

Investor Presentation

May 26, 1999

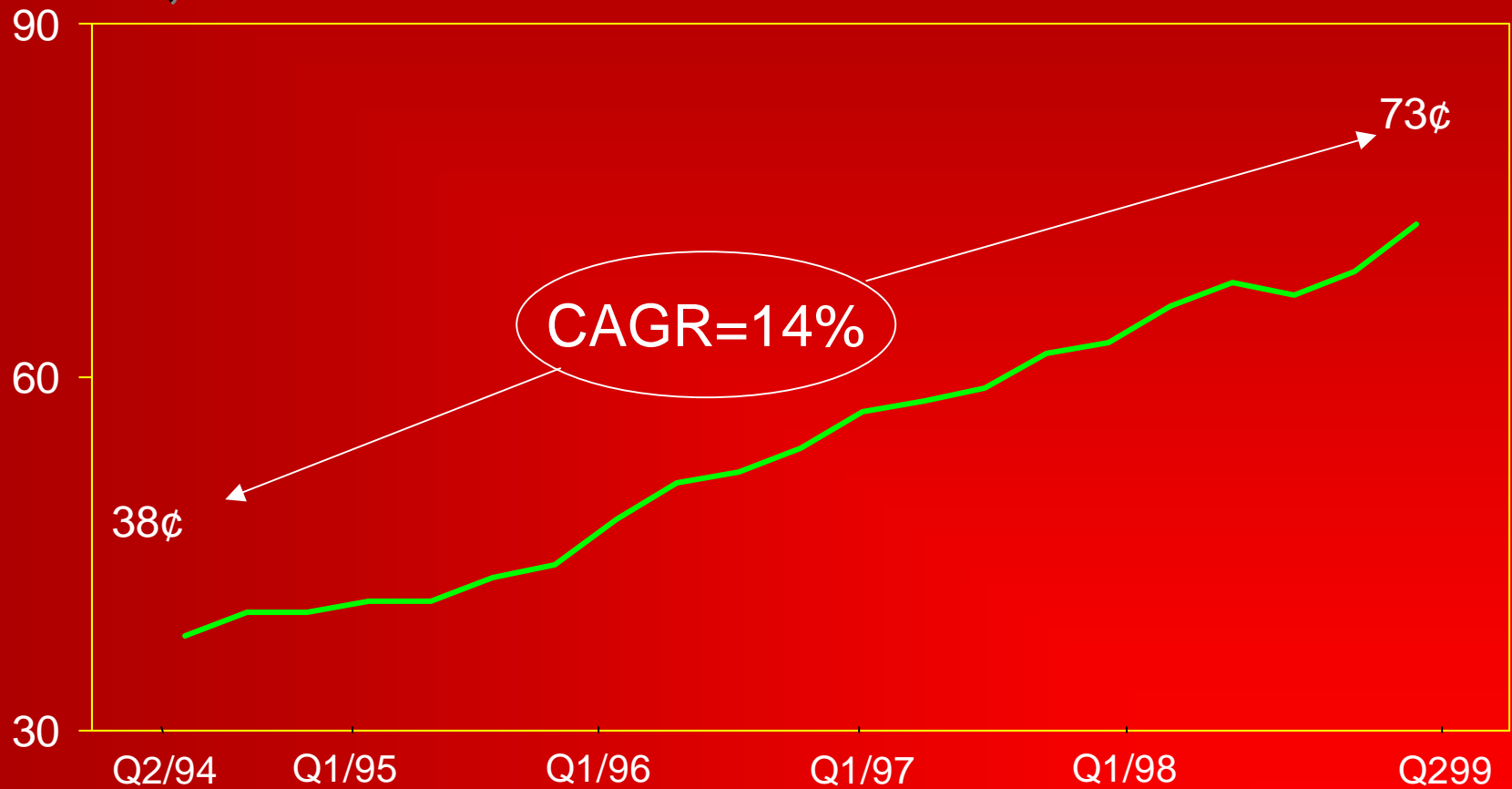
Performance highlights

- net income up 11% year-over-year
- good revenue growth
- stable asset quality
- improved capital ratios & reserves



Continuing record of earnings growth

EPS, cents



* '94 & '97 excludes unusual items



Exceeded 1999 targets to date



	<u>1H 1999</u>		<u>1999 Goals</u>	<u>Medium Term Goals</u>
ROE	15.3%	vs.	14%+	16-18%
EPS growth	11%	vs.	10%+	12-15%
Productivity	59.7%*	vs.	<60%	<60%
Tier 1	7.8%	vs.	7%	7.5%+

* excluding special gain of \$77 million in Q1/99

Solid growth in core operating income

\$ millions

	<u>Q2/99</u>	<u>Q2/98</u>	<u>% change</u>
Net interest income (TEB)	1,198	1,114	8 %
Other income (ex. sec. gains)*	713	692	3 %
Total revenues	1,911	1,806	6 %
Salaries	576	567	2 %
Other non-interest expenses	612	578	6 %
Total non-interest expenses	1,188	1,145	4 %
Operating income (TEB)	723	661	9 %
*Security gains	37	106	(65)%



Steady growth in core* revenues

\$ billions

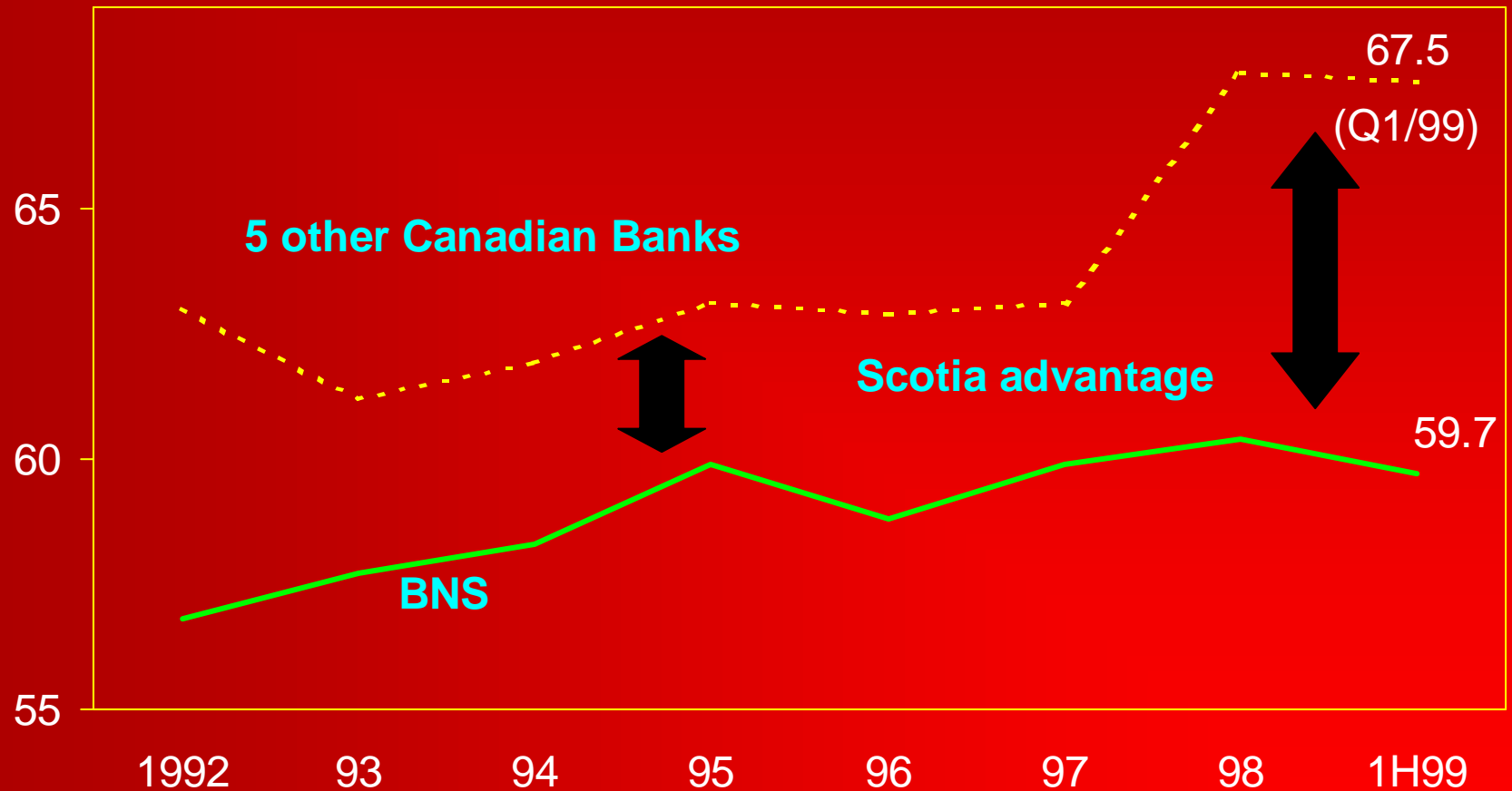


*excludes security gains & gains on sale of businesses



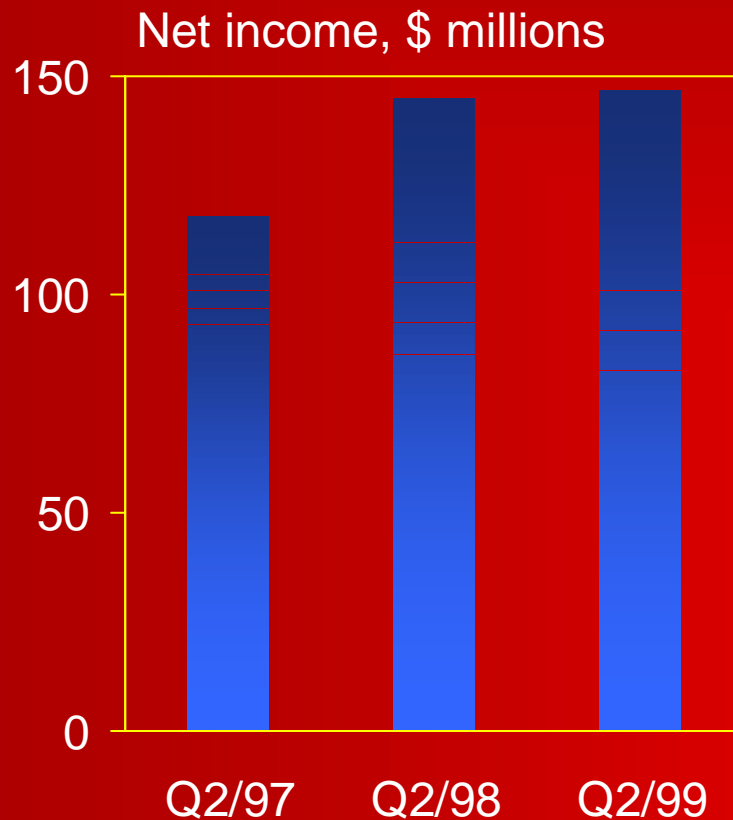
Productivity advantage

expenses as a % of revenues (1997 = core)



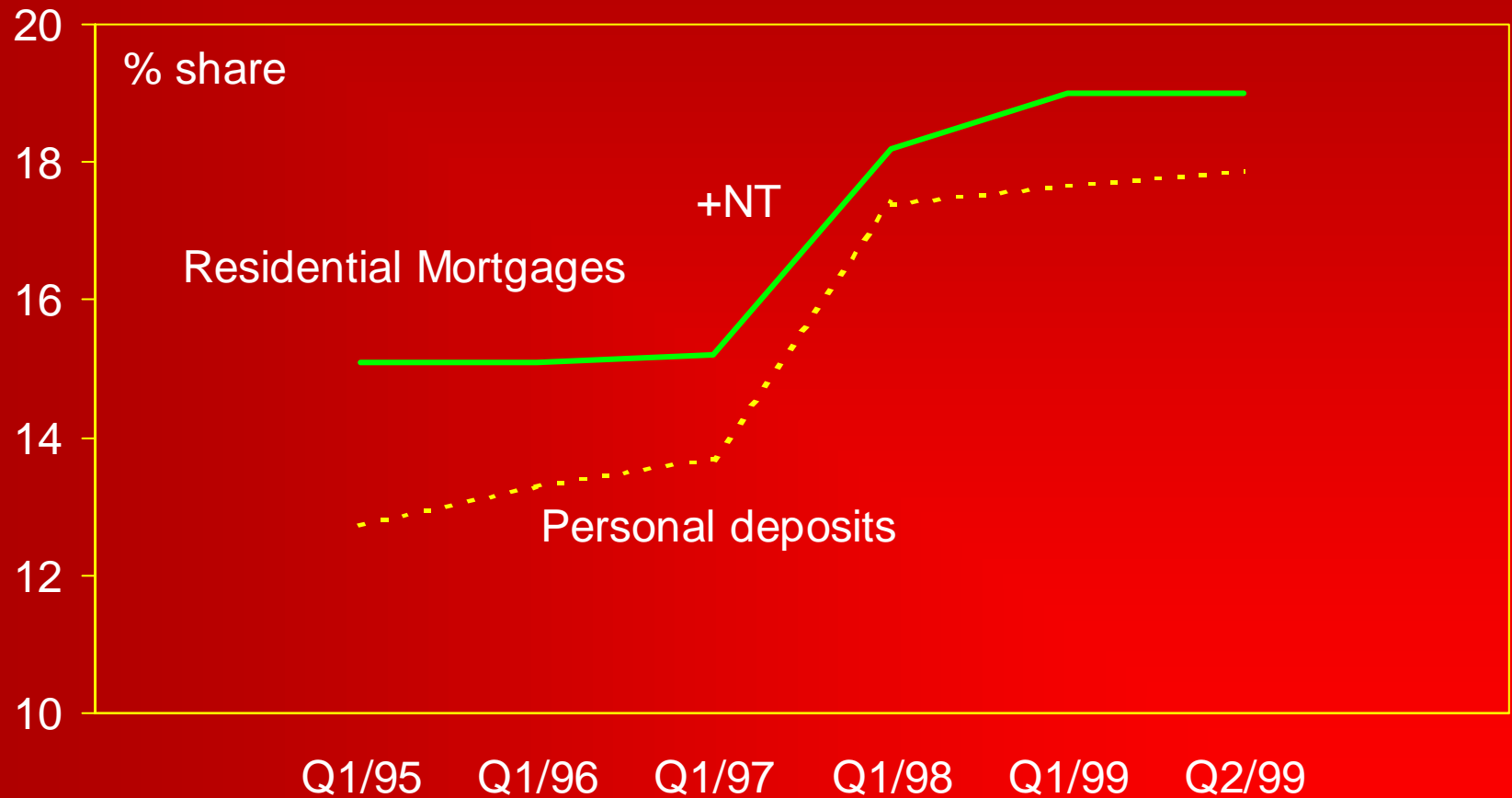
Business Lines

Domestic Retail & Commercial



- good volume growth
 - mortgages
- strong fee income
- continuing investment in technology

Strong market share performance

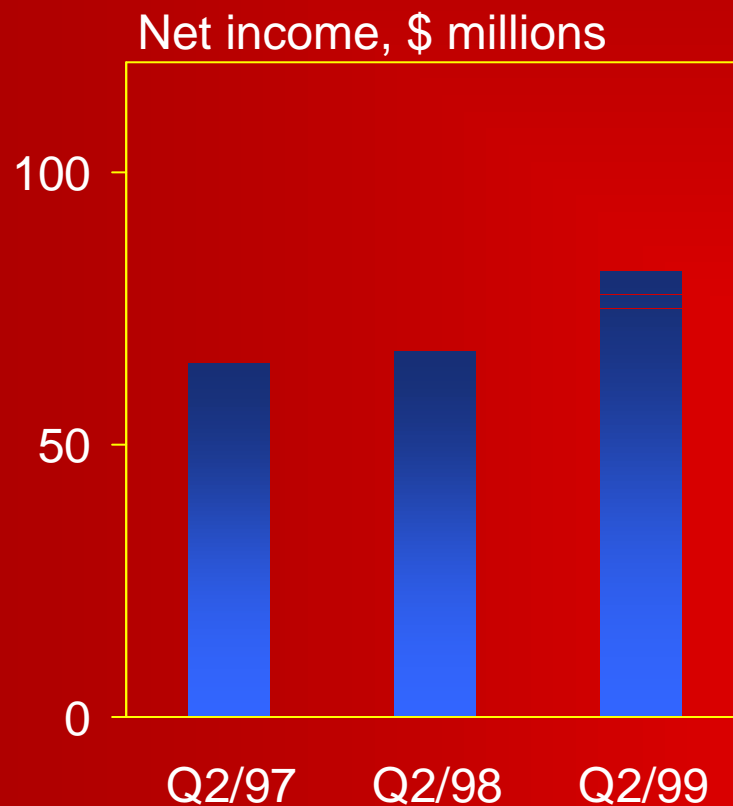


Key Domestic initiatives

- maximize synergies from National Trust
- streamline operations, reduce costs
 - cost savings = \$100MM+ over next 18 months



International - improving results



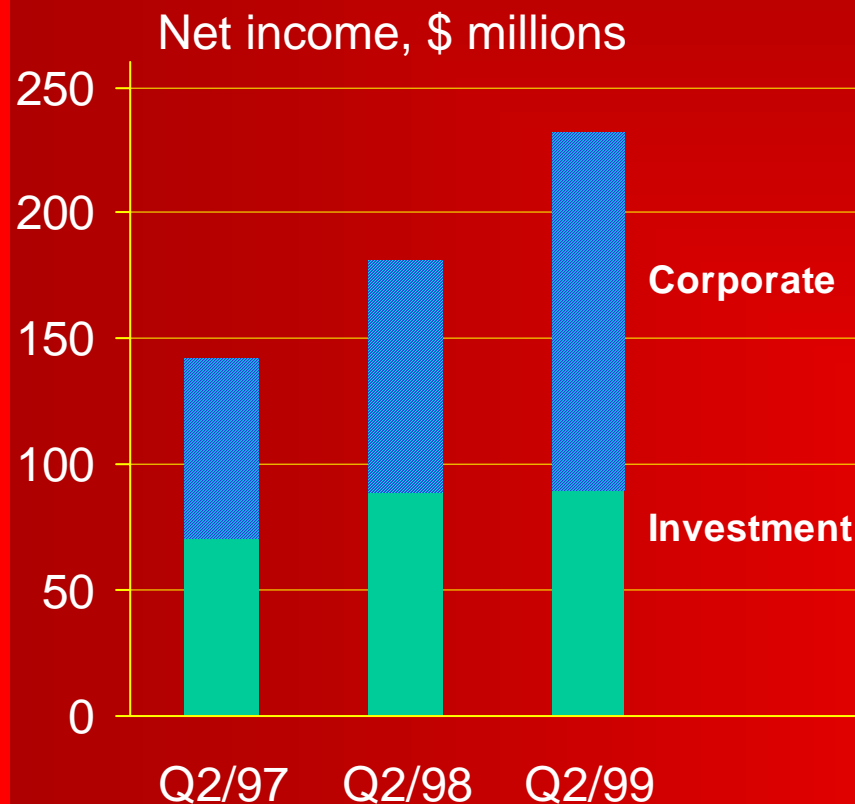
- continuing solid results in the Caribbean
- lower credit losses in Asia

International focus

- implement BNS culture in affiliates
 - cost control
 - risk management
- develop and implement common systems platforms
- carefully grow portfolio



Corporate & Investment Bkg - strong performance



- higher ROE
- wider credit spreads
- solid quarter for Investment Banking

Corporate & Investment Banking focus

Canada

- integrating Corporate Banking and Scotia Capital Markets

USA & Europe

- pricing and ROE discipline
- higher syndication, cross-sell
- manage risk asset growth



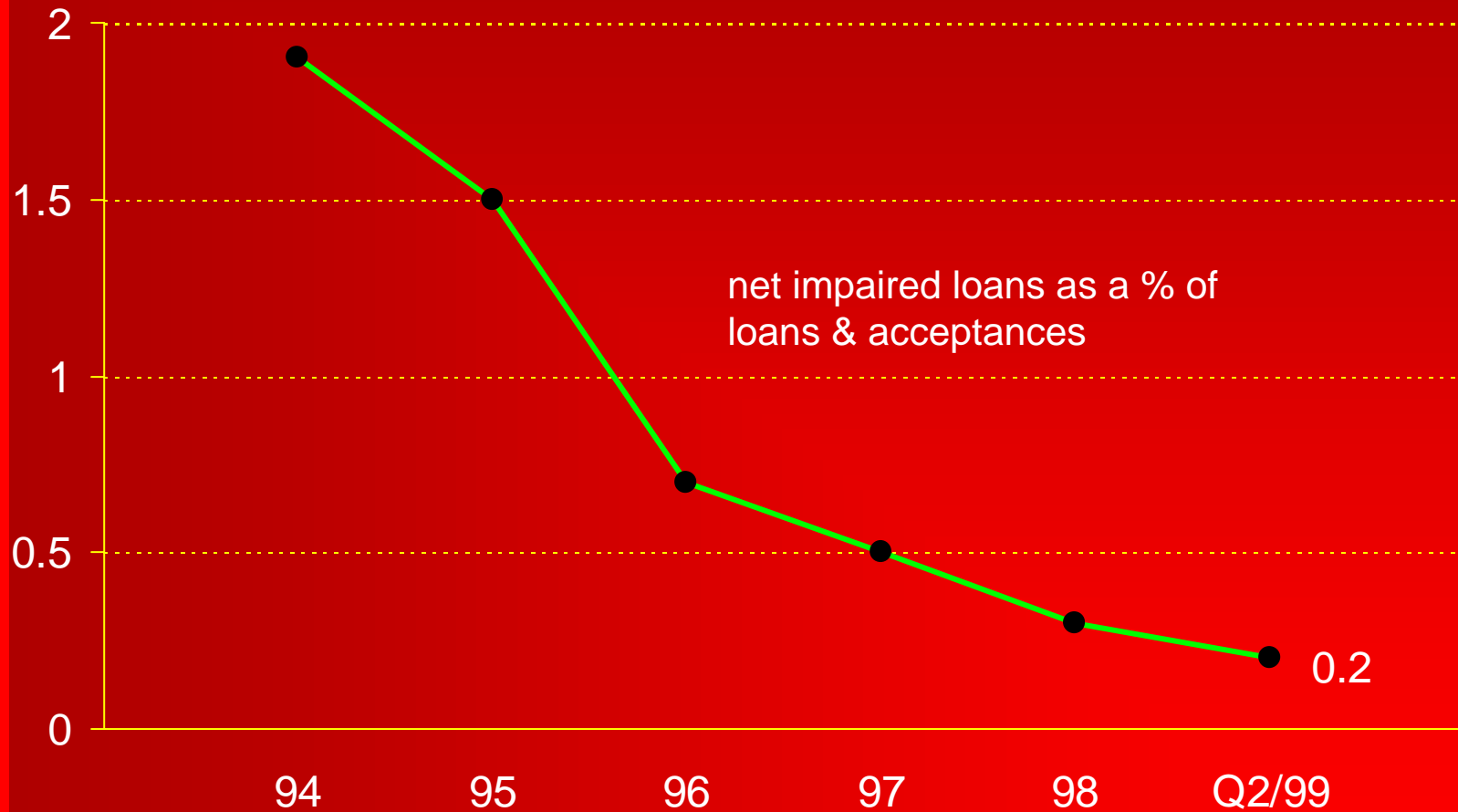
Risk Management

Risk management summary

- specific credit losses for 1999 unchanged at \$435mm
- steady net impaired loans
- Asia & Latin America portfolios stable



Steadily improving net impaired loans



Emerging markets: small portfolio

April 30, 1999 - US\$ billions



	Asia	Latin America	Total	% of total assets
Total cross-border exposure	2.4	3.0	5.4	3.5
- less Trade	0.4	0.5	0.9	0.6
- less Bradys/Govt Securities	0.2	1.3	1.5	1.0
Remaining exposure	1.8	1.2	3.0	1.9%

Low-risk portfolio in emerging markets

- excluding Trade & Bradys - loan exposure of US\$3.0 billion, down 10% from Q1/99
- exposure mostly to joint ventures/ subsidiaries of multinationals and top local names
- net impaired loans:
 - Asia: US\$40 million
 - Latin America: nil



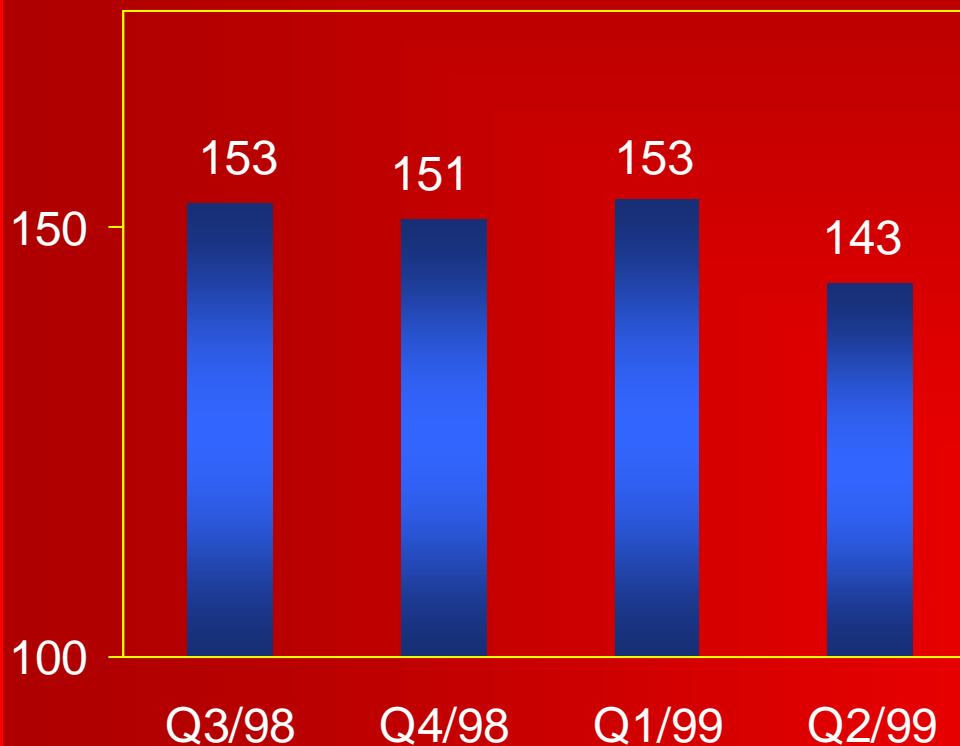
Capital & Reserves

Capital ratios: significant increase



Large decline in risk-adjusted assets

\$ billions

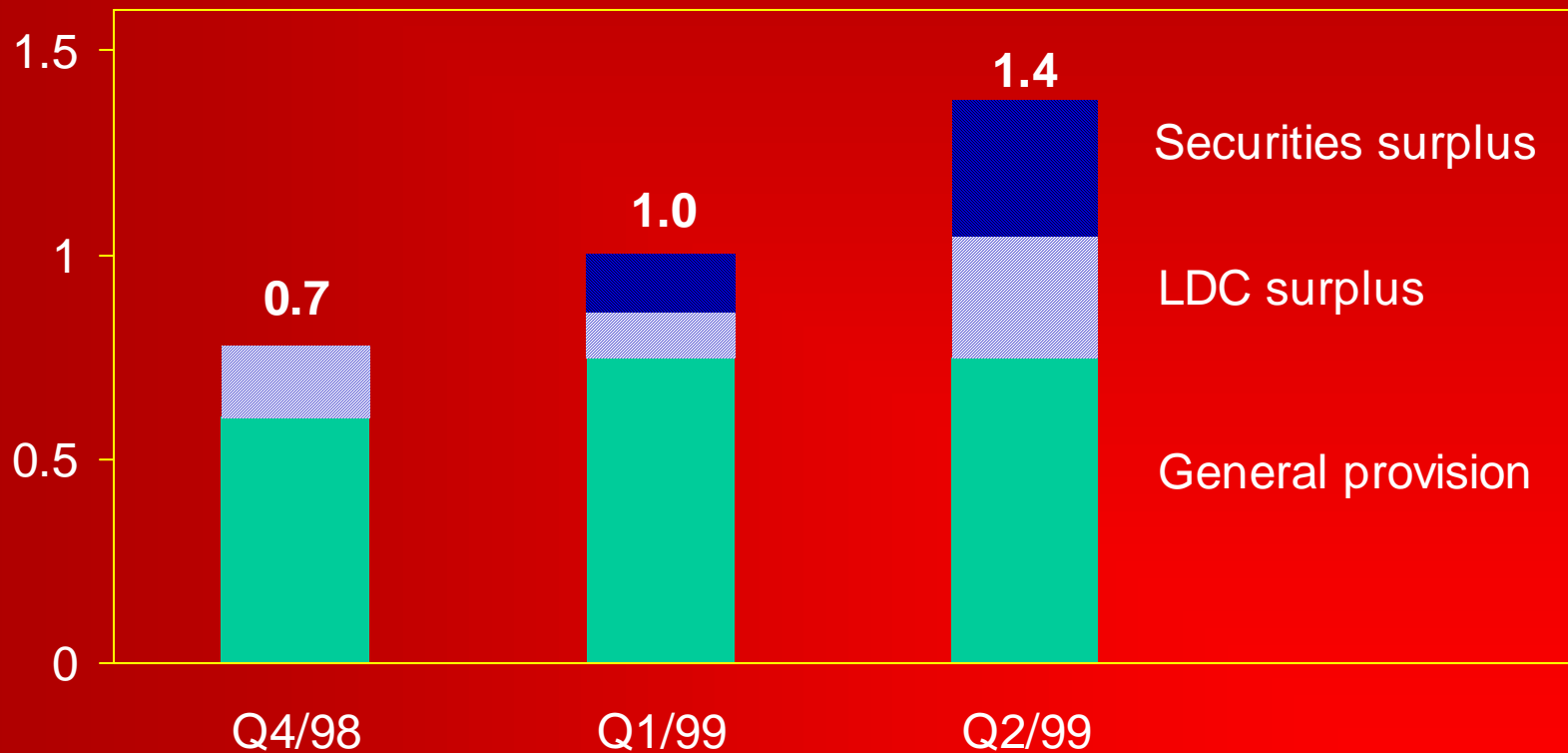


Securitizations in Q2

\$2.5b	Res. Mtgs.
3.9	CLO
1.0	Credit Cards
<hr/>	
\$7.4b	Total

Higher reserves

\$ billions



Focus - second half 1999

- on track to meet 1999 targets
 - EPS
 - ROE
- maintain focus on productivity
- manage growth in risk assets
- continue to maintain strong capital ratios





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.

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