



BUILDING SUSTAINABLE
GROWTH
International Banking



Managing Retail Credit Risk

Nolan Miller

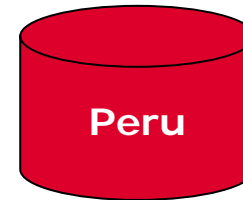
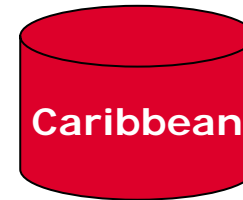
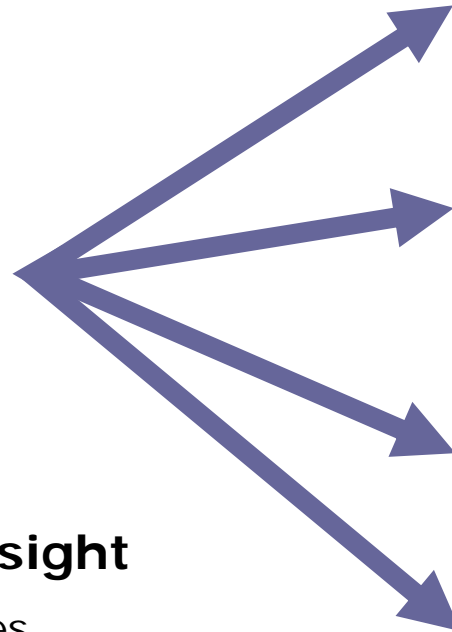
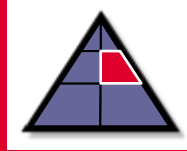
SVP, Retail Lending and Credit Risk Management

Agenda

- Approach to retail risk management
- Results
- Managing risk in Consumer Finance



Balance: Central Control and Local Autonomy



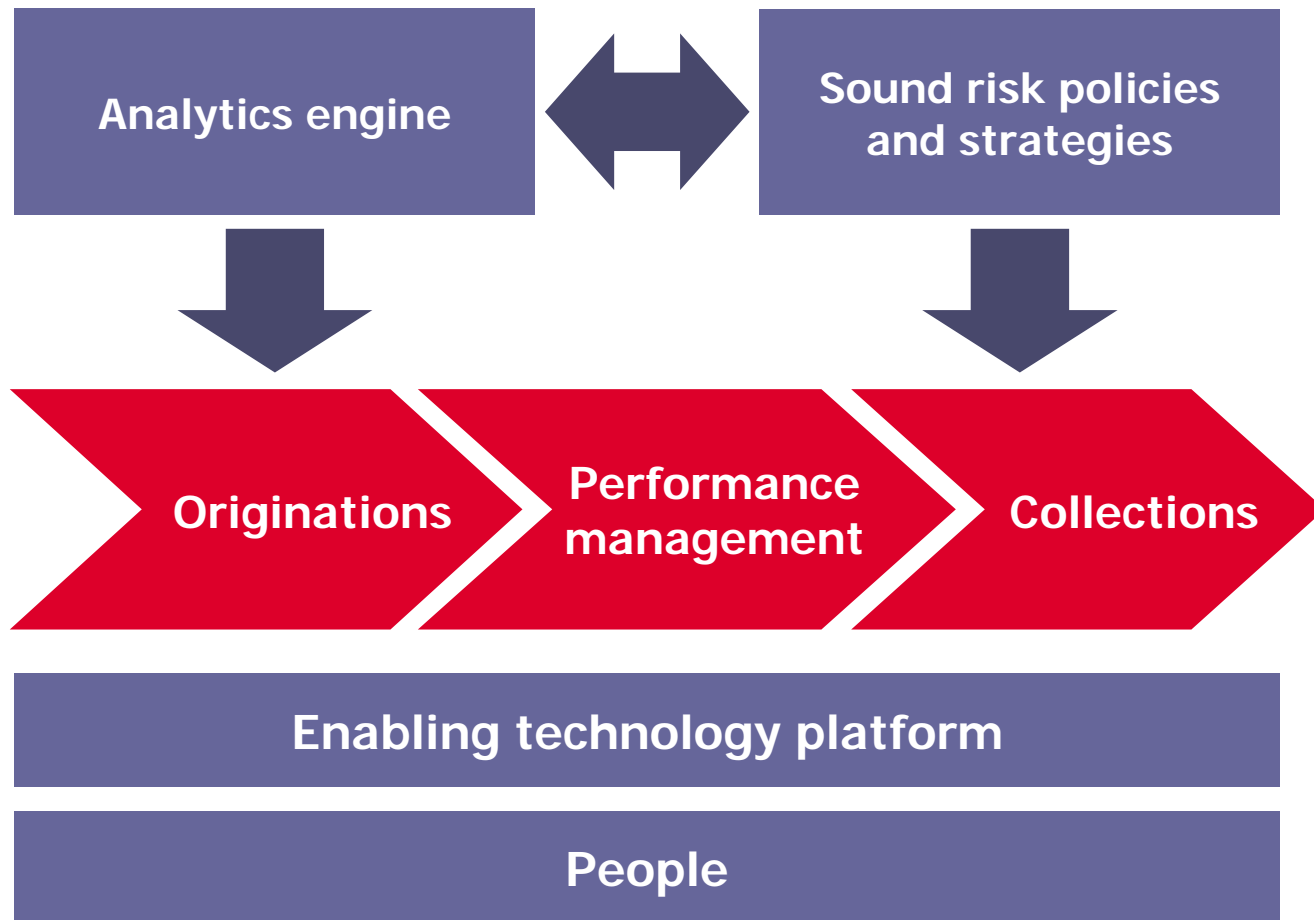
- Non-core policies
- Local programs
- Analytics

Enterprise Oversight

- Core lending policies
- Models / technology / tools
- Portfolio limits and performance metrics
- Provision and loss forecast



Credit Risk Management

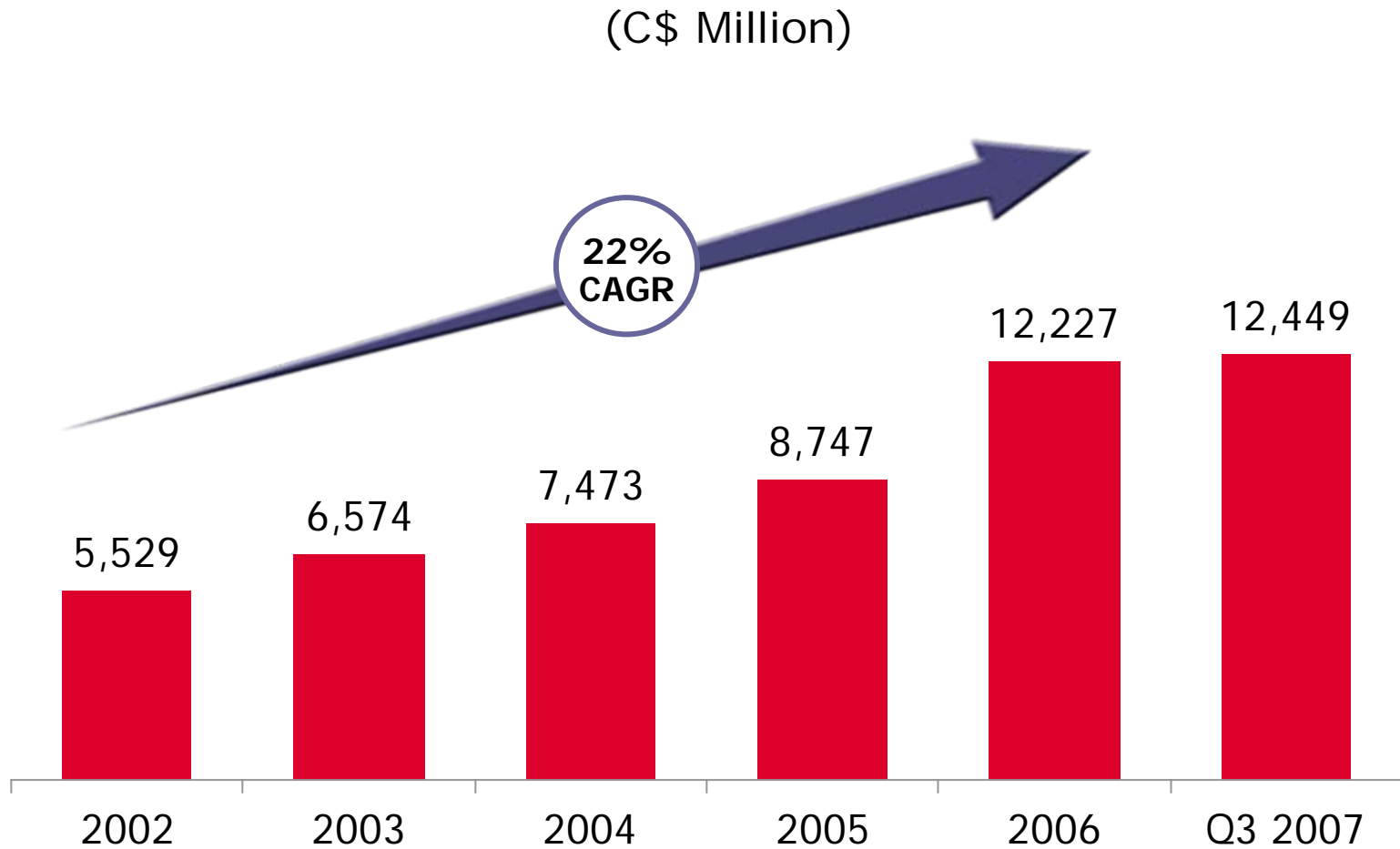


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Growing Retail Lending

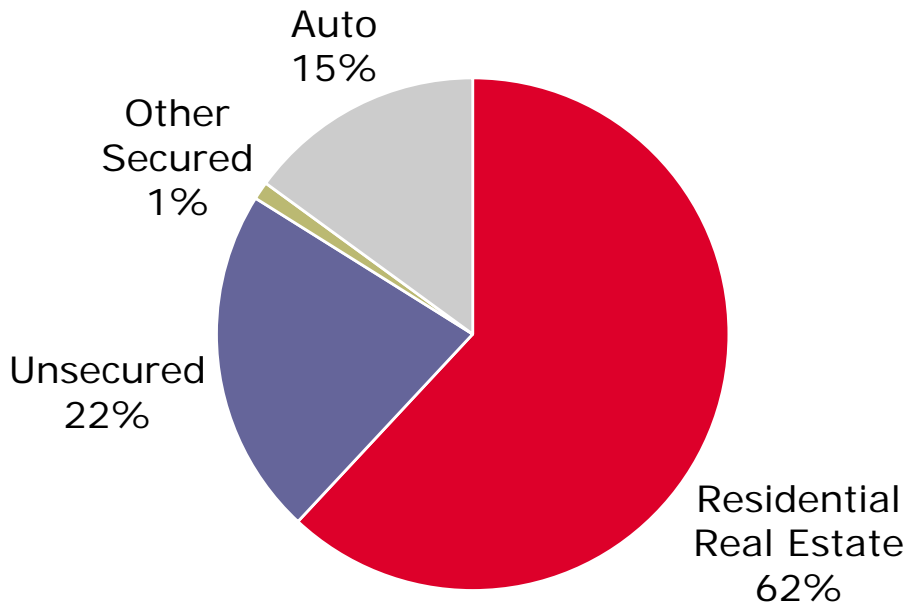


Forex adjusted at July 2007 rate

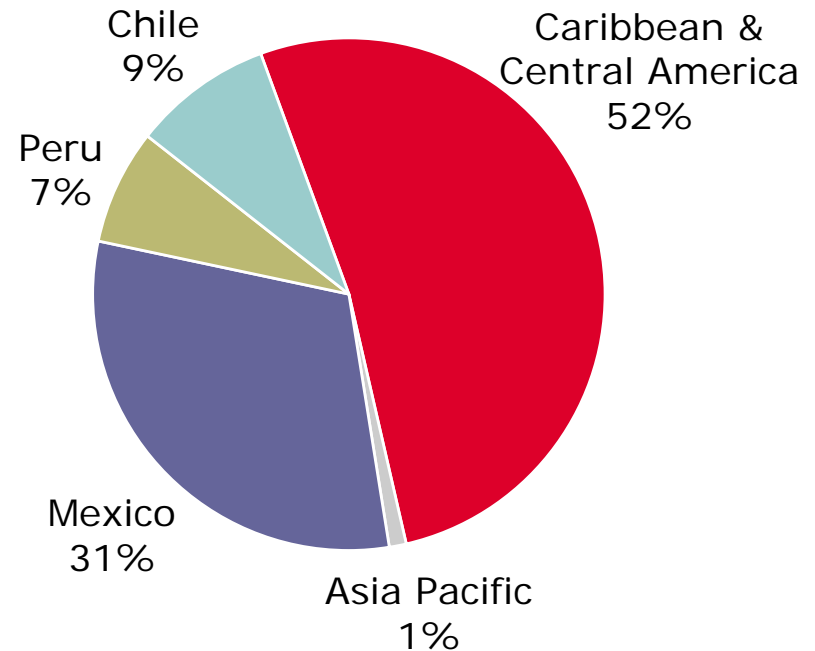
CAGR: 2002 to 2006

Well Diversified Portfolio

Portfolio Concentration by Security Type

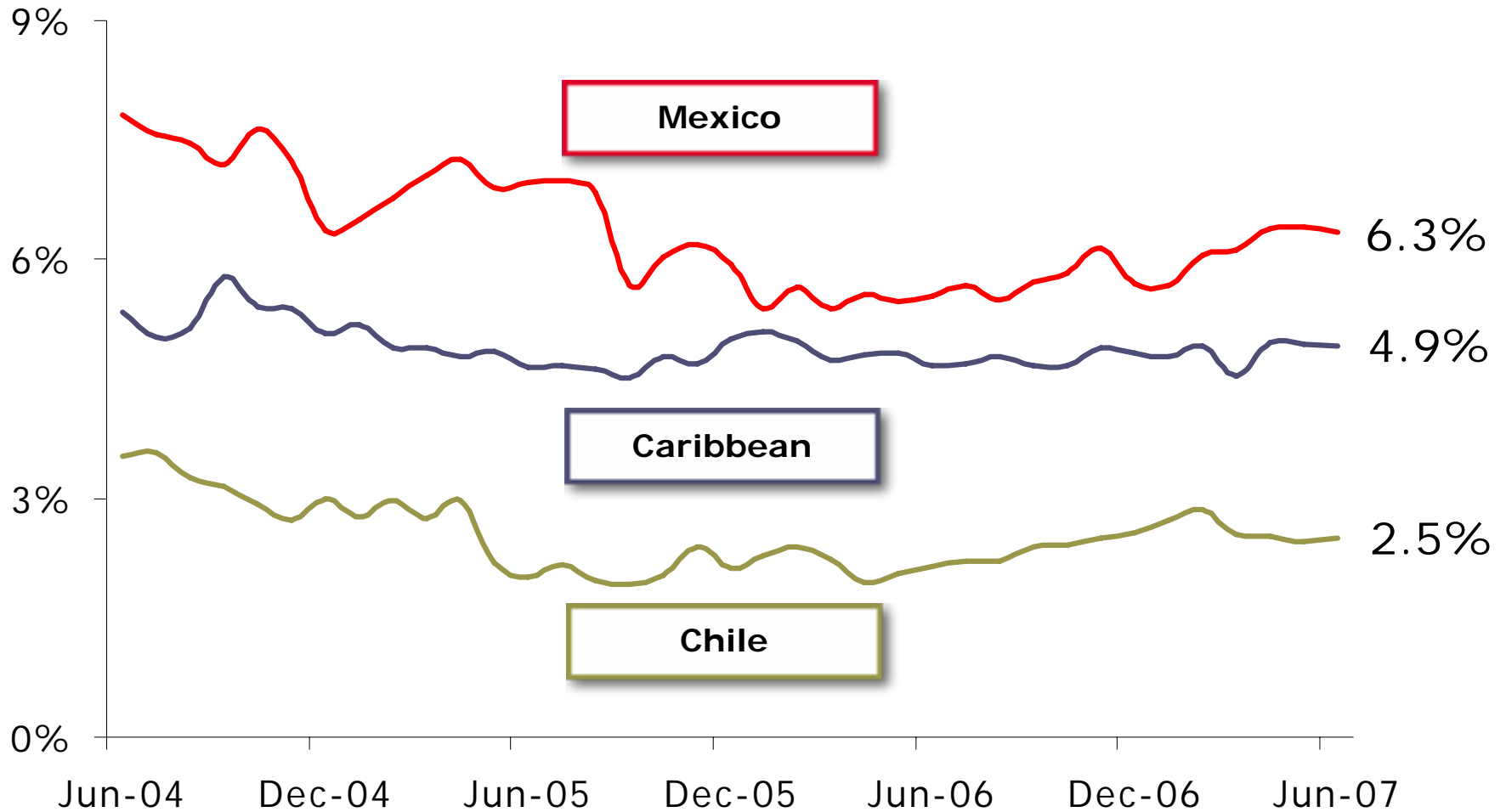


Geographic Distribution of Outstandings



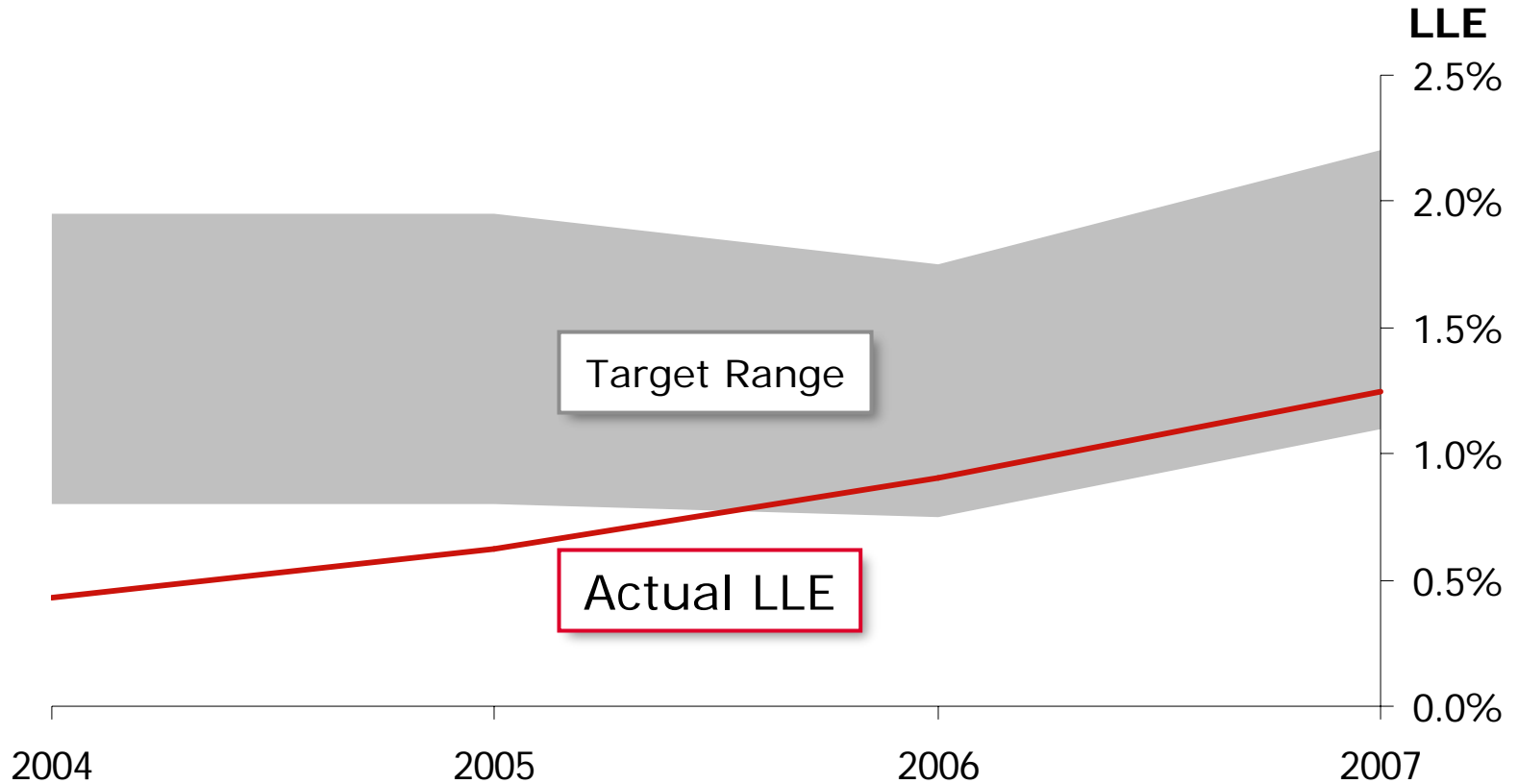
Consistent Track Record

Retail Loan Delinquencies

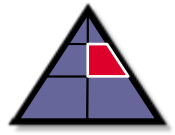


Loan Losses Within Target Range

**Provisions for Credit Loss /
Average Outstandings**



Risk / Return Balance



Automated process

+

Dynamic policies

+

Skilled and
experienced people



**Risk / Return
Appropriate
Balance**

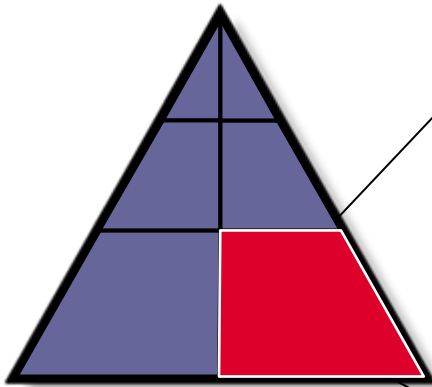


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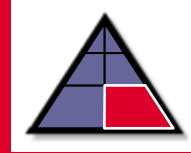
The Consumer Finance Segment

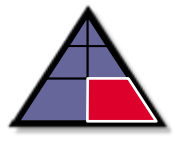


- ✓ Present in markets with large percentage of population in this segment
- ✓ Proven risk management
- ✓ Existing and highly successful Consumer Finance operations in Peru and Chile

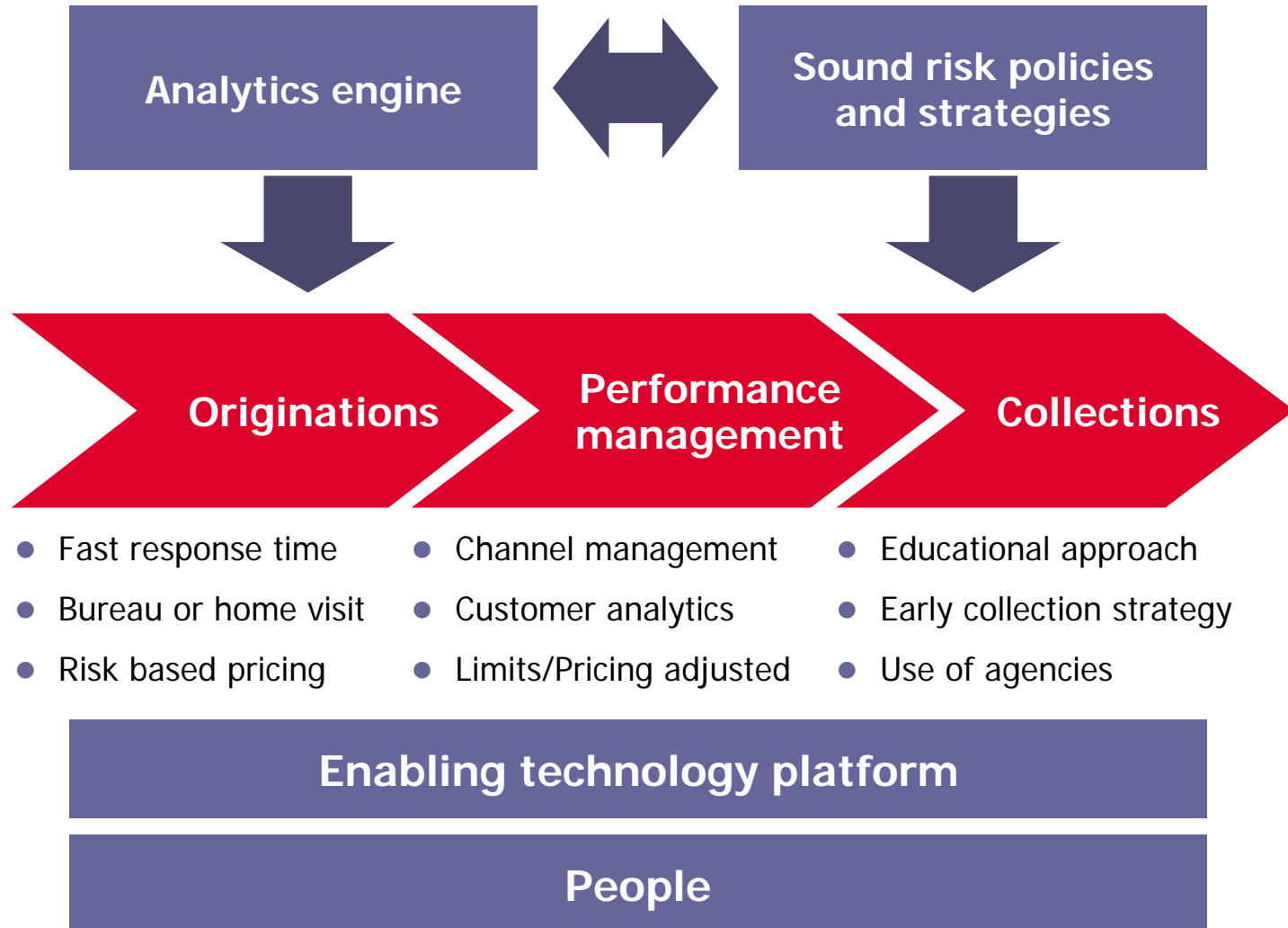


Consumer Finance Customer Experience





Credit Risk Management



Risk / Return Balance



New segment



Leverage disciplined
approach to risk



Strong platform
in Peru



**Risk / Return
Appropriate
Balance**





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