



GLOBAL WEALTH & INSURANCE
INVESTOR DAY

September 25, 2013



Global Wealth & Insurance



Investor Day

September 2013

Global Wealth

Barb Mason
Executive Vice President
Global Wealth Management

Agenda

The business today

Canada – strategies for growth

International – strategies for growth

Key takeaways



Full Spectrum of Businesses

Global Asset Management

- 12 asset management companies servicing retail and institutional clients across Scotiabank footprint



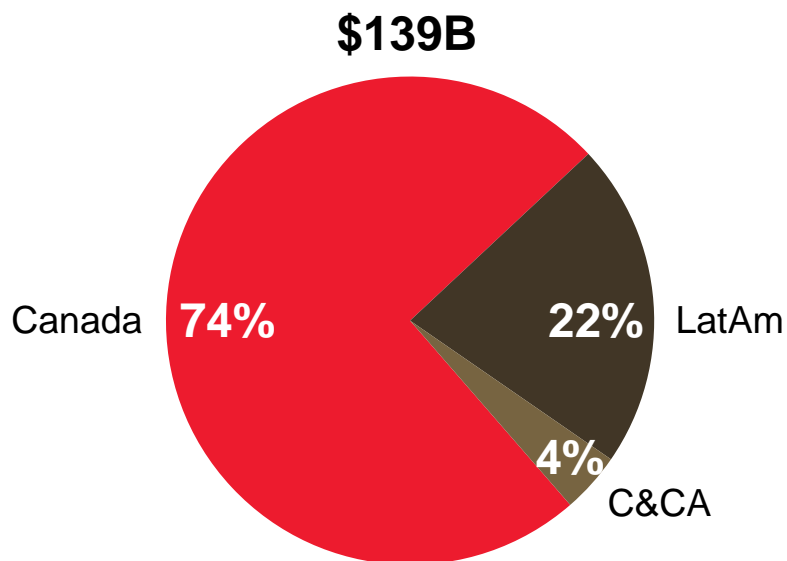
Global Distribution

- Broad suite of capabilities in 19 countries:
 - private client
 - full-service brokerage
 - online brokerage
 - independent advisory
 - pensions

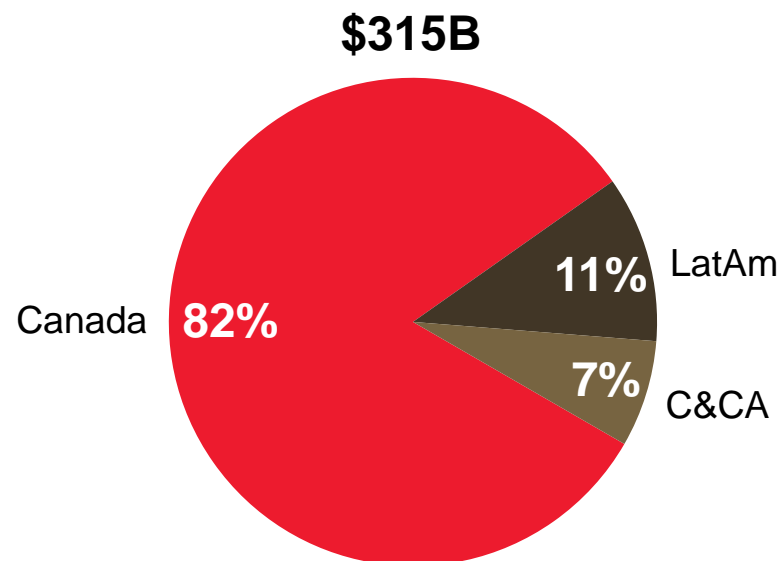


Scale in Canada and Building Scale in LatAm

AUM by Region – Q3 2013
((\$Bs)

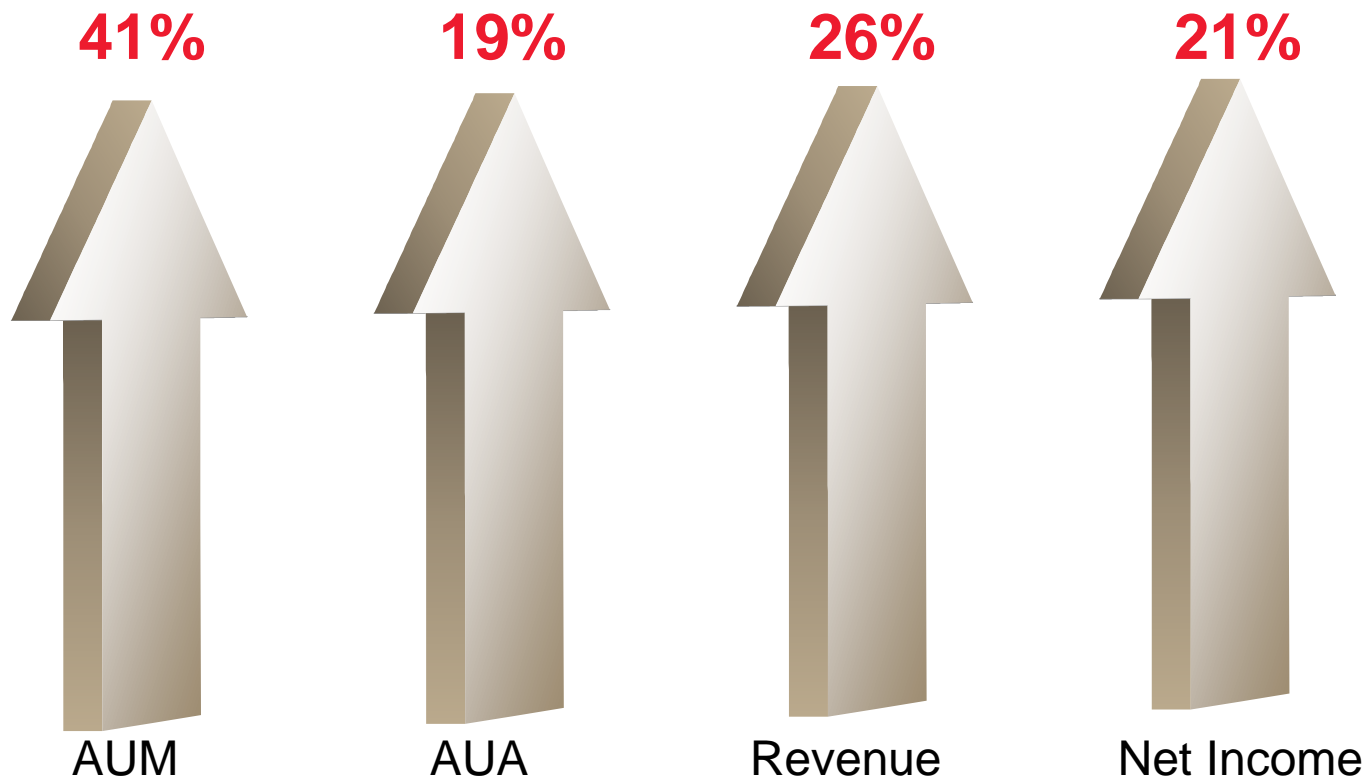


AUA by Region – Q3 2013
((\$Bs)



Solid Growth Delivered on Multiple Fronts

CAGR
(2010 – LTM)



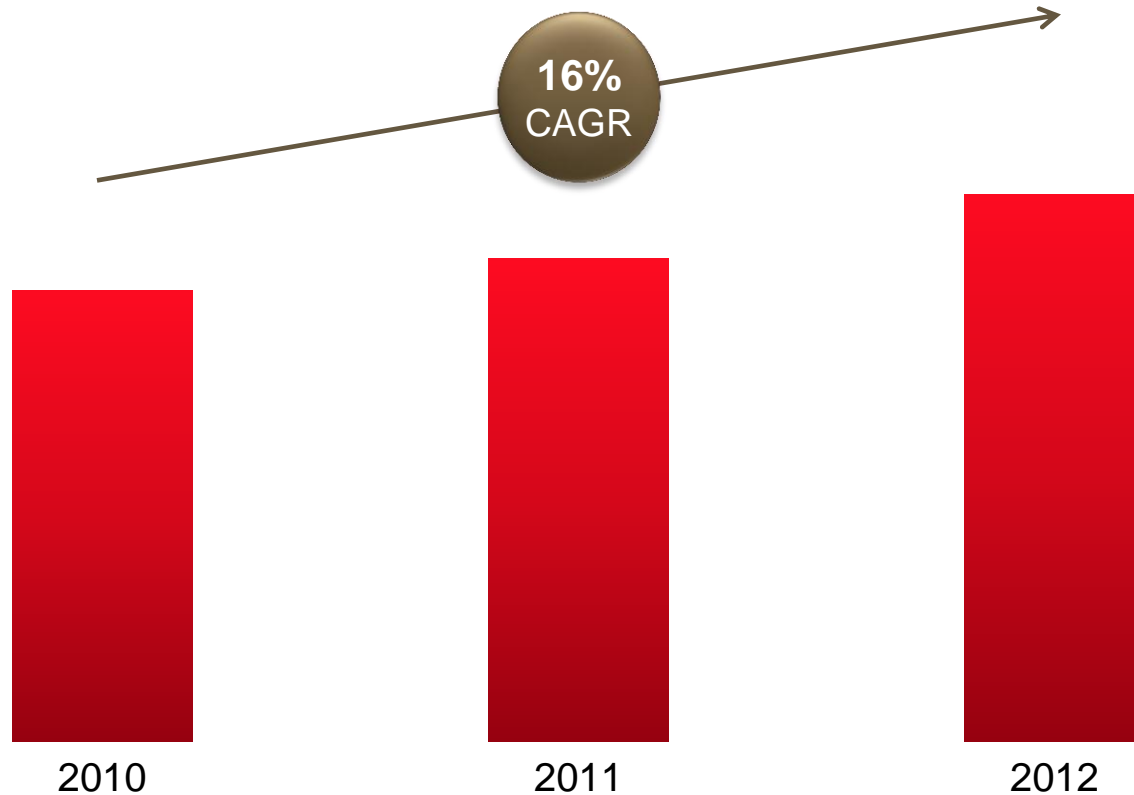
Scale and Market Position Achieved in Canada

	2006		2013
ScotiaFunds annual net sales	(\$0.2B)	➔	\$2.8B
Mutual funds market share	2.8%	➔	8.4%
% assets in advisory from \$1MM+ households			65%
Online brokerage ranking (DARTs)	#6	➔	#4











Increasing Referrals from Canadian Banking Contributing to Growth

Assets Referred to Wealth Advisory



Momentum Building in International

Early Success	2010		2013
Assets under management	\$16B		\$35B
Peru mutual fund market share	16%		17%
Assets under administration	\$39B		\$57B
Pension market share			
 Dominican Republic			25%
 Peru			27%
 Colombia			13%

Only Just Begun	2013
 Chile mutual fund market share	5%
 Mexico mutual fund market share	5%

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Key takeaways



Canada – Strategies for Growth

Canada: Our Biggest Near-Term Opportunity



Capture upside
in retail bank
client base



Grow HNW
franchise and
deepen penetration



Build a
global asset
management
platform

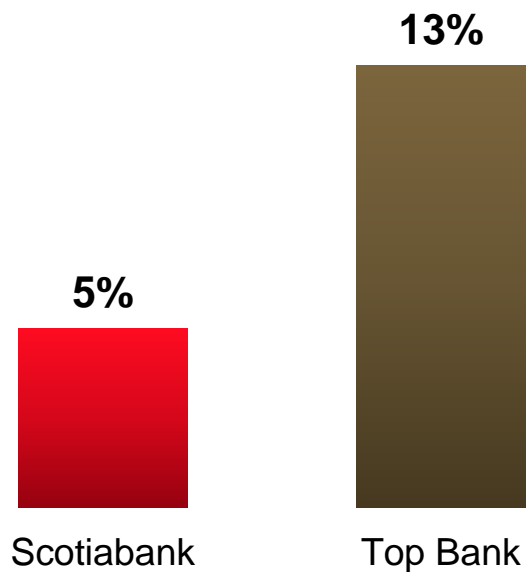


Build out
institutional
business

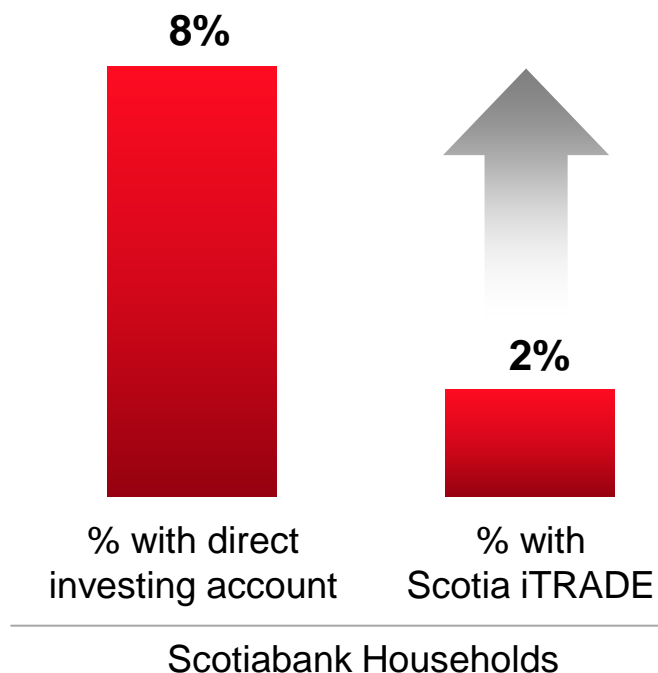


Capture Upside from Retail Bank

**% of Households Holding
Mutual Funds at FI**



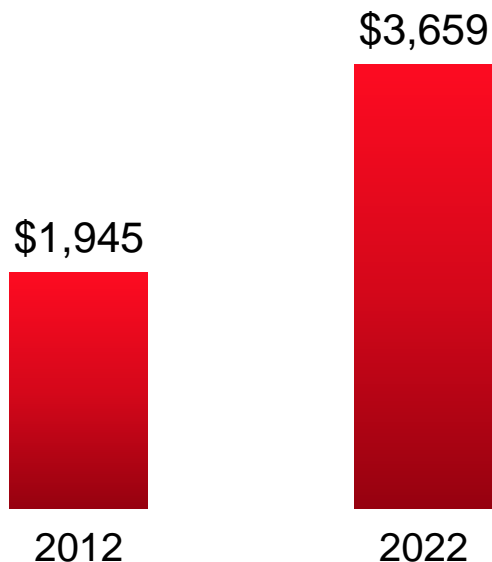
**Online
Brokerage**





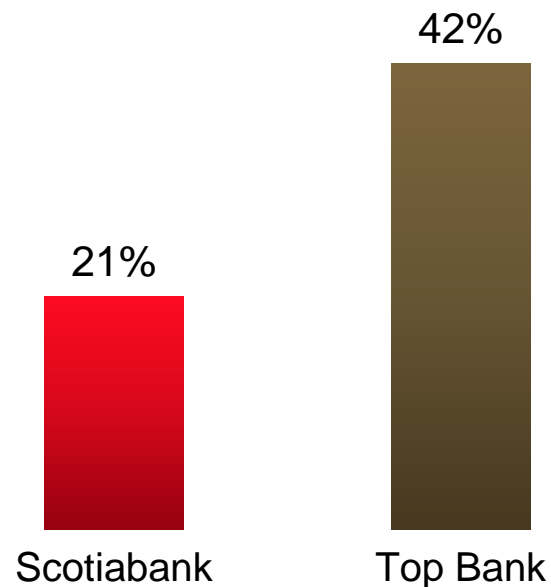
Grow HNW Franchise and Deepen Relationships

**Financial Wealth Held
by \$1MM+ Segment¹**
(\$Bs)



Growing segment

**% \$1MM+ Households with
Investment Relationship at FI²**



Underpenetrated

✓ Build a Global Asset Management Platform

Expand

Expansion of portfolio management bench

Build

Build out global core/U.S. equities

Utilize

Utilize global capabilities cross-border

Target

Targeted M&A

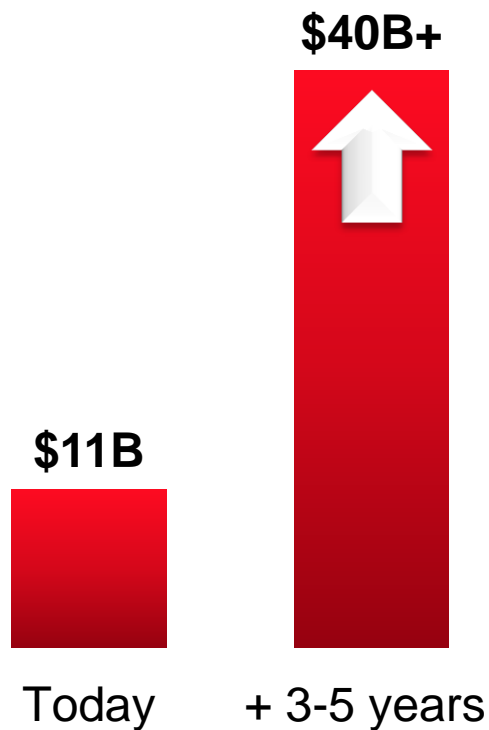


Build Out Institutional Business

- Cross-sell into global client base
- 3 target segments
 - Global Equities
 - Fixed Income
 - Alternative
- Targeted M&A



AUM



Agenda

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Key takeaways



International – Strategies for Growth



Leverage Scotiabank footprint to grow asset management



Capitalize on growth in HNW segment



Capture mass market pension flows











**Multiple
Levers to
Drive
Growth**





Leverage Scotiabank Footprint to Grow Asset Management




Mid Term

	Mutual Fund AUM Growth 2012-2015 ¹	Retail & Premium Banking Branches ²
 Mexico 	12-16%	1,000+
 Chile 		
 Peru 		
 Colombia 		

Long Term

	Mutual Fund AUM Growth 2012-2018 ¹
 China 	11%
 Thailand 	13%

✓ Capitalize on Growth in HNW Segment

Country / Region			HNW Asset Growth 2012 – 2015
	Mexico	▶	18%
	Peru	▶	17%
	LatAm & Caribbean	▶	16%

- Leverage corporate/commercial relationships
- Regional centres of excellence
- Investment in specialized expertise
- Seamless coordination onshore/offshore





Capture Increasing Flows in Mass Market Pension Business

**Strong AUM
Growth**



Mandatory nature of flows

Presence in high growth markets

Favourable demographics

Agenda

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Expect Continued Double Digit Earnings Growth

Key Takeaways

- ✓ Significant upside in Canada
- ✓ Strong growth prospects in LatAm
- ✓ Institutional and Asia are longer-term opportunities



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Canadian Wealth Management Advisory

Glen Gowland

Senior Vice President & Head

Canadian Wealth Management Advisory

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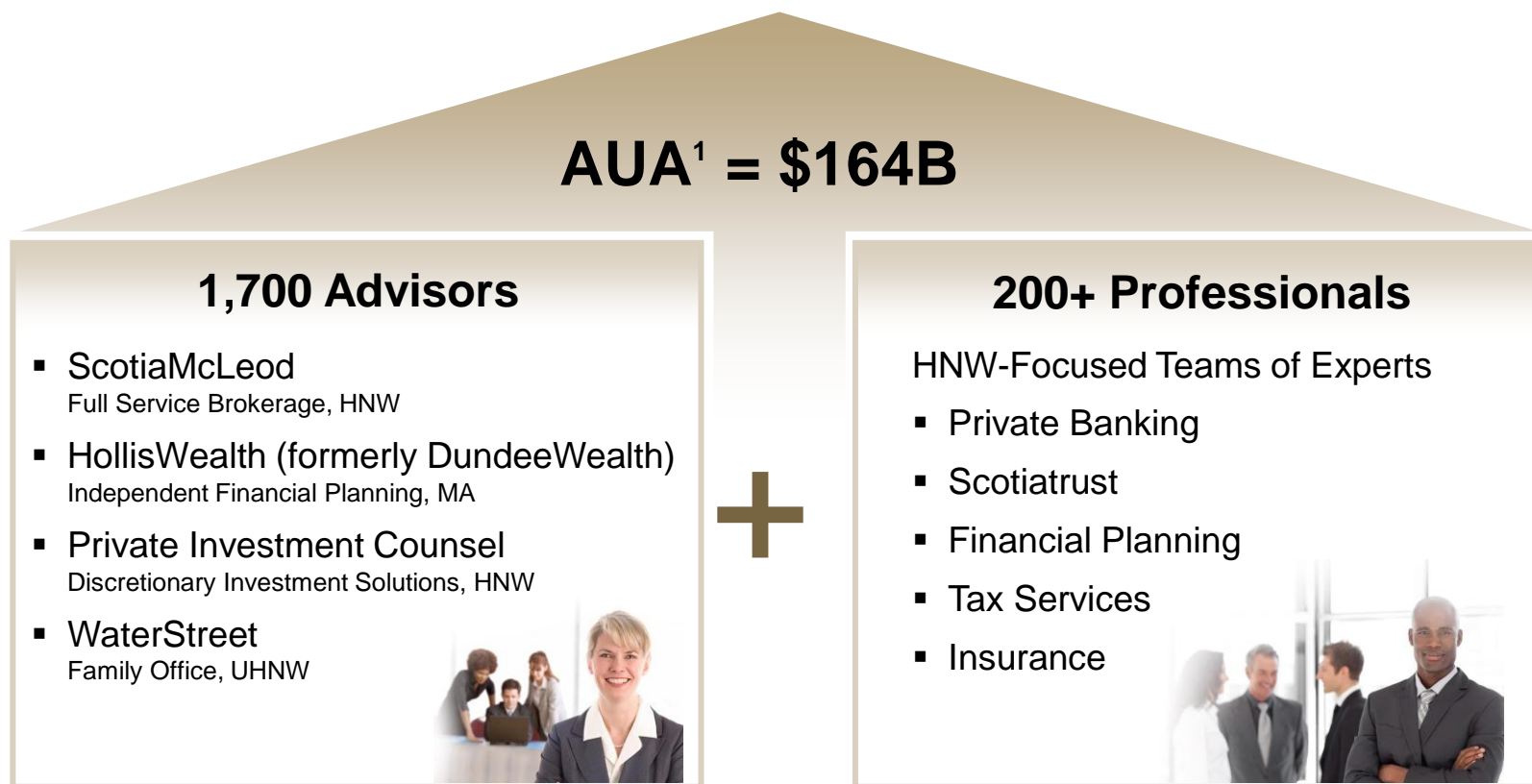
The business today

A differentiated business model

Future drivers of growth



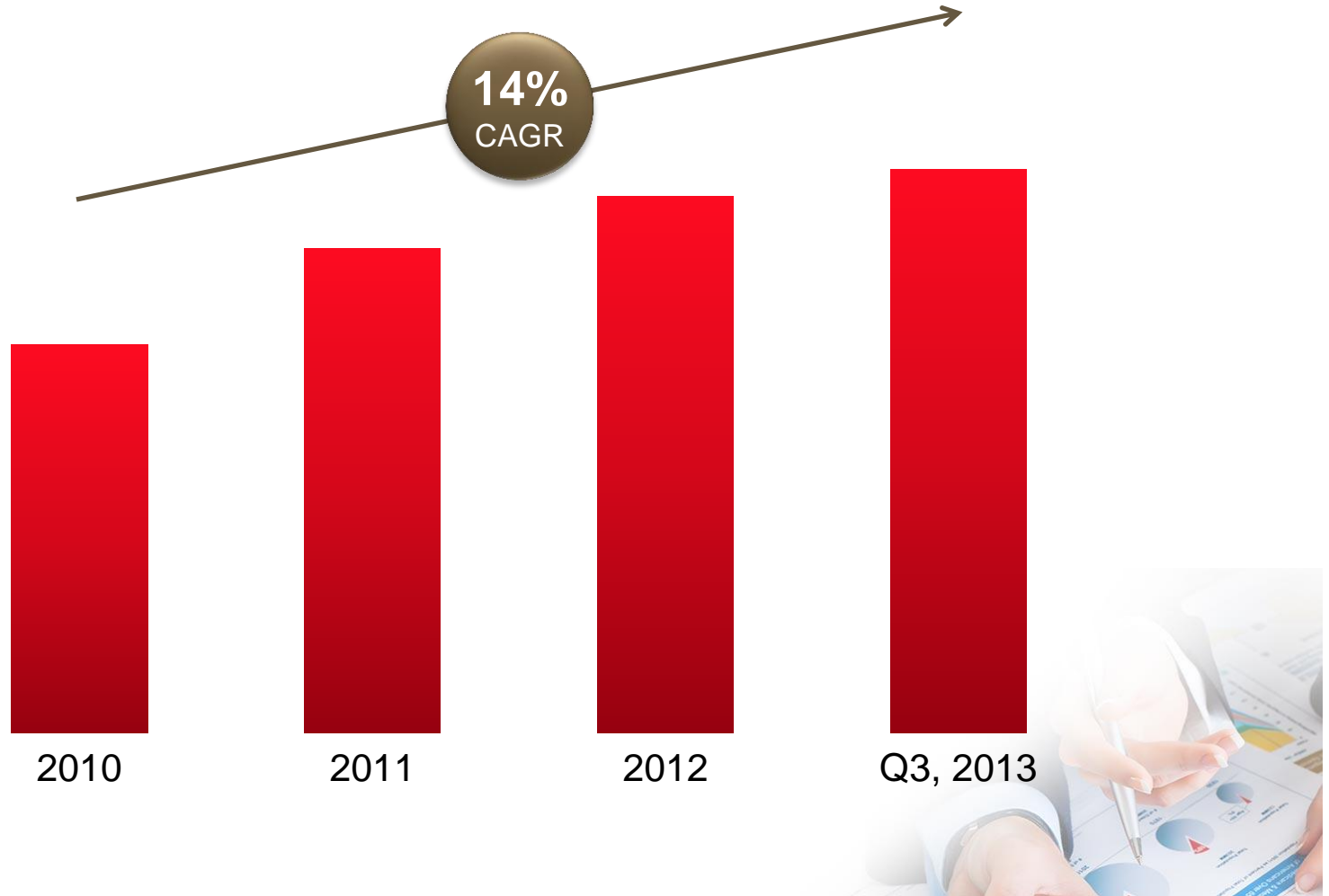
Canadian Wealth Advisory at a Glance



Critical mass and a robust offering in the marketplace

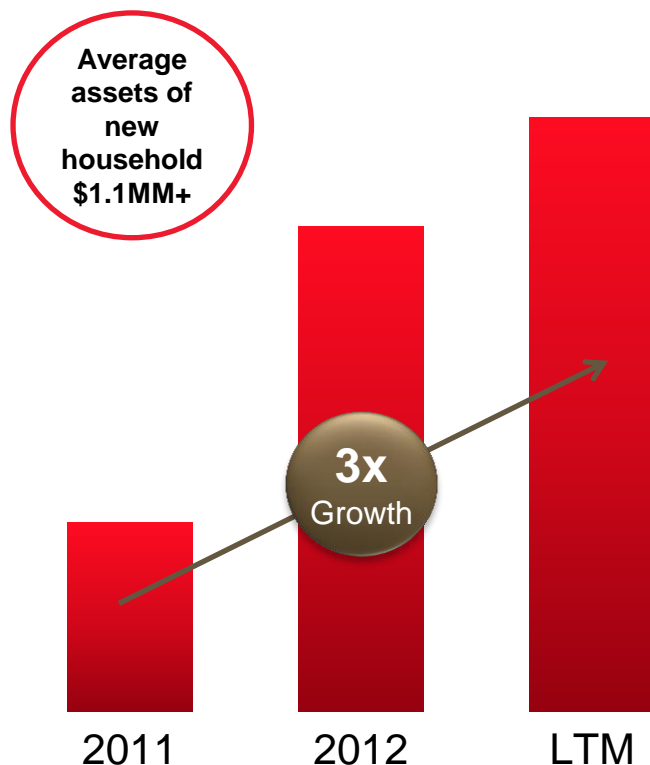
Successful Track Record of Growth

Assets under Administration Growth

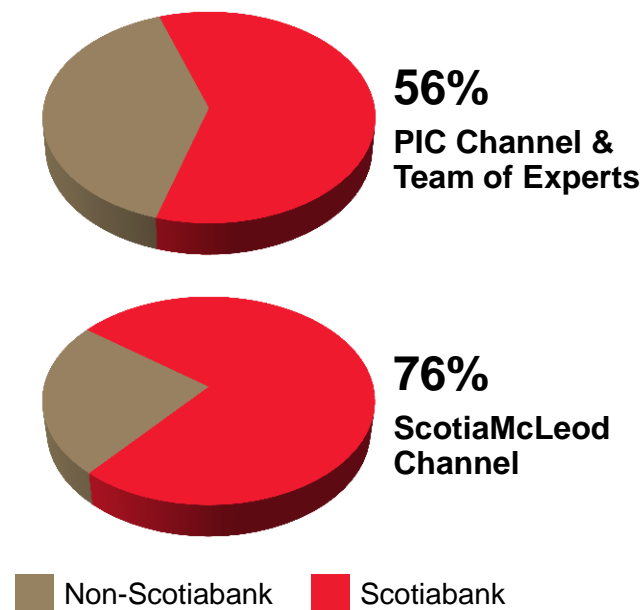


Growth Driven by Client Acquisition & Share Gains

of New Households >\$250,000 (ScotiaMcLeod)



Share of Client Investable Assets (%)



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Future drivers of growth

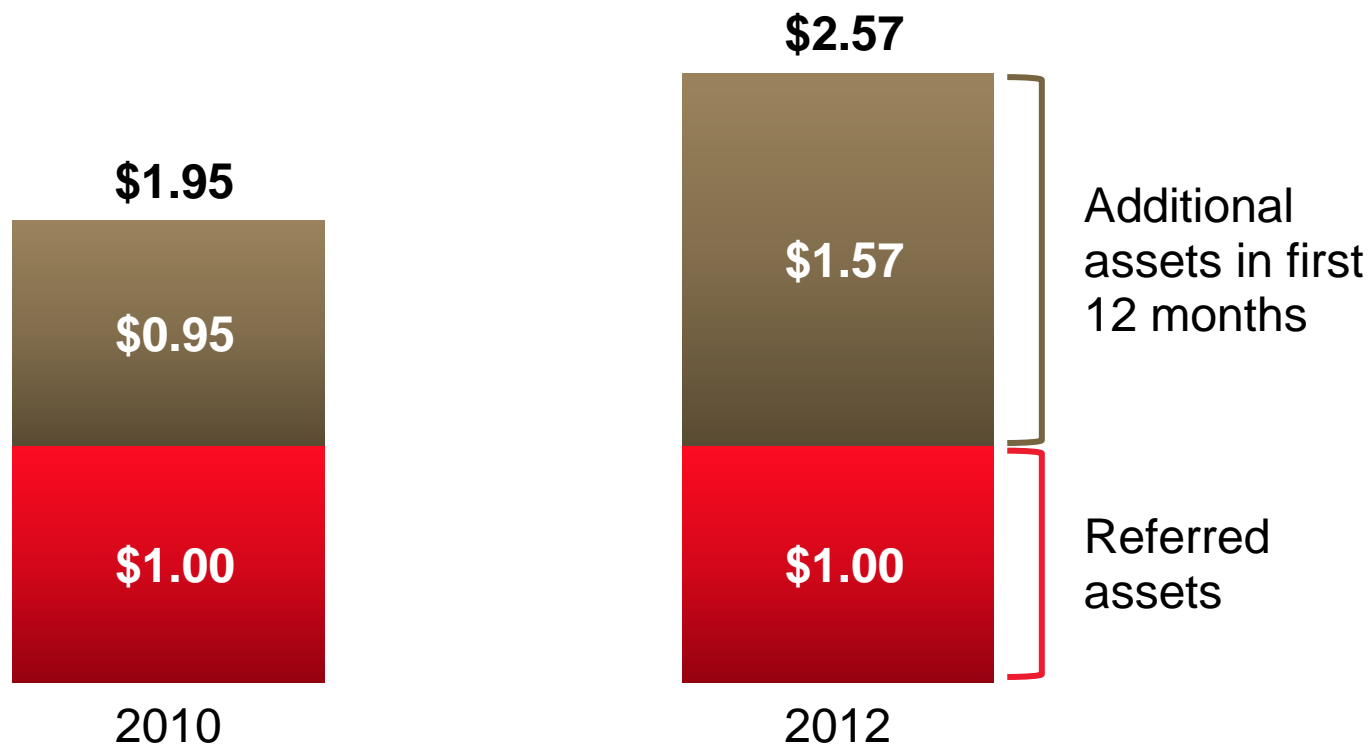


What Sets Us Apart from Competitors?

Differentiator	Scotiabank	Big 6	Boutiques
Customized investment solutions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Comprehensive wealth offering	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Team of experts integration (All wealth advisory under one umbrella)	<input checked="" type="checkbox"/>		
Full suite of advisor channels (Full service brokerage, PIC, independent financial planners)	<input checked="" type="checkbox"/>		

Broadest choice of advisor and wealth solutions available to clients

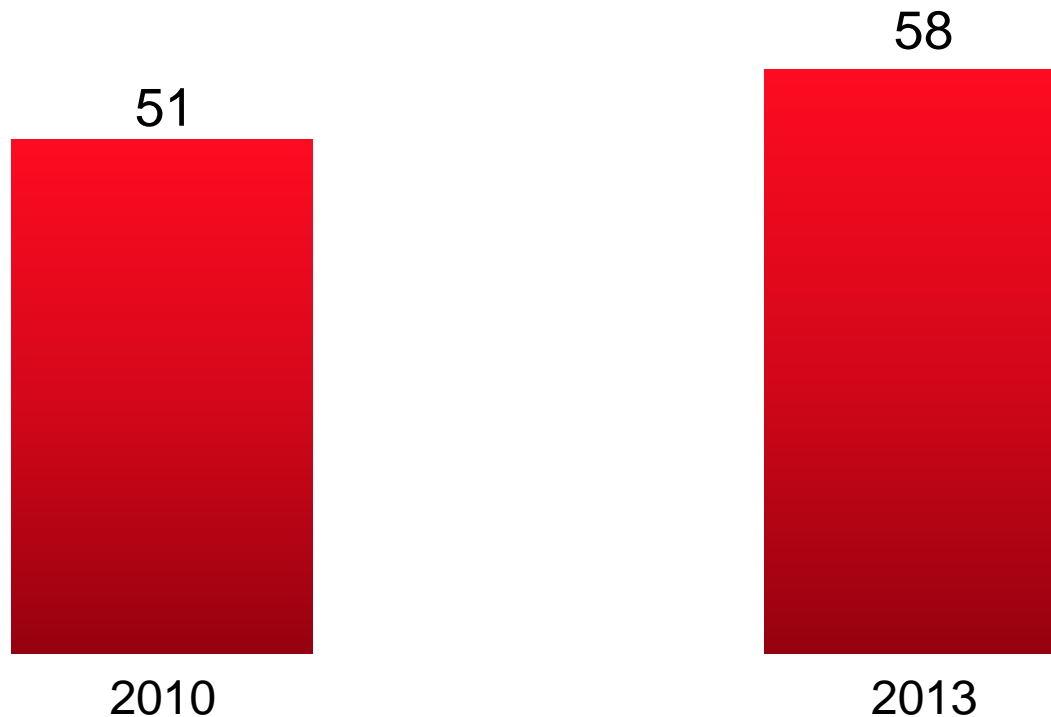
Strong Ability to Consolidate Bank Referred Assets



Our model is working

Increasing Client Loyalty

'Top Box' Loyalty Index Score (ScotiaMcLeod, PIC, Private Banking, Scotiabank)



Our model is working

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Strategies to Capture and Grow Market Share



A Closer Look – Expand Advisor Productivity

Recruiting the **Right** Advisors

- Deliver holistic wealth solutions
- High net worth client focused
- External growth orientation

118 wealth advisors recruited since 2010



Investing in the **Right** Enablers

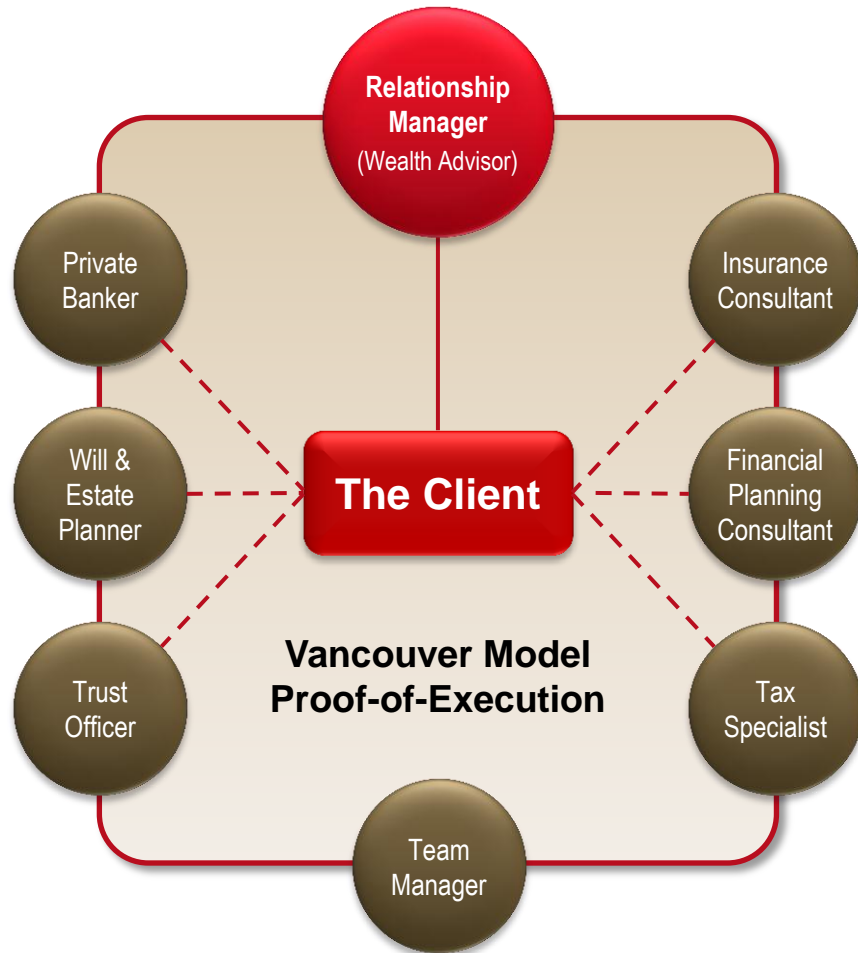
- Technology investments focused on advisor productivity
- Build once and deploy across multiple advisory businesses

\$50MM investment in advisor platform enhancements



Build capacity for advisors to do more in the context of our model

A Closer Look – Enhance our Integrated Wealth Offer



- Combined local management of wealth advisors and teams of experts
- Advisor teams and clients surrounded by dedicated team of experts
- Operating in Vancouver
- Expanding to 4 additional centres in 2014

Grow cross-sell of our holistic Wealth offering

All the Ingredients for Continued Profitable Growth

Key Takeaways

- ✓ Strong track record of growth
- ✓ A differentiated business model that is working
- ✓ Drive growth through cross-sell, channel choice, and advisor productivity





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Global Asset Management

Jordy Chilcott
Senior Vice President & Head
Global Asset Management

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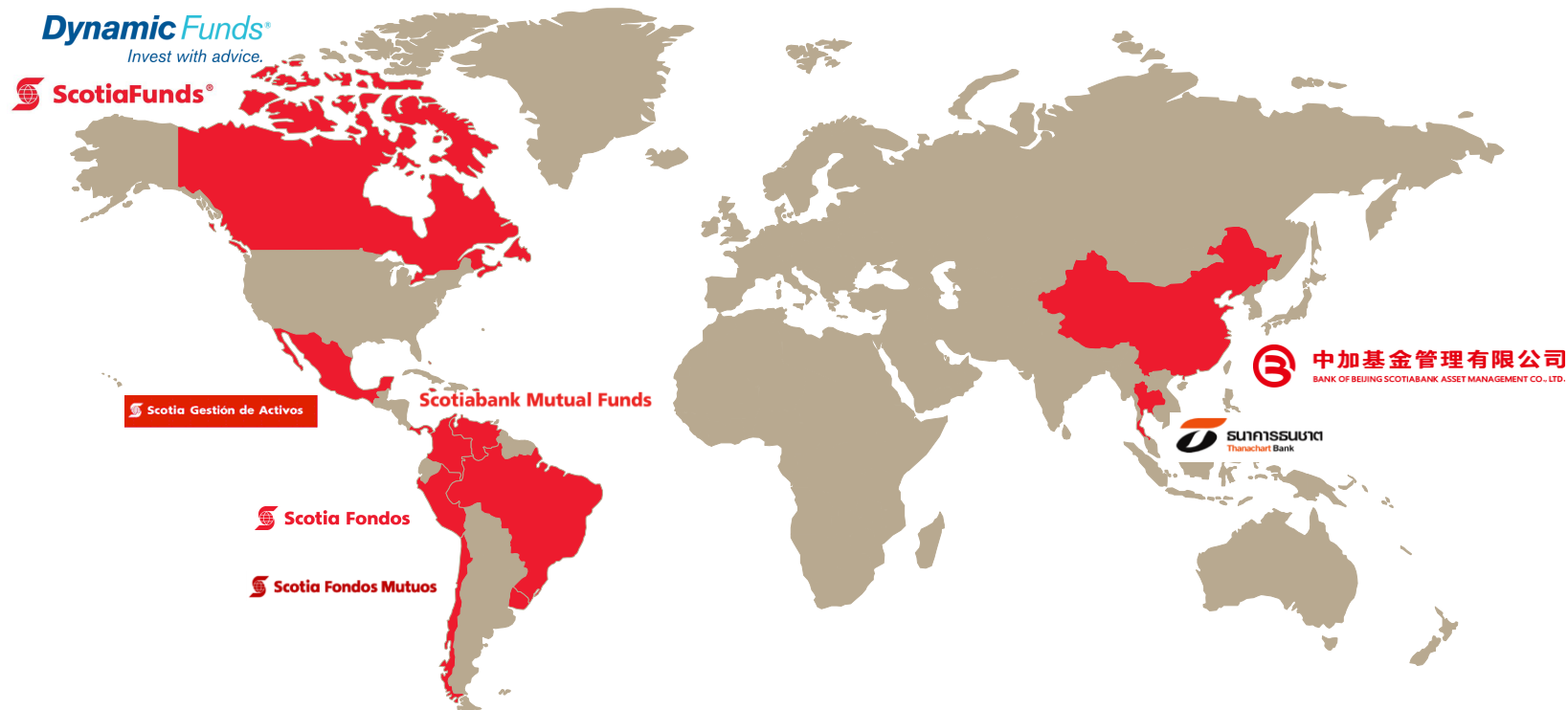
The business today

Our unique advantages

Our growth strategies



Footprint in Local and Select International Markets



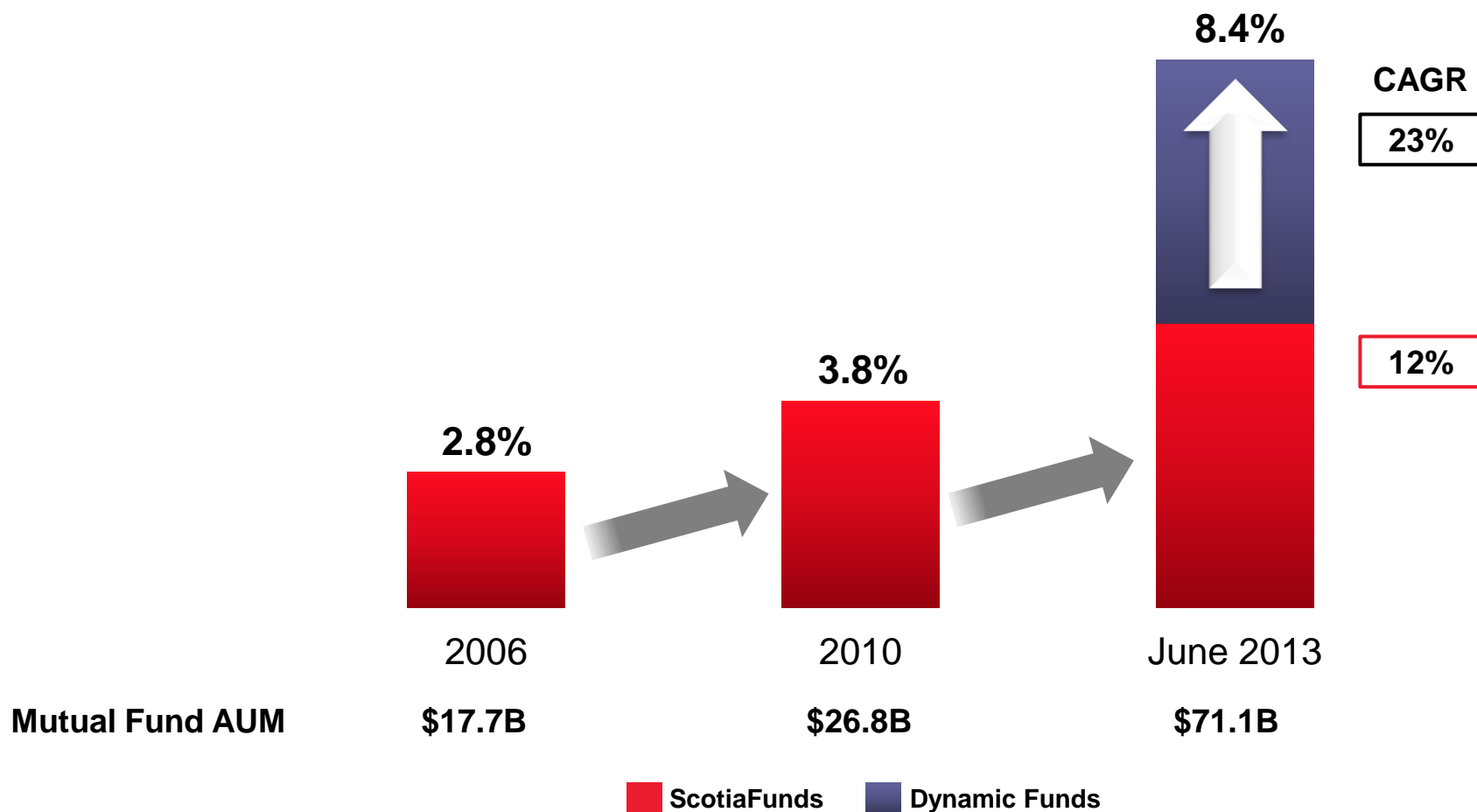
Canada

- **\$94B** AUM
- **242** funds
- Bank-branch/
independent
advisor distribution

International





- **18** countries; **10** asset
management companies
- **\$11B** AUM
- **70** funds
- Bank channel

Tripled Mutual Fund Market Share in Canada, Driven by Organic Growth and Acquisitions



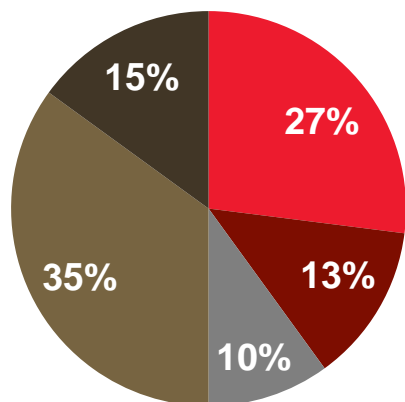
Delivering growth 3x our peer group and 5x industry

Solid Platform Internationally in Priority Markets

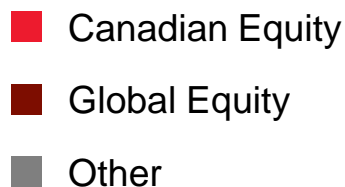
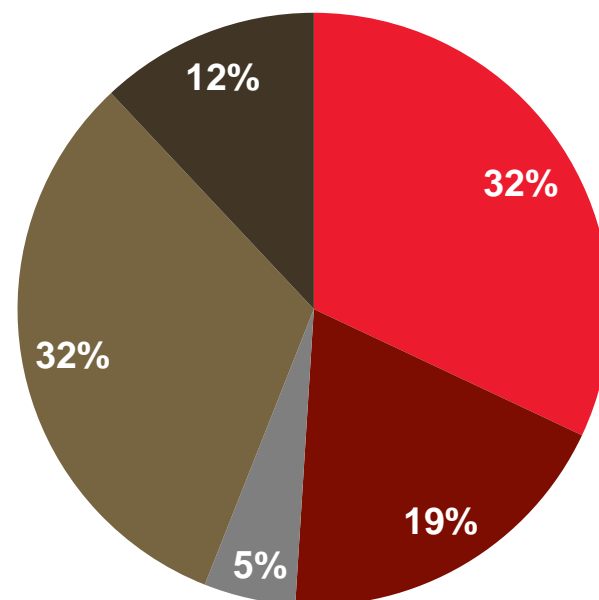
	Current Mutual Fund Market Share ¹	AUM CAGR (2007-2013)
 Mexico	5%	14%
 Chile	5%	14%
 Peru	17%	12%
 Colombia	1%	-

Dynamic Acquisition has Increased Portfolio Management Breadth & Depth

**Scotiabank AUM
Pre-Acquisition¹**



AUM Today²



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The business today

Our unique advantages

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Our Unique Advantages

Scotiabank Advantage

Highest growth rates shifting to emerging markets



Domestic → global focus



Product breadth and depth required to support rotation back towards equities



Full product range:
“simple & accessible” ↔ “complex & customizable”



Proprietary distribution



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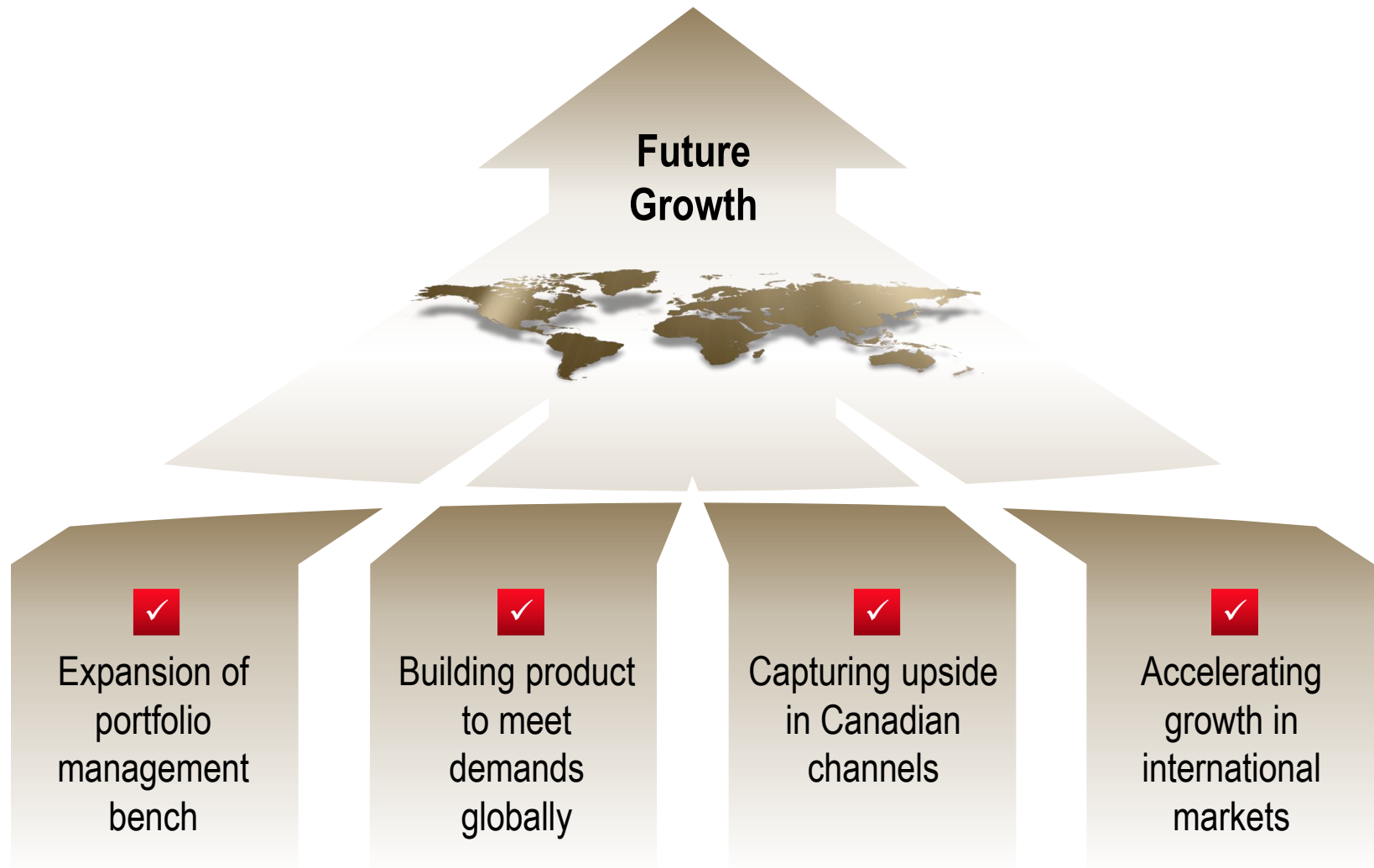
The business today

Our unique advantages

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Future Drivers of Growth



✓ Expansion of Portfolio Management Bench

- Improve performance in specific sectors
- Prioritize building of bench – Global Core Equity, U.S. Core Equity
- Leveraging portfolio management bench strength in Canada and globally to launch cross border products & investment strategies



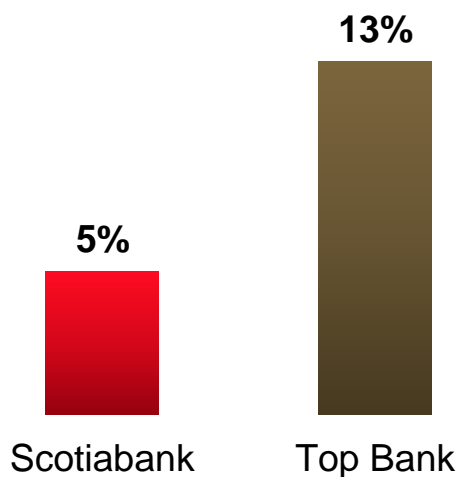
✓ Building Product to Meet Demands Globally

- Capitalizing on the shift to equities
- Delivering differentiated solutions by region/channel/segment
- Implementing pricing & packaging enhancements

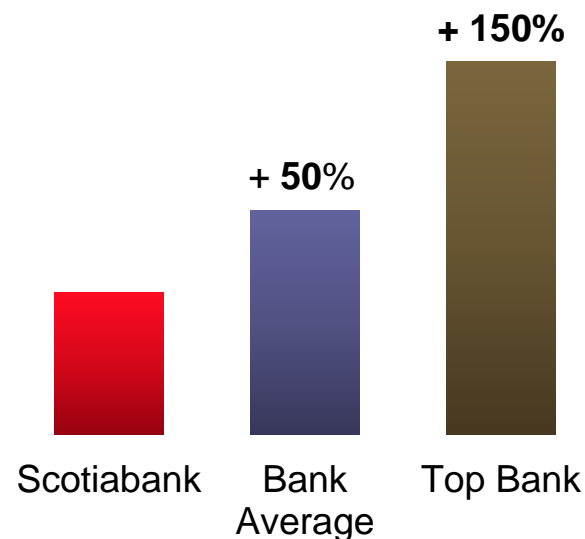


Capturing Upside in Canadian Channels

% of Households Holding Mutual Funds at FI¹



Sales Force Comparison²



- Build mobile sales force
- Enhance sales support and engagement
- Move up-market



✓ Accelerating Growth in International Markets

- Launch portfolio products
- Focus on premium banking segment
- Leverage portfolio management bench strength
- Execute China joint venture
- Export investment strategies



Excellent Prospects Globally to Grow Asset Management

Key Takeaways

- ✓ Large upside exists in Canada
- ✓ Building out global portfolio management capabilities
- ✓ Significant mid- to long-term opportunities in high growth markets





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International Pensions

Cathy Welling
Senior Vice President & Head
International Wealth & Pensions

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Pensions business today

Unique industry opportunity

Our growth strategy



Our International Pension Business is Different than Canadian Pension Businesses



Pension contributions are government mandated



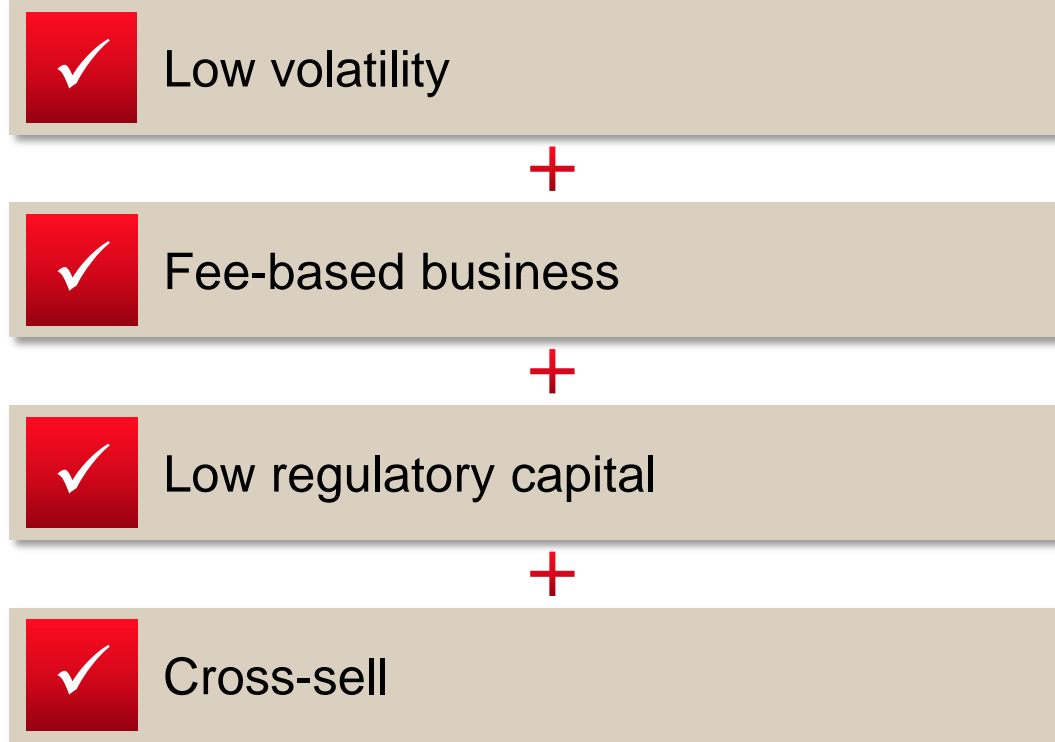
Our focus is on defined contribution systems / mandatory pension savings



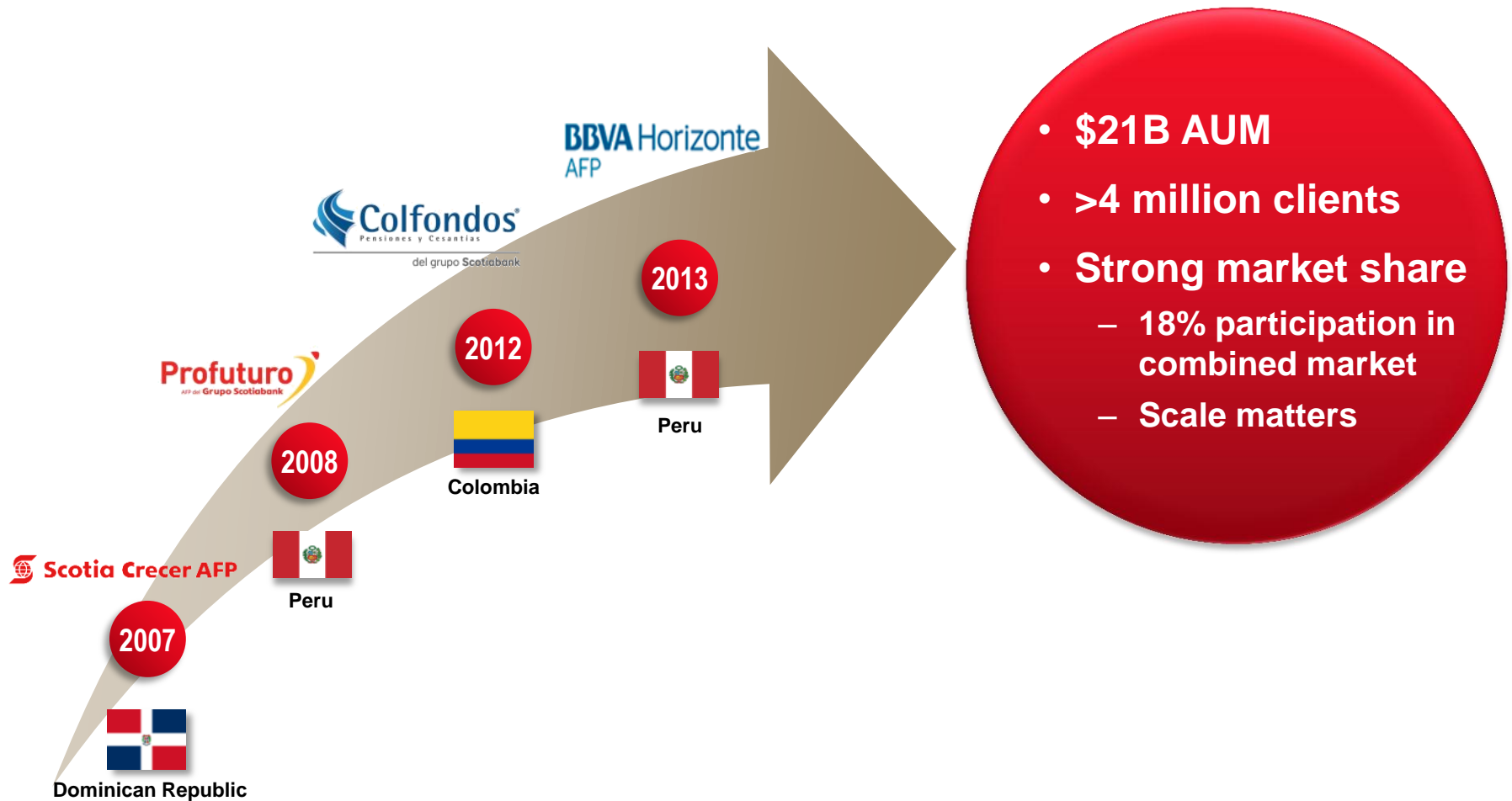
Fees for our services are mandated by the industry regulations



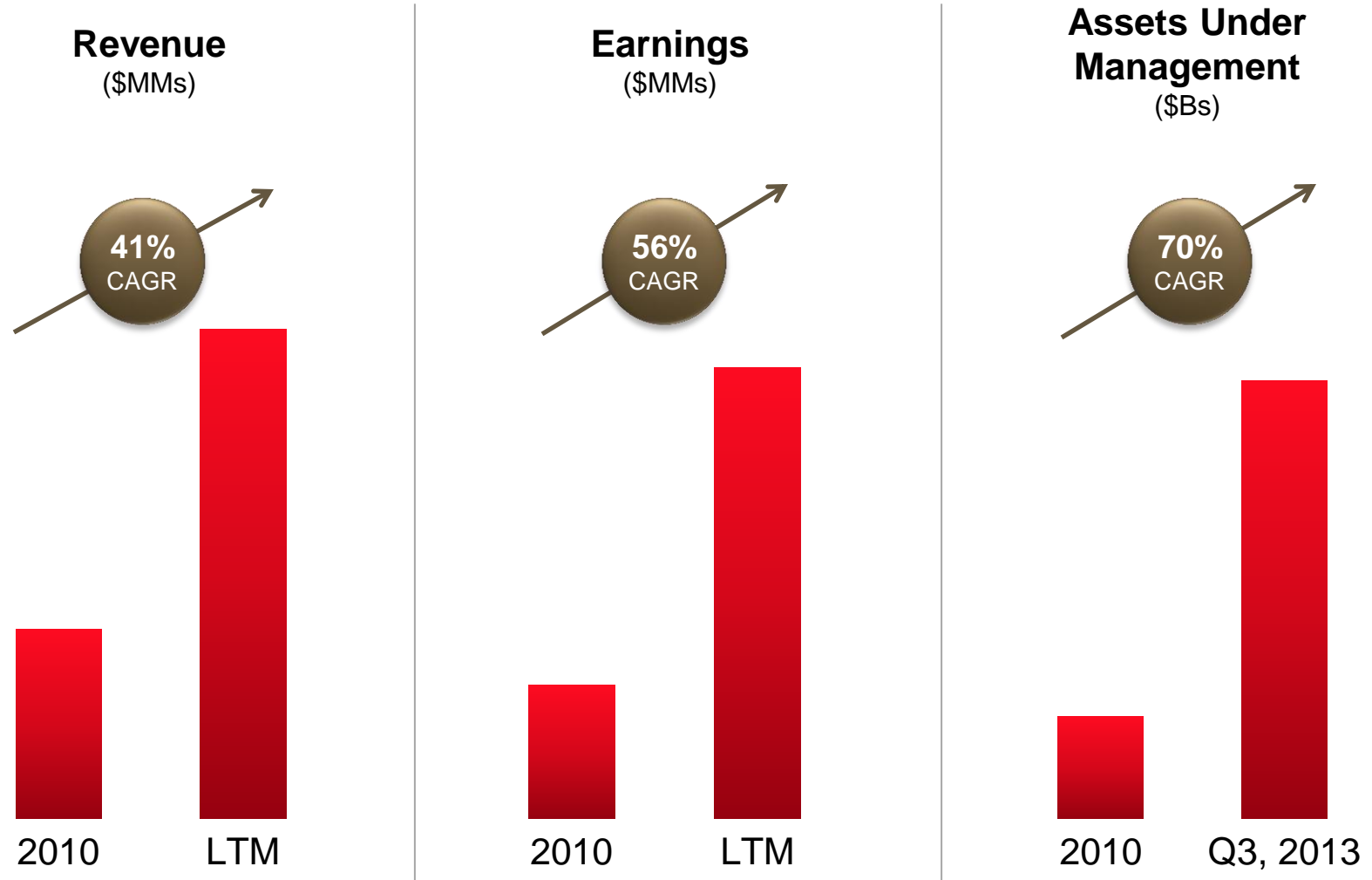
An Attractive Business Model



Achieved Scale and Market Position through Acquisitions in Key Growth Areas for Pension Business



Translating Acquisitions into Sustainable Growth



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Pensions business today

Unique industry opportunity

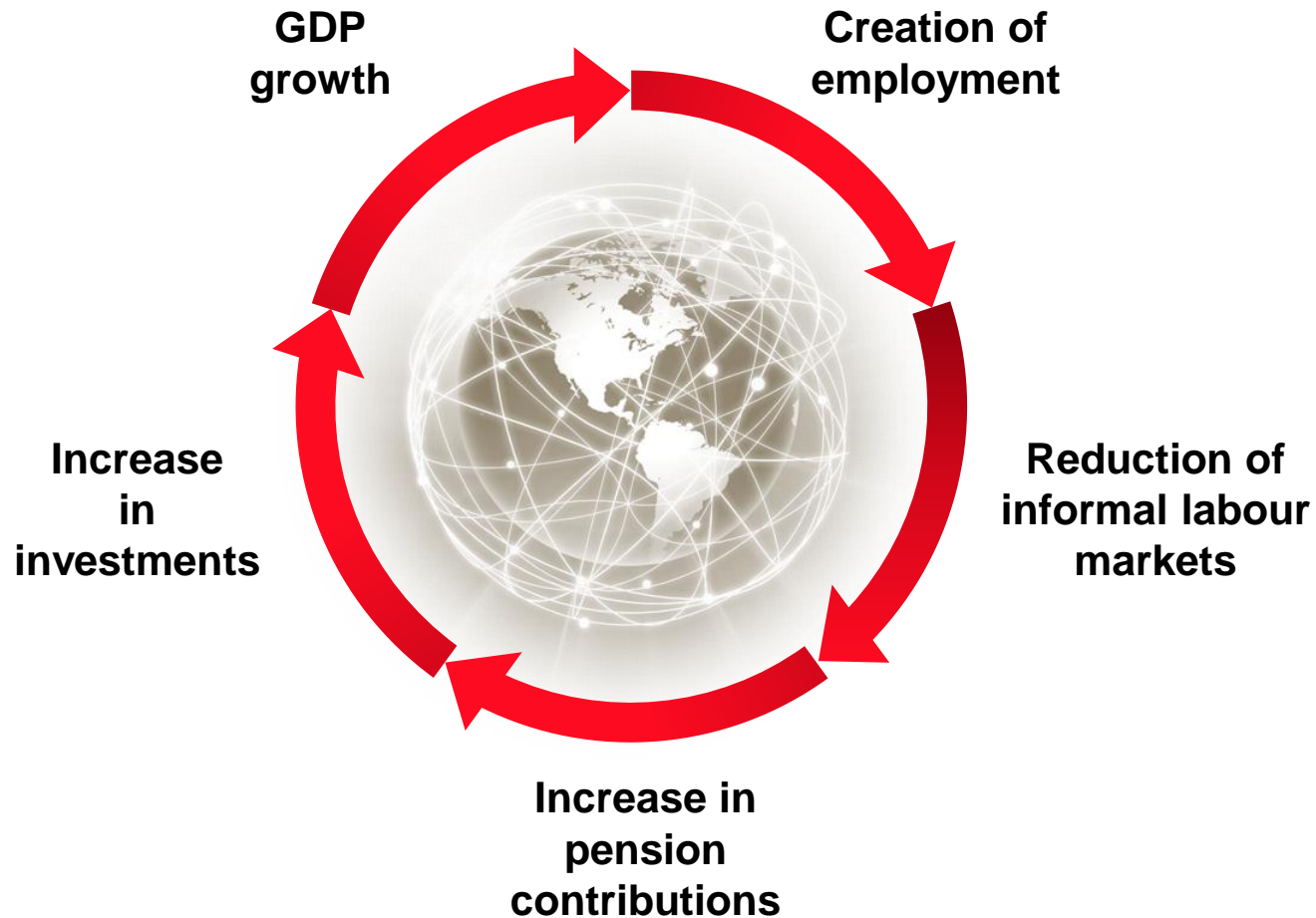
Our growth strategy



Well Positioned to Capture Favourable Trends

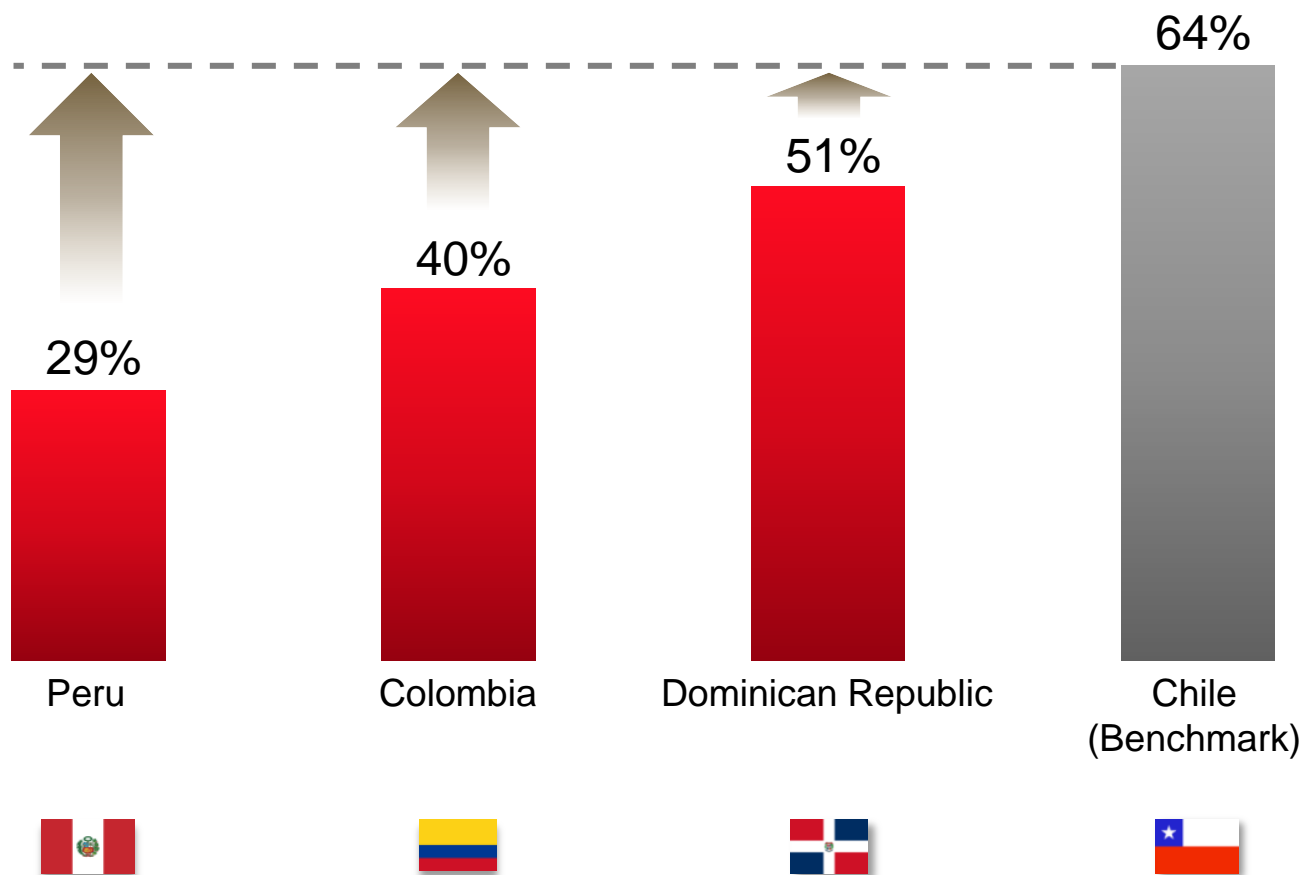


Positive Growth Cycle in Emerging Economies



Continued Formalization of Employment will Lead to Significant Client Growth

Share of Formal Jobs in Total Employment in LatAm



Agenda

Pensions business today

Unique industry opportunity

Our growth strategy



Our Growth Strategy



Deliver investment performance and differentiated service



Leverage Bank's LatAm footprint



Ensure effective cost structure and operational efficiency



Targeted acquisitions



Key Strategies to Drive Growth in Peru



\$10B AUM



Investment expertise



Efficiency improvements



Integration of Horizonte



Key Strategies to Drive Growth in Colombia



\$10B AUM



Cross-sell



Enhance investment platforms



Key Strategies to Drive Growth in the Dominican Republic



\$1B AUM



Employer relationships



Cross-sell



Pensions – The Growth will Continue

Key Takeaways

- ✓ Attractive business model
- ✓ Scale in key markets combined with attractive growth potential given:
 - Formalization of labour markets
 - Developing economies and employment growth
 - Favourable demographics
- ✓ Clear growth strategy





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