

SECOND QUARTER REPORT
FOR THE PERIOD ENDED
APRIL 30, 2000



Putting people first



Financial Highlights

<i>(Unaudited)</i>	As at and for the three months ended			Change April 2000/ April 1999	For the six months ended		Change April 2000/ April 1999
	April 30 2000	January 31 2000	April 30 1999		April 30 2000	April 30 1999	
OPERATING RESULTS							
(\$ millions)							
Net interest income (TEB ⁽¹⁾)	1,310	1,202	1,198	112	2,512	2,416	96
Total revenue (TEB ⁽¹⁾)	2,298	2,024	1,948	350	4,322	3,973	349
Provision for credit losses	177	135	109	68	312	368	(56)
Non-interest expenses	1,332	1,186	1,188	144	2,518	2,324	194
Net income	465	416	384	81	881	752	129
OPERATING MEASURES							
Return on equity (%)	17.7	15.9	15.7	2.0	16.8	15.3	1.5
Productivity ratio (%)	58.0	58.6	61.0	(3.0)	58.3	58.5 ⁽²⁾	(0.2)
BALANCE SHEET INFORMATION							
(\$ millions)							
Loans and acceptances	168,514	160,349	153,129	15,385			
Total assets	244,777	232,421	221,476	23,301			
Deposits	169,111	162,573	152,583	16,528			
Common equity	10,255	9,852	9,376	879			
BALANCE SHEET MEASURES							
Tier 1 capital (\$ millions)	12,571	11,670	11,189	1,382			
Total capital (\$ millions)	18,048	17,161	16,018	2,030			
Risk-adjusted assets (\$ millions)	150,109	146,828	143,540	6,569			
Tier 1 capital ratio (%)	8.4	8.0	7.8	0.6			
Total capital ratio (%)	12.0	11.7	11.2	0.8			
Net impaired loans as a % of loans and acceptances	(0.1)	(0.1)	0.2	(0.3)			
COMMON SHARE INFORMATION							
Per share - basic earnings (\$)	0.88	0.79	0.73	0.15	1.67	1.42	0.25
- dividends (\$)	0.24	0.24	0.21	0.03	0.48	0.42	0.06
- book value (\$)	20.71	19.92	19.01	1.70			
Share price - high (\$)	34.15	34.10	36.90	(2.75)			
- low (\$)	26.05	26.80	30.10	(4.05)			
- close (\$)	33.75	29.55	34.65	(0.90)			
Market capitalization (\$ billions)	16.7	14.6	17.1	(0.4)			
VALUATION MEASURES							
Dividend yield (%)	3.2	3.2	2.5	0.7	3.2	2.5	0.7
Market value to book value multiple	1.6	1.5	1.8	(0.2)			
Price to earnings multiple	10.6	9.8	12.5	(1.9)			

(1) Taxable equivalent basis.

(2) Excluding a one-time gain on the sale of securities of \$77 million in Q1/99, the productivity ratio was 59.7%.

(3) Certain comparative amounts in this quarterly report have been reclassified to conform with current period presentation.

Letter to Shareholders

Scotiabank continued its solid earnings momentum in the second quarter with net income of \$465 million and earnings per share of \$0.88, both up 21% year over year, substantially exceeding performance targets.

These superior results were driven by a dedicated team of employees worldwide who delivered strong performances across all of our core businesses.

Building stronger relationships

Our Canadian delivery network strategy focuses on building deeper and more profitable relationships with our customers. This summer, our Canadian branches will begin the first phase of our new sales-focused structure to further strengthen those relationships. Branches that have tested this new approach are recording strong sales growth, particularly in deposits and investments, and higher business retention rates.

Our goal is to use a combination of traditional branches, technology and new ways to expand the overall effectiveness of how we deliver services to our customers. As the quarter ended, on May 4, Scotiabank and Canada Post announced a plan to provide community-based banking services in rural communities in Newfoundland. At least half a dozen pilot locations will open for business in July. This initiative has tremendous potential to help us expand in rural communities, providing more choice and convenience for customers. As well, we are expanding our mobile sales force of personal investment managers and banking officers to serve communities across Canada.

Our focus on developing total financial solutions to meet our customers' changing needs has resulted in strong sales growth – ahead of initial expectations – of packaged products such as ScotiaLine VISA and the Scotia Total Equity Plan. Innovative product initiatives such as these have helped us extend our long-standing leadership position in the consumer lending market.

Expanding technology for clients

Building on our growing reputation for leadership in electronic banking, Scotiabank introduced several new e-commerce solutions for customers.

During the quarter, we joined with Bell Mobility to offer wireless banking on “dot-com-ready” digital PCS cell phones – another vehicle from which customers can access financial services any time, anywhere. These services include basic banking, as well as discount brokerage information.

We're also using technology to link our customers with opportunities on the Internet. For example, ScotiaWeb store, a joint project between Microsoft and our e-commerce subsidiary, e-Scotia.com, is helping small and medium-sized Canadian businesses by giving them the online tools they need to set up and do business on the Web.

World's best Latin fund

In recognition of Scotiabank's asset management expertise, as well as our strong understanding of the Latin American market, *LatinFinance* magazine named the Scotia Latin American Growth Fund the world's top performing Latin fund over the past five years. The fund, one of 29 Scotia Mutual Funds, is managed by our wholly owned investment manager, Scotia Cassels Investment Counsel, and won the honour over 81 other Latin American funds – the first time a Canadian team has won in this category. Last year, the fund posted a return of 56%, a five-year annualized return of 12.1%, and a management expense ratio of 2.4%, the best in the industry.

Top IPO underwriter

Scotia Capital, our corporate and investment banking unit, continues to benefit from its restructuring. The new integrated structure, with a strong focus on relationship management and industry specialization, enhances our ability to provide tailored solutions to clients with complex and multi-product needs. This capability was recognized by *Investment Executive*, which named Scotia Capital Canada's top underwriter of initial public offerings (IPOs) for 1999. During the year, Scotia Capital led four major deals – including the country's biggest, Manulife Financial Corp. – and participated in 18 others, for a total of 22 deals.

In the United States, our strength in syndicated lending was further confirmed as Scotia Capital maintained its Top 10 ranking in the highly competitive syndicated lending market.

As in our other business lines, we are developing alternate delivery channels to better serve our corporate and investment clients. In March, Scotia Capital launched ScotiaFX, a Web-based foreign exchange trading system that allows clients to conduct, settle and track foreign exchange trades over the Internet, using real-time market rates for approximately 40 currencies.

Building our global network

During the quarter, Scotiabank continued to build its reputation as Canada's most international bank. We remain fully committed to investing resources in high-potential markets where we can expect to achieve superior long-term growth and profitability, particularly in the growing markets of the Caribbean, Central and Latin America and Asia.

As anticipated, on March 29, we signed a letter of intent to increase our ownership stake in Mexico's Grupo Financiero Inverlat to 55%. The company comprises one of Mexico's major banks, and one of the country's largest investment dealers, Casa de Bolsa Inverlat.

This is an excellent move for Scotiabank, for the Mexican government, and for Inverlat's customers and employees. Inverlat will be one of the strongest financial institutions in Mexico and well positioned for the double-digit growth opportunities anticipated in the financial services sector.

On May 11, we announced we had sold our 40% stake in Solidbank in the Philippines to Metrobank, which acquired a 51% stake in Solidbank last year. Metrobank's plans to merge its operations with Solidbank would have substantially diluted our own ownership stake, and the sale provided us with the opportunity to realize a good return on our investment. The transaction is worth approximately \$140 million.

The Asian market generally remains an important part of our multinational network and overall growth strategy. In February, we invested US \$84 million to purchase 8% of Long Term Credit Bank of Japan Ltd., as part of a group led by Ripplewood Holdings of New York.

In addition to growing markets in Latin America and Asia, we are also building on our traditional strength in the Caribbean and Central American markets. For example, Scotiabank de Costa Rica opened four new branches over the past several months, for a total of nine. We are continuing a similar development strategy in the Dominican Republic, complementing three new centres opened last year to handle automotive finance, credit cards and collections.

Dividend

The Board of Directors, at its meeting on June 1, 2000, approved a quarterly dividend of 24 cents per common share, payable on July 27, 2000, to shareholders of record as of July 4, 2000.

Economic outlook

Despite recent interest rate increases and equity market volatility, both Canada and the United States enjoy solid economic fundamentals and should continue to register strong and broadly based growth over the next year. Borrowing costs may rise further in the months ahead as central banks move to pre-empt an acceleration of inflation. However, by acting now to keep wage and price pressures low by historical standards, central banks ultimately will be able to limit the overall rise in interest rates and sustain the period of economic expansion.

While Canadian exports are heavily oriented to the buoyant U.S. market, recent improvements in overseas conditions and higher commodity prices have also been good news for domestic producers. Europe's economic revival is deepening. Asia is regaining its forward thrust and Latin America appears to be on the road to recovery. A more synchronized global expansion is very positive for trade-oriented nations like Canada.

We expect that, as our customers enjoy the increased prosperity that these improved global economic conditions bring, Scotiabank's operations in Canada and around the world will prosper, too, leading to solid gains for our shareholders.



Peter C. Godsoe

Chairman of the Board and
Chief Executive Officer

June 1, 2000

Toronto, Ontario, Canada

Forward-looking statements This report 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 therefore cautioned not to place undue reliance on such statements.

Review of Operating Performance

SCOTIABANK HAS JUST COMPLETED AN EXCEPTIONAL QUARTER. Net income climbed to \$465 million in the second quarter, 21% higher than a year ago, driven by substantial revenue growth. Earnings per share were \$0.88, an increase of 21%. Return on equity rose to 17.7%, up a full 2.0% from the 15.7% recorded last year.

This quarter's strong earnings were broadly based, with excellent year-over-year increases of 30% in Domestic Banking (including Wealth Management), and 19% in International Banking.

Performance in the second quarter improved significantly over the preceding quarter:

- net income of \$465 million versus \$416 million, an increase of 12%;
- earnings per share of \$0.88, up from \$0.79;
- return on equity of 17.7%, a substantial growth from 15.9%;
- productivity ratio of 58.0%, an improvement of 0.6%.

For the six month period ending April 30, 2000, net income was \$881 million or 17% higher than the same period a year ago. Earnings per share of \$1.67 was up from \$1.42, while return on equity rose to 16.8% from 15.3%.

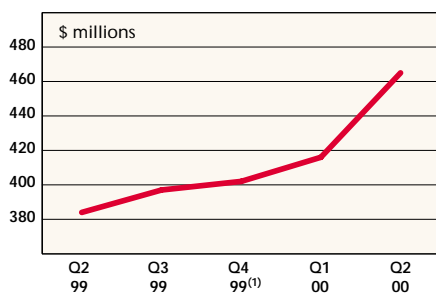
Revenues

Total revenues – comprised of net interest income and other income – were \$2,251 million in the second quarter, a considerable increase of 18% or \$339 million versus the same quarter a year ago.

Net interest income

Net interest income rose to \$1,263 million in the second quarter, up 9% from \$1,162 million last year. The operating results of Banco Sud Americano, Chile which were consolidated for the first time this quarter, contributed one-third of the growth.

Net income



(1) Refer to Accounting Note on page 7.

Both foreign currency and Canadian currency interest profits rose in the second quarter as a result of improved interest margins and higher lending volumes. In Canada, there was particularly strong growth in residential mortgages reflecting the buoyant economy. Internationally, the Bank continued to realize steady loan growth in the Caribbean and in the United States. The Bank's diversification into international markets, most recently into Central and South America, provides a good platform for future growth.

The Bank's interest margin rose to 2.25% in the second quarter, up from 2.13% in the same quarter a year ago.

Other income

The second quarter was marked by significantly higher other income, which grew by 32% to \$988 million, up from \$750 million in the same quarter a year ago. Wealth management-related revenues rose by 37%, primarily driven by much stronger retail and discount brokerage fees. Other substantial revenue gains were achieved in credit-related fees and securitization revenues.

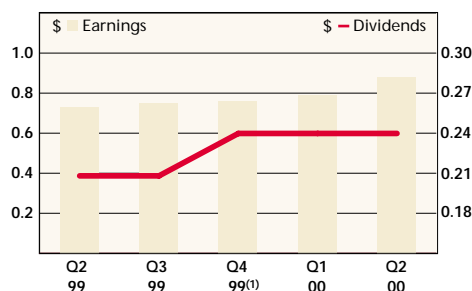
Investment banking revenues climbed to a record \$218 million in the second quarter from \$169 million a year ago. Higher trading income and underwriting fees generated by Scotia Capital accounted for most of this increase.

Gains on investment securities were \$147 million versus \$37 million last year, as the Bank took advantage of favourable market conditions.

Expenses

Total expenses were \$1,332 million in the second quarter, an increase of 12% or \$144 million over the same period last year. Excluding Banco Sud Americano's expenses, the growth was 10%. The majority of this increase arose

Earnings and dividends per common share



from performance-driven compensation consistent with the higher investment banking and brokerage revenues. Underlying salaries cost was actually lower year over year, due primarily to efficiency gains in the branch network arising from new technology and other initiatives. Expenses this quarter also included write downs of certain computer equipment and real estate assets totalling \$46 million.

The productivity ratio – non-interest expenses as a percentage of total revenues – was 58.0% in the quarter, a strong improvement over the 61.0% last year, and better than the 58.6% in the preceding quarter.

Credit quality

The current forecast for the annual specific provision for credit losses is \$665 million, an increase of \$125 million from the previous estimate, due principally to higher provisions in Scotia Capital and \$25 million arising from the consolidation of Banco Sud Americano. The second quarter's specific provision for credit losses was \$177 million, up from \$109 million a year ago, and \$135 million in the preceding quarter. The general provision remained unchanged at \$1,300 million.

The allowance for credit losses exceeded the gross amount of impaired loans by \$131 million, or (0.1)% of total loans and acceptances, compared to \$181 million last quarter.

Balance sheet

Total assets as at April 30, 2000, were \$245 billion, \$23 billion or 10% higher than a year ago. The recent consolidation of Banco Sud Americano contributed almost \$4 billion to this increase. Securities, assets

purchased under resale agreements and cash resources accounted for the majority of the remaining growth of \$19 billion.

On the lending side, significant gains were achieved through strong sales in branches and alternate delivery channels. Residential mortgages grew by \$4 billion or 9%, as the Bank gained market share, and customer demand remained robust. Business loans continued to grow steadily, both in Canada and internationally, with a year-over-year increase of 6%, of which half was contributed by Banco Sud Americano. Similarly, personal deposits rose 7% over the same period last year, accompanied by gains in Canadian deposit market share of 13 basis points.

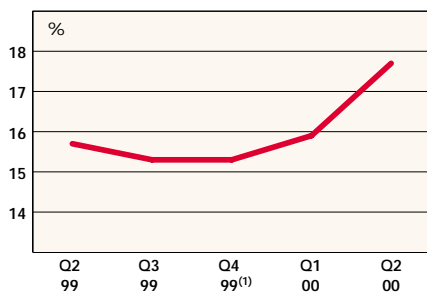
In the Bank's investment securities portfolio, the surplus of market value over book value was \$649 million, up \$106 million from last quarter, despite large securities gains realized during the quarter.

Capital

The Bank continued to maintain a solid capital base. Total shareholders' equity was \$12.0 billion, compared to \$11.6 billion in the preceding quarter, an increase of \$403 million or 3%. This growth arose mainly from strong earnings retention of \$320 million, along with unrealized foreign exchange gains of \$74 million.

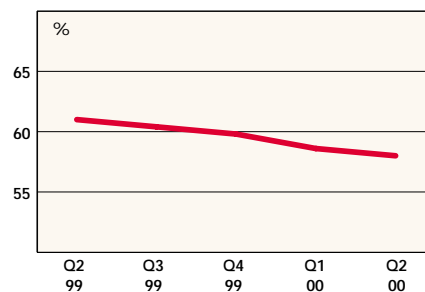
During the quarter, the Bank issued an innovative, tax-efficient \$500 million Tier 1 capital instrument, in part to offset the effect of recent acquisitions and the pending increase in ownership of Grupo Financiero Inverlat. As a result, the Bank's Tier 1 ratio climbed to 8.4%, up from 8.0% in the preceding quarter, and the Bank's total capital ratio was 12.0% compared to 11.7%.

Return on equity



(1) Refer to Accounting Note on page 7.

Productivity ratio



Business Line Highlights

Domestic Banking

Domestic Banking, including Wealth Management, continued to show strong earnings in the second quarter, rising 30% from last year and 8% on the quarter. Significantly higher brokerage fees, and growth in retail lending and deposits, contributed to a

9% year-over-year increase in revenues. In addition, provisions for credit losses improved, while non-interest expenses, excluding performance driven compensation and write downs of computer equipment, were at the same level as last year.

<i>(Unaudited) (\$ millions)</i> <i>(Taxable equivalent basis)</i>	For the three months ended			For the six months ended	
	April 30 2000	January 31 2000	April 30 1999	April 30 2000	April 30 1999
Net interest income	\$ 724	\$ 714	\$ 684	\$ 1,438	\$ 1,380
Provision for credit losses	(65)	(71)	(82)	(136)	(151)
Other income	438	420	380	858	732
Non-interest expenses	(759)	(745)	(721)	(1,504)	(1,424)
Provision for income taxes	(135)	(129)	(104)	(264)	(212)
Net Income	\$ 203	\$ 189	\$ 157	\$ 392	\$ 325
Average Assets (\$ billions)	\$ 89	\$ 88	\$ 85	\$ 88	\$ 84

International Banking

International Banking's earnings in the second quarter rose 19% over last year and 24% from the prior quarter, with higher contributions from all regions. In particular, there were improved earnings in Asia and Latin America, including the impact of the

consolidation of Banco Sud Americano. As well, the Caribbean continued to record strong results. Average assets grew by \$4.2 billion in the quarter, largely due to Banco Sud Americano.

<i>(Unaudited) (\$ millions)</i> <i>(Taxable equivalent basis)</i>	For the three months ended			For the six months ended	
	April 30 2000	January 31 2000	April 30 1999	April 30 2000	April 30 1999
Net interest income	\$ 342	\$ 292	\$ 279	\$ 634	\$ 526
Provision for credit losses	(47)	(42)	(29)	(89)	(80)
Other income	108	95	106	203	209
Non-interest expenses	(252)	(218)	(214)	(470)	(426)
Provision for income taxes	(45)	(40)	(49)	(85)	(75)
Non-controlling interest in net income of subsidiaries	(11)	(11)	(13)	(22)	(24)
Net Income	\$ 95	\$ 76	\$ 80	\$ 171	\$ 130
Average Assets (\$ billions)	\$ 31	\$ 27	\$ 26	\$ 29	\$ 26

Scotia Capital

Strong trading results and higher underwriting fees led to a solid 15% growth in revenues year over year. However, earnings

declined \$17 million from the same quarter last year, due to higher provisions for credit losses in U.S. lending.

<i>(Unaudited) (\$ millions)</i> <i>(Taxable equivalent basis)</i>	For the three months ended			For the six months ended	
	April 30 2000	January 31 2000	April 30 1999	April 30 2000	April 30 1999
Net interest income	\$ 306	\$ 290	\$ 292	\$ 596	\$ 588
Provision for credit losses	(79)	(35)	(8)	(114)	-
Other income	272	203	210	475	484
Non-interest expenses	(237)	(181)	(197)	(418)	(385)
Provision for income taxes	(100)	(114)	(118)	(214)	(276)
Net Income	\$ 162	\$ 163	\$ 179	\$ 325	\$ 411
Average Assets (\$ billions)	\$ 98	\$ 95	\$ 100	\$ 96	\$ 102

Other⁽¹⁾

The second quarter's net income improved from last year and the prior quarter mainly due to substantial gains on investment securities, as Group Treasury took advantage of favourable

market conditions. These gains were partially offset by write downs in the quarter of certain real estate assets.

	For the three months ended			For the six months ended	
	April 30 2000	January 31 2000	April 30 1999	April 30 2000	April 30 1999
<i>(Unaudited) (\$ millions)</i>					
Net interest income ⁽²⁾	\$ (109)	\$ (138)	\$ (93)	\$ (247)	\$ (150)
Provision for credit losses	14	13	10	27	(137)
Other income	170	104	54	274	132
Non-interest expenses	(84)	(42)	(56)	(126)	(89)
Provision for income taxes ⁽²⁾	17	51	53	68	130
Non-controlling interest in net income of subsidiaries	(3)	–	–	(3)	–
Net Income	\$ 5	\$ (12)	\$ (32)	\$ (7)	\$ (114)
Average Assets (\$ billions)	\$ 18	\$ 20	\$ 19	\$ 20	\$ 21

(1) Represents corporate adjustments and smaller operating segments, including Group Treasury.

(2) Includes the elimination of the tax-exempt income gross up reported in net interest income and provision for income taxes for the three months ended April 30, 2000 (\$47), January 31, 2000 (\$44) and April 30, 1999 (\$36), and for the six months ended April 30, 2000 (\$91) and April 30, 1999 (\$72).

Geographic Highlights

	For the three months ended			For the six months ended	
	April 30 2000	January 31 2000	April 30 1999	April 30 2000	April 30 1999
<i>(Unaudited)</i>					
Net Income (\$ millions)					
Canada	\$ 340	\$ 245	\$ 242	\$ 585	\$ 514
United States	87	116	102	203	230
Other international	119	99	118	218	218
Corporate adjustments	(81)	(44)	(78)	(125)	(210)
	\$ 465	\$ 416	\$ 384	\$ 881	\$ 752
Average Assets (\$ billions)					
Canada	\$ 141	\$ 140	\$ 133	\$ 140	\$ 132
United States	38	36	39	37	39
Other international	54	51	54	53	56
Corporate adjustments	3	3	4	3	6
	\$ 236	\$ 230	\$ 230	\$ 233	\$ 233

Accounting Note

The financial results have been prepared in accordance with Canadian generally accepted accounting principles (GAAP), other than the accounting for the one-time increase to the general provision for credit losses of \$550 million (\$314 million after tax), recorded as a direct charge to retained earnings in the quarter ending October 31, 1999, which is in accordance with the accounting requirements specified by the Superintendent of Financial Institutions Canada under the Bank Act. Had the

one-time increase to the general provision been recorded in accordance with Canadian GAAP as a charge to the Statement of Income, the financial results in the quarter ending October 31, 1999, would have been as follows: net income \$88 million, return on common shareholders' equity 2.5%, and net income per common share \$0.12. Further details are available in Note 20 of the October 31, 1999, Consolidated Financial Statements presented in the 1999 Annual Report.

Consolidated Financial Statements

Interim Consolidated Statement of Income

	For the three months ended			For the six months ended	
<i>(Unaudited)</i> <i>(\$ millions except per share amounts)</i>	April 30 2000	January 31 2000	April 30 1999	April 30 2000	April 30 1999
Interest income					
Loans	\$ 2,898	\$ 2,753	\$ 2,631	\$ 5,651	\$ 5,439
Securities	537	550	457	1,087	898
Deposits with banks	208	206	231	414	518
	3,643	3,509	3,319	7,152	6,855
Interest expense					
Deposits	1,929	1,932	1,787	3,861	3,781
Subordinated debentures	78	82	75	160	151
Other	373	337	295	710	579
	2,380	2,351	2,157	4,731	4,511
Net interest income	1,263	1,158	1,162	2,421	2,344
Provision for credit losses	177	135	109	312	368
Net interest income after provision for credit losses	1,086	1,023	1,053	2,109	1,976
Other income					
Deposit and payment services	154	155	146	309	300
Investment management and trust	219	180	160	399	307
Credit fees	141	159	128	300	253
Investment banking	218	135	169	353	339
Net gain on investment securities	147	71	37	218	152
Securitization revenues	49	55	39	104	68
Other	60	67	71	127	138
	988	822	750	1,810	1,557
Net interest and other income	2,074	1,845	1,803	3,919	3,533
Non-interest expenses					
Salaries	670	585	576	1,255	1,132
Pension contributions and other staff benefits	91	82	83	173	161
Premises and equipment, including depreciation	269	247	261	516	512
Other	302	272	268	574	519
	1,332	1,186	1,188	2,518	2,324
Income before the undernoted:	742	659	615	1,401	1,209
Provision for income taxes	263	232	218	495	433
Non-controlling interest in net income of subsidiaries	14	11	13	25	24
Net income	\$ 465	\$ 416	\$ 384	\$ 881	\$ 752
Preferred dividends paid	\$ 27	\$ 27	\$ 27	\$ 54	\$ 54
Net income available to common shareholders	\$ 438	\$ 389	\$ 357	\$ 827	\$ 698
Net income per common share	\$ 0.88	\$ 0.79	\$ 0.73	\$ 1.67	\$ 1.42

Condensed Consolidated Balance Sheet

<i>(Unaudited) (\$ millions)</i>	April 30 2000	As at		% Change April 2000/ April 1999
		January 31 2000	April 30 1999	
Assets				
Cash resources	\$ 21,082	\$ 17,911	\$ 17,445	20.9%
Securities	37,968	36,946	32,149	18.1
Loans				
– Residential mortgages	48,970	48,749	45,004	8.8
– Personal and credit cards	16,390	16,929	17,797	(7.9)
– Business and governments	72,486	71,055	68,499	5.8
– Assets purchased under resale agreements	21,027	14,329	12,606	66.8
	158,873	151,062	143,906	10.4
Customers' liability under acceptances	9,641	9,287	9,223	4.5
Other assets	17,213	17,215	18,753	(8.2)
	\$ 244,777	\$ 232,421	\$ 221,476	10.5%
Liabilities and Shareholders' Equity				
Deposits – Personal	\$ 68,875	\$ 67,251	\$ 64,338	7.1%
– Business and governments	75,271	68,815	63,663	18.2
– Banks	24,965	26,507	24,582	1.6
	169,111	162,573	152,583	10.8
Acceptances	9,641	9,287	9,223	4.5
Obligations related to assets sold under repurchase agreements	20,989	16,048	15,441	35.9
Obligations related to securities sold short	5,121	4,813	5,341	(4.1)
Other liabilities	22,523	22,732	22,700	(0.8)
Subordinated debentures	5,362	5,341	5,037	6.5
Equity				
– Preferred shares	1,775	1,775	1,775	–
– Common shares	2,703	2,689	2,653	1.9
– Retained earnings	7,552	7,163	6,723	12.3
	\$ 244,777	\$ 232,421	\$ 221,476	10.5%

Condensed Consolidated Statement of Changes in Shareholders' Equity

<i>(Unaudited) (\$ millions)</i>	For the six months ended	
	April 30 2000	April 30 1999
Balance at beginning of period	\$ 11,406	\$ 10,814
Common shares issued	25	28
Net income	881	752
Dividends		
– Preferred	(54)	(54)
– Common	(237)	(207)
Net unrealized foreign exchange gains and losses, and other	9	(182)
Balance at end of period	\$ 12,030	\$ 11,151

Condensed Consolidated Statement of Cash Flows

<i>(Unaudited)</i> (\$ millions)	For the six months ended	
	April 30 2000	April 30 1999
Cash flows from operating activities		
Net income	\$ 881	\$ 752
Adjustments to net income to determine net cash flows	482	478
Trading securities	(4,527)	(1,672)
Net gains on investment securities	(218)	(152)
Other, net	(456)	1,557
	(3,838)	963
Cash flows from financing activities		
Deposits	10,793	(8,230)
Obligations related to assets sold under repurchase agreements	3,949	1,391
Obligations related to securities sold short	2,285	2,261
Subordinated debentures and capital stock	(14)	(310)
Cash dividends paid	(274)	(247)
Other, net	558	(250)
	17,297	(5,385)
Cash flows from investing activities		
Interest-bearing deposits with banks	(3,438)	3,713
Investment securities	1,080	(906)
Loans, excluding securitizations	(11,894)	(5,743)
Proceeds from loans securitized	1,299	7,259
Acquisitions of subsidiaries ⁽¹⁾	(118)	-
Other, net	(93)	(127)
	(13,164)	4,196
Effect of exchange rate changes on cash and cash equivalents	-	(62)
Net change in cash and cash equivalents	295	(288)
Cash and cash equivalents, beginning of period	1,208	1,088
Cash and cash equivalents, end of period	\$ 1,503	\$ 800
Represented by:		
Cash resources per Consolidated Balance Sheet, adjusted for:	\$ 21,082	\$ 17,445
Interest-bearing deposits with banks	(18,219)	(15,198)
Precious metals inventory	(1,360)	(996)
Cheques and other items in transit, net	-	(451)
Cash and cash equivalents, end of period	\$ 1,503	\$ 800
<i>(1) Net of cash and cash equivalents at date of acquisition of \$112.</i>		
Cash disbursements for:		
Interest	\$ 4,659	\$ 4,043
Income taxes	513	416

Shareholder & Investor Information

Share Data

<i>(thousands of shares)</i>	April 30, 2000
Preferred shares outstanding	
- Series 6	12,000
- Series 7	8,000
- Series 8	9,000
- Series 9	10,000
- Series 10	7
- Series 11	9,993
- Series 12	12,000
Class A preferred shares issued by Scotia Mortgage Investment Corporation	250
Series 2000-1 trust securities issued by BNS Capital Trust	500 ⁽¹⁾
Common shares outstanding	495,219
Outstanding options granted under the Stock Option Plan to purchase common shares	27,966

(1) Reported in other liabilities in the Condensed Consolidated Balance Sheet. See Prospectus dated March 28, 2000, for convertibility features.

Further details are available in Note 11 of the October 31, 1999, Consolidated Financial Statements presented in the 1999 Annual Report.

Direct Deposit Service

Shareholders may have dividends deposited directly into accounts held at financial institutions which are members of the Canadian Payments Association. To arrange direct deposit service, please write to the Transfer Agent.

Dividend and Share Purchase Plan

Scotiabank's dividend reinvestment and share purchase plan allows common and preferred shareholders to purchase additional common shares by reinvesting their cash dividend without incurring brokerage or administrative fees.

As well, eligible shareholders may invest up to \$20,000 each fiscal year to purchase additional common shares of the Bank. Debenture holders may apply interest on fully registered Bank subordinated debentures to purchase additional common shares. All administrative costs of the Plan are paid by the Bank.

For more information on participation in the Plan, please contact the Transfer Agent.

Dividend Dates for 2000

Record and payment dates for common and preferred shares, subject to approval by the Board of Directors.

Record Date	Payment Date
Jan. 4	Jan. 27
April 4	April 26
July 4	July 27
Oct. 3	Oct. 27

Duplicated Communication

If your shareholdings are registered under more than one name or address, multiple mailings will result. To eliminate this duplication, please write to the Transfer Agent to combine the accounts.

General Information

Information on your shareholdings and dividends may be obtained by writing to the Bank's Transfer Agent:

Montreal Trust Company of Canada
151 Front Street West, 8th Floor
Toronto, Ontario, Canada M5J 2N1
Telephone: (416) 981-9633; 1-800-663-9097
Fax: (416) 981-9507
E-mail: faq@montrealtrust.com

Financial analysts, portfolio managers and other investors requiring financial information, please contact Investor Relations, Finance Department:

Scotiabank
Scotia Plaza
44 King Street West, Toronto, Ontario,
Canada M5H 1H1
Telephone: (416) 866-5982
Fax: (416) 866-7867
E-mail: invrelns@scotiabank.ca

For other information and for media inquiries, please contact the Public and Corporate Affairs Department at the above address.

Telephone: (416) 866-3925
Fax: (416) 866-4988
E-mail: corpaff@scotiabank.ca

For information relating to Scotiabank and its services, visit us at our World Wide Web site: <http://www.scotiabank.com>

The Bank of Nova Scotia is incorporated in Canada with limited liability.

Le Rapport annuel et les états financiers périodiques de la Banque sont publiés en français et en anglais et distribués aux actionnaires dans la version de leur choix. Si vous préférez que la documentation vous concernant vous soit adressée en français, veuillez en informer le Service des relations publiques de la Banque Scotia, Scotia Plaza, 44, rue King Ouest, Toronto (Ontario), Canada M5H 1H1, en joignant, si possible l'étiquette d'adresse, afin que nous puissions prendre note du changement.