



BUILDING SUSTAINABLE
GROWTH
International Banking



Mexico: Positioned for Growth

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President and CEO, Grupo Scotiabank

Agenda

- Market overview
- Strong growth
- Key strategic initiatives



Mexico – Excellent Opportunities



Demographics

Total population (Million)	33	105
Population under 25 years	31%	51%

Economics

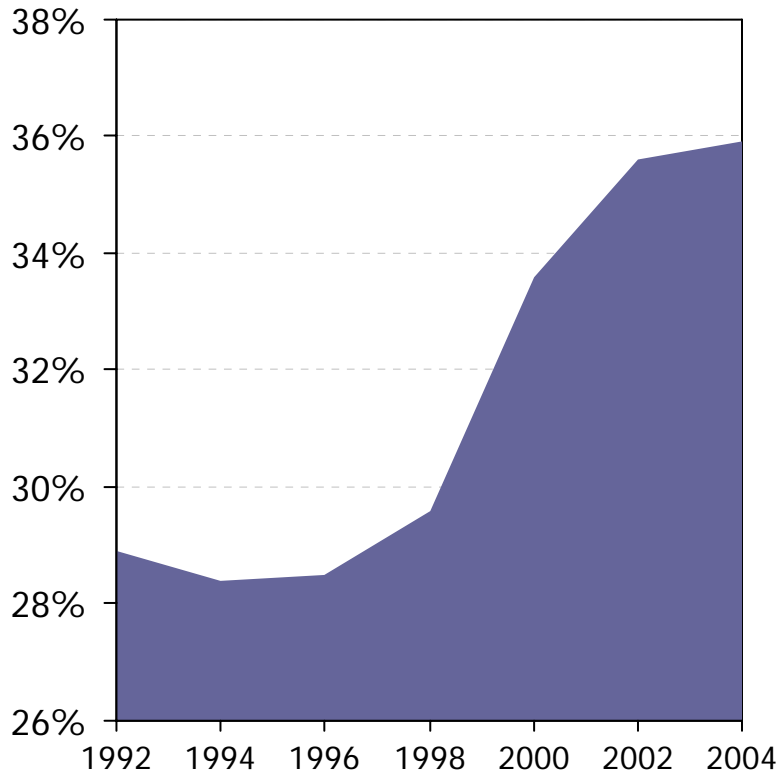
GDP (2006 – US\$Billion)	\$1,275	\$840
Estimated GDP Growth (2007 – real growth)	2.8%	3.0%
Exchange rate (C\$ & MXP vs. US\$)	1.00	10.87

Banking Penetration

Chequing accts/100 households (Sept.05)	90+	36
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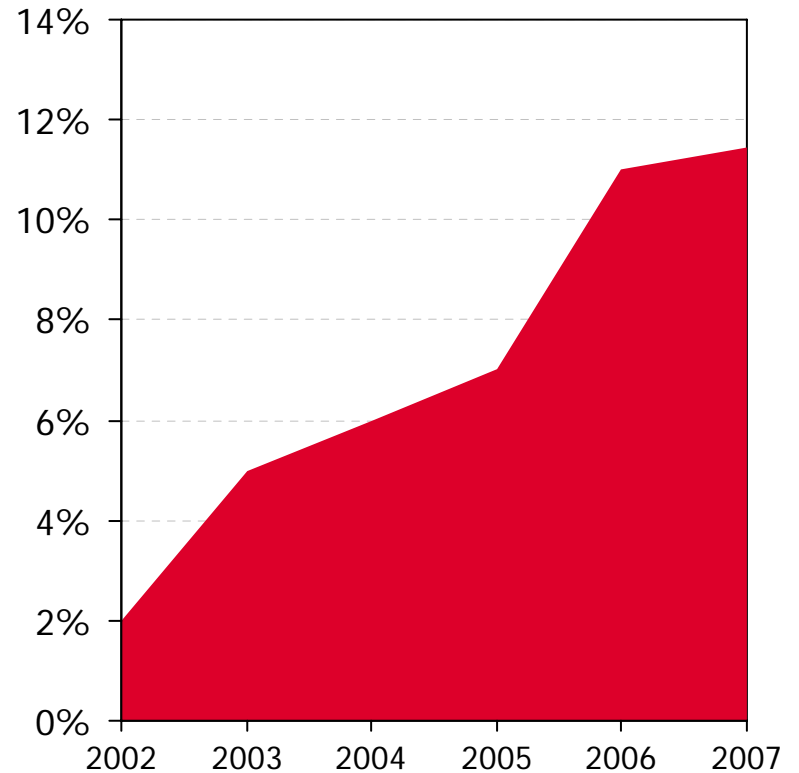
Growing Market For Financial Services...

Middle Class
% of households



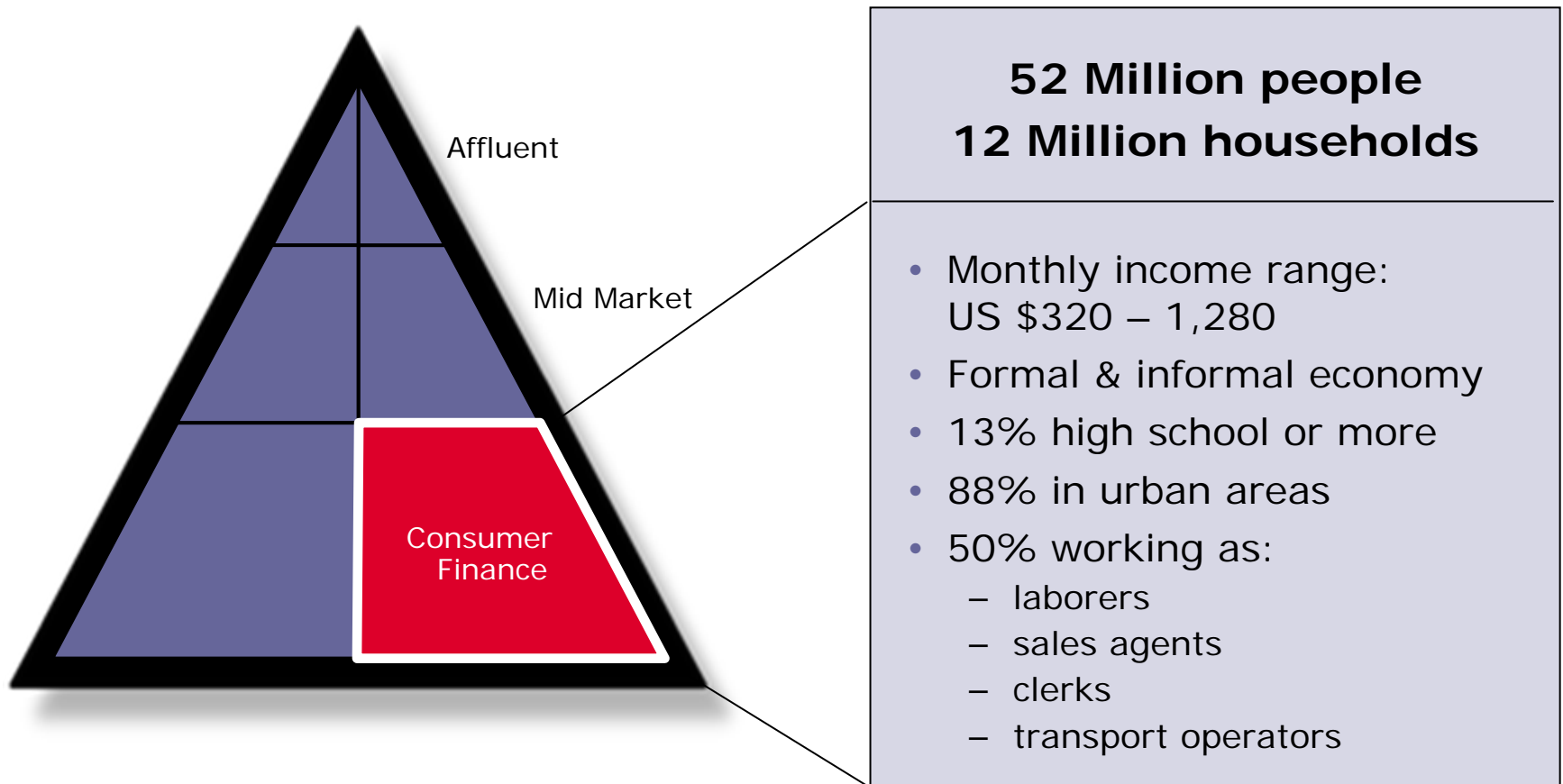
Growing middle class as a %
of total households

Lending to Private Sector
Annual growth rate



Translates into significant
growth of credit to the private
sector

...and Opportunities in a New Segment



49% of population

Agenda

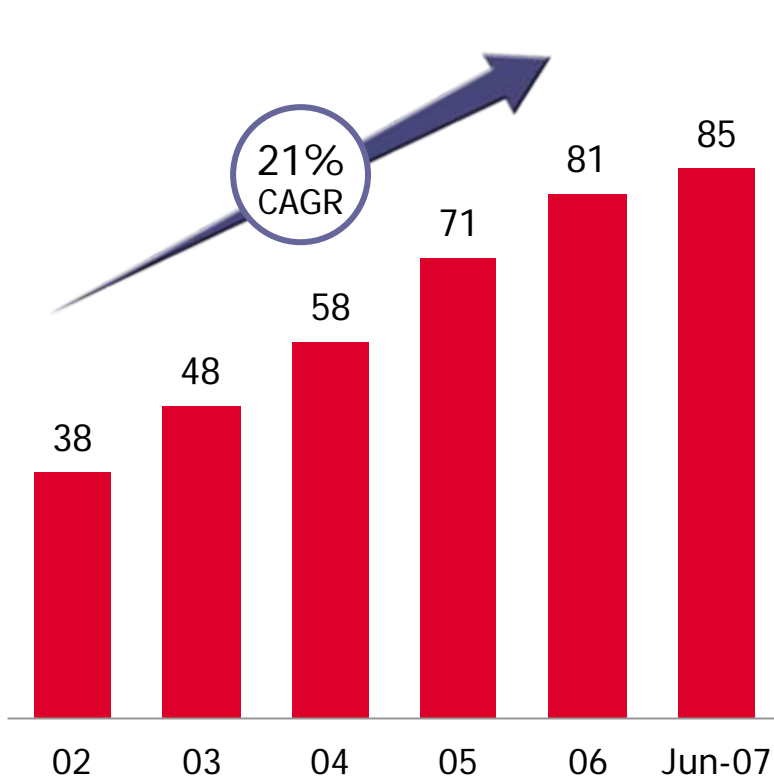
- Market overview
- Strong growth
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Strong Growth Record...

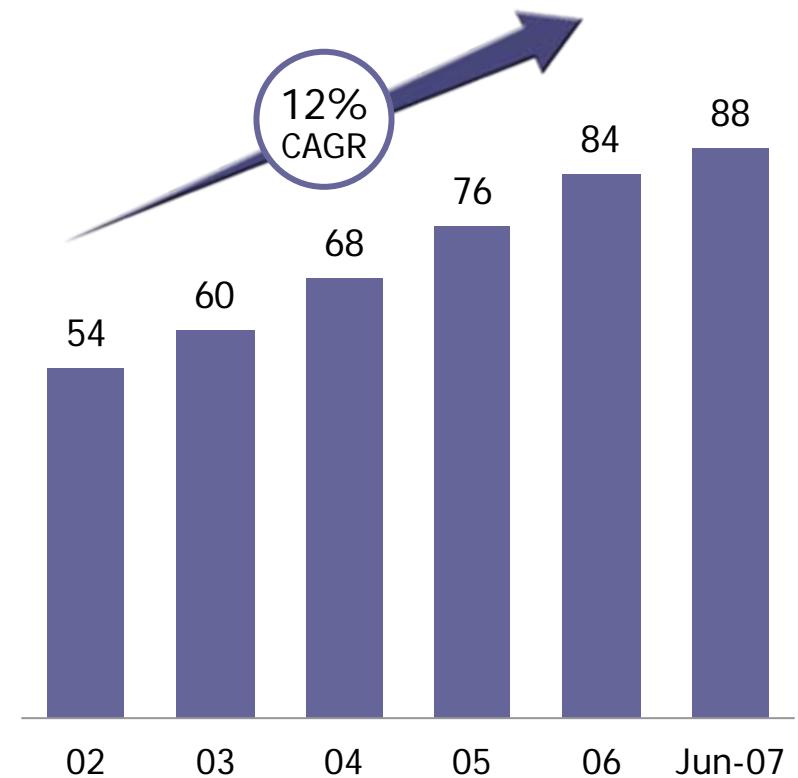
(For the year ending Dec 31, in MXP Billion)

Loans



Mexican GAAP. Consolidated, annual average – Excludes loans to IPAB
CAGR 2002 - 2006

Demand & Term Deposits



Mexican GAAP. Consolidated, annual average
CAGR 2002 - 2006

- Gaining market share in mutual funds
 - 68bp gain (June 06/07), second highest of top 6 banks
- Enhanced sales distribution
 - branches
 - specialized sales force
 - third distributors
- Product innovation
 - new funds
- Strong asset management
 - awarded Fund Pro platinum performance in 2007

FUND PRO
PLATINUM
PERFORMANCE AWARD

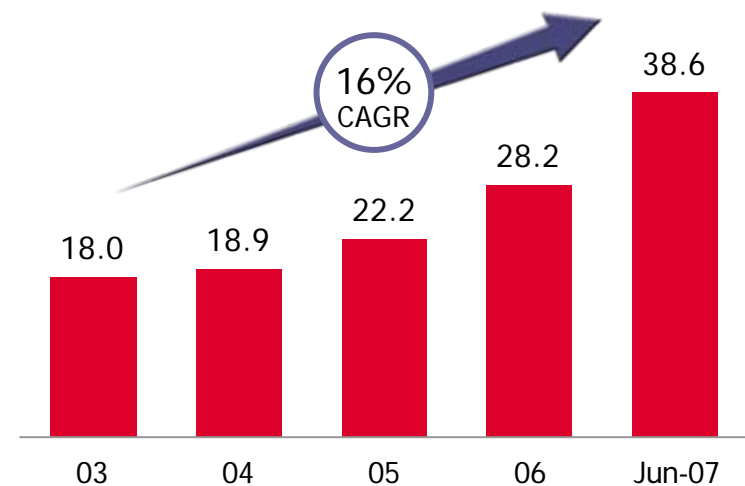


Has been awarded to the fund
SCOTIA7
SCOTIA INDIZADO



Mutual Funds

(For the year ending Dec 31, in MXP Billion)



Mexican GAAP. Net Assets. CAGR 2003-2006

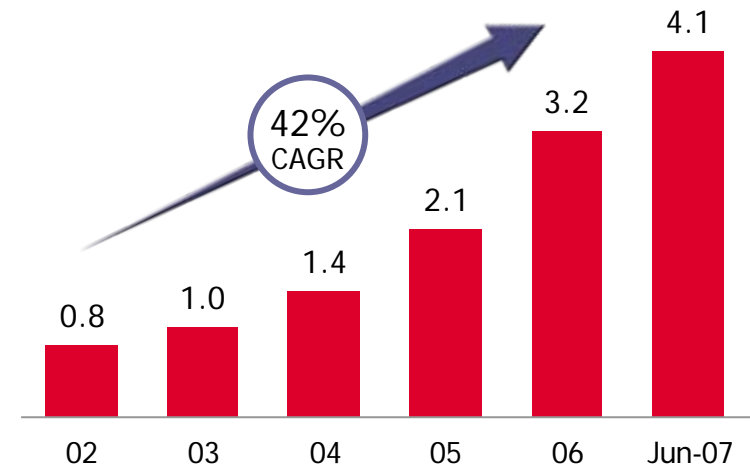
Gaining Share in Credit Cards

- Renewed focus
 - higher growth rates than market
 - higher socio-economic segments
- Non-traditional sales channels
 - telemarketing and kiosks
 - ~70% of total Sales
- Expanding offering
 - co-branding (NFL)
 - launched new platinum card



Credit Card Portfolio

(For the year ending Dec 31, in MXP Billion)



Mexican GAAP. Consolidated, annual average
CAGR 2002 - 2006

Market Leader in Mortgages

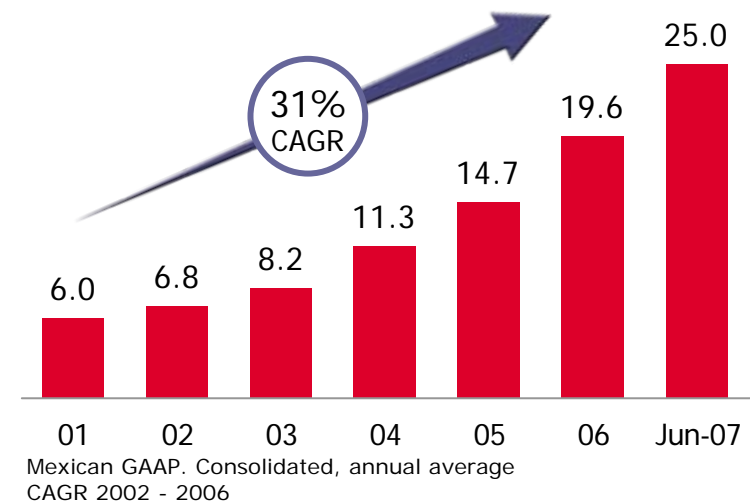


- #1 in new mortgages
- Broad sales base
 - specialized sales force
 - brokers
 - branches
- Product innovation
 - insured mortgages
 - non-resident mortgages
- Quality of delivery
 - fast, transparent and friendly process



Mortgage Portfolio

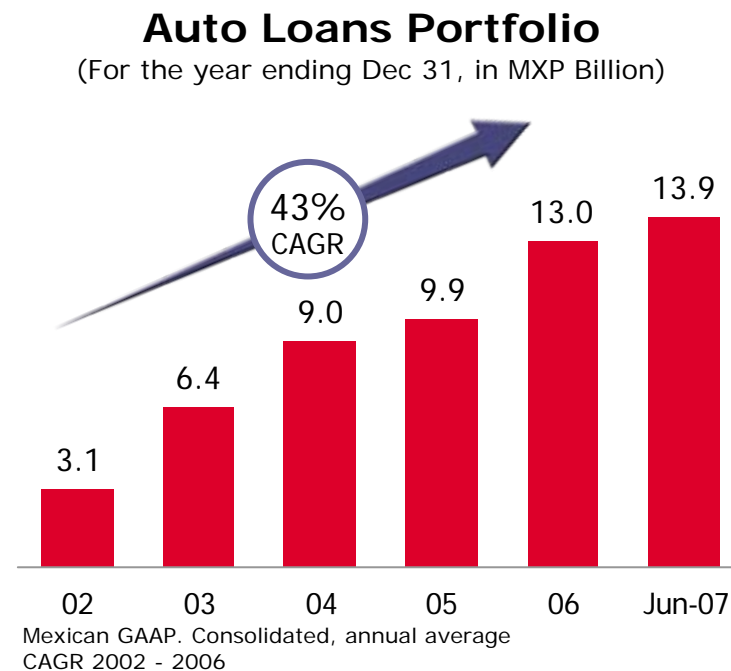
(For the year ending Dec 31, in MXP Billion)



Leadership in Auto Loans



- #2 in new car loans
- Broad sales base
 - 100 “in-dealership” executives
 - specialized sales force
 - dealer finance centre
- Service excellence
 - adjudication
 - product development
- Portfolio purchases

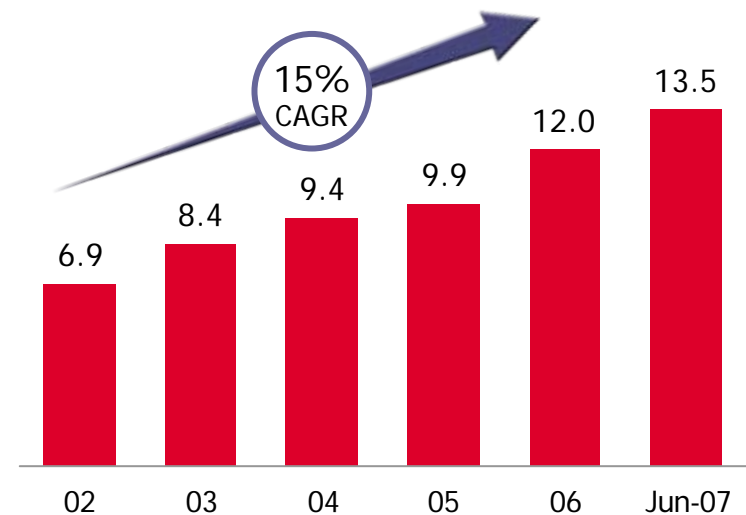


- Commercial
 - 10 specialized centers
 - focus on medium sized companies, states and municipalities
 - expanding in small business
 - investing in technology
 - #1 in customer service



Commercial Loans Portfolio


(For the year ending Dec 31, in MXP Billion)



Mexican GAAP. Consolidated, annual average
CAGR 2002 - 2006

Scotia Capital: Focus on Profitability

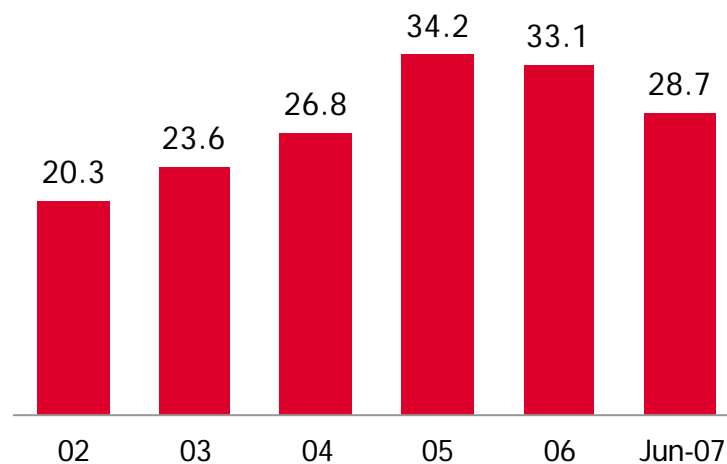


 <p>Grupo Comercial Chedraui Acquisition of France's Carrefour Group's Mexican Operations Financial Advisors March 2005</p>	 <p>Pemex US\$5,500,000,000 Senior Unsecured Credit Facility Joint-Lead Arranger and Joint-Lead Bookrunner May 2006</p>	 <p>Infinacot MXP\$2,500,000,000 Senior Notes AAA(mex), Aaa(usa) Lead Manager 2007</p>	 <p>Cemex España US\$9,000,000,000 Senior Unsecured Credit Facility Mandated Lead Arranger July 2007</p>
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- Scotia Capital - NAFTA platform
 - Corporate Banking
 - focus on higher margin business
 - new infrastructure lending team
 - Investment Banking, Sales and Trading, Forex
 - largest commercial paper distributor
 - expanding offering in fixed income and derivatives
 - major foreign exchange dealer

Corporate Loans Portfolio

(For the year ending Dec 31, in MXP Billion)

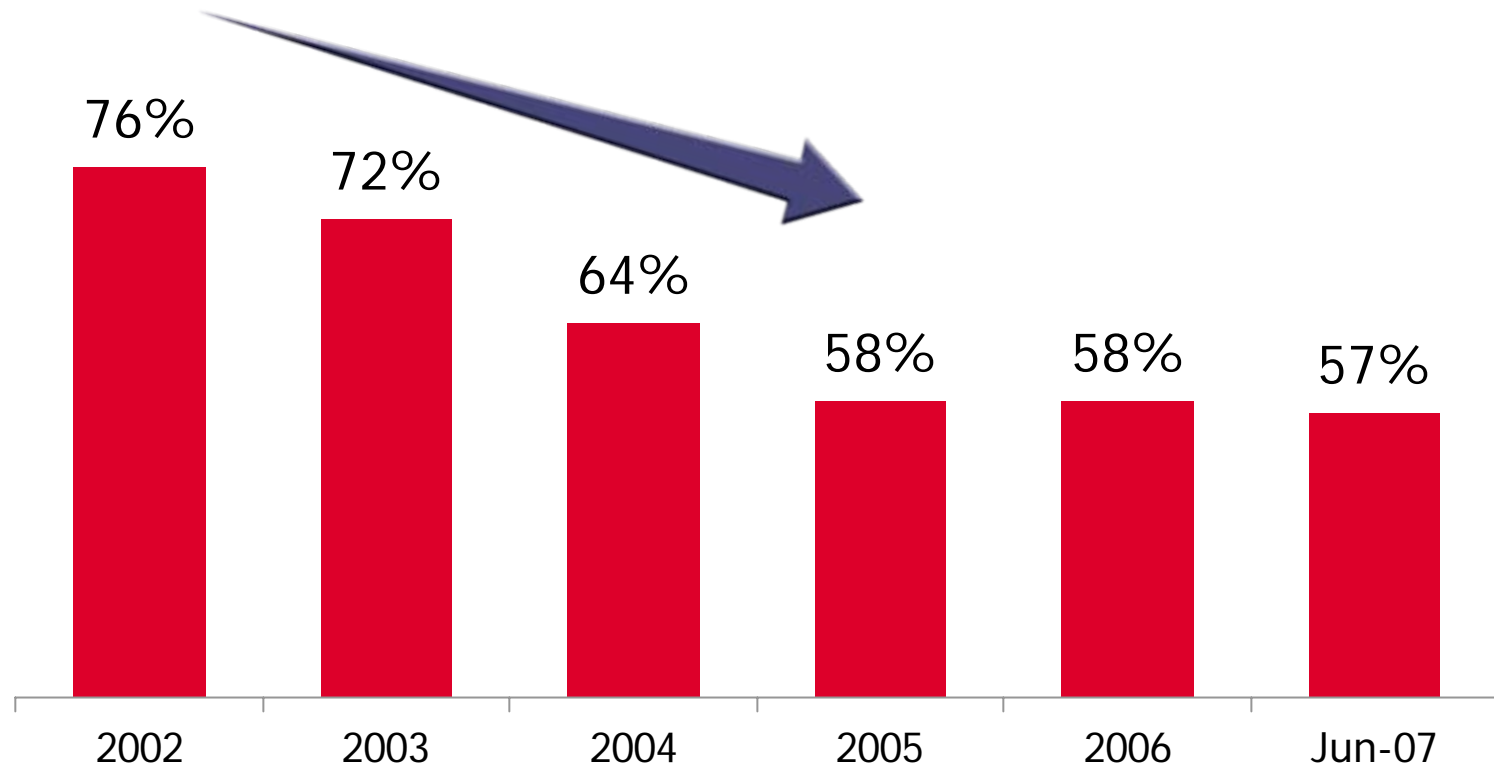


Mexican GAAP. Consolidated, annual average
CAGR 2002 - 2006

Improved Productivity

(For the year ending Dec 31)

Productivity Ratio

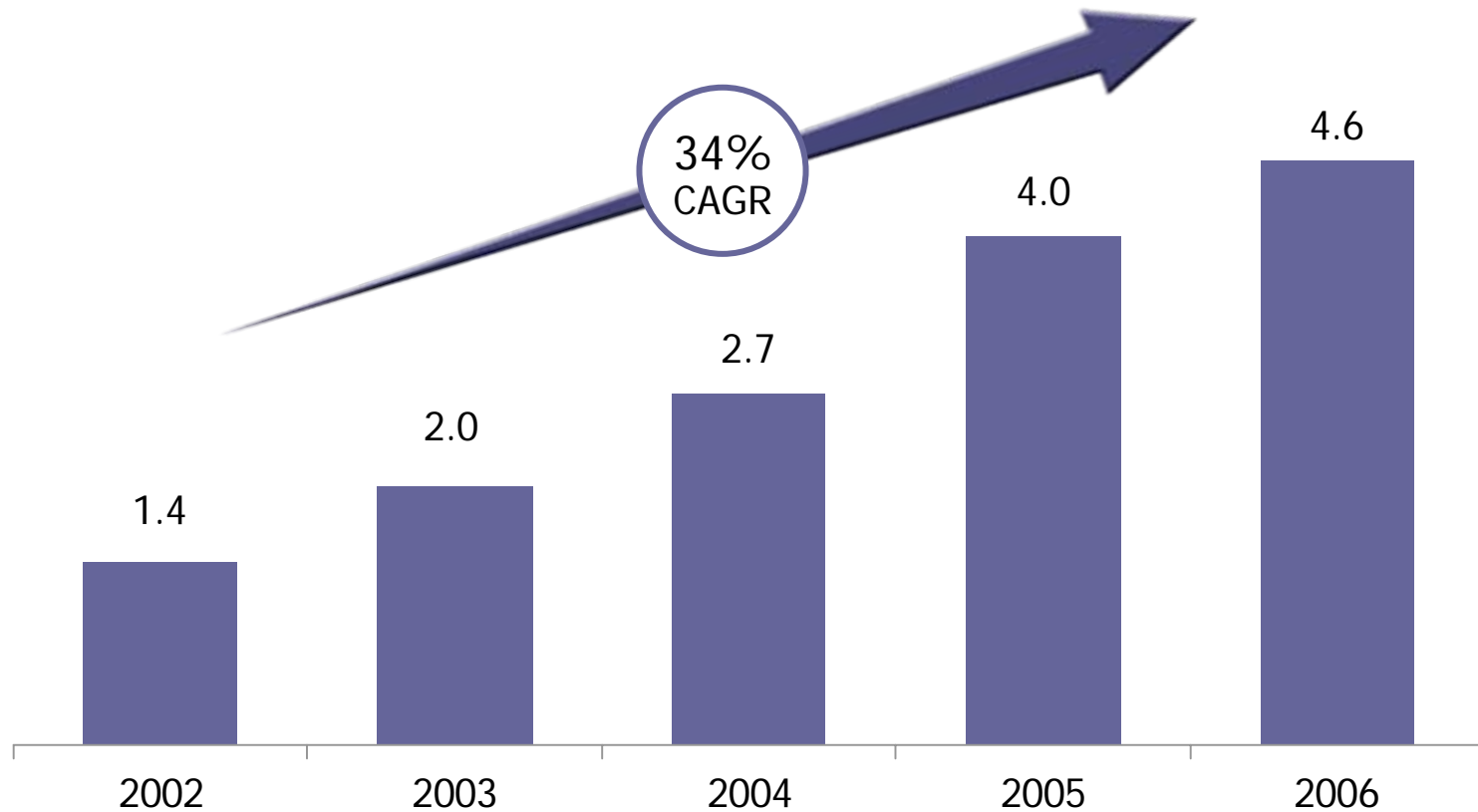


Mexican GAAP. Excludes inflation accounting adjustments.

Strong Results

(For the year ending Dec 31, in MXP Billion)

Net Profit



Mexican GAAP. Excluding Inflation
CAGR 2002- 2006

Agenda

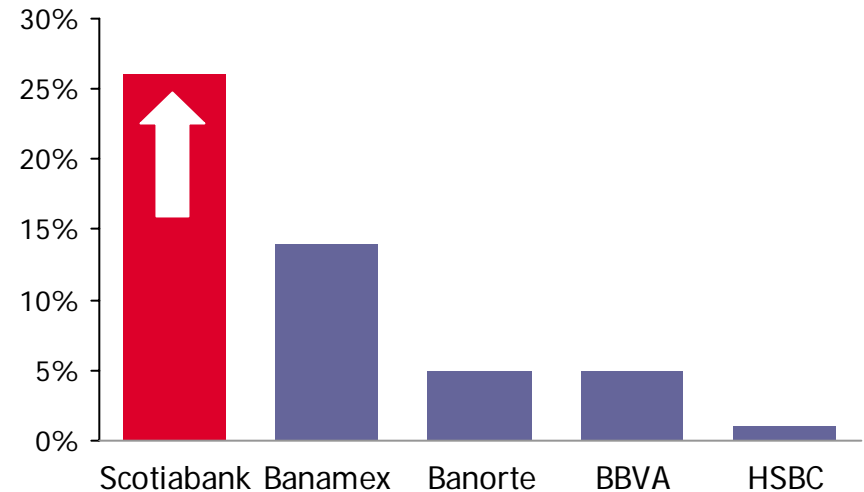
- Market overview
- Strong growth
- Key strategic initiatives



Strengthening Our Branch Network...

- Disciplined approach
- Focusing on the top 150 markets
 - 85%+ of GDP
 - 90%+ of deposits
- Three-tiered approach based on market specifics

Branch Network Growth Oct 05/Aug 07



Strip Mall



Office Building



Free Standing

Strengthening Our Branch Network...



Strip Mall

Strengthening Our Branch Network...



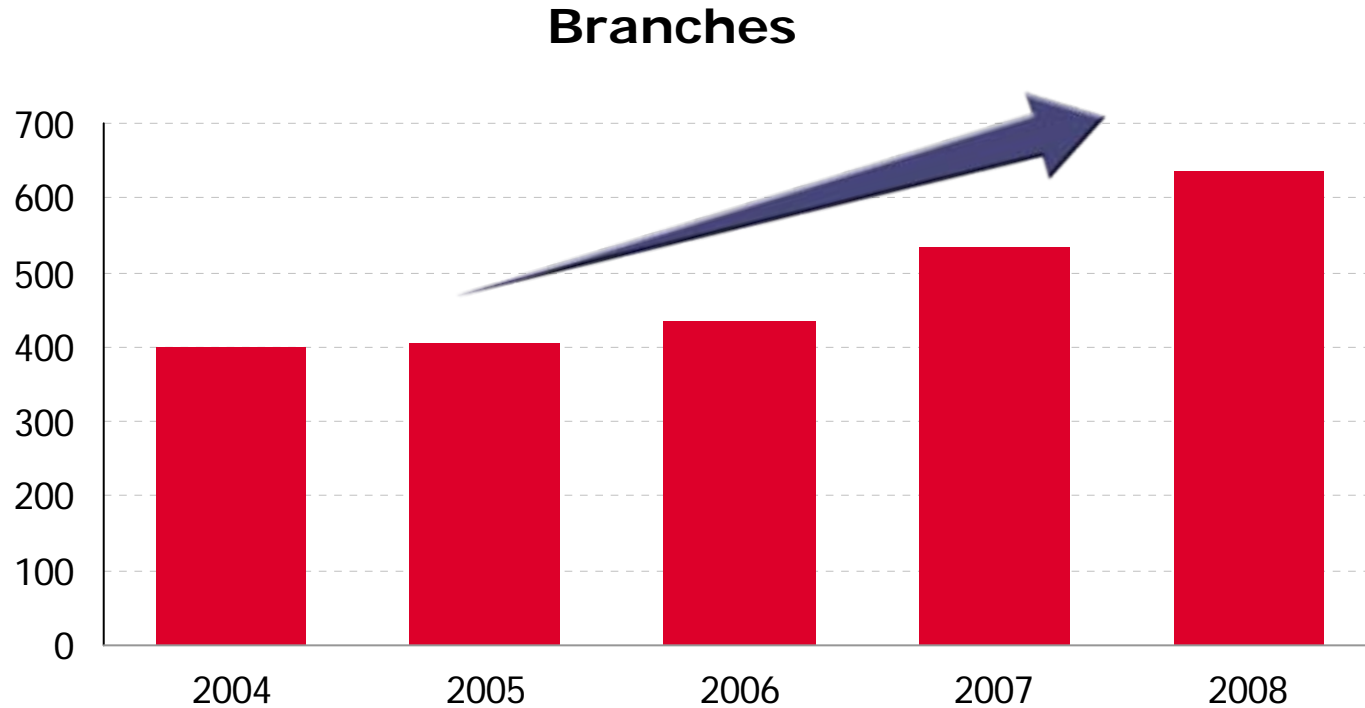
Office Building

Strengthening Our Branch Network...



Free Standing

...Through an Aggressive Branch Expansion Program

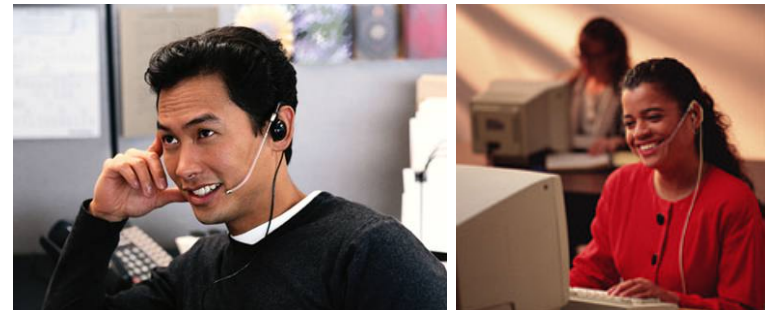


- 85 openings in 2007
- 100 planned for 2008
- 800+ branches by 2010



Expanding Delivery Channels

- Telemarketing
 - 160,000 credit cards sold through external agencies
- Dealer Finance Centers
 - Unique concept in Mexico
 - León operating, Monterrey & Guadalajara opening in 2008
- Call Centers (Mexico City and Monterrey)
 - 2 million calls a month
 - 24/7 support to Canada

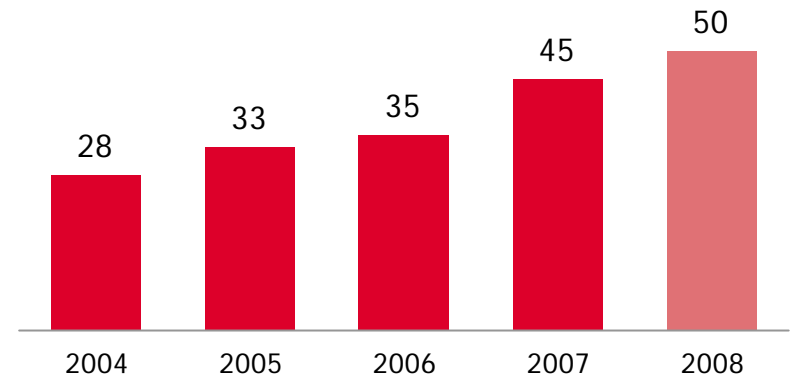


Extending Our Reach in Wealth Management

- Increased network to 45 offices
- Product innovation
 - 1st issuer of indexed investments
 - 4 new funds launched in 2006
- Sales innovation
 - advisory sales program

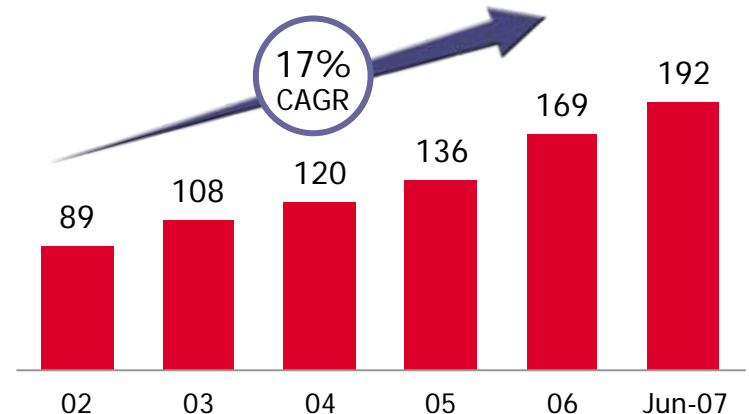


Wealth Management Offices



Assets Under Management

(For the year ending Dec 31, in MXP Billion)



Mexican GAAP. Outstanding Balances. (Constant MXP as at June 30, 2007)
CAGR 2002 - 2006

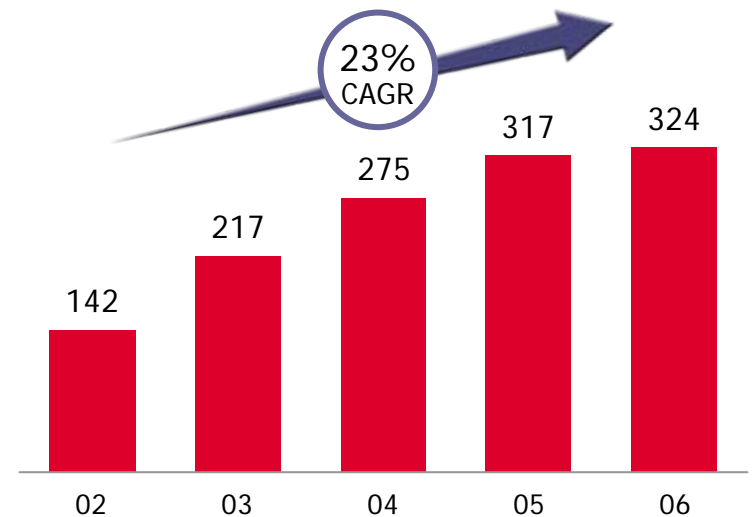
Broadening Our Offering...

- Pension Fund – Launched in November 2006
 - among the top 3 performing pension fund asset managers
 - promotes cross-sell and customer loyalty
- Insurance
 - strong revenue growth
 - enhancing product line-up with non-creditor offerings (e.g. Life)



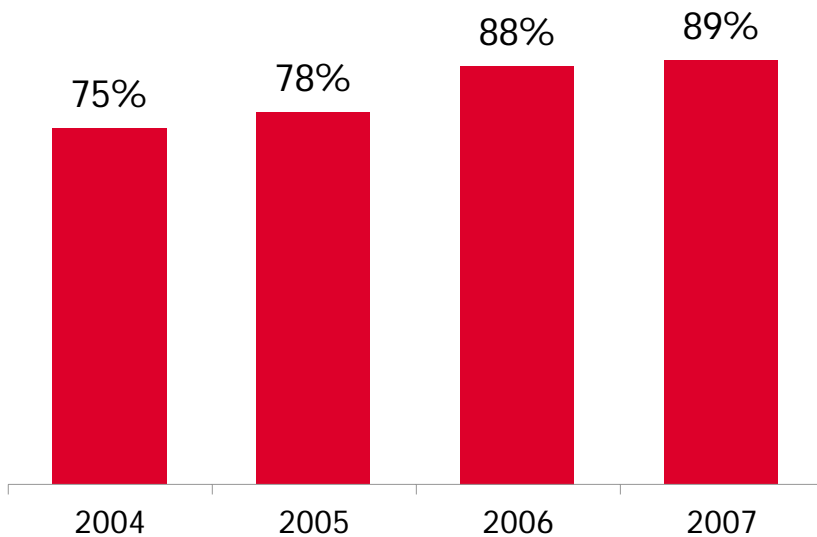
Insurance Revenues

(For the year ending Dec 31, in MXP Million)

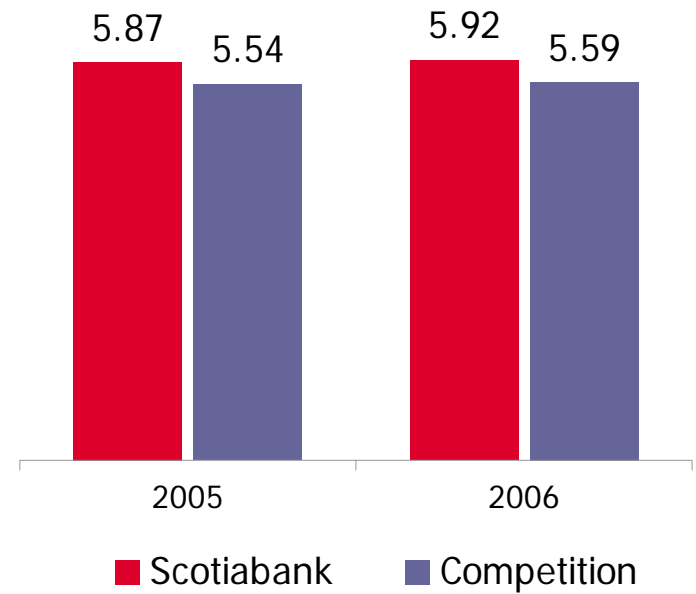


...While Keeping Our Focus On Fundamentals

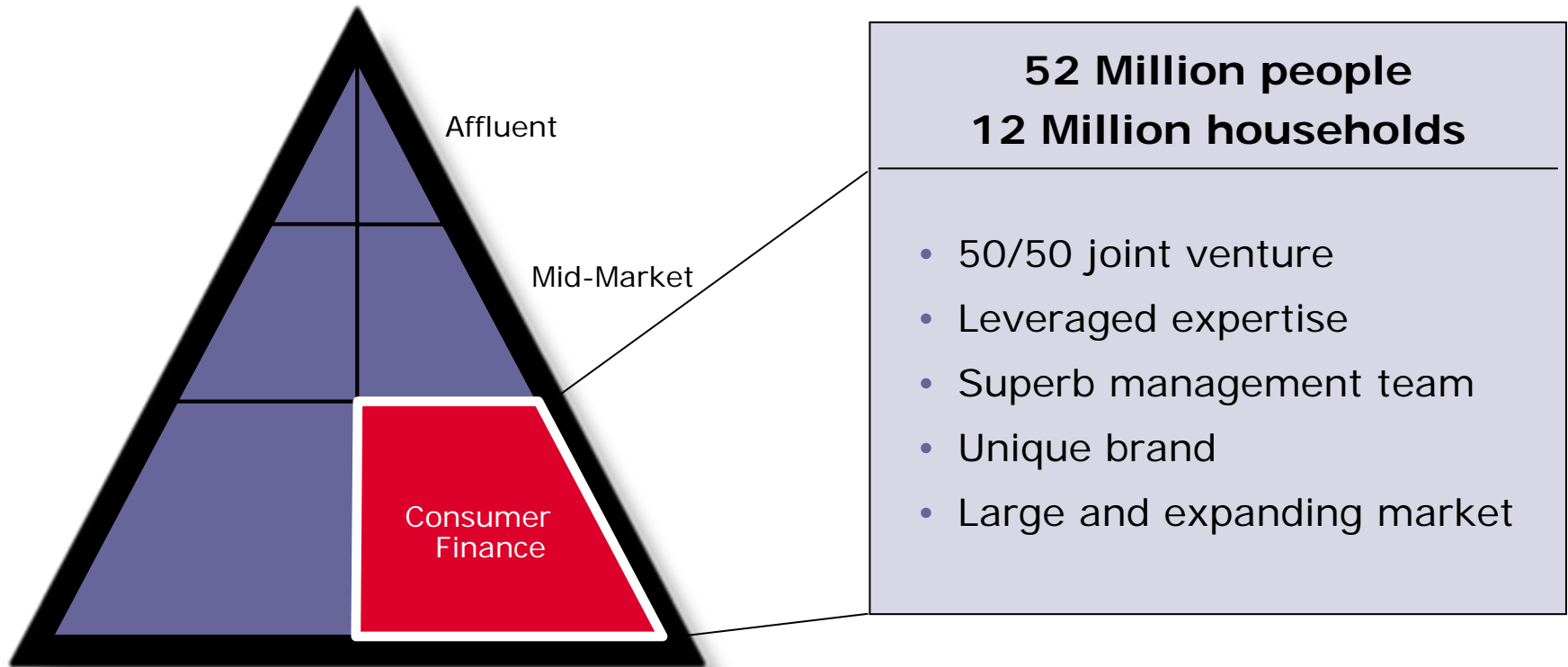
Employment Satisfaction Index



Customer Satisfaction Index



Consumer Finance Opportunity



Conclusion:

Well-positioned for Continued Growth

- Large young population
- Low banking penetration
- Strong traditional business base
- Investing for future growth
 - broadening delivery network
- New opportunities
 - Consumer Finance

