



Wealth Management – Strategic Opportunities for Growth

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 Scotiabank Group™



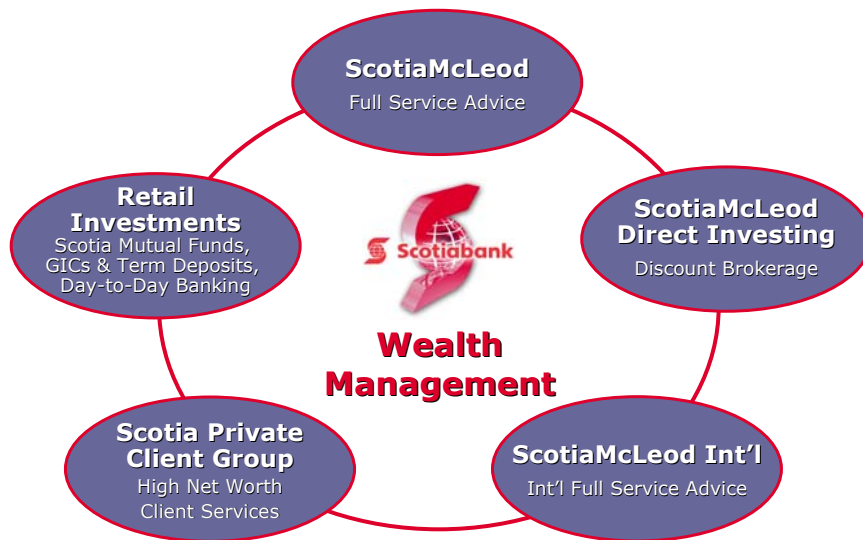
Agenda

- Wealth Management – strong business model
- Our challenge and opportunity
- Key strategies to retain & grow existing customers
- Key strategies to acquire new customers
- Outlook and summary



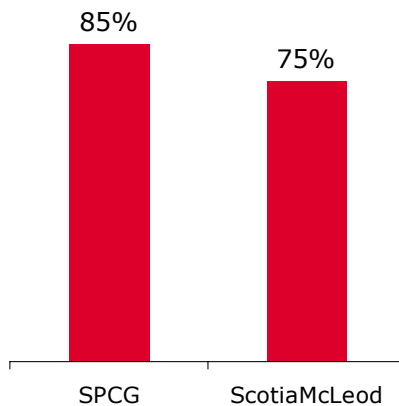


Wealth Management Overview



High Client Satisfaction With Advisor

% Excellent / Very Good



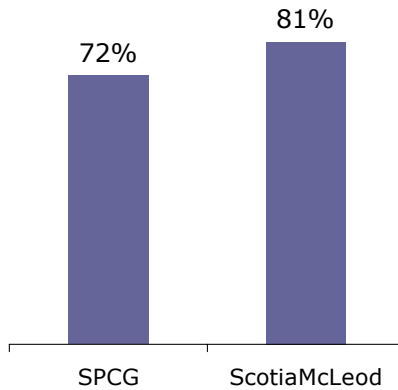
- Strong business model
- Tightly integrated with Retail Bank
- Very high client satisfaction





High Share of Client Wallet

Share of Client Wallet



- High satisfaction has resulted in significant share of wallet
- Scotia Cassels second largest manager of private wealth

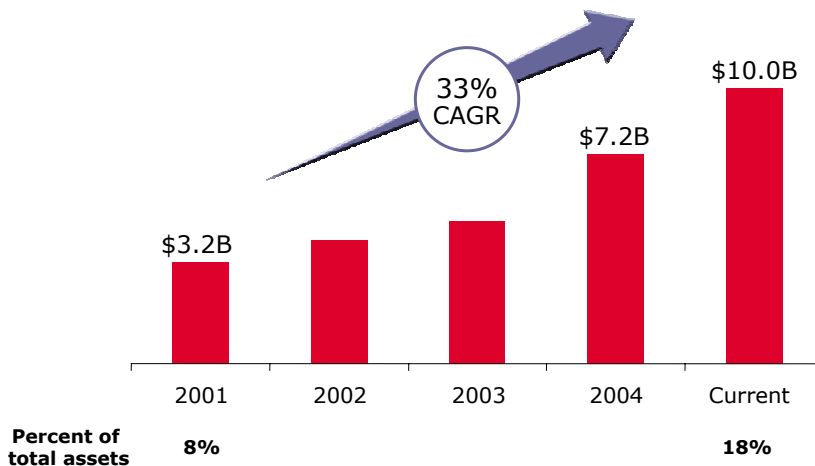


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Strong Fee Based Foundation

ScotiaMcLeod Fee-Based Asset Growth



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Top Performing Direct Investing Unit (SMDI)

YTD increase in total assets

19% **\$1.4B**

Market share growth

11 consecutive
quarters

Ranking by average account size

#1



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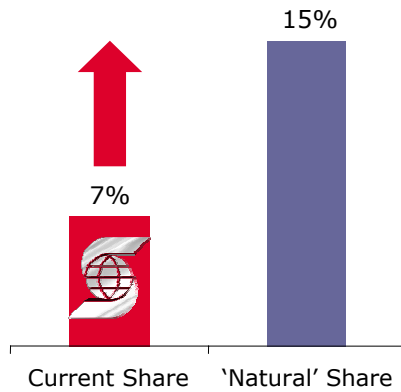
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Our Challenge: Below 'Natural' Market Share

Share of Wealth Market

(percentage of revenues)



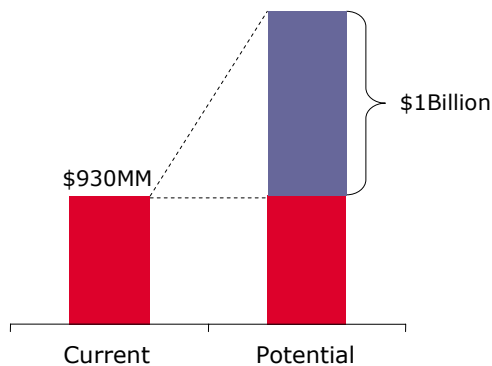
- Smallest among major banks in Wealth revenues
- Key challenge is to increase size and scale

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Size of the Opportunity is Significant

Potential Revenue Growth From Achieving 'Natural' Market Share = \$1B+



- Low current market share = significant room to close gap
- "Natural" share would more than double current revenues
- Revenue potential in Mutual Funds is \$250MM+

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Why We Will Win Market Share

Leading business
model

+

Strong, satisfied
client base

+

Focused strategy

**Close the gap,
win market
share**

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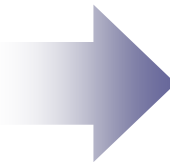
Key Strategies To Retain and Grow Existing Customers

1. Increase mutual fund sales in Retail Branches
2. Maximize existing Retail & Commercial customer base and increase internal referrals
3. Capture 'Primary Advisor' status in affluent segment



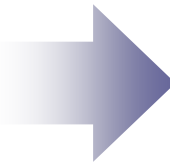
Significant Opportunity for Consolidation

Percent of Canadians who express a desire to simplify their financial affairs



44%

Percent of Canadians who want to consolidate investments at one institution

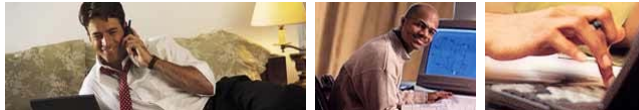


29%



Key Components to Grow Mutual Funds

1. Increased sales capacity and investment focus in Retail Branch network
2. Strong proprietary product line-up
 - Scotia Vision Funds
 - Diversified Monthly Income Fund
 - Scotia Selected Funds
3. Third party solutions
 - Scotia Partners Portfolios
 - Third party funds



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Sales Tools and Support in 2006

- Integrated Sales Tools and Intensive Training
- New Technology – Investment Platform
 - Enhanced customer experience
 - Third party funds accommodation
 - Streamlined processing

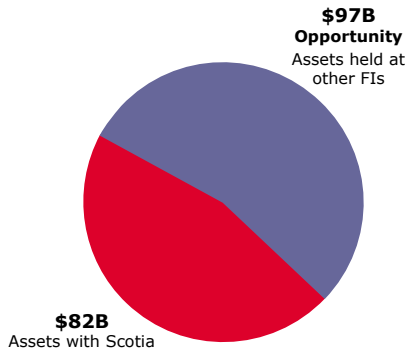


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Increase Internal Referrals

Investment Balances of Scotiabank Customers with >\$250M in Investable Assets



- Flow of quality referrals
- Improved process for handoffs
- Proactive consolidation opportunities
- Cross-sell programs

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Primary Advisor Status – Key to Success

The opportunity:

Typical affluent client deals with 2-3 different institutions
Trend to consolidate → one primary advisor



We have a proven model:

Industry leading platform in financial & estate planning



Our focus:

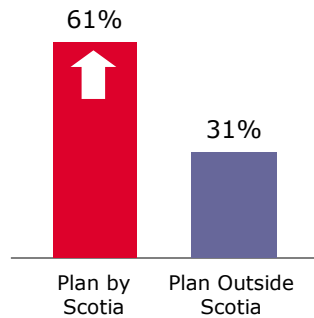
Build trust → capture primary advisor status

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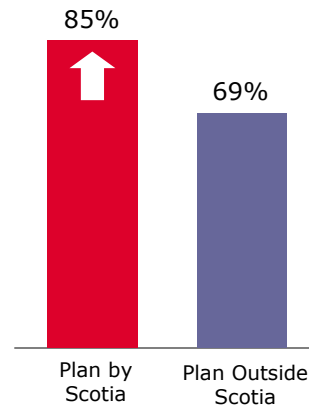


The Impact of a Financial Plan

Loyalty



Share of Wallet



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New Programs and Technology

- Heritage Program
 - Premium service offering for high net worth ScotiaMcLeod households
- New Advisor Desktop
 - Improved productivity and efficiency for Advisors
 - Enhanced contact and portfolio management capabilities



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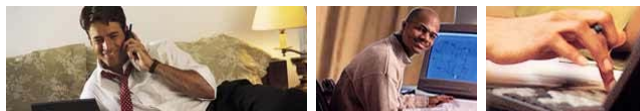


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Key Strategies To Acquire New Customers

- 1.** Increase external sales focus
- 2.** Exploit key market opportunities
- 3.** Increase scale through acquisitions

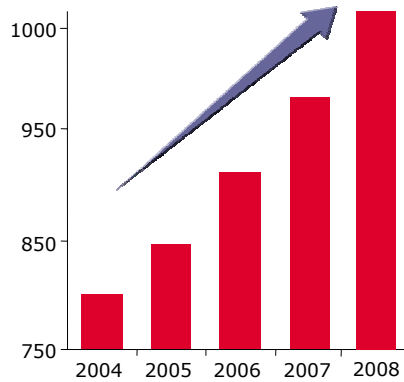


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Expand Sales Force

Growth in ScotiaMcLeod Sales Force



- Maintain ScotiaMcLeod recruiting momentum
- Double Financial Consultant sales force

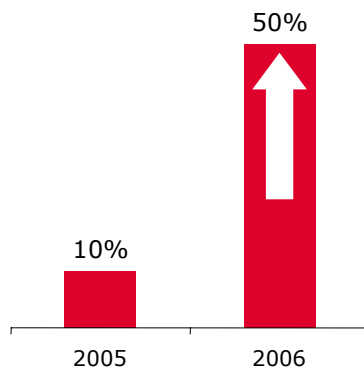


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Increase External Sales Focus

Percentage of Time Spent On External Sales



- Refocus 300 ScotiaMcLeod advisors from internal to external sales

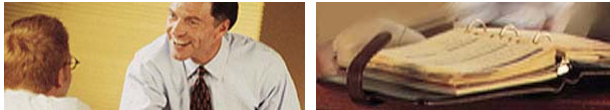


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A Targeted Approach

1. Leverage strength in professionals market



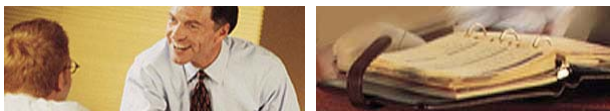
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A Targeted Approach

1. Leverage strength in professionals market

2. Capitalize on opportunities from the aging population

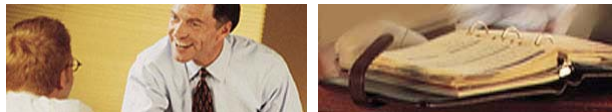


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A Targeted Approach

1. Leverage strength in professionals market
2. Capitalize on opportunities from the aging population
3. ScotiaMcLeod International growth



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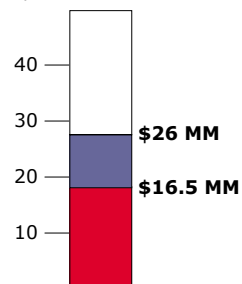


Plus a Dedicated "Growth" Team

- High potential team provides increased momentum
- Originates & implements new revenue opportunities
- Excellent success to date

Revenue Goal

\$50MM = GOAL



■ Implemented ■ In Progress

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Acquisitions To Accelerate Growth

- ✓ Will aggressively pursue significant domestic acquisition
- ✓ Disciplined program of smaller “bolt-on business” acquisitions
- ✓ Strategic alliances and joint venture opportunities



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Well Positioned for Growth

Growth vs. Industry

Faster



Wealth Revenues

10%+



Acquisitions /
Strategic Alliances

Proactive

