

**Investor Presentation
February 29, 2000**



1

**Performance Review
Sabi Marwah
Executive Vice-President &
Chief Financial Officer**

2

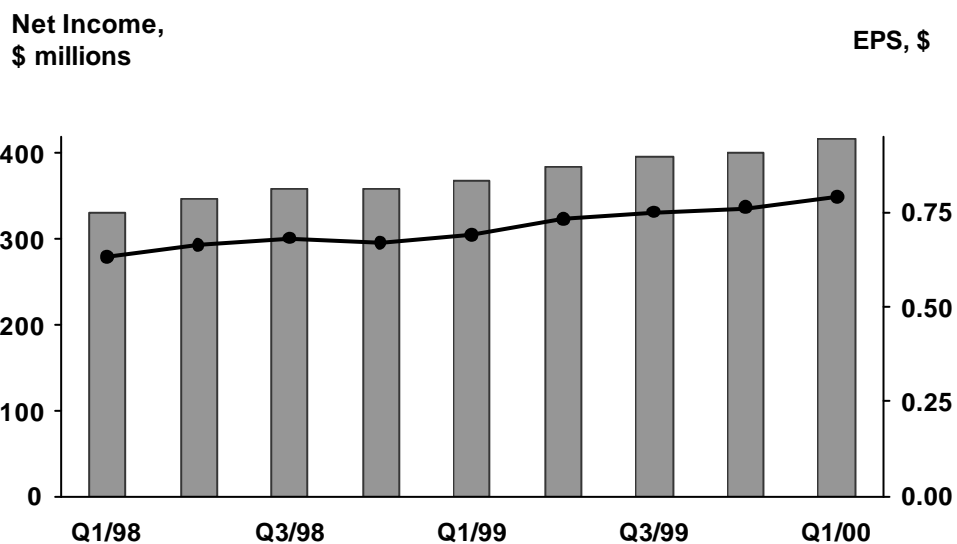
Performance Highlights

- **Solid earnings momentum**
 - > EPS up 14% year-over-year
 - > ROE 15.9% vs. 14.8%
 - > Productivity 58.6%
- **Improved performance in Retail & Commercial**
- **Strong capital ratios and reserves**
- **Stable asset quality**

3



Solid Earnings Momentum



4



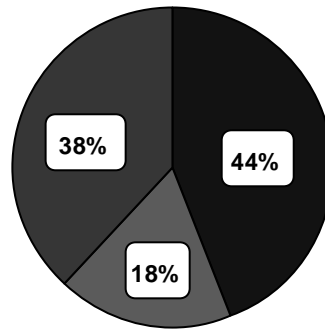
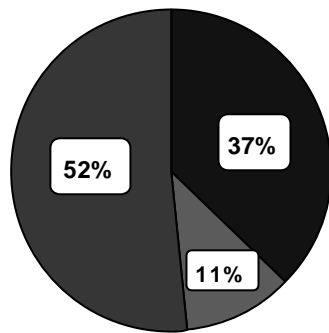
Diversification: Higher % of Core Retail & Commercial

% of net income*

January 31, 1999



January 31, 2000



Domestic Retail/Commercial
 International
 Scotia Capital

5

* excludes smaller operating segments & Corporate Adjustments



Steady Growth in Revenues

\$ millions

	<u>Q1/00</u>	<u>Q1/99</u>	<u>change</u>	<u>change</u>
Net interest (TEB)	1,202	1,218	(16)	(1)%
Other income*	822	730	92	12%
Total revenues	2,024	1,948	76	4%

* Excludes: special gain (\$77MM, Q1/99)

6



Solid Growth in Fee Income

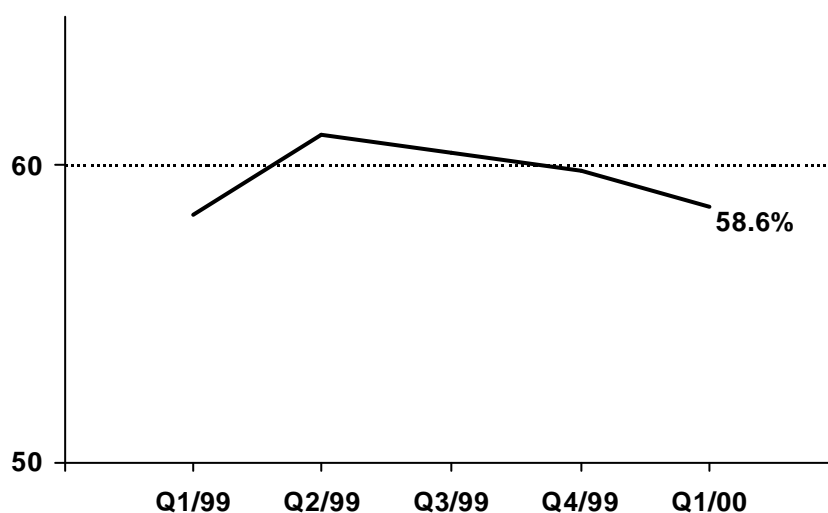
	<u>Change</u>	
	<u>Q1/00 vs. Q1/99</u>	
	<u>\$MM</u>	<u>%</u>
Investment Management & Trust	\$33	22%
Credit Fees	34	27
Securitization revenues	26	90
Foreign Exchange (other than trading)	9	25
Institutional/Underwriting	(9)	(16)
Securities Gains/Trading/Other	(1)	-
	<u>\$92*</u>	<u>12%</u>

* Excludes: special gain of \$77MM in Q1/99

7



Continued Productivity Leadership expenses as a % of revenues*



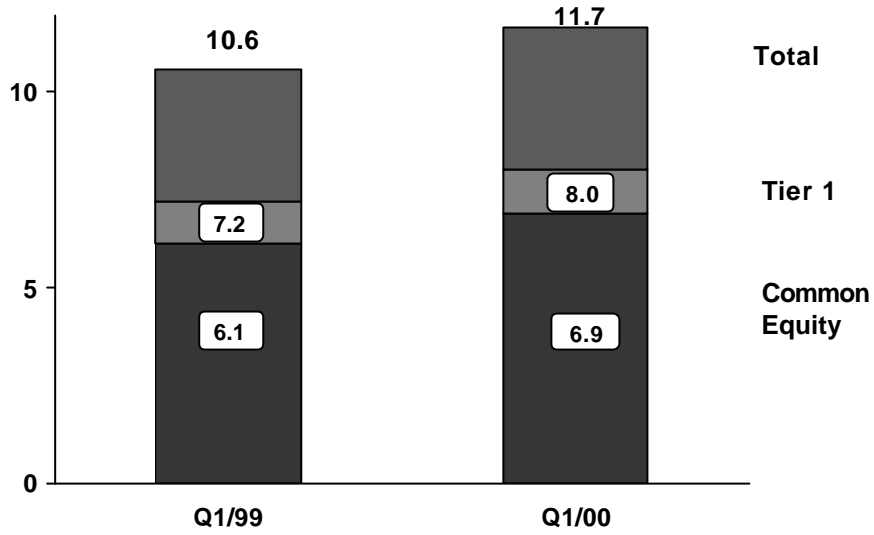
* Q1/99 excludes special gain of \$77MM

8



Capital Ratios - Strengthened Significantly

% of risk-adjusted assets

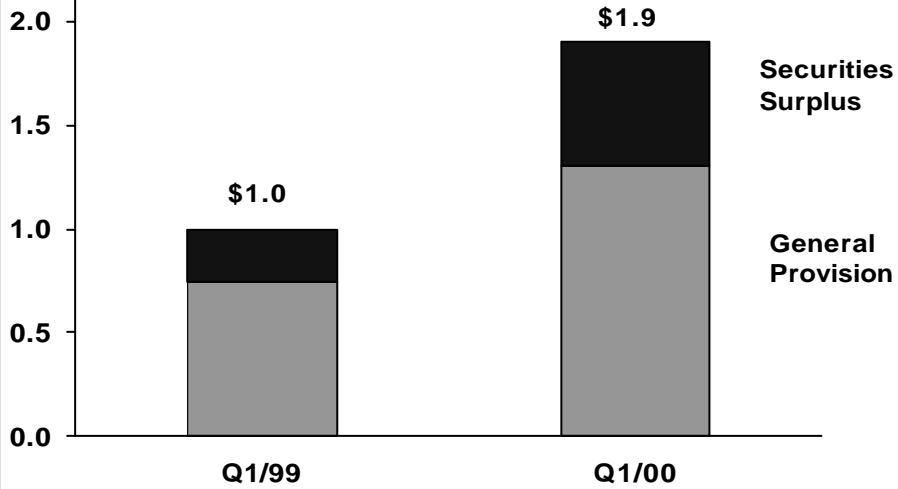


9



Higher General Provision & Securities Surplus

\$ billions



10



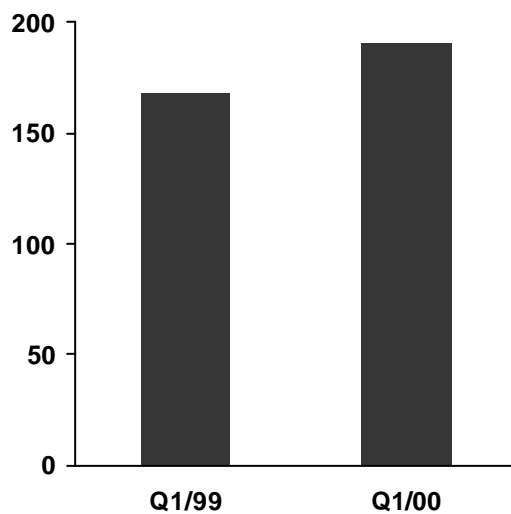
Business Line Results

Bruce Birmingham
President

11

Domestic - earnings up 13%

Net Income*, \$ millions



- Mortgages up 8%
- Credit cards up 11%
- Strong fee growth
 - > retail brokerage up 34%
- Continued deposit growth
 - > personal deposits up 6%
 - > current accounts up 16%
 - > market share increase

12

* includes Wealth Management



Domestic Franchise

Initiatives underway

- **Forms-free teller in 700 branches**
 - > completion by June 2000
- **Sales and service focus - 90 branches to date**
 - > increased sales, higher customer retention
- **New product packages**
 - > Scotia One Service, ScotiaLine Visa
- **Streamline operations, reduce costs**
 - > Staffing down 1,350 year/year



13



Develop Electronic Banking & e-commerce

Business → Consumer

- **Electronic wallet**
 - > "Smarty" - download cash electronically
- **Wireless banking - enhance functionality**
 - > mobile terminals, pagers, cell phones
- **Online customer growth - up 95% year-over-year**



Business → Business

- **Scotiabank & Microsoft**
 - > ScotiaWeb store
- **Identrus - consortium of international banks**
 - > secure infrastructure for trade on Internet

14



Strong Growth in Wealth Management

	Q1/00 vs. Q1/99 <u>% change</u>
Retail brokerage fees	34% ↑
Total Wealth Management revenues	26% ↑
Discount brokerage trades	80% ↑
Full service managed accounts	45% ↑
Personal Trust new sales	63% ↑

70% of Scotia Funds in 1st or 2nd quartile

Integrating Wealth Management

Strengths

- A leader in personal trust & Private Client Investment Management
- Large full-service brokerage sales force
- Strong branch distribution - mutual funds

New organization structure

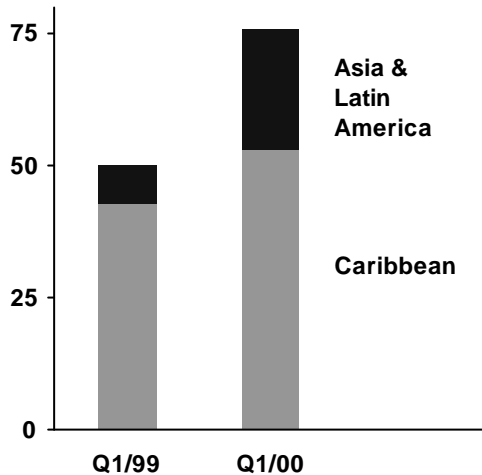
- Progress on integration initiatives: sales forces, Internet platform, high-end offerings

New products

- 2 index mutual funds, US Stock-indexed GIC

International – Better Results in 2000

Net Income, \$ millions



- Continued strong returns in Caribbean
- Profitability improving in Asia and Latin America

17



Caribbean – Market Leader

- Dominant market presence
 - 25 countries
 - 240+ branches
 - \$14B in assets
 - 265+ ABMs
- Leveraging products & skills
 - sales & service delivery
 - new mortgage program
 - ScotiaLine roll-out
 - stock market deposits
 - U.S. & local currencies
 - roll out Central Accounting Units



18



Latin America – Foundation for Long-Term Earnings Growth

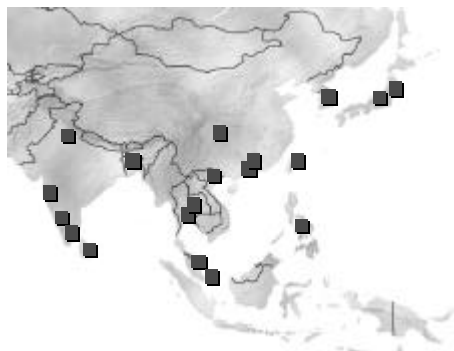
- Mexico:
 - > Finalize Inverlat within next 3 months
 - > Adding branches & ATMs
 - > New senior executive to run Casa de Bolsa
- Argentina:
 - > Reinvesting in Scotiabank Quilmes
 - > Infilling branch network
- Chile:
 - > Taken control of Banco Sud Americano - 61%
 - > Installed new management team - 8 Scotiabankers
 - > Regained #1 rating from regulator



19



Asia - Broad Network & Improving Profitability



Countries: 13

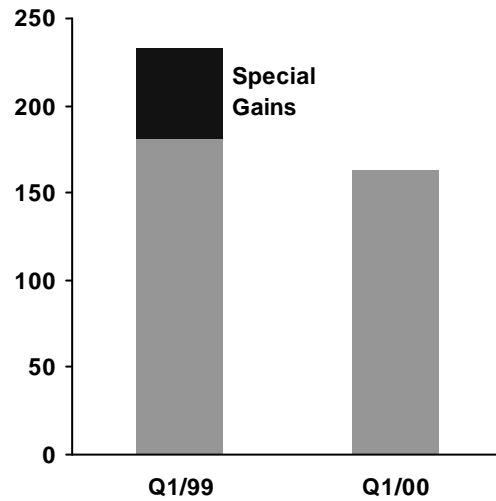
- India
 - > 9 offices & branches
 - > ScotiaMocatta success
 - > High ROE
- Japan
 - > Ripplewood finalized
- Taiwan
 - > Refocused on trade finance
- Other new locations
 - > break-even after 1st year

20



Scotia Capital

Net Income, \$ millions



- Credit fees continue strong
- Wider margins
- Lower underwriting & trading

21



Risk Review
Dennis Belcher
Executive Vice-President

22

Risk Management: Overview

- **Asset quality stable**
 - > negative net impaired loans
 - > Chile reserved at 114%

- **Specific provisions:**
 - > \$540 million for 2000

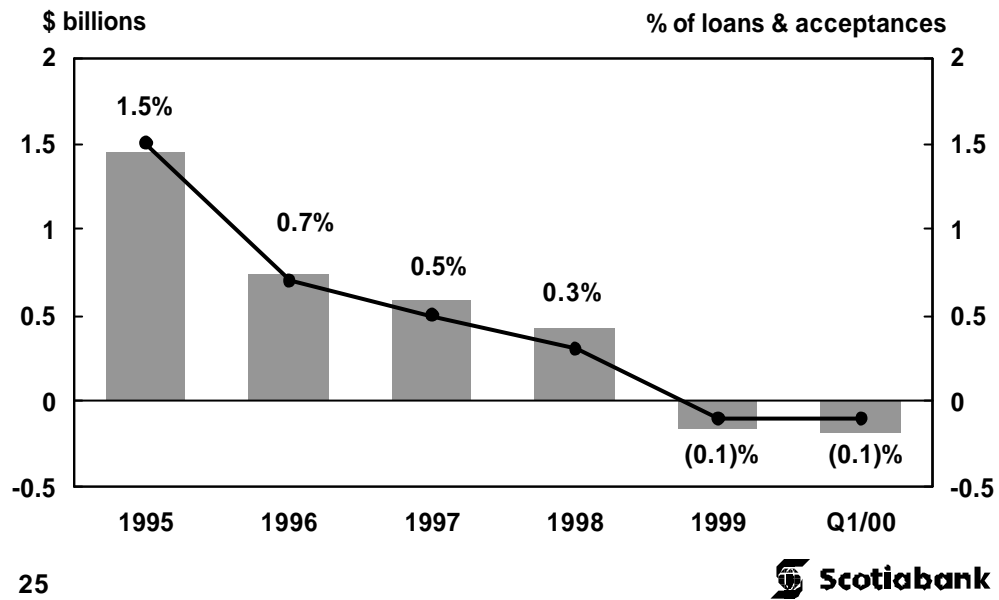
- **General provision unchanged at \$1.3 billion**

Change in Gross Impaired Loans

\$ millions

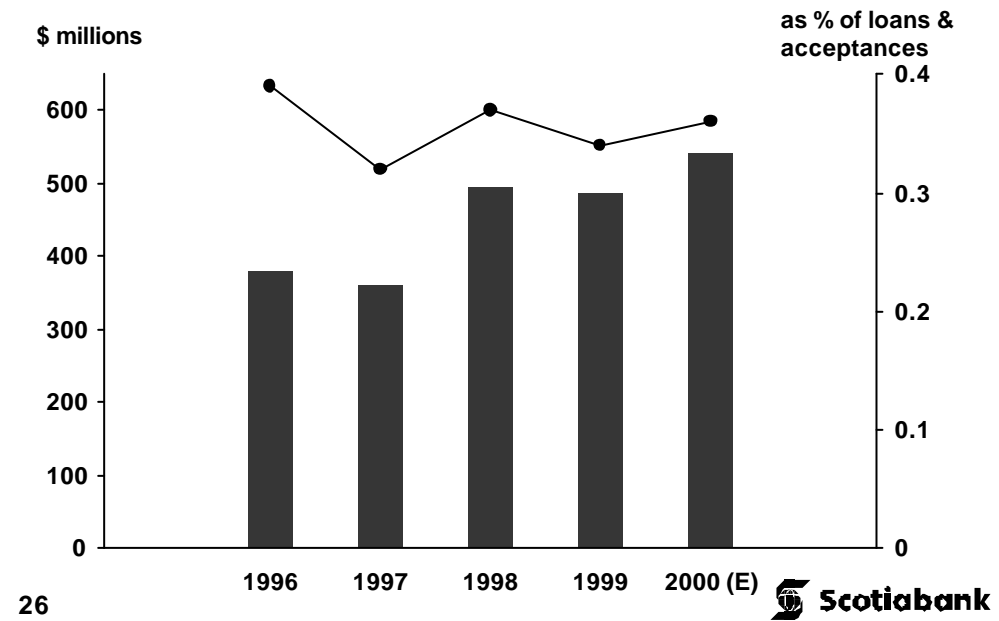
	<u>Q1/00 vs.</u>	
	<u>Q4/99</u>	<u>Q1/99</u>
Canada		
- Retail	6	(65)
- Commercial	6	(101)
International	114	156
Scotia Capital	<u>(135)</u>	<u>(2)</u>
Change	(9)	(12)
 Chile	 121	 121

Negative Net Impaired Loans



Steady Provisioning Over Past 5 Years

specific provisions



Summary

Bruce Birmingham

27

Business objectives for 2000

Domestic

- > Focus on top-line revenue growth
- > Grow Electronic Banking & Wealth Management
- > Streamline operations, reduce costs

International

- > Build on dominant position in Caribbean
- > Focus on Mexico, Argentina & Chile

Scotia Capital

- > Reap benefits from "Scotia Capital" integration

28

Key performance targets for 2000

- **Increased earnings: 12-15%**
- **Higher ROE: 16%+**
- **Enhanced productivity: <60%**

This presentation includes forward-looking statements about objectives, strategies, and expected financial results. Such forward-looking statements are inherently subject to risks and 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. These and other factors may cause the Bank's actual performance to differ materially from that contemplated by forward-looking statements, and the reader is cautioned not to place undue reliance on such forward-looking statements.