



BUILDING SUSTAINABLE
GROWTH
International Banking



Peru: A New Way of Banking

Carlos González-Taboada

Chief Executive Officer

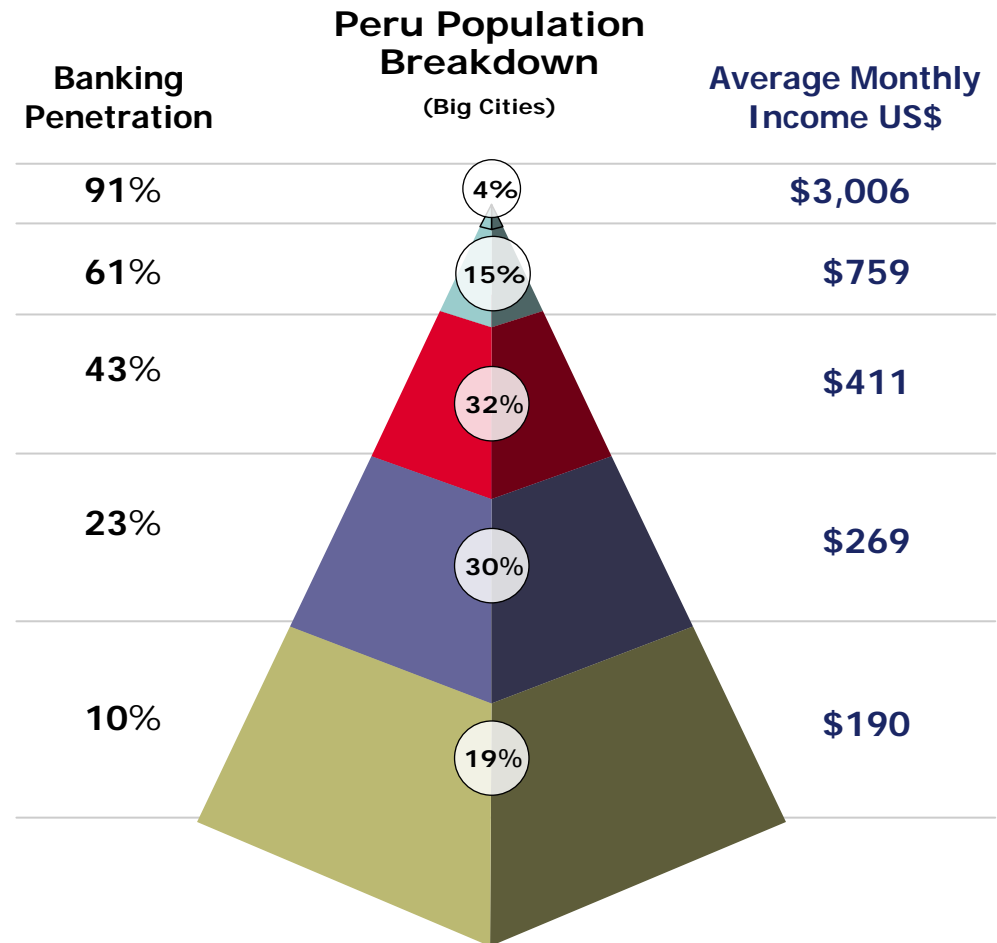
Agenda

- Peru today
- Scotiabank in Peru



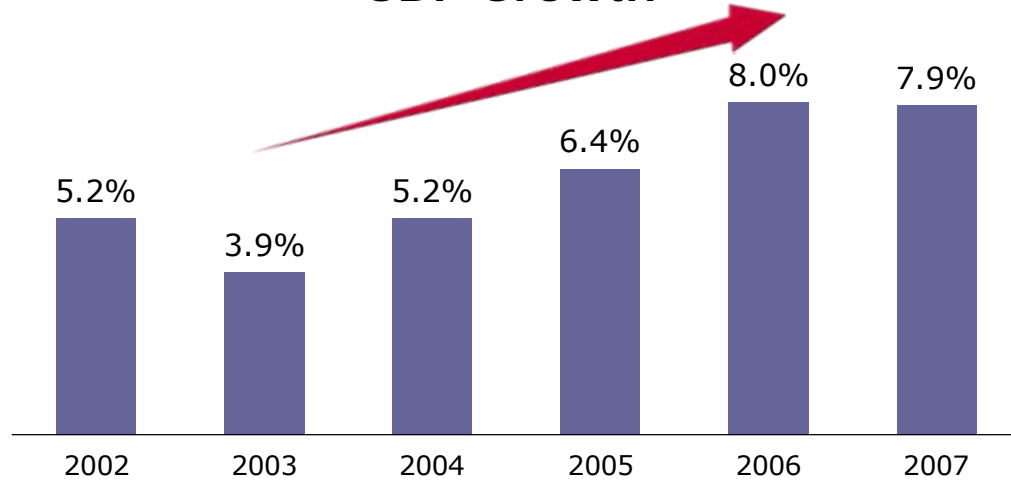
Young, Urban Population

- Population of 28 million
- 60% below 29 years of age
- 75% of population is urban

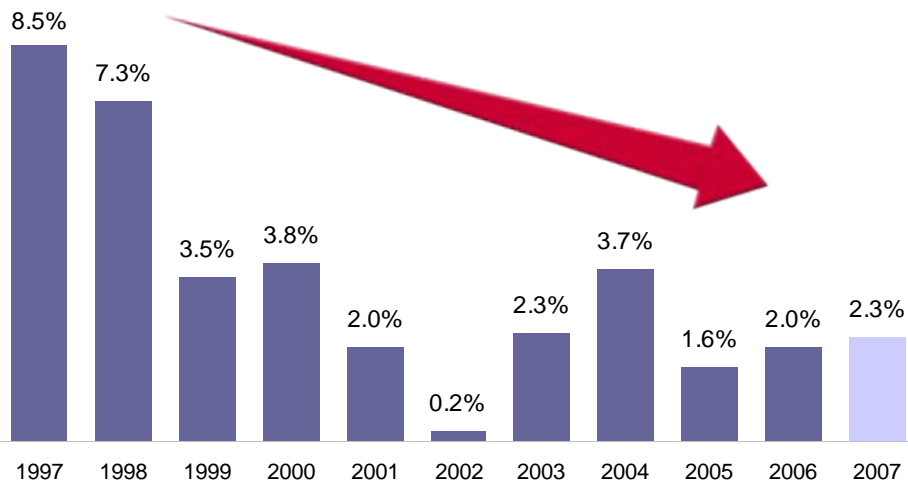


Growth with Stability

GDP Growth

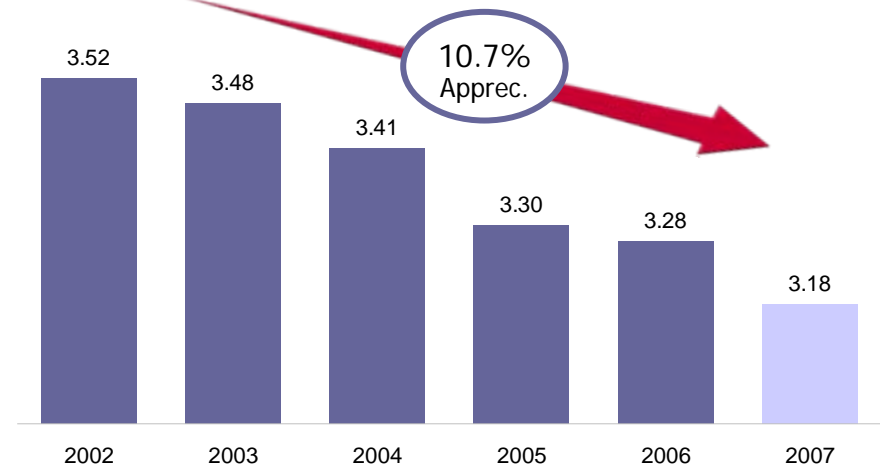


Inflation Rate



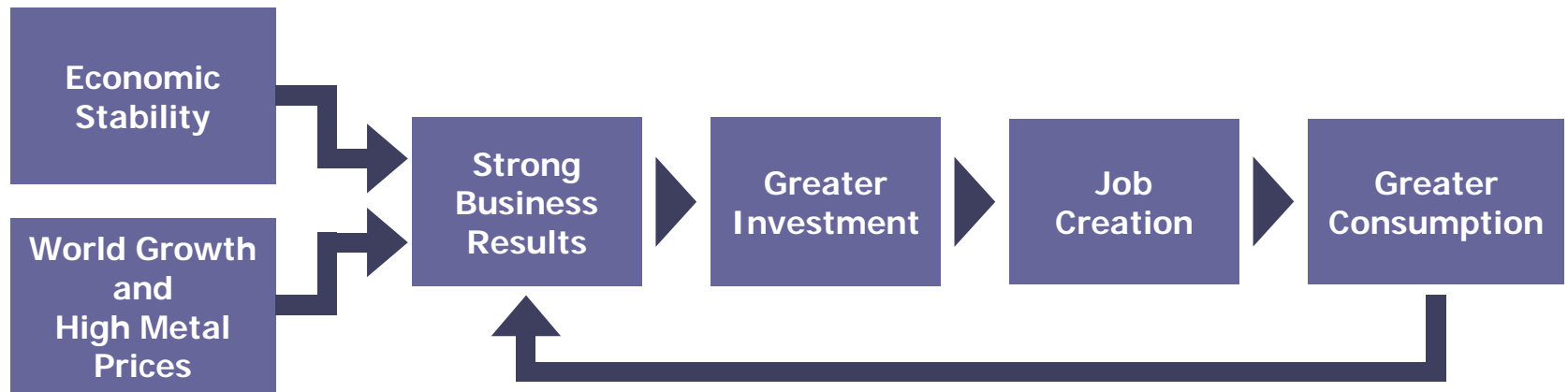
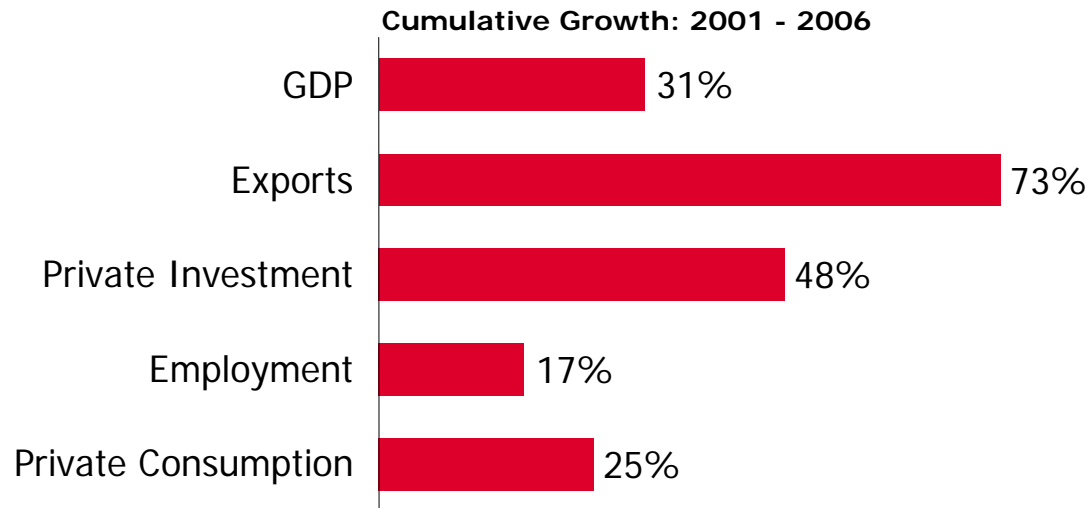
Exchange Rate

(Annual Average: Nuevo Soles / US\$)



Economic Virtuous Cycle

Stability and Confidence are Driving Investment, Employment and Consumption Growth



Promising Future

Structural Changes

- Disciplined fiscal and monetary policies
- Consistent open-market policies
- Stronger supervisory regulation
- Autonomous Central Bank, meeting inflation targets



Positive Outcome

- Political and social stability
- Macroeconomic stability
- Greater investor confidence
- Sustainable long-term growth
- Free-Trade Agreements
- Less poverty

Moving toward investment grade

Agenda

- Peru today

- Scotiabank in Peru



Our History at a Glance

1943

Banco Wiese founded

1999

Merger with Banco de Lima Sudameris, creates Banco Wiese Sudameris (BWS)

2003

BWS brand repositioning.

September, 2006

Scotiabank Peru is launched.



Scotiabank acquires 35% of Banco Sudamericano

1997

BWS incorporates Banco Orion (consumer finance business)

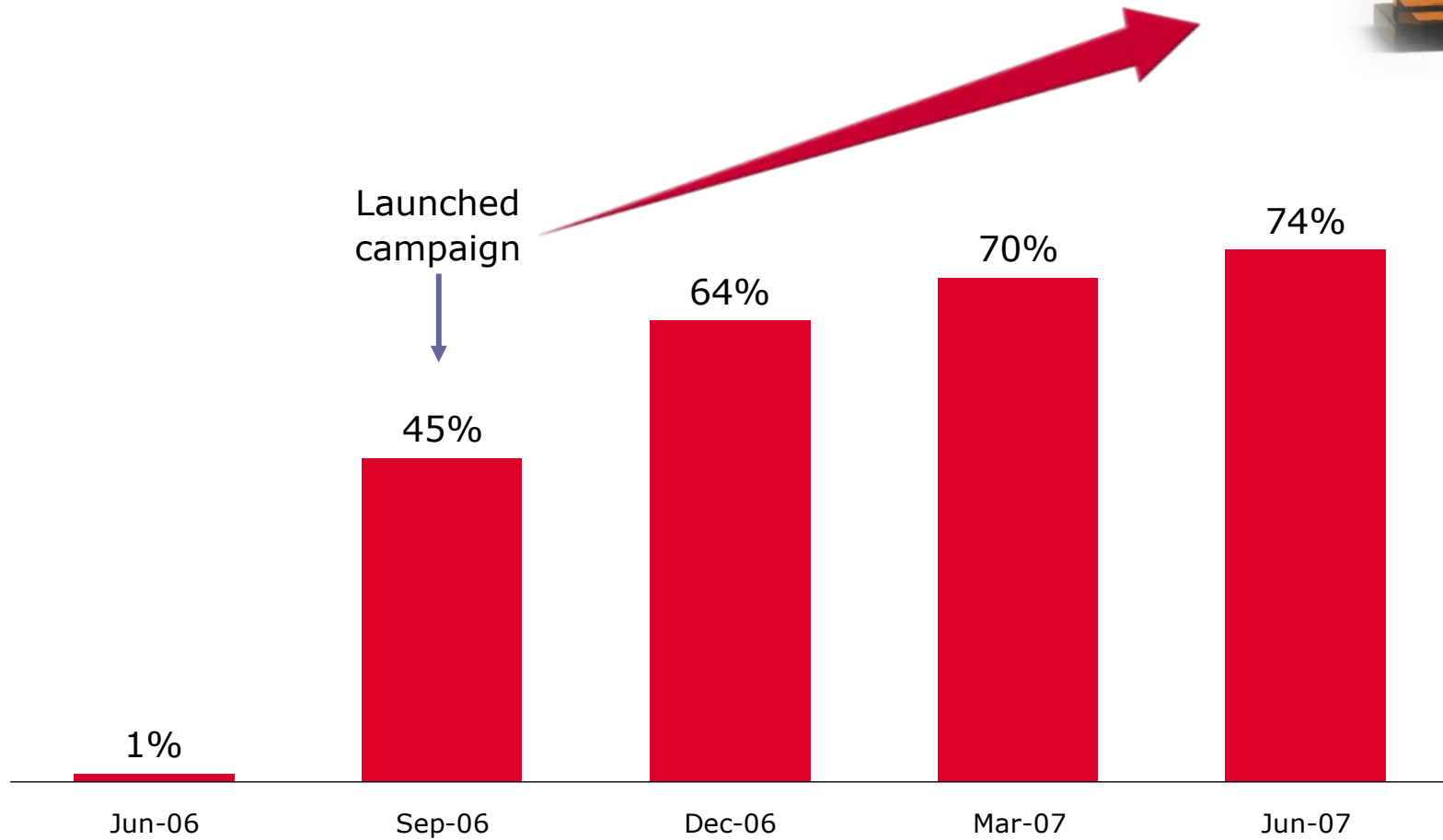
2000

Scotiabank acquires and merges BWS and Banco Sudamericano.

May, 2006

Result of a Successful Launch Campaign: A Strong Brand

Brand Recognition



Award winning campaign

Scotiabank Peru in Numbers

- 1.1 million clients
- 3,700 employees
- Network:
 - 143 branches
 - 249 ABMs
 - 278 Correspondent Tellers
 - 778 retail points of sale
- 3,500 specialized sales reps
- 700,000 credit cards
- 630,000 borrowing customers
- 9 million monthly transactions
 - 72% through electronic and alternative channels



Strong Market Position

Banks		Total Deposits (US\$ Billion)	Total Loans (US\$ Billion)	Net Income (US\$ Million)*	Branches
BCP	Peru	\$ 8.6	\$ 7.8	\$ 188.4	249
BBVA	Spain	4.6	5.6	105.1	188
Scotiabank <i>(Share)</i>	Canada	3.4 <i>16.0%</i>	3.4 <i>15.0%</i>	85.8 <i>18.4%</i>	143 <i>14.0%</i>
Interbank	Peru	2.0	2.1	38.3	80
Citibank	USA	0.5	1.0	15.1	20
Others		2.1	2.7	33.2	338
Total		\$ 21.2	\$ 22.7	\$ 465.8	1,018

As of July 31, 2007. *January to July 2007

Top 5 banks control 90% of system

Growth Strategy: 2003 – 2007

Fundamentals

- Market segmentation
- Distribution model driven by segmentation
- Risk-based pricing

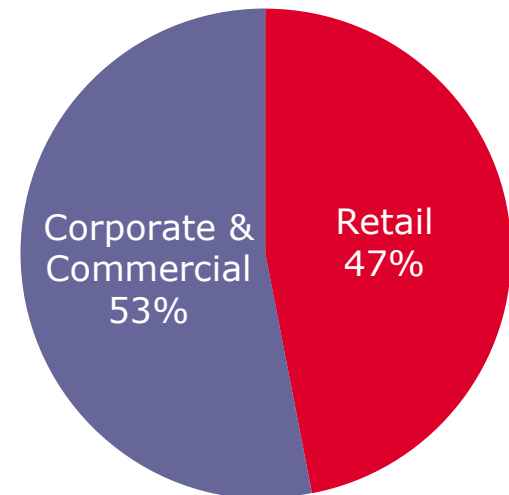
Retail

- Focus: mass market and emerging borrowers
- Strengthen customer acquisition capabilities through:
 - Alliances with retailers
 - Specialized sales forces
 - Competitive credit card programs

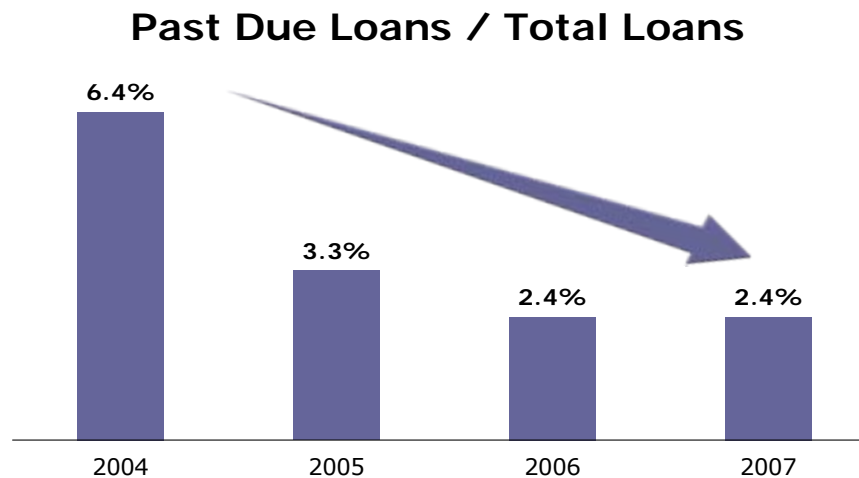
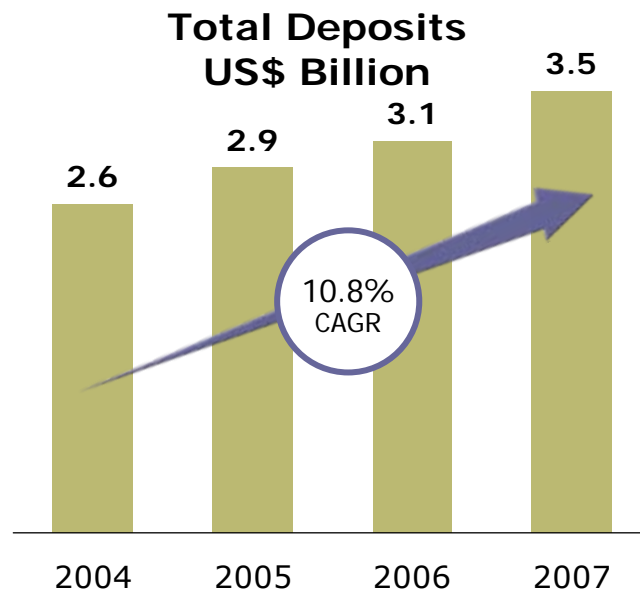
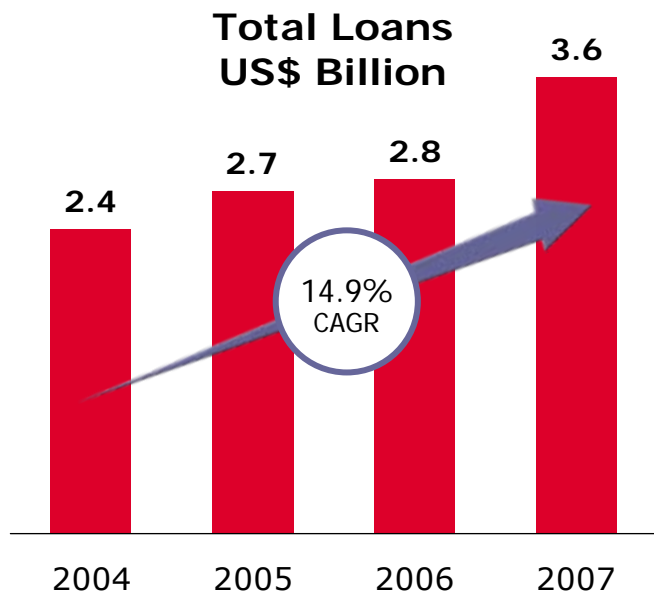
Corporate and Commercial

- Increase market share through:
 - Increasing size of customer base
 - Capital market and corporate finance
 - Leadership in foreign exchange

Balanced Loan Portfolio



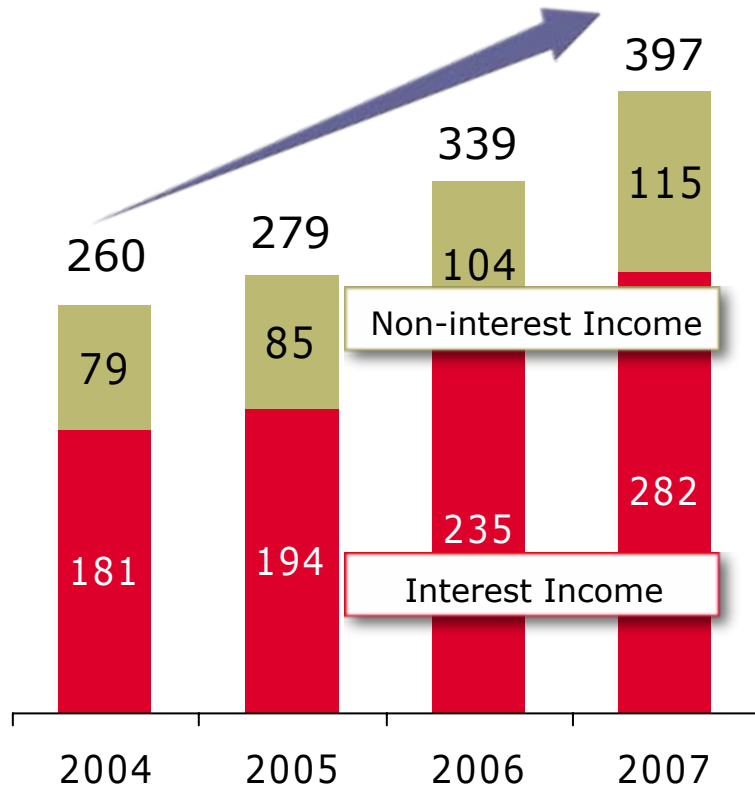
Strong Growth, Risks Well Controlled



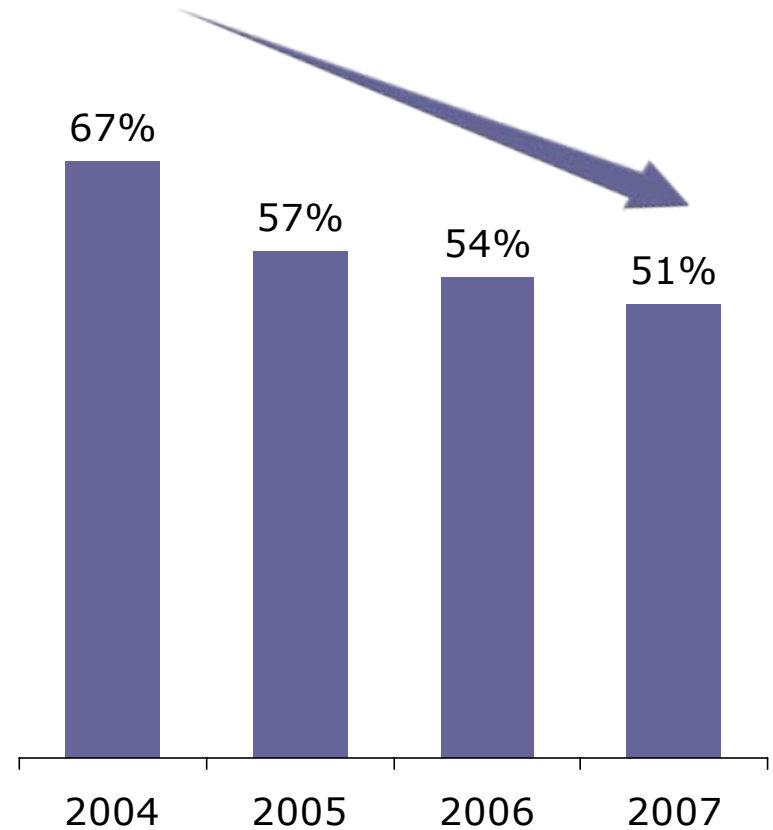
Figures for 2004 and 2005 include BWS + BSA.
2004, 2005 and 2006 as of December.
2007 as of September.

Improving Revenues and Productivity...

Total Revenues (US\$ MM)



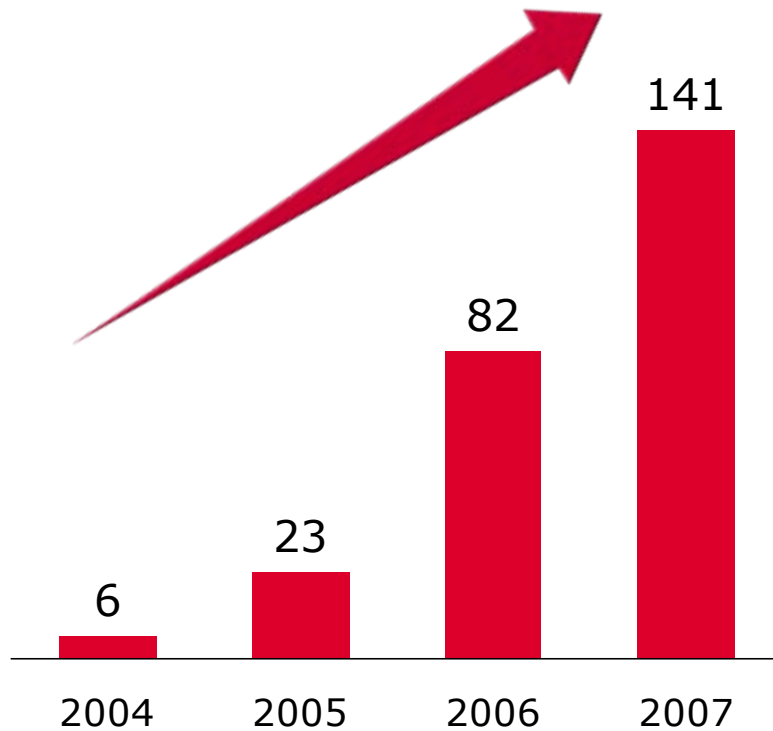
Productivity Ratio



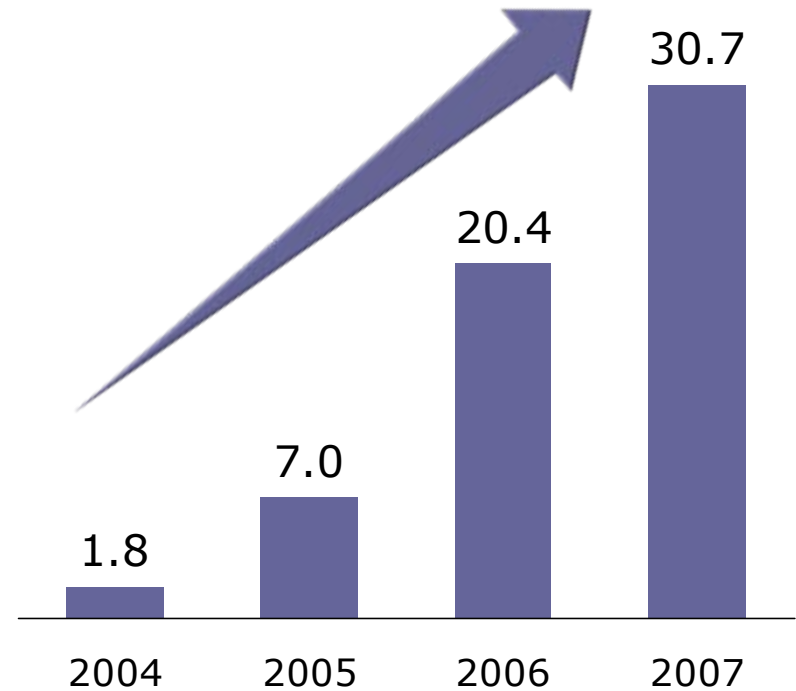
Figures for 2004 and 2005 include BWS + BSA.
2004, 2005 and 2006: January to December.
2007: October 2006 to September 2007.

...and Improving Profitability

Net Profit
(US\$ MM)

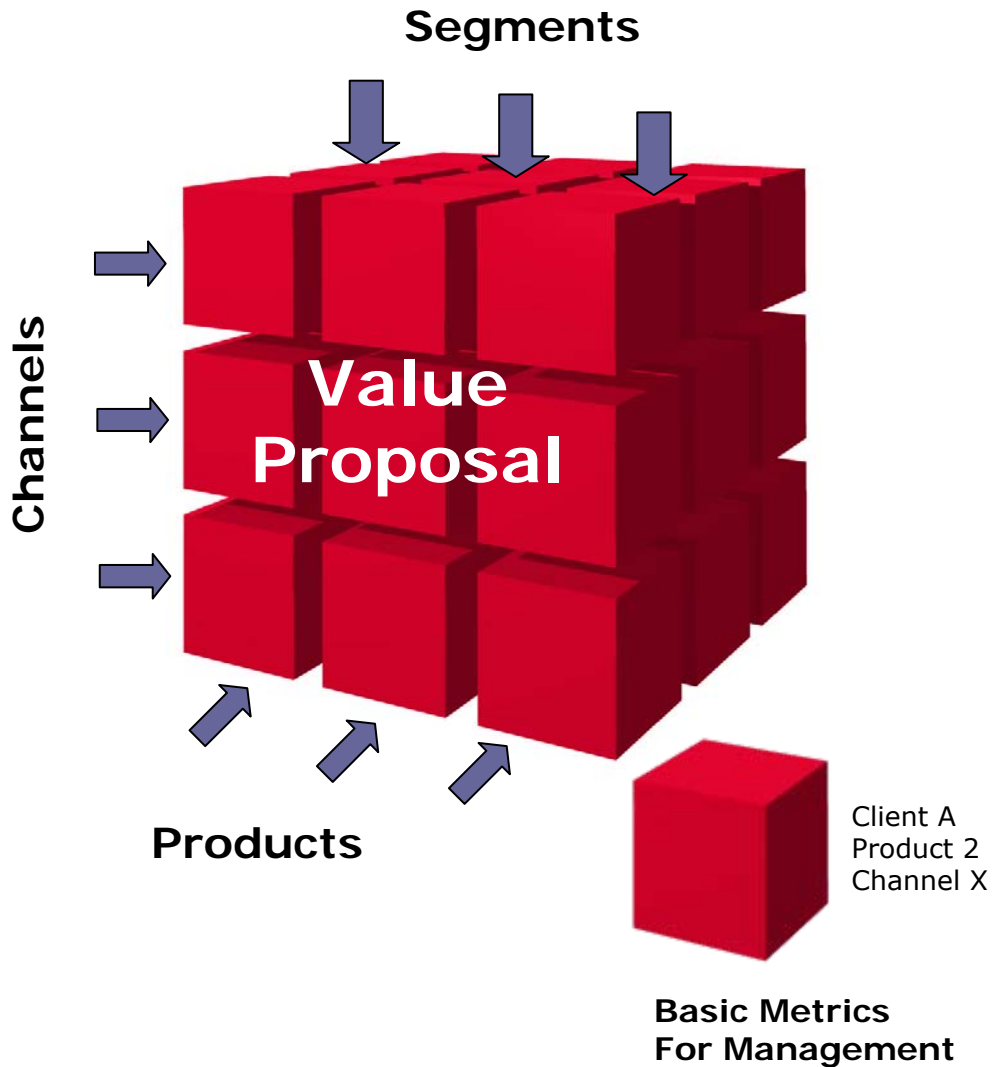


ROE
(%)

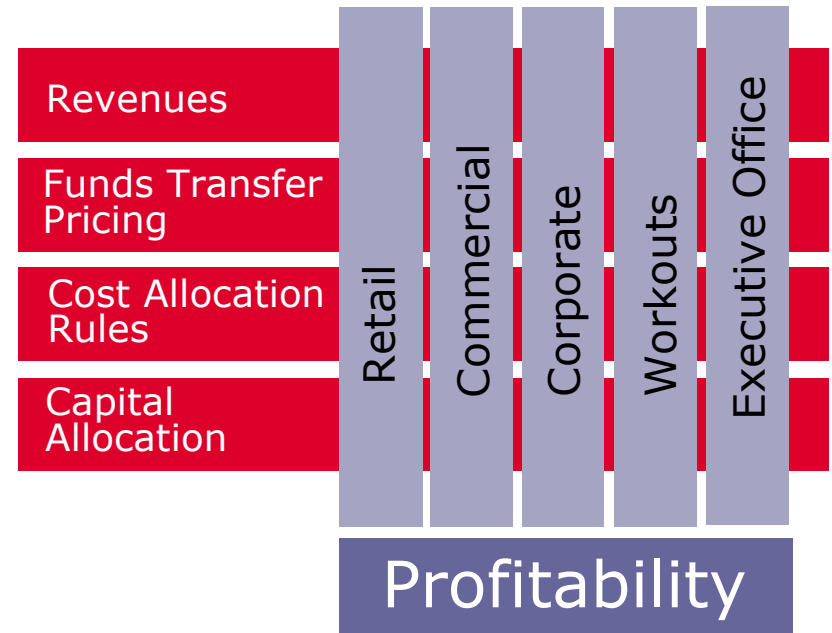


Figures for 2004 and 2005 include BWS + BSA.
2004, 2005 and 2006: January to December.
Net Profit 2007: October 2006 to September 2007.
ROE 2007: January to July

Business Model: 3 Dimensional View



Strong MIS to Support Business Model



Strategy Driven by Segmentation

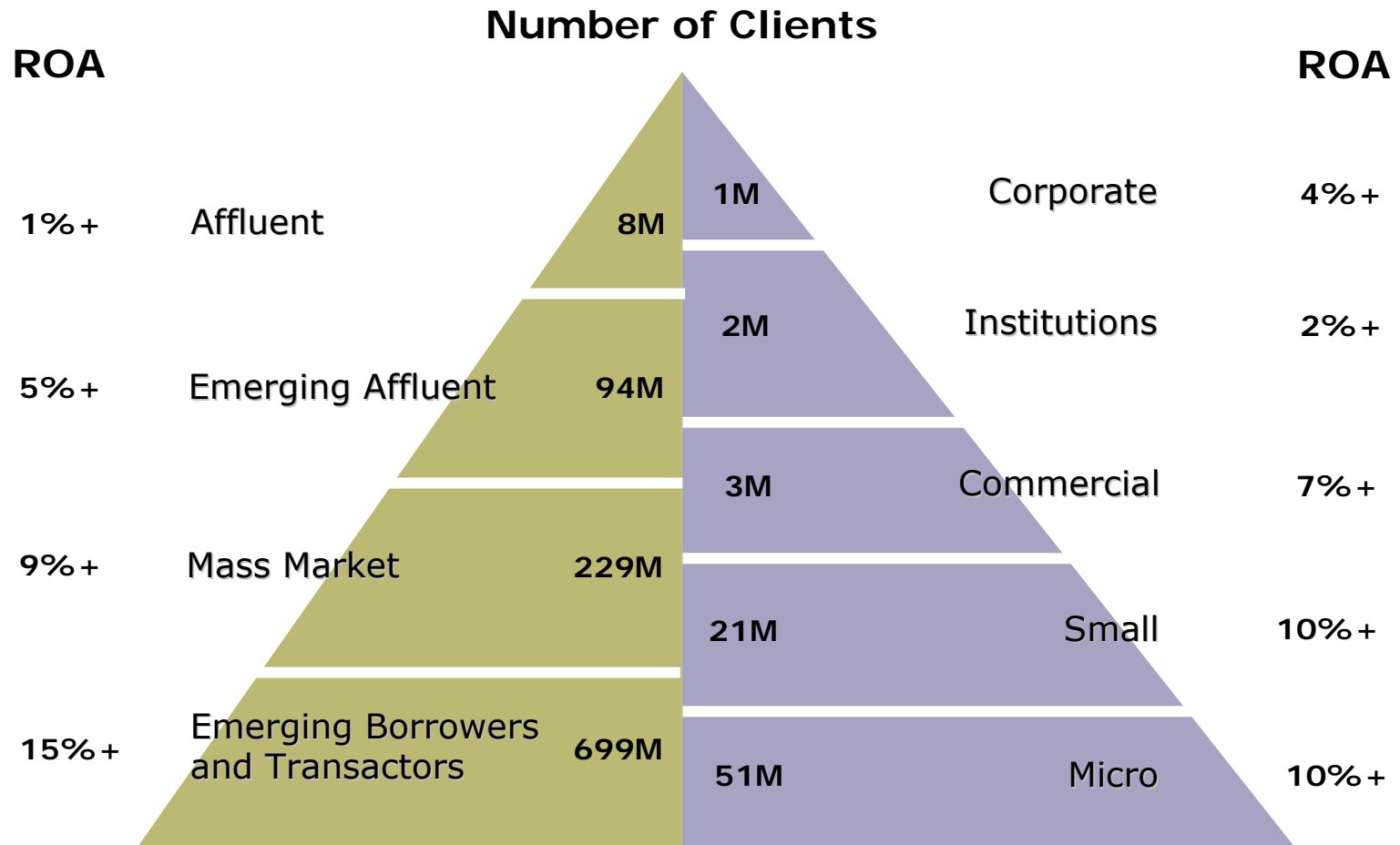
	Monthly Income
Affluent	> US\$ 5,000
Emerging Affluent	US\$ 1,200 - US\$ 5,000
Mass Market	US\$ 400 - US\$ 1,200
Emerging Borrowers and Transactors	< US\$ 400

	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
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Core competency in customer acquisition

Segmentation Analytical Capabilities



ROA: (Total income - Provisions - Direct costs) / Assets. From Oct 2006 to Jul 2007

Number of Clients: as of July, 2007

Our Strategy Going Forward

Fundamentals

- Market segmentation
- Distribution model driven by segmentation
- Risk-based pricing
- Balanced loan portfolio

Retail

1. Enhance leadership:
 - Consumer Finance
 - Microlending
2. Grow share in Affluent segment
3. Deepen relationships through Sales & Services best practices
4. Expand channels

Corporate and Commercial

1. Deepen relationships (increase share of wallet)
2. Leverage Scotiabank's expertise

Wealth Management

Acquisitions