

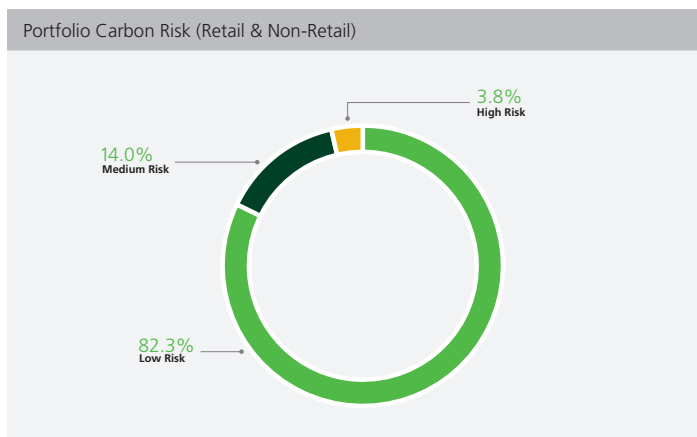
Carbon and Water Risk Assessment

Carbon-Related Risk

We define carbon risk as risk driven by changes in carbon-related regulation, resource constraints and the changing climate within our financing activities to carbon-intensive industries.

Portfolio Exposure to Carbon Risk Canada and U.S.

(As at October 31, 2016)



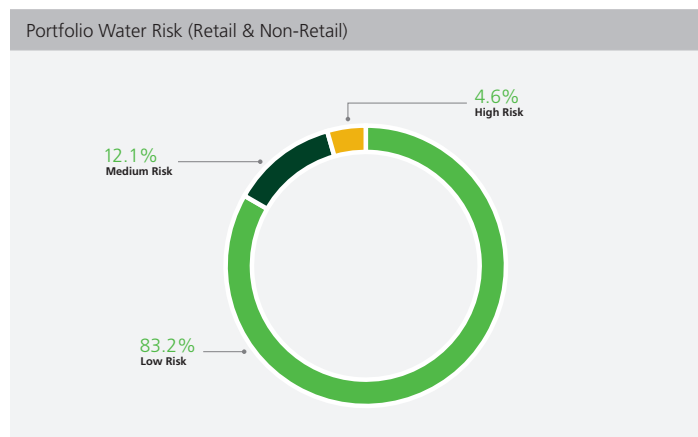
Low Risk	82.3%
Medium Risk	14.0%
High Risk	3.8%

Water-Related Risk

We define water-related risk based on the potential economic and environmental impacts of changing patterns of precipitation and of exposure to flooding, drought or extreme storm events caused by climate change. We track our exposure to sectors that are water-sensitive.

Portfolio Exposure to Water Risk Canada and U.S.

(As at October 31, 2016)



Low Risk	83.2%
Medium Risk	12.1%
High Risk	4.6%

There have been no significant increases in carbon and water risk between 2015 and 2016.

Environmental Sensitivity by Sector

	Carbon-Related Risk	Water-Related Risk
Low Risk	Residential and personal, residential real estate, financial, government and public sector, professional services, health and social services, media, entertainment, retail, and telecommunications	
Moderate Risk	Non-residential real estate, agriculture, automotive, food and beverage, industrial construction, manufacturing, and transportation	Non-residential real estate, automotive, chemical, industrial construction, and manufacturing
High Risk	Chemical, forestry, mining, oil and gas, pipelines, and power and utilities	Agriculture, food and beverage, forestry, metals and mining, pipelines, oil and gas, and power and utilities