



BUILDING SUSTAINABLE
GROWTH
International Banking



Peru: Linking Segmentation and Distribution

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Retail Banking

Monthly Income

Affluent	> US\$ 5,000
Emerging Affluent	US\$ 1,200 - US\$ 5,000
Mass Market	US\$ 400 - US\$ 1,200
Emerging Borrowers and Transactors	< US\$ 400

Annual Sales

Corporate	> US\$ 30 million
Commercial	US\$ 2 million – US\$ 30 million
Small Companies	US\$ 300,000 – US\$ 2 million
Micro Companies	< US\$ 300,000
Institutions	Financial, Public and Private

Over 1 Million Customers in Six Segments

(000s)

Relationship

Strong

8 Affluent

94 Emerging
Affluent

21 Small
Business

229 Mass
Market

51 Micro
Business

699 Emerging Borrowers
and Transactors

Weak

Low

High

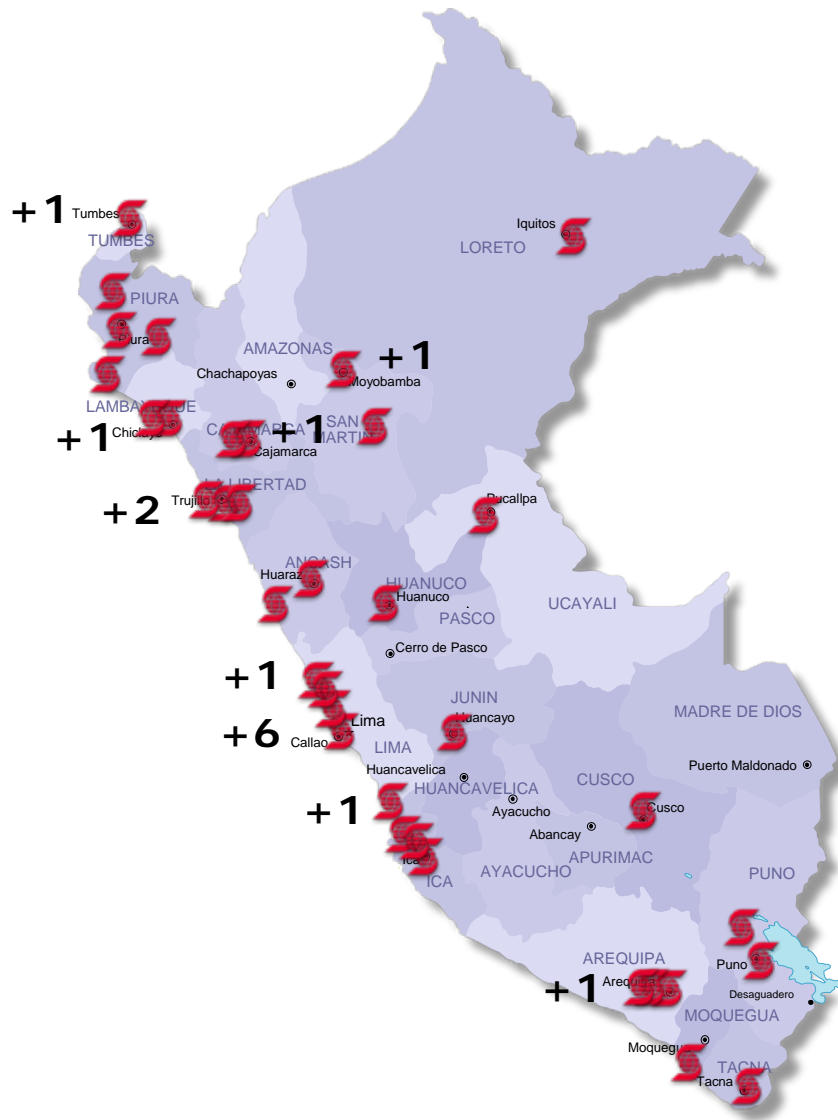
Revenues by Customer

Positive contribution from all segments

Different Segments Served by Different Channels

SEGMENTS	CHANNELS						
	Wealth Centres	Branches	Correspondent Tellers	Retail Stores	Internal Sales Reps	ABMs	External Sales Reps
Affluent	✓	✓				✓	
Emerging Affluent		✓			✓	✓	
Mass Market		✓	✓	✓	✓	✓	✓
Emerging Borrowers and Transactors			✓	✓	✓	✓	✓
	2	143	278	778	209	249	2,282

Distribution Network Includes Branches...



Number of Branches			
	Current	Expansion Plan	2008
Lima	111	6	117
Provinces	32	9	41
Total	143	15	158



...complemented by Correspondent Tellers...

- Mainly located in high-traffic stores
- Offer limited services:
 - Loan payments
 - Withdrawals & deposits
 - Utility bill payments
 - Transfers between accounts
 - Foreign currency
- Plan to triple locations in 2008



Low transaction costs, minimal investment

...and In-Store Locations

**778 in-store locations
from alliances with 20 leading retailers**

Main Partners

	Household- Electric		Household- Electric
	Clothes		Drugstore
	Footwear		Home Improvement
	Materials		Health
	Gas Station		Household- Electric

In-store locations are key to the Consumer Finance segment

Strategic Alliance Model: Key Growth Driver

Target Clients



Unique Value Approach



+

Allied Retailers

A Successful Business Model

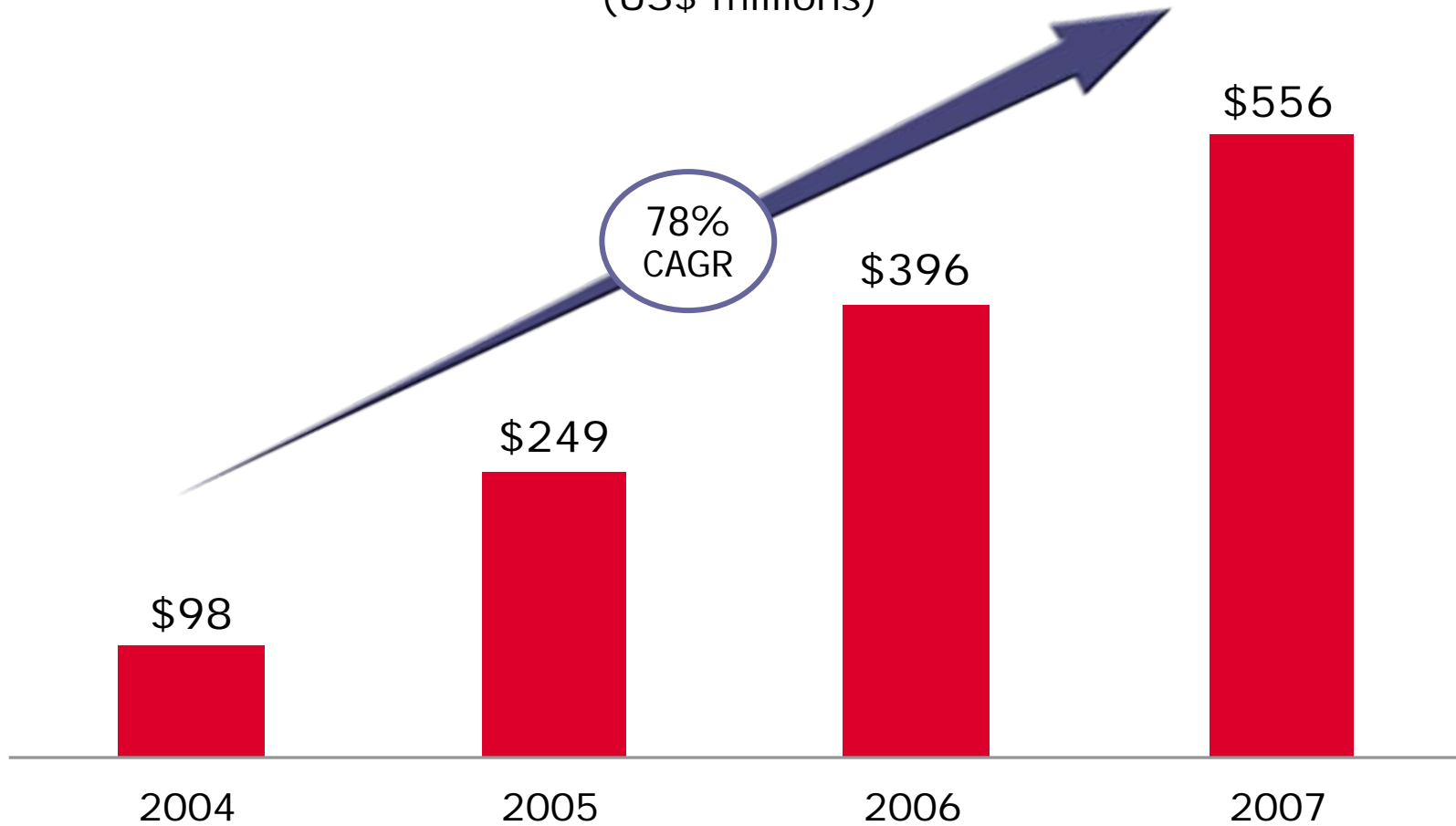
- 400,000 active cards
- US\$ 90 million in outstanding balances

Segmentation Drives Distribution

Segments	Sales Structure					
	Private Banking	Branch Network	Consumer Sales Reps	Internal Sales Forces	Total	External Sales Forces
Affluent	9 Financial Consultants 4 Business Assistants	143 Branch Managers			153	
Emerging Affluent		60 Financial Advisors		25 Mortgage Sale Reps		30 Mortgage Promoters
Mass Market		145 PBOs	222 RMs	60 Credit Cards Sale Reps	716	818 Credit Cards Promoters
Emerging Borrowers and Transactors		153 Commercial Platforms		51 Multiproduct Sale Reps		580 Multiproduct Promoters
Micro Business		180 Micro Business RMs		73 Micro Business Sale Reps	253	800 Micro Business Promoters
Small Business		110 Small Business RMs			110	54 Small Business Promoters
Total	13	791	222	209	1,235	2,282

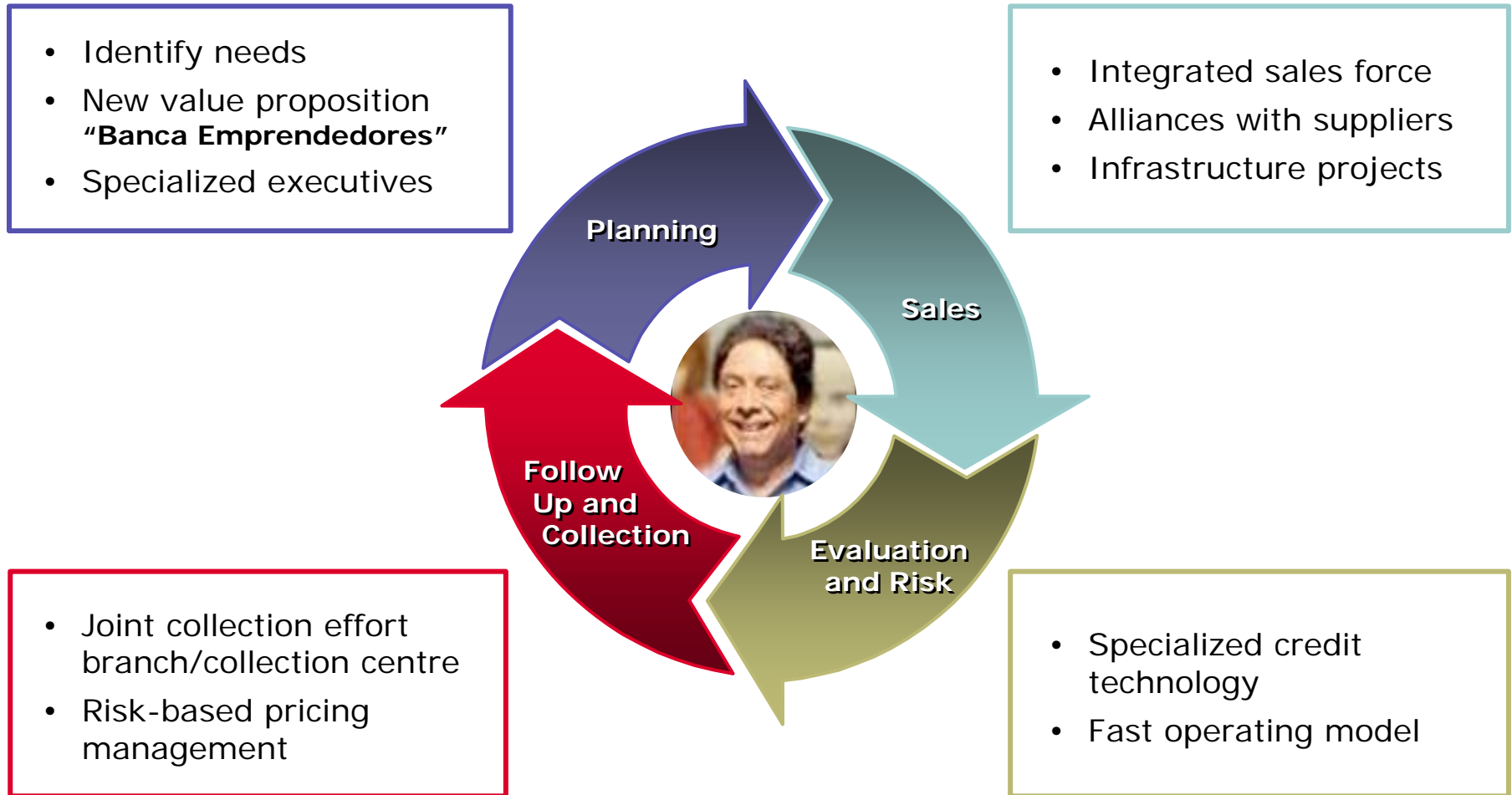
Specialized Sales Forces: Key Growth Driver

Loans Originated by Specialized Sales Forces (US\$ millions)



Results of 2004 and 2005 include BWS.
2004, 2005 and 2006: January to December.
2007: October 2006 to September 2007.

Opportunities in Micro Business



625,000 Micro Businesses

Powerful Segmentation / Distribution Model

Now

- 143 branches
- Alliances with 20 leading retailers
- 778 points of sale, 278 correspondent tellers
- 3,500 specialized sales people
- Access to Scotiabank's expertise



Future

- Expand our Network:
 - Branches
 - Correspondent tellers
 - Retail locations
- Add relationship managers for Small and Micro Business segments
- Specialized financial advisors for Emerging Affluent segment
- Continue to leverage Scotiabank's tools and best practices

Continue to maximize potential of the market



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