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## Scotiabank's waterous relies on the experts

At The Top In Energy

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If there is one thing that helps account for the meteoric rise of Adam Waterous to the top of Bank of Nova Scotia's global investment banking operations, it is all the money he has made for the bank.

Under his two-year tutelage, the bank has shot straight to the top of the league tables for lucrative advisory mandates on mergers and acquisitions in the oil and gas sector across North America, handily beating a crowded field of much larger operators.

But the rise has not come about by sheer force of will. Instead, Mr. Waterous explains, it is rooted in a simple but novel strategy that he and his brother developed when they settled in Calgary in the early 1990s.

Armed with an MBA from Harvard and a gilt-edged place in the fabled ranks of alumni of McKinsey, the management consultancy, Mr. Waterous was cautious not to overestimate his ability to understand Alberta's booming oil and gas industry and instead turned to the boffins and grey beards who keep the sector ticking over.

Together with his brother, the Toronto boy sought out experts in the inner workings of the energy industry and invited them to join them in creating an independent boutique investment bank to facilitate deals in the fast-growing energy industry.

"We approached geologists, engineers and geophysicists to help identify and communicate the attractive merits of company assets," he said in an interview.

Although the strategy sounds obvious, it was innovative at the time among those who advised the oil and gas sector.

"We were the first investment bank in the world to do that," Mr. Waterous said with conviction, adding that about two-thirds of the people he hires still come from the industry to which he has devoted the past 17 years of his professional life.

The strategy turned the small boutique into the leading independent advisor in the sector.

The success drove home for Mr. Waterous the rewards to be had from addressing one of the investment industry's traditional weaknesses.

"The main criticism of investment bankers is that they are shallow. They don't bring enough knowledge or enough value," he said.

But while this level of specialist technical knowledge is at a premium in the energy sector and in mining, it is not traditionally seen as holding the same value in some of the other sectors Mr. Waterous is now charged with advancing Scotia's ranking, such as real estate and financial services.

For all his global ambitions, he seems sensitive to the regional tensions that sometimes surface between Canada's roughneck West and well-heeled Central Canada.

He says he is "ambidextrous" and will be dividing his time between Calgary and Toronto, while relying on his veteran deputy, Phil Smith.

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