Energy Exposure[1]

High quality energy portfolio, reduced exposure to 2.7% of total loans from 3.6% in Q1/16

In light of the oil price drop, below are some important points to highlight for Scotiabank:

1. **Energy lending is relatively smaller today than 2016**
   - We have reduced our exposure to Energy as a percentage of our loan portfolio from 3.6% in 2016 to 2.7% today

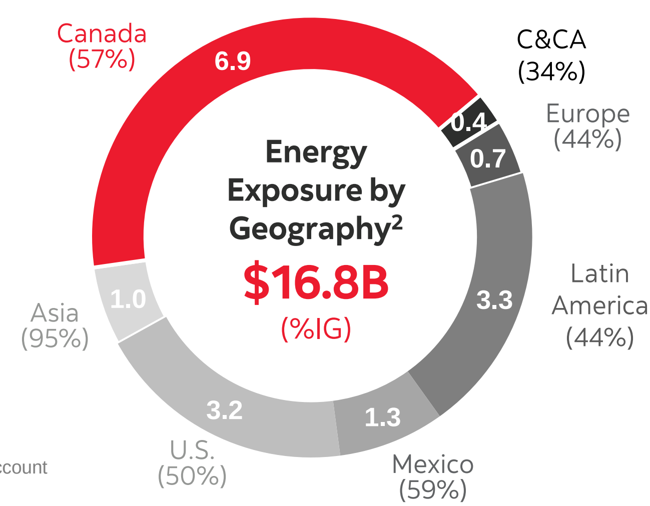
2. **We have improved our credit quality and sub-sector loan mix**
   - 54% of our Energy loan portfolio is "Investment Grade", up from 48% in 2016
   - Our exposure to Exploration & Production and Oilfield Services (where the significant majority of loan losses occurred in 2016) has declined from 59% of Energy loans to 50%

3. **Our lending clients are well positioned**
   - Many of our lending clients have hedged their production at higher prices

Below is a summary of Scotiabank's current exposure (as of Q1/20) to the Energy sector:

	Loans and Acceptances Outstanding ($B)	**% of Total Energy Exposure**	**% of Total Loans and Acceptances Outstanding**	**% Investment Grade**
Total Exploration and Production	6.9	41%	1.1%	53%
Canadian E&P	*3.4*	*20%*	*0.6%*	*74%*
U.S. E&P	*0.9*	*6%*	*0.2%*	*34%*[3]
Midstream	5.8	34%	0.9%	58%
Services	1.5	9%	0.2%	17%
Downstream	2.6	16%	0.4%	72%
Total Energy Exposure[2]	**16.8**	**100%**	**2.7%**	**54%**

- **Energy portfolio represents 2.7% of loans and acceptances outstanding, down from 3.6% in Q1 2016**
- **54% is rated Investment Grade (IG)**



[1] As of January 31, 2020
[2] May not add due to rounding
[3] Reduction in IG from previous quarter a function of a material repayment on an IG account