



RBC VIGOROUSLY REJECTS CFTC ALLEGATIONS AS UNWARRANTED

TORONTO, April 2, 2012 — In response to the CFTC's allegations against RBC for trading activity that the CFTC reviewed and had full knowledge of, RBC has these comments:

- The CFTC has been aware of these transactions since 2005. These transactions were done in accordance with market terms, regulations and process.
- This is not a financially material event to RBC but we do take this situation seriously and intend to vigorously defend our reputation.
- Before we made a single trade, we proactively contacted the exchange to seek its guidance. These trades were fully documented, transparent, and reviewed by both the CFTC and the exchanges, and for the next several years were monitored by them. RBC's trading was permissible in 2005, was reviewed six months later by the CFTC and encountered no objection, and it is permissible today under the CFTC's published guidance.
- Given no objection to the trading activity by either the exchange or the CFTC in 2005, it is absurd to now claim these trades were either fictitious or wash sales. This lawsuit is meritless.
- The block trades in question were entered into by independent RBC legal entities with the intent to establish genuine, bona fide positions, based on the CFTC's long-standing regulatory guidance. They were executed at competitive market pricing and no market participants suffered any negative impact, nor has the CFTC alleged any pricing irregularities.

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For more information, please contact:

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