



BUILDING SUSTAINABLE
GROWTH
International Banking



Dominican Republic: Achieving Critical Mass

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SVP and General Manager, Scotiabank Dominican Republic

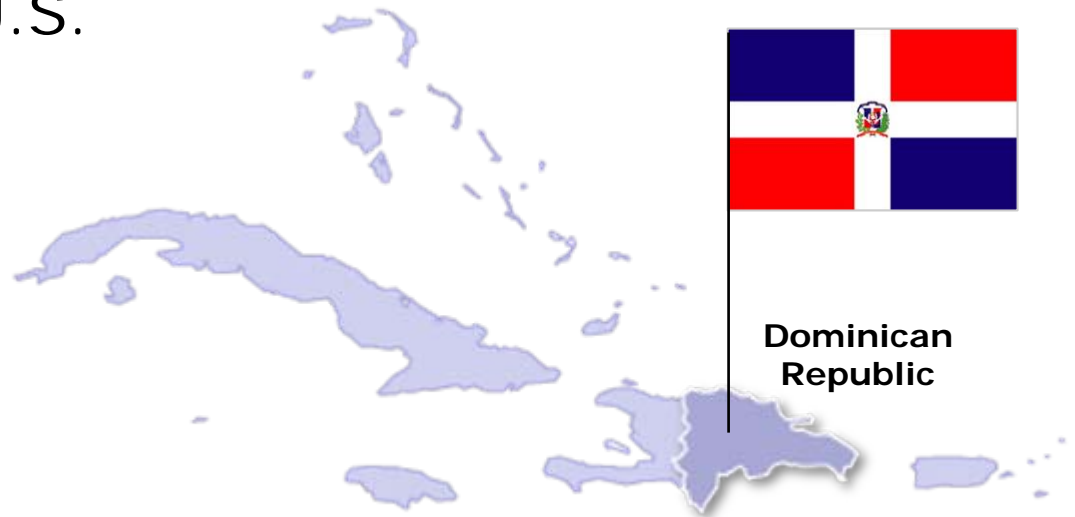
Agenda

- Overview
- Strategic acquisitions and organic growth
- Positive outlook



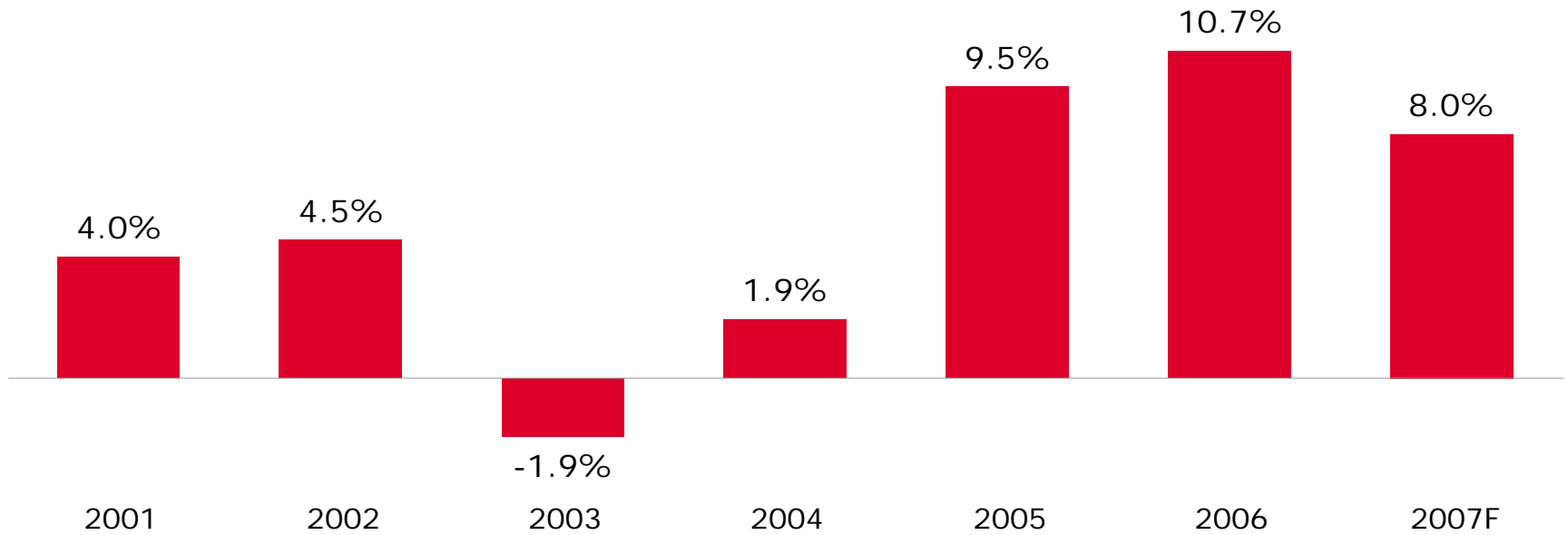
Attractive Market

- Large, young population:
 - 9 million
 - Median age 24
- GDP: US\$ 38 Billion
- Close ties to the U.S.



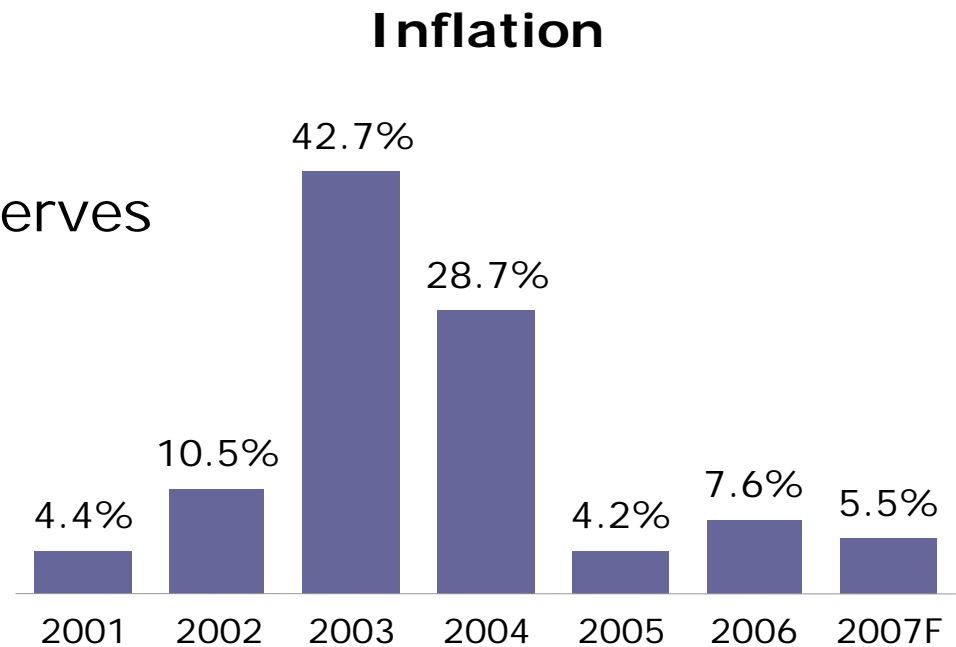
Strong Recovery from 2003 Crisis

GDP Growth



Positive Economic Trends

- Monetary and fiscal tightening
- Inflation below 5% since 2005
- Interest rates declining
- Exchange rate stable
- Confidence rising
- Record international reserves



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Scotiabank in the Dominican Republic

- First branch opened in 1920
- During the crisis of 2003, acquired 33 branches from Baninter
- 58 branches, 80 ABMs



Acquisitions - Keys to Success

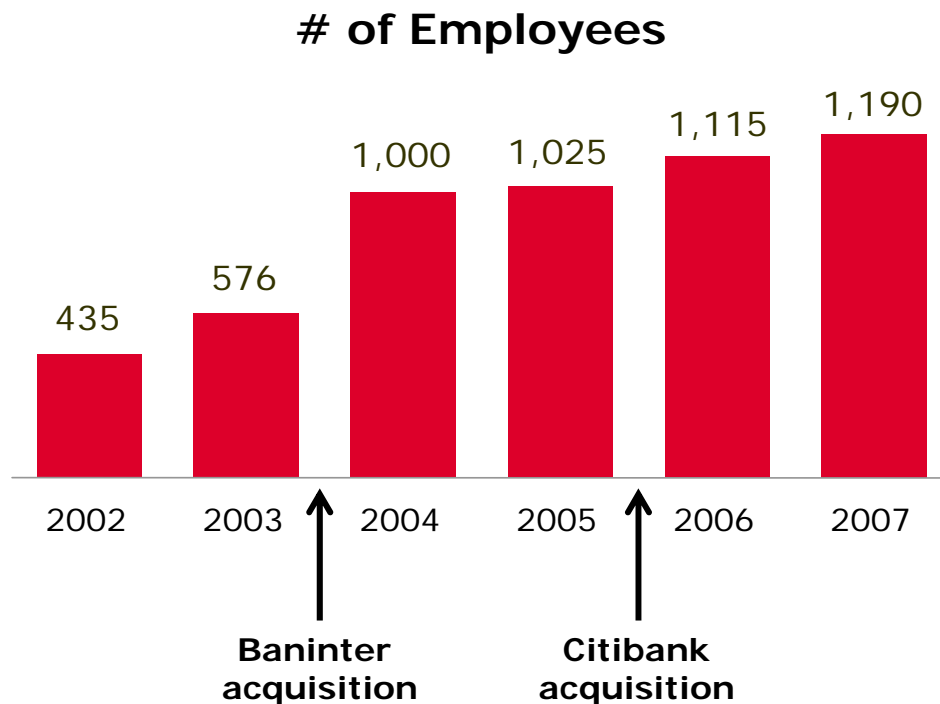


Keys to Success

- Timing
 - purchased at bottom of economic cycle
- Deal structured to mitigate risk
- Successful integration
 - Multidisciplinary, multinational team
- Transformation strategy

Our Initial Focus Was on People

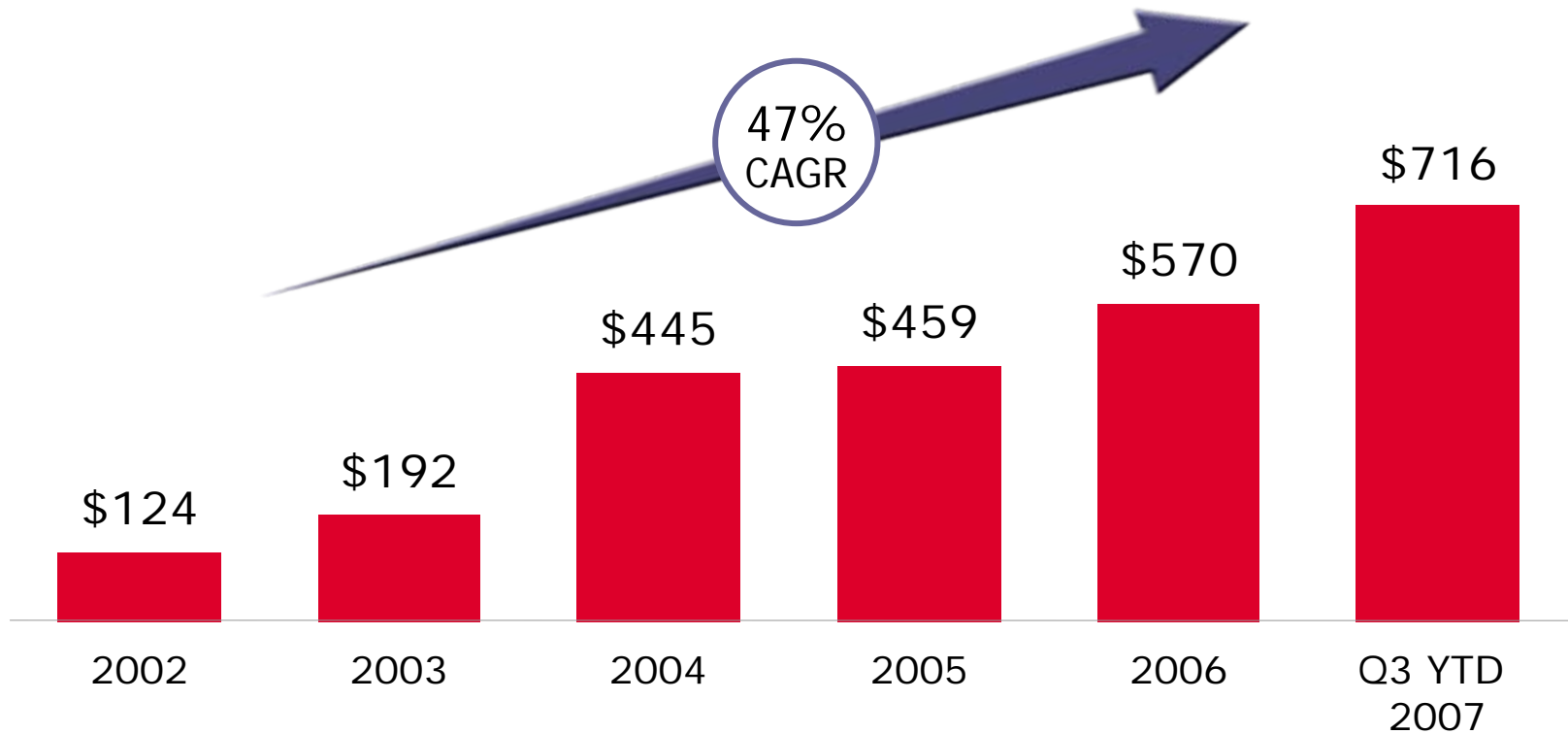
- Recruiting the right employees
- Extensive training in new roles and Scotiabank culture



OneTeam**OneGoal**

Building Our Local Funding...

Total Deposits US\$ Million

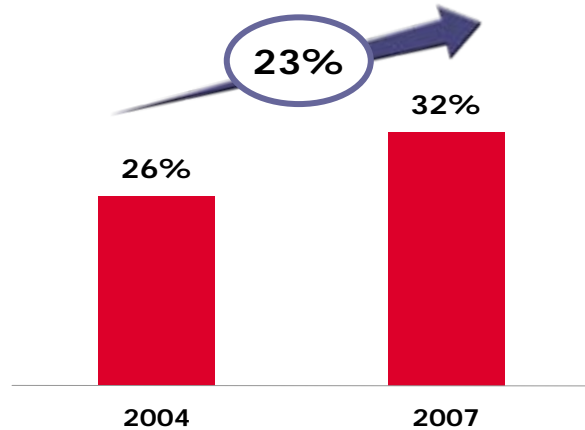


Averages at constant exchange rate
CAGR: 2002 - 2006

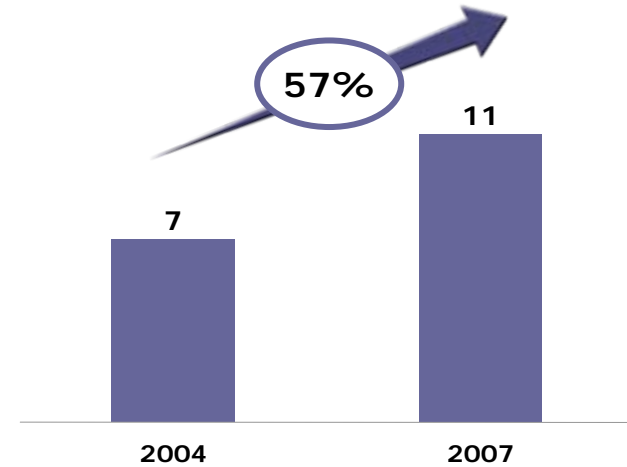
...Improving Productivity of In-branch Sales Staff...

Weekly Averages

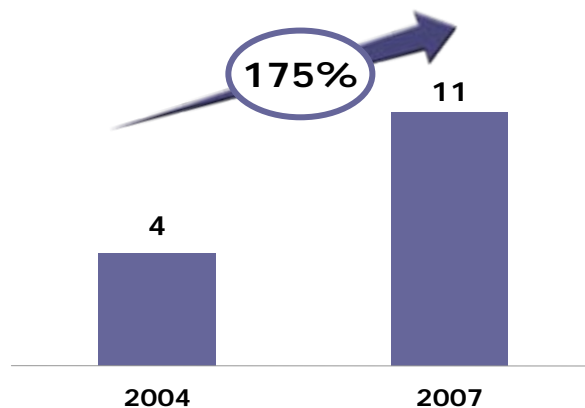
% of Time Spent Selling / Sales Officer



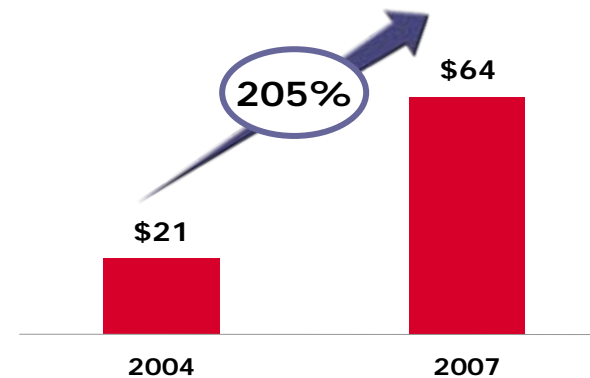
Appointments / Sales Officer



Unit Sales / Sales Officer

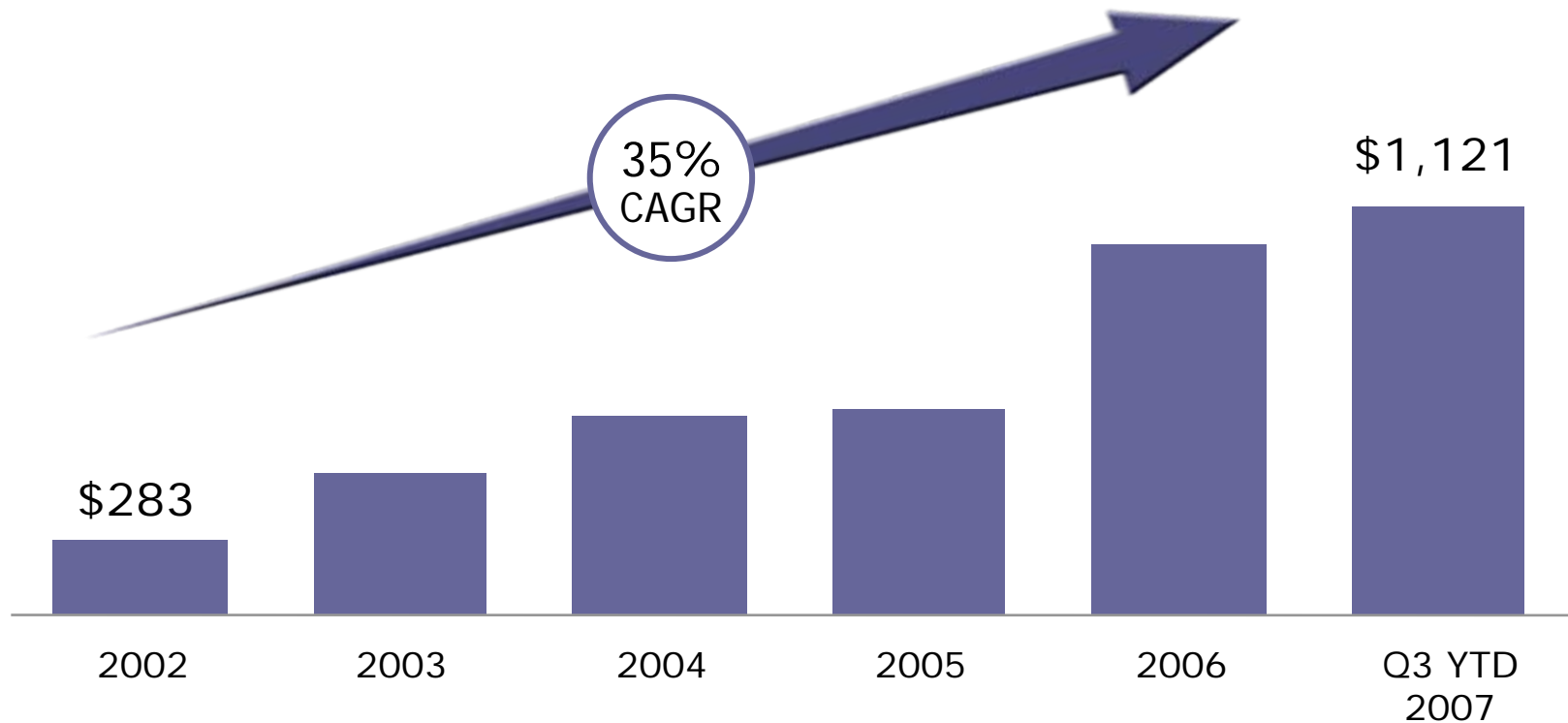


Total Sales / Sales Officer
(C\$ 000)



...and Starting to Grow Our Assets

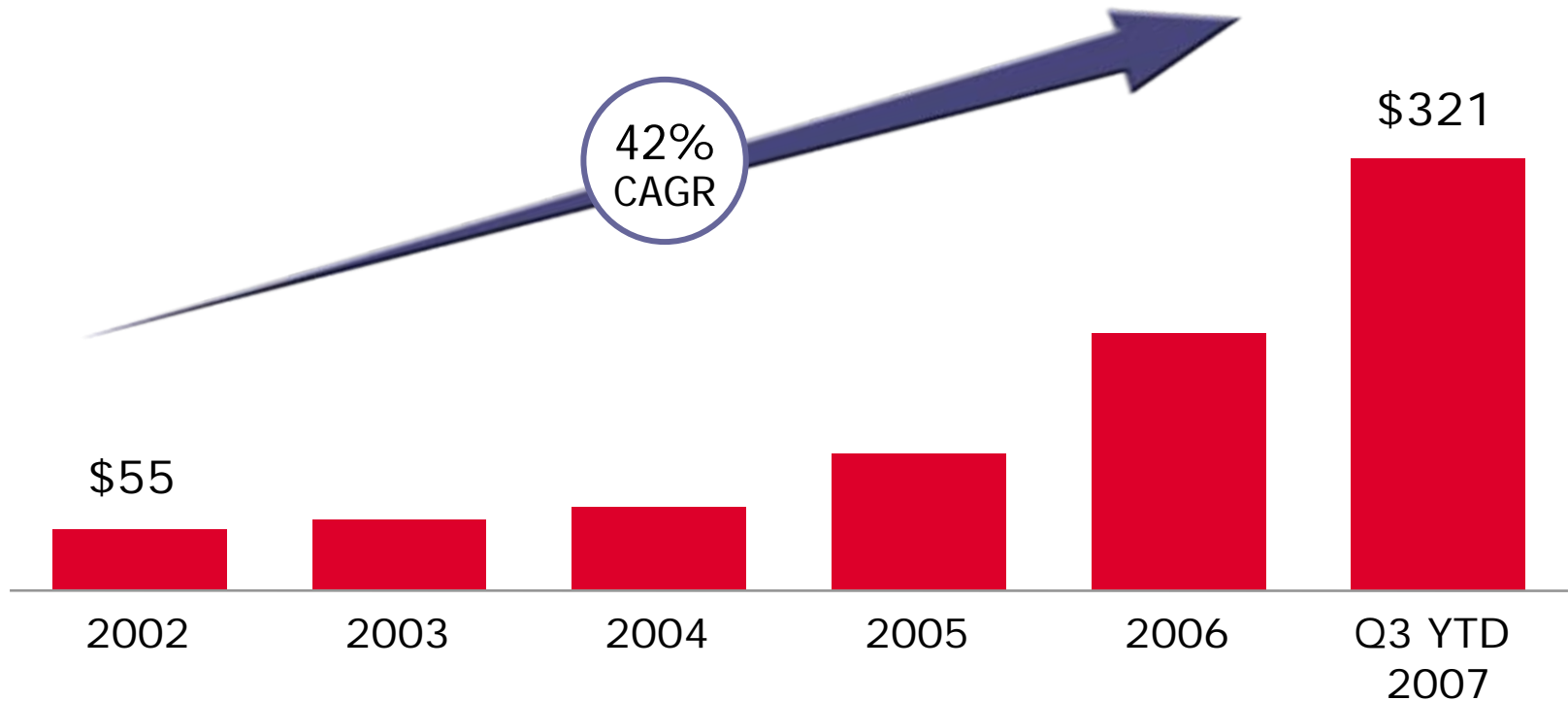
Total Loans US\$ Million



Averages at constant exchange rate
CAGR: 2002 - 2006

High Margin Retail Loans

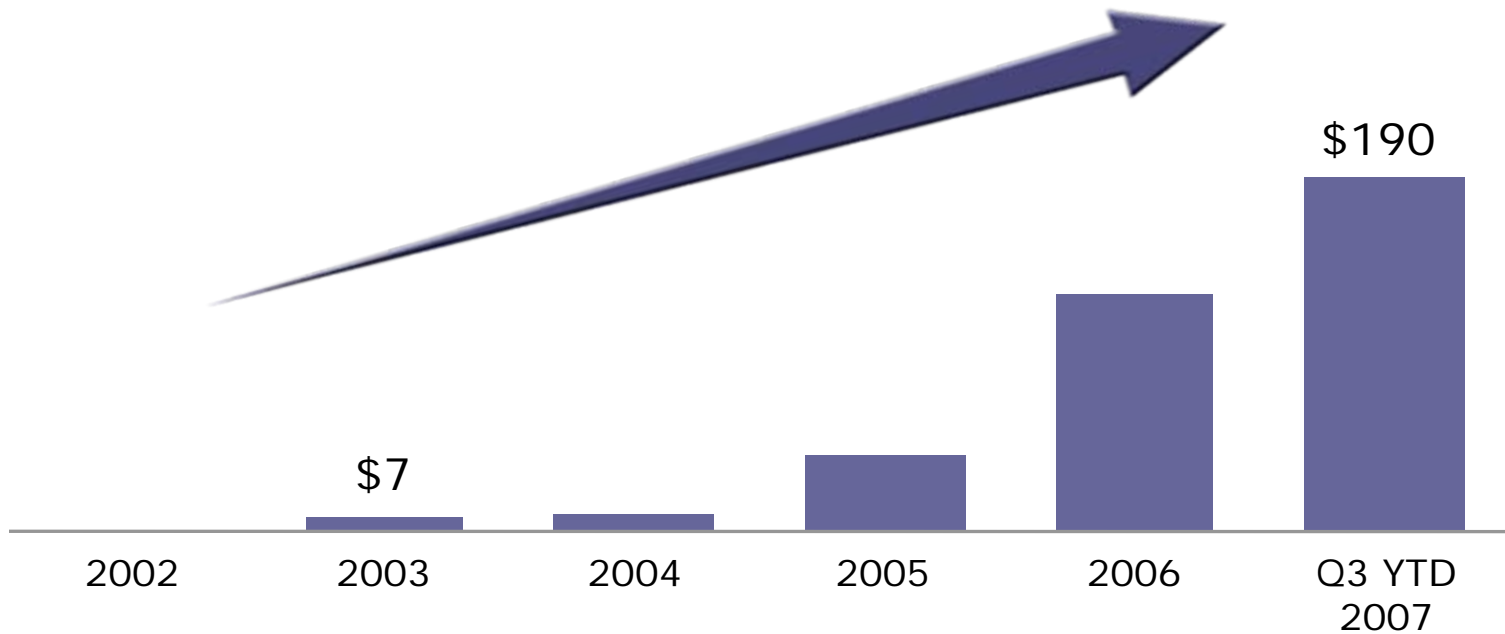
Retail Loans (excluding credit cards) US\$ Million



Averages at constant exchange rate
CAGR: 2002 - 2006

Building the Customer Base Through Mortgages...

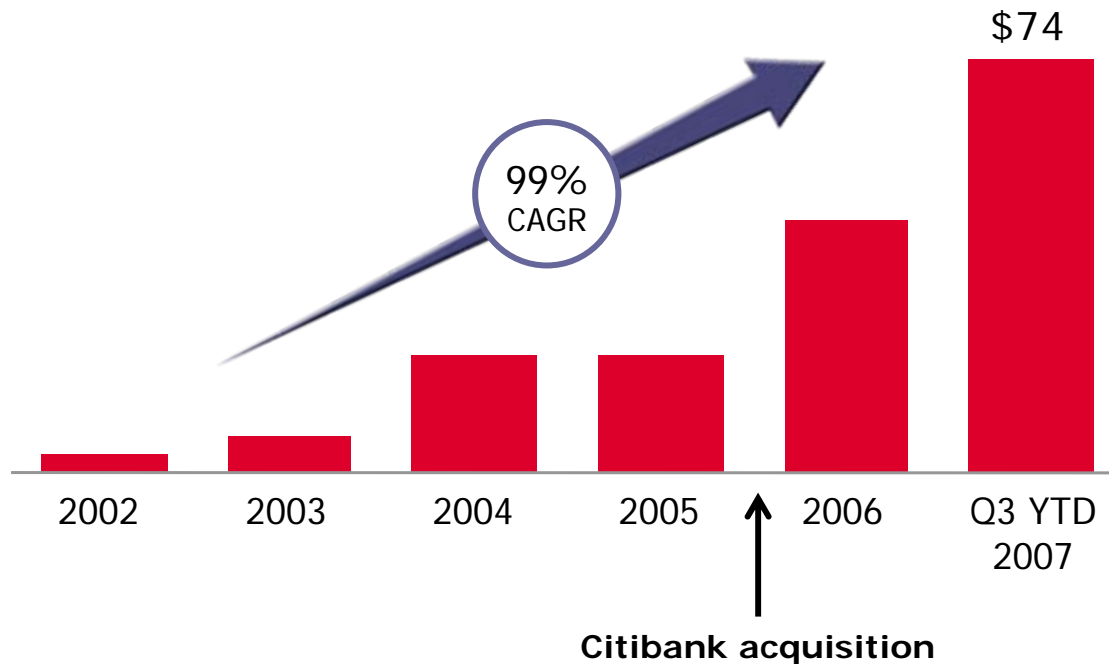
Mortgages US\$ Million



Averages at constant exchange rate

...and Credit Cards

Credit Card Balances US\$ Million



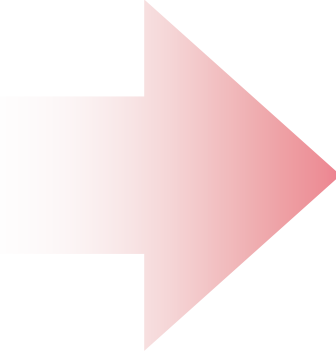
Scotia Club



Averages at constant exchange rate
CAGR: 2002 - 2006

Scotiabank a Market Leader

Achieved Critical Mass

	2002		Today
Retail Loans	9.0%		13%
Credit Cards	1.5%		19%
Mortgages	14.8%		29%
Rank	9 th		3 rd

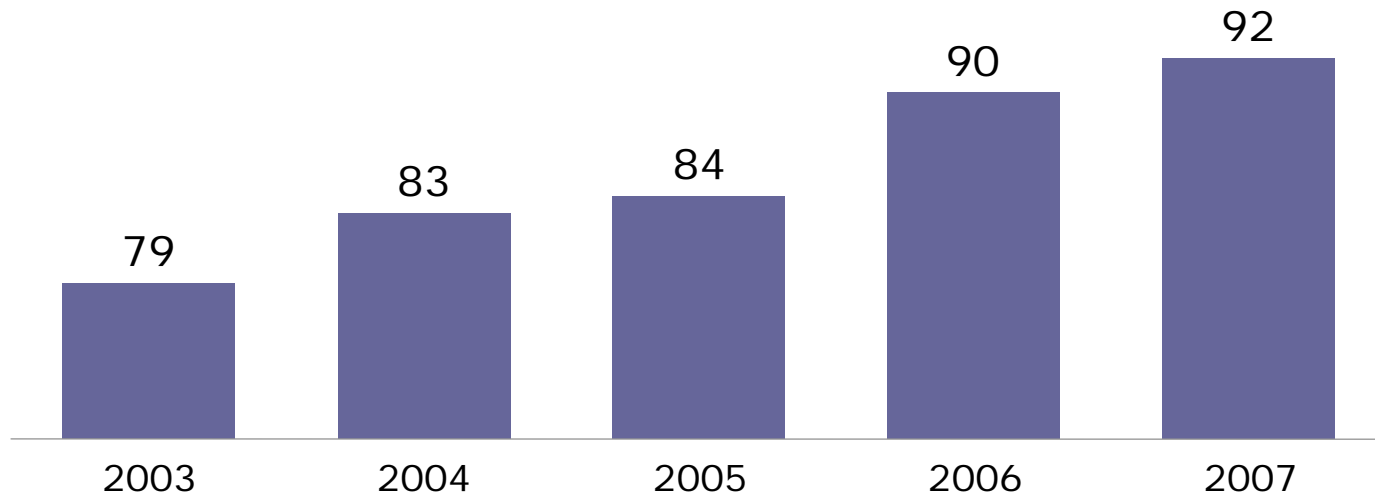


Recognition

- Best Bank 2006
- 3rd Most Admired Foreign Company
- Employee satisfaction



Employee Satisfaction

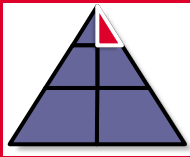


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Latest Acquisition



- Pension fund acquisition – BBVA Crecer AFP
 - 1st by membership
 - 2nd in assets under management

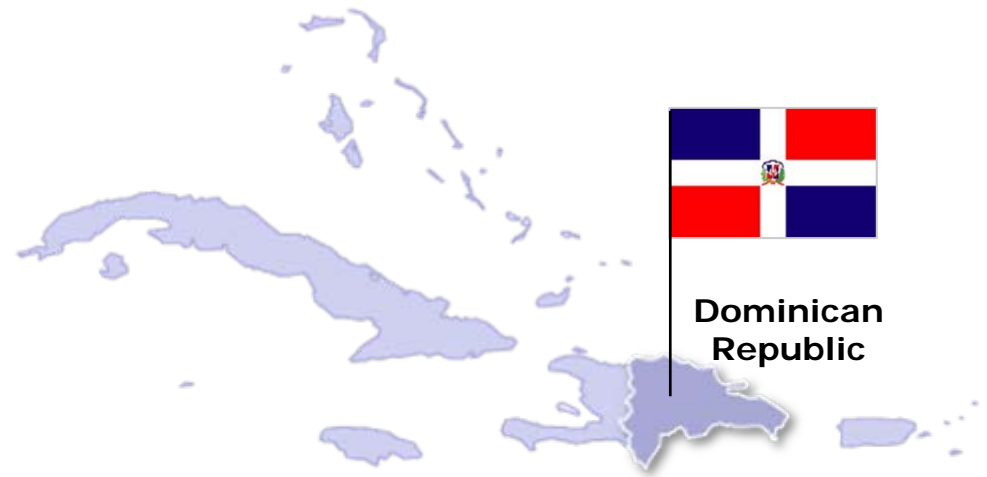
BBVA Crecer
AFP



Key Takeaways

Dominican Republic

- Achieved critical mass
- Platform for growth
- Further potential





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