

Scotiabank Residential Loan Servicer **STRONG** Ranking Affirmed

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OVERVIEW

- We affirmed our **STRONG** residential loan servicer ranking on Scotiabank Inverlat S.A.
- The affirmed ranking reflects our **STRONG** management and organization and **STRONG** loan administration subrankings on SBI residential servicer
- Our financial position for SBI is Sufficient.

NEW YORK (Standard & Poor's) May 16, 2012--Standard & Poor's Ratings Services today affirmed its **STRONG** ranking on Scotiabank Inverlat S.A. (SBI) as a residential loan servicer for the Mexican market. The outlook for the ranking is stable.

SBI is the banking division of Grupo Financiero Scotiabank Inverlat S.A. de C.V. (GFSBI), which in turn is a subsidiary of the Bank of Nova Scotia (Scotiabank) from Canada. GFSBI, as a financial group, is one of Mexico's prominent financial institutions.

KEY RANKING FACTORS

Strengths:

- Knowledgeable and experienced management in all of the areas that support servicing operations;
- A solid organizational structure with dedicated personnel for all critical servicing functions;
- A robust systems environment and sound business contingency and continuity plans;

- Stringent internal controls and audit programs that ensure a high-quality operation;
- Effective collections, loan modification, and asset recovery procedures;
- Low delinquency levels with the residential portfolio indicate efficient and consistent servicing over the past five years.

OUTLOOK

The outlook is stable. In our opinion, SBI will continue enhancing its collection mechanisms and technological platform over the next 12-18 months to further improve efficiencies within its residential servicing operations while maintain low delinquency levels within its mortgage portfolio.

RELATED CRITERIA AND RESEARCH

- Revised Criteria For Including RMBS, CMBS, And ABS Servicers On Standard & Poor's Select Servicer List, published April 16, 2009.
- Servicer Evaluation Ranking Criteria: U.S., published Sept. 21, 2004.
- Select Servicer List.

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