



Scotiabank

Investor Presentation

March 2, 1999

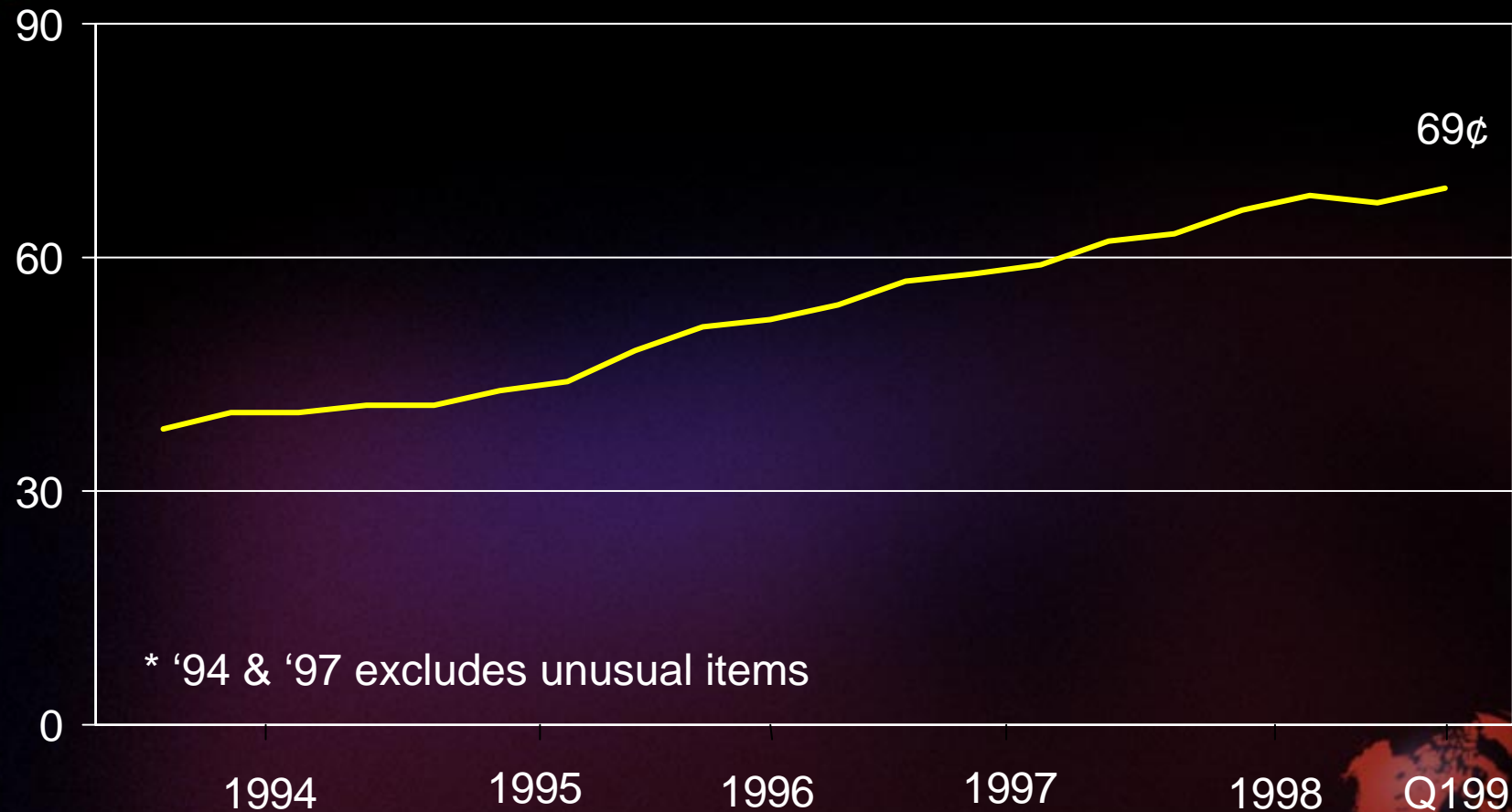
Performance highlights

- net income up 11% year over year
- strong revenue growth - up 18% year over year
- improved productivity at 58.3%
- stable asset quality
- \$150MM added to general provisions
- improving capital ratios



Consistent record of earnings growth

EPS, cents



On target to meet key goals

	<u>Q1/99</u>		<u>Target</u>
ROE	14.8%	vs.	14%+
EPS growth	11%	vs.	10%
Productivity	58.3% *	vs.	<60%
Tier 1	7.2%	vs.	7%

* 56.1% including large security gain



Strong year-over-year growth

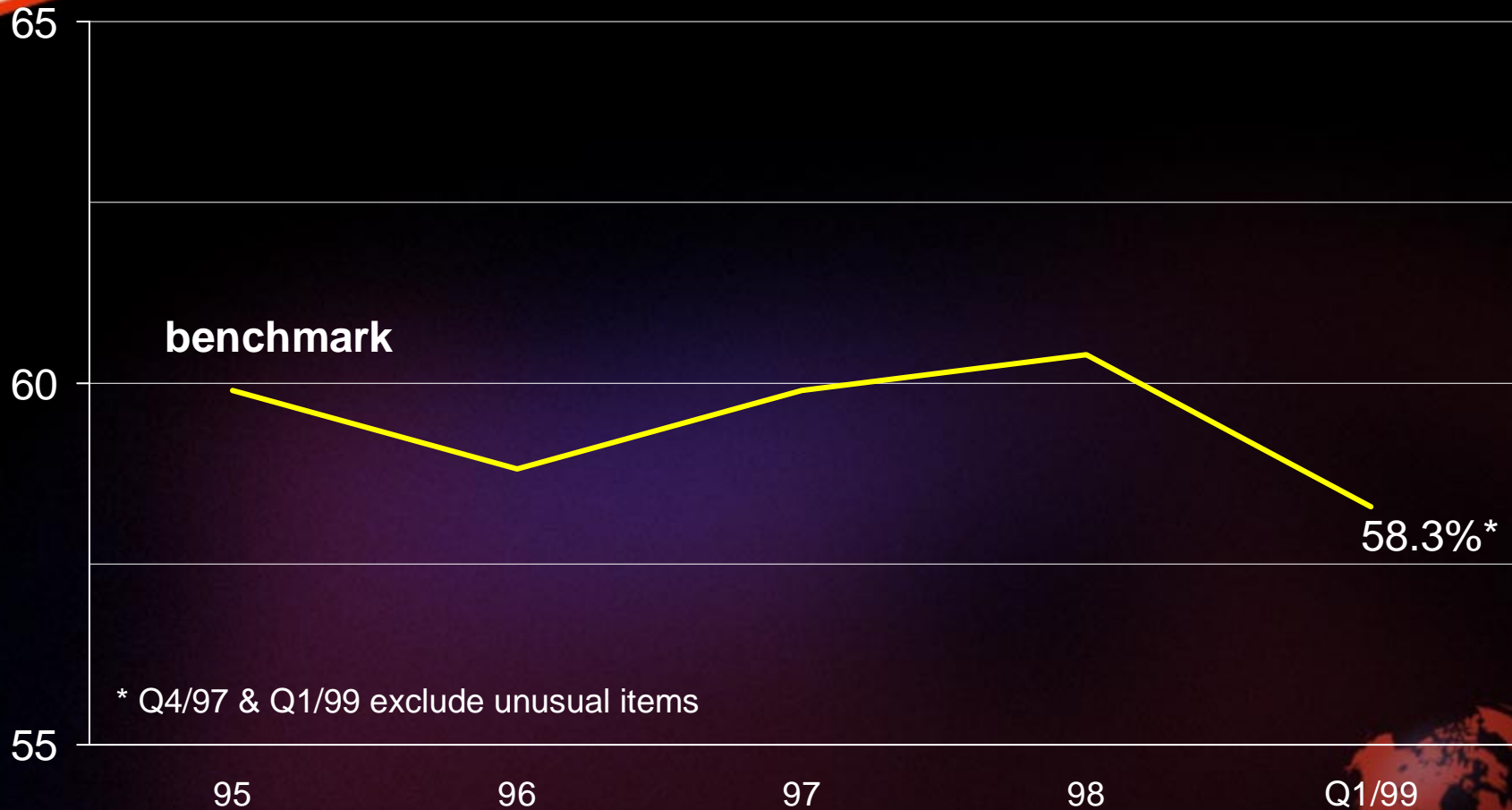
\$ millions

	<u>Q1/99</u>	<u>Q1/99 vs</u> <u>Q1/98</u>	<u>Q1/99 vs</u> <u>Q4/98</u>
Net interest income (TEB)	1,218	16 %	3 %
Other income	807	23	17
Total revenues	2,025	18 %	8 %
Provision for credit losses	259	100+	100+
Non-interest expenses	1,136	11	(1)
Taxes/other	262	13	5
Net income	368	11 %	3 %



Improvement in productivity

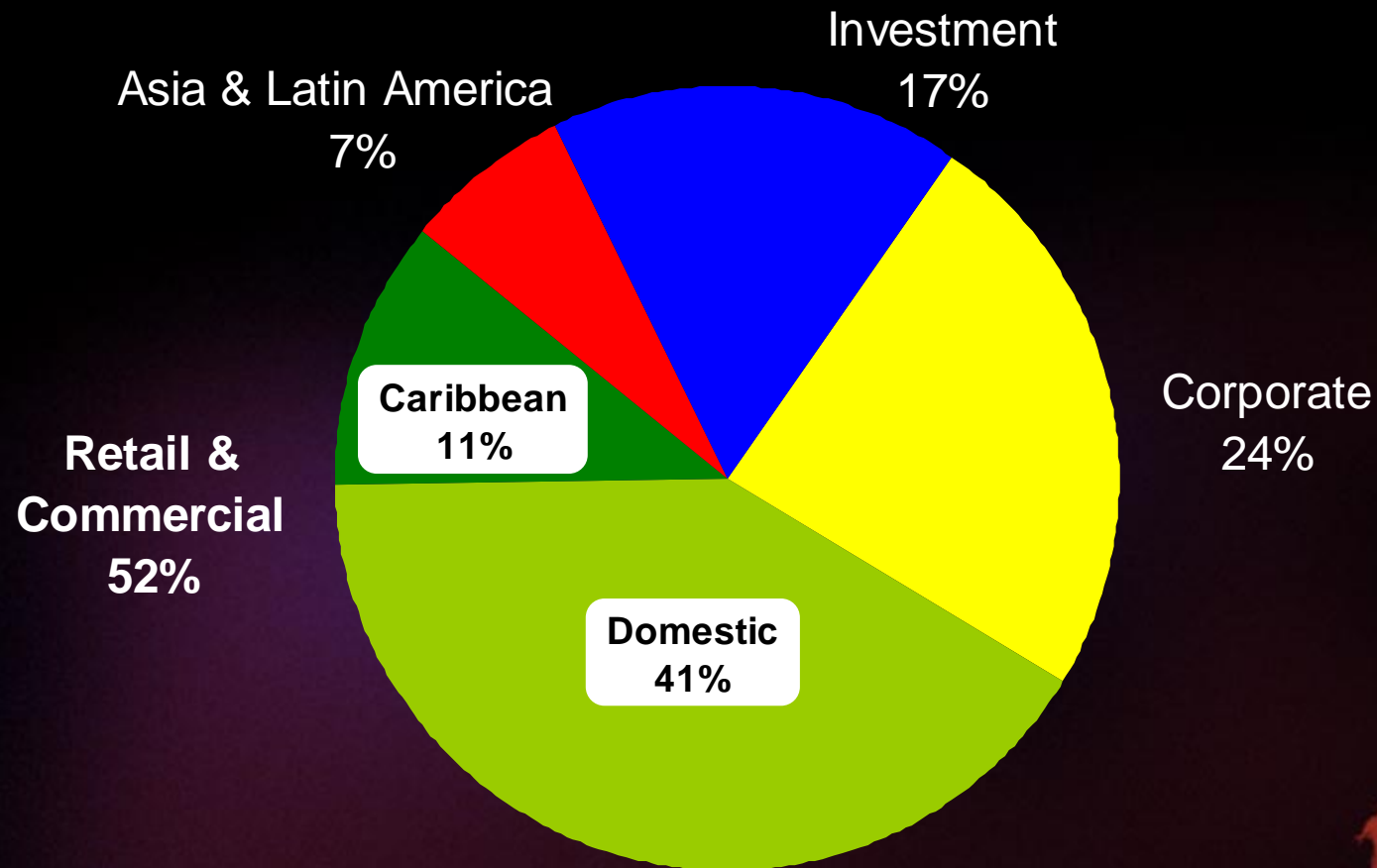
Revenues to Expenses



* Q4/97 & Q1/99 exclude unusual items

Stability through diversification

% of net income, average 1995-Q1 1999*



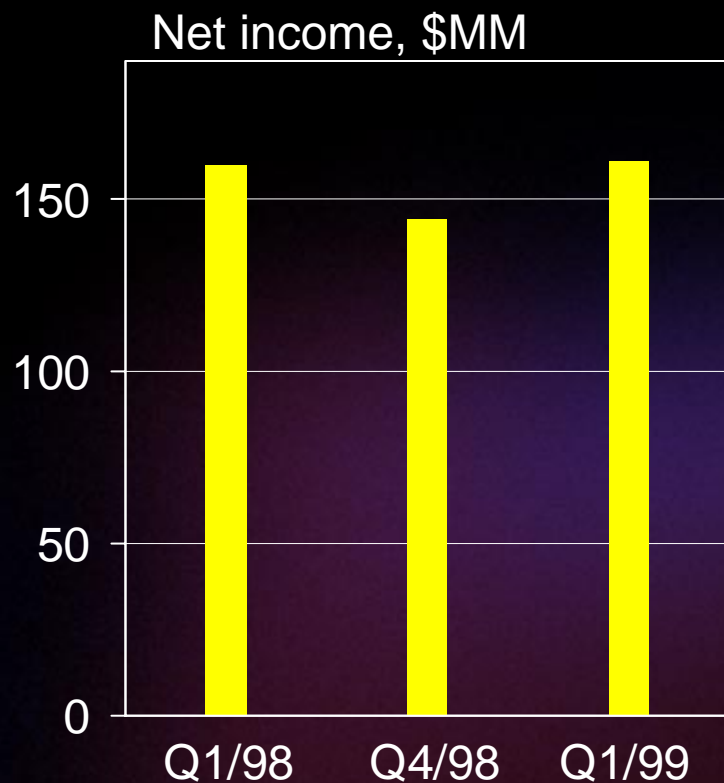
* excludes Executive Office

Increase in Reserves



Domestic

Domestic Retail & Commercial-up vs. Q4



- strong mortgage growth
- broad-based increases in fee income
- personal deposits
 - increase in market share

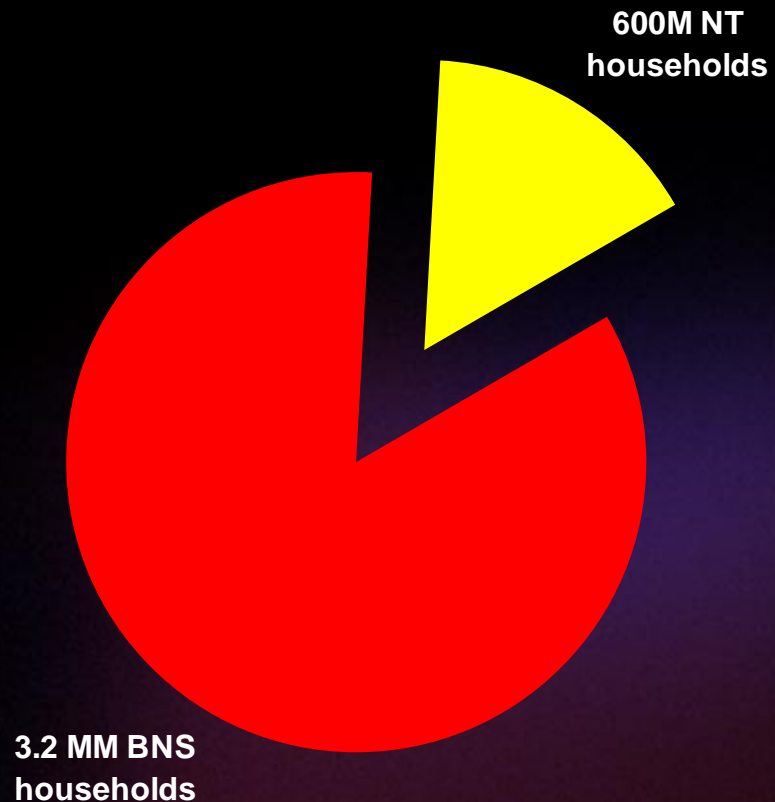


1999 Domestic focus

- reap benefits from acquisitions
- customer vs. product focus
 - increase number & training of sales staff
 - leverage MIS
- reduce costs & improve service
 - implement new banking platform
 - aggressively expand alternate delivery channels
- improve share of wealth management business



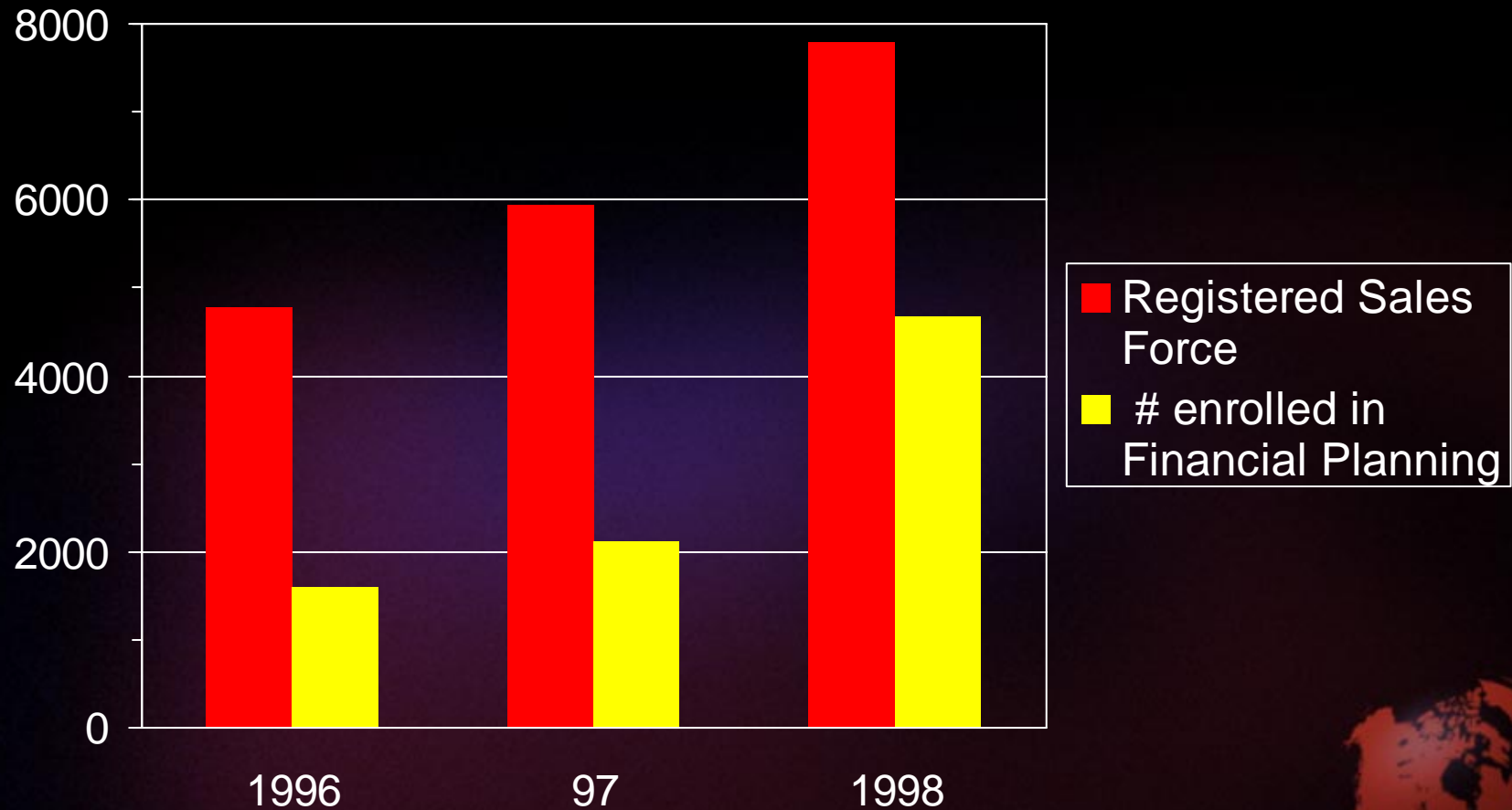
National Trust integration going well



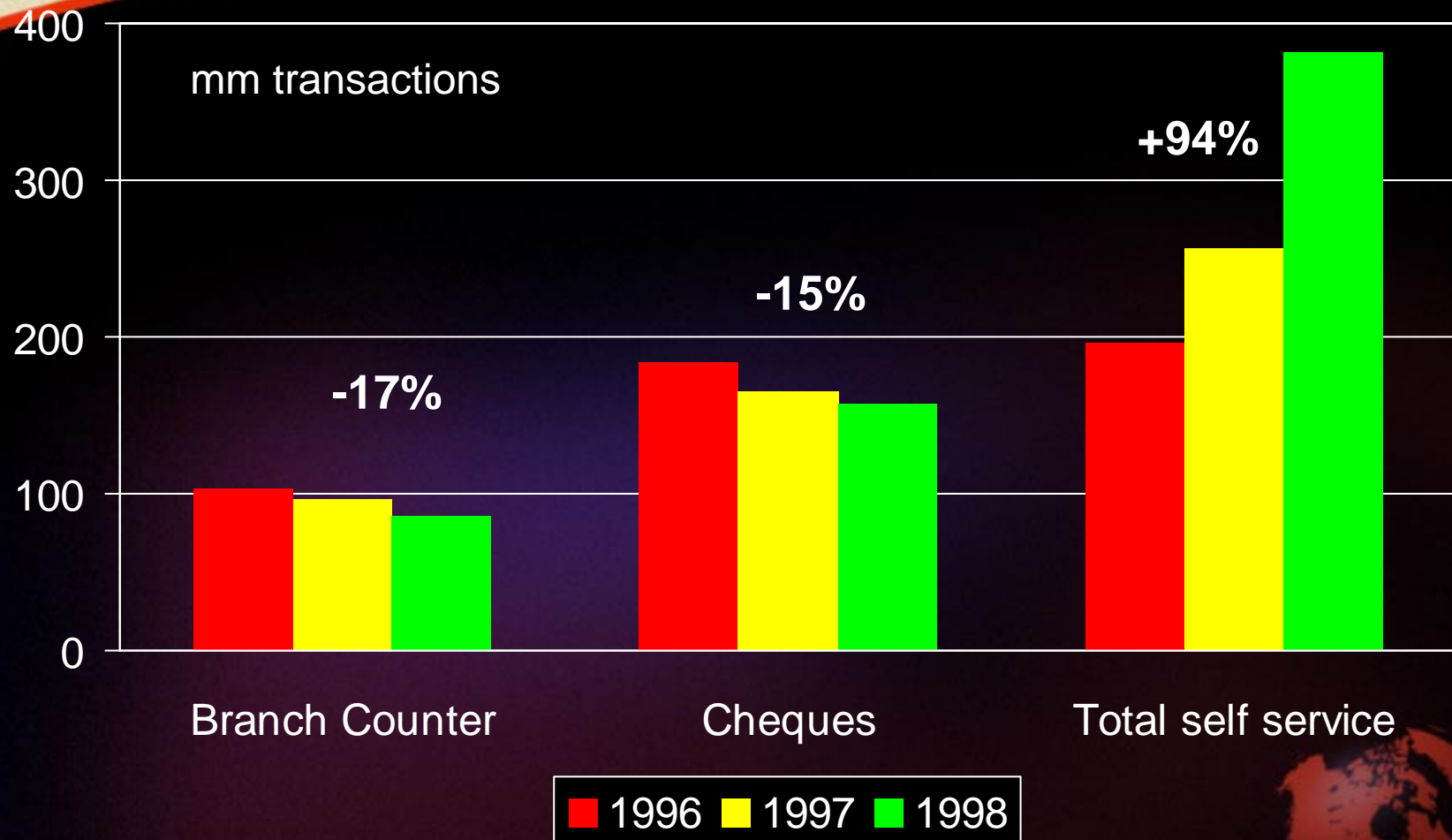
- systems fully integrated
- all branches converted by May '99
- strong customer retention
- accretive to earnings



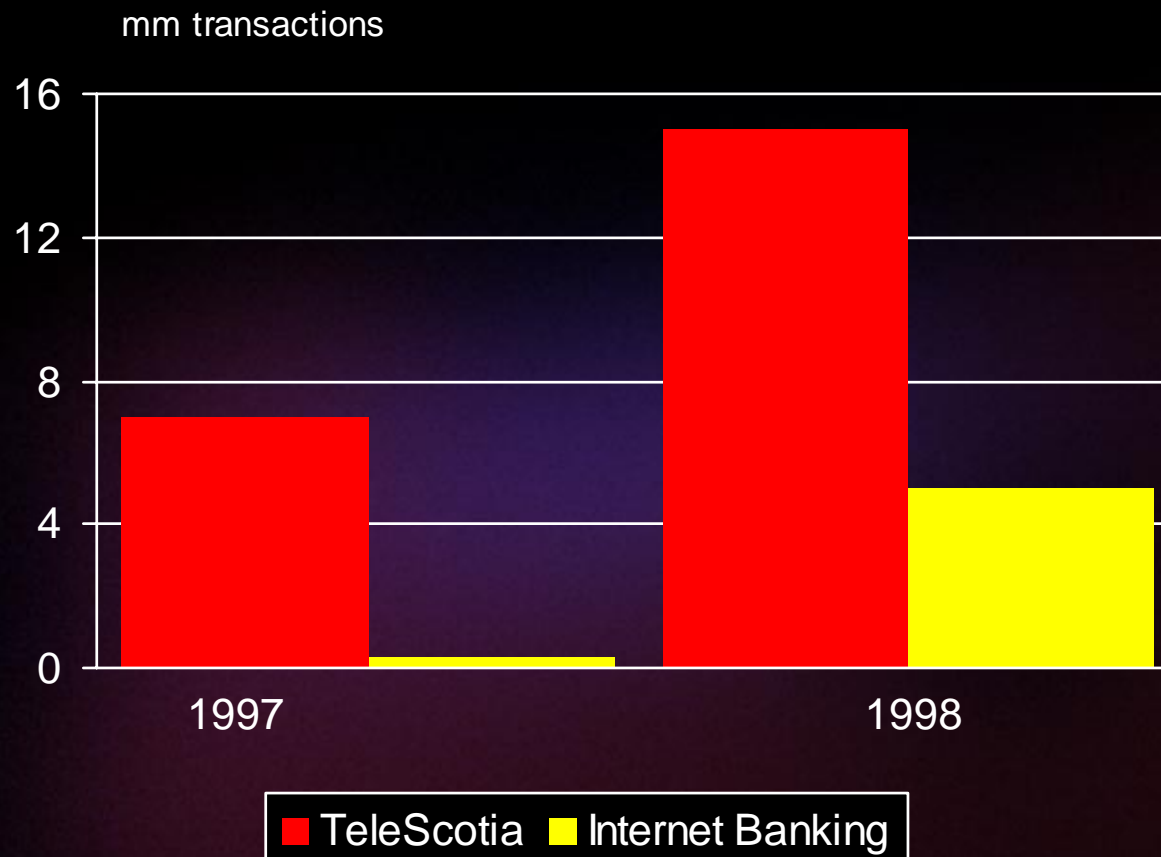
Improving skills/training of sales force



Significant growth in self service transactions

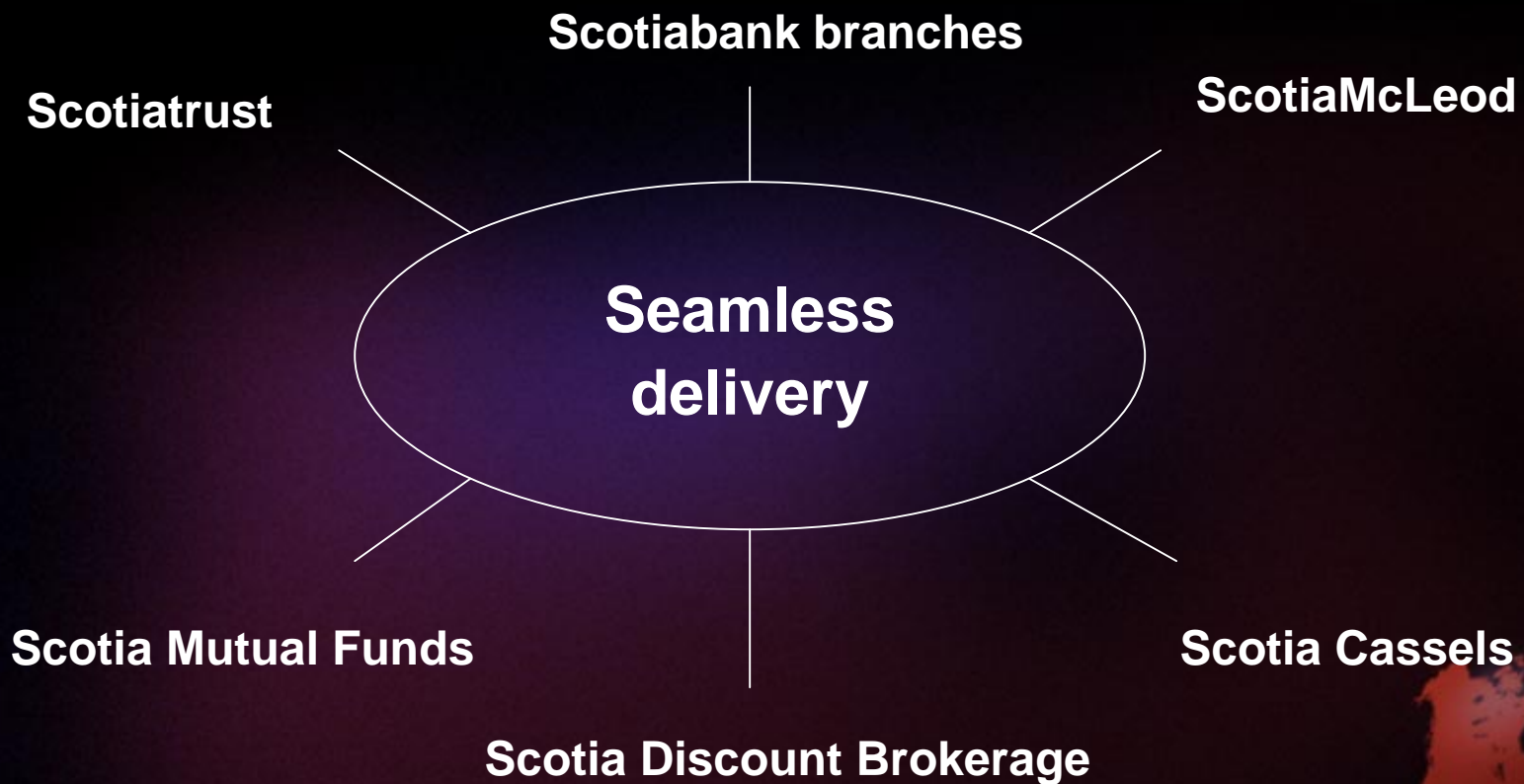


Aggressively expanding telephone & Internet banking



Increasing Wealth Management share

Assets under Administration = \$75B



Growing Wealth Management business

	<u>1996</u>	<u>1998</u>	<u>% change</u>
• AUA (\$B)	35	75	100+
• SMI IEs	650	800	23
• SMI Offices	60	82	37
• Registered Reps	4800	7800	63
• Trust locations	11	28	100+

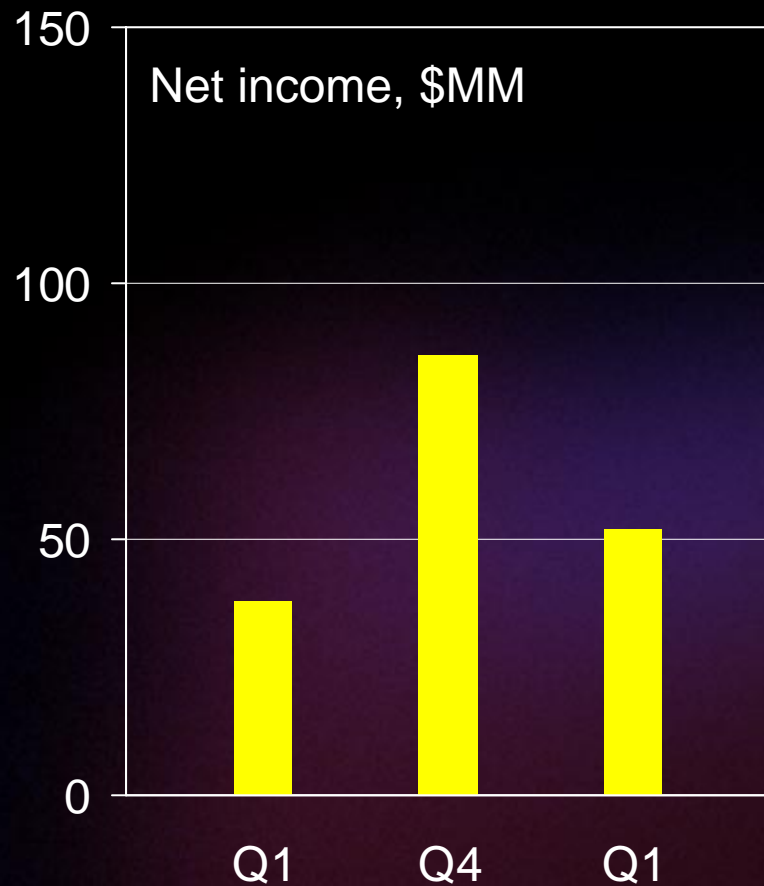
AUA = Assets under administration

SMI = ScotiaMcLeod



International

International - a base for future growth



- Caribbean - continued strong performance
- timing of PDI past due interest

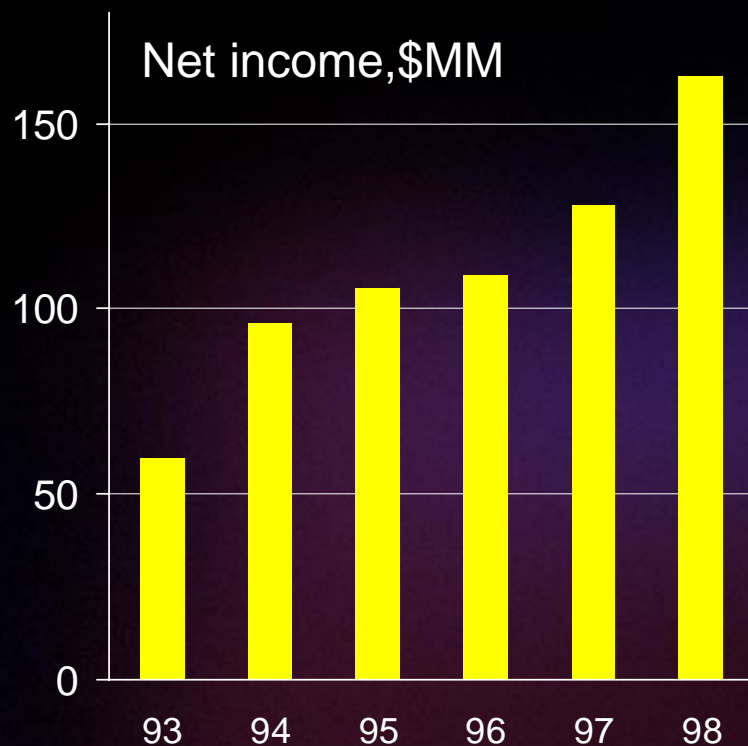


1999 International focus

- capitalize on comparative strengths
 - implement cost control, risk management culture
 - leverage international experience & global network
- execute well
 - Scotia people on ground
 - training local staff - credit, operations
- limit capital in any one country
- diversify risk



Caribbean - continue to grow strong franchise



- consistent growth in earnings
 - stable, repeatable
- credit risk lower over 10 years than Canada
- dominant market presence
 - 220 branches
 - 6000 staff
 - \$13B in assets



Mexico: excellent progress with Inverlat



Key facts

- 413 branches
- 675 ABMs
- \$8 bn in assets

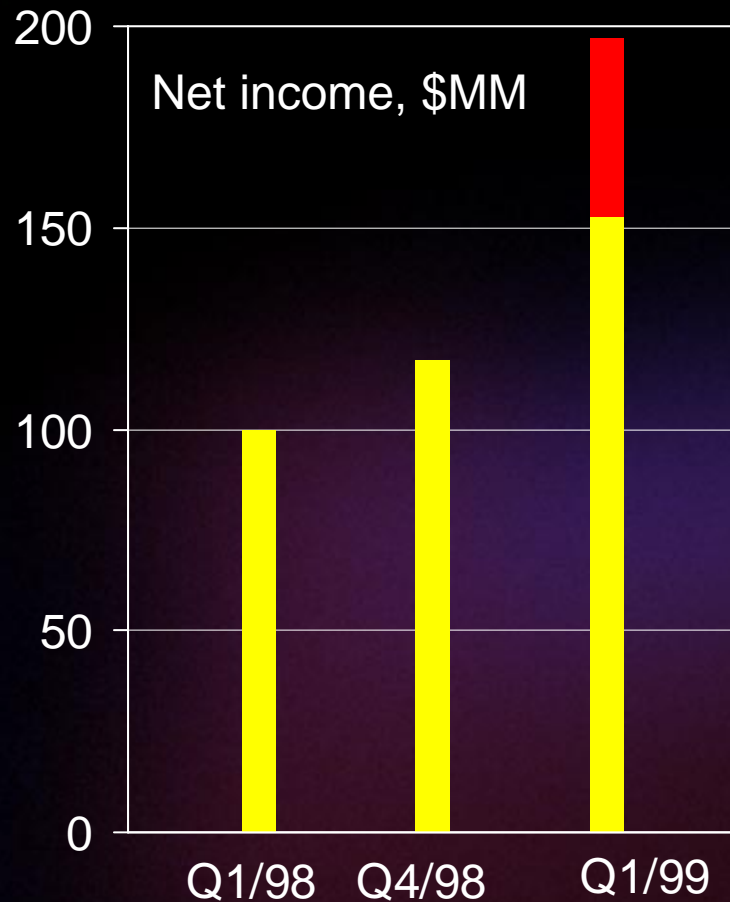
Turnaround underway

- on full US GAAP
- improving credit processes
- major strides on workouts and costs
 - staffing down from 10,600 to 8000
- upgrading branches, systems
 - 25 new branches in 1998
 - over 1,000 staff trained



Corporate & Investment

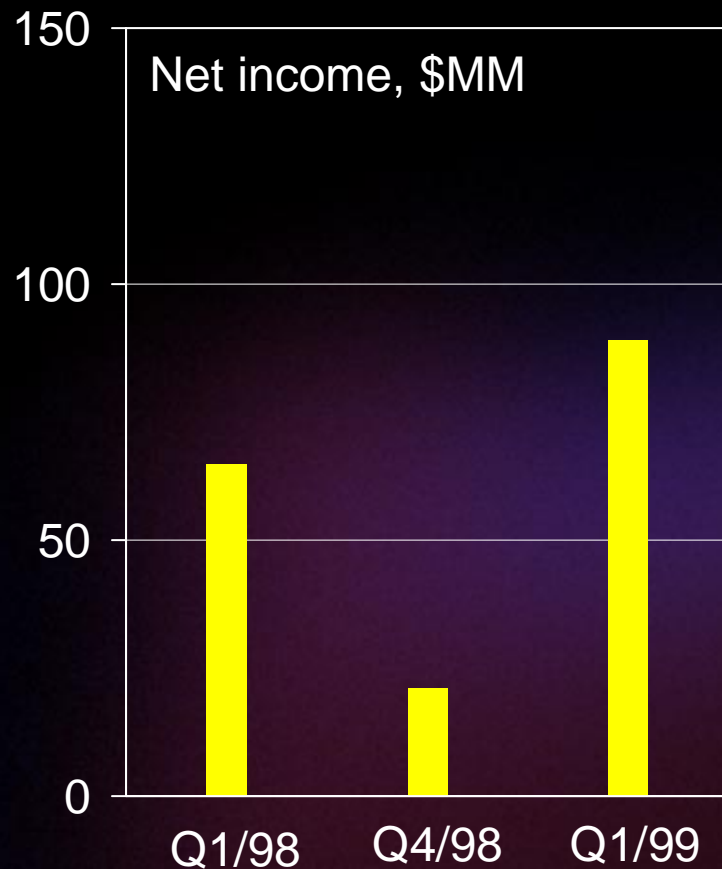
Corporate Banking - continued strong results



- Q1 - gain on sale of shares of \$77MM (pre-tax)
- strong performance in US, Canada & Europe
 - higher volumes & spreads
- Real Estate - continuing recoveries



Investment Banking - rebound from Q4



- more normal trading revenues
- underwriting & brokerage up over Q4
- continuing investment gains



1999 Corporate & Investment Banking focus

- integrate Corporate Banking & Scotia Capital Markets
- enhance individual account profitability - ROE focus
- manage down risk assets
- cost reduction



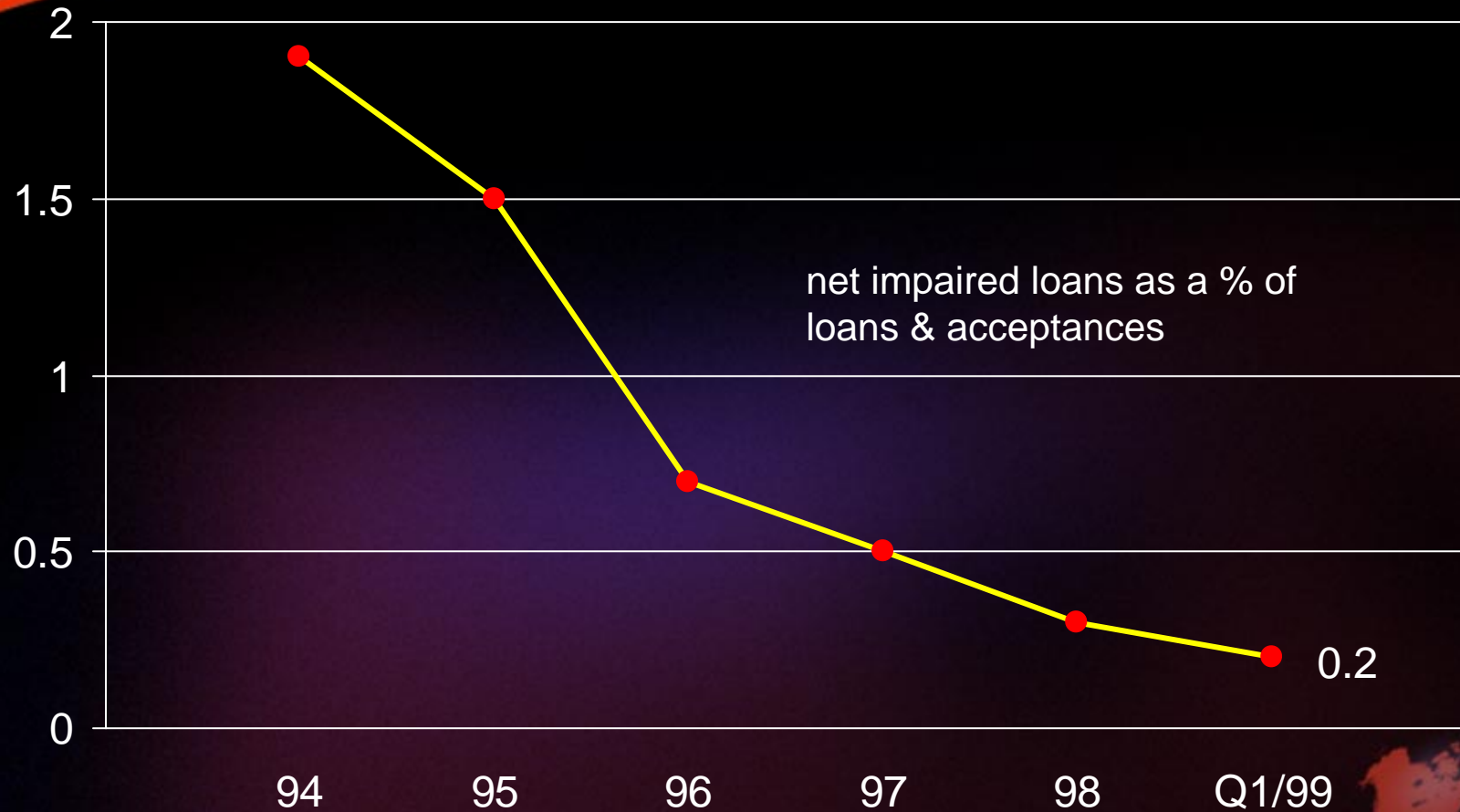
Risk Management

Risk management summary

- lower specific credit losses for 1999
- \$150MM added to General Provisions
- net impaired loans trending down
- Asia & Latin America portfolio stable

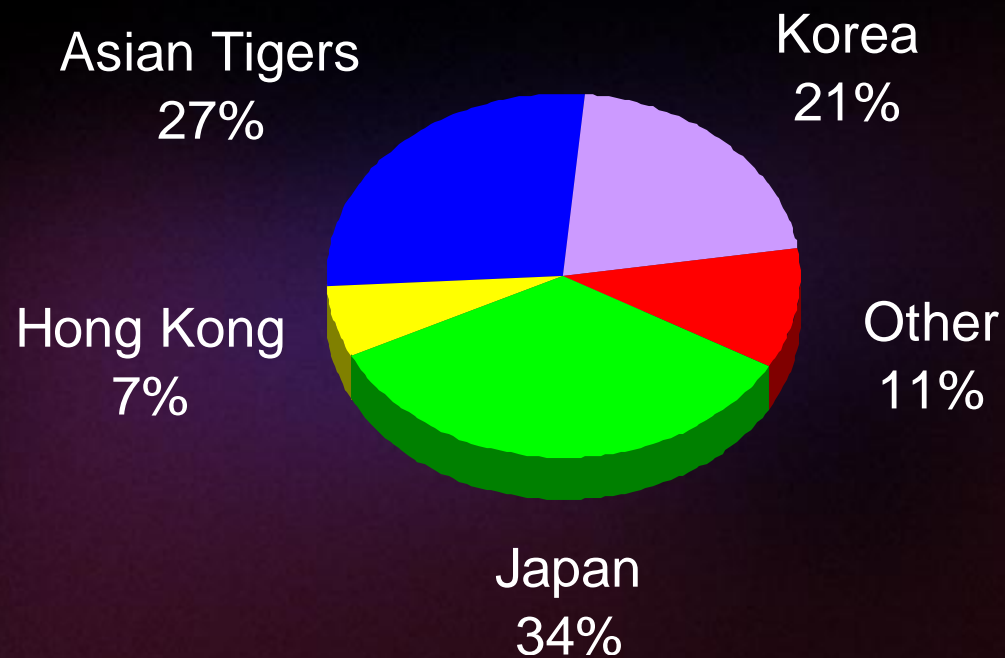


Steadily improving net impaired loans



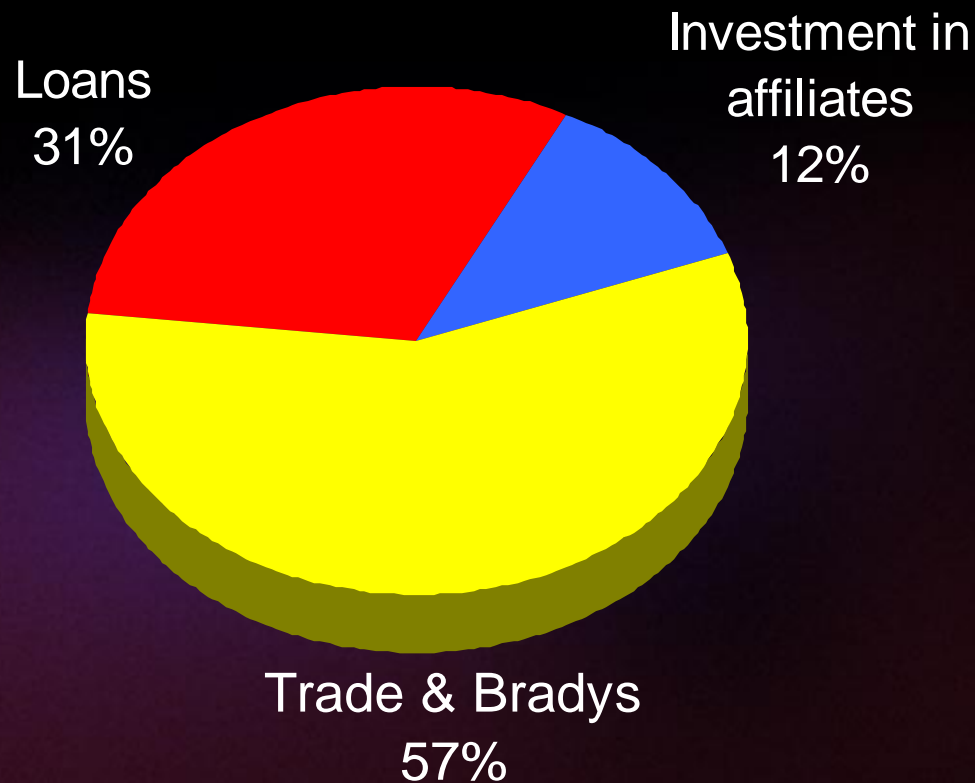
Asian exposure - mainly top names

Trade/Interbank/Gov't Sec US1.6b
Other 2.4b
Total = US4.0b



Latin America - mainly Bradys & trade

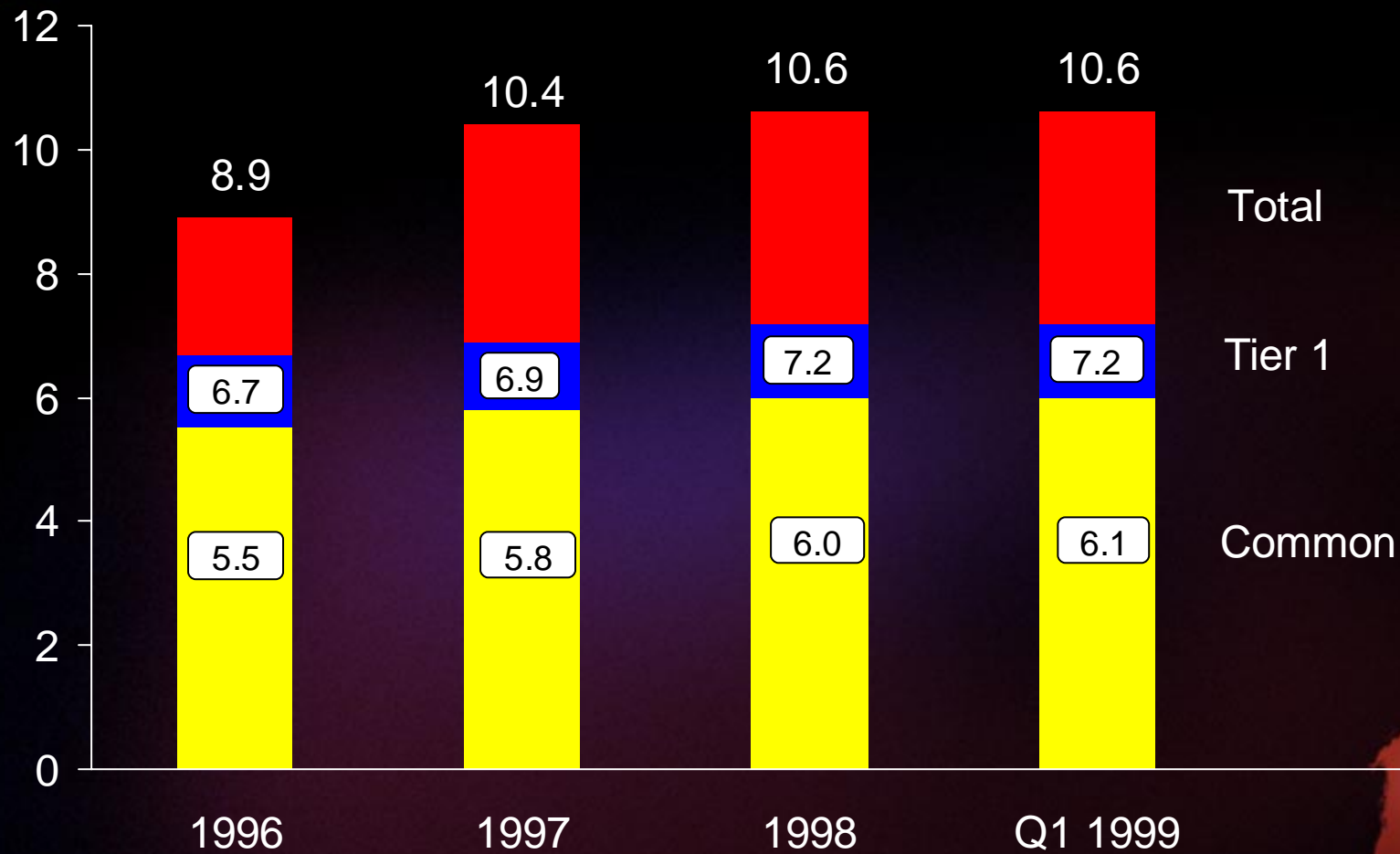
Cross-border = US \$3.7b



Capital

Capital ratios - steady improvement

% of risk-adjusted assets



Capital - objectives

- continued strong internal generation of capital
 - over \$1 billion annually in past 2 years
- aggressively manage down risk assets
- optimize capital utilization
- overall - continue to strengthen capital ratios



Summary

1999 objectives by business line

Domestic

- grow earnings through NT integration, cost reduction programs, sales initiatives

International

- reduce cross border risks
- continue improvements in affiliates (credit culture, cost reductions, training)

Corporate & Investment

- priority is integration of operations
- focus on reducing risk-asset levels, pricing & ROE discipline



Key objectives for 1999

- continue consistent earnings growth
- focus on cost control
- improve asset quality
- build reserves
- strengthen capital ratios
 - optimize use of capital



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