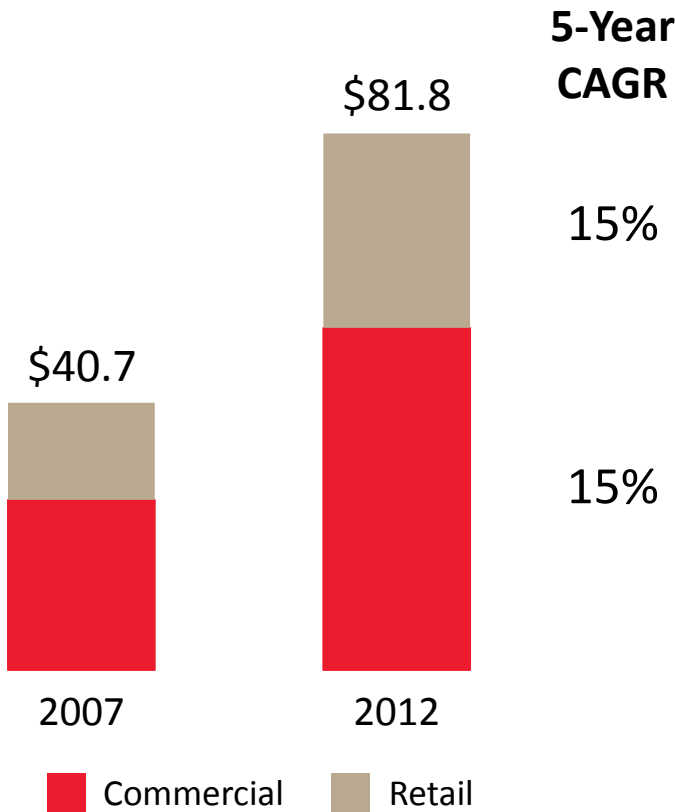
* 2007 Net Income adjusted to exclude NCI

IB + International GWM

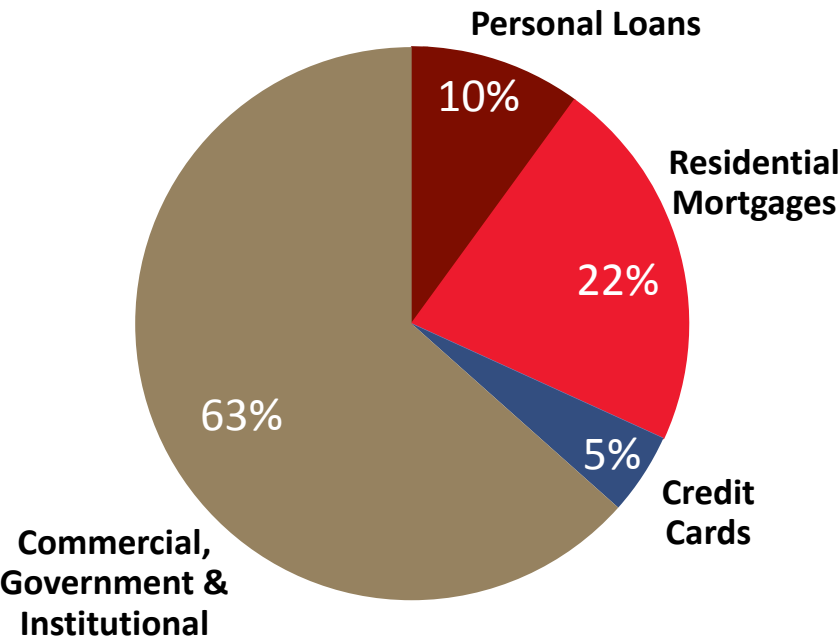
Strong Balanced Loan Growth

(in billions of Canadian dollars)

Average Loans



Portfolio Breakdown

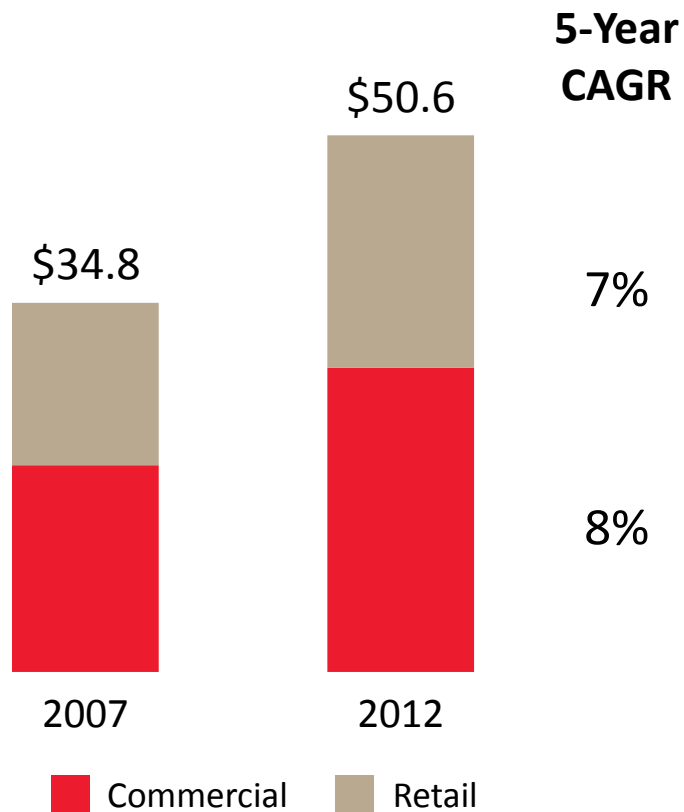


IB + International GWM

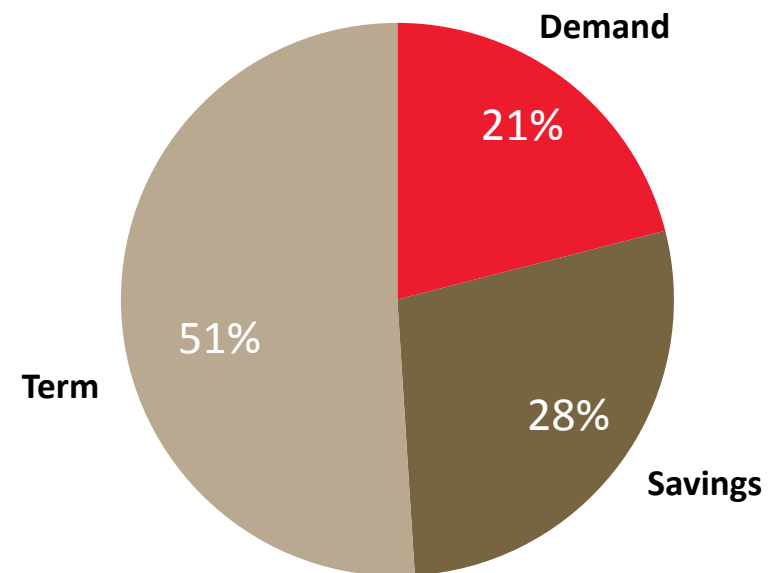
Strong Deposit Growth

(in billions of Canadian dollars)

Deposits



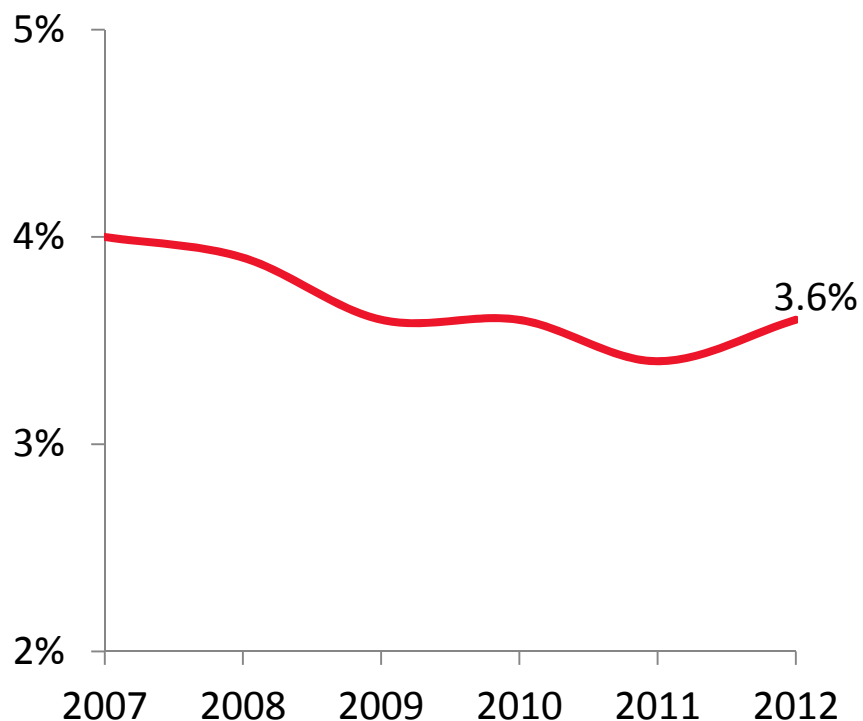
Funding Breakdown



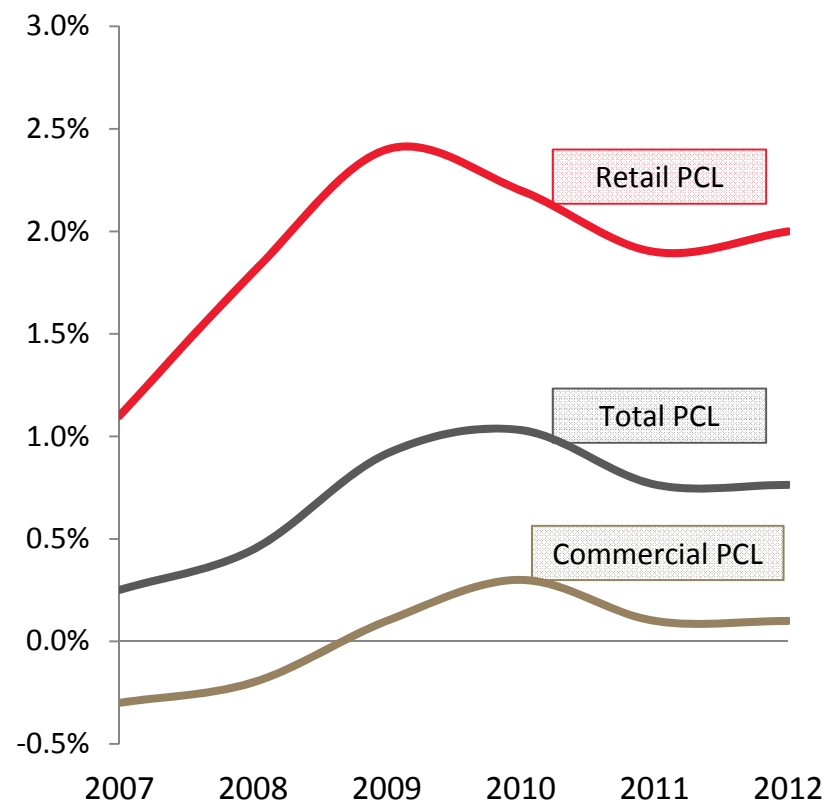
IB + International GWM

Stable, Attractive Margins and PCLs

Margin After PCLs*



PCL Ratio**



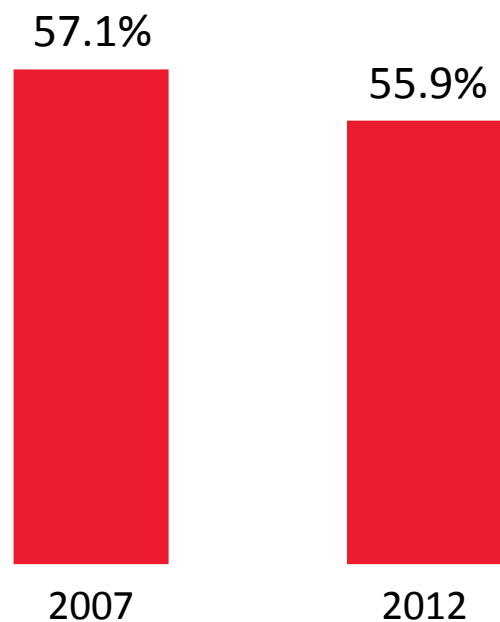
* On average earning assets

** On average loans

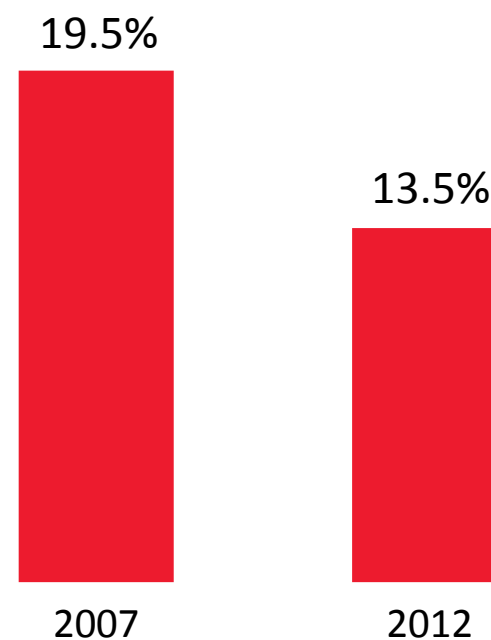
IB + International GWM

Key Ratios

Improving Productivity Ratio



ROE Impacted by Goodwill



IB + International GWM

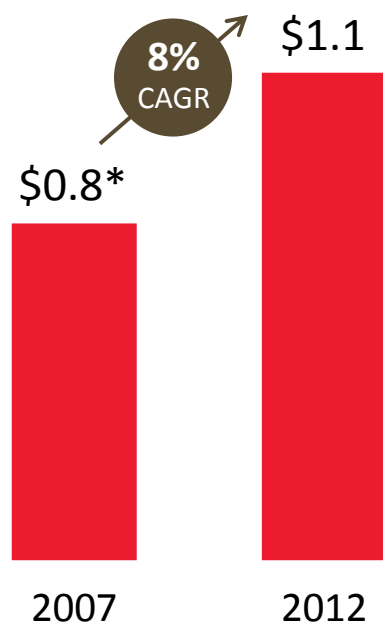
Strong Earnings Growth in Latin America and Asia



(in billions of Canadian dollars)

Net Income

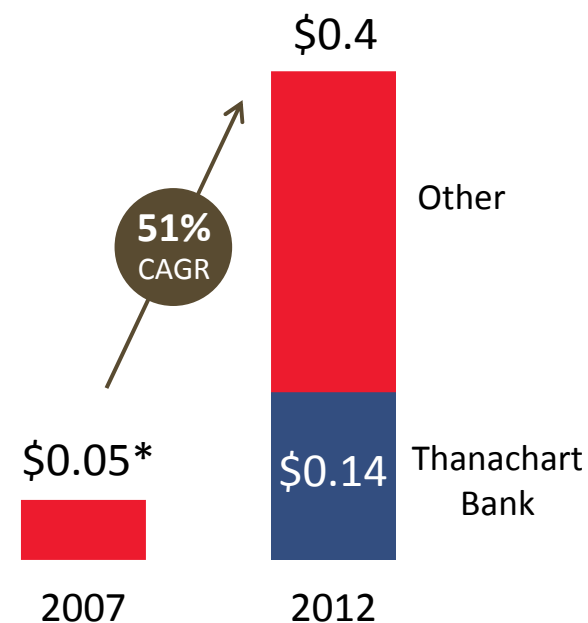
Latin America



Caribbean & Central America



Asia



* 2007 Net Income adjusted to exclude NCI

IB + International GWM

Agenda

Performance record: International

Focus on LatAm

Accounting considerations

Summary

2012 Quick Facts

(in billions of Canadian dollars)



		Mexico	Peru	Chile	Colombia	IB Total	% of IB
Scotiabank Reported	Revenues	\$1.3	\$1.2	\$0.5	\$0.6 ¹	\$7.2	50%
	Total Loans ²	\$11.3	\$10.1	\$11.5	\$6.7	\$85.7	46%
Local	ROE	14.4%	20.5%	8.3%	21.0% ³	-	-
	Loan Market Share % ⁴	4.9%	16.1%	4.9%	5.5%	-	-
	5-Year Average PCL	2.2%	1.6%	1.6%	4.0%	-	-
	5-Year Average Industry PCL	3.9%	2.0%	1.6%	2.4%	-	-

1 Colombia includes revenues from Colpatría for 257 days since being acquired on January 17, 2012 as reported by Scotiabank

2 Spot balances as at Q4 2012

3 Colpatría only and adjusted for one-time items

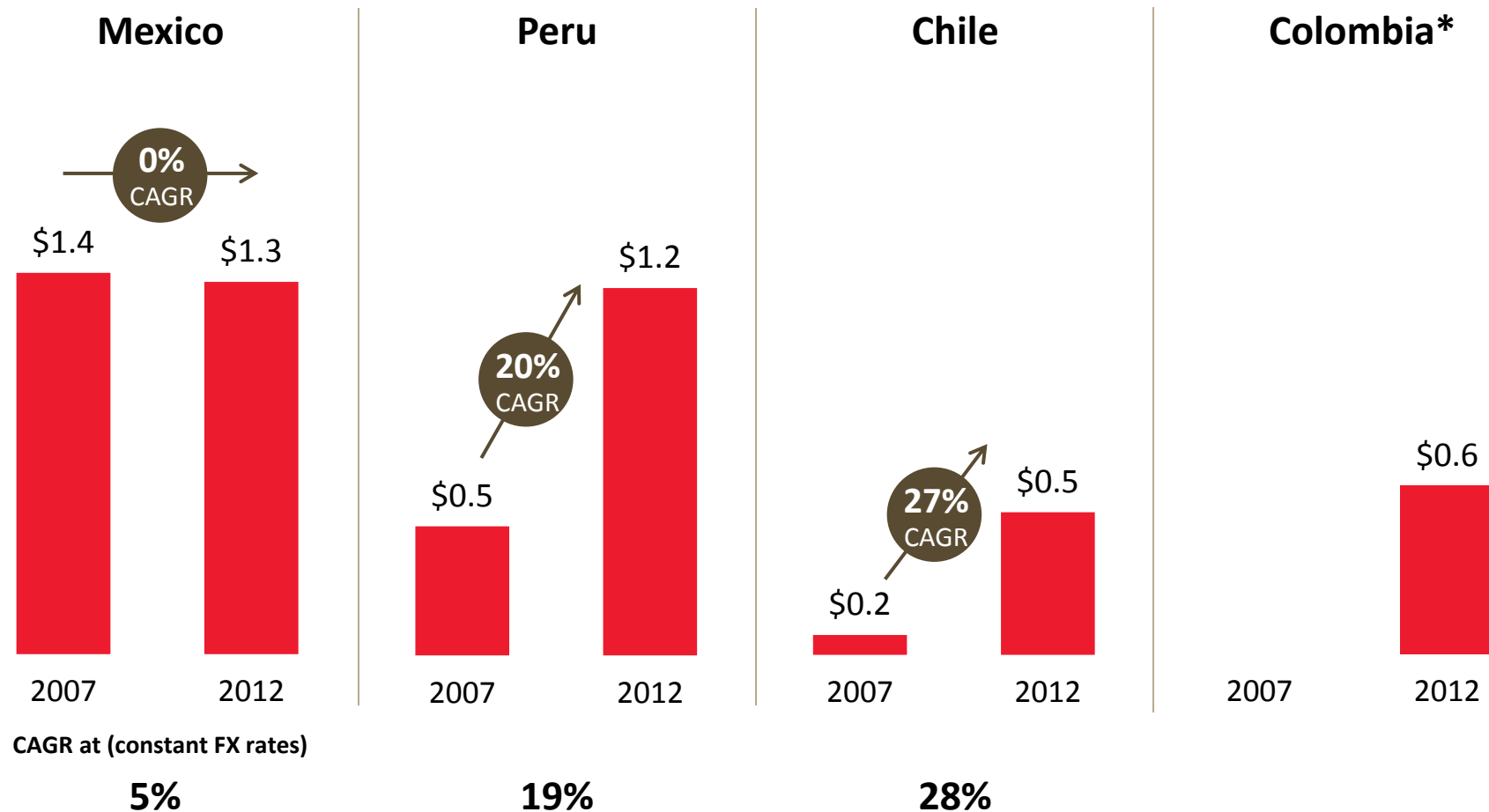
4 As at September 2012

IB + International GWM

Revenue in Latin America

(in billions of Canadian dollars)

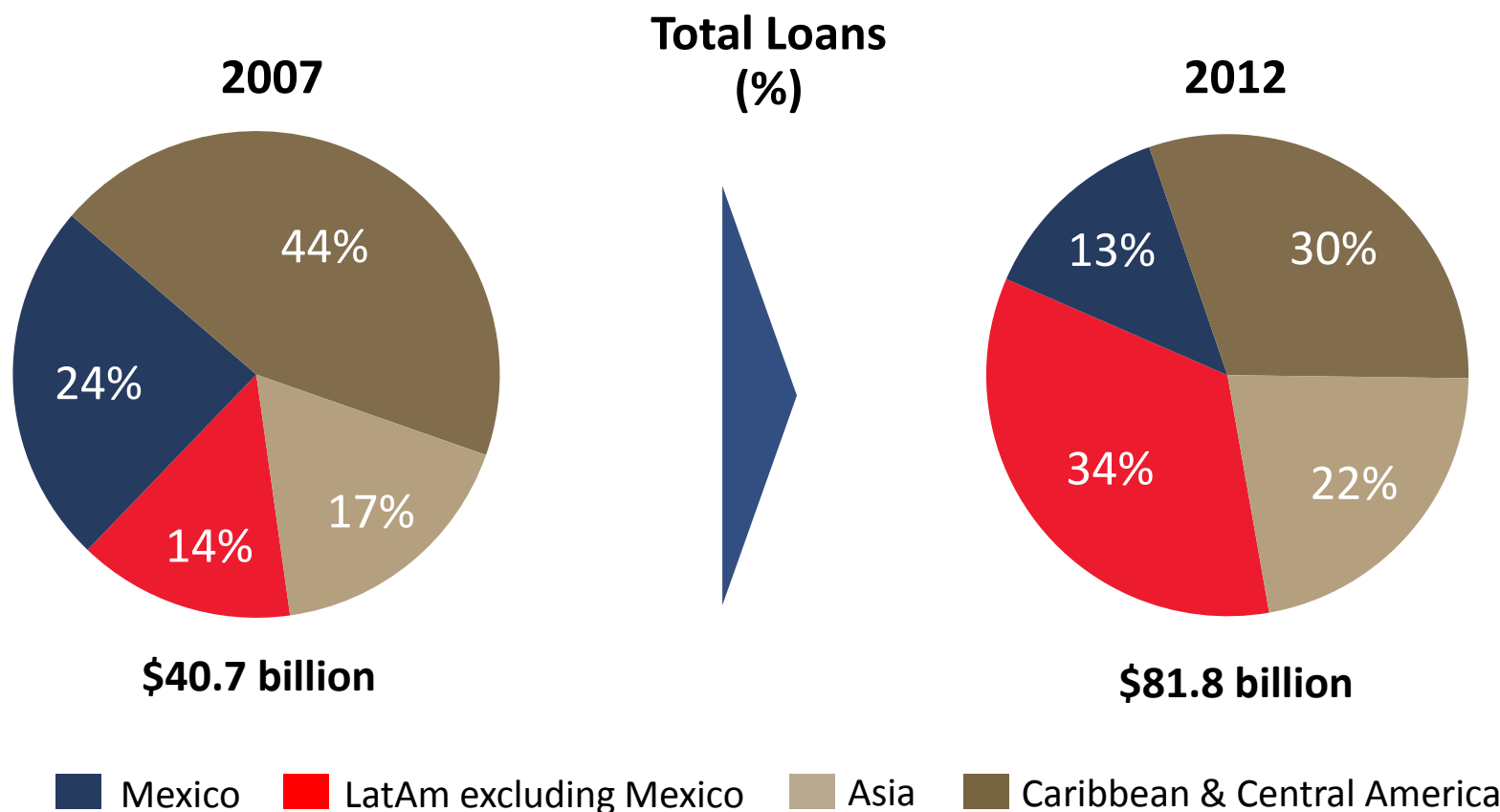
Revenue



* Colpatría acquired January 17, 2012

IB + International GWM

Improved Loan Diversification



IB + International GWM

Agenda

Performance record: International

Focus on LatAm

Accounting considerations

Summary

Accounting Considerations

- Global Wealth Management results
- Local GAAP and regulatory differences
- Acquisition/fair value accounting
- Business line allocations

Agenda



Performance record: International

Focus on LatAm

Accounting considerations

Summary

International Banking is a Key Growth Engine



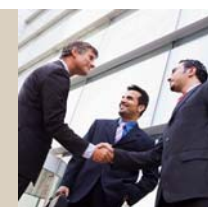
- Strong performance record for International Banking



- High growth & improved quality of earnings



- Significant growth potential in LatAm, with multiple levers to drive growth





Latin America

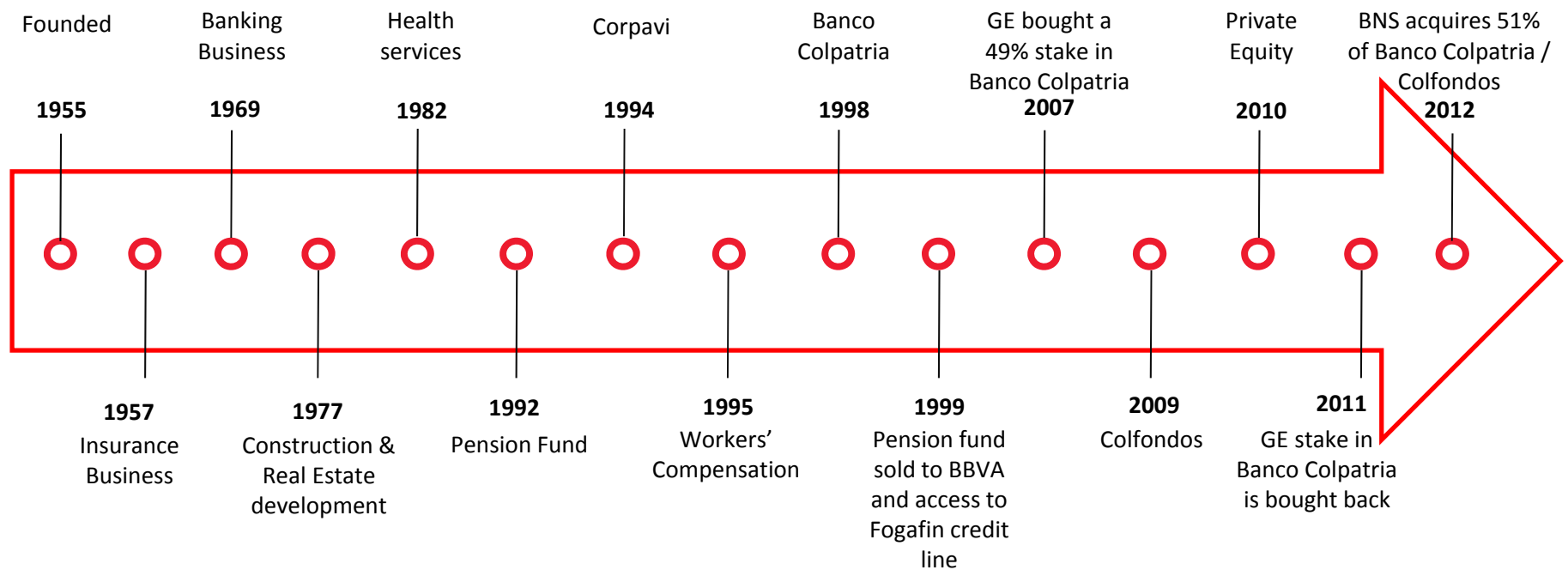
Investor Day
January 2013



Mercantil Colpatria Overview

Eduardo Pacheco
Chairman
Mercantil Colpatria

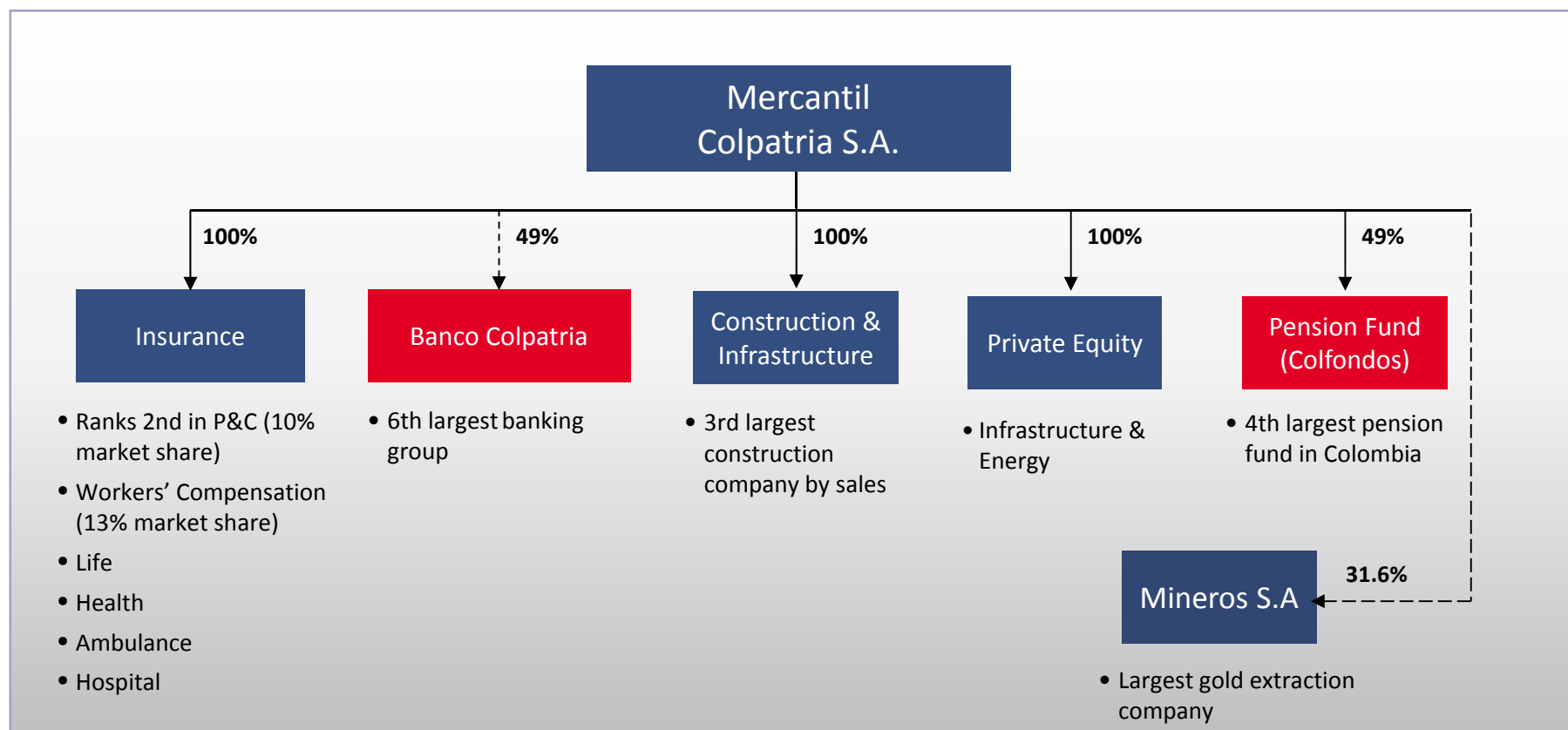
Building one of Colombia's Leading Groups



Driven by:

- Work ethic
- Culture of savings
- Excellence
- Respect for stakeholders

Mercantil Colpatría: Full Range of Financial Services



- Leadership presence in a broad range of fast-growing sectors in Colombia
- Strong Colombia base with plans to grow both locally and expand in Latin America
- Strong relationships with international players active in Colombia

Scotiabank: The Right Partner

- Respect for Colpatria's team
- Experience with joint ventures
- Financial soundness and success
- International experience
- Expertise in fast growing sectors in Colombia – mining and infrastructure
- Opportunities in Wholesale banking and private wealth management
- Canadian banking system soundness and respectability of its regulator



**The Right
Partner for
Mercantil
Colpatria**



Latin America

Investor Day
January 2013



Banco Colpatria Overview

Santiago Perdomo
Chief Executive Officer
Banco Colpatria

Agenda



The business today

Performance record

Growth strategy

Banco Colpatria at a Glance



Bank group ranking in Colombia	6th
Total loans (in billions of Canadian dollars)	\$6.6
Customers (in millions)	2.4
Credit card ranking	1st
Mortgages (market share)	9.8%
Commercial mid-market (market share)	10.0%
Number of branches	171
Capital adequacy ratio	12%
Local credit rating	AAA

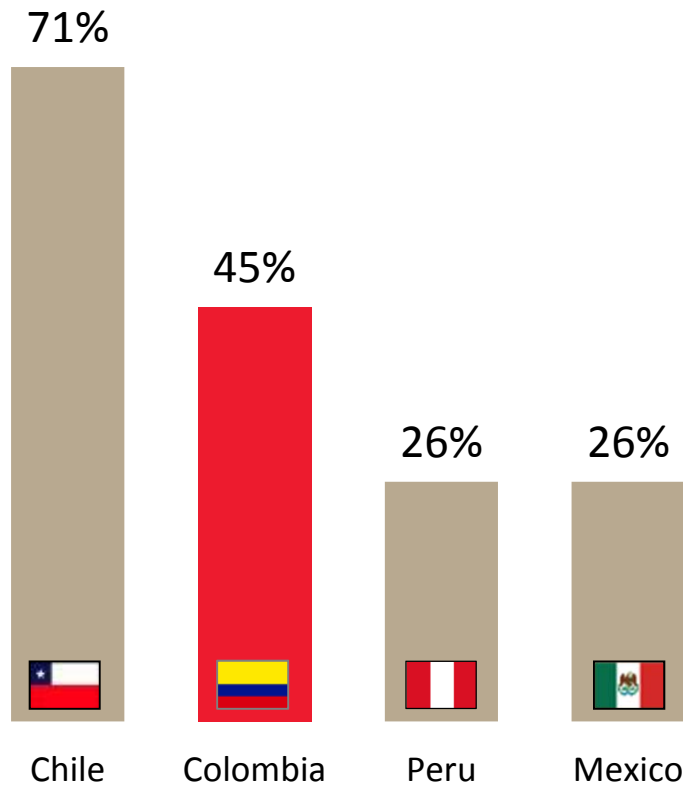
Profitable Business Model

- ✓ Focused on commercial mid-market with higher yields
- ✓ Emphasis on lower income segments with unique risk management strategies
- ✓ Further penetrate mass affluent segment

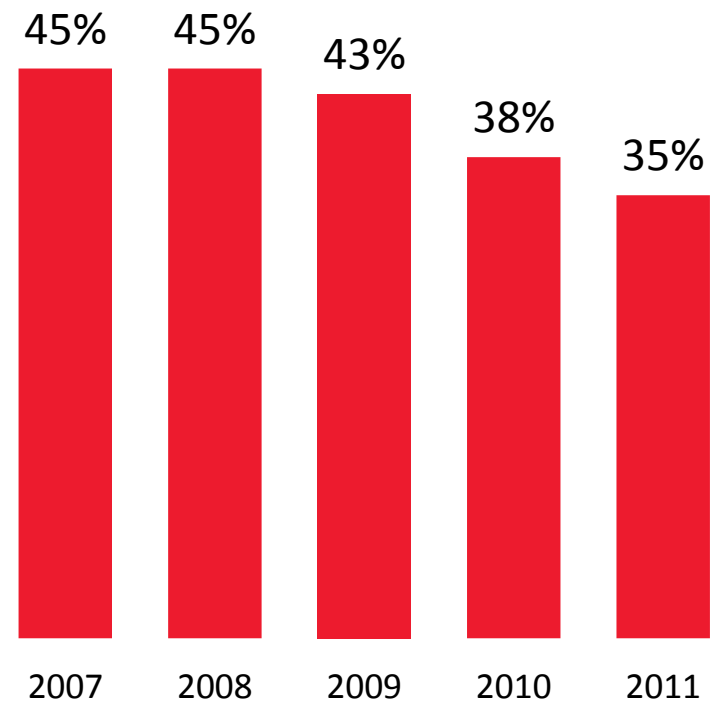


An Attractive, Underpenetrated Industry

Low Loans/GDP Levels...



Banking Penetration Opportunity... (% with no financial products)



Source: The World Bank, October 2012

Attractiveness of Colombia

- ✓ World Bank – easy country to do business
- ✓ Investment grade since 2011
- ✓ U.S./Canada free trade agreement
- ✓ Good performance throughout financial crisis
- ✓ Strong banking system/deep regulation
- ✓ Reduced crime rates
- ✓ Stable political environment
- ✓ Strong AML policies and supervision



Excellent Regulatory Environment

- ✓ Strong supervision – Superintendencia Financiera
- ✓ Interest rate cap in place
- ✓ IFRS compliance in 2015
- ✓ Counter-cyclical reserve requirements
- ✓ Transitioning to Basel III



Agenda



The business today

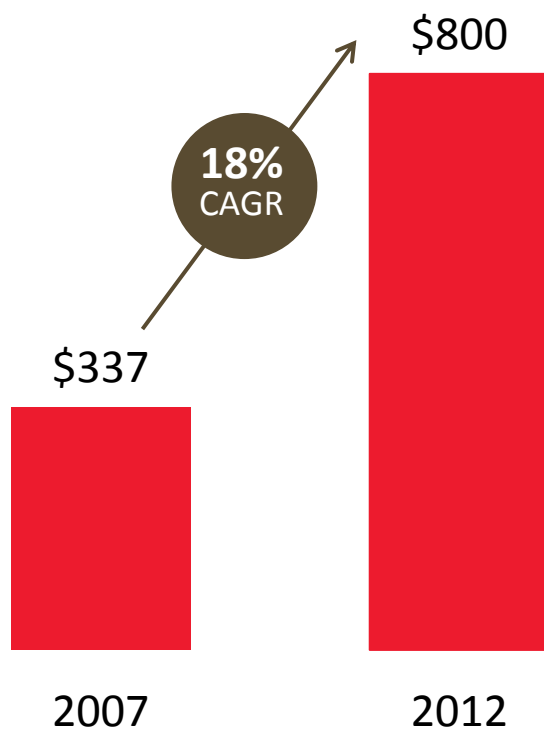
Performance record

Growth strategy

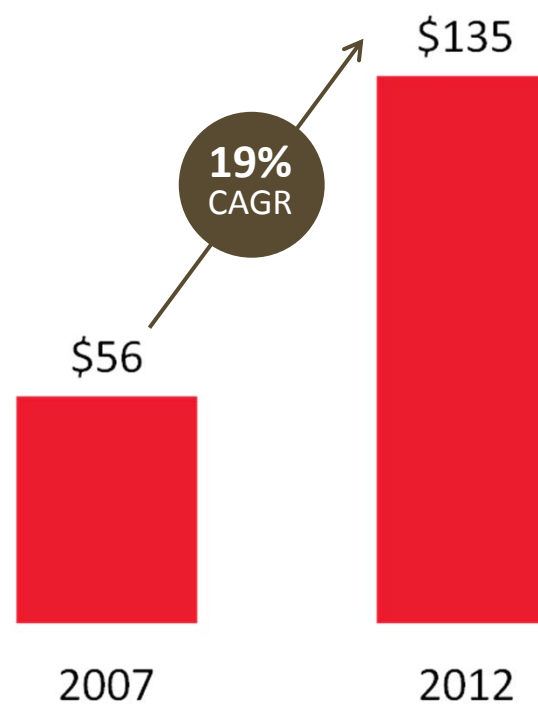
Strong Performance Record

(in millions of Canadian dollars)

Growth in Revenues* ...



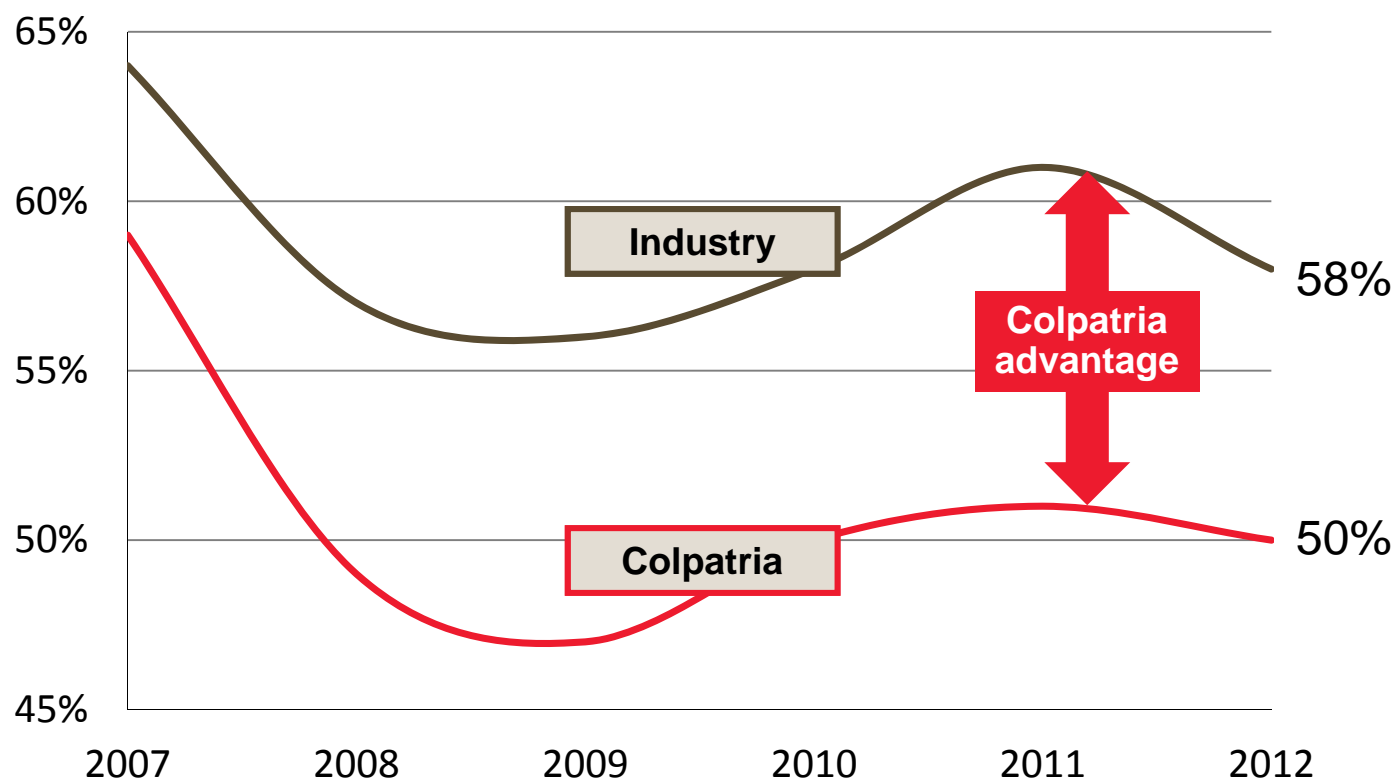
...and in Net Income*



*100% of Banco Colpatría based on local GAAP excluding unusual items

A Strong Focus on Cost Efficiency

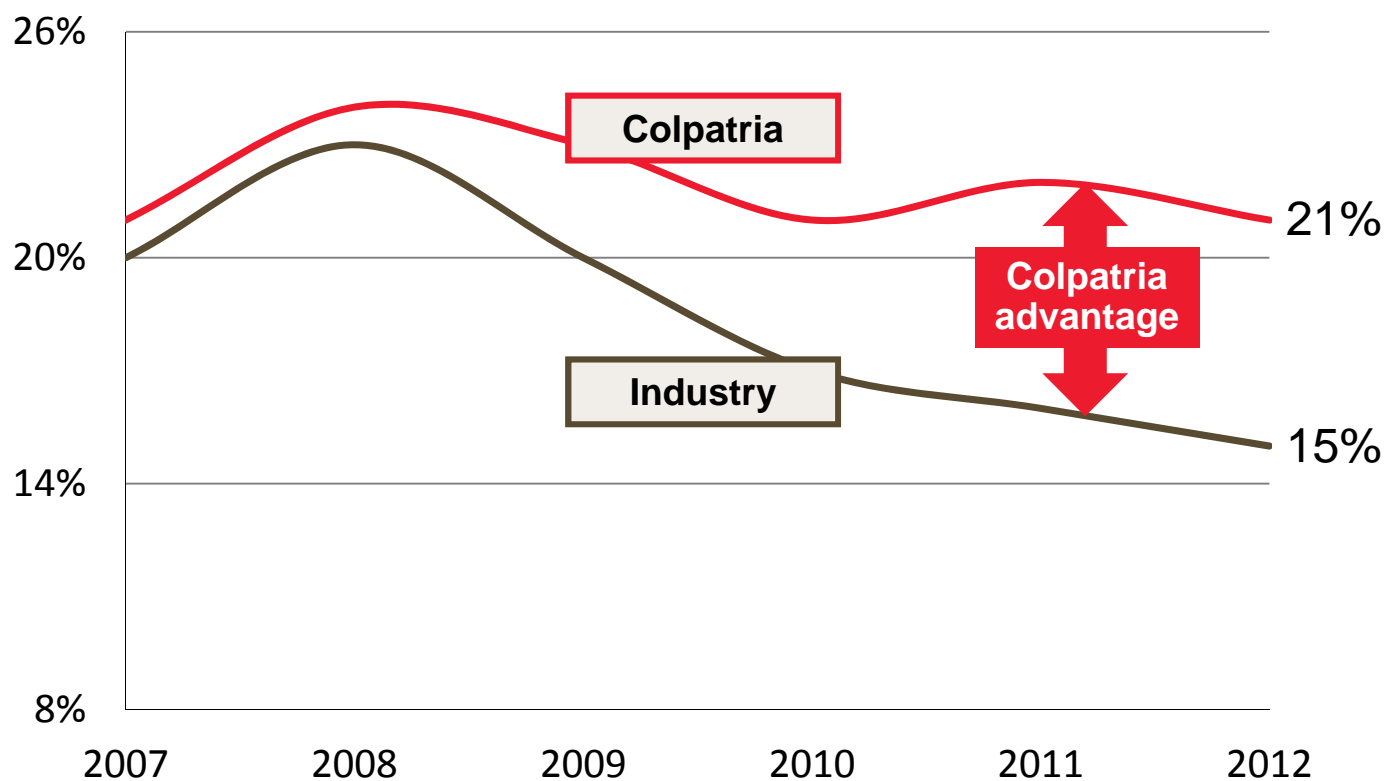
Productivity Ratio vs. Industry



*100% of Banco Colpatría based on local GAAP excluding unusual items

Strong Profitability

ROE vs. Industry

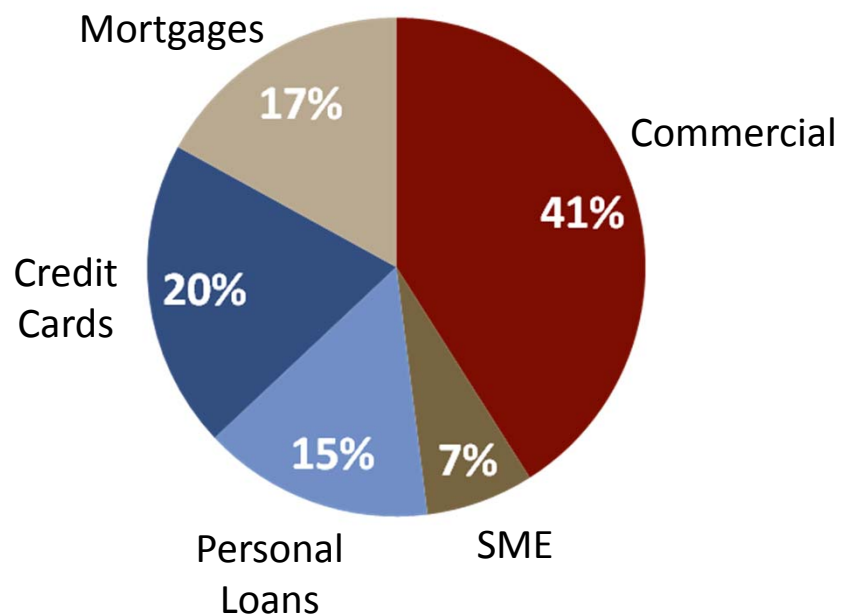


*100% of Banco Colpatría based on local GAAP excluding unusual items

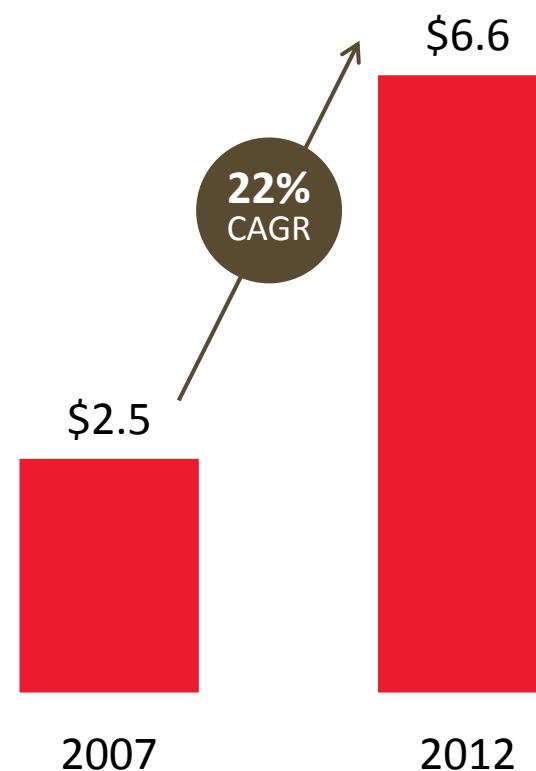
Diversified Loan Portfolio with Strong Growth

(in billions of Canadian dollars)

Loan Portfolio Breakdown



Loan Growth

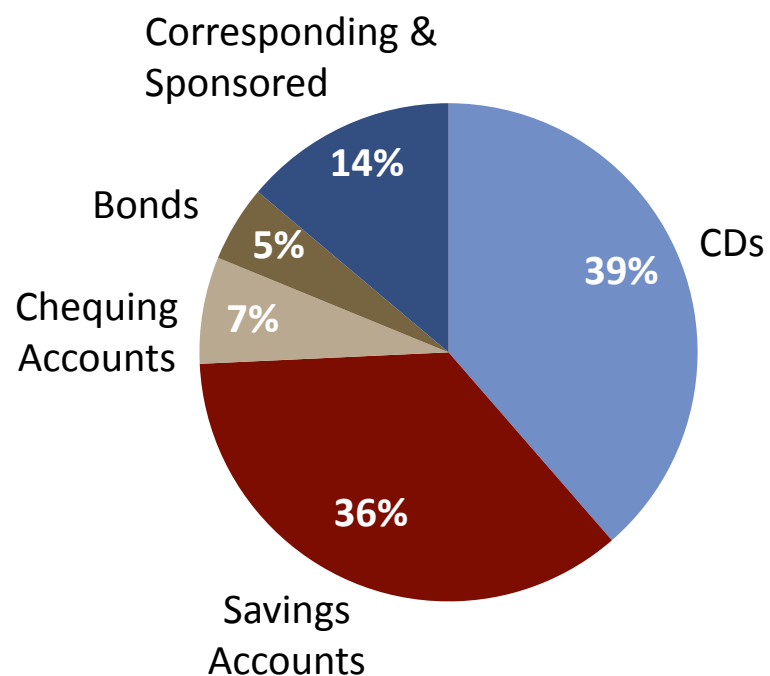


- Industry grew at 17% CAGR

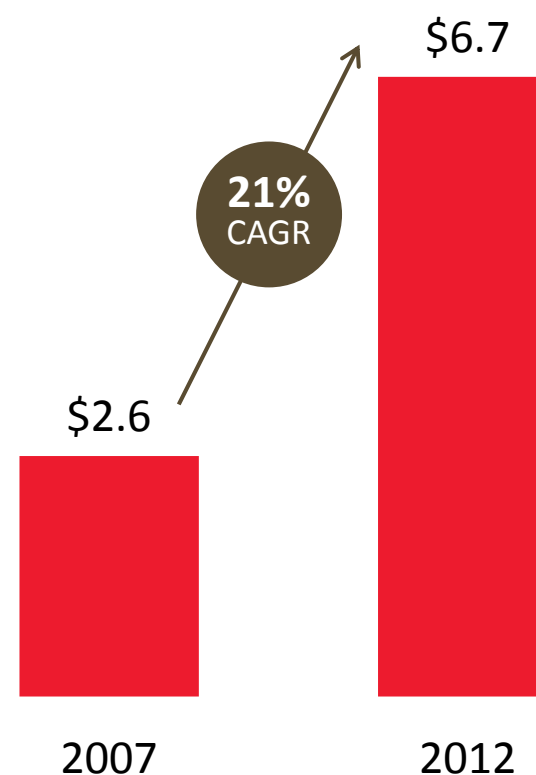
Proven Ability to Fund Growth

(in billions of Canadian dollars)

Funding Breakdown



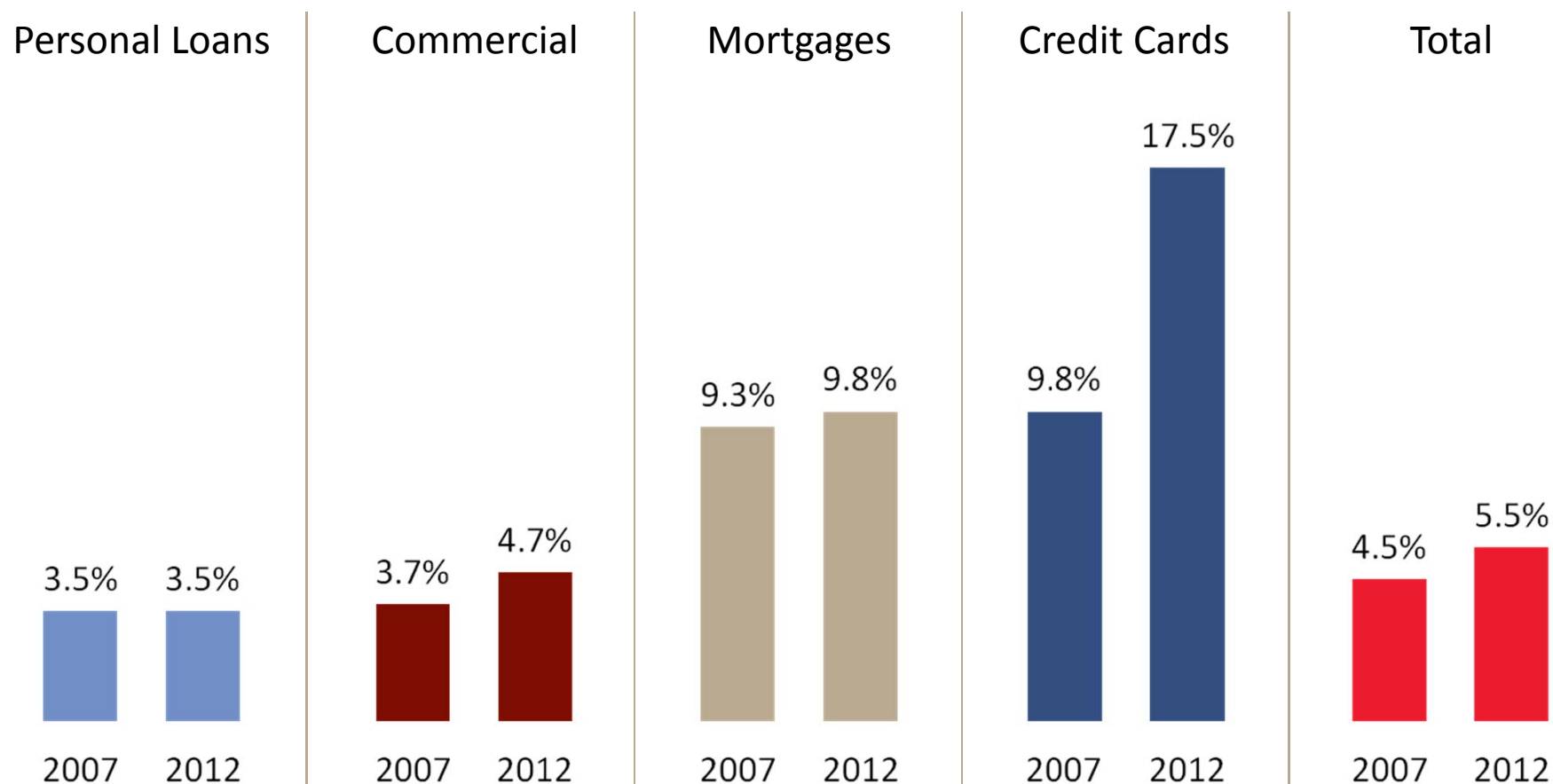
Funding Growth



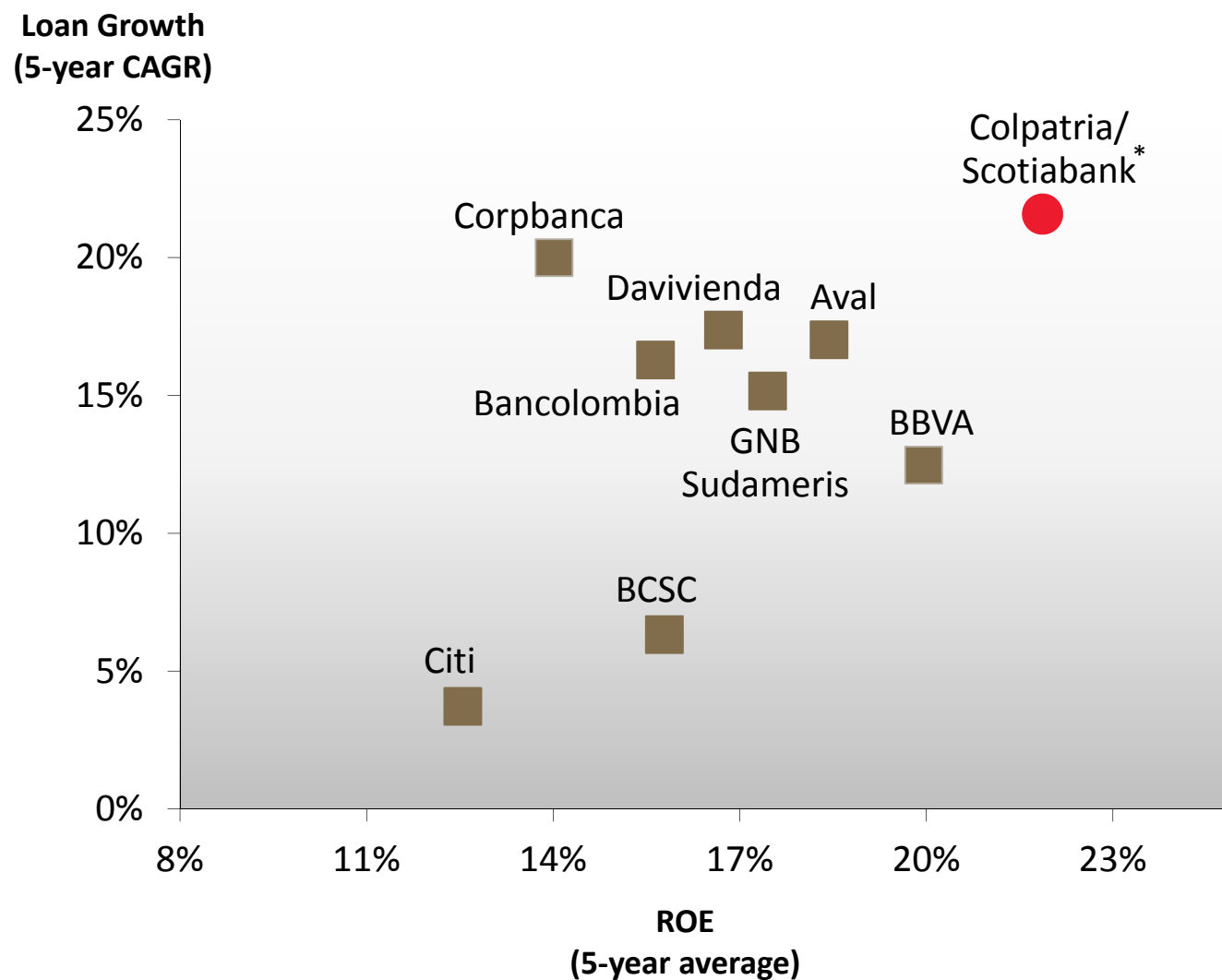
- Industry grew at 16% CAGR

Very Strong Growth in Credit Cards

Market Share by Segment

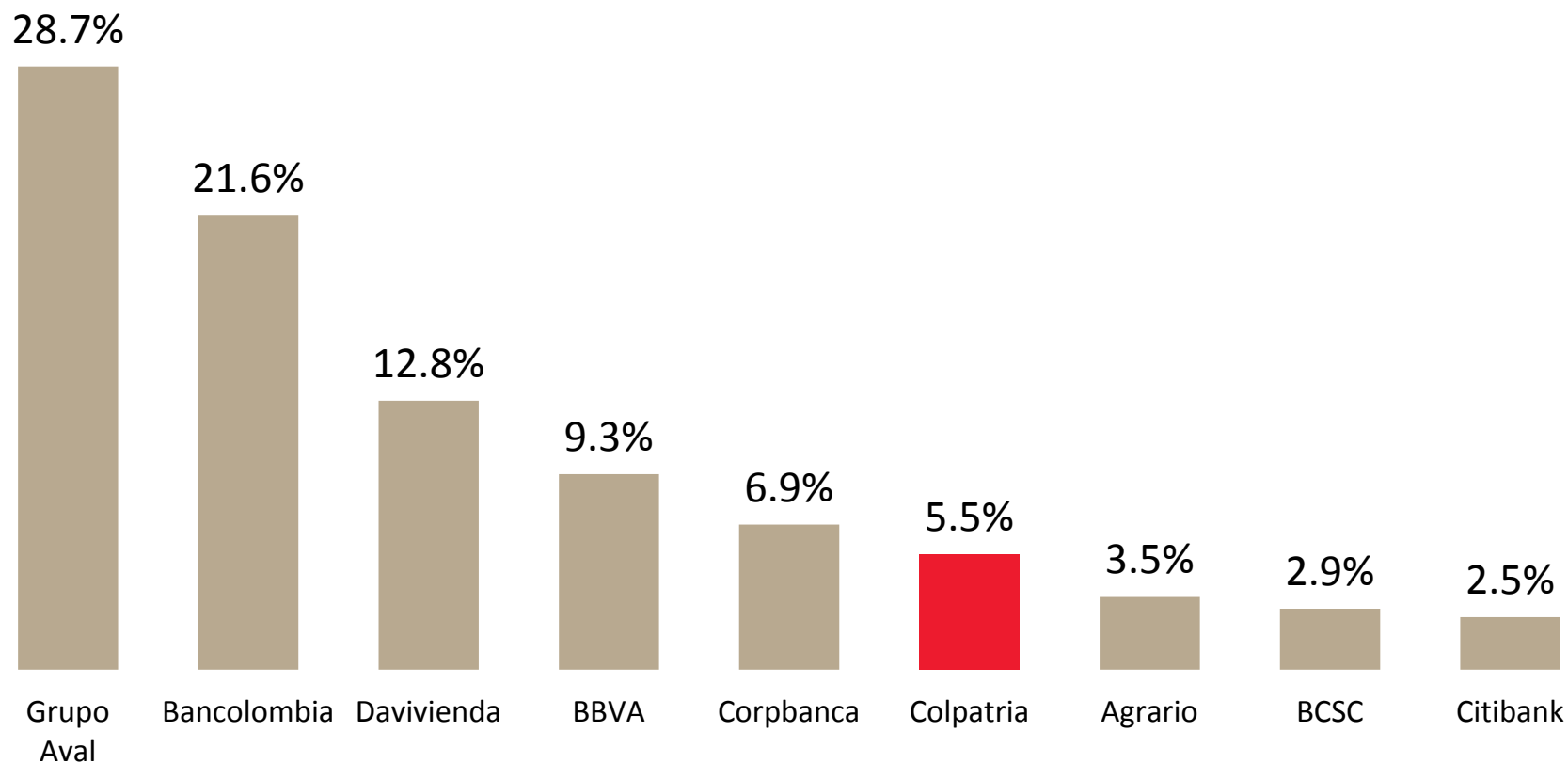


A Leader in Growth and ROE



*Excluding one-time items

Loan Market Share in Colombia: Room to Grow



Agenda



The business today

Performance record

Growth strategy

Market Growth Drivers

- Infrastructure investment
- Oil & gas, energy and mining growing
- Large unbanked population
- Growing middle class



**Growth
Opportunities**



Protect and Enhance Profitability Advantage



- 1** Grow key customer and product segments
- 2** Proactive risk management
- 3** Leverage Scotiabank expertise
- 4** Build talent pipeline



Colpatria Growth Opportunities

→ Leverage Scotiabank expertise

- ✓ Micro-Finance
- ✓ Corporate & upper-end Commercial
- ✓ IT best practices
- ✓ Risk tools & AML systems

→ Target underpenetrated segments

→ Leverage origination, credit cards & CRM platforms



Well-Positioned for Continued, Profitable Growth



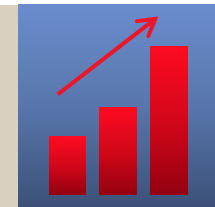
- Attractive macroeconomic environment



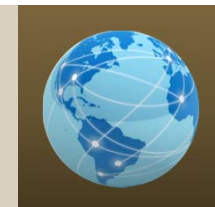
- Low banking penetration



- Proven record & strong platform for growth



- Local & international expertise





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Retail & SME Strategies & Opportunities

Danilo Morales

Vice President, SME, Retail Banking and Branch Network
Banco Colpatria

Agenda



The business today

Growth strategy

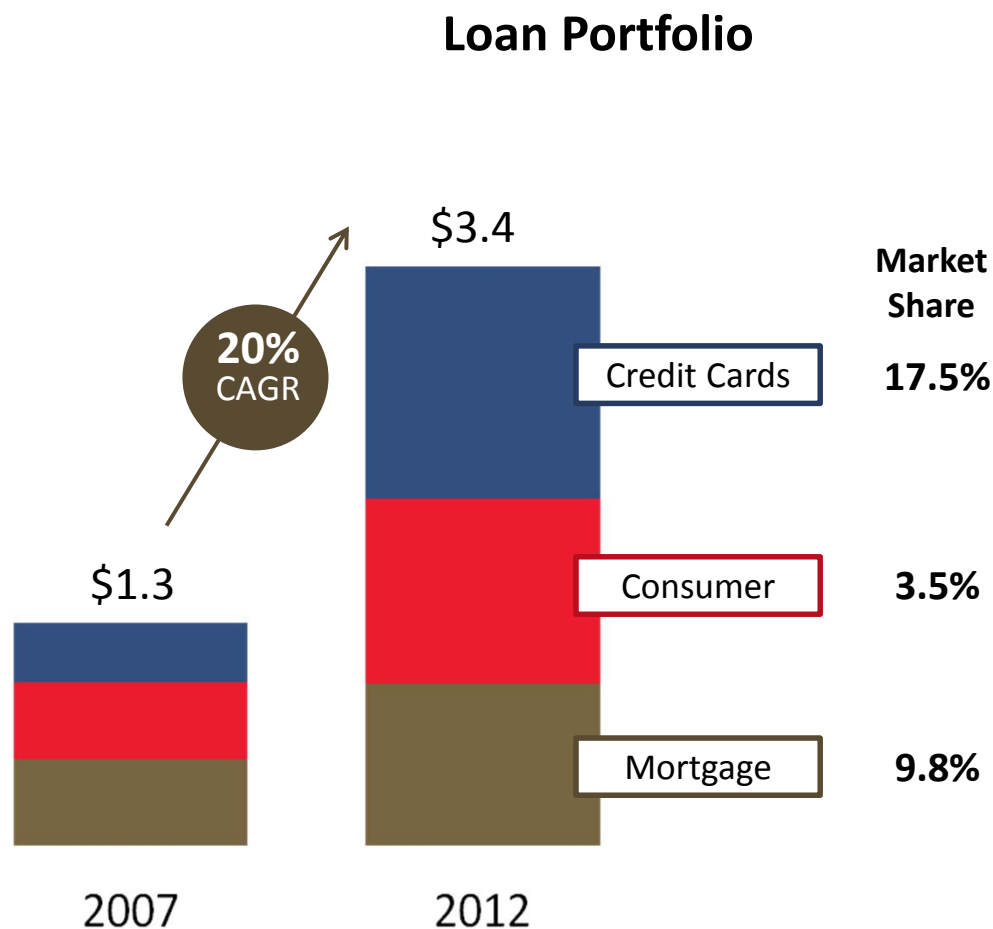
The Business Today

- # 1 credit card issuer
- Leader in co-branding credit cards
- Mortgage market share 10%
- Momentum in savings growth
- Fast growth in SME loans



Diversified and Growing Loan Portfolio

(in billions of Canadian dollars)



Strengths

- Diversified product mix
- Leader in credit cards
- Partnerships with utility companies
- Specialized sales force for each product

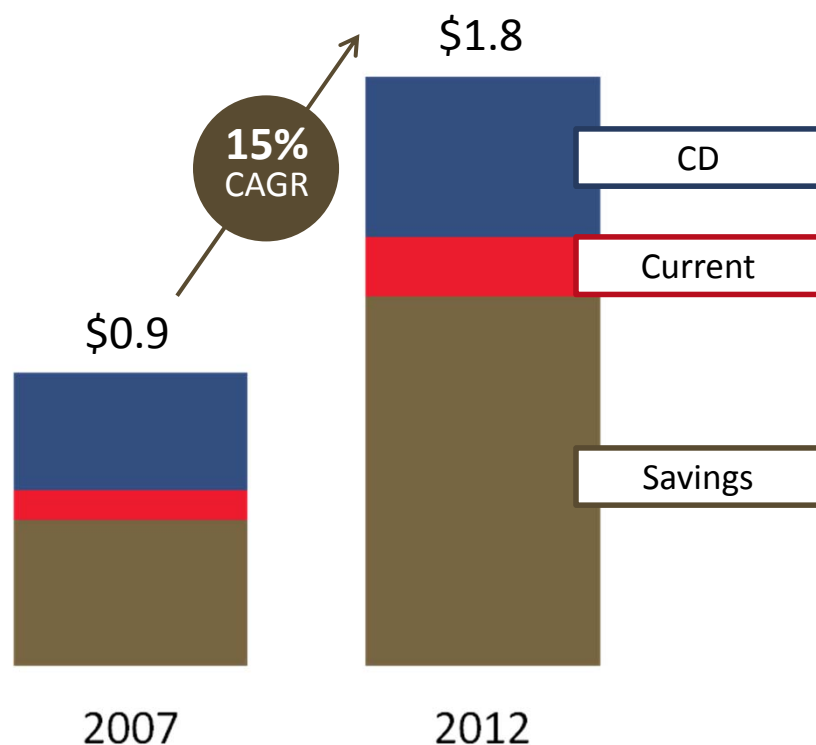


Growing Deposit Portfolio

(in billions of Canadian dollars)



Deposits



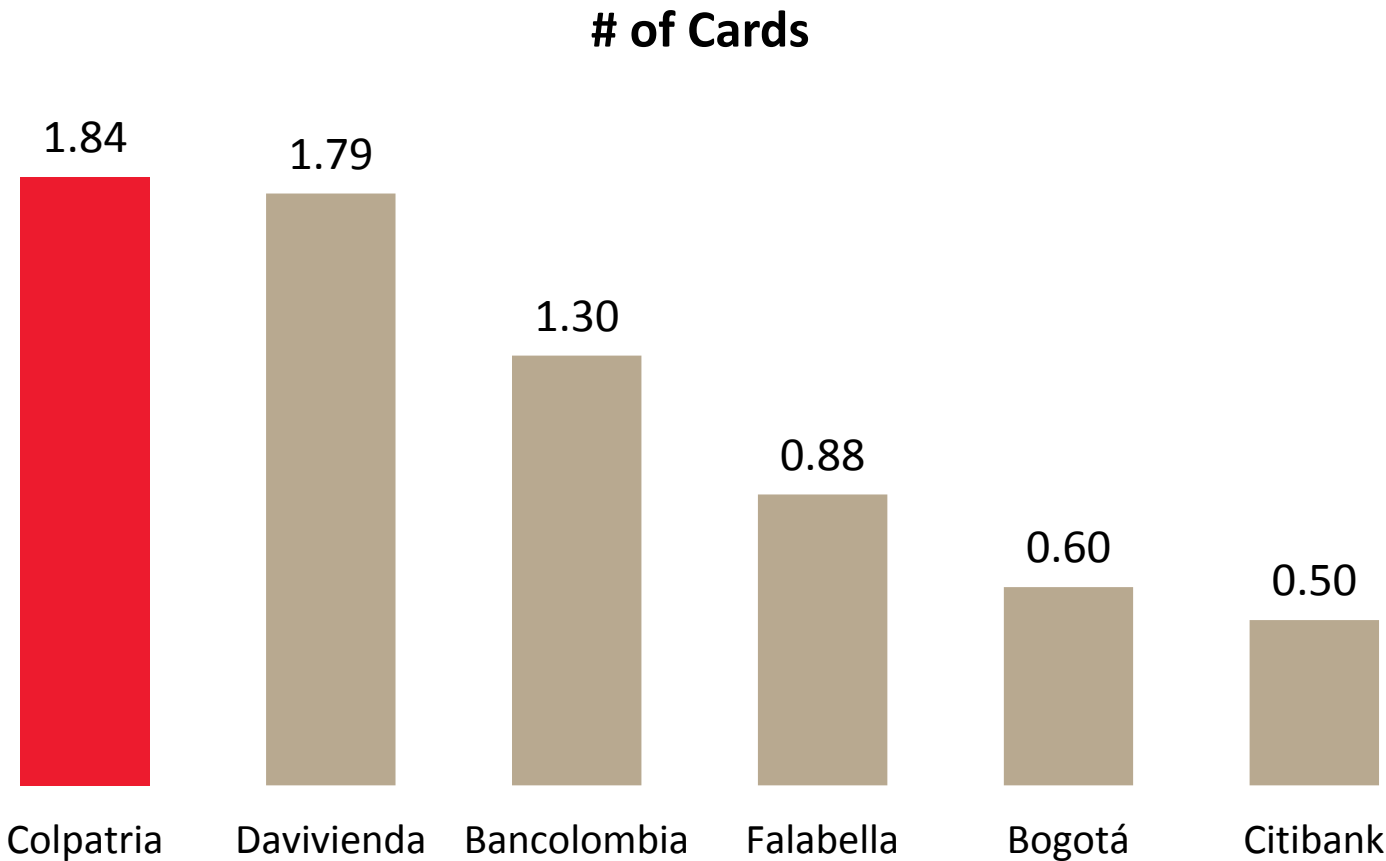
Strengths

- Growth above the system
- Improved deposit mix
- New products
- Focus on mass affluent segment



Leader in Credit Cards

(in millions)



Crédito Fácil Codensa: A Profitable, Low Risk Business Model to Serve Low Income Customers



The Bank



- Funding
- Sales & marketing
- Operations & risk
- Past due collections

Electricity Company



- Brand
- Billing & payment collections
- Billing statement inserts

Retail Partners



- Discounts / promotions
- In store origination

Industry-Low Delinquency

Éxito Card 15.1%

La Polar 14.6%

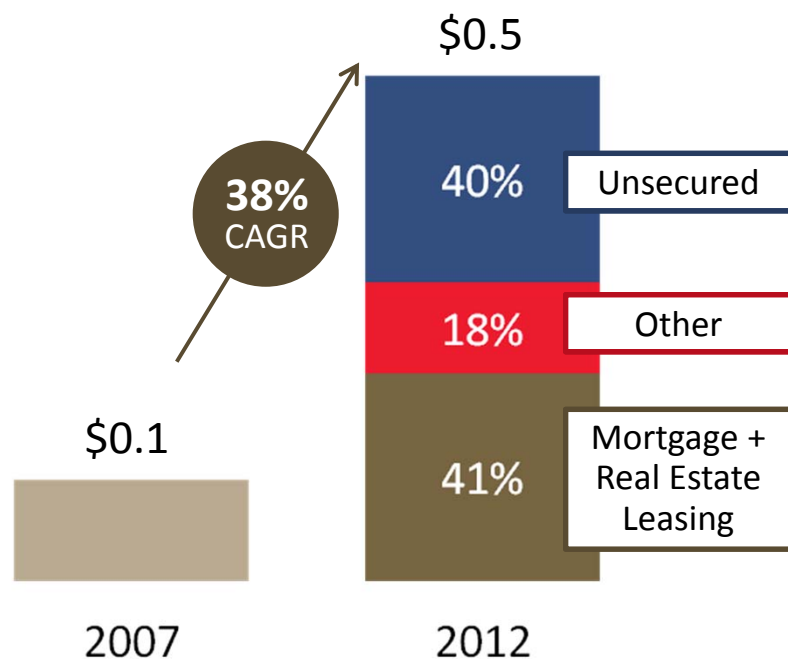
Credit Card Industry 4.9%

Codensa 3.5%

Well-Managed Growth in SME

(in billions of Canadian dollars)

Strong Loan Growth...



...While Delinquency Continues to Decline

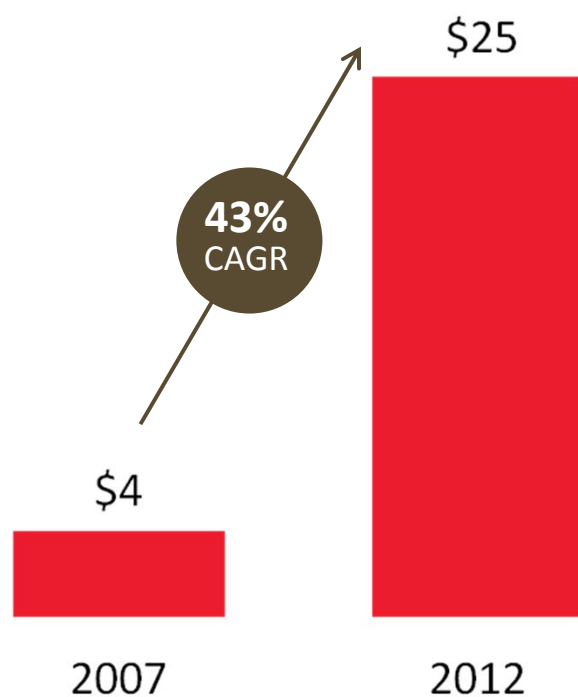


Strong Growth in Insurance Revenues

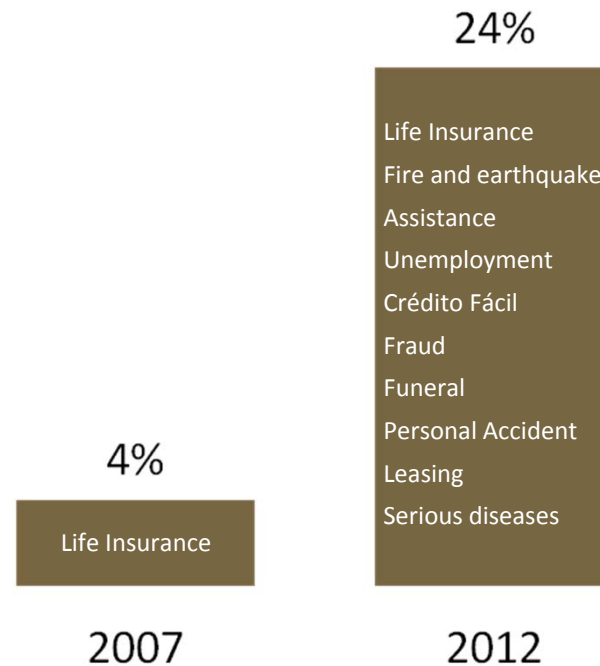


(in millions of Canadian dollars)

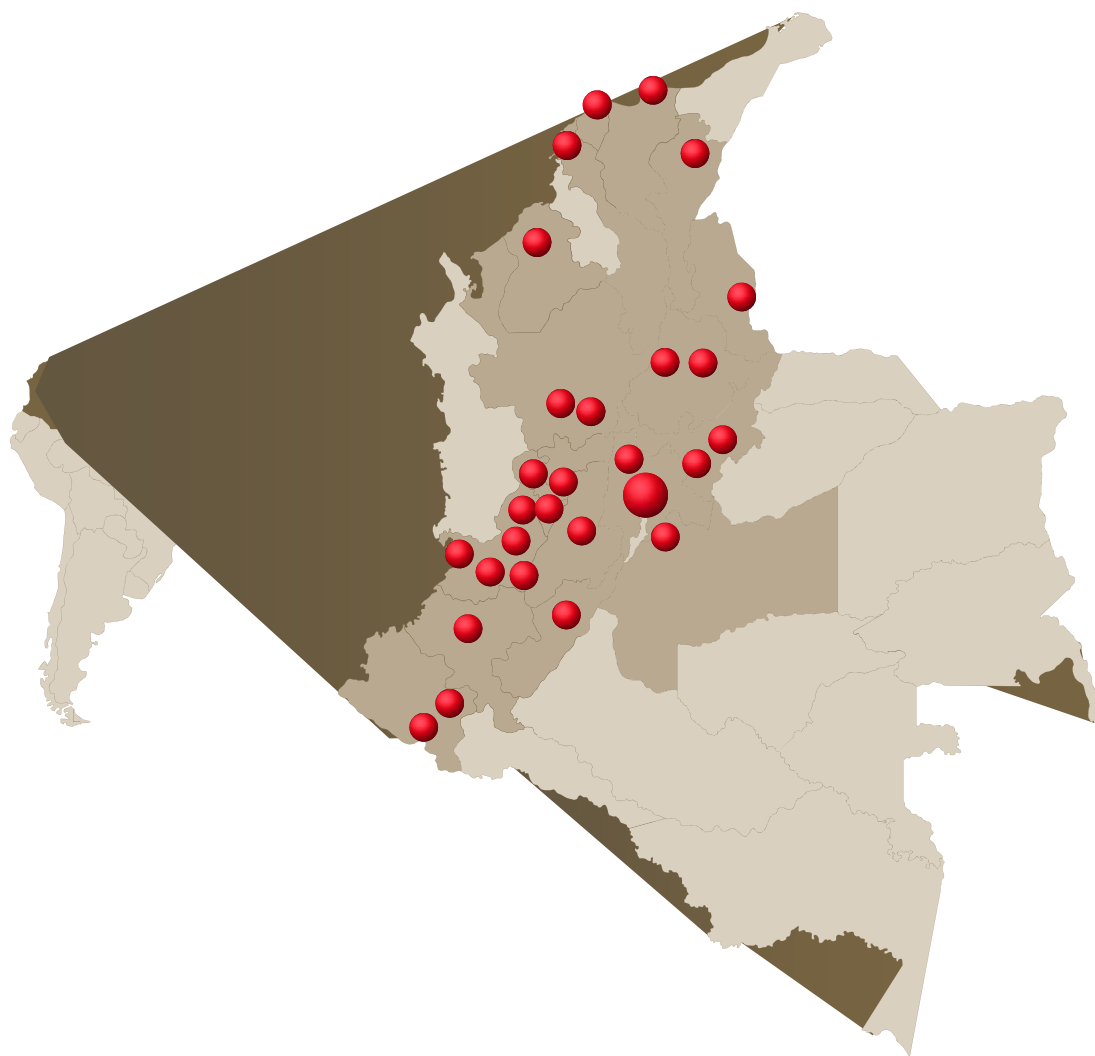
Insurance Revenue Growth



Expanding Product Penetration and Offering



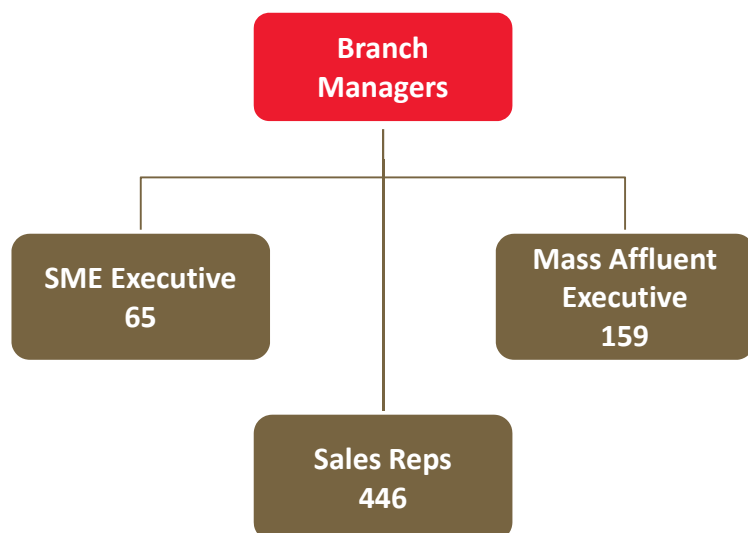
Expanding Branch Network & Distribution Channels



- 171 branches
- 34 cities
- 1,200+ external sales force
- 6,300+ third party agents

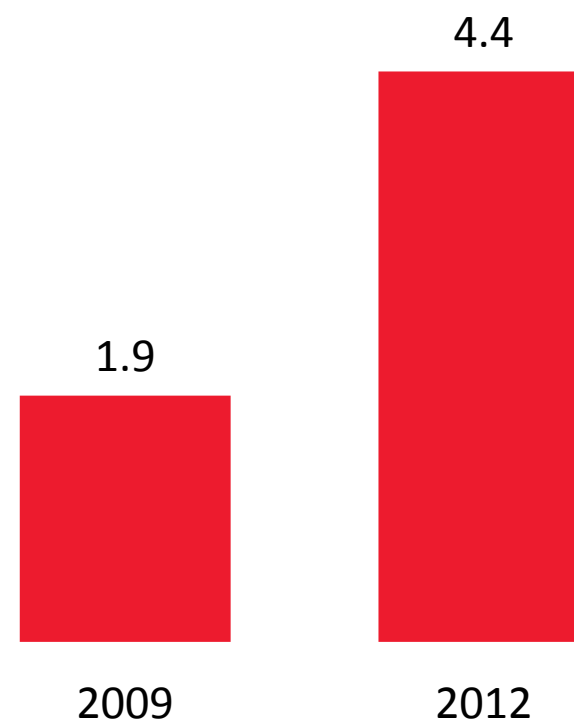
Improving Branch Productivity

Focused Branch Structure



Branch Productivity Improvement

Products Sold per Advisor per Day



Agenda



The business today

Growth strategy

Focused Growth Strategy

Growth and profit
focused on mass affluent and SME,
capturing underserved opportunities

**Strengthen
Channels**



**Improve
Value
Proposition**



**Development
and
Innovation**



Underserved



**Improve
Risk**



Solid Retail and SME Business

- Focused on mass affluent and SME segments



- Maintaining leadership in credit cards and expanding Codensa platform



- Insurance is a future driver to increase earnings





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Corporate/Commercial Strategies & Opportunities

Jorge Rojas
Vice President, Commercial Banking
Banco Colpatria

Agenda



The business today

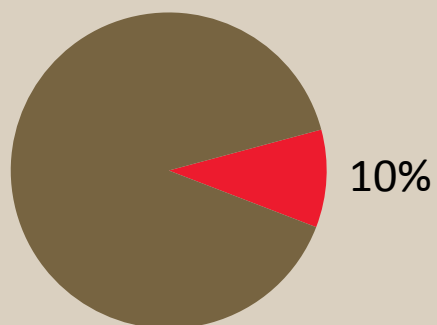
Growth plans

Focused on Mid-Market: Large Opportunity

Commercial

- Annual sales \$8-\$100 million
- 4,000 companies

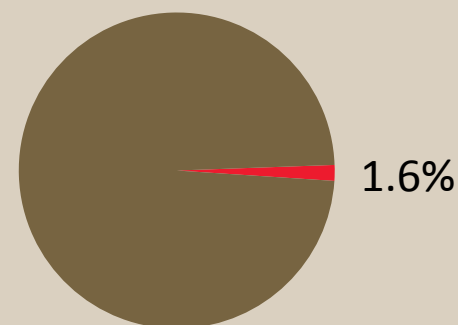
Our Share



Corporate

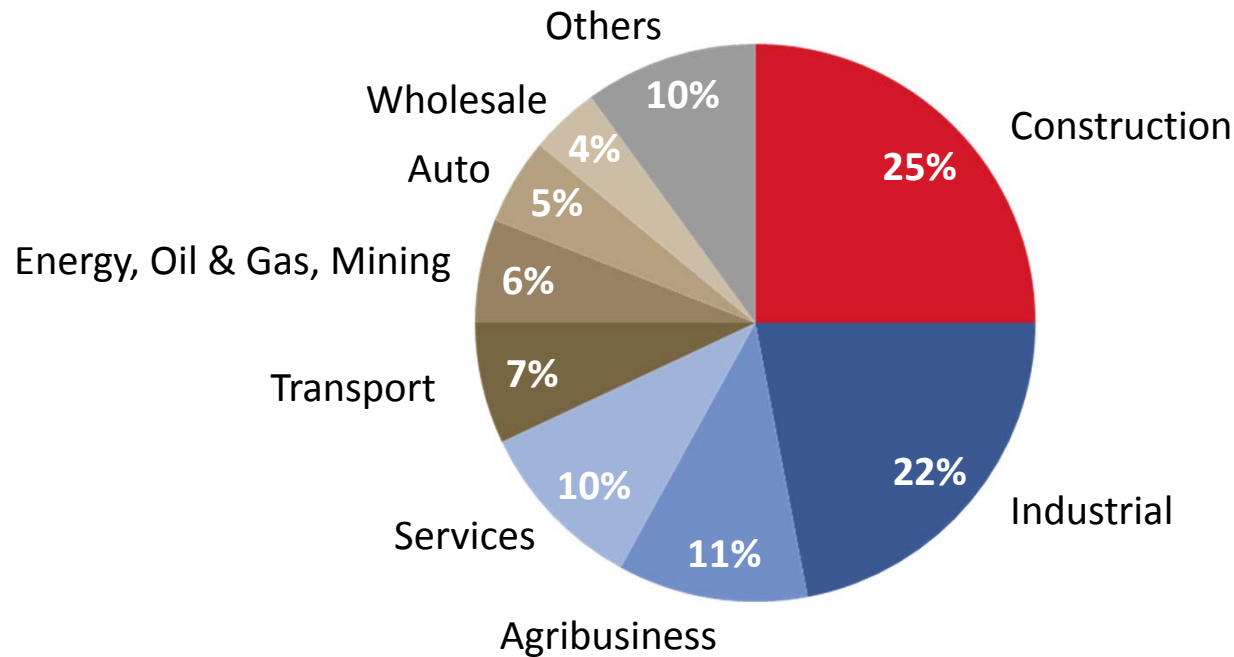
- Annual sales > \$100 million
- 400 companies

Our Share



A Well-Diversified Portfolio with Short Duration

By Industry

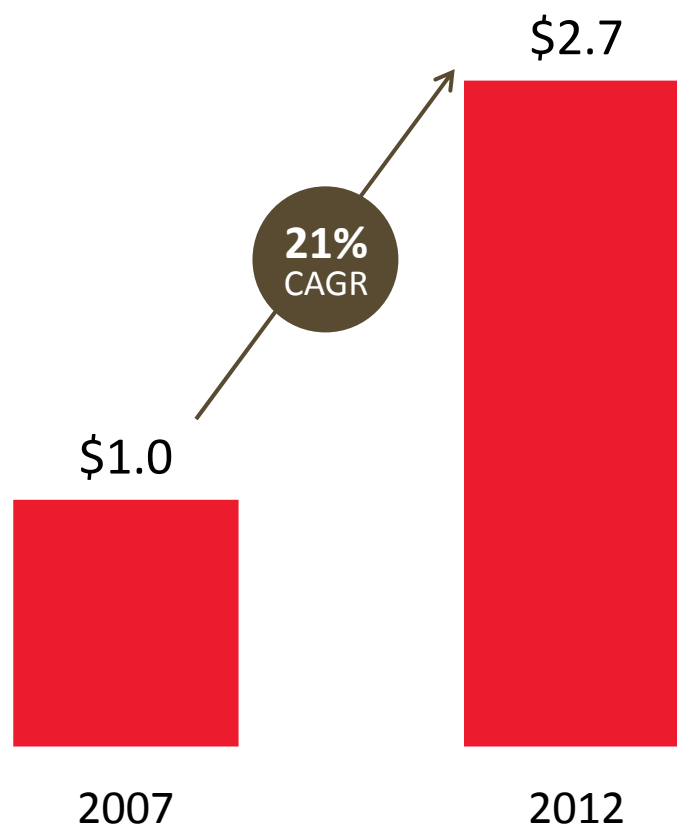


Average remaining term: 2.2 years

Strong Growth Record

(in billions of Canadian dollars)

Portfolio Growth

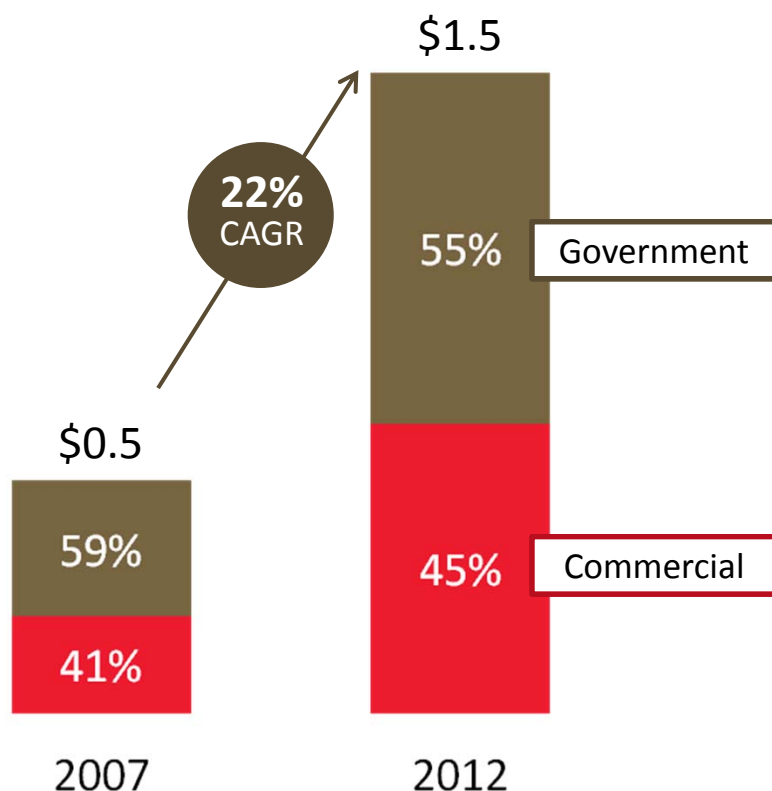


Balanced Growth in Deposits from Commercial and Government Segments



(in billions of Canadian dollars)

Growth by Segment



Key Strategies

- Cross-sell cash management products
- Customized transactional solutions capabilities
- Leverage third party agent network (4,000+)

Agenda

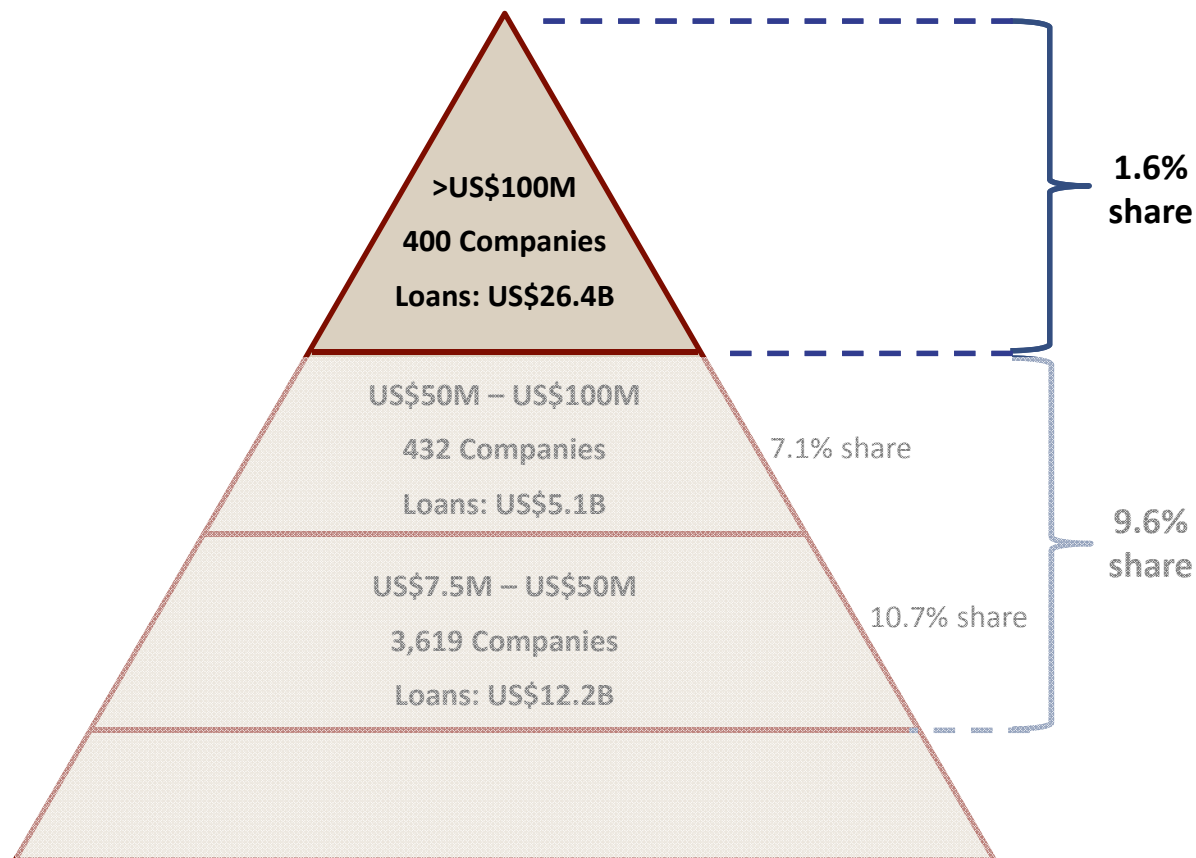


The business today

Growth plans

Our Growth Focus

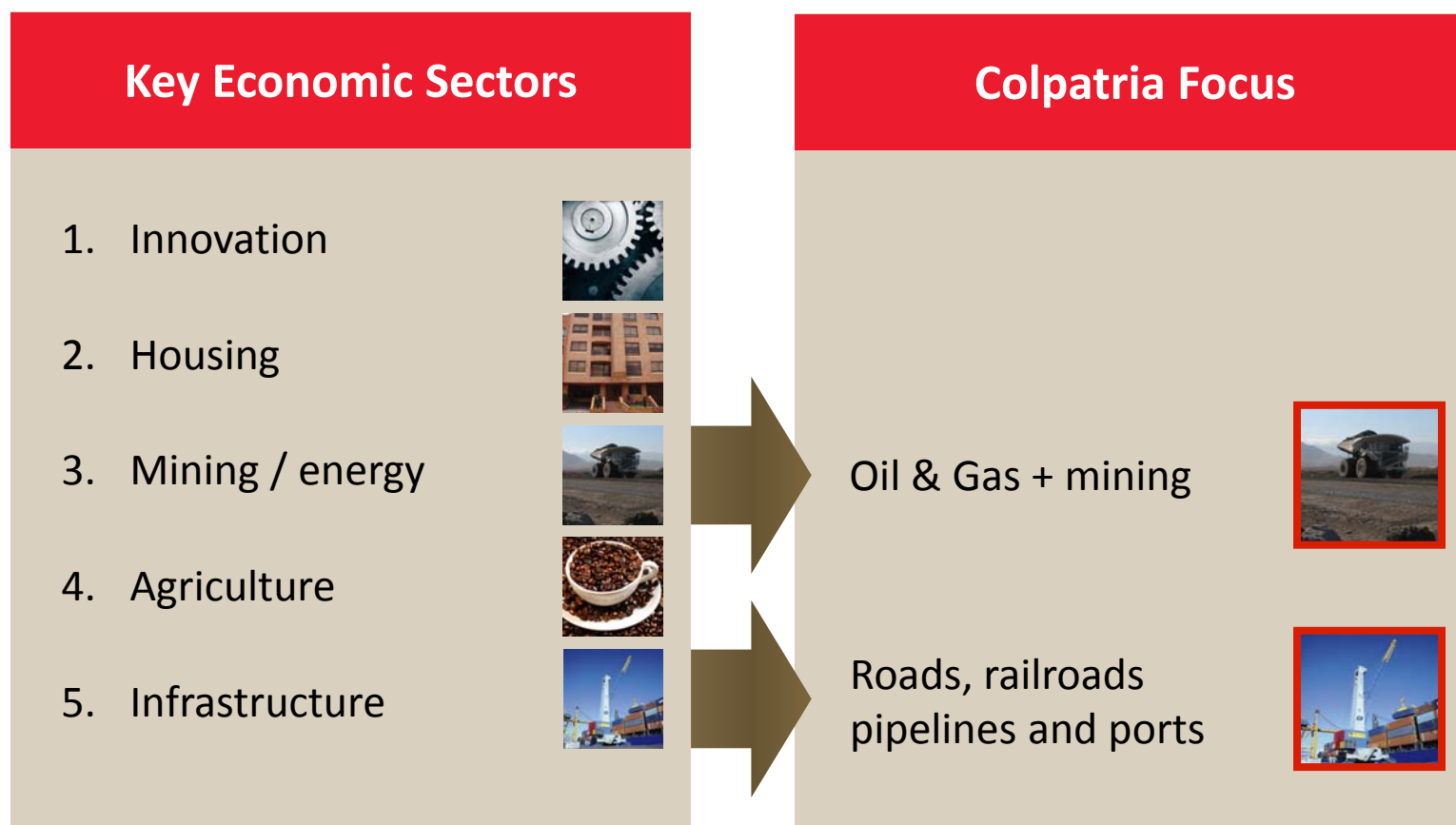
Market by annual sales



- Great opportunity for growth in corporate & upper-end commercial segment



Mining, Infrastructure and Oil & Gas Opportunities



Key Initiatives

New Banking Unit

- Creation of new upper-end commercial & corporate banking unit leveraging Scotiabank's international expertise and capabilities
 - Focus on mining, infrastructure and oil & gas sectors



Target Commercial Clients

- Provide Global Banking & Markets and Global Wealth Management solutions to commercial clients



Solid Growth Platform

- Good mid-market platform to support growth
- Increase penetration in upper-end commercial & corporate segment
- Unique opportunity to complement Colpatria's existing capabilities with Scotiabank's expertise





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Colfondos Strategies & Opportunities

Alcides Vargas
Chief Executive Officer
Colfondos

Agenda

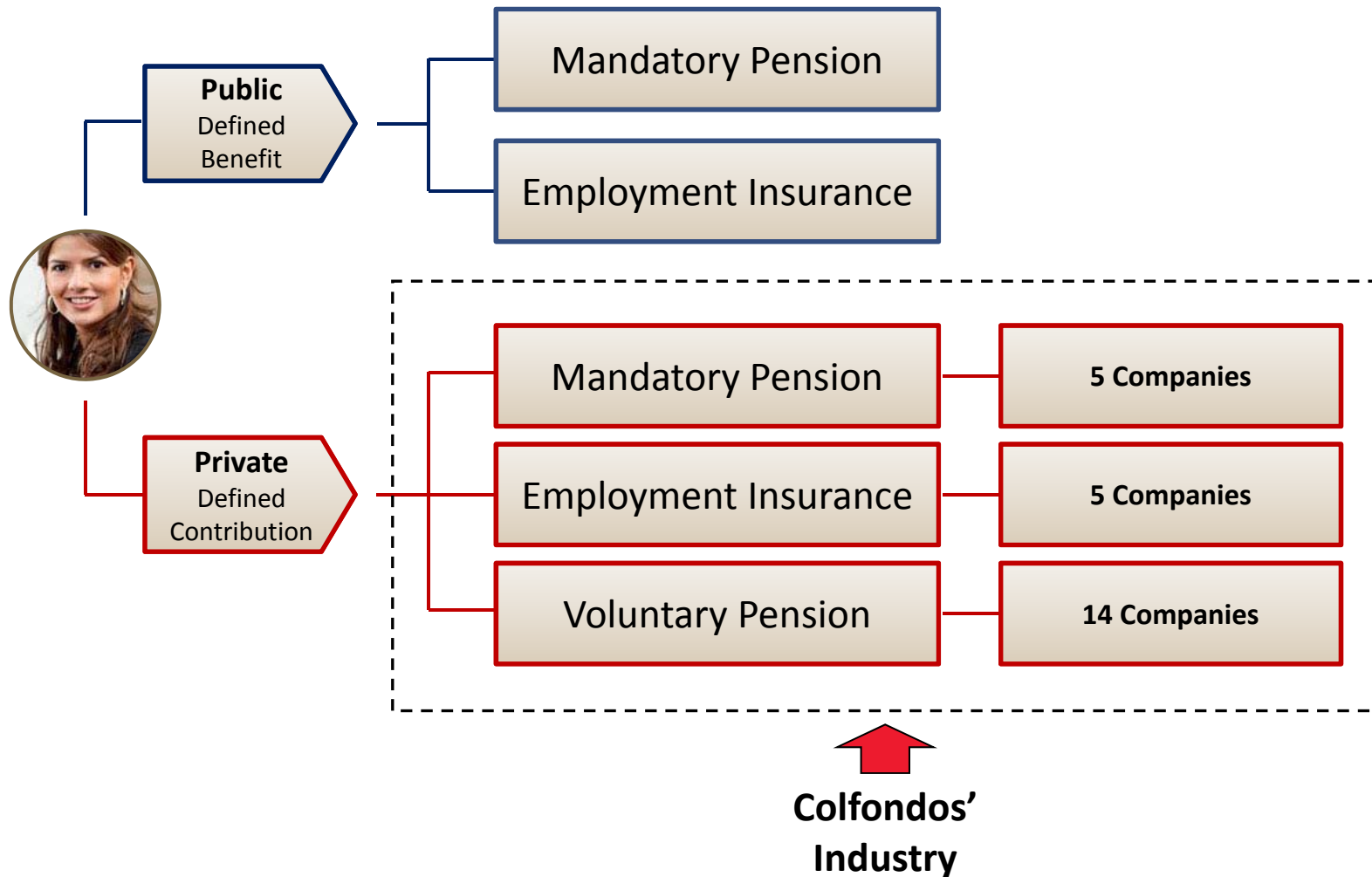
The pension system in Colombia

The business today

Performance record

Growth strategy

The Pension System at a Glance



Three Types of Capital Pools

(in Canadian dollars)



Mandatory
Pension:
\$64 billion
market

- Industry fees are based on client salary and not on AUM

Employment
Insurance:
\$3 billion
market

- Contributions made by employers

Voluntary:
\$6 billion
market

- Fees based on AUM and redemption fees
- Income tax deductible, equivalent to RRSP in Canada



Agenda

The pension system in Colombia

The business today

Performance record

Growth strategy

The Business Today

(in Canadian dollars)



- \$9.6 billion in AUM
 - Mandatory \$9.0 billion – 14% market share
 - Employment Insurance \$0.3 billion – 10% market share
 - Voluntary \$0.3 billion – 5% market share
- 2 million customers
- 1,100+ employees
- Established footprint in 20 major cities
- 20-year history in Colombia



Bogotá



Cartagena



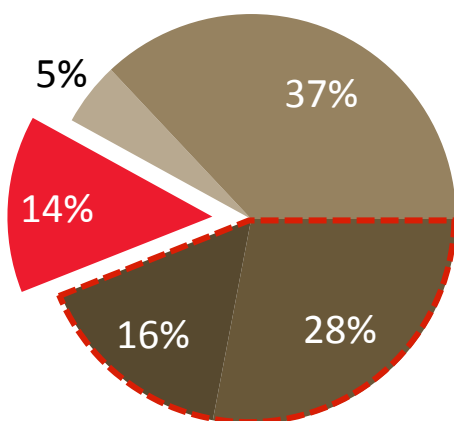
Medellín

#4 Player in a \$73 Billion Market

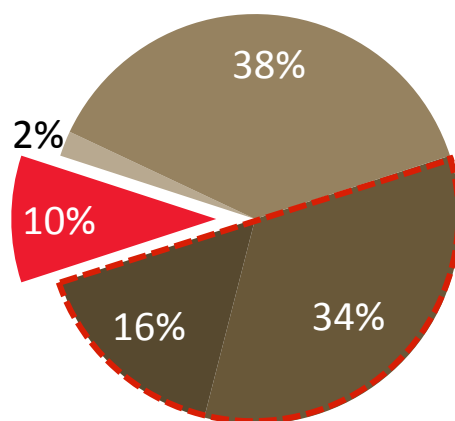
(in Canadian dollars)



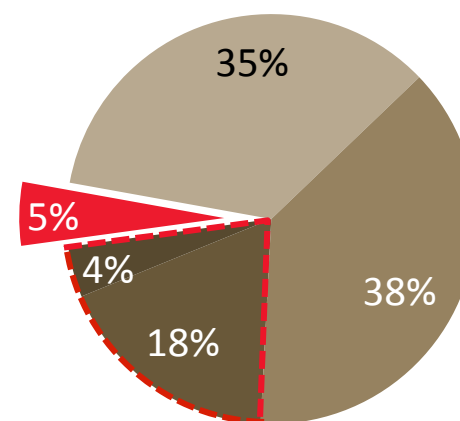
Mandatory
AUM \$64 billion



Employment Insurance
AUM \$3 billion



Voluntary
AUM \$6 billion



■ Colfondos

■ Skandia

■ Proteccion

■ Porvenir

■ BBVA Horizonte

*

* Pending merger



Agenda

The pension system in Colombia

The business today

Performance record

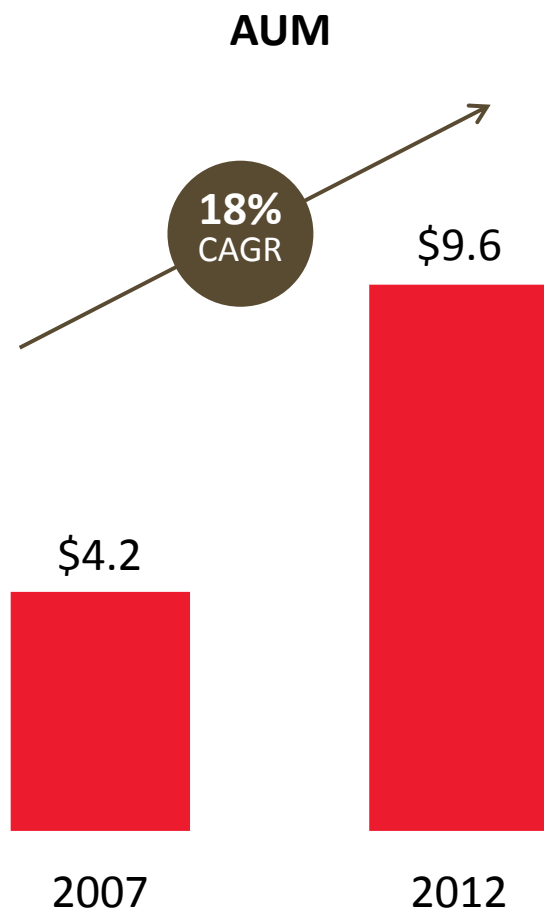
Growth strategy

Solid Growth in AUM and Net Income

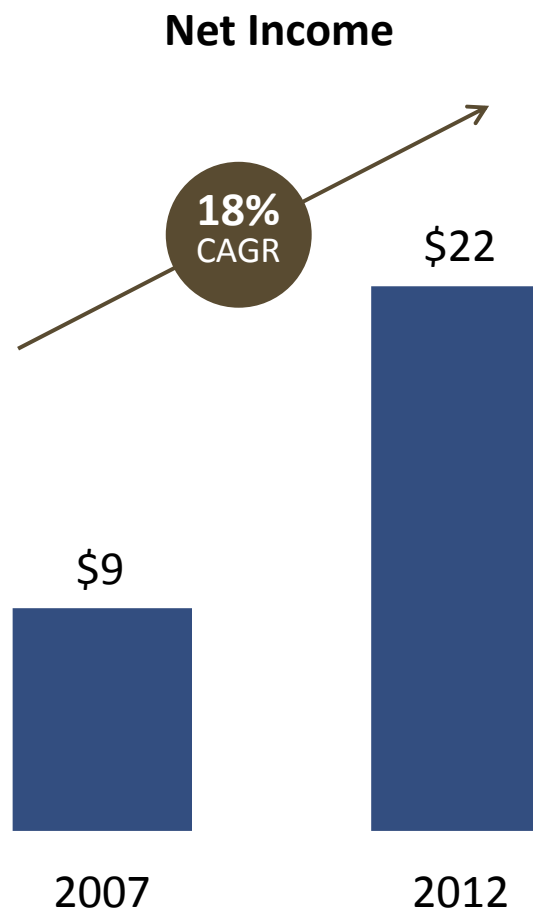


(in billions of Canadian dollars)

(in millions of Canadian dollars)

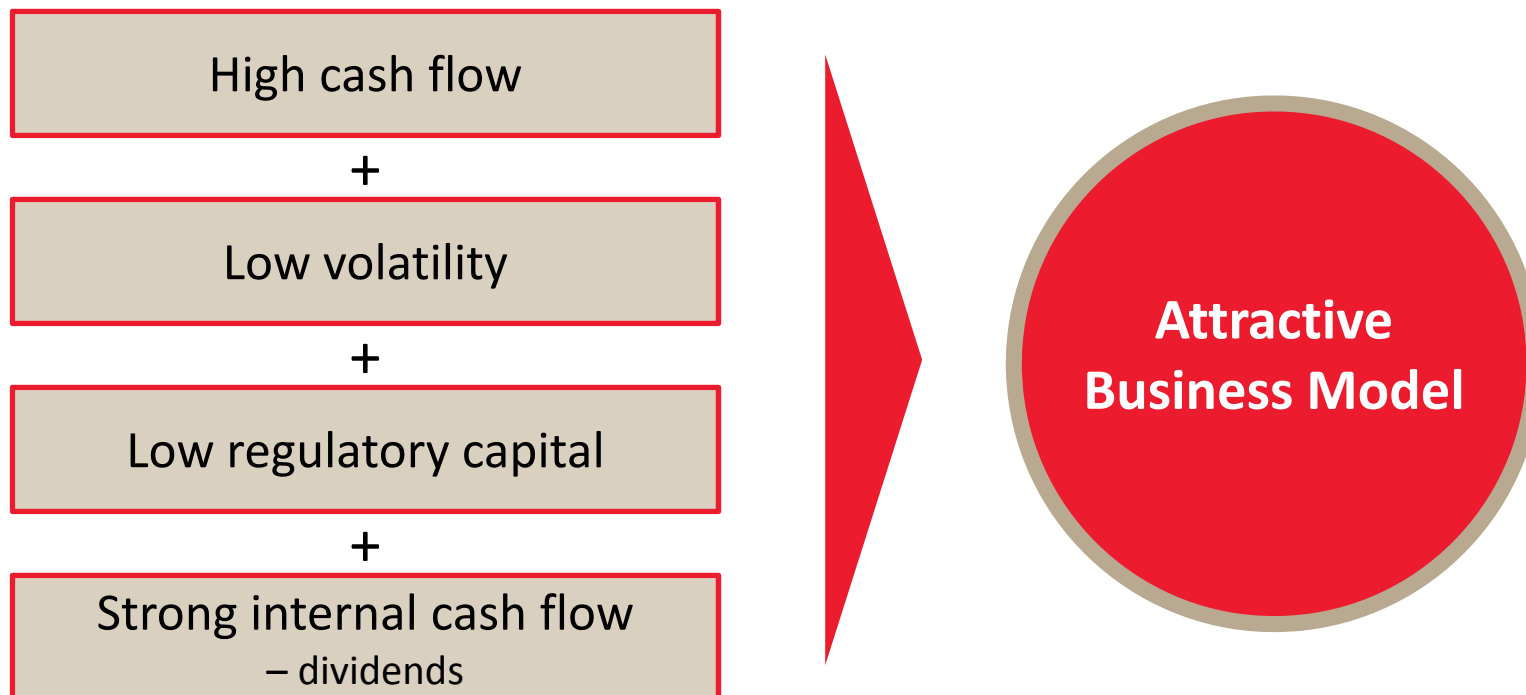


- Industry CAGR 19%



- Industry CAGR 11%

Colfondos: An Attractive Business Model



Agenda



The pension system in Colombia

The business today

Performance record

Growth strategy

Significant Growth Opportunities in Colombia

- ✓ Strong employment growth
- ✓ The middle class has doubled in the last 10 years
- ✓ Only 40% of labour force contributes to a mandatory pension fund



Five Point Growth Strategy

Our goal is to be recognized
as a pension fund manager committed
to service excellence and informational clarity

1

New
commercial
model



2

New
value-added
services



3

Efficiency and
expense
rationalization



4

Human
resources
development



5

Grow
ancillary
businesses

