

Investor Presentation

November 30, 1999




Performance Review

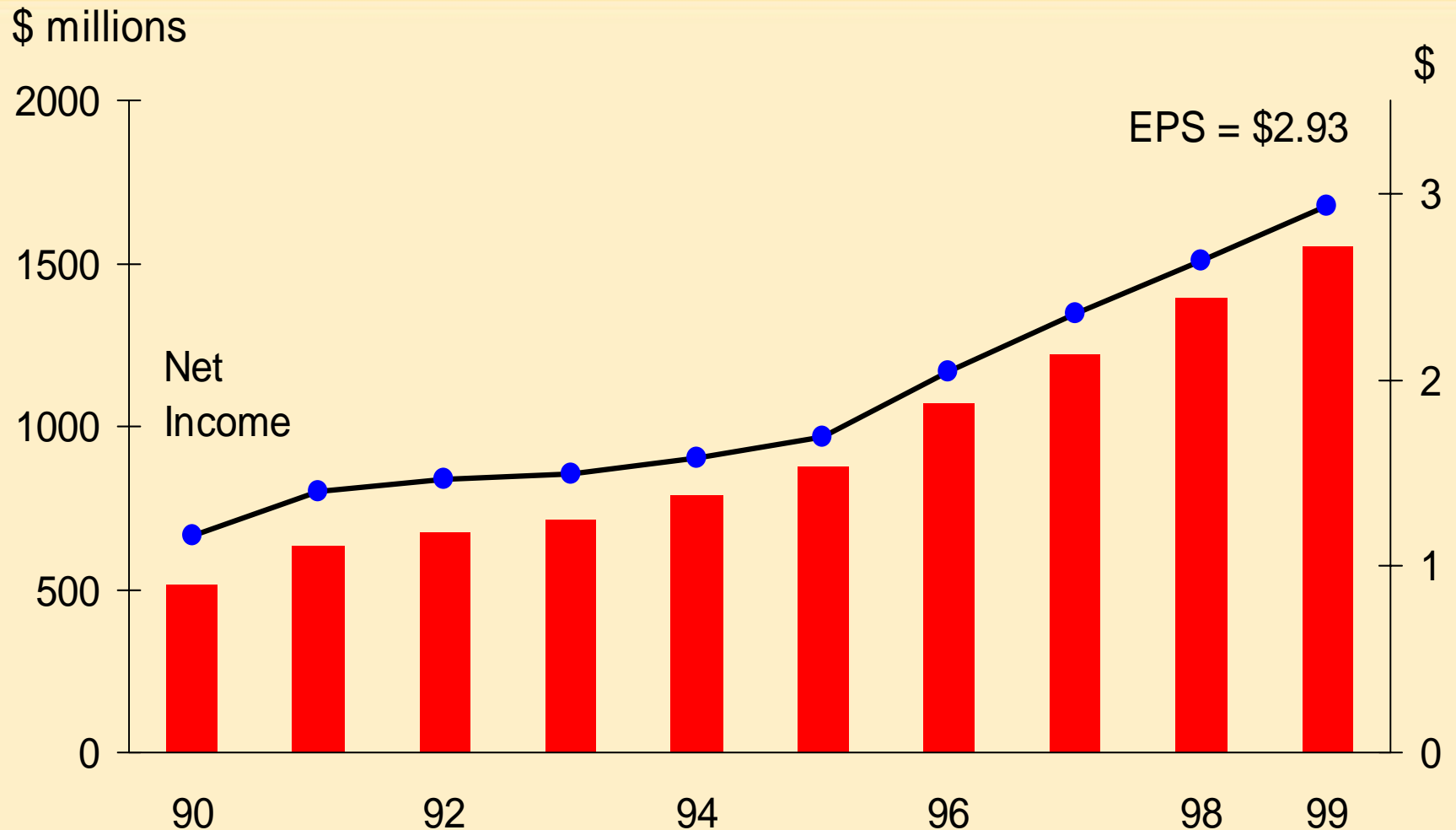
Sabi Marwah
**Executive Vice-President
&
Chief Financial Officer**



Performance Highlights

- 
- **solid earnings growth**
 - EPS up 11% year-over-year
 - strong contribution from business lines
 - good top-line revenue growth
 - **strengthened balance sheet**
 - higher capital ratios
 - increased general provision

10 Years of Record Earnings



94 & 97 exclude unusual items

Good Top-Line Revenue Growth

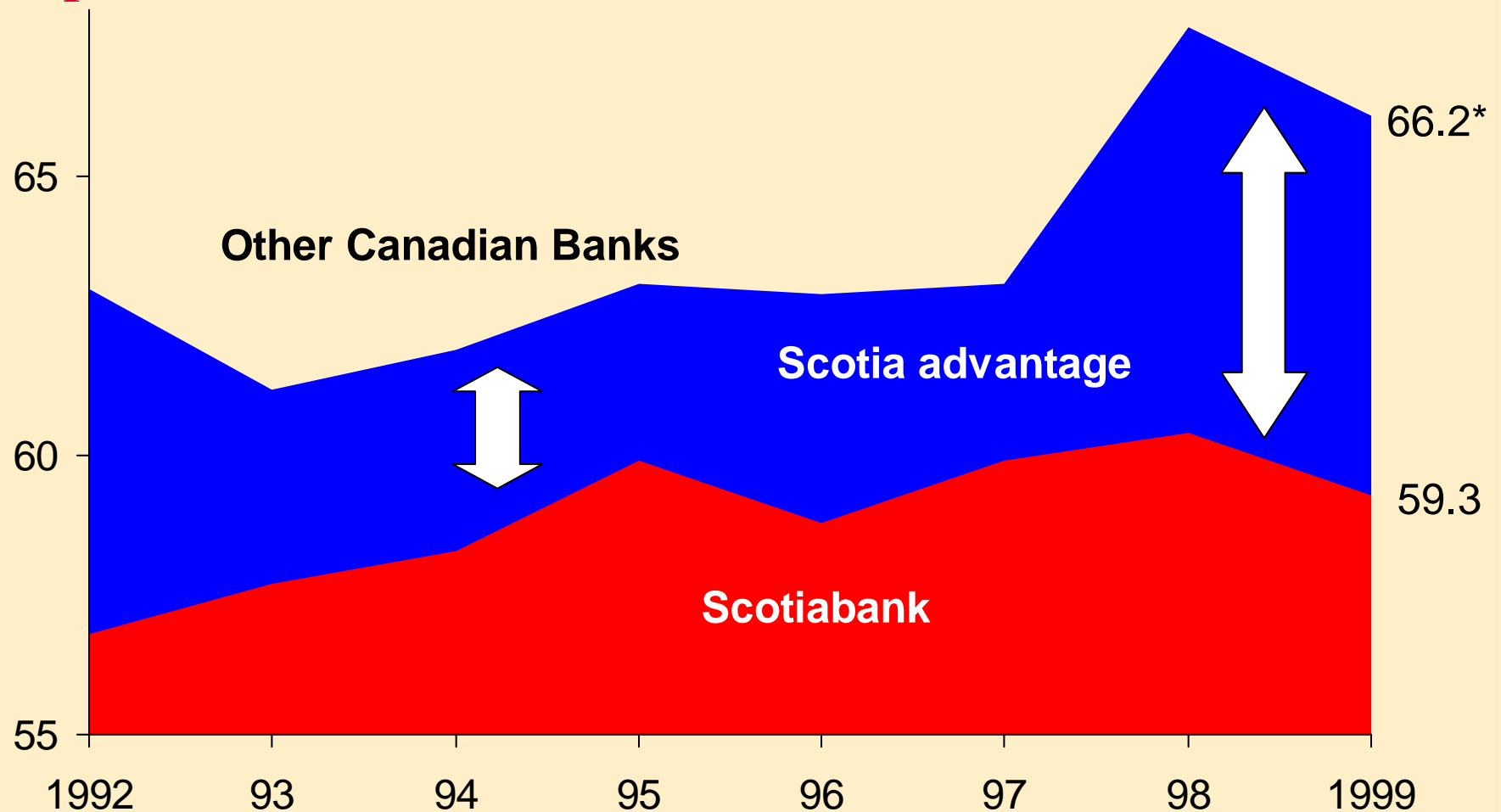
\$ millions

<u>Q4/99</u>	<u>Q3/99</u>	<u>change</u>		<u>1999</u>	<u>1998</u>	<u>change</u>
1,226	1,193	3%	Net interest income (TEB)	4,835	4,506	7%
840	808	4%	Other income*	3,128	2,833	10%
2,066	2,001	3%	Total revenues	7,963	7,339	9%
1,196	1,196	-	Non-interest expenses*	4,716	4,446	6%
870	805	8%	Operating income (TEB)	3,247	2,893	12%

* Excludes: real estate write-down: (\$22MM, Q3/99); gain on sale of business (\$25MM, 1998); special one-time gain (\$77MM, Q1/99); net restructuring cost (\$40MM, Q4/99)

Continued Productivity Leadership

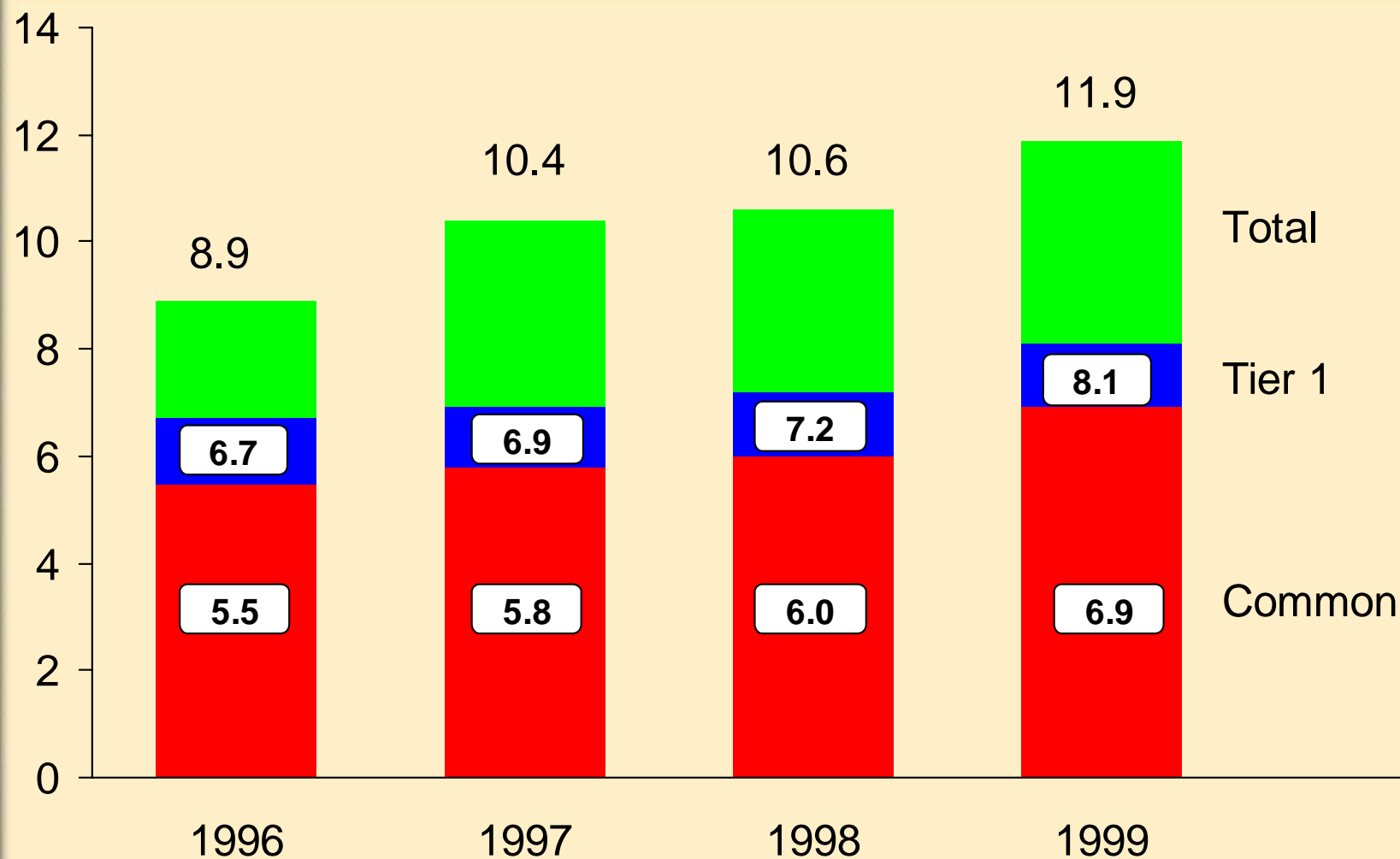
expenses as a % of revenues



* Q3/99 YTD

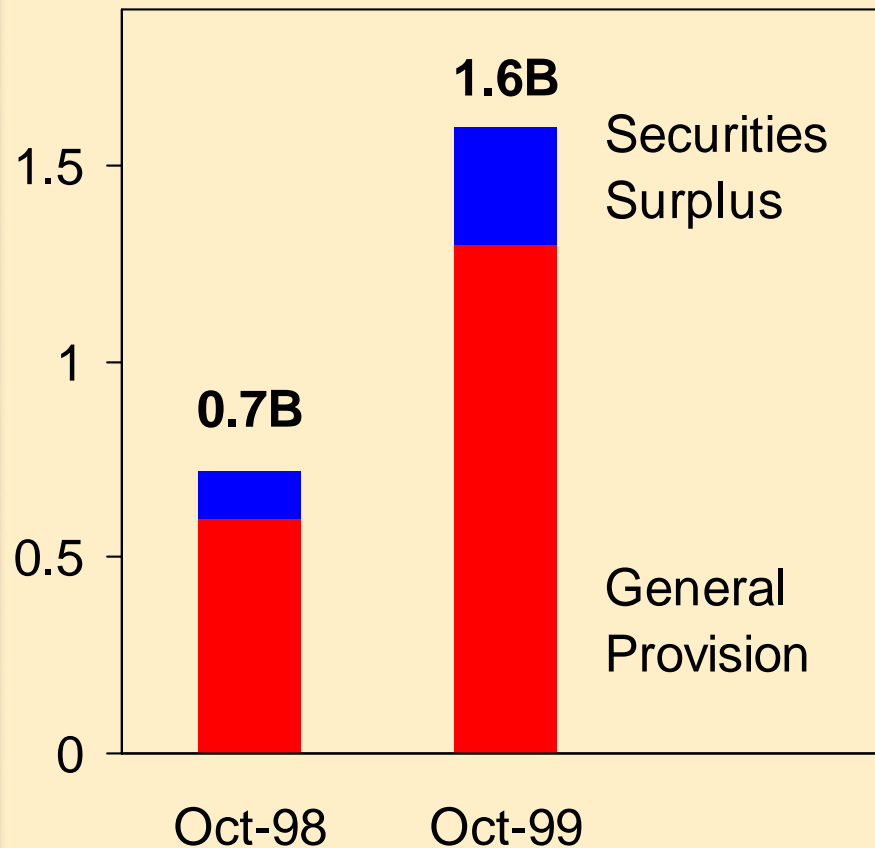
Capital Ratios – Strengthened Significantly

% of risk-adjusted assets



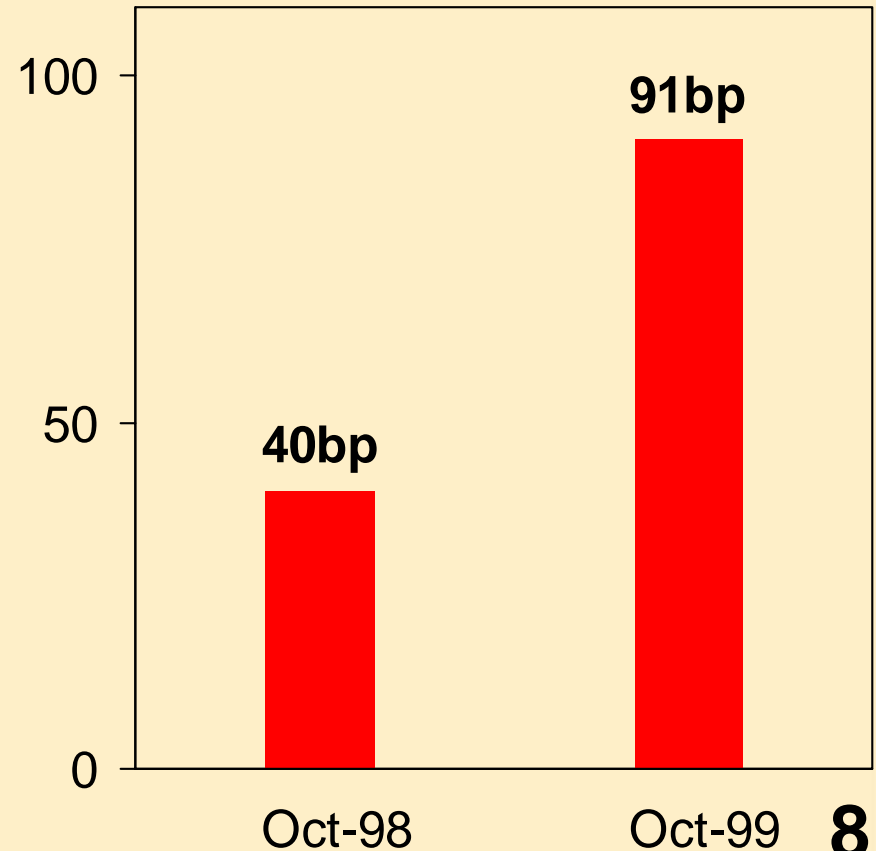
Higher General Provision & Securities Surplus

\$ billions



General Provision as
a % of RWA*

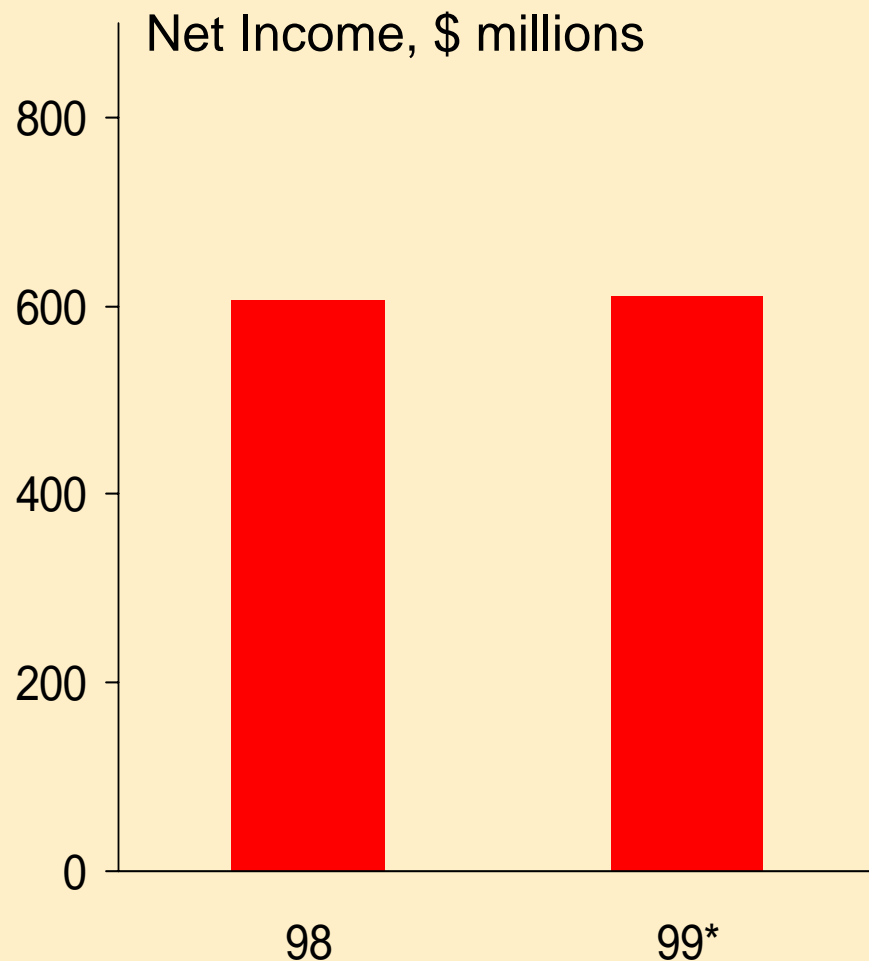
basis
points



* Risk-weighted assets

8

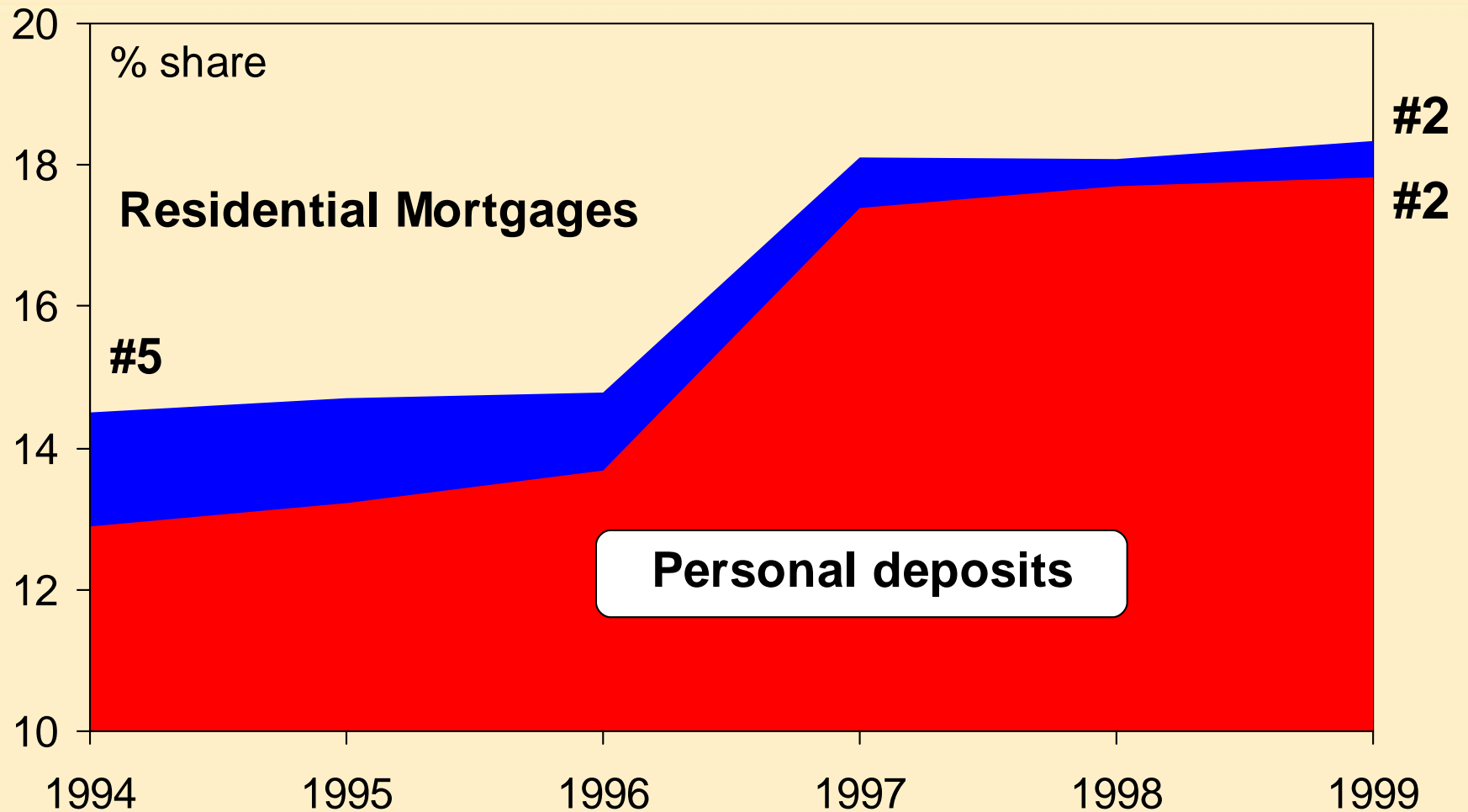
Canadian Retail & Commercial - Steady



- strong growth in assets
 - mortgages up 10%
- some margin pressure
- broad-based fee growth
- lower loan losses
- market share gains

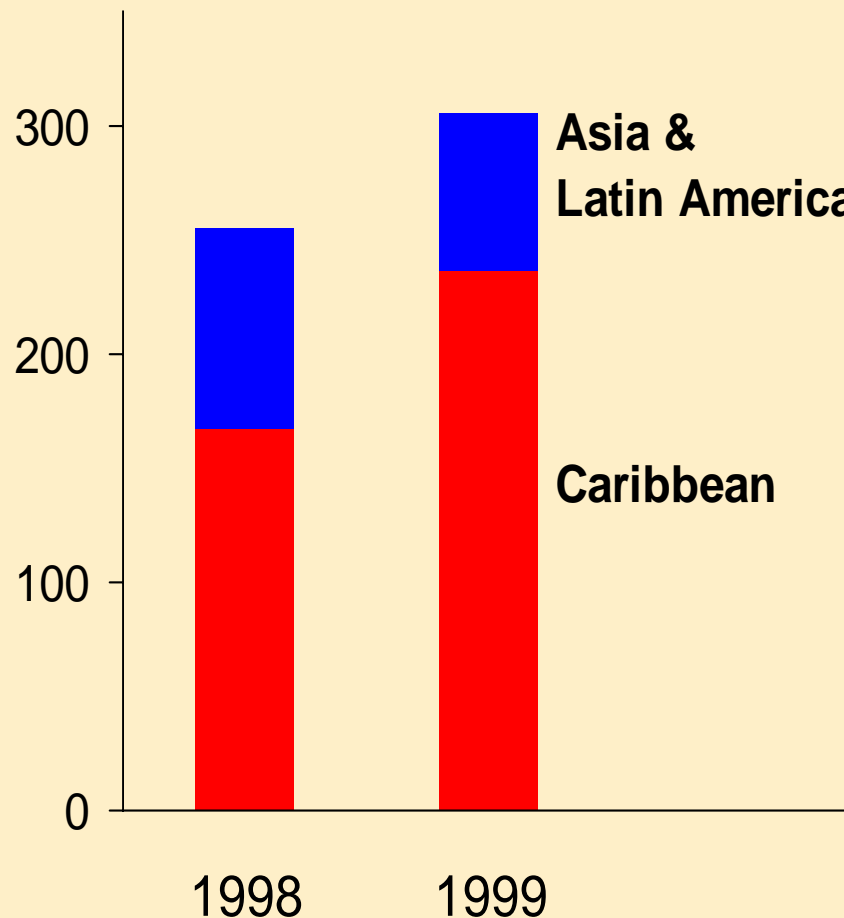
* includes net restructuring charge of \$35MM pre-tax

Market Share Growth in 1999



International – Better Results in 1999

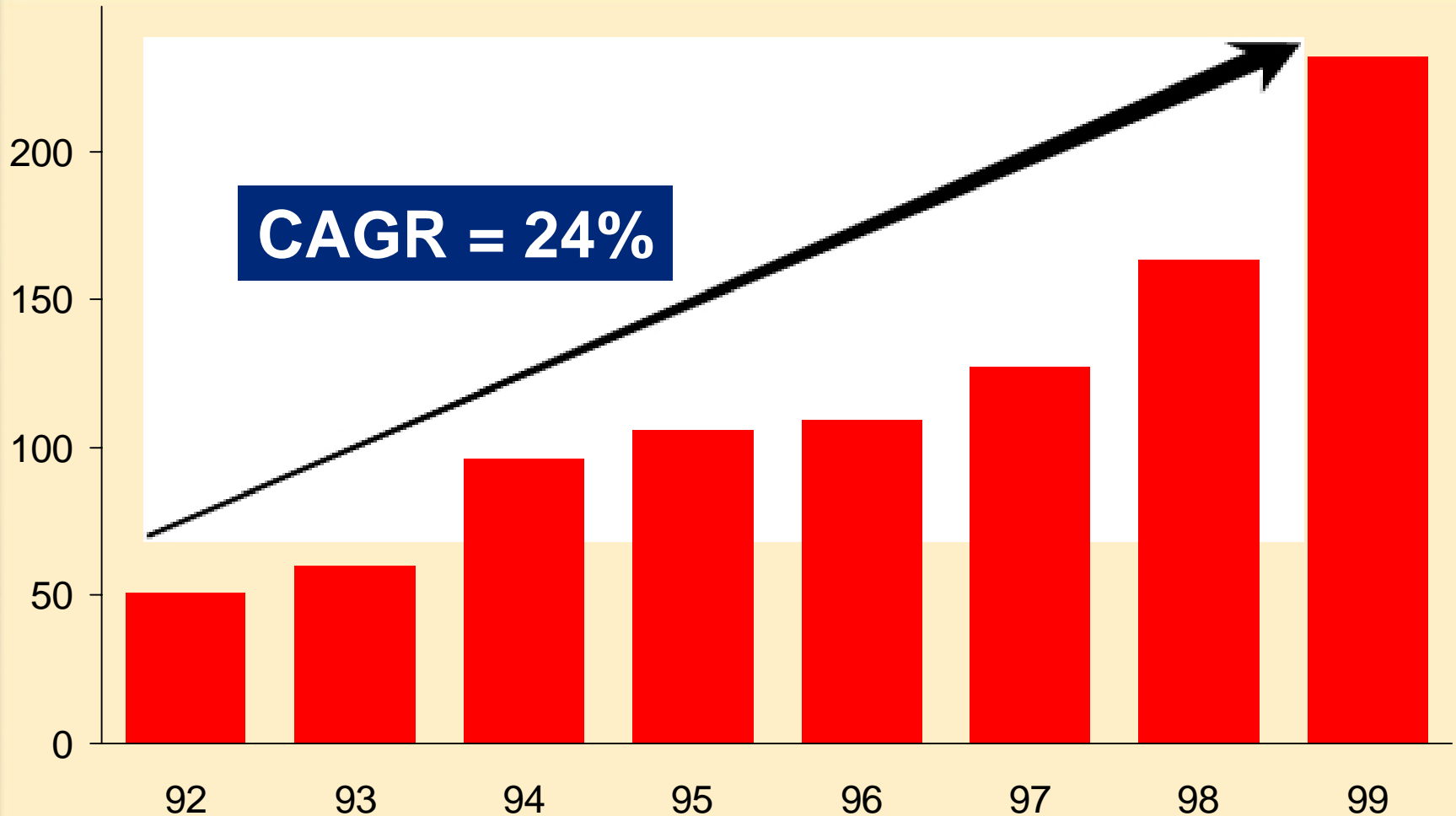
Net Income, \$ millions



- very strong results in Caribbean
- lower contribution from Latin America
- Asia returned to profitability

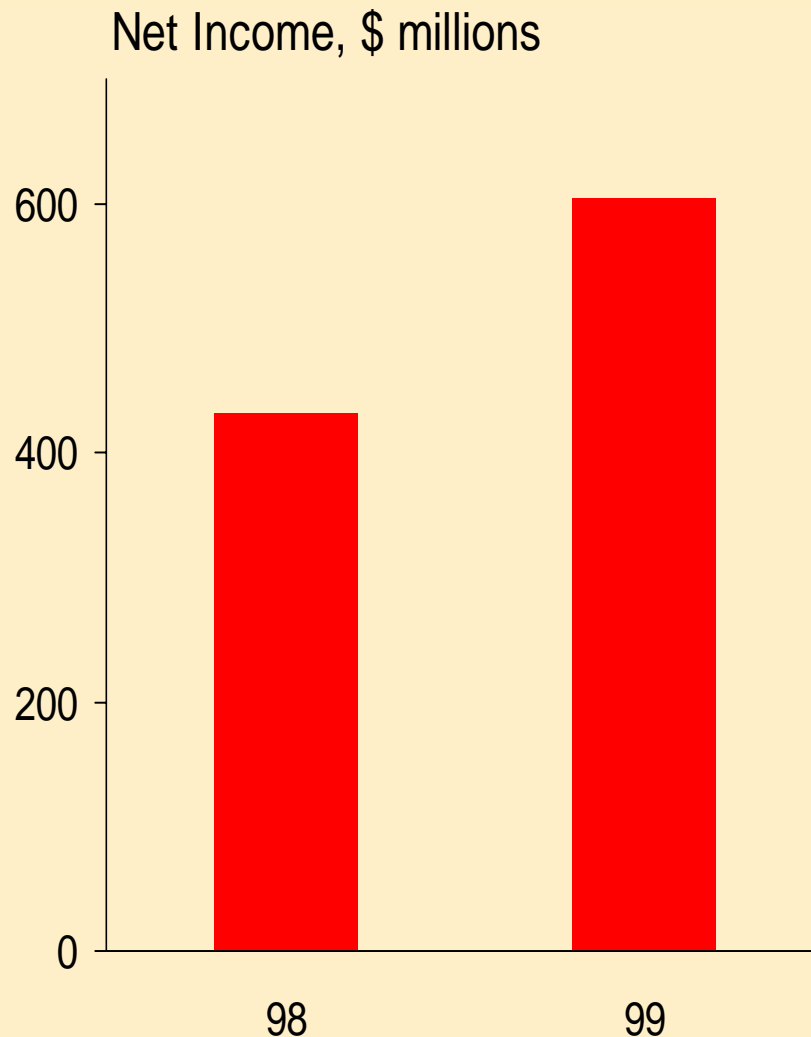
Highly Successful Caribbean Franchise

net income, \$ millions



12

Corporate - Record Year



- good growth in interest profit
 - solid increase in loans
 - wider spreads
- other income up 16%
- higher credit losses
- improving ROE



Top Ten U.S. Presence Maintained

Top Ten: seventh year in a row for syndicated loans

- 1 Chase Manhattan Corp
- 2 Bank of America
- 3 Citibank/Salomon Smith Barney
- 4 BANK ONE
- 5 J.P. Morgan & Co
- 6 Deutsche Banc Alex. Brown
- 7 Bank of New York
- 8 Credit Suisse First Boston
- 9 First Union

10 Scotiabank

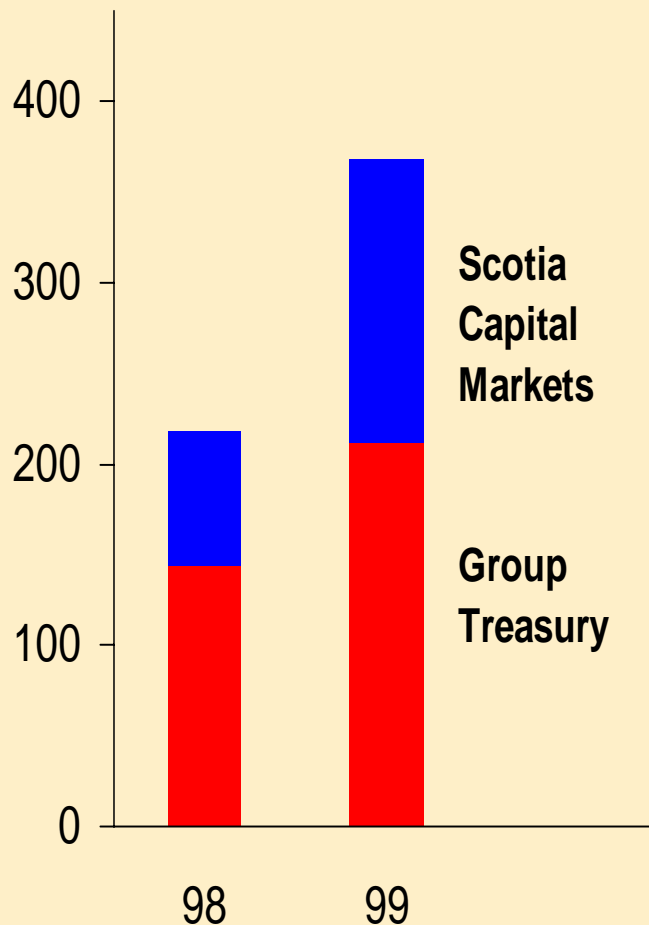
11 ABN AMRO Bank

12 Fleet Financial Group

Source: Loan Pricing Corp,
Nov. 15, 1999, Agent-only volume

Investment Banking – Solid 1999 Results

Net Income, \$ millions



- **Scotia Capital Markets**
 - Global Trading:
 - record year for 5 of 7 areas
 - revenues up 27%
- **Group Treasury**
 - strong gains



Scotia Capital Markets – Improved Position

- Top-tier service quality*

	1997		1999
Research	#5	➔	#2
Inst. Sales	#13	➔	#1

- Led largest IPO in Canadian history

* Source: Brendan Woods 1999 Survey



Exceeded 1999 Targets

	<u>Actual</u>		<u>Goals</u>
ROE	15.3%	vs.	14%+
EPS Growth	11%	vs.	10%+
Productivity	59.3%	vs.	<60%
Tier 1	8.1%	vs.	7%



Risk Review

John Crean
Senior Executive Vice-President
Risk Management




Risk Management: Overview

- **Impaired loans:**
 - decreases in Canada
 - some formations in U.S.
- **Higher coverage ratios**
 - increased 1999 specific provisions by \$50MM in Q4/99
 - general provision now at \$1.3 billion = 0.9% of risk-weighted assets
- **Low trading risk**



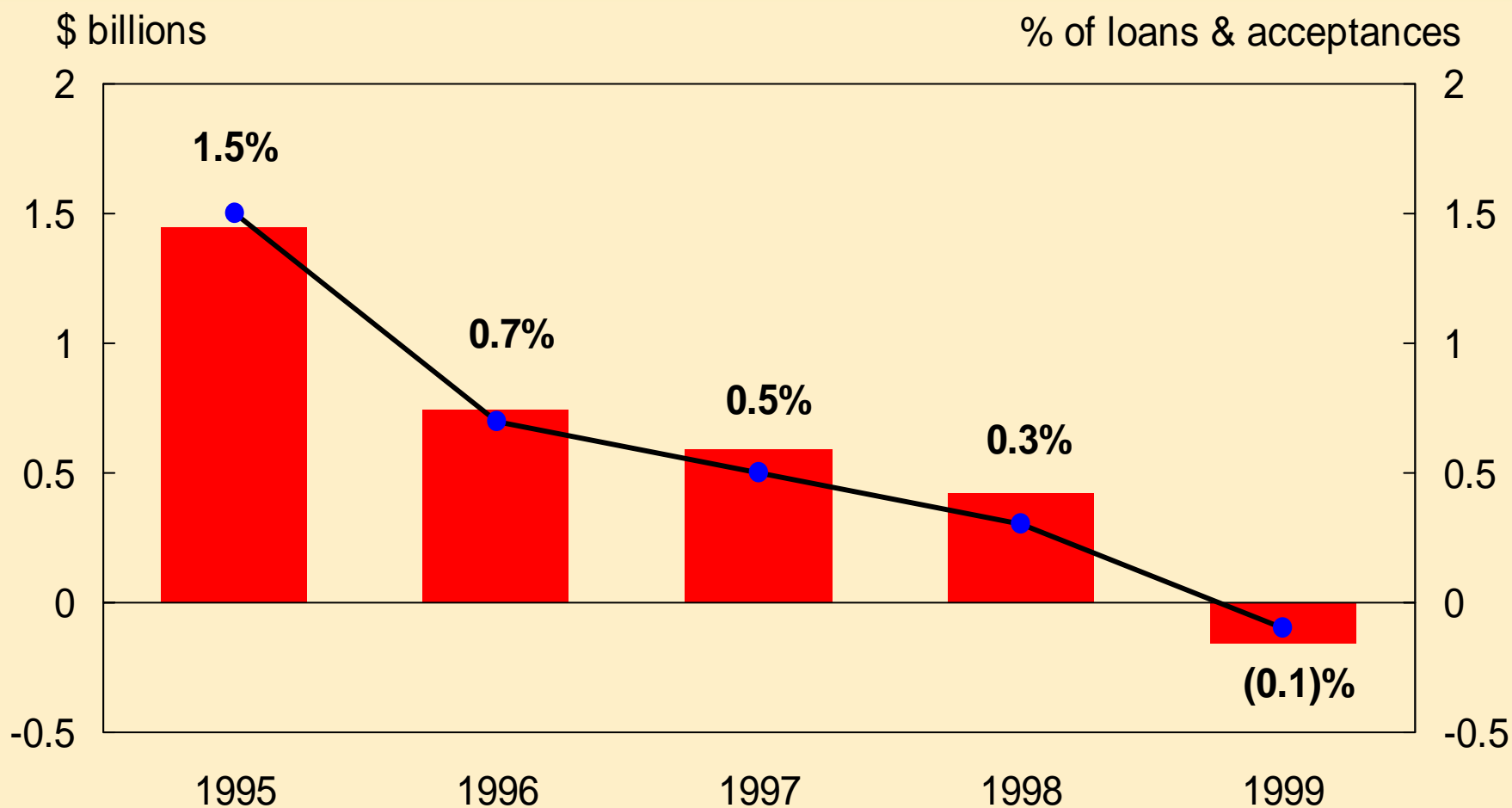
Gross Impaired Loans

\$ millions



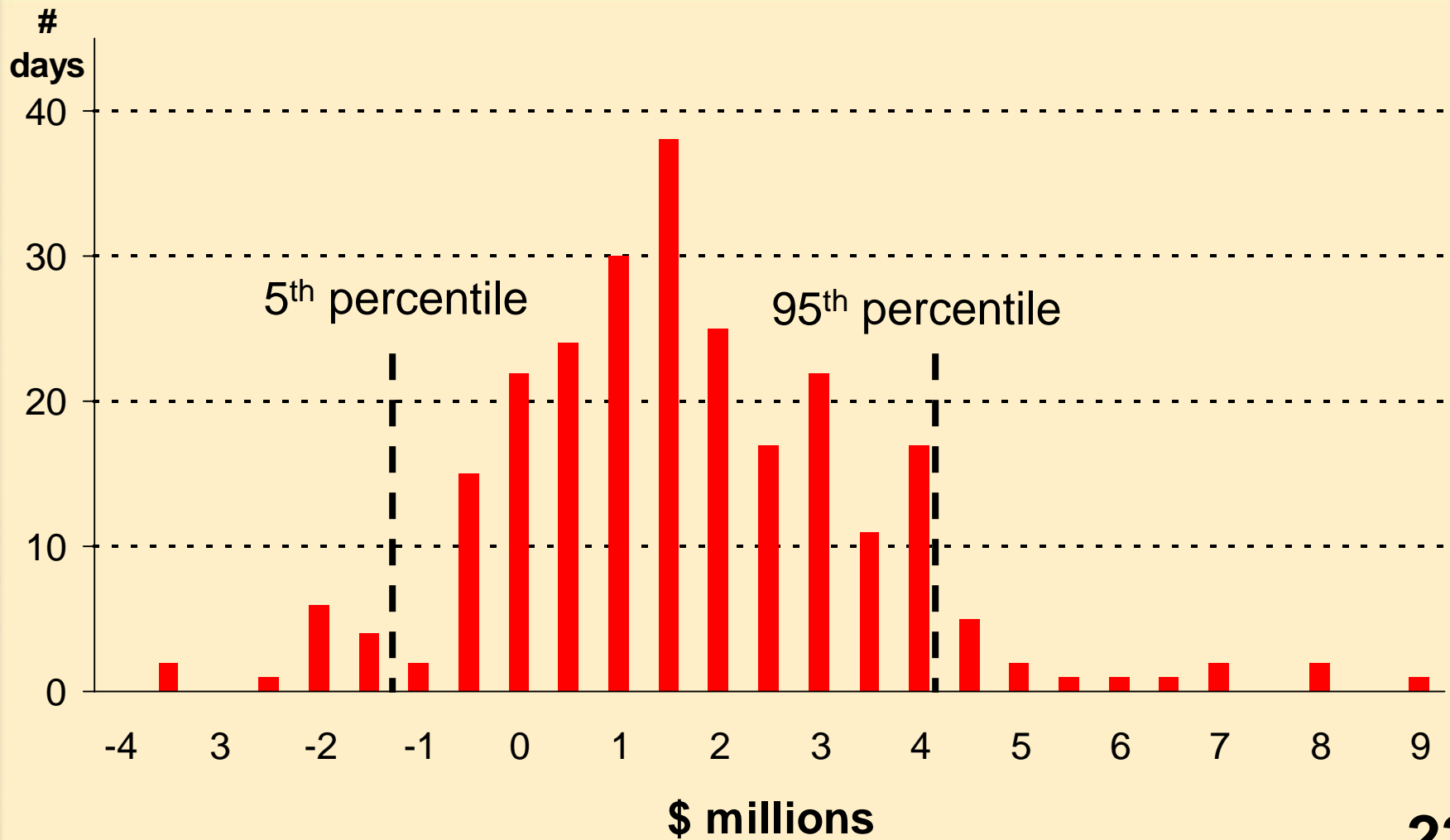
	Q4/99 vs.	
	<u>Q3/99</u>	<u>Q4/98</u>
Canada		
- Retail	(43)	(24)
- Commercial	(102)	(138)
Corporate	67	210
International	4	41
Total	(74)	89

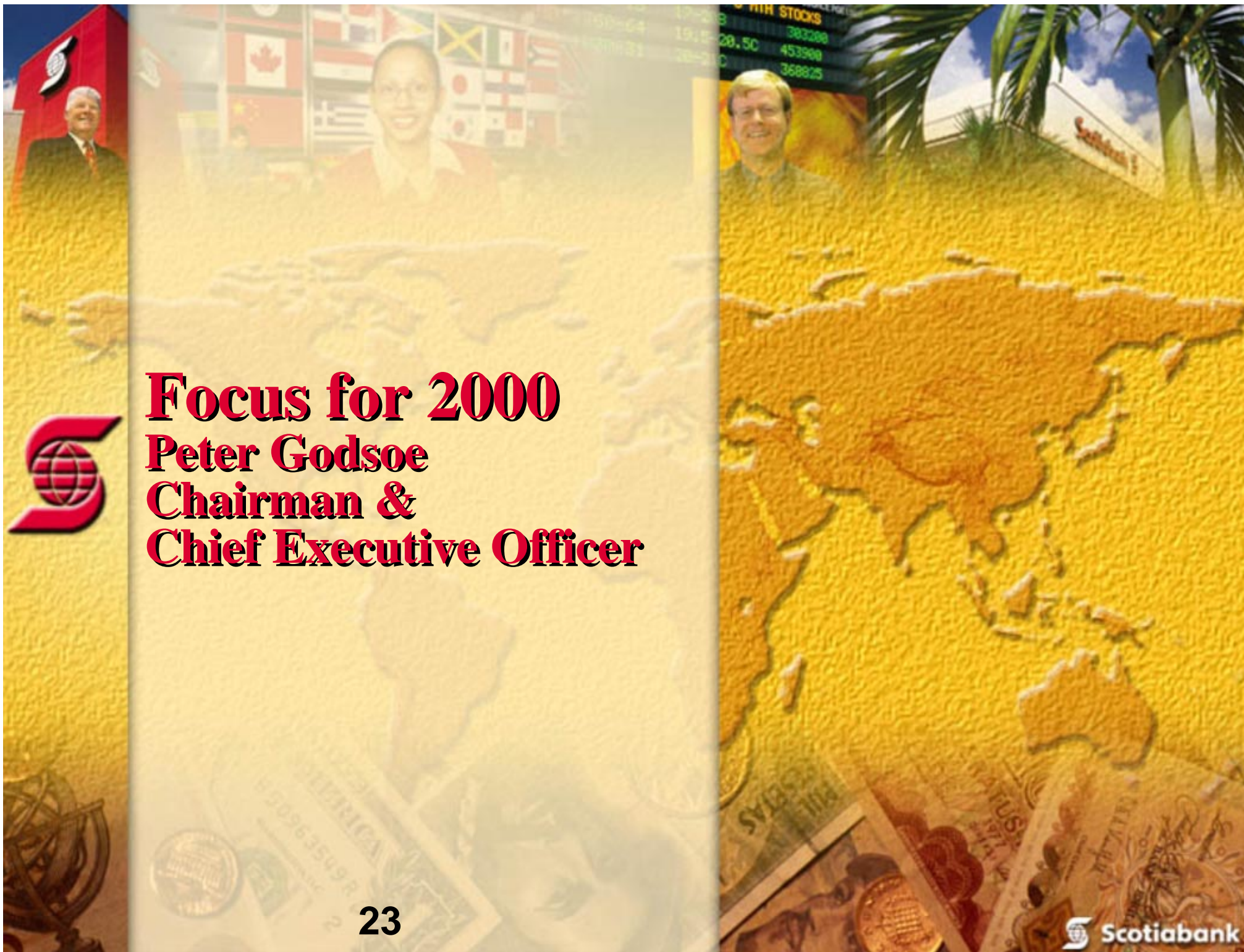
Improvement in Net Impaired Loans



Low Trading Risk

net trading revenue, fiscal year 1999





Focus for 2000
Peter Godsoe
Chairman &
Chief Executive Officer



Retail & Commercial: Short-Term Plans

- **Focus on top-line revenue growth**
 - maximize revenue from acquisitions
 - leverage Sales & Service initiatives
 - focus on small & medium-size enterprises
- **Develop Electronic Banking & E-Commerce**
 - wireless banking (pager, cell phone)
 - e-Scotia.com & Microsoft alliance
- **Streamline operations, reduce costs**
 - “paperless” branch
 - cost savings = \$100 million+



Growing Wealth Management

Building blocks:

- **A Leader in Personal Trust**
 - ≈20% market share
- **3rd largest in Private Client Investment Mgmt.**
 - \$16 billion+ in Assets under Management
- **Large full-service brokerage sales force**
 - ≈800 investment executives in 85 offices
- **Strong branch distribution in Canada**
 - 8000+ licensed to sell mutual funds



International: Build Profitability

Caribbean

- build on dominant franchise



Latin America

- **Mexico** - take ownership of Inverlat
- **Argentina** - reinvest in Scotiabank Quilmes
- **Chile** - assume majority control of Banco Sudamericano

Asia

- leverage network



Corporate & Investment Banking

Canada

- reap benefits from “Scotia Capital” integration




U.S.A.

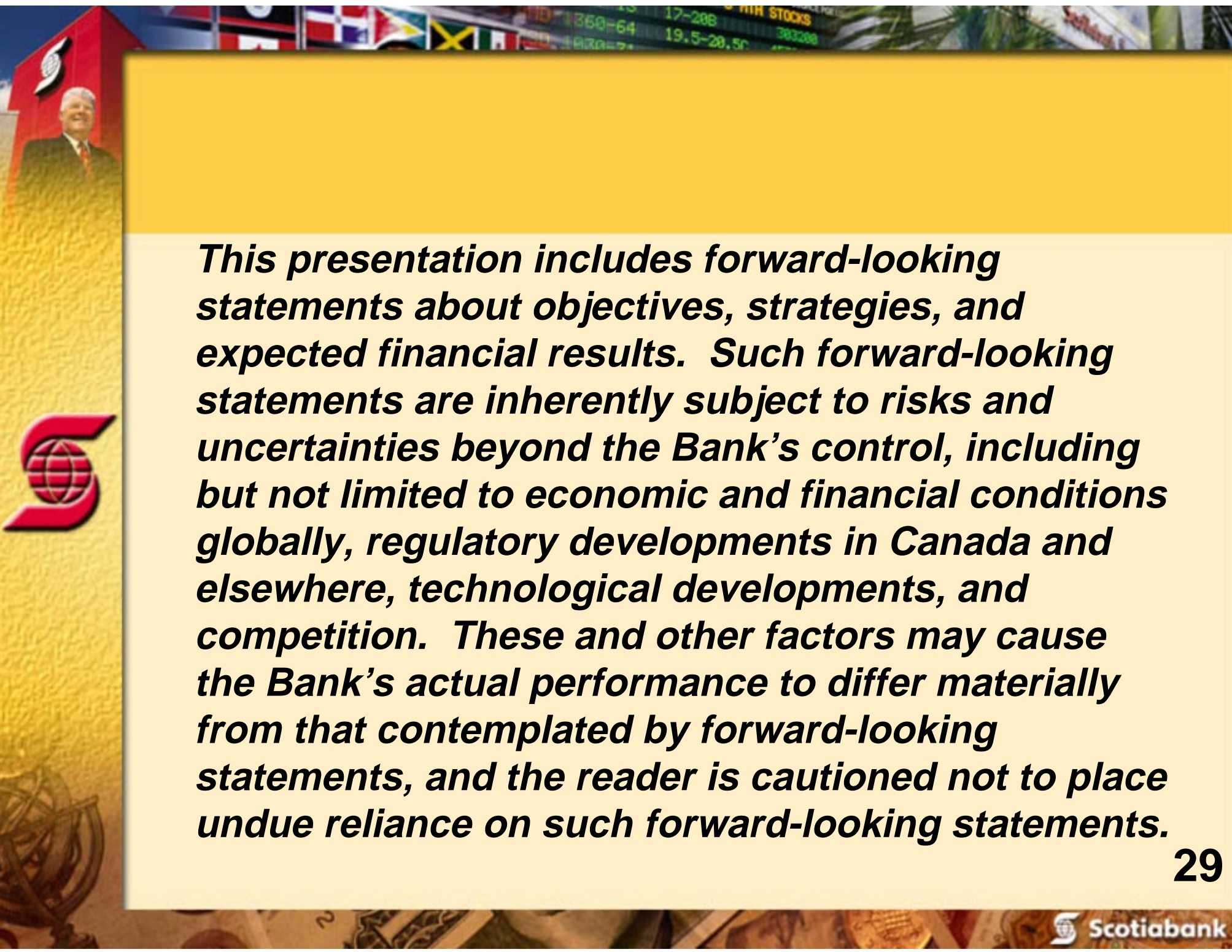
- leverage top-10 presence
- disciplined underwriting

Improve ROE

- higher syndication, cross-sell
- pricing discipline

Setting Higher Targets

	<u>1999</u>		<u>Next 3 years</u>
 EPS Growth	10%+	➔	12-15%
ROE	14%+	➔	16-18%



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