



BUILDING SUSTAINABLE
GROWTH
International Banking



Asia/Pacific: Investing For Growth

Michele Kwok

SVP Asia/Pacific and Middle East

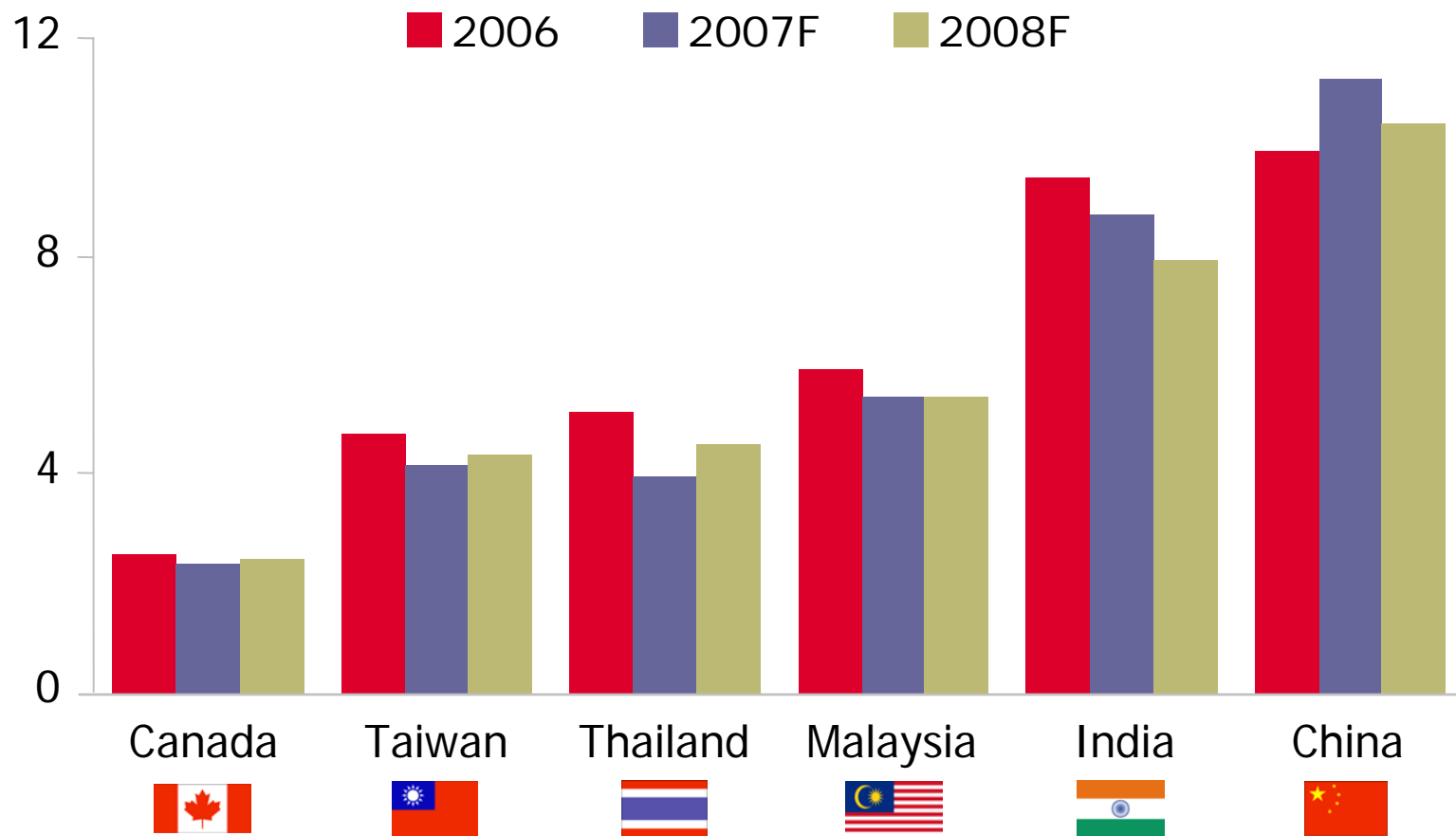
Agenda

- Asian fundamentals
- Growth opportunities



Compelling Macroeconomic Story

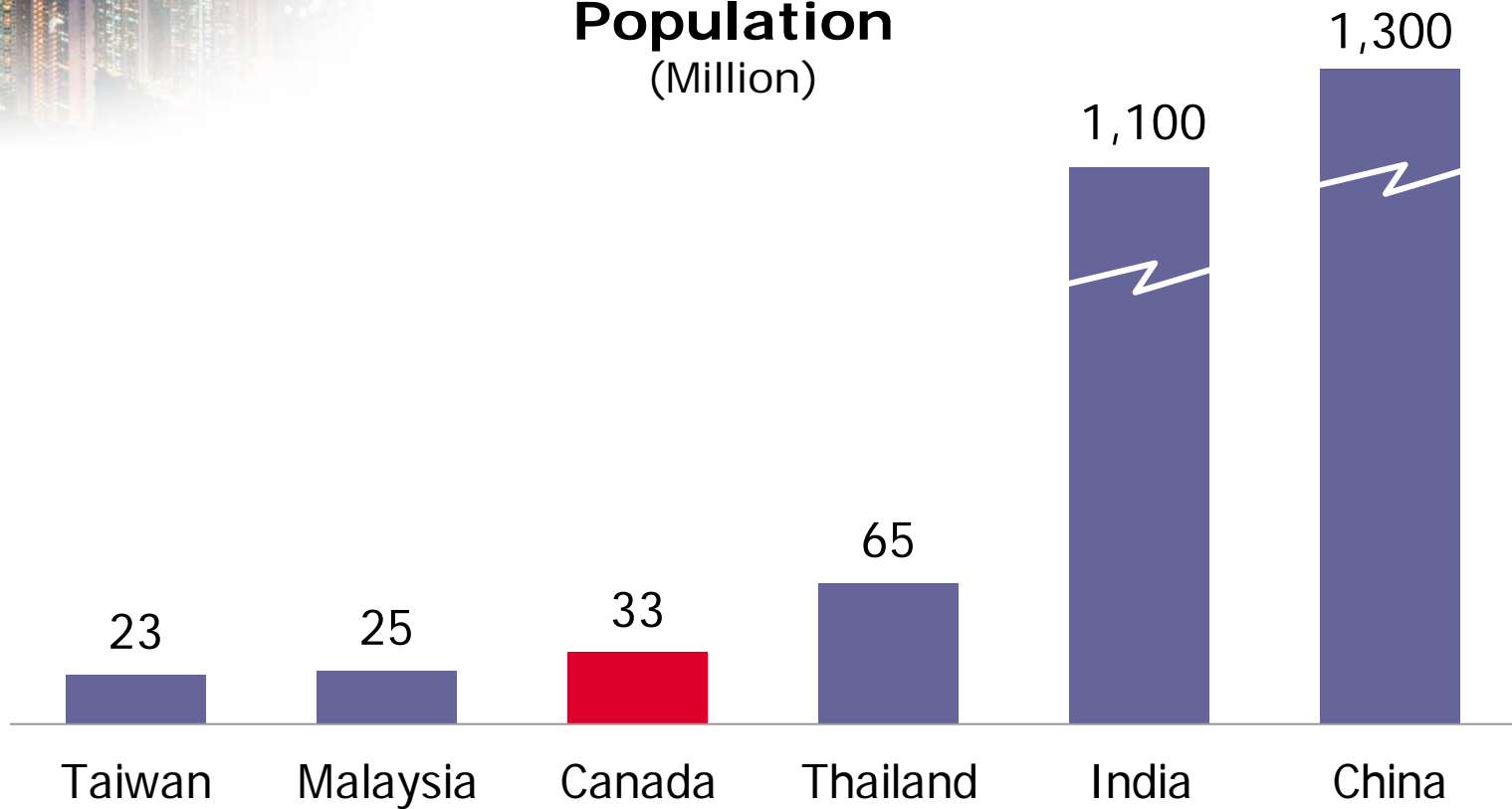
GDP Growth Rate (%)



Large Population



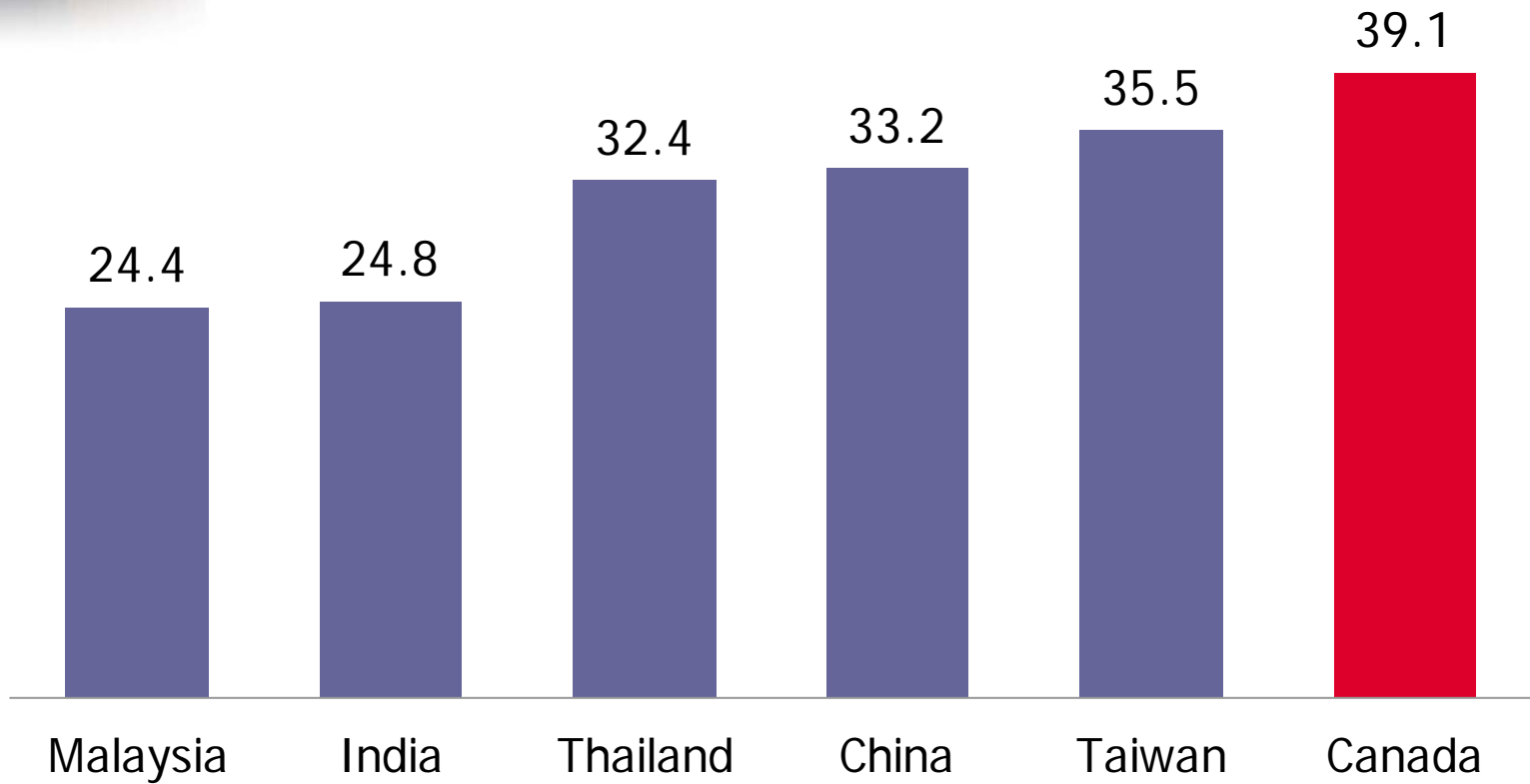
Population
(Million)



Attractive Demographics



Median Age
(Years)



Agenda

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Traditional Focus

- Corporate lending
- Treasury / Securities
- Trade finance
- Precious metals



Asian Strategy

- Enhance traditional wholesale business
- Make strategic investments in Personal and Commercial franchises
 - Leverage Scotiabank strengths
- Specific target markets
 - Thailand, China, India, Malaysia, Taiwan
 - Focus on city commercial banks in China



Regulatory Constraints

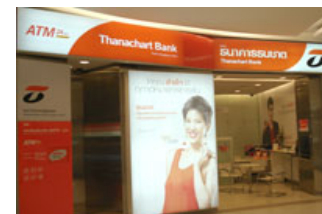
Thailand	24.9%, single presence only
China	20%, max. of two investments
India	4.99%
Malaysia	30%, single presence only
Taiwan	No limit on ownership

- Expected trend towards liberalization



A Closer Look: Thanachart Bank, Thailand

- Bought 24.99% for C\$ 221 million
 - C\$ 155 million post-BNS branch merger
 - Potential to own 49%
- Thailand's #1 auto financier
 - 600,000 auto loans
 - 24% market share
- #8 bank in Thailand (by assets)
 - 800,000 customers
 - 157 branches, 270 ABMs
 - 6,000 employees, C\$ 9.2 billion in group assets
- Offers personal and commercial banking, life insurance, brokerage, mutual funds and leasing



A Closer Look: Update on Xi'an Investment

- #5 lender in Xi'an (10% share), population 6 million
- Assets: US\$5 billion
- Employees: 2,250
- Branches: 113
- Initial 2.5% stake
 - Option to increase stake to 12.5%



Key Takeaways

- Significant longer-term P&C opportunities
- Our history in Asia is a distinct advantage
- Focus on selective investments that leverage our core strengths
- Investments will increase as foreign ownership rules are relaxed
- Foundation for next P&C banking frontier





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