



Scotiabank

Investor Presentation

March 2, 1999

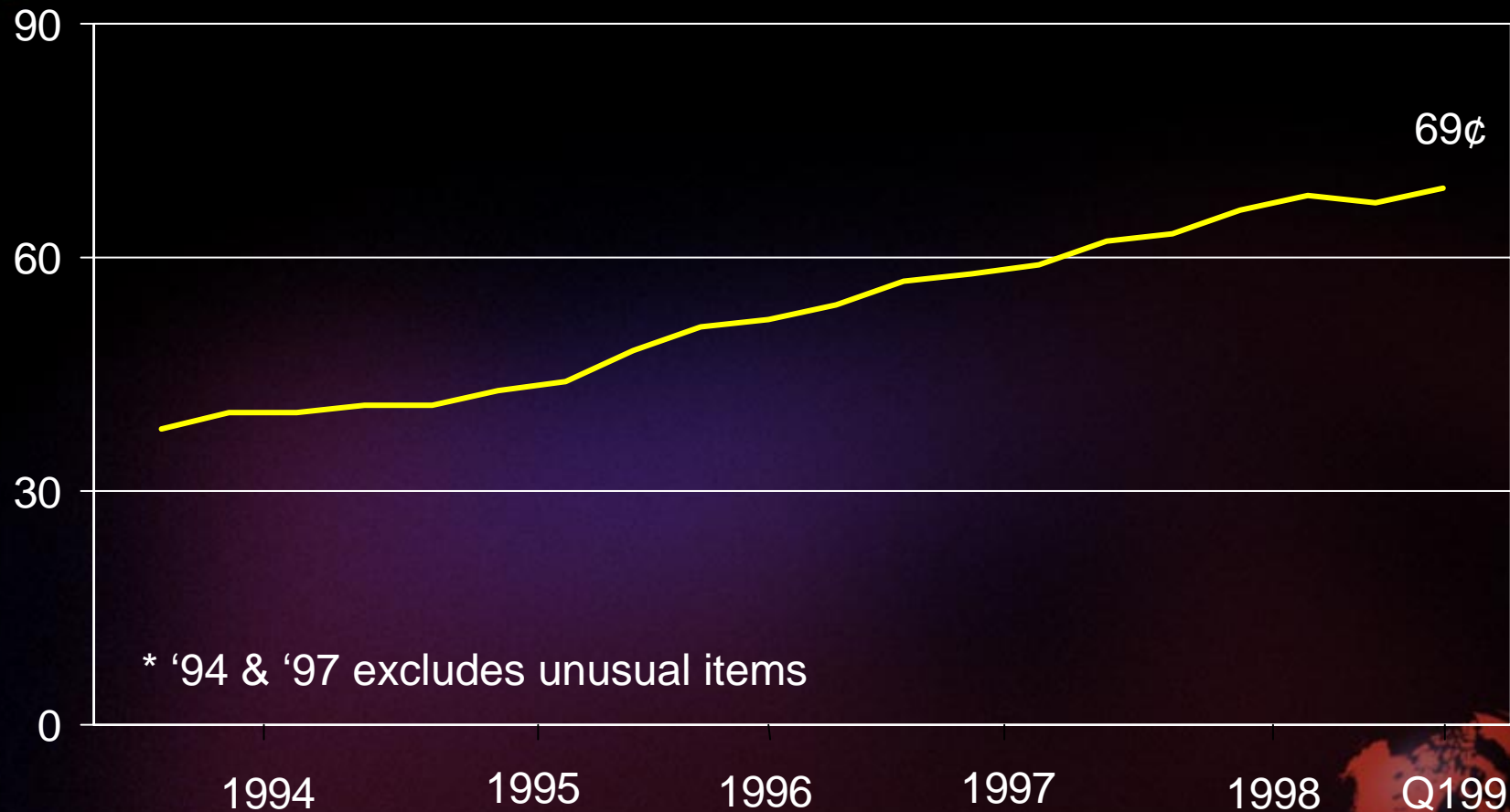
Performance highlights

- 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

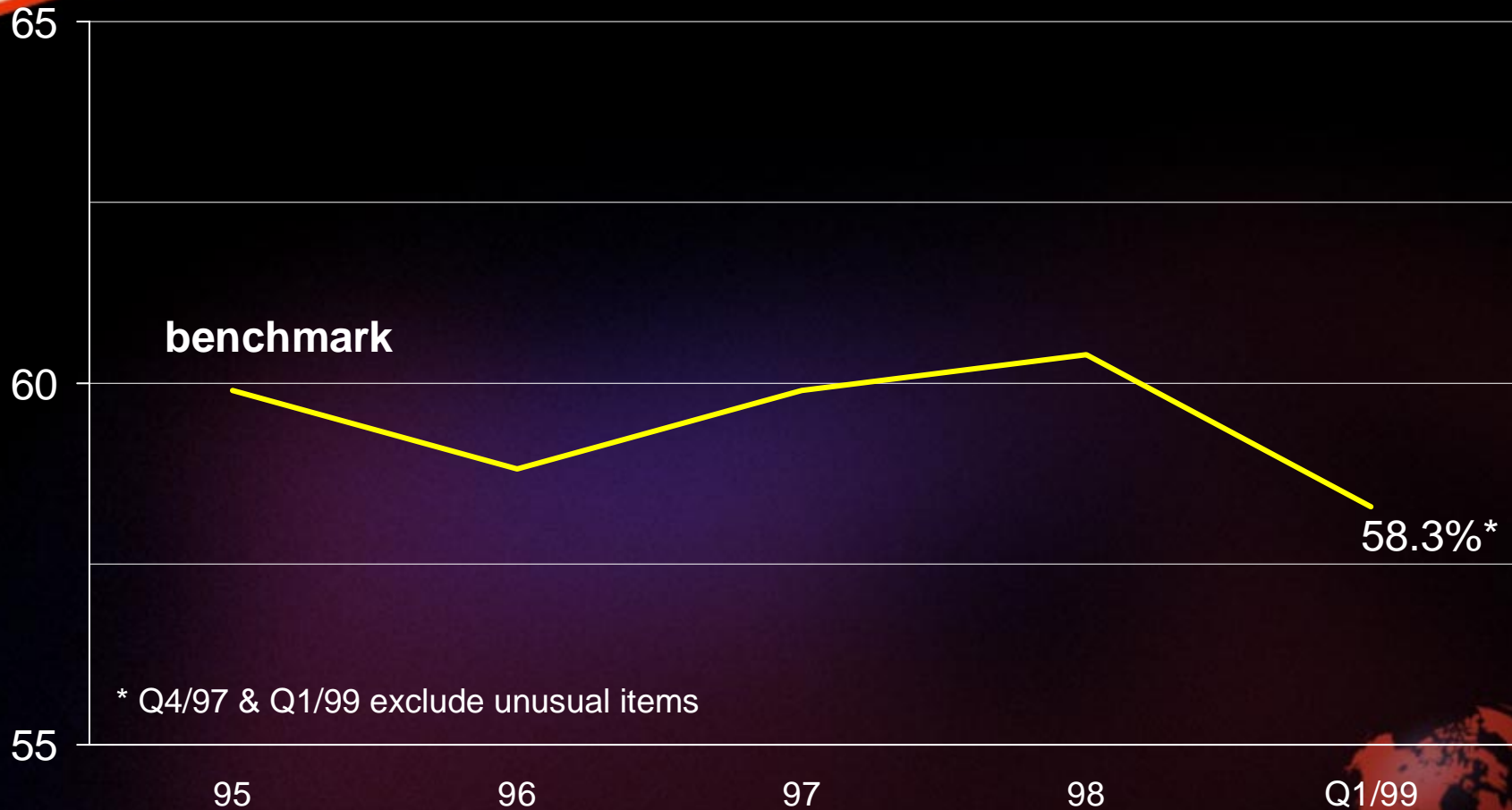
\$ millions

	<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

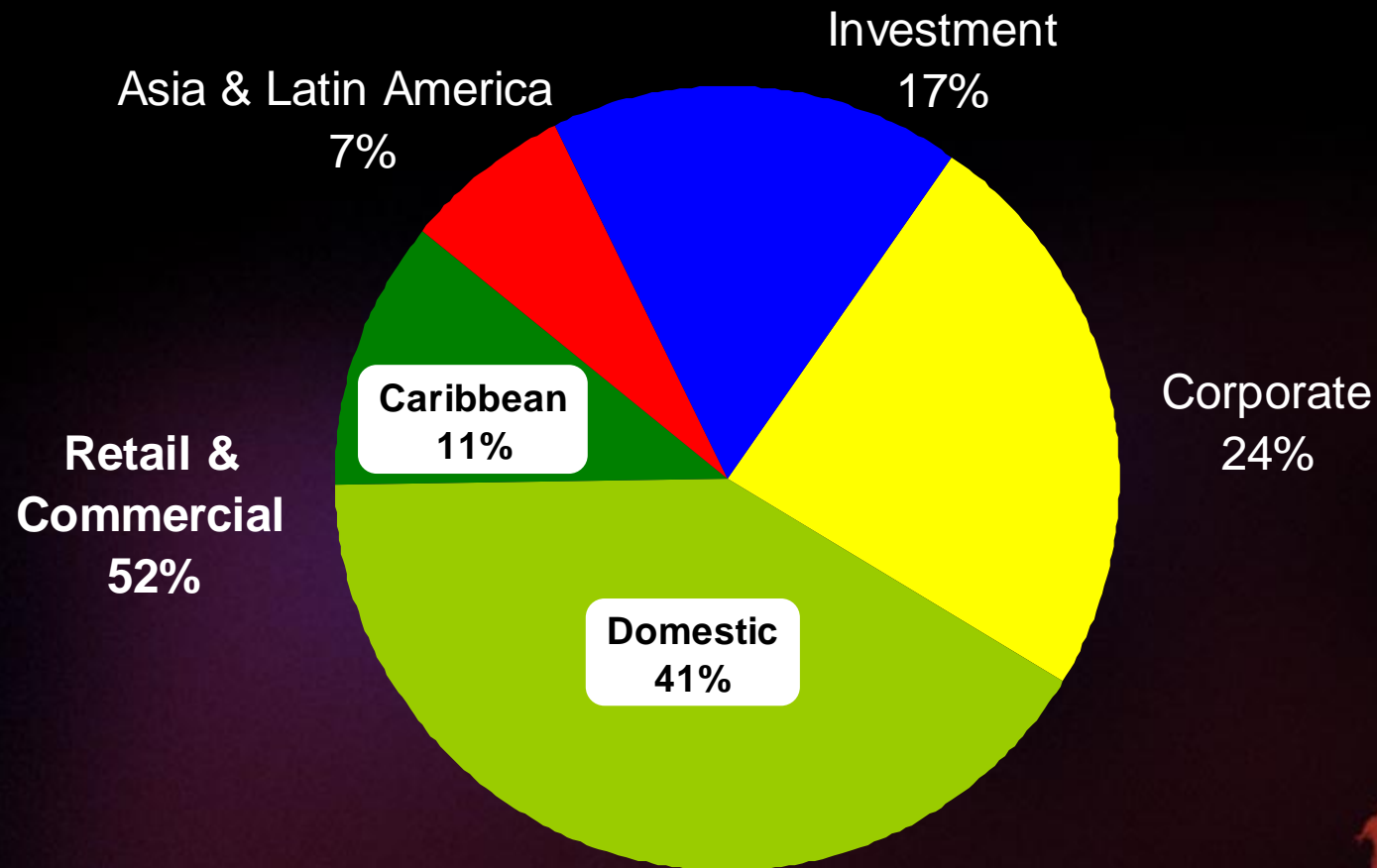
Revenues to Expenses



* Q4/97 & Q1/99 exclude unusual items

Stability through diversification

% of net income, average 1995-Q1 1999*



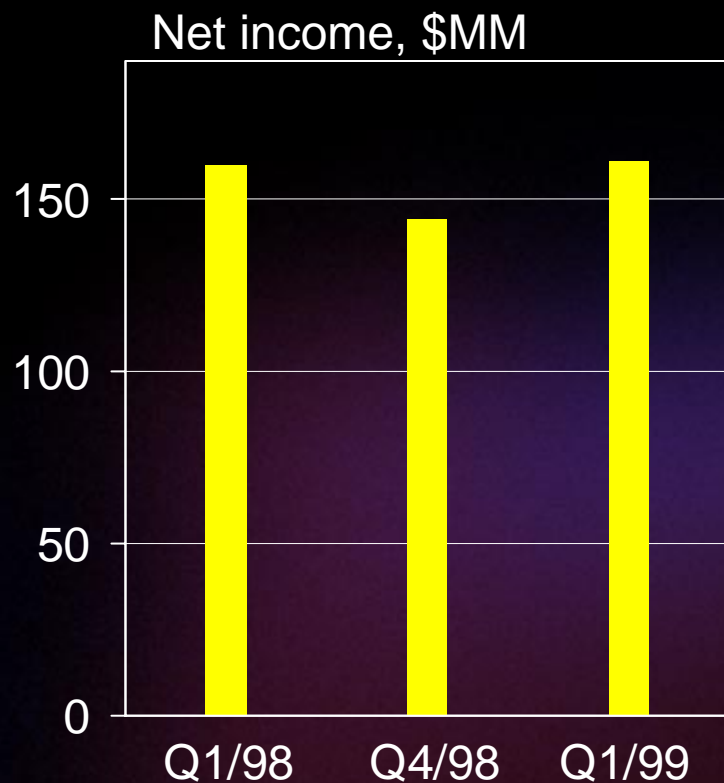
* excludes Executive Office

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

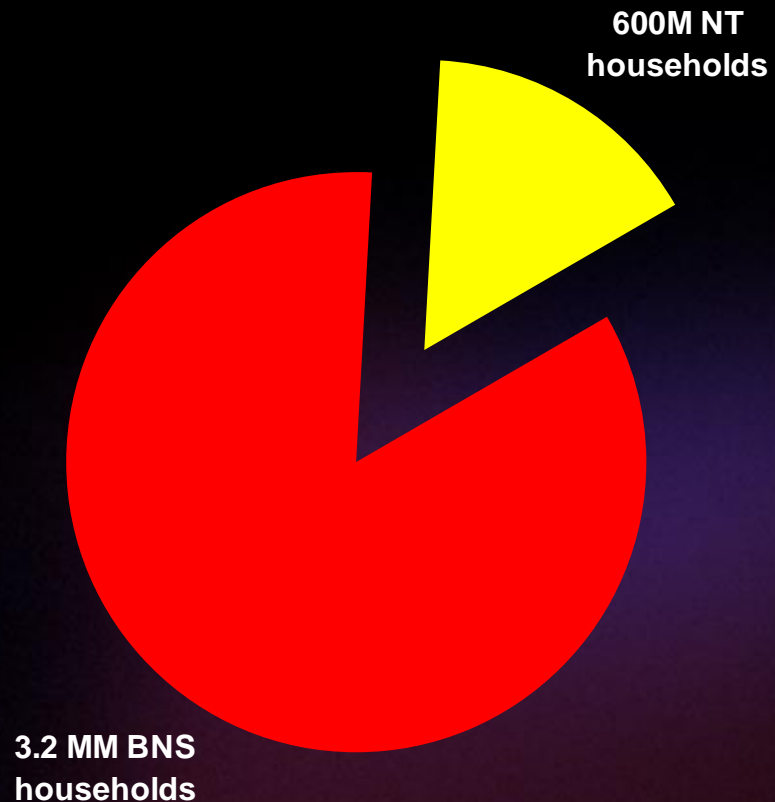


1999 Domestic focus

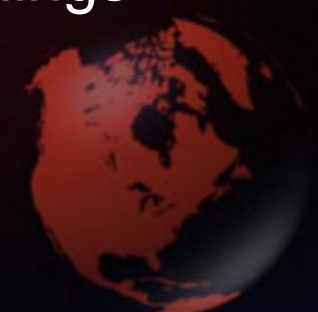
- reap benefits from acquisitions
- customer vs. product focus
 - increase number & training of sales staff
 - leverage MIS
- reduce costs & improve service
 - implement new banking platform
 - aggressively expand alternate delivery channels
- improve share of wealth management business



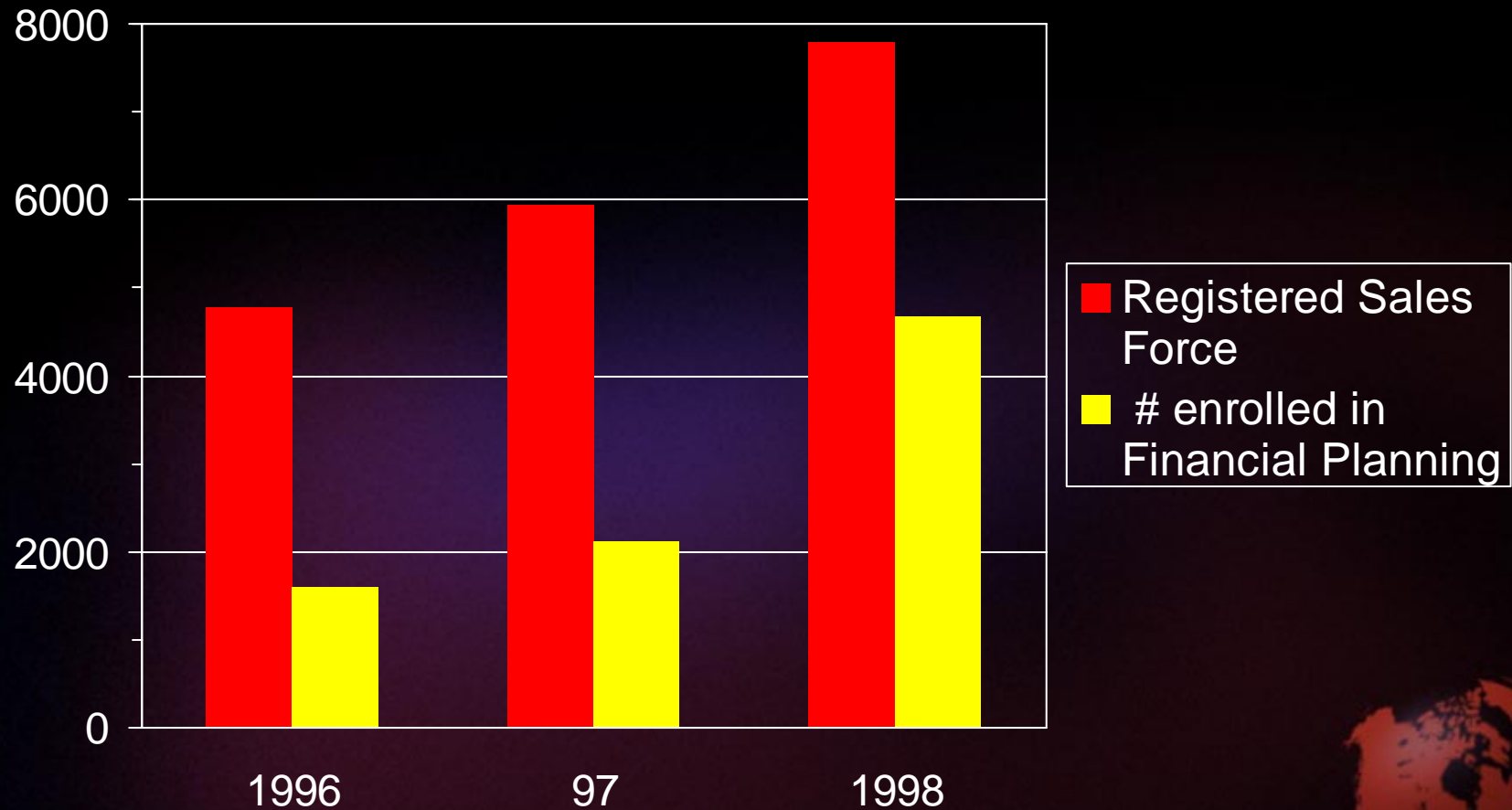
National Trust integration going well



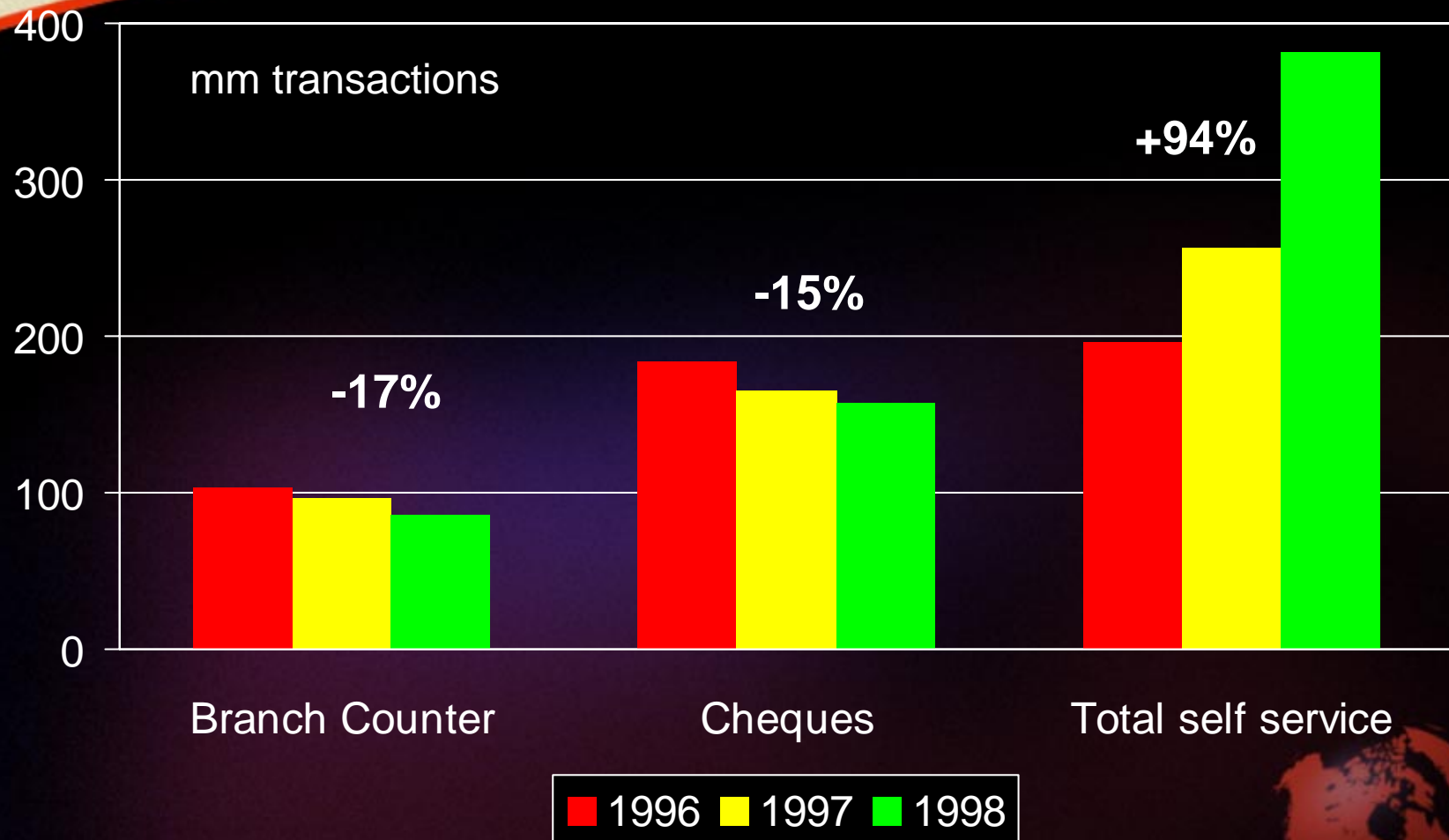
- systems fully integrated
- all branches converted by May '99
- strong customer retention
- accretive to earnings



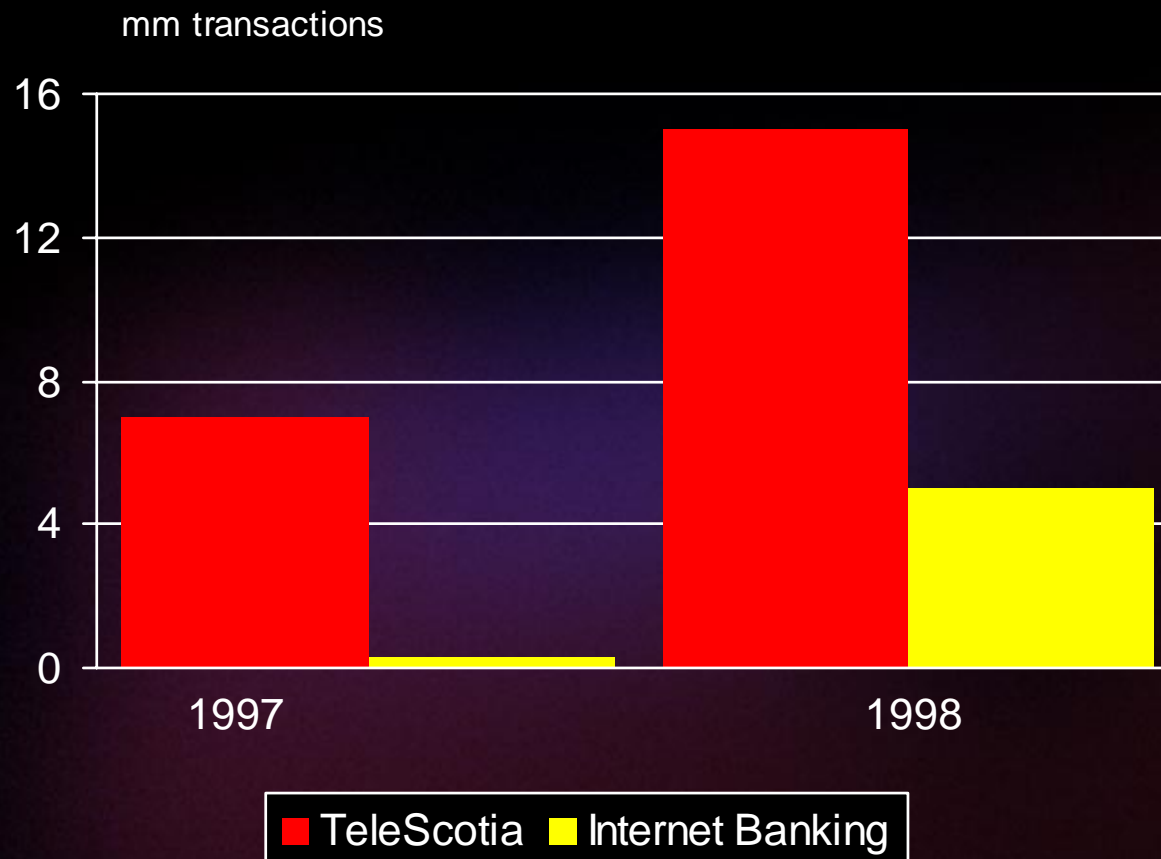
Improving skills/training of sales force



Significant growth in self service transactions

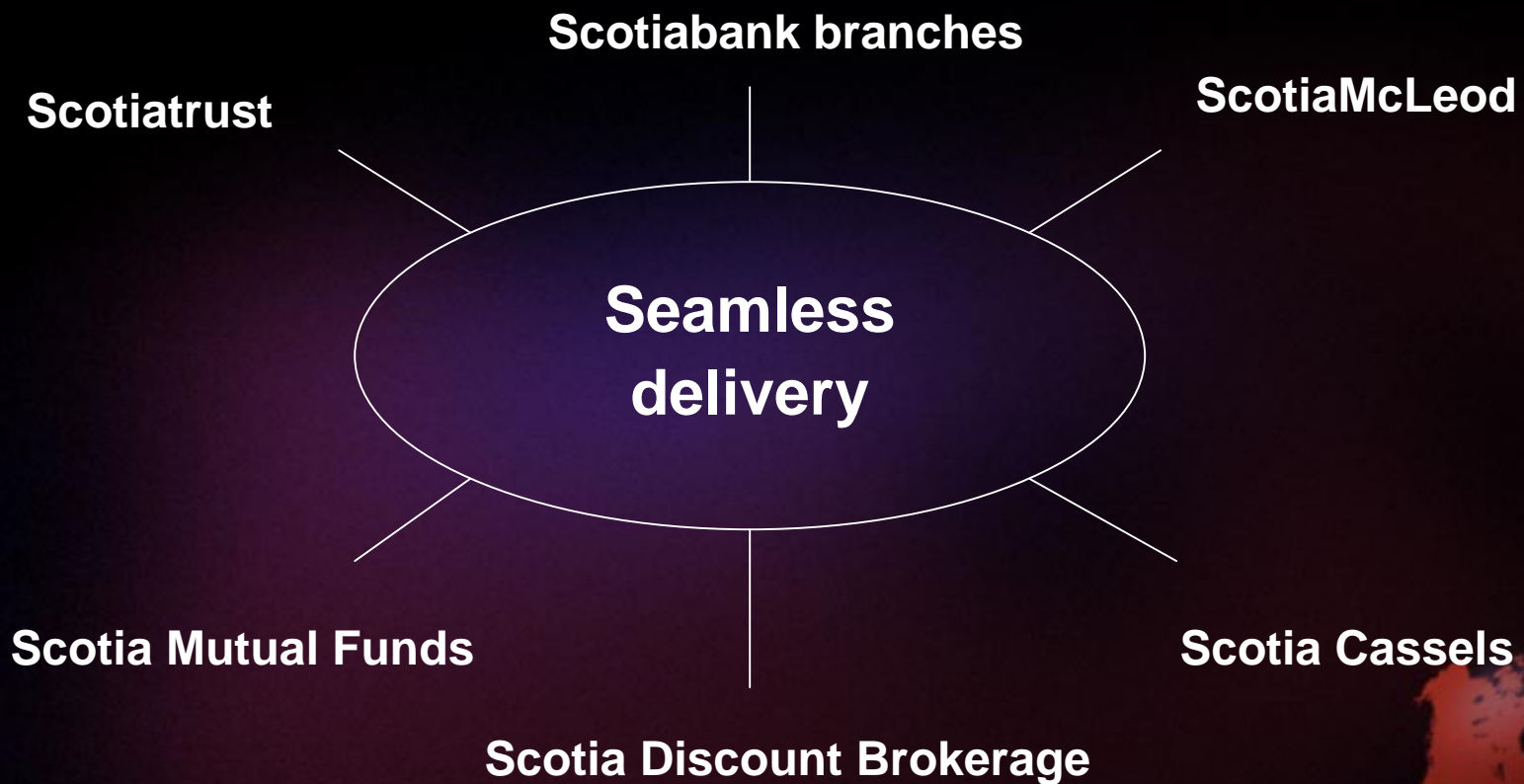


Aggressively expanding telephone & Internet banking



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+

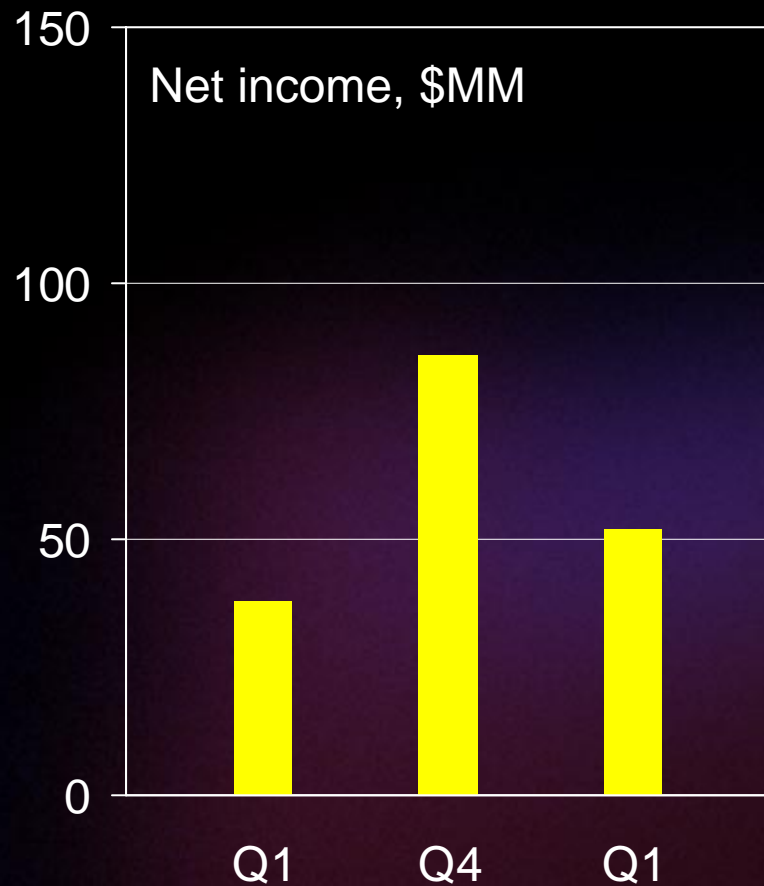
AUA = Assets under administration

SMI = ScotiaMcLeod



International

International - a base for future growth



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

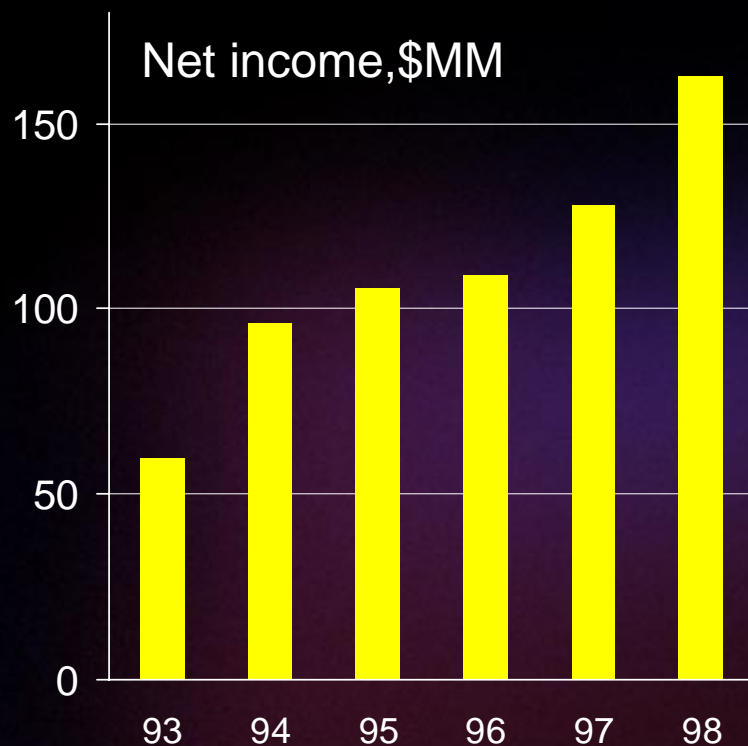


1999 International focus

- 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

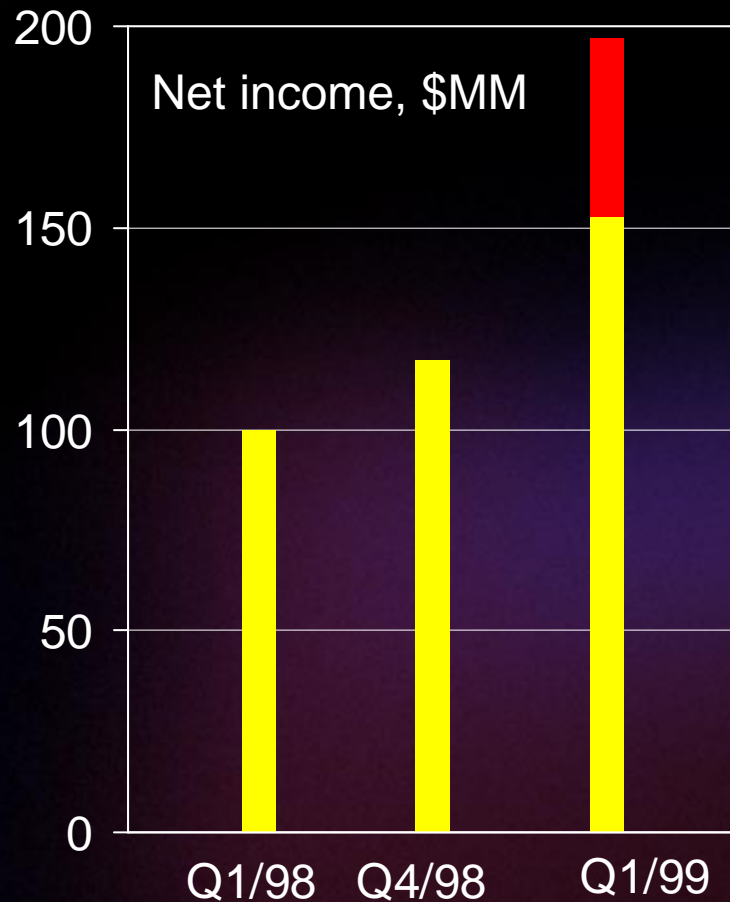
Turnaround underway

- 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

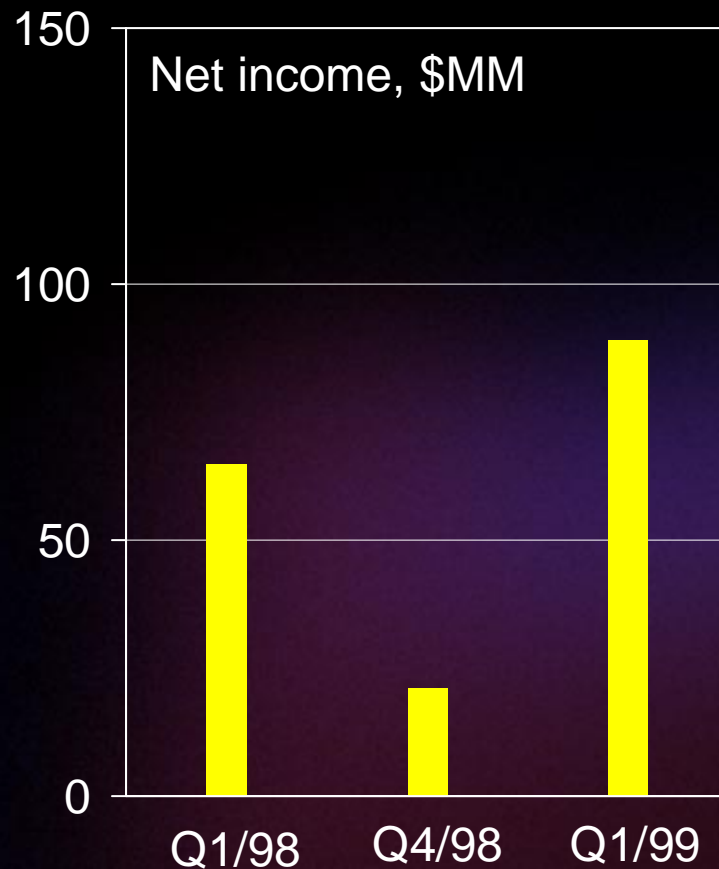
Corporate Banking - continued strong results



- 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



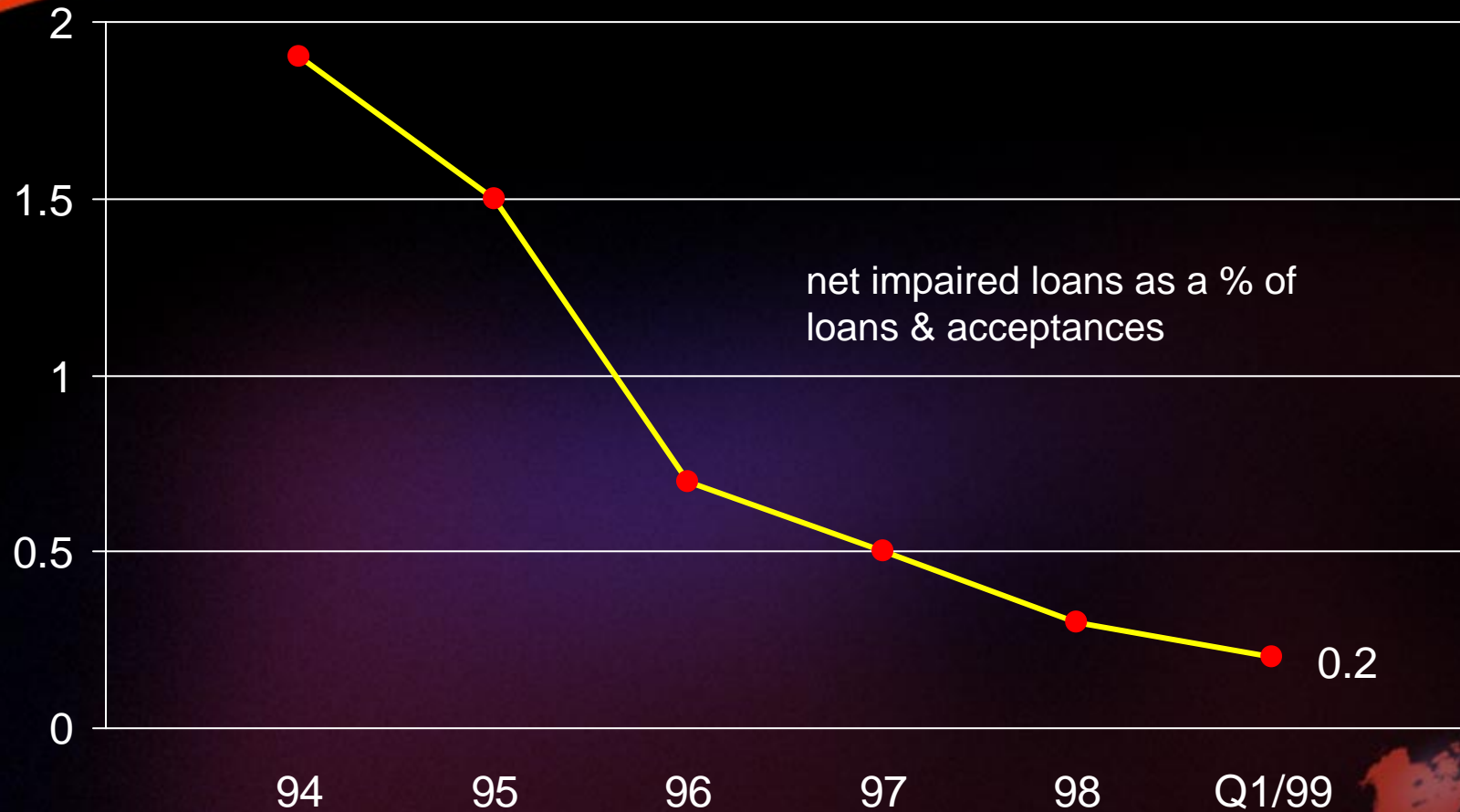
Risk Management

Risk management summary

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

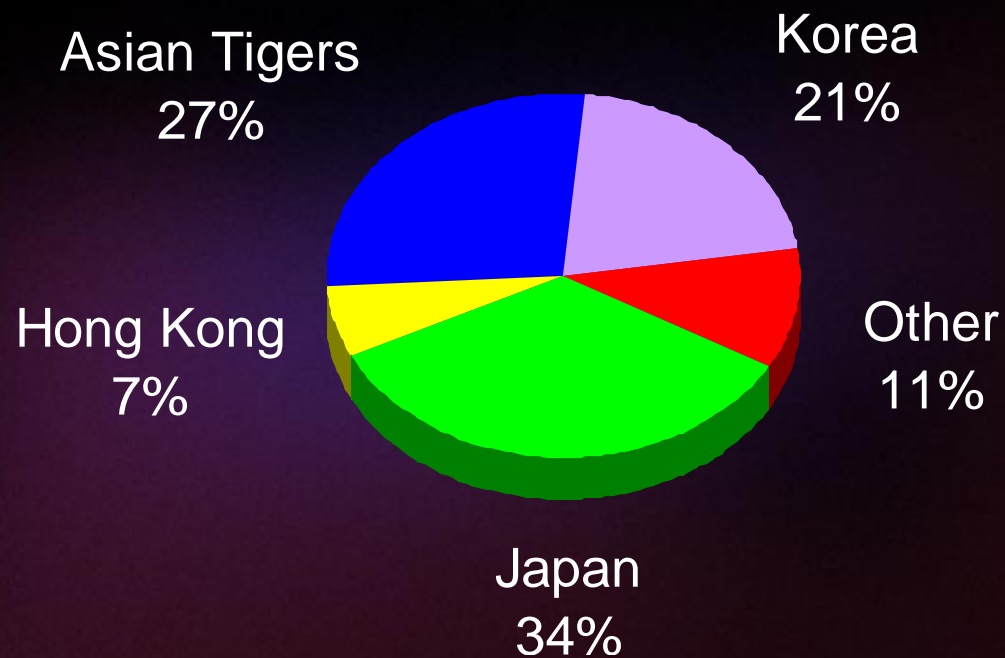


Steadily improving net impaired loans



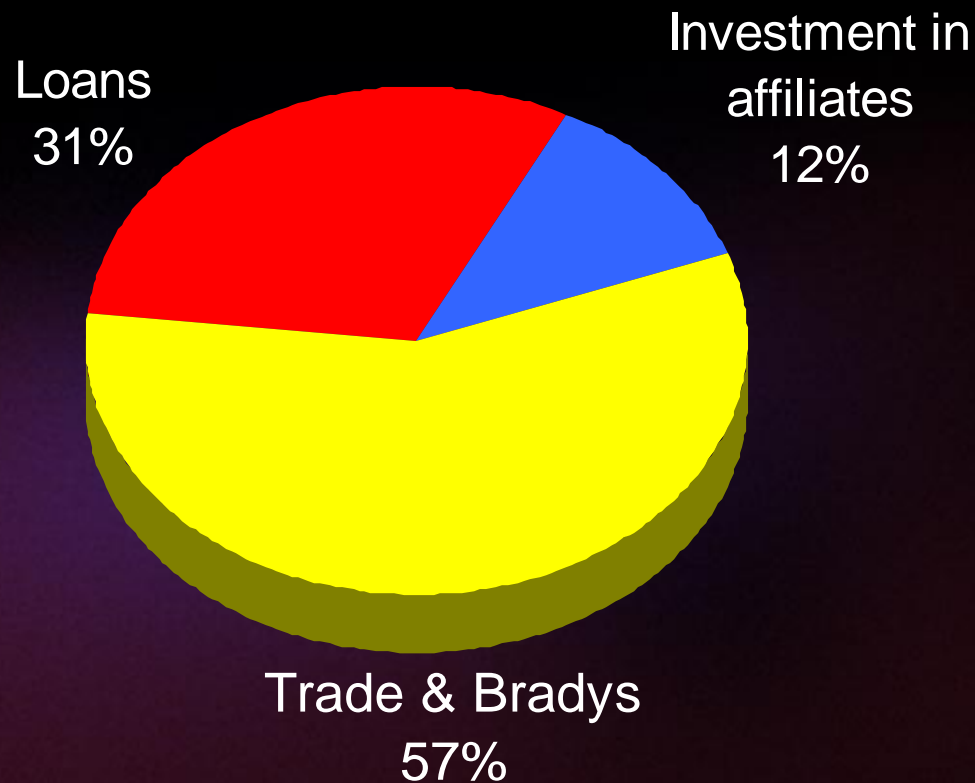
Asian exposure - mainly top names

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



Latin America - mainly Bradys & trade

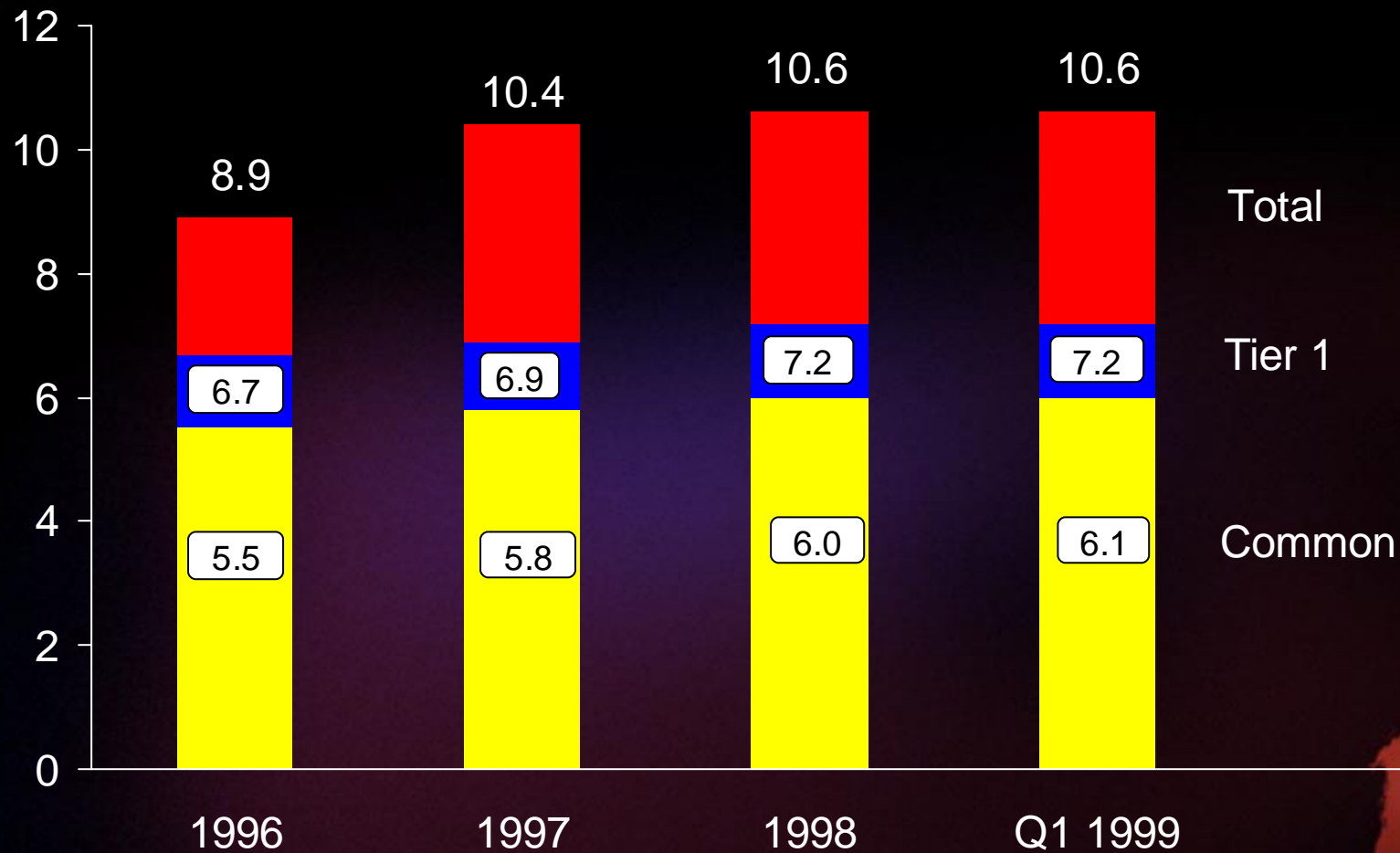
Cross-border = US \$3.7b



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



This presentation includes forward- looking statements about objectives, strategies, and expected financial results to assist investors and others in assessing The Bank of Nova Scotia's prospective financial condition and results. Such forward- looking statements are inherently subject to uncertainties beyond the Bank's control, including but not limited to economic and financial conditions globally, regulatory developments in Canada and elsewhere, technological developments, and competition. The reader is cautioned that the Bank's actual performance could differ materially from such forward-looking statements.

