



BUILDING SUSTAINABLE  
**GROWTH**  
International Banking



# Building Sustainable Growth

**Rob Pitfield**

EVP International Banking

# AGENDA – Tuesday, October 16th, 2007

1:00 <b>Overview</b> Luc Vanneste	3:10 <b>Acquisition Strategy</b> Tim Hayward
1:10 <b>Building Sustainable Growth</b> Rob Pitfield	3:30 <b>Costa Rica: A Successful Acquisition</b> Luis Liberman
1:30 <b>Solid Base for Growth</b> Brad Rowse	3:50 <b>Asia / Pacific: Investing for Growth</b> Michele Kwok
1:50 <b>Driving Retail Growth</b> Claude Norfolk	4:10 <b>Managing International Risk</b> Brian Porter
2:10 <b>Bahamas: Growing in a Mature Market</b> Minna Israel	4:30 <b>Managing Retail Credit Risk</b> Nolan Miller
2:30 <b>Q&amp;A</b>	4:50 <b>Q&amp;A</b>
2:50 <b>Coffee Break</b>	5:10 <b>Close of Day 1</b> Rob Pitfield

# International Banking Opportunity

1

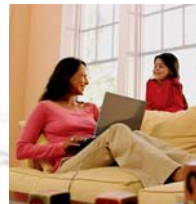
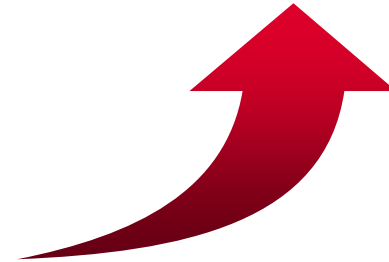
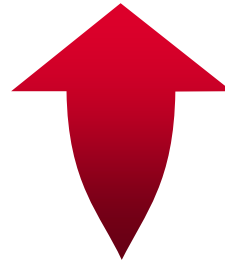
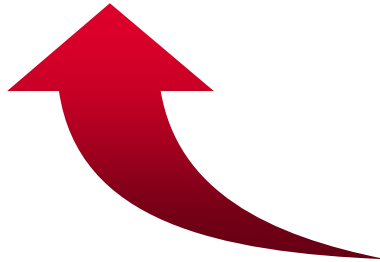
Great  
markets

2

Focused  
strategy

3

Strong  
people and  
organization



Driving Sustainable Growth

# Agenda

- International today
- Strong track record
- Segment strategies
- New areas of focus



# Three Geographic Regions



**Caribbean &  
Central America**



**Latin America**

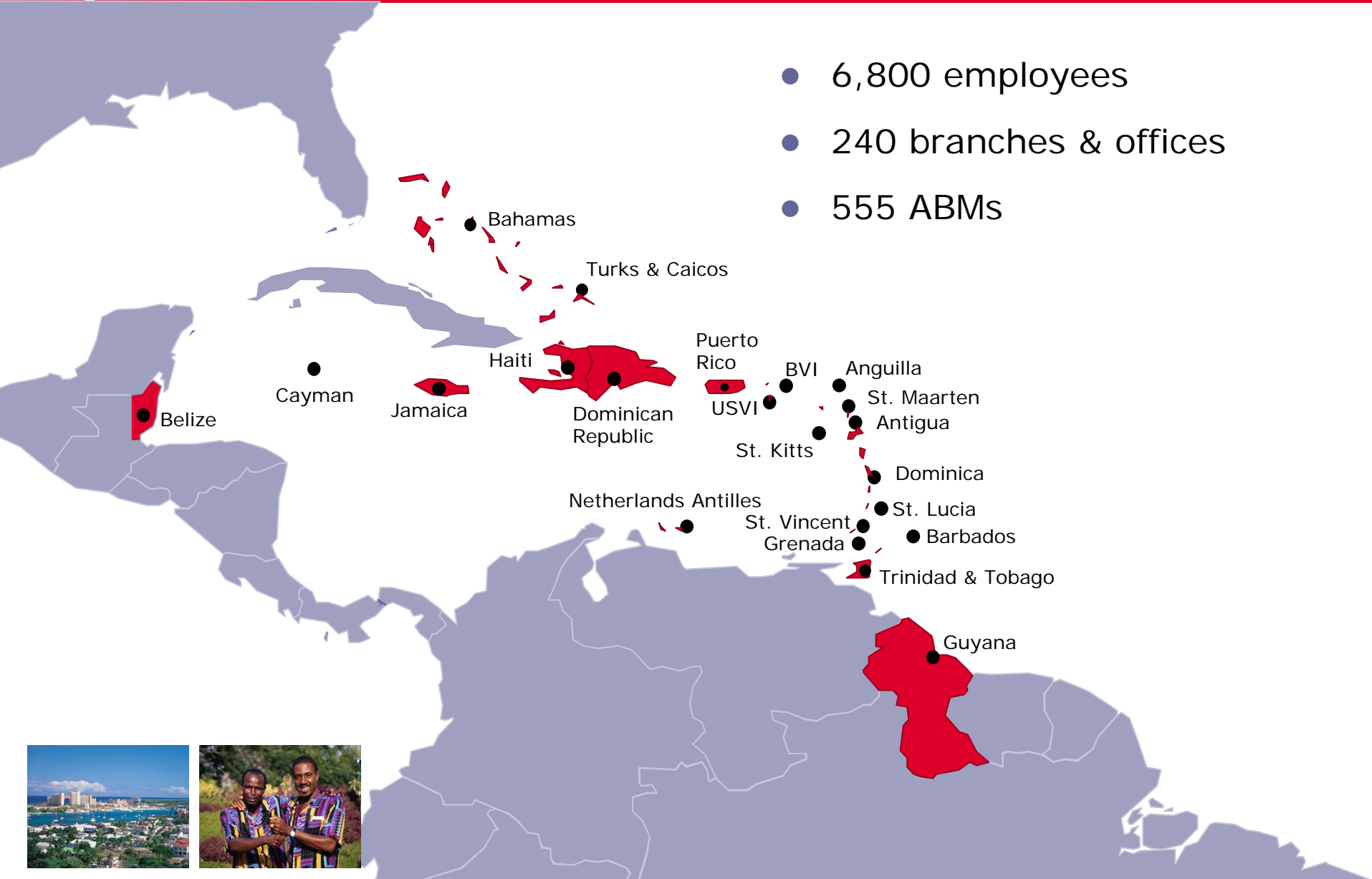


**Asia/Pacific**

- **40** Countries
- **1,155** branches
- **2,318** ABMs
- **24,000** Employees

# Dominant Position in the Caribbean...

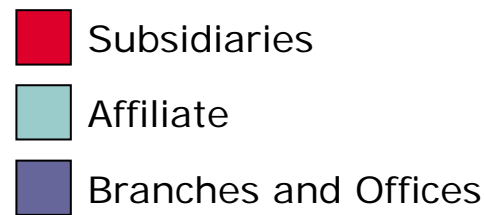
- 6,800 employees
- 240 branches & offices
- 555 ABMs



# ...Investing in Latin America...



- 16,600 employees
- 863 branches and offices
- 1,763 ABMs



# ...and Building our Presence in Asia

- 600 employees
- 27 branches and offices



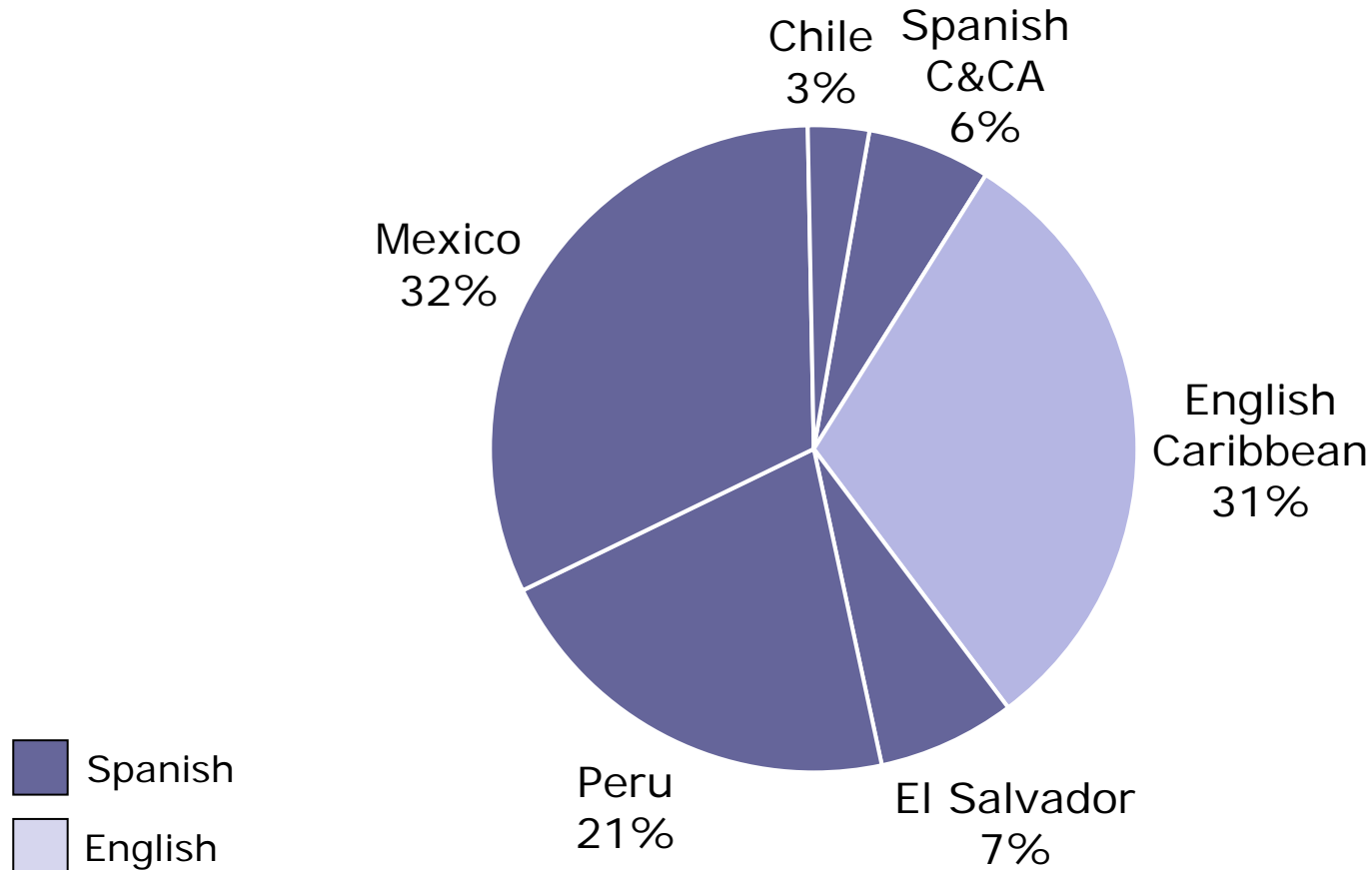
 Affiliate

 Branches and Offices



# The Majority of Our Customers Speak Spanish...

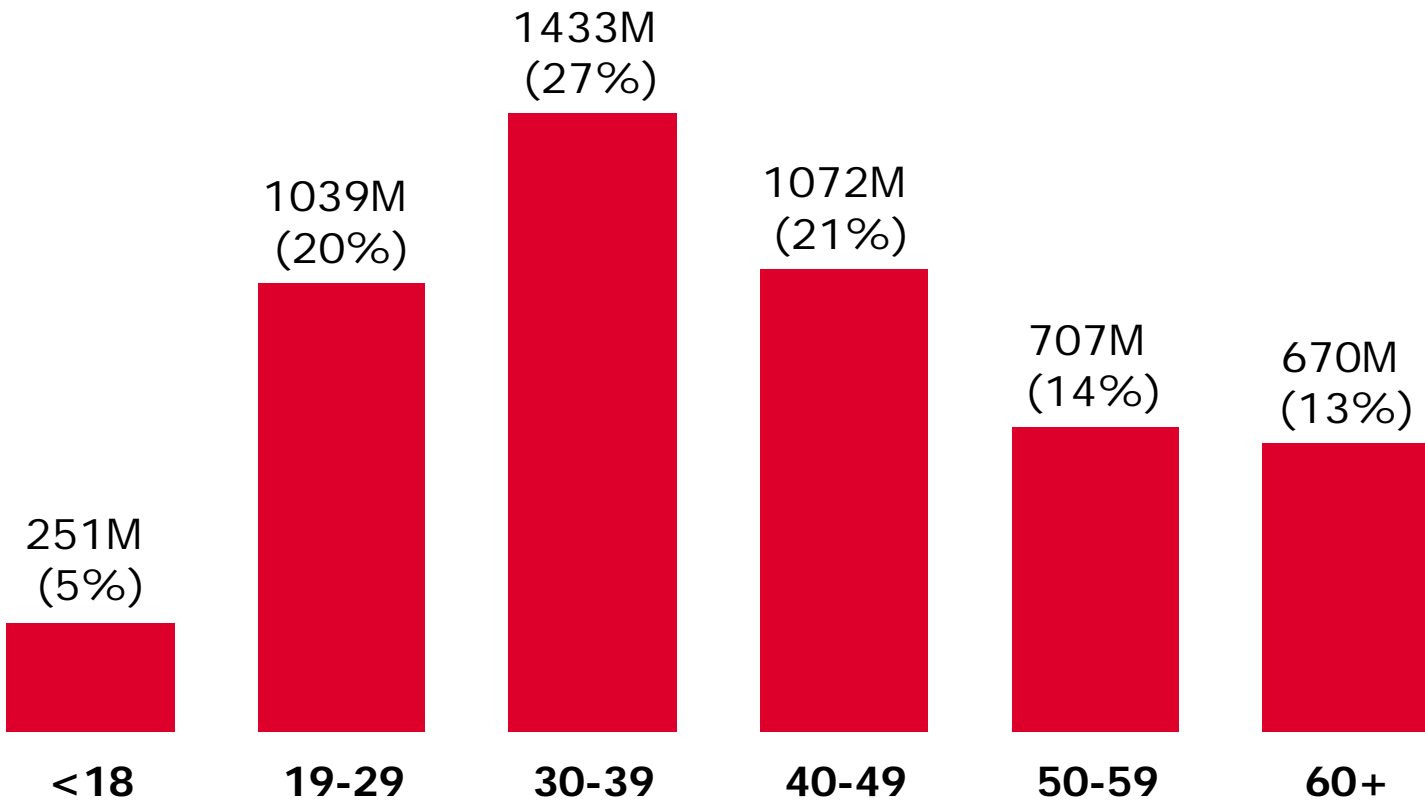
## 5.2 Million Customers



**3.6 million Spanish-speaking customers**

# ...and are Under 40 Years Old

## 5.2 Million Customers



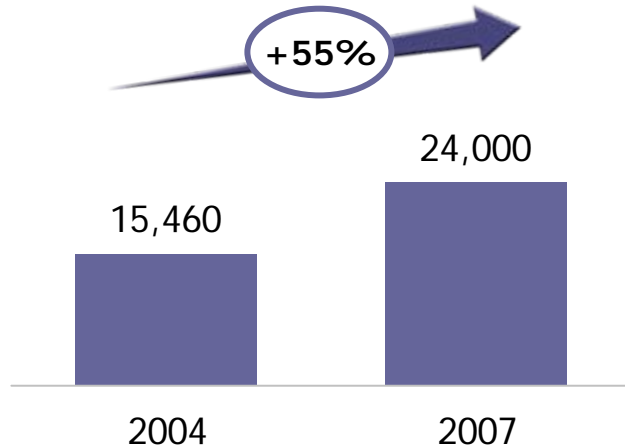
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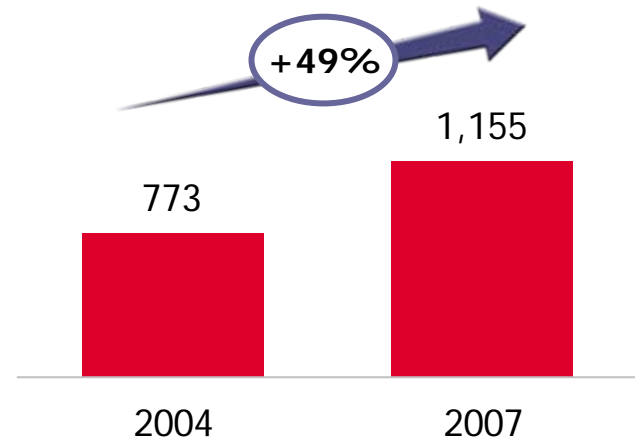


# Increasing Size and Scale

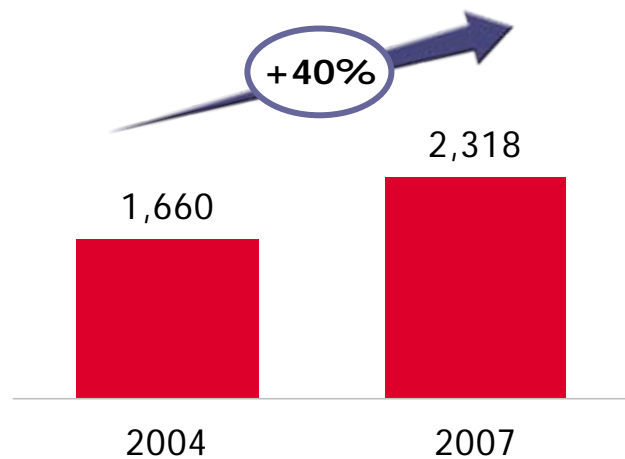
## Employees



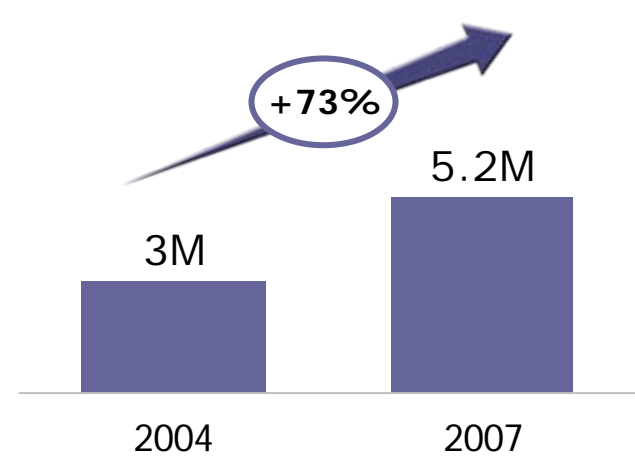
## Branches



## ABMs

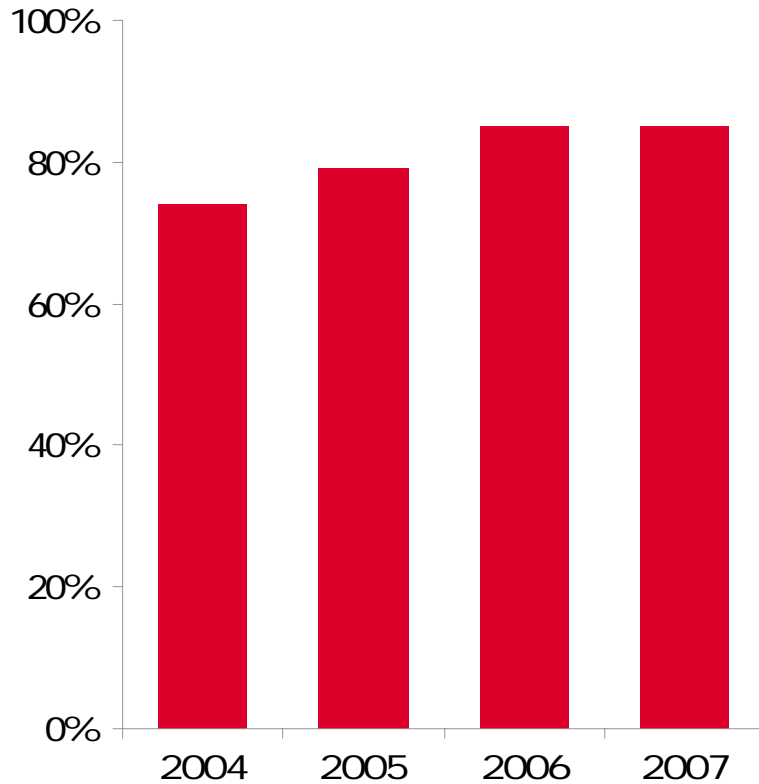


## Customers

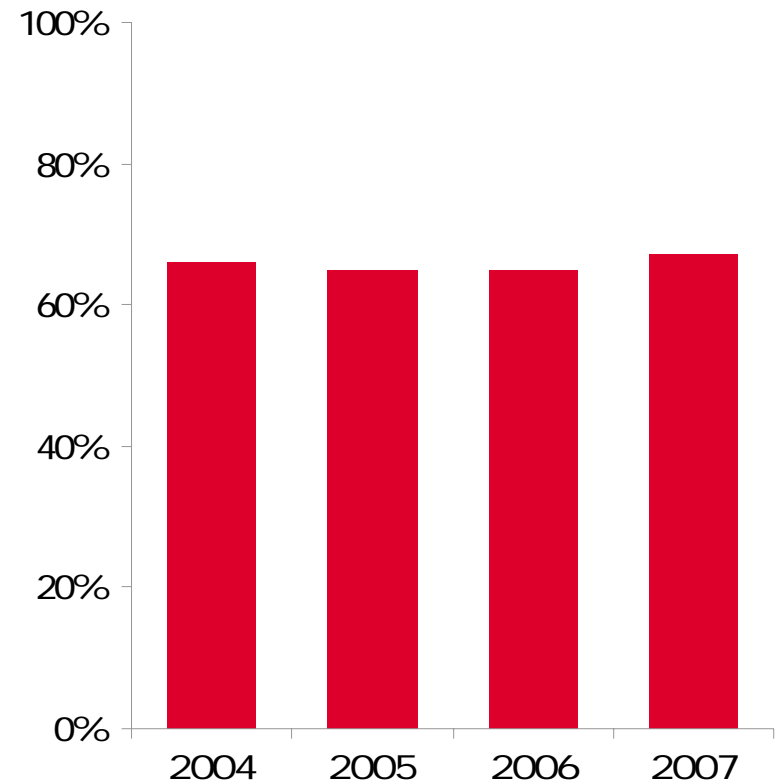


# High Employee Satisfaction and Customer Loyalty

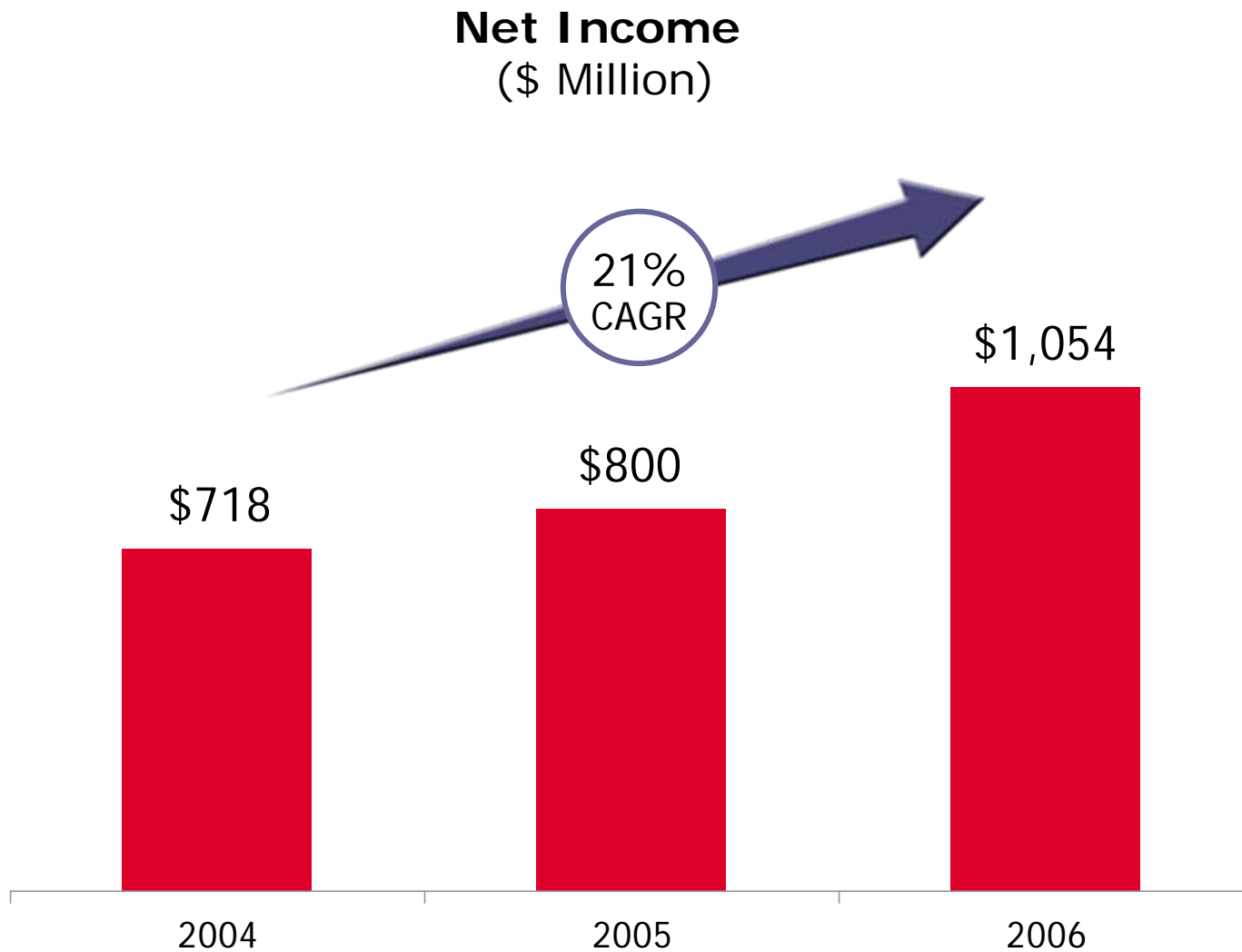
## Employment Satisfaction Index



## Customer Loyalty



# Strong Earnings Growth



# International Recognition

LATINFINANCE

The Banker

EUROMONEY



The World Bank



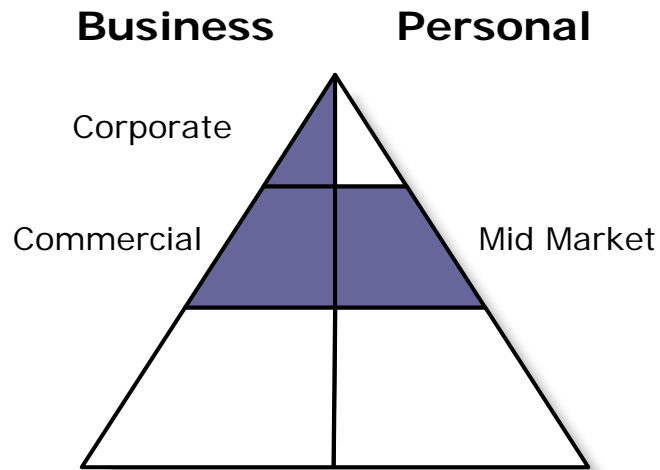
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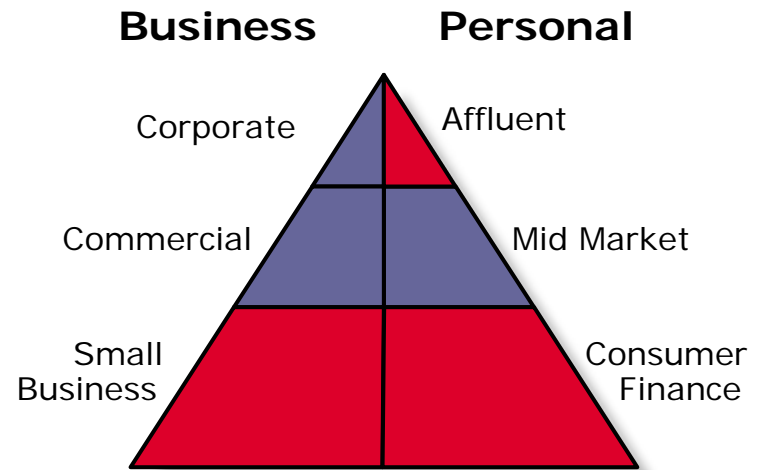


# Entering New Market Segments

## Traditional

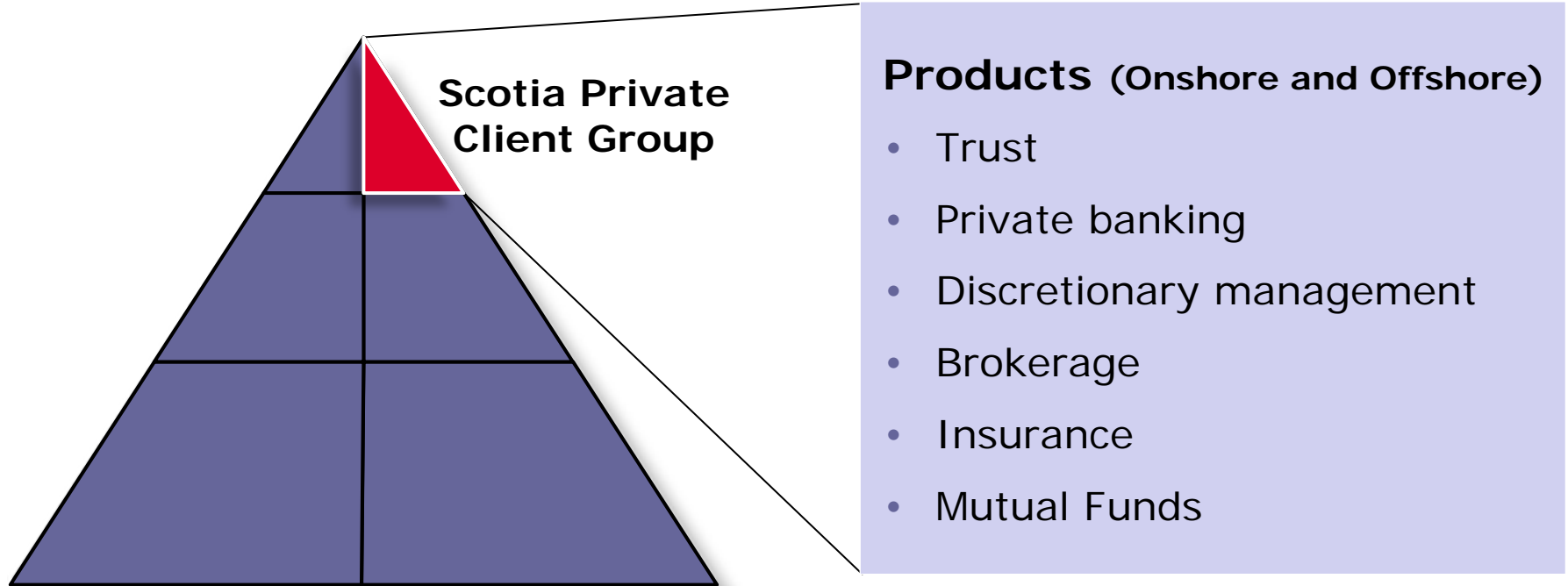


## New



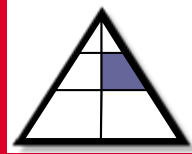
- Access to millions of new prospective customers

# New Segment: Affluent



- Leverage Caribbean and Latin American footprint

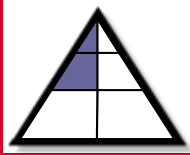
# Traditional Strength in Mid Market Retail Segment



## Sales and Service Model



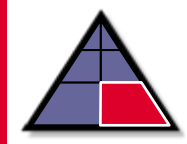
Leverage 2,900 Personal Banking Officers






- Reorganized and focused Commercial Centres
- Collaboration with Scotia Capital and Global Transaction Banking
- New MIS
- Well defined metrics



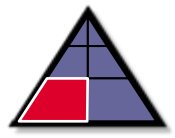
# New Segment: Consumer Finance







(million)	Country Population	Estimated Consumer Finance Segment
Mexico 	100	➔ 52
Peru 	28	➔ 12
Chile 	15	➔ 4

In Peru, 10% of retail assets generate 20% of retail lending income

# New Segment: Small Business



		Small Business as % of GDP
Canada		22%
Mexico		50-60%
Chile		42%
Peru		50%

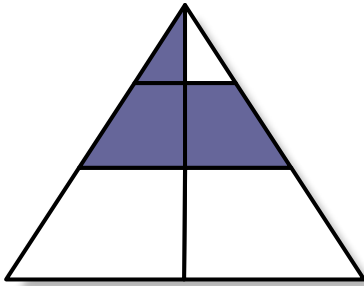
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# Unique Value Proposition for each Segment

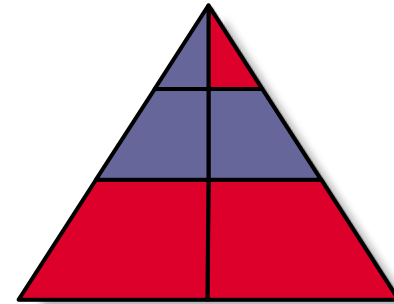
## Traditional



- Highly successful in Mid-Market



## New



- Clear value propositions
- Aligned customer experience
- Satisfy customer needs

Actionable segments each represent opportunity



## Delivering Customer Value



# 1 Delivery / Channels

## Core Competency

- Expertise in branch-based Sales & Service



## Increasing Our Focus

- Growing branch network
- Expanding external sales force
- Upgrading Internet
- Driving contact centre activities

Expanding all customer touchpoints

## 2 Product Solutions

### Core Competency

- Proven ability to lend successfully



### Increasing Our Focus

- Capturing day-to-day deposit business
- Driving credit card business
- Expanding offshore to new markets
- Launching new mutual funds

Introducing segment specific solutions

### 3 Advertising & Brand

#### Core Competency

- Single, strong brand



#### Increasing Our Focus

- Refreshing brand to broaden appeal
- Identifying co-branding opportunities
- Forming alliances with retailers
- Utilizing segment brands
  - Única

Aligning marketing to segments

## 4 Operational Support

### Core Competency

- Established, robust banking platforms
- Decentralized operations



### Increasing Our Focus

- Standardizing systems:
  - Core banking
  - Sales management
  - Customer information
- Providing network-wide solutions
  - Data centres
  - Shared Services
- Upgrading MIS

Upgrading our systems and processes

# 5 Risk Management

## Core Competency

- Strong risk culture
- Market leading risk performance



## Increasing Our Focus

- Credit risk management
  - Standardize structure, process and systems
  - Advanced data management
- Operational risk
- Compliance

# Acquisitions: Broadening Our Focus

## Core Competency

- Track record of strengthening existing P&C franchises:
  - El Salvador
  - Dominican Republic
  - Costa Rica
  - Peru
  - Chile
- Integrations



## Increasing Our Focus

- Consumer finance and pension management
- Investing for future growth:
  - Thailand
  - Puerto Rico
  - China

## 6 Organization & People

### Core Competency

- Strong local management
- Focus on economies of scale



### Increasing Our Focus

- Collaborating across the network
- Creating hubs of expertise
- Welcoming new talent

# International Banking Opportunity

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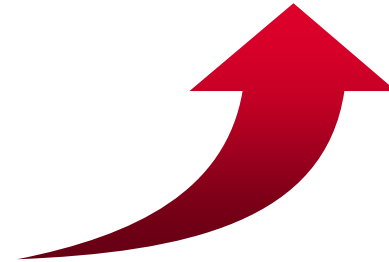
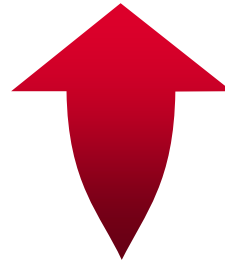
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