



GLOBAL WEALTH & INSURANCE
INVESTOR DAY

September 25, 2013



Global Wealth & Insurance



Investor Day

September 2013

Introduction

Peter Slan
Senior Vice President
Investor Relations

Scotiabank Investor Day Series

Global Banking and Markets *(October 2011)*



International Banking *(January 2013)*



Global Wealth and Insurance *(September 2013)*



Canadian Banking *(Spring 2014)*



Today...

Introduction

Brian Porter, President

Global Wealth & Insurance Overview

Chris Hodgson, Group Head

Financial Performance Review

James O'Sullivan, SVP & CFO

Question Period

Break

Global Wealth Overview

Barb Mason, EVP Global Wealth

Canadian Wealth Advisory

Glen Gowland, SVP Canadian Wealth Management Advisory

Global Asset Management Overview

Jordy Chilcott, SVP Global Asset Management

International Pensions

Cathy Welling, SVP International Wealth & Pensions

Question Period

Break

Global Insurance Overview

Chris Hodgson, Group Head

Canadian Insurance

Mark Cummings, SVP Canadian Insurance

International Insurance

Antonio Mijares, SVP International Insurance

Mexico Wealth and Insurance

Troy Wright, EVP International Banking - Mexico

Question Period and Closing Remarks

Lunch

Caution Regarding Forward-Looking Statements

Our public communications often include oral or written forward-looking statements. Statements of this type are included in this document, and may be included in other filings with Canadian securities regulators or the United States Securities and Exchange Commission, or in other communications. All such statements are made pursuant to the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements made in this document, the Management’s Discussion and Analysis in the Bank’s 2012 Annual Report under the headings “Overview – Outlook” (as updated by quarterly reports), for Group Financial Performance “Outlook”, for each business segment “Outlook” and in other statements regarding the Bank’s objectives, strategies to achieve those objectives, expected financial results (including those in the area of risk management), and the outlook for the Bank’s businesses and for the Canadian, United States and global economies. Such statements are typically identified by words or phrases such as “believe”, “expect”, “anticipate”, “intent”, “estimate”, “plan”, “may increase”, “may fluctuate”, and similar expressions of future or conditional verbs, such as “will”, “should”, “would” and “could”. By their very nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that predictions and other forward-looking statements will not prove to be accurate. Do not unduly rely on forward-looking statements, as a number of important factors, many of which are beyond our control, could cause actual results to differ materially from the estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: the economic and financial conditions in Canada and globally; fluctuations in interest rates and currency values; liquidity; significant market volatility and interruptions; the failure of third parties to comply with their obligations to us and our affiliates; the effect of changes in monetary policy; legislative and regulatory developments in Canada and elsewhere, including changes in tax laws; the effect of changes to our credit ratings; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions and liquidity regulatory guidance; operational and reputational risks; the risk that the Bank’s risk management models may not take into account all relevant factors; the accuracy and completeness of information the Bank receives on customers and counterparties; the timely development and introduction of new products and services in receptive markets; the Bank’s ability to expand existing distribution channels and to develop and realize revenues from new distribution channels; the Bank’s ability to complete and integrate acquisitions and its other growth strategies; changes in accounting policies and methods the Bank uses to report its financial condition and financial performance, including uncertainties associated with critical accounting assumptions and estimates (see “Controls and Accounting Policies – Critical accounting estimates” in the Bank’s 2012 Annual Report, as updated by quarterly reports); the effect of applying future accounting changes (see “Controls and Accounting Policies – Future accounting developments” in the Bank’s 2012 Annual Report, as updated by quarterly reports); global capital markets activity; the Bank’s ability to attract and retain key executives; reliance on third parties to provide components of the Bank’s business infrastructure; unexpected changes in consumer spending and saving habits; technological developments; fraud by internal or external parties, including the use of new technologies in unprecedented ways to defraud the Bank or its customers; consolidation in the Canadian financial services sector; competition, both from new entrants and established competitors; judicial and regulatory proceedings; acts of God, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments, including terrorist acts and war on terrorism; the effects of disease or illness on local, national or international economies; disruptions to public infrastructure, including transportation, communication, power and water; and the Bank’s anticipation of and success in managing the risks implied by the foregoing. A substantial amount of the Bank’s business involves making loans or otherwise committing resources to specific companies, industries or countries. Unforeseen events affecting such borrowers, industries or countries could have a material adverse effect on the Bank’s financial results, businesses, financial condition or liquidity. These and other factors may cause the Bank’s actual performance to differ materially from that contemplated by forward-looking statements. For more information, see the “Risk Management” section starting on page 55 of the Bank’s 2012 Annual Report. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the 2012 Annual Report under the headings “Overview – Outlook”, as updated by quarterly reports; and for each business segment “Outlook”. These “Outlook” sections are based on the Bank’s views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing these sections. The preceding list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to the Bank and its securities, investors and others should carefully consider the preceding factors, other uncertainties and potential events. The Bank does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf. Additional information relating to the Bank, including the Bank’s Annual Information Form, can be located on the SEDAR website at www.sedar.com and on the EDGAR section of the SEC’s website at www.sec.gov. Financial information is based on as reported figures. The Bank implemented changes in its methodology for certain business line allocations relating to fund transfer pricing, revenue and cost sharing agreements between certain business lines, tax normalization, and the adoption of IFRS. Financial results for 2010 were not restated for these items. For the purposes of this presentation, LTM refers to the Latest Twelve Months, ending July 31, 2013.



Global Wealth & Insurance



Investor Day

September 2013

Opening Remarks

Brian Porter
President

Scotiabank's Strategy is Clear



Maintain High Degree of Diversification

Target 20%-30%
of all-Bank earnings from each
Business Line



Balance Earnings from Canada & International

Generate ~50% of earnings
from Canada, plus ~50% from our
international footprint



Increase Customer Focus

Increase focus on deeper
customer relationships, while
acquiring new customers



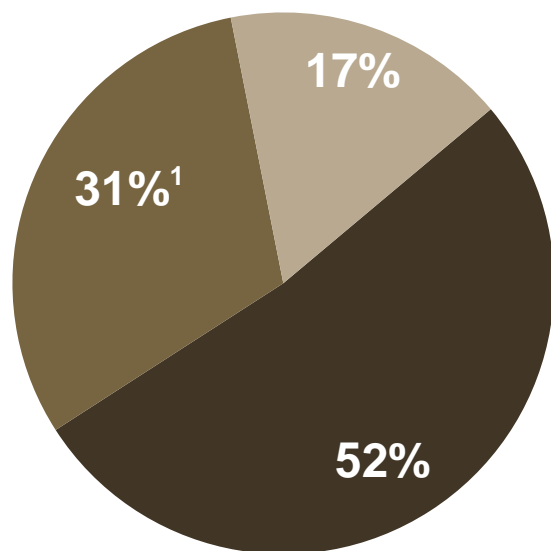
Pursue Selective Acquisitions

Complement organic
growth with selective acquisitions

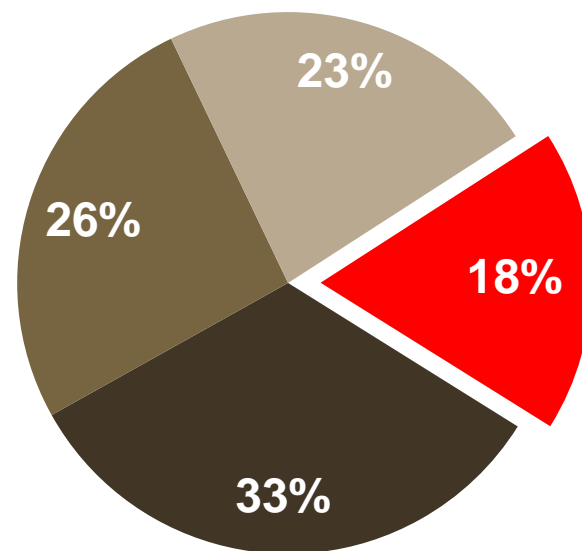
Three Years Old but Over a Decade of Commitment

Earnings by Business Line

10 Years Ago
(2002)



Today¹
(LTM)



■ Canadian Banking ■ International Banking ■ Global Banking & Markets ■ Global Wealth & Insurance

Strategic gap was identified and addressed

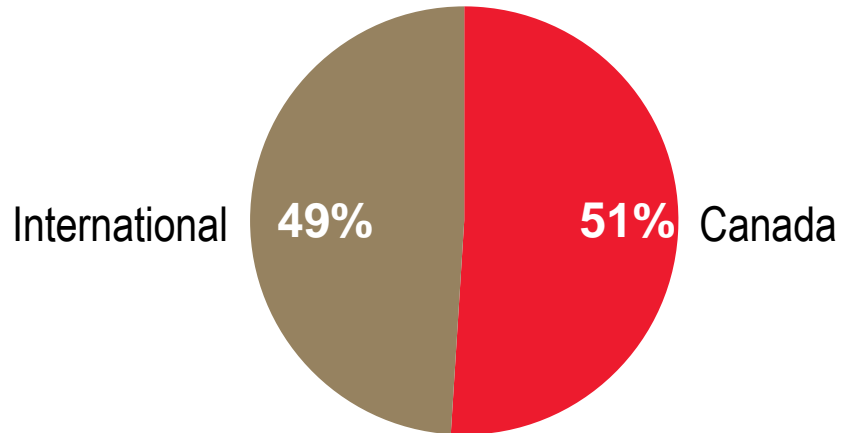
Commitment to Address Wealth Gap: \$6B+ in Acquisitions

	2008
	2008
	2011
	2012
	2013

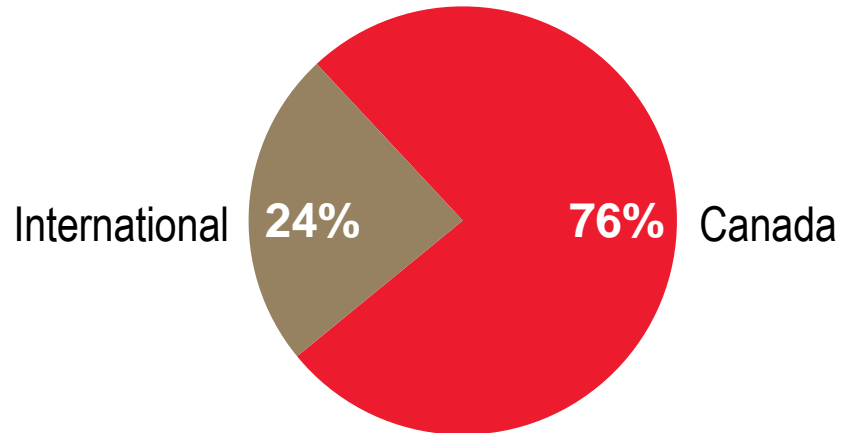
Our commitment to growth will continue

Wealth & Insurance is a Global Business

**All Bank Geographic
Earnings Mix**



**GWI Geographic
Earnings Mix**



GWI is a significant contributor to international earnings



Global Wealth & Insurance



Investor Day

September 2013

Our Strategic Direction

Chris Hodgson
Group Head
Global Wealth & Insurance

Key Messages Today

Strong Performance

Double digit earnings growth – driven organically & through acquisition

Differentiated Strategy

A differentiated global model aligned with Scotiabank's strategy

Right Positioning

Strong footprint in high growth markets



**A Key
Growth Engine
for Scotiabank**



Agenda

Introduction to Global Wealth & Insurance

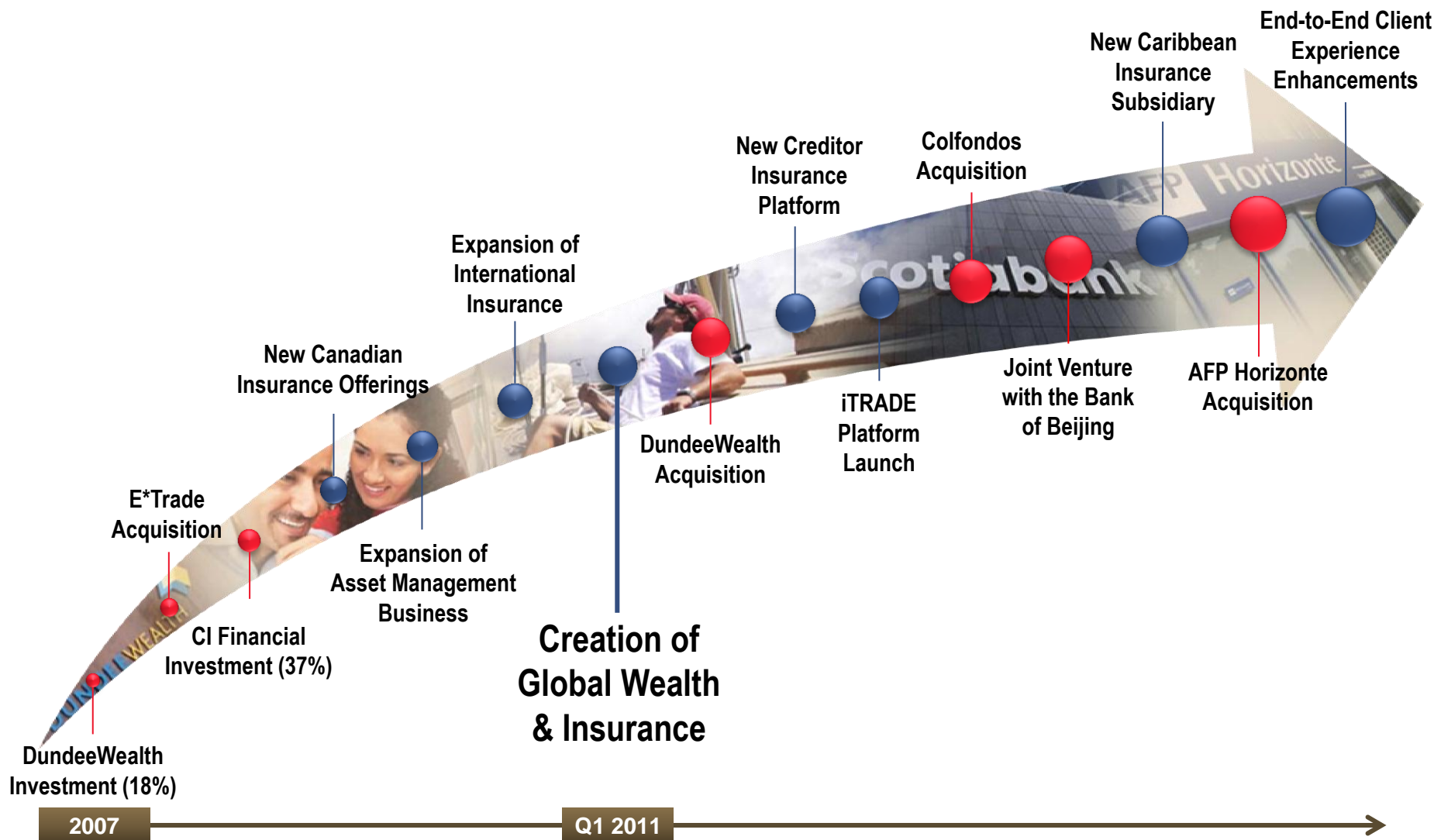
Our progress to date

Market trends

Strategic positioning



A Young Division, Grown over Time both Organically & through Acquisition



Global Wealth & Insurance – The Business Today

Global Wealth & Insurance

Global Wealth

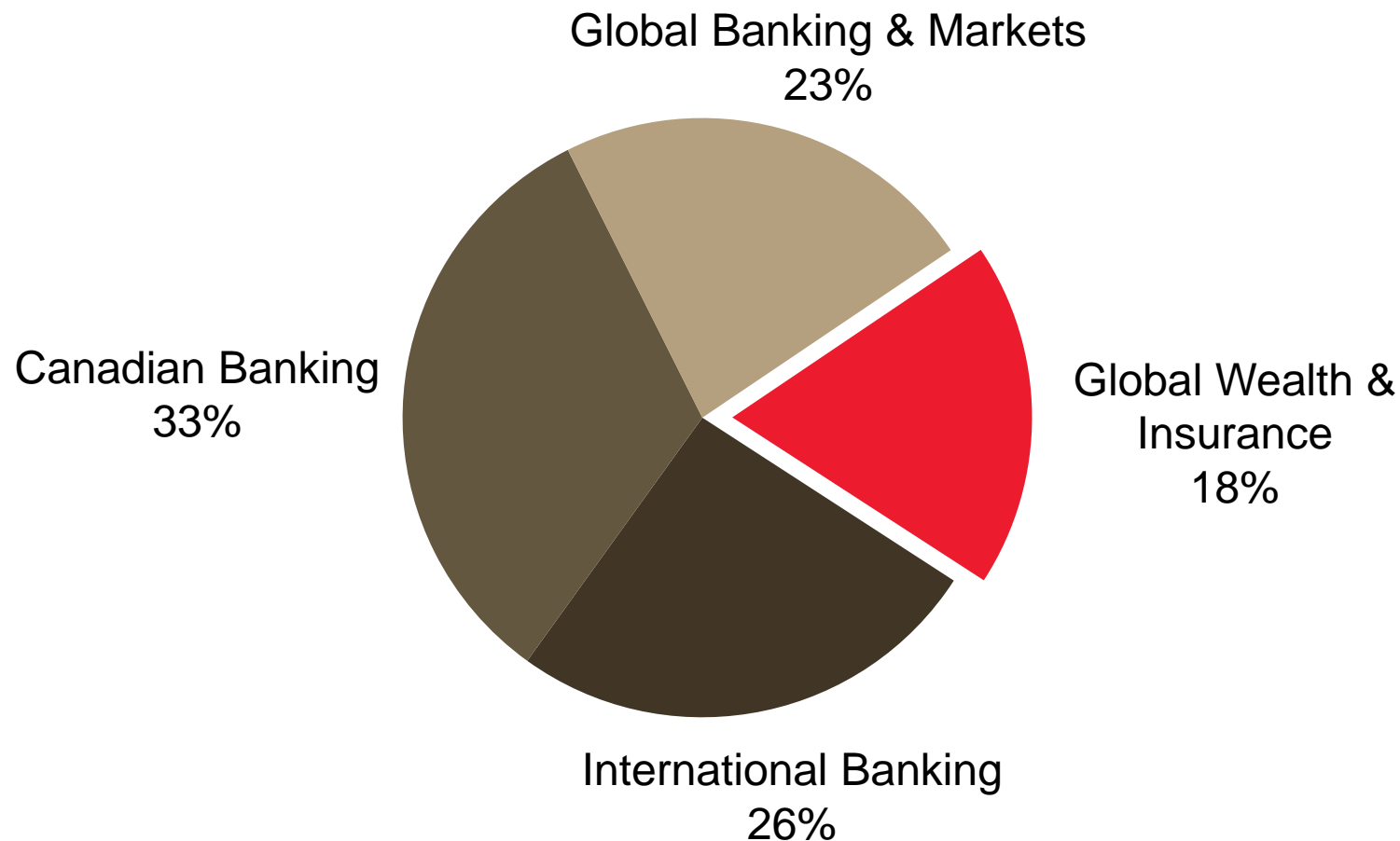
- ▶ \$3.3B¹ revenue
- ▶ \$139B² AUM
- ▶ \$315B² AUA
- ▶ 24 countries
- ▶ Over 3,300 branches

Global Insurance

- ▶ \$0.6B¹ revenue
- ▶ Over 8 million policies
- ▶ 30 countries
- ▶ Over 3,300 branches

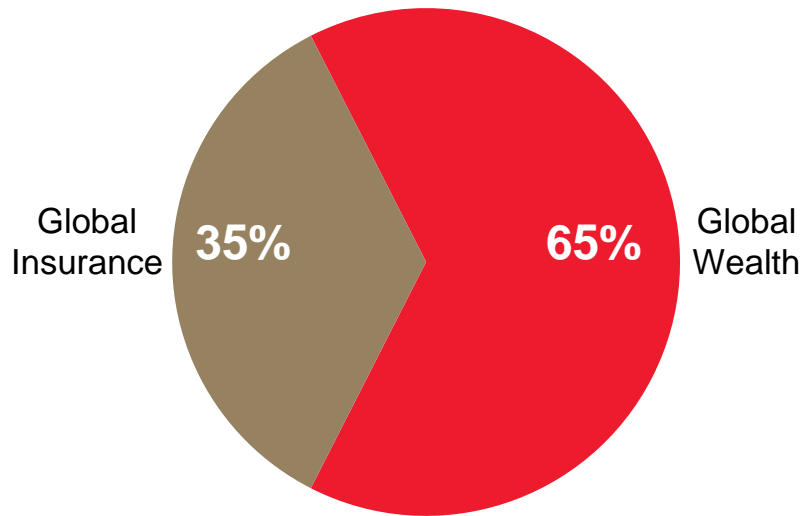
GWI – Important Earnings Contributor to Scotiabank

Scotiabank Earnings Breakdown

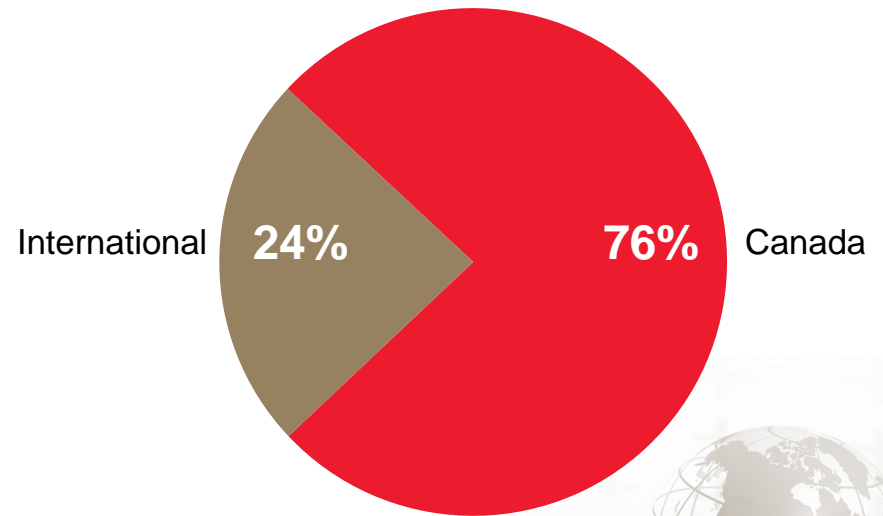


Diversification of Earnings Leads to Consistent and Stable Growth

Business Line Earnings Mix

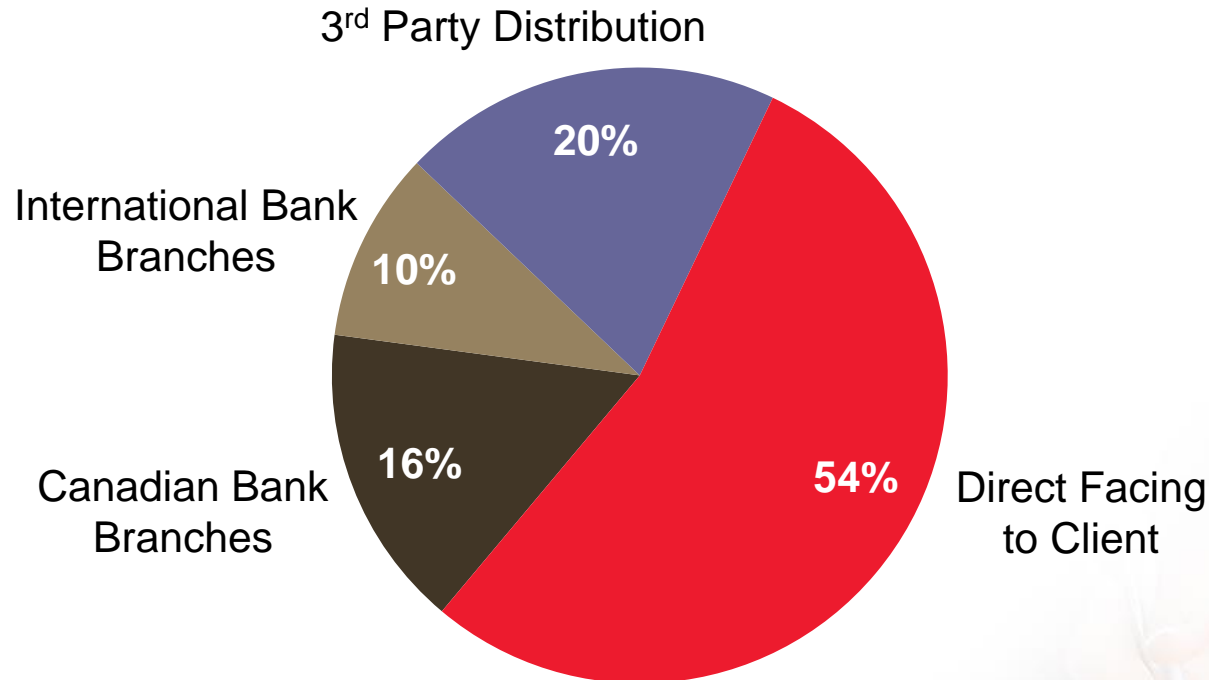


Geographic Earnings Mix



Multiple Channels of Revenue

Distribution of Revenue (LTM Estimate)



GWl revenue is diversified across multiple channels

CI Financial: An Important Source of Earnings for GWI

CI Financial Highlights

- A well-managed market leader

	Per Share	Total
Cost ¹	\$22.02	\$2.3B
Carrying Value	\$24.46	\$2.6B
Market Value ²	\$32.45	\$3.4B

- Important source of earnings for GWI
- Retain optionality for future

Agenda

Introduction to Global Wealth & Insurance

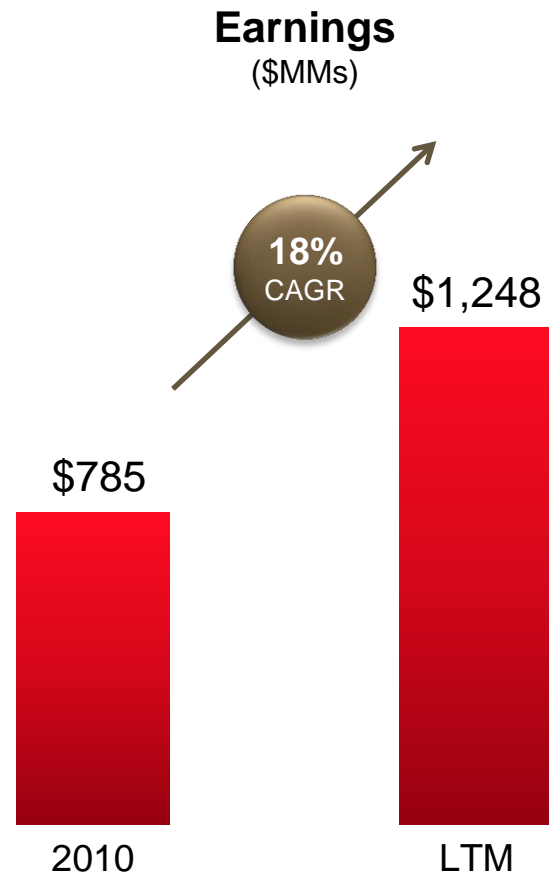
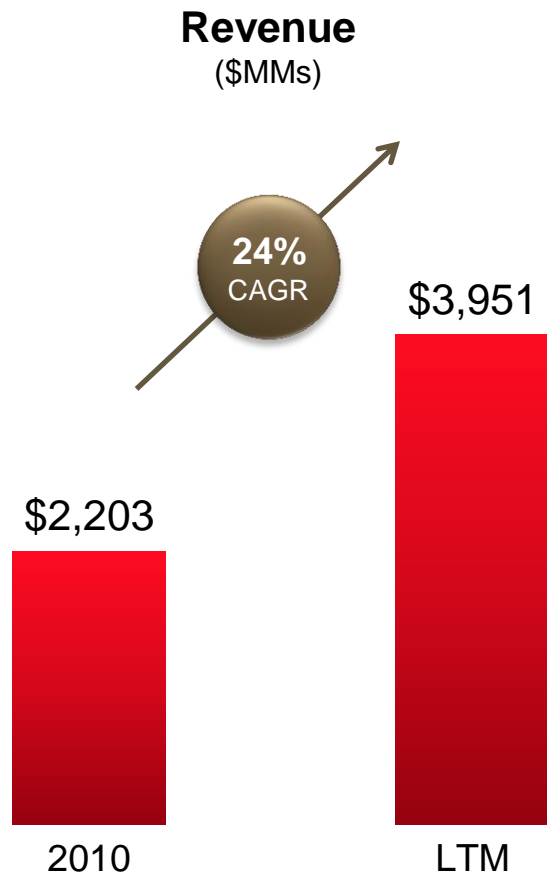
Our progress to date

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Strategic positioning

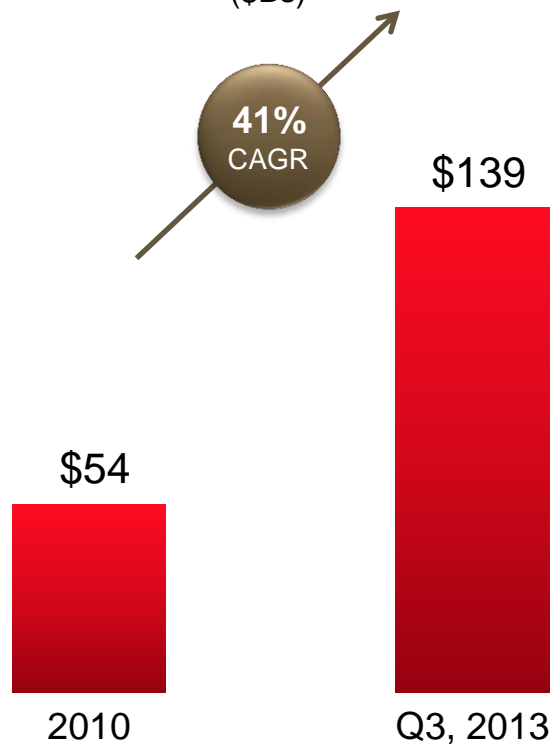


Delivering Strong Top and Bottom Line Growth...

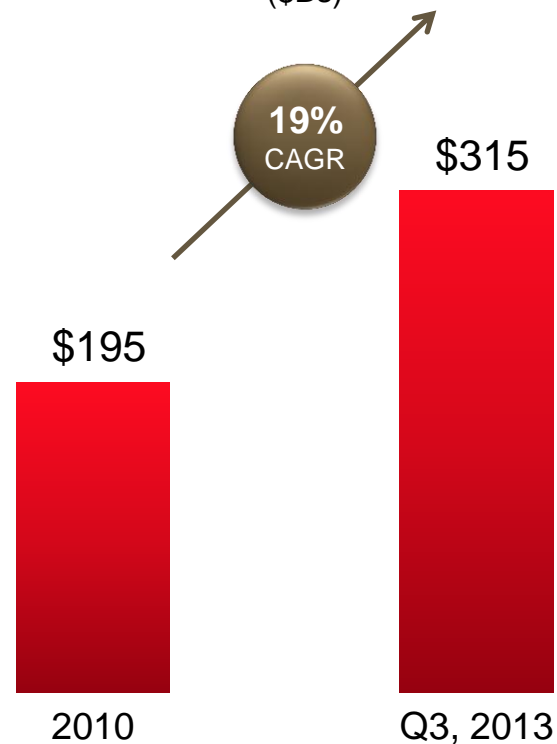


...Supported with Significant Asset Growth

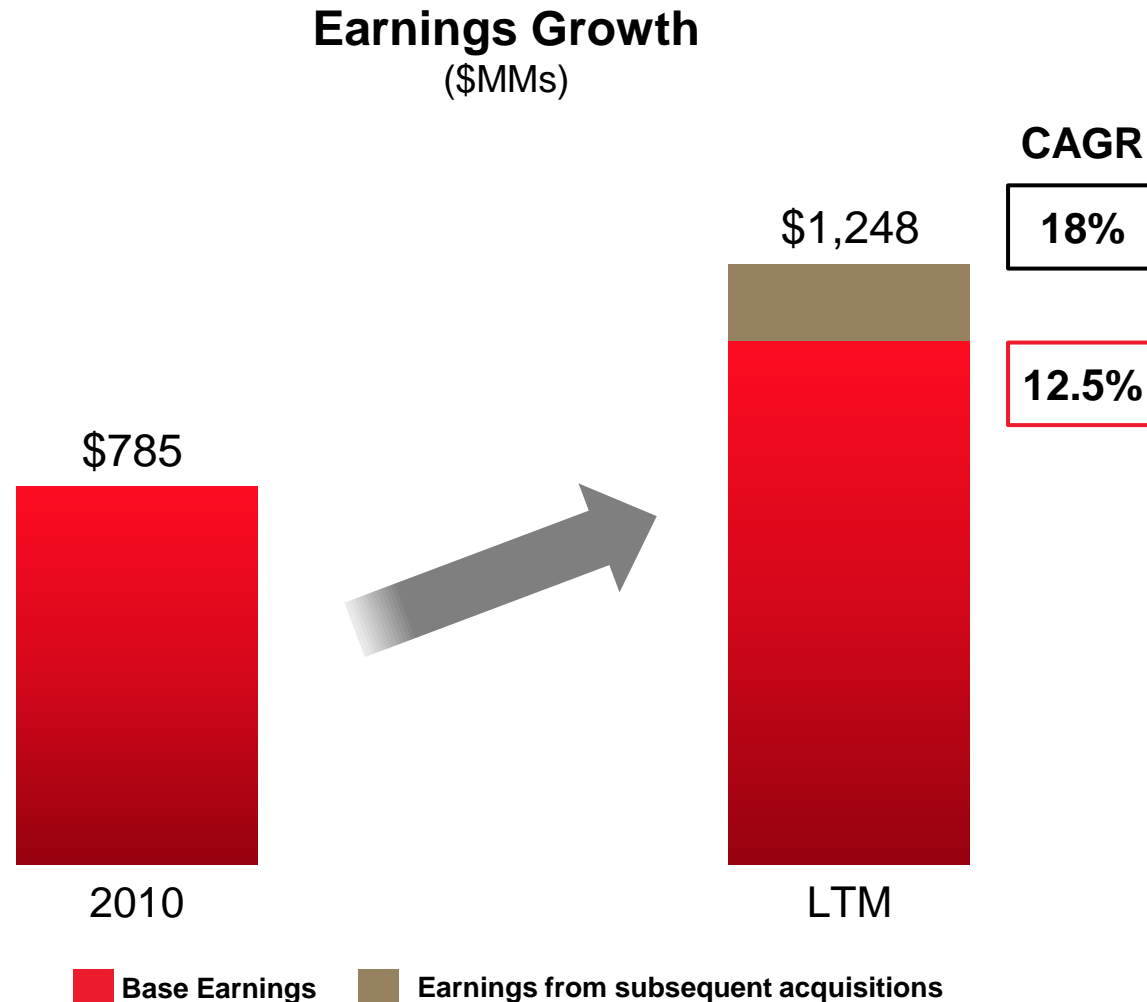
Assets Under Management^{1,2}
(\$Bs)



Assets Under Administration^{1,2}
(\$Bs)



Strong Growth – both Organic and through Acquisition



Agenda

Introduction to Global Wealth & Insurance

Our progress to date

Market trends

Strategic positioning



Well Positioned to Capitalize on Market Trends

Canadian Trends

- Aging population
- Changing client needs and expectations
- Evolving regulations
- Continued industry consolidation



International Trends

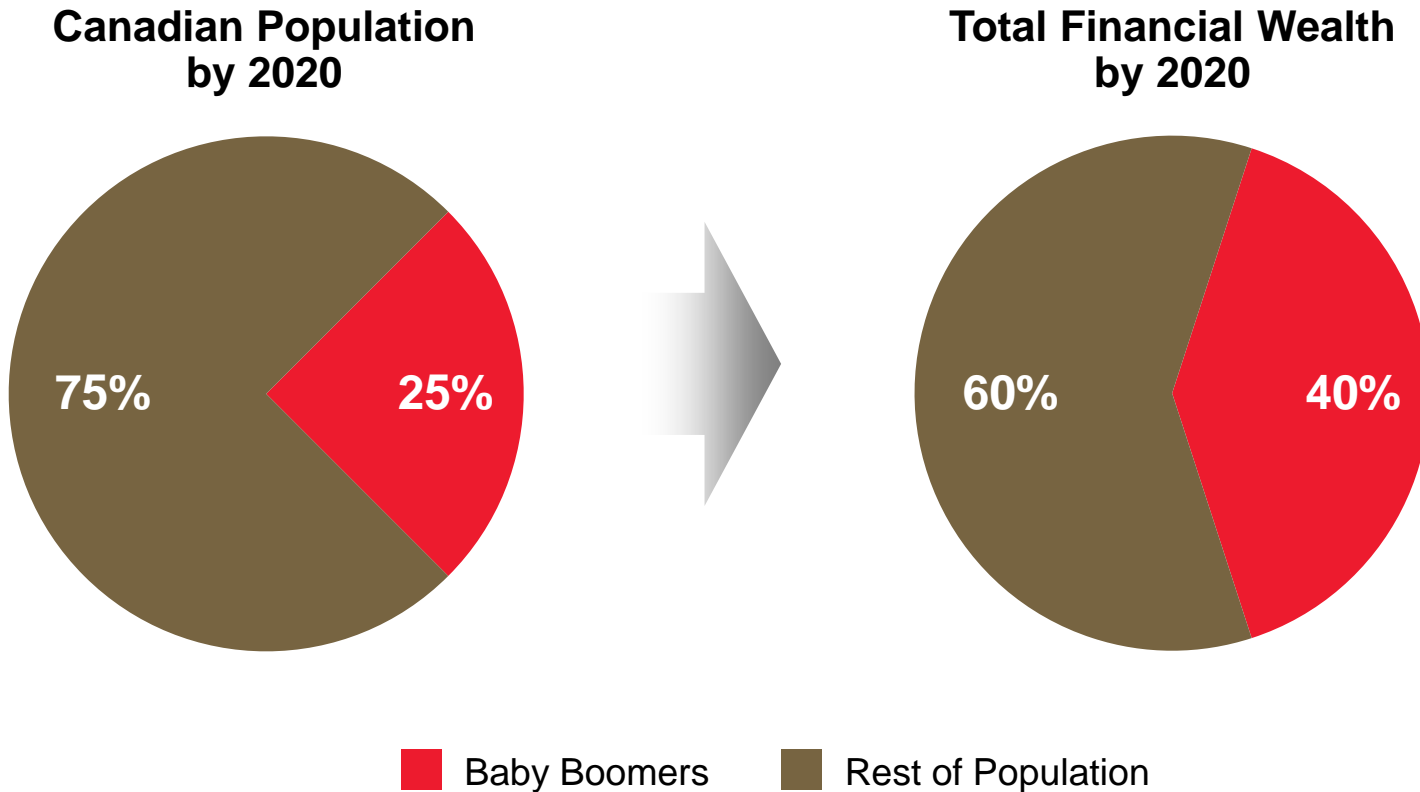
- Continuing strong economic performance
- Rapidly growing middle class
- Evolving regulations
- Increasing significance of bancassurance



**Multiple
Growth
Opportunities**

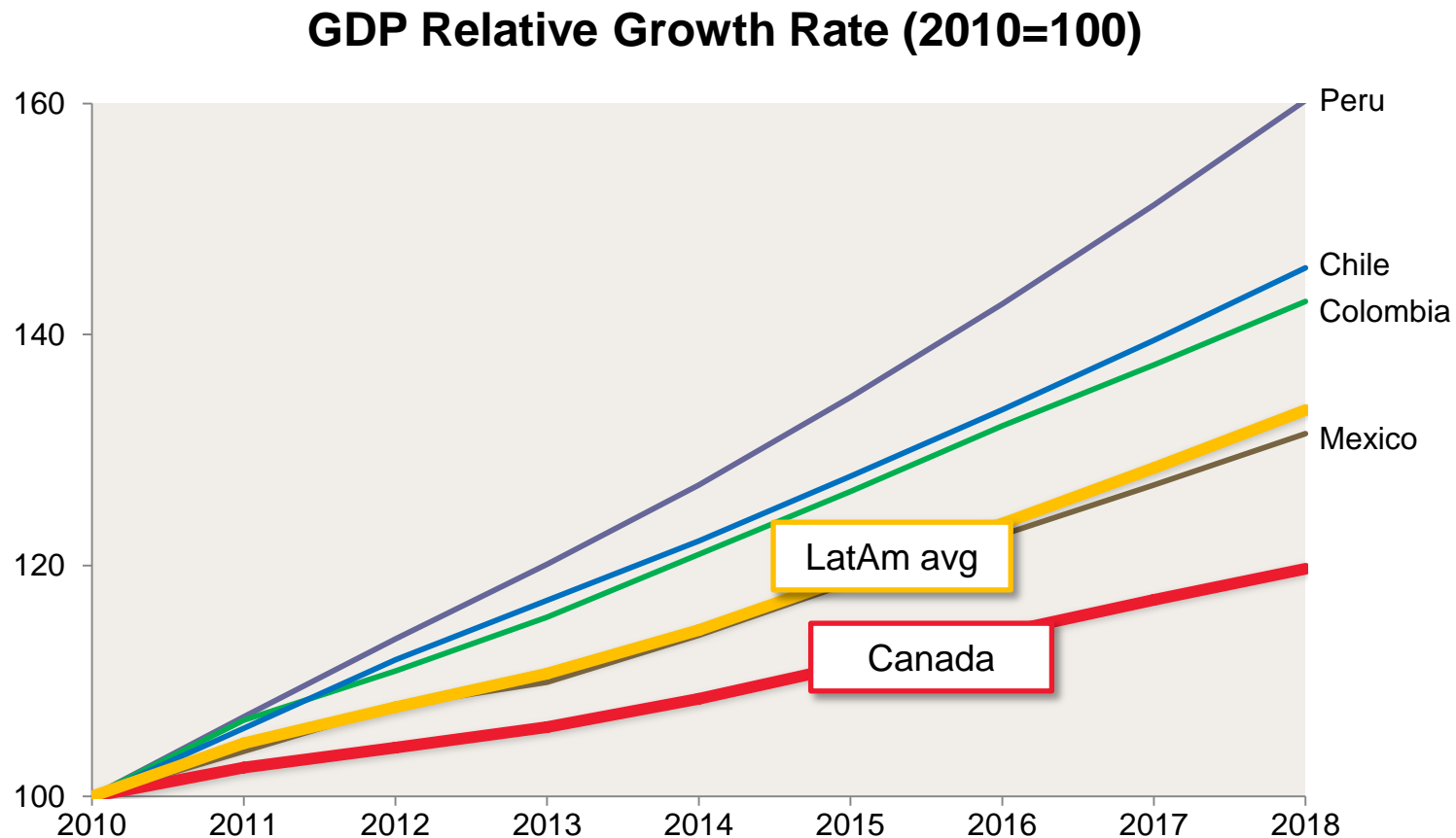


Large Proportion of Wealth Controlled by Baby Boomers



Critical market with evolving needs that must be met

Rapid Growth Rates in LatAm



LatAm growth outpacing Canada

Agenda

Introduction to Global Wealth & Insurance

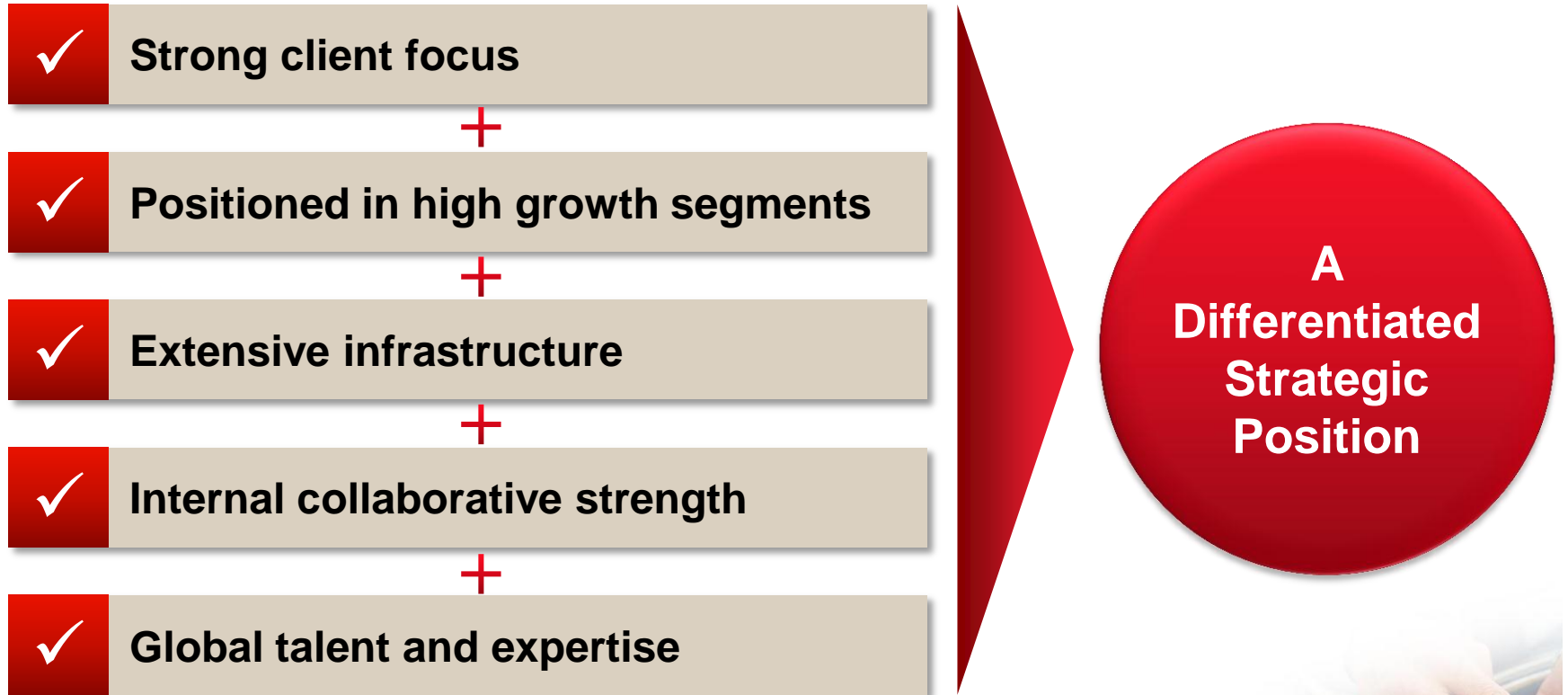
Our progress to date

Market trends

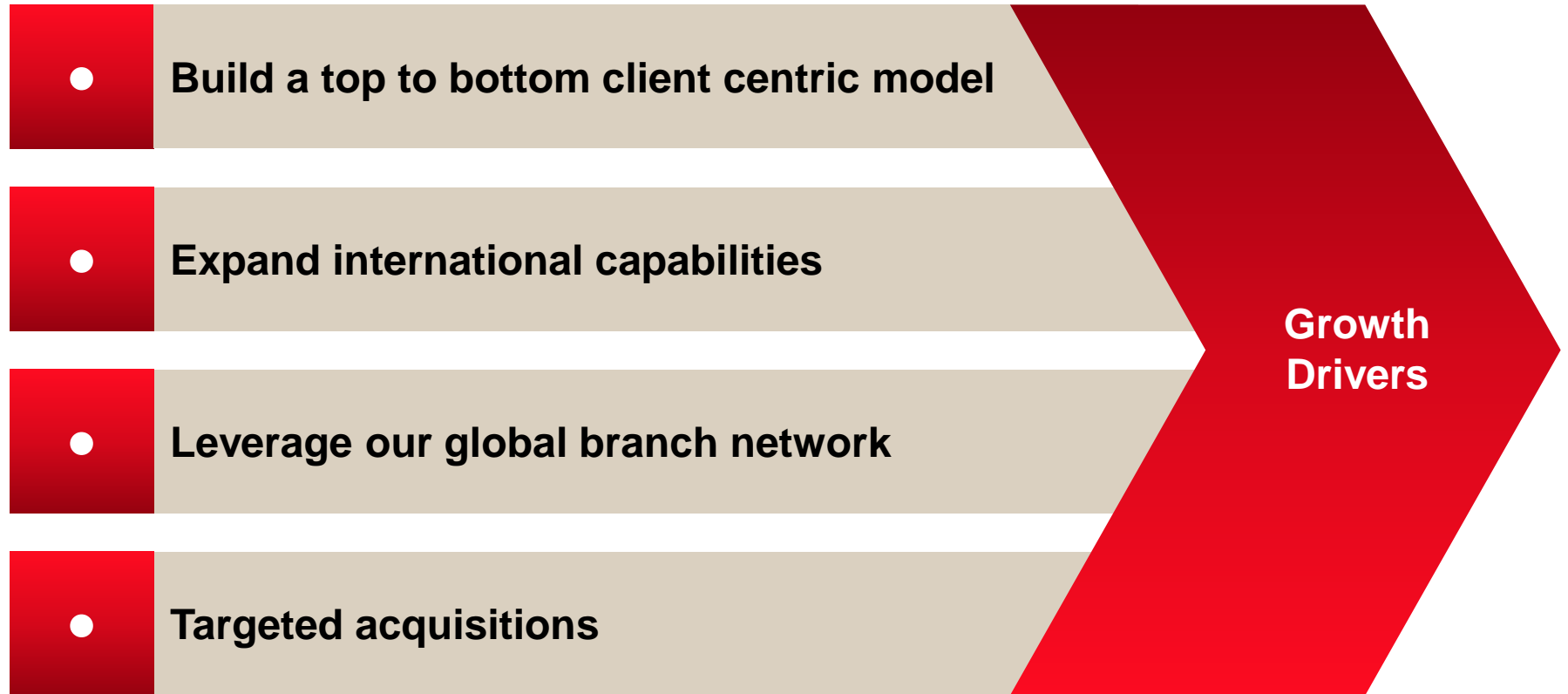
Strategic positioning



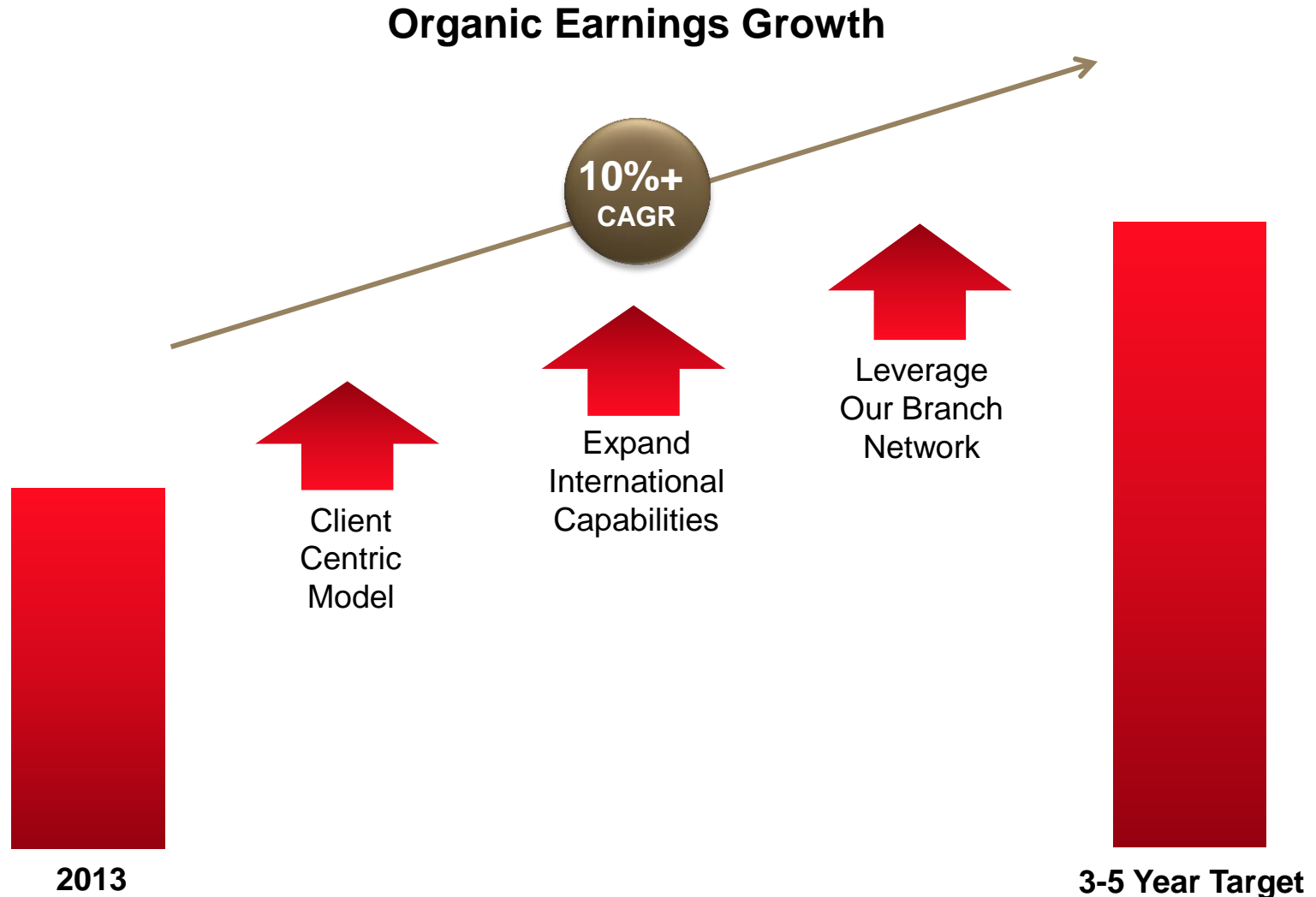
Leveraging Our Differentiated Business Model



Key Growth Drivers



Our Focused Growth Plan will Drive Double Digit Growth over Next 3 to 5 Years



Client Centricity: Better Client Results and Increased Loyalty Leads to Better Results for GWI

Client Loyalty Index 2010 – 2013

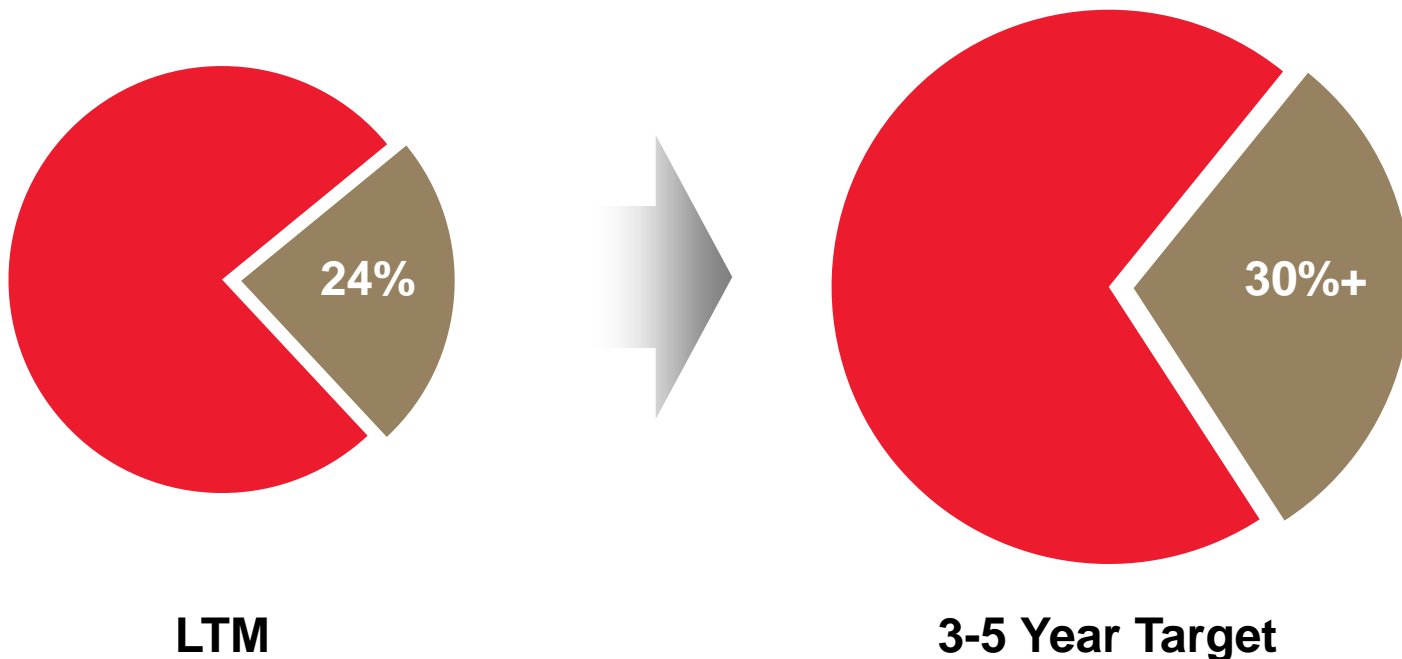


- ☒ Greater share of wallet
- ☒ Higher client retention
- ☒ Higher margin clients
- ☒ New client acquisition



Growing Contribution from International Earnings

International Earnings Contribution



- Leverage economic growth trends into significant organic growth
- Leverage future P&C acquisitions for wealth and insurance opportunities
- Select international acquisitions



Leverage our Greatest Asset: 3,300+ Global Branches

Our Winning Partnerships

Collaborate



Leverage collaborative successes in both wealth & insurance across markets

Client Service



Ensure optimal client service through transfer between retail, commercial and wealth

Cross-sell



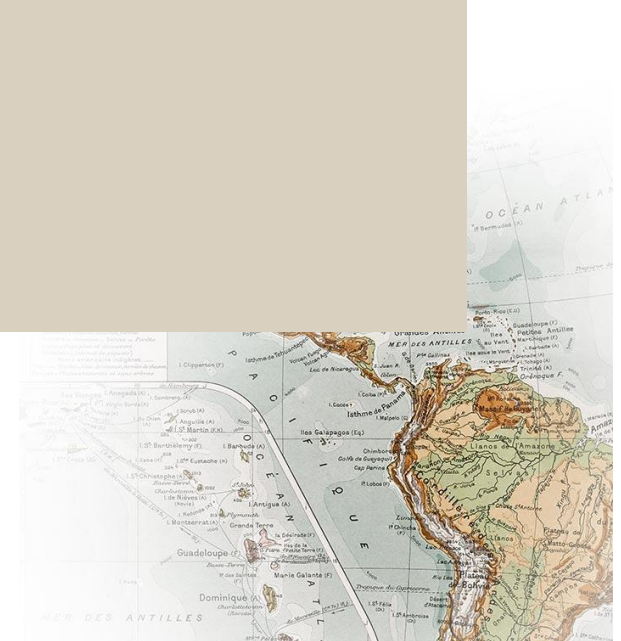
Continue to increase cross-sell penetration, with deeper client relationships throughout the entire bank



Acquisitions Must Meet Our Criteria

Principal Criteria

- Grow within Scotiabank's global footprint
- Contributes to sustainable earnings growth
- Scalable business model
- Acceptable impact on capital
- Business & cultural fit
- Management talent & expertise



A Key Growth Engine

Sustained Earnings Growth

- Expect continued strong, organic double digit earnings growth



Substantial Canadian Scale

- Solid Canadian base driving significant organic growth



International Expansion

- Expect continued international focus and expansion



Global Insurance Opportunities

- Insurance will continue to be a strong earnings contributor





Global Wealth & Insurance



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Financial Review

James O'Sullivan

Senior Vice President & Chief Financial Officer

Global Wealth & Insurance

Agenda

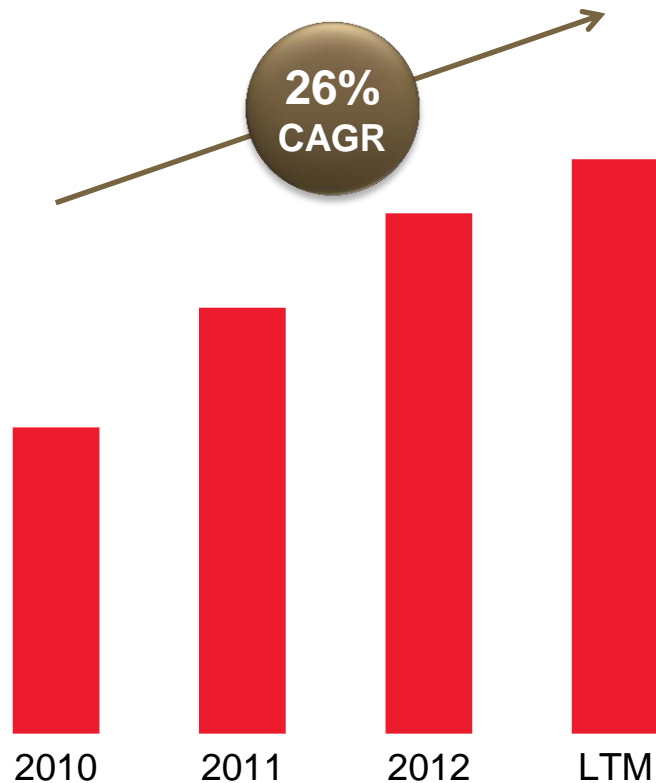
Performance highlights

Future expectations

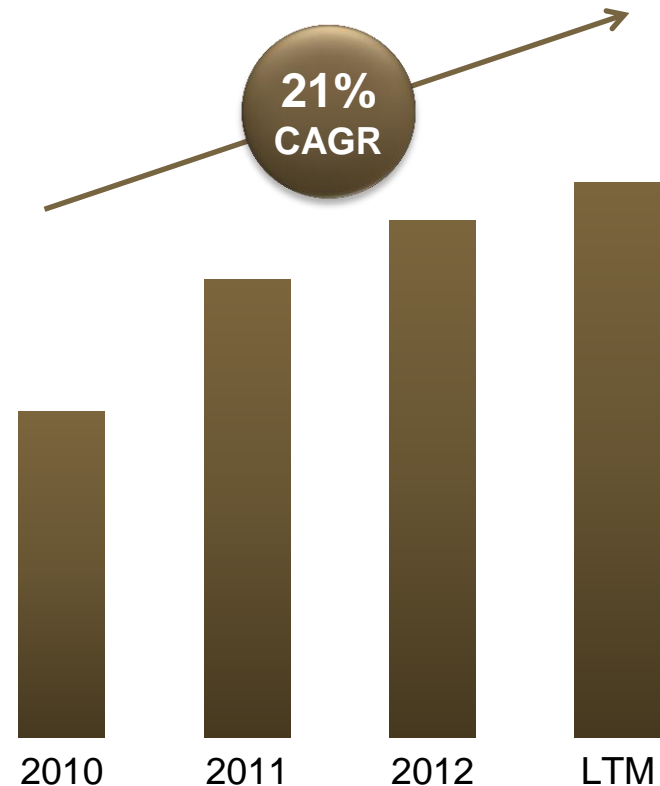


Significant Growth in Global Wealth

Revenue Growth¹

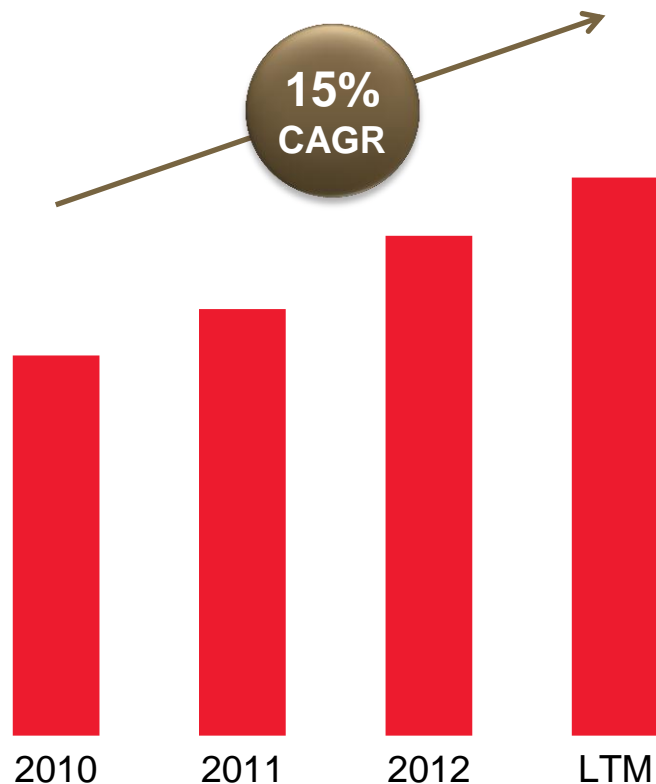


Earnings Growth¹

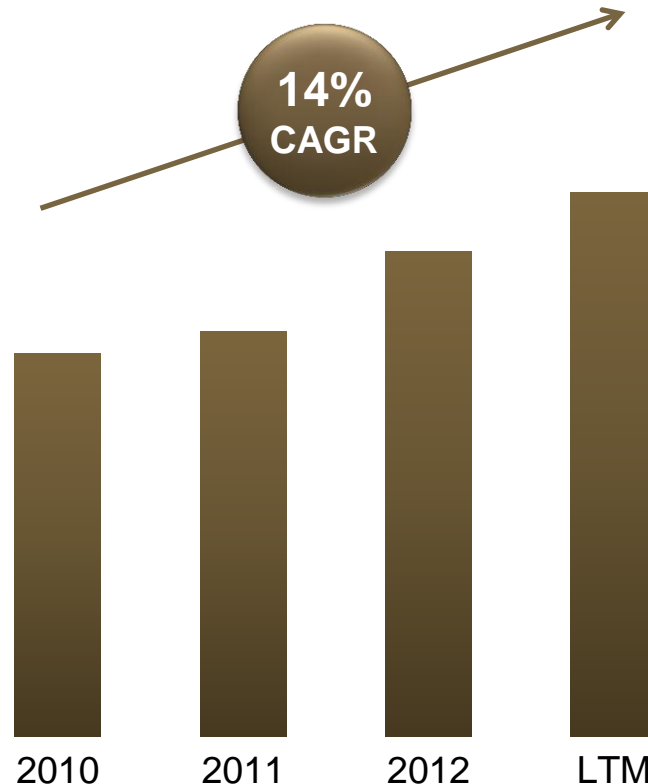


Strong Growth from Global Insurance

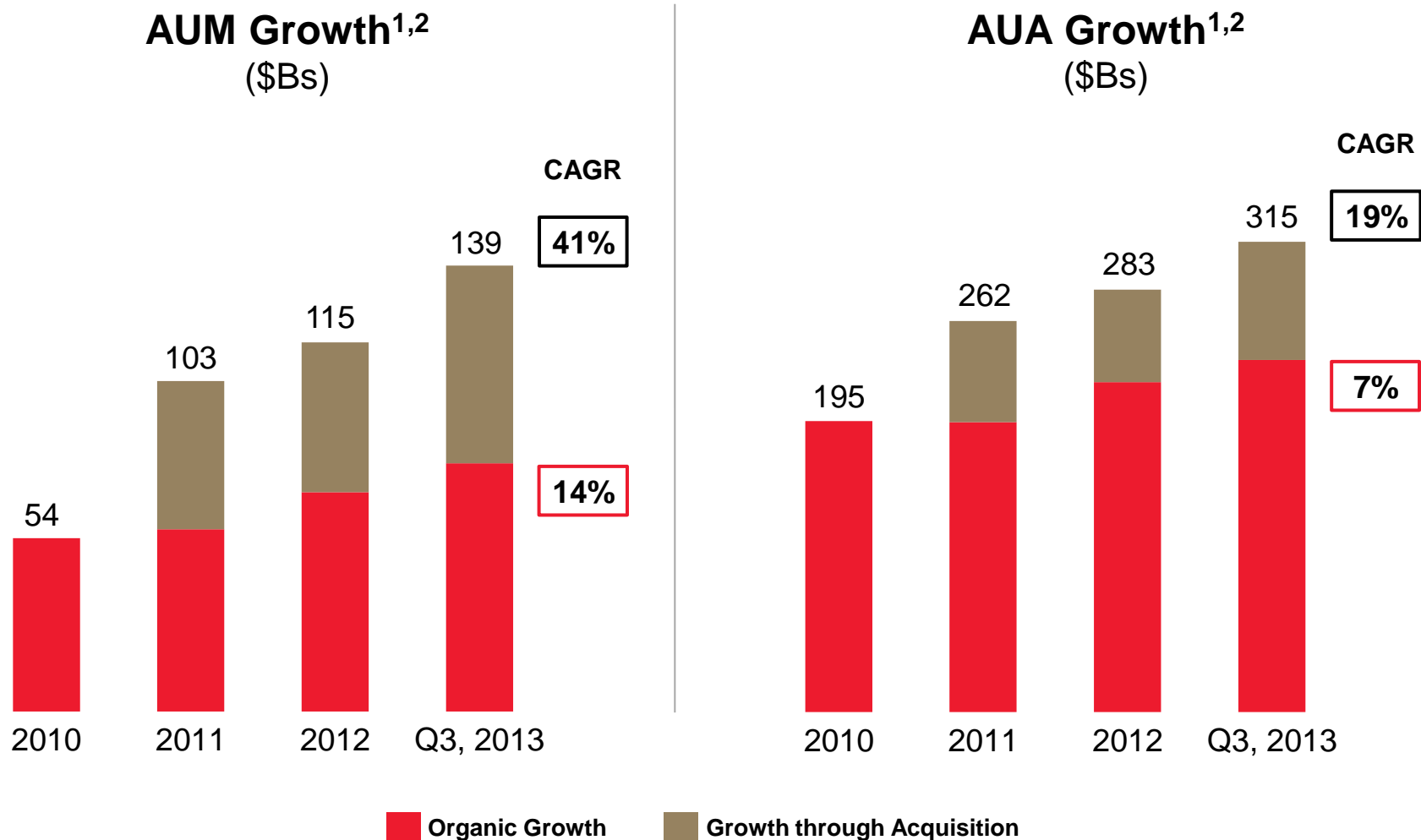
Revenue Growth



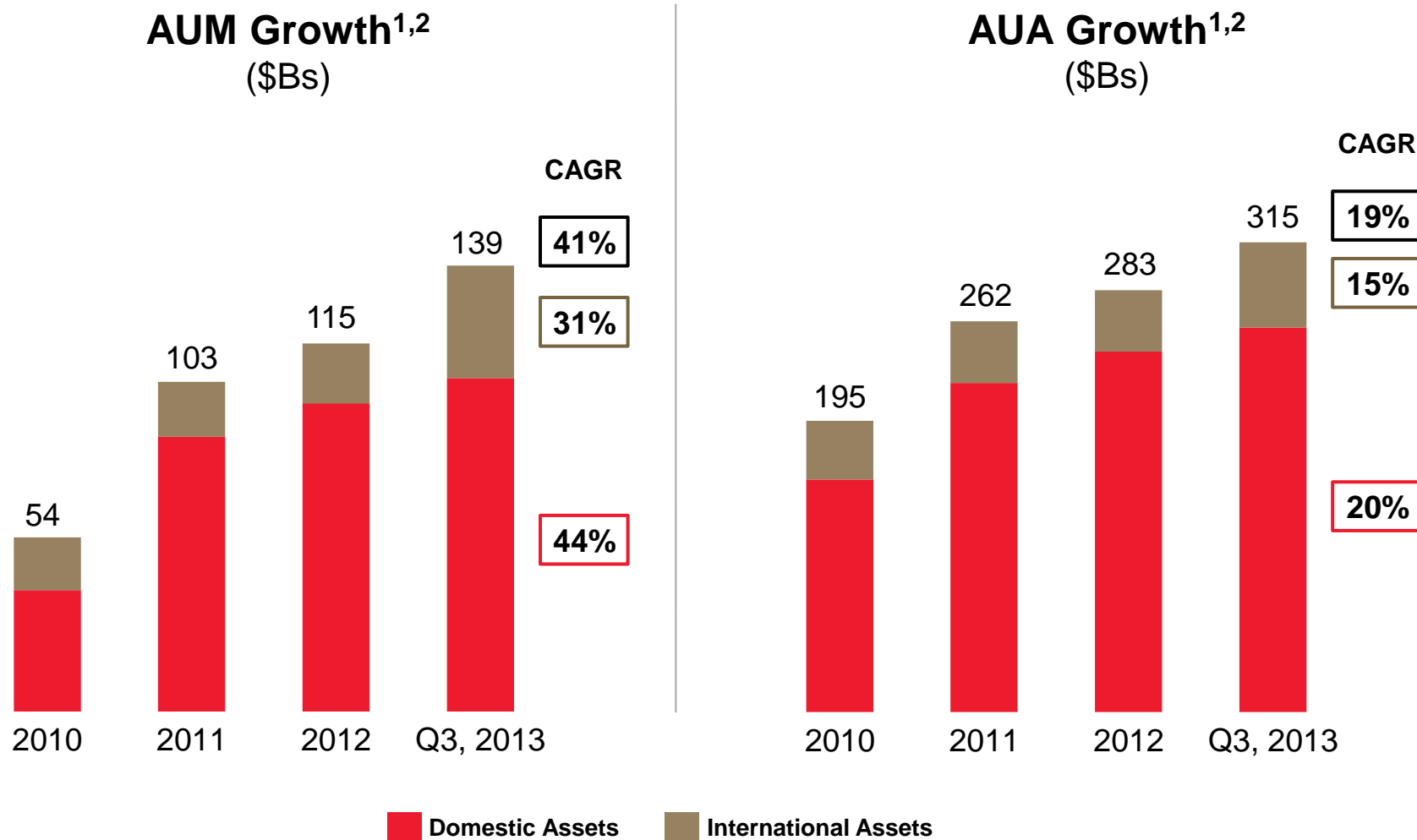
Earnings Growth



Solid Organic Growth, with Benefit of Acquisitions



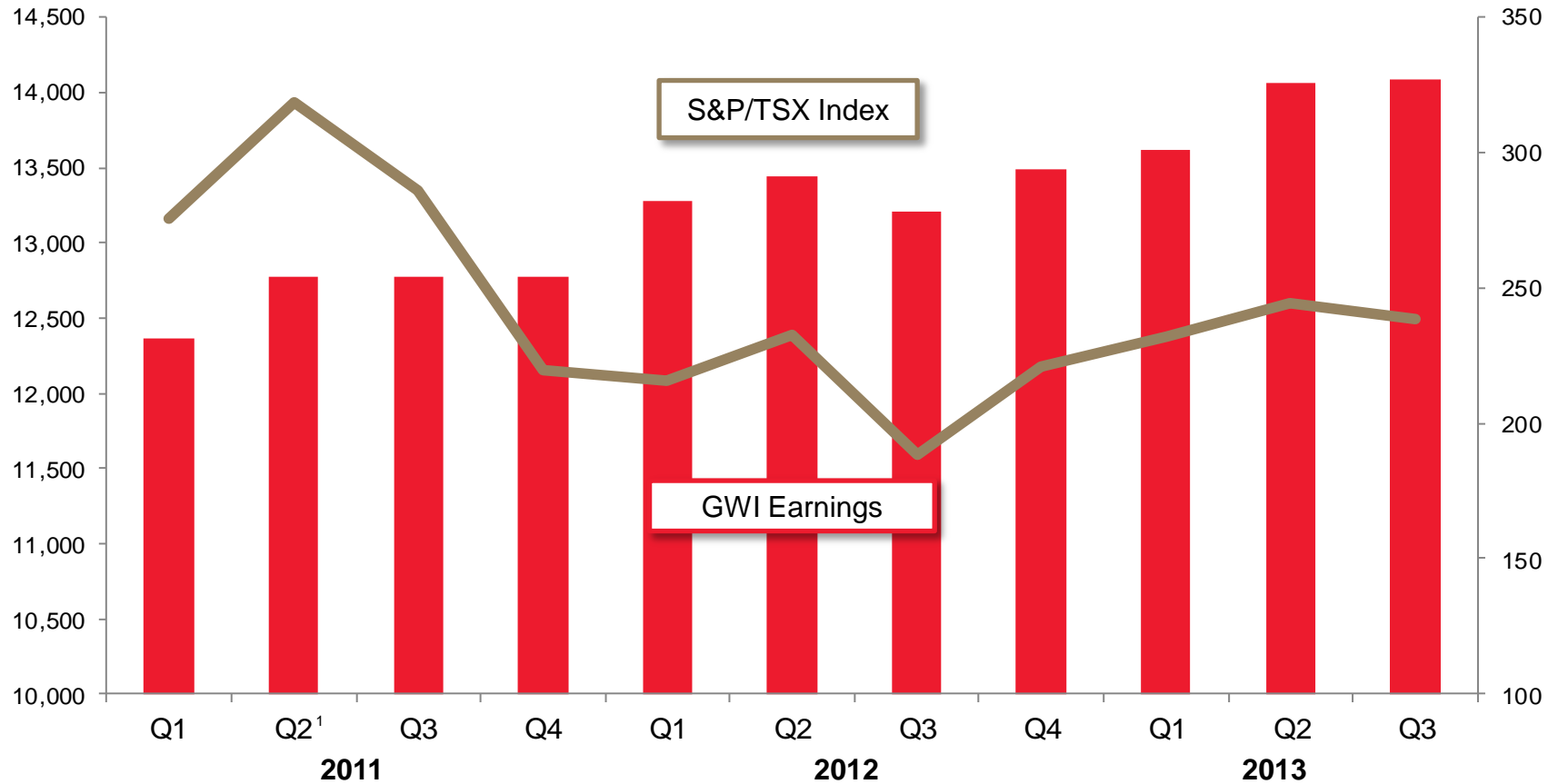
Both International and Domestic Business Driving Growth



Solid Earnings Growth despite Volatile Equity Markets

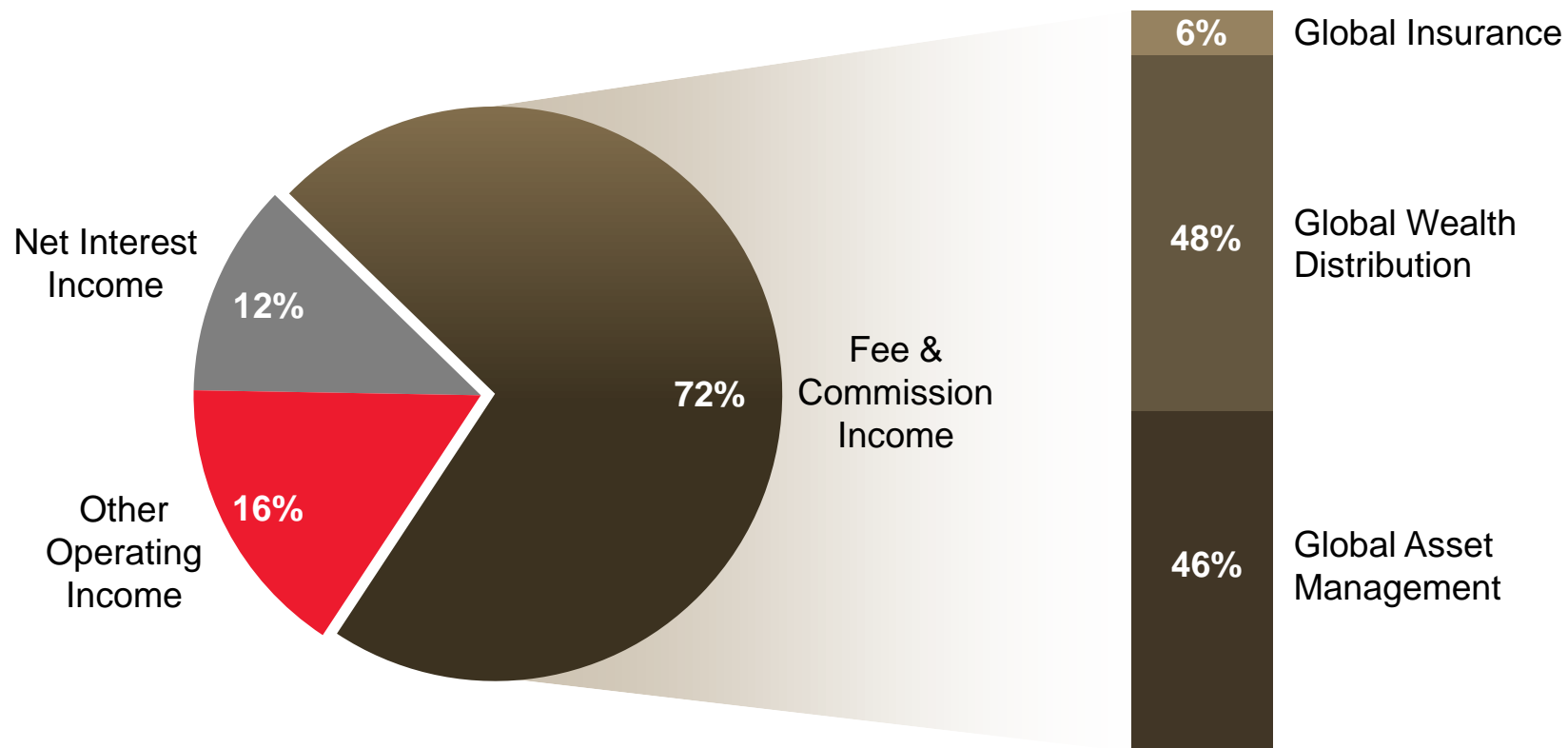
S&P/TSX

Earnings (\$MMs)



GWI – Fee Income Driven

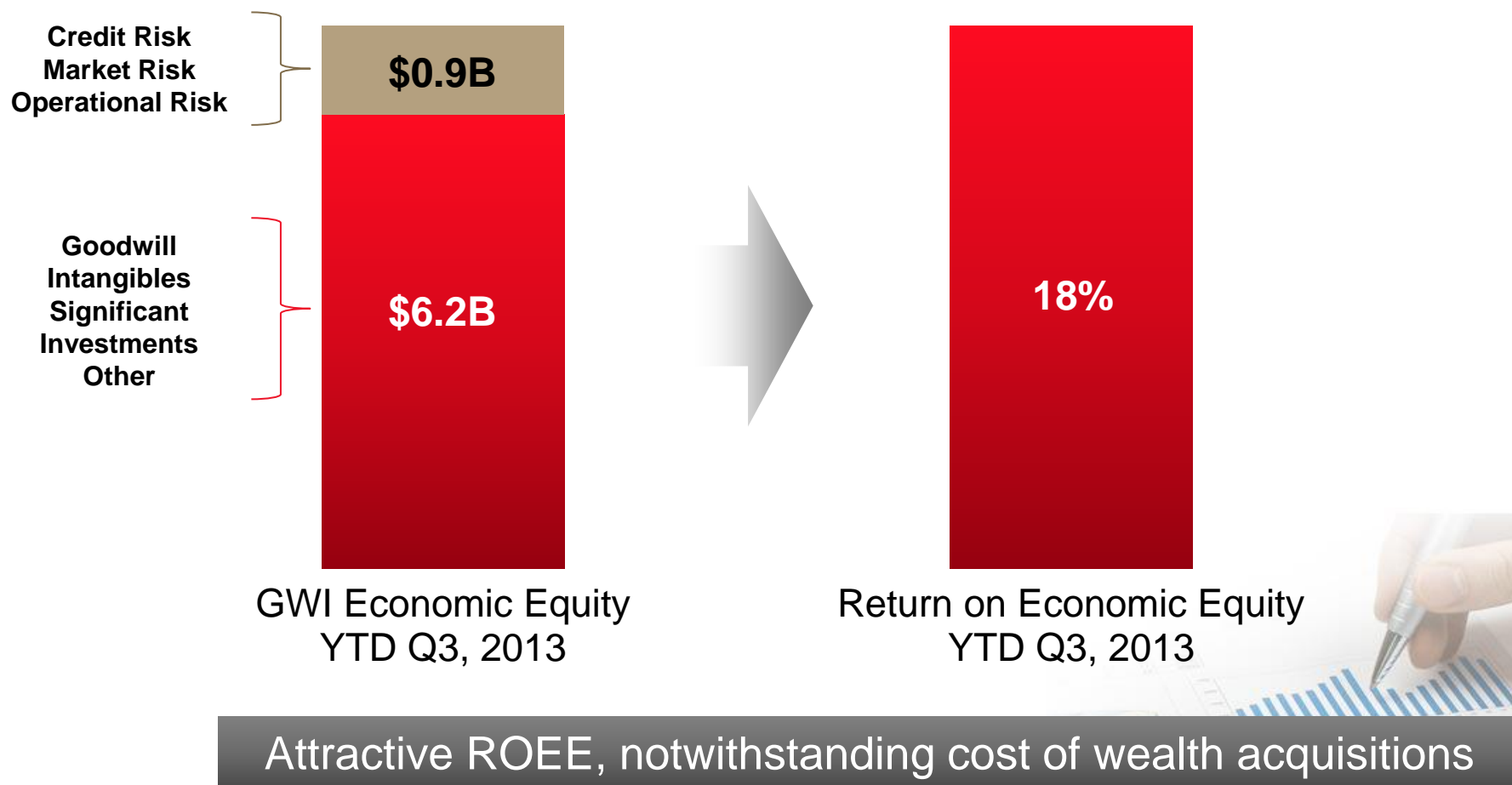
GWI Revenue Breakdown



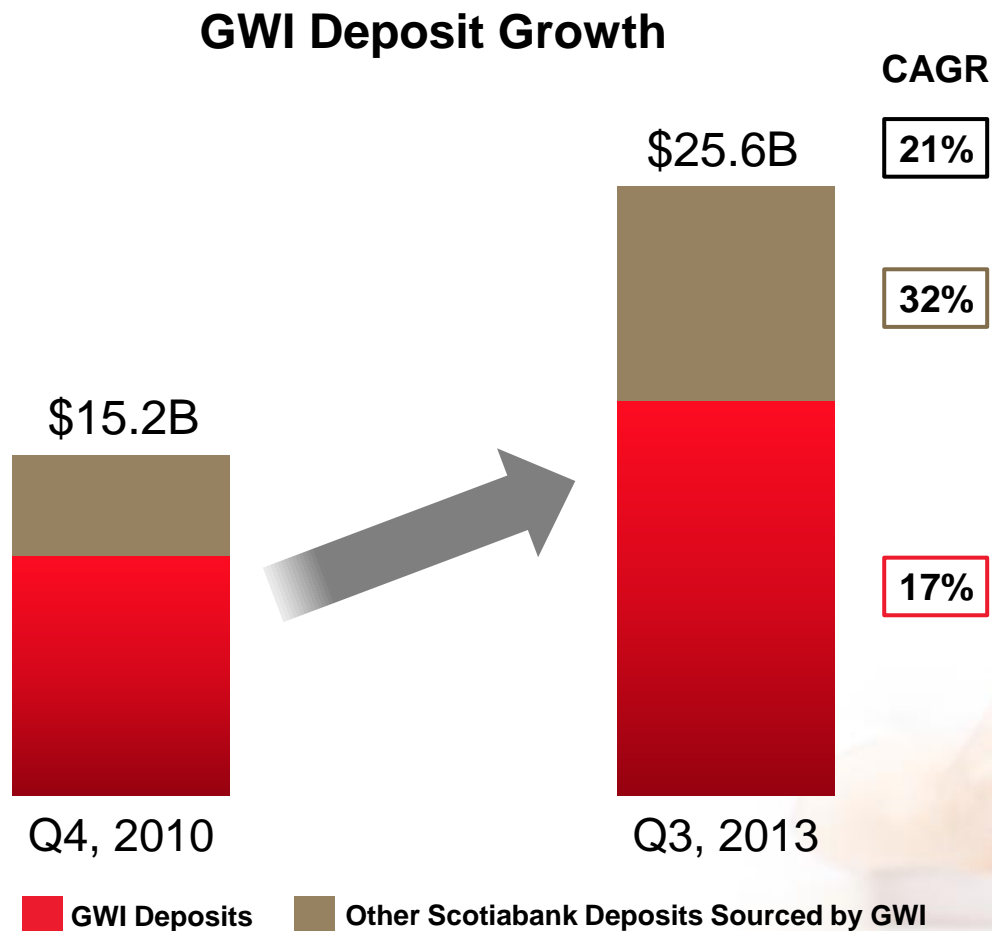
42% of all-Bank fee & commission revenue is contributed by GWI

Strong Return on Economic Equity

Translating Economic Equity into Strong Returns



A Strong Source of Deposit Growth



Increasing emphasis on deposit gathering is generating results

Agenda

Performance highlights

Future expectations



Global Wealth & Insurance: 3-5 Year Targets

Key Financial Targets	Target	Q3 2013 YTD
Organic Earnings Growth	10%+	12%
% International Earnings	30%+	25%
ROEE	16-20%+	18%
% of All-Bank Earnings	20-30%	19%

Global Wealth & Insurance is a Key Growth Engine

Key Takeaways

- ✓ Strong growth since inception
- ✓ Significant fee-driven revenue
- ✓ Strong ROEE earning through cost of acquisitions
- ✓ Source of deposit growth



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