Supplementary Financial Information

Q2 2014

For the period ended April 30, 2014
(UNAUDITED)

For further information, please contact:

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www.rbc.com/investorrelations
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<td>Market Risk - Risk-weighted assets by approach (all-in basis)</td>
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<td>Market Risk - Risk-weighted assets by approach (all-in basis)</td>
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Notes to Users

The financial information in this document is in Canadian dollars and is based on unaudited interim Condensed Consolidated Financial Statements for the quarter ended April 30, 2014 presented in compliance with International Accounting Standard (IAS) 34, Interim Financial Reporting unless otherwise noted. This document is not audited and should be read in conjunction with our Q2 2014 Report to Shareholders and our 2013 Annual Report. Certain comparative amounts have been reclassified to conform to the current period's presentation.

Adoption of IFRS 9 Financial Instruments

Effective Q2 2014, we have prospectively adopted the own credit provisions of IFRS 9 Financial Instruments. Changes in fair value in own credit attributable to changes in credit spreads are now recorded in other comprehensive income.

Adoption of IAS 19, International Financial Reporting Standards (IFRS) 10, and IFRS 11

On November 1, 2013, we adopted amendments to IAS 19 Employee Benefits as well as IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements. The financial information presented in this document reflects the impacts of these standards on our consolidated comparative financial results (2012 and 2013). Our 2013 reported capital ratios were not changed as the impact of adoption on our CET1 ratio has been reflected in Q1 2014. Refer to Note 2 (pp. 119-120) in our 2013 Annual Report for further information on future changes in accounting policy and disclosure.

Capital Disclosure Requirements related to Basel III Pillar 3

Domestic Systemically Important Banks (D-SIBs) are required to make capital disclosures as described in Part 4 of the Advisory published by OSFI in July 2013 Public Capital Disclosures Required related to Basel III Pillar 3*. As of Q3 2013, we are disclosing the following capital information:

i) All-in capital disclosure reports a breakdown of the institution's regulatory capital adjustments or deductions to enhance transparency and ensure comparability (pp. 22, 23);

ii) Balance sheet reconciliation requirements set out a 3-step approach to achieve a full reconciliation of all regulatory elements back to the audited balance sheet (pp. 24 - 27);

iii) Transitional capital disclosure which reports the components of capital that are benefiting from transitioning and will ensure that disclosure during the transitional period is consistent and comparable across institutions in different jurisdictions (p. 23);

iv) Capital main features disclosure provides a qualitative disclosure and sets out summary information on the terms and conditions of the main features of all capital instruments. We have also included the full terms and conditions for each of our capital instruments on our Investor Relations website at http://www.rbc.com/investorrelations/quarterly-financial-statements.html.

EDTF Disclosures

The Financial Stability Board's Enhanced Disclosure Task Force (EDTF) issued a report titled "Enhancing the Risk Disclosures of Banks" in October 2012. The following index lists the disclosure related to these recommendations contained in this document.

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<td>11 Flow statement of the movements in regulatory capital</td>
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<td>12 Risk-weighted assets (RWA) by business segments</td>
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<td>13 Analysis of capital requirement, and related measurement model information</td>
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<td>17 Bank's credit risk profile</td>
<td>32-44</td>
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<td></td>
<td>26 Reconciliation of the opening and closing balances of impaired loans and impairment allowances during the year</td>
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<td></td>
<td></td>
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For a full index of where to find all EDTF related disclosures, see p. 46 of our Q2 2014 Report to Shareholders.
## Financial Highlights Q2/14 vs Q1/14 vs Q4/13 vs Q3/13 vs Q2/13 vs Q1/13 vs Q4/12 vs Q3/12 vs Q2/12

### Selected Income Statement Information

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<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
</tr>
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<tbody>
<tr>
<td>Net interest income</td>
<td>3,449</td>
<td>3,460</td>
<td>3,351</td>
<td>3,222</td>
<td>3,174</td>
<td>3,273</td>
<td>3,010</td>
<td>6,909</td>
<td>6,506</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>2,092</td>
<td>2,101</td>
<td>2,265</td>
<td>2,386</td>
<td>2,409</td>
<td>2,347</td>
<td>2,159</td>
<td>4,958</td>
<td>4,845</td>
</tr>
<tr>
<td>Total revenue</td>
<td>5,541</td>
<td>5,561</td>
<td>5,606</td>
<td>5,608</td>
<td>5,621</td>
<td>5,620</td>
<td>5,169</td>
<td>11,867</td>
<td>11,351</td>
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</tbody>
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### Provision for Credit Losses (PCL)

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<thead>
<tr>
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<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
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<tr>
<td>Net loss from discontinued operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>2,092</td>
<td>2,101</td>
<td>2,265</td>
<td>2,386</td>
<td>2,409</td>
<td>2,347</td>
<td>2,159</td>
<td>4,958</td>
<td>4,845</td>
</tr>
<tr>
<td>Preferred dividends</td>
<td>(52)</td>
<td>(62)</td>
<td>(61)</td>
<td>(63)</td>
<td>(64)</td>
<td>(65)</td>
<td>(65)</td>
<td>(65)</td>
<td>(65)</td>
</tr>
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### Net Income Available to Common Shareholders Including Dilutive Impact of Exchangeable Shares

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<tr>
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<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
</tr>
</thead>
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<tr>
<td>Earnings per share (EPS) - basic</td>
<td>$1.47</td>
<td>$1.39</td>
<td>$1.52</td>
<td>$1.26</td>
<td>$1.25</td>
<td>$1.49</td>
<td>$0.99</td>
<td>$2.86</td>
<td>$2.61</td>
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<tr>
<td>Common shares outstanding (000s)</td>
<td>1,450,271</td>
<td>1,458,742</td>
<td>1,462,728</td>
<td>1,465,991</td>
<td>1,468,008</td>
<td>1,469,330</td>
<td>1,469,304</td>
<td>1,469,513</td>
<td>1,467,063</td>
</tr>
<tr>
<td>Diluted EPS growth</td>
<td>17.6%</td>
<td>3.0%</td>
<td>12.1%</td>
<td>20.0%</td>
<td>19.0%</td>
<td>23.2%</td>
<td>16.2%</td>
<td>18.6%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Revenue growth</td>
<td>7.2%</td>
<td>6.0%</td>
<td>5.2%</td>
<td>3.2%</td>
<td>3.0%</td>
<td>3.5%</td>
<td>3.0%</td>
<td>3.2%</td>
<td>3.1%</td>
</tr>
<tr>
<td>PCL on impaired loans as a % of Average net loans and acceptances</td>
<td>0.23%</td>
<td>0.27%</td>
<td>0.32%</td>
<td>0.26%</td>
<td>0.35%</td>
<td>0.37%</td>
<td>0.34%</td>
<td>0.35%</td>
<td>0.32%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>23.3%</td>
<td>25.3%</td>
<td>17.8%</td>
<td>25.0%</td>
<td>15.4%</td>
<td>24.6%</td>
<td>24.3%</td>
<td>24.6%</td>
<td>20.1%</td>
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### Capital Measures - Consolidated

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<td>Common Equity Tier 1 Capital ratio</td>
<td>9.7%</td>
<td>9.7%</td>
<td>9.6%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Tier 1 capital ratio</td>
<td>11.4%</td>
<td>11.5%</td>
<td>11.6%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Total capital ratio</td>
<td>15.2%</td>
<td>13.0%</td>
<td>14.0%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Asset-to-capital multiple</td>
<td>17.5X</td>
<td>17.6X</td>
<td>16.6X</td>
<td>16.8X</td>
</tr>
<tr>
<td>Risk-weighted assets ($ billions)</td>
<td>349.1</td>
<td>341.8</td>
<td>319.0</td>
<td>314.8</td>
</tr>
<tr>
<td>Gross-adjusted assets ($ billions)</td>
<td>849.8</td>
<td>850.8</td>
<td>807.0</td>
<td>792.0</td>
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</table>

### Notes
1. Average common shares outstanding does not include treasury shares held.
2. Diluted EPS growth is calculated based on earnings from continuing operations in the same period a year ago.
3. Effective Q1/14, the credit valuation adjustment (CVA) capital charge rules were implemented.
4. Effective Q1/13, asset-to-capital multiple and gross adjusted assets are calculated on a transitional basis as per OSFI CAR Guideline.
## Financial Highlights

**Adjusted Basis Measures - Continuing Ops**

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</tr>
</thead>
<tbody>
<tr>
<td>Net income available</td>
<td>2,127</td>
<td>2,015</td>
<td>2,029</td>
<td>2,211</td>
<td>1,834</td>
<td>1,970</td>
<td>1,824</td>
<td>2,171</td>
<td>1,444</td>
<td>4,142</td>
<td>3,804</td>
<td>8,044</td>
<td>7,205</td>
</tr>
<tr>
<td>to common shareholders</td>
<td></td>
<td></td>
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<tr>
<td>Including dilutive impact of exchangeable shares</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>(50)</td>
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<tr>
<td>Less: Net loss from discontinued operations</td>
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<td></td>
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<td></td>
<td></td>
<td>(30)</td>
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<td>(51)</td>
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**Adjustments for specified items**

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<th>2012</th>
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<td>33</td>
<td>29</td>
<td>27</td>
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<tr>
<td>Loss on announced acquisition of RBC Dexia Investor Services Limited</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Release of tax uncertainty provisions</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Mortgage prepayment interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(92)</td>
</tr>
<tr>
<td>RBC Investor Services restructuring charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax adjustment related to prior years</td>
<td>-</td>
<td>-</td>
<td>(124)</td>
<td>(90)</td>
</tr>
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<td>Charge related to certain individual life insurance policies</td>
<td>-</td>
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<td>Loss on sale of RBC Jamaica</td>
<td>-</td>
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<tr>
<td>Caribbean provision related to post-employment benefits and restructuring charges</td>
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**Adjusted EPS**

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<tbody>
<tr>
<td>$1.49</td>
<td>$1.48</td>
<td>$1.44</td>
<td>$1.48</td>
<td>$1.30</td>
</tr>
<tr>
<td>$1.49</td>
<td>$1.47</td>
<td>$1.42</td>
<td>$1.47</td>
<td>$1.31</td>
</tr>
<tr>
<td>$2.97</td>
<td>$2.67</td>
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<td>$5.03</td>
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<td>$2.65</td>
<td>$5.54</td>
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**Economic Profit - Continuing Ops**

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<tbody>
<tr>
<td>2,201</td>
<td>2,092</td>
<td>2,101</td>
<td>2,285</td>
<td>1,909</td>
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<tr>
<td>Goodwill and intangibles writedown</td>
<td>-</td>
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<td>7</td>
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<tr>
<td>Capital Charge</td>
<td>(1,052)</td>
<td>(1,061)</td>
<td>(972)</td>
<td>(942)</td>
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**Adjusted ROE**

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<tr>
<td>19.4%</td>
<td>19.2%</td>
<td>19.3%</td>
<td>20.7%</td>
<td>19.4%</td>
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<tr>
<td>19.3%</td>
<td>19.8%</td>
<td>19.9%</td>
<td>19.9%</td>
<td>19.9%</td>
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**Economic Profit**

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<td>1,154</td>
<td>1,039</td>
<td>1,135</td>
<td>1,249</td>
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<tr>
<td>1,114</td>
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**Additional Share Information**

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<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
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<tr>
<td>Preferred (000s)</td>
<td>11</td>
<td>2</td>
<td>(47)</td>
<td>17</td>
<td>12</td>
<td>45</td>
<td>(42)</td>
<td>63</td>
<td>31</td>
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<tr>
<td>Common (000s)</td>
<td>9,635</td>
<td>10,170</td>
<td>10,604</td>
<td>11,482</td>
<td>12,051</td>
<td>12,245</td>
<td>12,304</td>
<td>13,063</td>
<td>13,531</td>
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<td>6,571</td>
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<td>7,079</td>
<td>7,284</td>
<td>6,544</td>
<td>7,546</td>
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<td>Dividends declared per common share</td>
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<td>0.67</td>
<td>0.67</td>
<td>0.63</td>
<td>0.63</td>
<td>0.60</td>
<td>0.60</td>
<td>0.57</td>
<td>0.57</td>
</tr>
<tr>
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<td>-</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Dividend payout ratio from continuing operations</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Book value per share</td>
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<td>$31.29</td>
<td>$29.87</td>
<td>$29.05</td>
<td>$27.76</td>
<td>$27.26</td>
<td>$26.52</td>
<td>$25.93</td>
<td>$24.90</td>
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<tr>
<td>Common share price (RY on TSX)</td>
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<tr>
<td>High</td>
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<td>$73.36</td>
<td>$70.76</td>
<td>$65.66</td>
<td>$64.92</td>
<td>$62.86</td>
<td>$58.78</td>
<td>$57.09</td>
<td>$59.13</td>
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<td>Low</td>
<td>$67.65</td>
<td>$67.80</td>
<td>$63.07</td>
<td>$58.55</td>
<td>$58.82</td>
<td>$54.51</td>
<td>$50.45</td>
<td>$48.70</td>
<td>$52.45</td>
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<td>105,435</td>
<td>99,411</td>
<td>100,903</td>
<td>94,402</td>
<td>87,789</td>
<td>89,842</td>
<td>82,296</td>
<td>74,208</td>
<td>82,372</td>
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</table>

**1st Quarter 2014 - Supplementary Financial Information**

1. 2012 results reflect a loss related to our acquisition of the remaining 50 percent of RBC Dexia, renamed RBC Investor Services.
## SELECTED BALANCE SHEET INFORMATION

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<thead>
<tr>
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<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of Canadian dollars, except otherwise noted</td>
<td>6 months</td>
<td>6 months</td>
<td>2014</td>
<td>2013</td>
<td>2013</td>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average loans and acceptances</td>
<td>428,900</td>
<td>423,300</td>
<td>416,800</td>
<td>410,200</td>
<td>391,000</td>
<td>385,900</td>
<td>376,900</td>
<td>365,500</td>
<td>426,100</td>
<td>397,600</td>
<td>371,700</td>
<td>371,700</td>
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<tr>
<td>Total assets</td>
<td>895,893</td>
<td>904,714</td>
<td>859,745</td>
<td>850,073</td>
<td>866,440</td>
<td>836,936</td>
<td>823,954</td>
<td>823,682</td>
<td>789,968</td>
<td>895,893</td>
<td>859,745</td>
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<td>881,200</td>
<td>863,300</td>
<td>860,700</td>
<td>836,000</td>
<td>824,000</td>
<td>804,600</td>
<td>779,100</td>
<td>886,400</td>
<td>848,100</td>
<td>852,000</td>
<td>803,000</td>
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<td>Average earning assets</td>
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<td>729,800</td>
<td>711,400</td>
<td>717,000</td>
<td>707,000</td>
<td>679,700</td>
<td>683,100</td>
<td>633,100</td>
<td>745,300</td>
<td>693,100</td>
<td>703,700</td>
<td>631,100</td>
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<td>Deposits</td>
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<td>590,423</td>
<td>559,350</td>
<td>547,078</td>
<td>532,125</td>
<td>515,536</td>
<td>509,101</td>
<td>482,082</td>
<td>587,122</td>
<td>532,125</td>
<td>509,101</td>
<td>482,082</td>
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<td>Common equity</td>
<td>45,940</td>
<td>45,143</td>
<td>43,064</td>
<td>41,829</td>
<td>40,122</td>
<td>39,414</td>
<td>38,346</td>
<td>35,913</td>
<td>45,940</td>
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<td>43,064</td>
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<td>Average common equity</td>
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<td>44,050</td>
<td>42,500</td>
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<td>44,750</td>
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## OTHER INFORMATION

<table>
<thead>
<tr>
<th>Number of employees (full-time equivalent)</th>
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</thead>
<tbody>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>US</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of banking branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of automated teller machines (ATM)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

## MARKET RISK MEASURES - Non Trading Banking Activities

### Before-tax impact of 1% increase in rates on:

| Net interest income risk | 397 | 467 | 391 | 439 | 437 | 489 | 397 | 329 | 340 | 467 | 926 | 391 | 397 |

### Before-tax impact of 1% decrease in rates on:

| Net interest income risk | 358 | (318) | (303) | (311) | (311) | (346) | (322) | (240) | (212) | (318) | (657) | (303) | (322) |
| Economic value of equity | 568 | 406 | 446 | 375 | 337 | 387 | 405 | 426 | 374 | 406 | 724 | 446 | 405 |

1. Amounts represent the 12-month Net interest exposure to an instantaneous and sustained shift in interest rates.
<table>
<thead>
<tr>
<th>Net income interest</th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>5,420</td>
<td>5,450</td>
<td>5,391</td>
<td>5,349</td>
<td>5,132</td>
<td>5,276</td>
<td>5,201</td>
<td>5,356</td>
<td>5,073</td>
<td>10,870</td>
<td>10,408</td>
<td>21,148</td>
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<td>Interest expense</td>
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<td>1,990</td>
<td>2,540</td>
<td>1,957</td>
<td>1,910</td>
<td>1,992</td>
<td>2,027</td>
<td>2,083</td>
<td>2,063</td>
<td>3,061</td>
<td>3,902</td>
<td>7,899</td>
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<tr>
<td>Total</td>
<td>3,449</td>
<td>3,460</td>
<td>3,351</td>
<td>3,392</td>
<td>3,222</td>
<td>3,284</td>
<td>3,174</td>
<td>3,273</td>
<td>3,010</td>
<td>6,909</td>
<td>6,506</td>
<td>13,249</td>
</tr>
<tr>
<td>Non-interest income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Accounts</td>
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<td>278</td>
<td>273</td>
<td>272</td>
<td>279</td>
<td>263</td>
<td>254</td>
<td>551</td>
<td>544</td>
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<td>1,052</td>
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<td>Other payment</td>
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<td>89</td>
<td>90</td>
<td>88</td>
<td>82</td>
<td>82</td>
<td>83</td>
<td>79</td>
<td>177</td>
<td>164</td>
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<td>324</td>
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<td>Service charges</td>
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<td>368</td>
<td>361</td>
<td>354</td>
<td>362</td>
<td>347</td>
<td>333</td>
<td>728</td>
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<td>1,376</td>
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<td>Insurance premiums, investment and fee income</td>
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<td>561</td>
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<td>2,407</td>
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<td>3,911</td>
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<td>260</td>
<td>100</td>
<td>151</td>
<td>358</td>
<td>258</td>
<td>297</td>
<td>355</td>
<td>610</td>
<td>507</td>
<td>867</td>
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<td>Investment management and custodial fees</td>
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<td>718</td>
<td>663</td>
<td>637</td>
<td>605</td>
<td>609</td>
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<td>Underwriting and other advisory fees</td>
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<td>870</td>
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<td>200</td>
<td>186</td>
<td>175</td>
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<td>107</td>
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<td>94</td>
<td>110</td>
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<td>Share of (loss) profit in associates</td>
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<td>32</td>
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<td>35</td>
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<td>72</td>
<td>72</td>
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<td>95</td>
<td>32</td>
<td>236</td>
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<td>9,815</td>
<td>9,069</td>
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<td>Insurance policyholder benefits, claims and acquisition expense</td>
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<td>770</td>
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<tr>
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<td>574</td>
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<td>505</td>
<td>1,376</td>
<td>1,288</td>
<td>2,105</td>
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<tr>
<td>Net income from continuing operations</td>
<td>2,201</td>
<td>2,092</td>
<td>2,101</td>
<td>2,285</td>
<td>1,909</td>
<td>2,047</td>
<td>1,899</td>
<td>2,245</td>
<td>1,521</td>
<td>4,293</td>
<td>3,956</td>
<td>8,342</td>
</tr>
<tr>
<td>Net loss from discontinued operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(30)</td>
<td>-</td>
<td>-</td>
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</tr>
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## Revenue from Trading Activities

(Millions of Canadian dollars)

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## Gains (Losses) on Certain Market and Credit Related Items

(Millions of Canadian dollars)

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1 Effective Q2/14, we prospectively adopted the own credit provisions of IFRS 9 Financial Instruments with an initial application date of November 1, 2013. Changes in fair value in our financial liabilities designated as at fair value through profit or loss (FVTPL) attributable to changes in credit risk are now recorded in other comprehensive income. Prior periods were not restated. For further details, refer to our Q2 2014 Report to Shareholders, Accounting and control matters section and Note 2 of our Interim Condensed Consolidated Financial Statements.

2 Q1/14 comparative amount has been restated from previously disclosed.

3 Reported as Trading revenue.

4 Reported as Non-Interest Income - Other.
### NON-INTEREST EXPENSE

(Millions of Canadian dollars)

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<tr>
<td>Other</td>
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<td>336</td>
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<td>788</td>
<td>635</td>
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<td><strong>Total non-interest expense</strong></td>
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<td>4,151</td>
<td>3,991</td>
<td>4,009</td>
<td>4,043</td>
<td>3,854</td>
<td>3,586</td>
<td>3,533</td>
<td>8,707</td>
<td>8,052</td>
<td>16,194</td>
<td>14,473</td>
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</table>

1 Stock-based compensation includes the cost of stock options, stock appreciation rights, performance deferred shares, deferred compensation plans and the impact of related economic hedges.
**Income Statement**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q3/13</th>
<th>Q4/13</th>
<th>Q1/14</th>
<th>Q2/13</th>
<th>Q3/12</th>
<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td><strong>Net interest income</strong></td>
<td>2,378</td>
<td>2,443</td>
<td>2,405</td>
<td>2,445</td>
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<td>2,391</td>
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<td><strong>Non-interest expense</strong></td>
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<td>1,673</td>
<td>1,602</td>
<td>1,586</td>
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<td>1,501</td>
<td>1,416</td>
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<td>373</td>
<td>356</td>
<td>375</td>
<td>781</td>
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<tr>
<td><strong>Net income</strong></td>
<td>1,115</td>
<td>1,071</td>
<td>1,070</td>
<td>1,167</td>
<td>1,039</td>
<td>1,026</td>
<td>1,063</td>
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**Total revenue by business**

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<tr>
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</thead>
<tbody>
<tr>
<td>Personal Financial Services</td>
<td>1,780</td>
<td>1,805</td>
</tr>
<tr>
<td>Business Financial Services</td>
<td>737</td>
<td>758</td>
</tr>
<tr>
<td>Cards and Payment Solutions</td>
<td>576</td>
<td>615</td>
</tr>
<tr>
<td>Canadian Banking</td>
<td>3,053</td>
<td>3,178</td>
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<tr>
<td>Caribbean &amp; U.S. Banking</td>
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<td>Total</td>
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**Financial ratios**

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<th>Q4/13</th>
<th>Q1/14</th>
<th>Q2/13</th>
<th>Q3/12</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return on equity (ROE)</strong></td>
<td>30.5%</td>
<td>27.7%</td>
<td>27.5%</td>
<td>31.2%</td>
<td>29.5%</td>
<td>34.6%</td>
<td>32.6%</td>
<td>33.9%</td>
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<tr>
<td><strong>Return on risk capital (RORC)</strong></td>
<td>44.4%</td>
<td>40.3%</td>
<td>39.8%</td>
<td>45.7%</td>
<td>43.4%</td>
<td>50.1%</td>
<td>47.4%</td>
<td>48.8%</td>
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<tr>
<td><strong>Efficiency ratio</strong></td>
<td>47.5%</td>
<td>49.0%</td>
<td>48.4%</td>
<td>47.0%</td>
<td>47.9%</td>
<td>46.2%</td>
<td>47.2%</td>
<td>45.5%</td>
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<tr>
<td><strong>Operating leverage</strong></td>
<td>0.7%</td>
<td>0.6%</td>
<td>0.7%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.7%</td>
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**Average balances**

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<th>Q1/14</th>
<th>Q2/13</th>
<th>Q3/12</th>
<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td>Total assets</td>
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<td>365,000</td>
<td>362,600</td>
<td>359,300</td>
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<td>343,100</td>
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<td>347,300</td>
<td>345,200</td>
<td>342,300</td>
<td>339,300</td>
<td>327,400</td>
<td>324,900</td>
<td>319,500</td>
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<td>Deposits</td>
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<td>250,200</td>
<td>245,700</td>
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<td><strong>Risk capital</strong></td>
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<td>9,800</td>
<td>9,600</td>
<td>8,550</td>
<td>8,450</td>
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**Credit quality**

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<th>Q4/13</th>
<th>Q1/14</th>
<th>Q2/13</th>
<th>Q3/12</th>
<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td><strong>Gross impaired loans / Average net loans and acceptances</strong></td>
<td>0.55%</td>
<td>0.54%</td>
<td>0.54%</td>
<td>0.53%</td>
<td>0.55%</td>
<td>0.55%</td>
<td>0.59%</td>
<td>0.66%</td>
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<tr>
<td><strong>PCL / Average net loans and acceptances</strong></td>
<td>0.27%</td>
<td>0.31%</td>
<td>0.32%</td>
<td>0.28%</td>
<td>0.29%</td>
<td>0.29%</td>
<td>0.33%</td>
<td>0.36%</td>
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**Business information**

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<td>Assets under management</td>
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**Other earnings measures**

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<th>Q4/13</th>
<th>Q1/14</th>
<th>Q2/13</th>
<th>Q3/12</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>1,115</td>
<td>1,071</td>
<td>1,070</td>
<td>1,167</td>
<td>1,039</td>
<td>1,026</td>
<td>1,093</td>
<td>933</td>
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<tr>
<td><strong>Net write-offs / Average net loans and acceptances</strong></td>
<td>0.27%</td>
<td>0.26%</td>
<td>0.29%</td>
<td>0.28%</td>
<td>0.29%</td>
<td>0.26%</td>
<td>0.33%</td>
<td>0.36%</td>
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</table>

1 Reported results include Canadian Banking securitized residential mortgage and credit card loans and related amounts for income and provision for credit losses. As at Q2/14, the average securitized residential mortgage and credit card loans included were $52.7 billion and $3.3 billion, respectively. Securitized residential mortgages and credit card loans are included in Total assets, Total earnings, Loans and acceptances, Residential mortgage, Credit Cards.

2 Q3/12 results include a favourable mortgage prepayment adjustment of $125 million ($92 million after-tax) for Canadian Banking.

3 Canadian Banking AUA includes $32.2 billion (Q1/14 - $32.3 billion, Q2/13 - $35.8 billion) of securitized mortgages and credit card loans.
### Income Statement

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<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
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</thead>
<tbody>
<tr>
<td>Net interest income</td>
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<td>2,296</td>
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<td>Non-interest income</td>
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<td>Total revenue</td>
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<td>Income taxes</td>
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<td>Net income</td>
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### Total revenue by business

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<th>2013</th>
<th>2012</th>
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<td>Personal Financial Services</td>
<td>1,780</td>
<td>1,805</td>
<td>1,776</td>
<td>1,812</td>
</tr>
<tr>
<td>Business Financial Services</td>
<td>737</td>
<td>758</td>
<td>750</td>
<td>781</td>
</tr>
<tr>
<td>Cards and Payment Solutions</td>
<td>576</td>
<td>615</td>
<td>583</td>
<td>579</td>
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<tr>
<td>Total</td>
<td>3,093</td>
<td>3,178</td>
<td>3,109</td>
<td>3,172</td>
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### Financial ratios

<table>
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<th>2014</th>
<th>2013</th>
<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Return on equity (ROE)</td>
<td>37.7 %</td>
<td>36.7 %</td>
<td>34.4 %</td>
<td>37.9 %</td>
</tr>
<tr>
<td>Return on risk capital (RORC)</td>
<td>50.1 %</td>
<td>48.7 %</td>
<td>50.3 %</td>
<td>47.7 %</td>
</tr>
<tr>
<td>Net interest margin (average earning assets)</td>
<td>2.74 %</td>
<td>2.73 %</td>
<td>2.70 %</td>
<td>2.77 %</td>
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<tr>
<td>Efficiency ratio</td>
<td>45.0 %</td>
<td>43.7 %</td>
<td>45.0 %</td>
<td>44.6 %</td>
</tr>
<tr>
<td>Operating leverage</td>
<td>0.9 %</td>
<td>0.5 %</td>
<td>0.5 %</td>
<td>0.4 %</td>
</tr>
</tbody>
</table>

### Average balances

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>347,200</td>
<td>346,800</td>
<td>345,000</td>
<td>341,700</td>
</tr>
<tr>
<td>Total earning assets</td>
<td>334,900</td>
<td>334,200</td>
<td>333,200</td>
<td>332,900</td>
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<tr>
<td>Loans and acceptances</td>
<td>341,000</td>
<td>339,600</td>
<td>337,700</td>
<td>334,200</td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>184,700</td>
<td>183,000</td>
<td>179,500</td>
<td>175,500</td>
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<tr>
<td>Personal 1, 2, 3</td>
<td>84,900</td>
<td>84,900</td>
<td>85,000</td>
<td>85,300</td>
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<tr>
<td>Credit cards</td>
<td>13,700</td>
<td>14,000</td>
<td>13,800</td>
<td>13,600</td>
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<tr>
<td>Small business 3</td>
<td>4,500</td>
<td>4,400</td>
<td>4,200</td>
<td>4,100</td>
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<tr>
<td>Total Retail</td>
<td>287,800</td>
<td>287,700</td>
<td>286,000</td>
<td>282,500</td>
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<tr>
<td>Wholesale</td>
<td>53,200</td>
<td>51,900</td>
<td>51,700</td>
<td>51,700</td>
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<tr>
<td>Personal deposits</td>
<td>164,100</td>
<td>162,500</td>
<td>160,600</td>
<td>158,000</td>
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<tr>
<td>Business deposits</td>
<td>96,500</td>
<td>97,300</td>
<td>93,000</td>
<td>91,900</td>
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<tr>
<td>Total Retail</td>
<td>119,500</td>
<td>120,100</td>
<td>126,300</td>
<td>122,800</td>
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<tr>
<td>Risk capital</td>
<td>9,000</td>
<td>9,100</td>
<td>9,350</td>
<td>9,650</td>
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</table>

### Credit quality

- Gross impaired loans / Average net loans and acceptances: 0.36 %
- PCL / Average net loans and acceptances: 0.25 %
- Net write-offs / Average net loans and acceptances: 0.26 %

### Business information

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>198,400</td>
<td>189,200</td>
<td>183,600</td>
<td>177,300</td>
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<tr>
<td>Total loan assets</td>
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<td>164,500</td>
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<tr>
<td>Net income</td>
<td>1,110</td>
<td>1,137</td>
<td>1,087</td>
<td>1,151</td>
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<tr>
<td>Add: After-tax effect of amortization of other intangibles</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>-</td>
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<tr>
<td>Cash net income</td>
<td>1,113</td>
<td>1,140</td>
<td>1,089</td>
<td>1,154</td>
</tr>
<tr>
<td>Less: Capital charge</td>
<td>276</td>
<td>290</td>
<td>285</td>
<td>273</td>
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<tr>
<td>Economic profit</td>
<td>837</td>
<td>850</td>
<td>894</td>
<td>881</td>
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</tbody>
</table>

1. To be read in conjunction with the Personal & Commercial Banking page.
2. As at Q2/14, average personal secured loans was $62.3 billion and average personal unsecured loans was $22.6 billion. The loans are secured by securities, residential real estate, automotive assets and government guarantees.
3. During the period, we amended our presentation of certain loans and acceptances.
### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
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<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td>Net interest income</td>
<td>118</td>
<td>111</td>
<td>103</td>
<td>104</td>
<td>93</td>
<td>96</td>
<td>95</td>
<td>98</td>
<td>98</td>
<td>229</td>
<td>189</td>
<td>396</td>
</tr>
<tr>
<td>Fee-based revenue</td>
<td>997</td>
<td>1,017</td>
<td>910</td>
<td>890</td>
<td>835</td>
<td>828</td>
<td>786</td>
<td>742</td>
<td>732</td>
<td>2,014</td>
<td>1,663</td>
<td>3,463</td>
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<tr>
<td>Transactional and other revenue</td>
<td>422</td>
<td>399</td>
<td>373</td>
<td>374</td>
<td>401</td>
<td>391</td>
<td>380</td>
<td>339</td>
<td>370</td>
<td>821</td>
<td>760</td>
<td>1,539</td>
</tr>
<tr>
<td>U.S. Wealth accumulation plan gains/(losses)</td>
<td>17</td>
<td>8</td>
<td>29</td>
<td>19</td>
<td>16</td>
<td>16</td>
<td>25</td>
<td>17</td>
<td>(12)</td>
<td>19</td>
<td>25</td>
<td>41</td>
</tr>
<tr>
<td>Total revenue</td>
<td>1,554</td>
<td>1,536</td>
<td>1,415</td>
<td>1,387</td>
<td>1,345</td>
<td>1,340</td>
<td>1,261</td>
<td>1,167</td>
<td>1,219</td>
<td>3,089</td>
<td>2,685</td>
<td>5,487</td>
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<tr>
<td>Provision for credit losses (PCL)</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>19</td>
<td>61</td>
<td>1,048</td>
</tr>
<tr>
<td>Non-interest expense</td>
<td>1,158</td>
<td>1,175</td>
<td>1,061</td>
<td>1,046</td>
<td>1,020</td>
<td>1,007</td>
<td>961</td>
<td>949</td>
<td>932</td>
<td>2,333</td>
<td>2,027</td>
<td>4,134</td>
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<tr>
<td>U.S. Wealth accumulation plan gains/(losses)</td>
<td>15</td>
<td>16</td>
<td>28</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>14</td>
<td>(1)</td>
<td>12</td>
<td>31</td>
<td>39</td>
<td>85</td>
</tr>
<tr>
<td>Income tax</td>
<td>103</td>
<td>95</td>
<td>82</td>
<td>80</td>
<td>85</td>
<td>84</td>
<td>82</td>
<td>65</td>
<td>66</td>
<td>193</td>
<td>169</td>
<td>331</td>
</tr>
<tr>
<td>Net income</td>
<td>278</td>
<td>235</td>
<td>202</td>
<td>233</td>
<td>222</td>
<td>229</td>
<td>204</td>
<td>164</td>
<td>210</td>
<td>513</td>
<td>451</td>
<td>886</td>
</tr>
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</table>

### Total revenue by business

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Wealth Management</td>
<td>528</td>
<td>520</td>
<td>493</td>
</tr>
<tr>
<td>U.S. &amp; International Wealth Management</td>
<td>609</td>
<td>582</td>
<td>565</td>
</tr>
<tr>
<td>Global Asset Management</td>
<td>417</td>
<td>433</td>
<td>339</td>
</tr>
<tr>
<td>Total</td>
<td>1,554</td>
<td>1,535</td>
<td>1,415</td>
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</table>

### Financial ratios

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity (ROE)</td>
<td>20.2%</td>
<td>16.6%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Return on risk capital (ORIC)</td>
<td>73.4%</td>
<td>59.7%</td>
<td>48.6%</td>
</tr>
<tr>
<td>Pre-tax margin</td>
<td>24.5%</td>
<td>21.2%</td>
<td>20.1%</td>
</tr>
<tr>
<td>Average balances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>25,800</td>
<td>25,000</td>
<td>22,900</td>
</tr>
<tr>
<td>Loans and acceptances</td>
<td>15,700</td>
<td>14,600</td>
<td>13,400</td>
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<tr>
<td>Deposits</td>
<td>36,200</td>
<td>34,800</td>
<td>33,200</td>
</tr>
<tr>
<td>Total</td>
<td>72,700</td>
<td>69,800</td>
<td>65,400</td>
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### Credit quality

<table>
<thead>
<tr>
<th></th>
<th>0.07%</th>
<th>0.52%</th>
<th>0.72%</th>
<th>0.26%</th>
<th>0.02%</th>
<th>0.06%</th>
<th>0.06%</th>
<th>0.06%</th>
<th>0.03%</th>
<th>0.03%</th>
<th>0.07%</th>
<th>0.02%</th>
<th>0.79%</th>
<th>0.06%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross impaired loans / Average net loans and acceptances</td>
<td>0.00%</td>
<td>0.52%</td>
<td>1.25%</td>
<td>0.31%</td>
<td>0.02%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.04%</td>
<td>0.26%</td>
<td>0.01%</td>
<td>0.42%</td>
<td>0.01%</td>
</tr>
<tr>
<td>P/CCL / Average net loans and acceptances</td>
<td>1.62%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.01%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.01%</td>
</tr>
</tbody>
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### Business information

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Wealth Management</td>
<td>272,900</td>
<td>260,500</td>
<td>251,400</td>
</tr>
<tr>
<td>U.S. &amp; International Wealth Management</td>
<td>417,900</td>
<td>414,800</td>
<td>375,400</td>
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<tr>
<td>Total</td>
<td>690,800</td>
<td>675,300</td>
<td>626,800</td>
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</table>

### Other earnings measures

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>278</td>
<td>235</td>
<td>202</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Add: After-tax effect of amortization of other intangibles</td>
<td>17</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>295</td>
<td>255</td>
<td>219</td>
</tr>
<tr>
<td>Less: Capital charge</td>
<td>125</td>
<td>130</td>
<td>124</td>
</tr>
<tr>
<td>Economic profit</td>
<td>168</td>
<td>125</td>
<td>95</td>
</tr>
</tbody>
</table>

### (Millions of U.S. dollars)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>553</td>
<td>539</td>
<td>560</td>
</tr>
<tr>
<td>Assets under administration</td>
<td>381,300</td>
<td>372,400</td>
<td>371,900</td>
</tr>
</tbody>
</table>

---

1 Excludes U.S. Wealth accumulation plan gains/losses.
2 Gains (losses) on investments in mutual funds used as economic hedges included in revenue and related variability in market-linked compensation expense in our U.S. Wealth accumulation plan.
3 Excludes assets held by clients of Phillips, Hager & North Investment Management Ltd. for which we earn either a nominal or no management fee. Q2/14 AUM excludes $0.4 billion of these assets.
## Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net earned premiums</strong></td>
<td>926</td>
<td>953</td>
<td>926</td>
<td>941</td>
<td>894</td>
<td>913</td>
<td>914</td>
<td>902</td>
<td>932</td>
<td>1,879</td>
<td>1,807</td>
<td>3,674</td>
</tr>
<tr>
<td><strong>Investment income</strong></td>
<td>138</td>
<td>260</td>
<td>92</td>
<td>(439)</td>
<td>291</td>
<td>39</td>
<td>93</td>
<td>363</td>
<td>(59)</td>
<td>398</td>
<td>330</td>
<td>(17)</td>
</tr>
<tr>
<td><strong>Fee income</strong></td>
<td>61</td>
<td>69</td>
<td>82</td>
<td>59</td>
<td>61</td>
<td>69</td>
<td>91</td>
<td>58</td>
<td>53</td>
<td>130</td>
<td>136</td>
<td>271</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>1,125</td>
<td>1,282</td>
<td>1,100</td>
<td>561</td>
<td>1,246</td>
<td>1,021</td>
<td>1,098</td>
<td>1,323</td>
<td>926</td>
<td>2,407</td>
<td>2,267</td>
<td>3,928</td>
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<tr>
<td><strong>Insurance policyholder benefits and claims</strong></td>
<td>830</td>
<td>982</td>
<td>878</td>
<td>263</td>
<td>938</td>
<td>705</td>
<td>770</td>
<td>1,000</td>
<td>640</td>
<td>1,812</td>
<td>1,643</td>
<td>2,784</td>
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<tr>
<td><strong>Non-interest expense</strong></td>
<td>140</td>
<td>147</td>
<td>143</td>
<td>137</td>
<td>135</td>
<td>136</td>
<td>127</td>
<td>127</td>
<td>287</td>
<td>271</td>
<td>551</td>
<td>518</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>1 (4)</td>
<td>(28)</td>
<td>1</td>
<td>9</td>
<td>16</td>
<td>(2)</td>
<td>18</td>
<td>9</td>
<td>(3)</td>
<td>25</td>
<td>(2)</td>
<td>45</td>
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<tr>
<td><strong>Net income</strong></td>
<td>154</td>
<td>157</td>
<td>107</td>
<td>160</td>
<td>164</td>
<td>164</td>
<td>195</td>
<td>178</td>
<td>150</td>
<td>311</td>
<td>328</td>
<td>595</td>
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</table>

### Total revenue by business

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Canadian Insurance</strong></td>
<td>624</td>
<td>770</td>
<td>611</td>
</tr>
<tr>
<td><strong>International Insurance</strong></td>
<td>501</td>
<td>512</td>
<td>489</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,125</td>
<td>1,282</td>
<td>1,100</td>
</tr>
</tbody>
</table>

### Financial ratios

**Return on equity (ROE)**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return on risk capital (RORC)</strong></td>
<td>42.1%</td>
<td>40.5%</td>
<td>31.8%</td>
</tr>
</tbody>
</table>

### Average balances

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>11,500</td>
<td>11,600</td>
<td>11,600</td>
</tr>
<tr>
<td><strong>Risk capital</strong></td>
<td>1,350</td>
<td>1,350</td>
<td>1,150</td>
</tr>
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</table>

### Additional information

**Premiums and deposits**

<table>
<thead>
<tr>
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<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Premiums and deposits</strong></td>
<td>1,260</td>
<td>1,276</td>
<td>1,266</td>
</tr>
<tr>
<td><strong>Canadian Insurance</strong></td>
<td>592</td>
<td>575</td>
<td>605</td>
</tr>
<tr>
<td><strong>International Insurance</strong></td>
<td>668</td>
<td>701</td>
<td>661</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,125</td>
<td>1,282</td>
<td>1,100</td>
</tr>
</tbody>
</table>

**Fair value changes on investments backing policyholder liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fair value changes on investments backing policyholder liabilities</strong></td>
<td>18</td>
<td>123</td>
<td>(553)</td>
</tr>
<tr>
<td><strong>Risk capital</strong></td>
<td>1,350</td>
<td>1,350</td>
<td>1,150</td>
</tr>
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### Business information

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets under management</strong></td>
<td>600</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td><strong>Other earnings measures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>154</td>
<td>157</td>
<td>107</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Add: After-tax effect of amortization of other intangibles</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted net income</strong></td>
<td>154</td>
<td>157</td>
<td>107</td>
</tr>
<tr>
<td><strong>Less: Capital charge</strong></td>
<td>35</td>
<td>36</td>
<td>29</td>
</tr>
<tr>
<td><strong>Economic profit</strong></td>
<td>119</td>
<td>121</td>
<td>78</td>
</tr>
</tbody>
</table>

---

1. **Premiums and deposits** equals net earned premiums excluding the cost of premiums to other institutions for reinsurance coverage, plus segregated fund deposits.
2. Investment income can experience volatility arising from fluctuation in the fair value through profit or loss assets (FVTPL). The investments which support actuarial liabilities are predominantly fixed income assets designated as of FVTPL and consequently changes in fair values of these assets are recorded in insurance premiums, investment and fee income in the consolidated statements of income. Changes in fair values of these assets are largely offset by changes in the fair value of the actuarial liabilities, the impact of which is reflected in insurance policyholder benefits and claims.
3. **Q4/13 results** includes a charge of $160 million ($118 million after-tax) as a result of proposed legislation in Canada, which would affect the policyholders’ tax treatment of certain individual life insurance policies.
4. **Premiums and deposits** includes premiums on risk-based insurance and annuity products, and individual and group segregated fund deposits, consistent with insurance industry practices.
5. The revenue impact of the change in fair value on investments backing policyholder liabilities is reflected in insurance premiums, investment and fee income and largely offset in PBCAE.
## INVESTOR & TREASURY SERVICES
### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13 ¹</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12 ¹</th>
<th>Q2/12 ²</th>
<th>2014 6 months</th>
<th>2013 ²</th>
<th>2012 ³</th>
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<tr>
<td>Net interest income</td>
<td>184</td>
<td>183</td>
<td>165</td>
<td>169</td>
<td>162</td>
<td>175</td>
<td>173</td>
<td>135</td>
<td>144</td>
<td>367</td>
<td>337</td>
<td>612</td>
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<tr>
<td>Non-interest income</td>
<td>292</td>
<td>269</td>
<td>281</td>
<td>287</td>
<td>290</td>
<td>275</td>
<td>241</td>
<td>29</td>
<td>25</td>
<td>561</td>
<td>565</td>
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<tr>
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<td>476</td>
<td>452</td>
<td>446</td>
<td>456</td>
<td>452</td>
<td>450</td>
<td>414</td>
<td>164 (16)</td>
<td>164 (16)</td>
<td>592</td>
<td>902</td>
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<td>310</td>
<td>324</td>
<td>316</td>
<td>366</td>
<td>342</td>
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<td>25</td>
<td>20</td>
<td>30</td>
<td>75</td>
<td>50</td>
<td>117</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>112</td>
<td>106</td>
<td>91</td>
<td>104</td>
<td>65</td>
<td>79</td>
<td>71</td>
<td>69 (121)</td>
<td>218</td>
<td>218</td>
<td>144</td>
<td>339</td>
</tr>
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### Financial ratios

<p>| | | | | | | | | | | | | |</p>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Return on equity (ROE)</td>
<td>20.1%</td>
<td>19.7%</td>
<td>17.9%</td>
<td>19.3%</td>
<td>13.1%</td>
<td>15.3%</td>
<td>12.9%</td>
<td>19.2%</td>
<td>(33.3)%</td>
<td>19.9%</td>
<td>14.2%</td>
<td>16.5%</td>
</tr>
<tr>
<td>Return on risk capital (RORC)</td>
<td>26.6%</td>
<td>26.7%</td>
<td>25.0%</td>
<td>26.3%</td>
<td>18.8%</td>
<td>21.9%</td>
<td>17.5%</td>
<td>22.1%</td>
<td>(40.9)%</td>
<td>26.7%</td>
<td>23.1%</td>
<td>6.6%</td>
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### Average balances

<p>| | | | | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>92,100</td>
<td>93,100</td>
<td>82,000</td>
<td>86,000</td>
<td>84,600</td>
<td>79,800</td>
<td>81,400</td>
<td>60,000</td>
<td>60,300</td>
<td>92,600</td>
<td>82,200</td>
<td>83,100</td>
</tr>
<tr>
<td>Trading securities</td>
<td>38,900</td>
<td>39,800</td>
<td>34,300</td>
<td>33,500</td>
<td>28,600</td>
<td>24,200</td>
<td>23,100</td>
<td>23,200</td>
<td>23,300</td>
<td>39,400</td>
<td>26,300</td>
<td>30,200</td>
</tr>
<tr>
<td>Loans and acceptances</td>
<td>2,600</td>
<td>2,600</td>
<td>2,700</td>
<td>3,200</td>
<td>2,900</td>
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<td>2,600</td>
<td>1,200</td>
<td>1,200</td>
<td>2,600</td>
<td>2,700</td>
<td>2,900</td>
</tr>
<tr>
<td>Deposits</td>
<td>112,500</td>
<td>113,000</td>
<td>102,800</td>
<td>108,500</td>
<td>104,800</td>
<td>101,100</td>
<td>107,200</td>
<td>83,200</td>
<td>90,700</td>
<td>112,800</td>
<td>102,800</td>
<td>104,300</td>
</tr>
<tr>
<td>Attributed capital</td>
<td>2,200</td>
<td>2,050</td>
<td>1,950</td>
<td>2,050</td>
<td>1,950</td>
<td>1,950</td>
<td>2,100</td>
<td>1,400</td>
<td>1,500</td>
<td>2,150</td>
<td>2,150</td>
<td>2,150</td>
</tr>
<tr>
<td>Risk capital</td>
<td>1,650</td>
<td>1,550</td>
<td>1,400</td>
<td>1,500</td>
<td>1,350</td>
<td>1,350</td>
<td>1,550</td>
<td>1,200</td>
<td>1,250</td>
<td>1,600</td>
<td>1,350</td>
<td>1,400</td>
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</tbody>
</table>

### Business information

<p>| | | | | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets under administration ³</td>
<td>3,482,700</td>
<td>3,426,000</td>
<td>3,208,800</td>
<td>3,084,400</td>
<td>3,112,300</td>
<td>2,995,600</td>
<td>2,886,900</td>
<td>2,670,900</td>
<td>2,808,800</td>
<td>3,482,700</td>
<td>3,112,300</td>
<td>2,886,900</td>
</tr>
</tbody>
</table>

### Other earnings measures

<p>| | | | | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>112</td>
<td>106</td>
<td>91</td>
<td>104</td>
<td>65</td>
<td>79</td>
<td>71</td>
<td>69 (121)</td>
<td>112</td>
<td>111</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td>Non-controlling interests  (1)</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Add: After-tax effect of amortization of other intangibles and goodwill impairment</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>13</td>
<td>169</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>117</td>
<td>111</td>
<td>95</td>
<td>110</td>
<td>70</td>
<td>84</td>
<td>82</td>
<td>82 (48)</td>
<td>117</td>
<td>117</td>
<td>117</td>
<td>117</td>
</tr>
<tr>
<td>Loss: Capital charge</td>
<td>52</td>
<td>49</td>
<td>44</td>
<td>47</td>
<td>45</td>
<td>54</td>
<td>35</td>
<td>38</td>
<td>52</td>
<td>52</td>
<td>52</td>
<td>52</td>
</tr>
<tr>
<td>Economic profit (loss)</td>
<td>65</td>
<td>62</td>
<td>51</td>
<td>63</td>
<td>28</td>
<td>39</td>
<td>22</td>
<td>47</td>
<td>65</td>
<td>65</td>
<td>65</td>
<td>65</td>
</tr>
</tbody>
</table>

¹ Q2/13 results include a restructuring charge of $44 million ($31 million after-tax) related to our ongoing integration of RBC Investor Services.

² 2012 results reflect a loss related to our acquisition of the remaining 50% of RBC Dexia, renamed RBC Investor Services. For Q3/12, the loss was $12 million ($11 million after-tax) and the loss for Q2/12 was $212 million ($202 million after-tax).

³ RBC Investor Services (RBCIS) formerly RBC Dexia, AUA represents the total AUA of the entity, of which we had a 50% ownership interest prior to July 27, 2012.

2nd Quarter 2014 - Supplementary Financial Information
## CAPITAL MARKETS
(Millions of Canadian dollars, except percentage amounts)

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income (teb)</td>
<td>848</td>
<td>761</td>
<td>694</td>
<td>727</td>
<td>713</td>
<td>738</td>
<td>663</td>
<td>631</td>
<td>661</td>
<td>1,609</td>
<td>1,451</td>
<td>2,872</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>1,024</td>
<td>1,049</td>
<td>989</td>
<td>701</td>
<td>849</td>
<td>1,169</td>
<td>893</td>
<td>982</td>
<td>895</td>
<td>2,073</td>
<td>2,018</td>
<td>3,708</td>
</tr>
<tr>
<td>Total revenue (teb)</td>
<td>1,872</td>
<td>1,810</td>
<td>1,683</td>
<td>1,428</td>
<td>1,562</td>
<td>1,907</td>
<td>1,556</td>
<td>1,613</td>
<td>1,556</td>
<td>3,682</td>
<td>3,469</td>
<td>6,580</td>
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<tr>
<td>Provision for credit losses (PCL)</td>
<td>13</td>
<td>(2)</td>
<td>11</td>
<td>28</td>
<td>40</td>
<td>109</td>
<td>63</td>
<td>24</td>
<td>31</td>
<td>11</td>
<td>149</td>
<td>188</td>
</tr>
<tr>
<td>Income taxes</td>
<td>241</td>
<td>242</td>
<td>243</td>
<td>130</td>
<td>181</td>
<td>282</td>
<td>167</td>
<td>228</td>
<td>186</td>
<td>483</td>
<td>463</td>
<td>836</td>
</tr>
<tr>
<td>Net income</td>
<td>507</td>
<td>505</td>
<td>469</td>
<td>386</td>
<td>383</td>
<td>462</td>
<td>409</td>
<td>427</td>
<td>370</td>
<td>1,012</td>
<td>845</td>
<td>1,700</td>
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### Total revenue by business

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<thead>
<tr>
<th></th>
<th>6 months</th>
<th>6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and Investment Banking</td>
<td>800</td>
<td>826</td>
</tr>
<tr>
<td>Global Markets</td>
<td>1,071</td>
<td>989</td>
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<tr>
<td>Other</td>
<td>1</td>
<td>(5)</td>
</tr>
<tr>
<td>Total</td>
<td>1,872</td>
<td>1,810</td>
</tr>
</tbody>
</table>

### Financial ratios

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity (ROE)</td>
<td>14.5%</td>
<td>14.5%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Return on risk capital (RORC)</td>
<td>15.5%</td>
<td>15.6%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Total compensation to revenue</td>
<td>38.9%</td>
<td>41.4%</td>
<td>35.4%</td>
</tr>
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</table>

### Average balances

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>384,400</td>
<td>376,000</td>
<td>358,500</td>
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<tr>
<td>Trading securities</td>
<td>106,100</td>
<td>100,700</td>
<td>88,900</td>
</tr>
<tr>
<td>Loans and acceptances</td>
<td>63,800</td>
<td>60,600</td>
<td>54,800</td>
</tr>
<tr>
<td>Deposits</td>
<td>42,600</td>
<td>39,400</td>
<td>35,100</td>
</tr>
<tr>
<td>Risk capital</td>
<td>13,950</td>
<td>13,350</td>
<td>12,800</td>
</tr>
<tr>
<td>Attributed capital</td>
<td>13,500</td>
<td>13,050</td>
<td>12,050</td>
</tr>
<tr>
<td>Other</td>
<td>14</td>
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<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>380,100</td>
<td>371,000</td>
<td>356,100</td>
</tr>
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</table>

### Credit quality

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<th></th>
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<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross impaired loans / Average net loans and acceptances</td>
<td>0.09%</td>
<td>0.23%</td>
<td>0.40%</td>
</tr>
<tr>
<td>PCL / Average net loans and acceptances</td>
<td>0.08%</td>
<td>(0.01)%</td>
<td>0.08%</td>
</tr>
<tr>
<td>Net write-offs / Average net loans and acceptances</td>
<td>0.16%</td>
<td>0.21%</td>
<td>0.18%</td>
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### Business information

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<tr>
<th></th>
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<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Assets under administration</td>
<td>12,100</td>
<td>12,200</td>
<td>10,700</td>
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<tr>
<td>Other earnings measures</td>
<td>2014</td>
<td>2013</td>
<td>2012</td>
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<tr>
<td>Net income</td>
<td>507</td>
<td>505</td>
<td>469</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Add: After tax effect of amortization of other intangibles</td>
<td>1</td>
<td>(1)</td>
<td>1</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>507</td>
<td>505</td>
<td>469</td>
</tr>
<tr>
<td>Less: Capital charge</td>
<td>323</td>
<td>319</td>
<td>294</td>
</tr>
<tr>
<td>Economic profit (loss)</td>
<td>184</td>
<td>186</td>
<td>175</td>
</tr>
</tbody>
</table>

1 Total compensation to revenue ratio is calculated as total human resources non-interest expense / total revenue (teb) for Front Office personnel and for functional support teams (Technology, Operations, and Functions). Total human resources non-interest expense includes salary, benefits, stock based compensation, retention costs, and variable compensation.
<table>
<thead>
<tr>
<th>CORPORATE SUPPORT</th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>2014 6 months</th>
<th>2013 6 months</th>
<th>2013 6 months</th>
<th>2012 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Statement</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>(Millions of Canadian dollars)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-interest income</td>
<td>16</td>
<td>2</td>
<td>(17)</td>
<td>17</td>
<td>(19)</td>
<td>(13)</td>
<td>17</td>
<td>32</td>
<td>(29)</td>
<td>18</td>
<td>(32)</td>
<td>(32)</td>
<td>68</td>
</tr>
<tr>
<td>Total revenue (teb)</td>
<td>(63)</td>
<td>(36)</td>
<td>(33)</td>
<td>(36)</td>
<td>(35)</td>
<td>(52)</td>
<td>(41)</td>
<td>50</td>
<td>(87)</td>
<td>(99)</td>
<td>(87)</td>
<td>(156)</td>
<td>(116)</td>
</tr>
<tr>
<td>Provision for (recovery of) credit losses (PCL)</td>
<td>-</td>
<td>1</td>
<td>6</td>
<td>3</td>
<td>(5)</td>
<td>(1)</td>
<td>1</td>
<td>-</td>
<td>(6)</td>
<td>(1)</td>
<td>(6)</td>
<td>3</td>
<td>-</td>
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## DISCONTINUED OPERATIONS

(Millions of Canadian dollars, except percentage amounts)

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1 On March 2, 2012, we completed the sale of our U.S. regional retail banking operations to the PNC Financial Services Group, Inc. (PNC) announced on June 20, 2011. An estimated loss on sale of $304 million after-tax was recorded in Net loss from discontinued operations in our 2011 Consolidated Statement of Income. A reduction to loss on sale of $7 million after-tax was recorded in the first quarter of 2012. Upon closing of the sale, we revised our loss on sale to $294 million after tax. The difference of $3 million was recorded as a reduction to Net loss from discontinued operations in the second quarter of 2012.

We also had previously classified certain other U.S. regional banking assets as discontinued operations when announced on June 20, 2011, because we committed to selling them within a year. Certain of these assets which were not sold within the year were reclassified in the third quarter of 2012 to continuing operations in our Corporate Support segment. The assets are not material to our Personal & Commercial Banking or Corporate Support segments.

The results of the operations sold to PNC and certain other U.S. regional banking assets were reflected as discontinued operations on our Consolidated Balance Sheets beginning in the third quarter of 2011 and our Consolidated Statements of Income for all relevant periods.

2 This is a Basel II Pillar 3 disclosure requirement. Ratios have been calculated using guidelines issued by the U.S. Federal Reserve Board under Basel I. RBC Bank USA was sold and the sale transaction was completed in Q2/12.

3 This is a Basel II Pillar 3 disclosure requirement. Ratios have been calculated using guidelines issued by the U.S. Federal Reserve Board under Basel I. RBC Bank USA was sold and the sale transaction was completed in Q2/12.
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<td>Investments in joint ventures and associates</td>
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### SELECTED AVERAGE BALANCE SHEET ITEMS ³

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### STATEMENTS OF COMPREHENSIVE INCOME

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³ Calculated using methods intended to approximate the average of the daily balances for the period, as applicable.
² Average total loans are reported net of allowance for loan losses. Average retail and wholesale balances are reported on a gross basis (before deducting allowance for loan losses).
4 To be read in conjunction with the Segment pages.
## STATEMENTS OF CHANGES IN EQUITY
(Millions of Canadian dollars)

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<tr>
<td>Unrealized foreign currency translation gains and losses, net of hedging activities</td>
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<td>450</td>
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<td>181</td>
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<td>Gains and losses on derivatives designated as cash flow hedges</td>
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<td>147</td>
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<td>852</td>
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<td><strong>Total retained earnings and other components of equity</strong></td>
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<tr>
<td>49,690</td>
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<td>47,665</td>
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<td>44,226</td>
<td>43,160</td>
<td>42,267</td>
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<td>49,690</td>
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<td><strong>Non-controlling interests</strong></td>
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<tr>
<td>Balance at beginning of period</td>
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<td>1,795</td>
<td>1,757</td>
<td>1,772</td>
<td>1,764</td>
<td>1,717</td>
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<td>Net income attributable to Non-controlling interests</td>
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<td>Net change in unrealized gains (losses) on available-for-sale securities</td>
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<td>1,795</td>
<td>1,757</td>
<td>1,772</td>
<td>1,764</td>
<td>1,761</td>
<td>1,757</td>
<td>1,770</td>
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<tr>
<td><strong>Total equity</strong></td>
<td>51,483</td>
<td>51,515</td>
<td>49,460</td>
<td>48,185</td>
<td>46,707</td>
<td>45,990</td>
<td>44,921</td>
<td>44,024</td>
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## SECURITIZATION
(Millions of Canadian dollars)

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<thead>
<tr>
<th>Credit Card Loans</th>
<th>Q2/14</th>
<th>Q3/13</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>2013</th>
<th>2012</th>
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<td>1,180</td>
<td>533</td>
<td>1,180</td>
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<td>Reversal of prior securitizations</td>
<td>- (887)</td>
<td>- (524)</td>
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<td>-</td>
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<tr>
<td>Closing balance</td>
<td>8,340</td>
<td>7,380</td>
<td>7,371</td>
<td>6,139</td>
<td>4,923</td>
<td>3,930</td>
<td>8,340</td>
<td>7,380</td>
<td>7,160</td>
<td>7,371</td>
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<tbody>
<tr>
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<td>1,304</td>
<td>1,354</td>
<td>1,403</td>
<td>1,434</td>
<td>1,452</td>
<td>1,472</td>
<td>1,504</td>
<td>1,304</td>
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<td>1,531</td>
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<td>Amortization</td>
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<td>(27)</td>
<td>(18)</td>
<td>(32)</td>
<td>(49)</td>
<td>(31)</td>
<td>(18)</td>
<td>(20)</td>
<td>(32)</td>
<td>(66)</td>
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<td>1,302</td>
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<td>1,403</td>
<td>1,434</td>
<td>1,452</td>
<td>1,472</td>
<td>1,236</td>
<td>1,354</td>
<td>1,434</td>
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<table>
<thead>
<tr>
<th>Bond participation certificates - sold</th>
<th>Q2/14</th>
<th>Q3/13</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>629</td>
<td>624</td>
<td>632</td>
<td>650</td>
<td>661</td>
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<td>2</td>
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<td>(33)</td>
<td>(25)</td>
<td>(29)</td>
<td>(37)</td>
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<tr>
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<td>629</td>
<td>624</td>
<td>632</td>
<td>650</td>
<td>661</td>
<td>704</td>
<td>702</td>
<td>599</td>
<td>632</td>
<td>624</td>
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<td>6</td>
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<tr>
<td>Sold</td>
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<tr>
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<td>-</td>
<td>-</td>
<td>(4)</td>
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<tr>
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<tr>
<th>Discontinued Operations</th>
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<tbody>
<tr>
<td>U.S. Residential mortgages - sold</td>
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<tr>
<td>Opening balance</td>
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<tr>
<td>Other 2</td>
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<tr>
<td>Amortization</td>
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<td>-</td>
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<tr>
<td>Closing balance</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
</tbody>
</table>

1. Amounts include assets that we have securitized but continue to service.
2. Other primarily relates to foreign exchange translation gains and losses. For bond participation certificates, maturity of bonds is also included in this category.
### SECURITIZATION SUBJECT TO EARLY AMORTIZATION

#### SELLER'S INTEREST

(Millions of Canadian dollars)

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
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<tbody>
<tr>
<td><strong>Our financial assets</strong></td>
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</tr>
<tr>
<td>Credit cards</td>
<td>1,305</td>
<td>936</td>
<td>1,183</td>
<td>1,548</td>
<td>1,087</td>
<td>1,380</td>
<td>1,373</td>
<td>2,523</td>
<td>2,523</td>
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<tr>
<td>Total drawn</td>
<td>1,305</td>
<td>936</td>
<td>1,183</td>
<td>1,548</td>
<td>1,087</td>
<td>1,380</td>
<td>1,373</td>
<td>2,523</td>
<td>2,523</td>
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<tr>
<td>Capital charges drawn</td>
<td>53</td>
<td>36</td>
<td>45</td>
<td>60</td>
<td>43</td>
<td>56</td>
<td>56</td>
<td>104</td>
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<td>Capital charges undrawn</td>
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<td>84</td>
<td>85</td>
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<td>Credit card loans securitized</td>
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<tr>
<td>Past due</td>
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<td>50</td>
<td>50</td>
<td>61</td>
<td>62</td>
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<td>55</td>
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<td>41</td>
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### EXPOSURES SECURITIZED

(Millions of Canadian dollars)

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<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
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<td></td>
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</tr>
<tr>
<td>Credit cards</td>
<td>8,340</td>
<td>7,160</td>
<td>7,160</td>
<td>7,380</td>
<td>7,380</td>
<td>7,371</td>
<td>7,371</td>
<td>6,139</td>
<td>4,923</td>
</tr>
<tr>
<td>Commercial and residential mortgages</td>
<td>1,236</td>
<td>1,277</td>
<td>1,304</td>
<td>1,322</td>
<td>1,354</td>
<td>1,403</td>
<td>1,434</td>
<td>1,452</td>
<td>1,472</td>
</tr>
<tr>
<td>Bond participation certificates</td>
<td>599</td>
<td>629</td>
<td>624</td>
<td>634</td>
<td>632</td>
<td>650</td>
<td>661</td>
<td>704</td>
<td>702</td>
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<td>Total exposures securitized</td>
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<td>9,468</td>
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### OFF-BALANCE SHEET ARRANGEMENTS

#### OUTSTANDING SECURITIZED ASSETS

(Millions of Canadian dollars, except percentage amounts)

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<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
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<td><strong>Securitized average net exposures</strong></td>
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<tr>
<td>Auto loans and leases</td>
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<td>53</td>
<td>11,298</td>
<td>0.39%</td>
<td>53</td>
<td>11,298</td>
<td>0.39%</td>
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<td>Corporate loan receivables</td>
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<td>74</td>
<td>71</td>
<td>0.90%</td>
<td>74</td>
<td>71</td>
<td>0.90%</td>
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<td>Credit cards</td>
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<td>7,297</td>
<td>4.29%</td>
<td>11</td>
<td>6,866</td>
<td>4.43%</td>
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<td>&gt;100</td>
<td>1,592</td>
<td>0.33%</td>
<td>&gt;100</td>
<td>1,538</td>
<td>0.32%</td>
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<td>173</td>
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<td>Equipment receivables</td>
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<td>&gt;100</td>
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<td>0.15%</td>
<td>95</td>
<td>592</td>
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<td>97</td>
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<td>1,530</td>
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<td>-</td>
<td>1,530</td>
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<td>Student loans</td>
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<td>3,067</td>
<td>0.97%</td>
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<td>3,518</td>
<td>1.01%</td>
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<td>&gt;100</td>
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<td>0.24%</td>
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<td>Total off-balance sheet arrangements outstanding securitized assets</td>
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<td>30,782</td>
<td>30,172</td>
<td>30,356</td>
<td>29,656</td>
<td>28,969</td>
</tr>
</tbody>
</table>

---

1. Amounts reported are based on regulatory securitization reporting requirements as it includes our credit card loans. It excludes our Canadian residential mortgages under the National Housing Act MBS (NHA MBS) program, which also encompasses our Canadian social housing mortgages. These amounts differ from, and are not directly comparable to amounts reported in our Annual Report due to the differences between IFRS accounting and regulatory consolidation.  
2. Amounts represent credit card loans securitized greater than 90 days past due.  
3. Amounts are reported on a two-month lag.  
4. Average annual net loss rates reflect impaired/past due assets. In our conduit programs, our risk of loss is significantly reduced due to the presence of first loss credit protection provided by the sellers of the financial assets. This protection provides an average coverage multiple as disclosed above, representing the number of times the credit enhancement provided by others, would cover losses. Refer to our 2013 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.  
5. Average annual net loss rates reflect impaired/past due assets. In our conduit programs, our risk of loss is significantly reduced due to the presence of first loss credit protection provided by the sellers of the financial assets. This protection provides an average coverage multiple as disclosed above, representing the number of times the credit enhancement provided by others, would cover losses. Refer to our 2013 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.  
6. Average annual net loss rates reflect impaired/past due assets. In our conduit programs, our risk of loss is significantly reduced due to the presence of first loss credit protection provided by the sellers of the financial assets. This protection provides an average coverage multiple as disclosed above, representing the number of times the credit enhancement provided by others, would cover losses. Refer to our 2013 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.  
7. Average annual net loss rates reflect impaired/past due assets. In our conduit programs, our risk of loss is significantly reduced due to the presence of first loss credit protection provided by the sellers of the financial assets. This protection provides an average coverage multiple as disclosed above, representing the number of times the credit enhancement provided by others, would cover losses. Refer to our 2013 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.  
8. Average annual net loss rates reflect impaired/past due assets. In our conduit programs, our risk of loss is significantly reduced due to the presence of first loss credit protection provided by the sellers of the financial assets. This protection provides an average coverage multiple as disclosed above, representing the number of times the credit enhancement provided by others, would cover losses. Refer to our 2013 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.  
9. Average annual net loss rates reflect impaired/past due assets. In our conduit programs, our risk of loss is significantly reduced due to the presence of first loss credit protection provided by the sellers of the financial assets. This protection provides an average coverage multiple as disclosed above, representing the number of times the credit enhancement provided by others, would cover losses. Refer to our 2013 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.  
10. Average annual net loss rates reflect impaired/past due assets. In our conduit programs, our risk of loss is significantly reduced due to the presence of first loss credit protection provided by the sellers of the financial assets. This protection provides an average coverage multiple as disclosed above, representing the number of times the credit enhancement provided by others, would cover losses. Refer to our 2013 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.  
11. Average annual net loss rates reflect impaired/past due assets. In our conduit programs, our risk of loss is significantly reduced due to the presence of first loss credit protection provided by the sellers of the financial assets. This protection provides an average coverage multiple as disclosed above, representing the number of times the credit enhancement provided by others, would cover losses. Refer to our 2013 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.
### Securitization and Resecuritization Exposures Retained or Purchased

#### (Millions of Canadian dollars)

<table>
<thead>
<tr>
<th>Period</th>
<th>Banking Book</th>
<th>Trading Book</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/14</td>
<td>Q4/13</td>
<td>Q3/13</td>
</tr>
<tr>
<td>Asset-backed securities</td>
<td>2,291</td>
<td>2,200</td>
</tr>
<tr>
<td>Auto loans and leases</td>
<td>13,060</td>
<td>13,171</td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td>-343</td>
<td>-300</td>
</tr>
<tr>
<td>Credit cards</td>
<td>8,874</td>
<td>8,897</td>
</tr>
<tr>
<td>Dealer floor plan receivables</td>
<td>1,856</td>
<td>1,592</td>
</tr>
<tr>
<td>Equipment receivables</td>
<td>1,817</td>
<td>1,846</td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>2,979</td>
<td>2,340</td>
</tr>
<tr>
<td>Student loans</td>
<td>7,260</td>
<td>7,040</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>2,412</td>
<td>2,952</td>
</tr>
<tr>
<td>Other</td>
<td>2,316</td>
<td>2,373</td>
</tr>
<tr>
<td>Total securitization and resecuritization exposures retained or purchased</td>
<td>42,827</td>
<td>42,501</td>
</tr>
</tbody>
</table>

#### Retained or Purchased

<table>
<thead>
<tr>
<th>Period</th>
<th>Banking Book</th>
<th>Trading Book</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/14</td>
<td>Q4/13</td>
<td>Q3/13</td>
</tr>
</tbody>
</table>
| Amounts reported are based on the regulatory securitization reporting requirements. It includes our credit card loans. It excludes our Canadian residential mortgages under the NHA MBS program which also encompass our Canadian social housing mortgages. These amounts differ from, and are not directly comparable to amounts reported in our Report to Shareholders due to the differences between IFRS accounting and regulatory consolidation.

#### Capital Charges for Standardized approach deductions are net of ACL and partial write-offs. Capital charges for Rating based approach and internal assessment approach are gross of ACL and partial write-offs.
## Basel III Regulatory Capital and Ratios (All-in Basis)

**Millions of Canadian dollars, except percentage and otherwise noted**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common Equity Tier 1 capital: Instruments and Reserves</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus</td>
<td>14,644</td>
<td>14,663</td>
<td>14,607</td>
<td>14,518</td>
<td>14,596</td>
</tr>
<tr>
<td>2 Retained earnings</td>
<td>29,310</td>
<td>28,384</td>
<td>28,124</td>
<td>27,056</td>
<td>25,990</td>
</tr>
<tr>
<td>3 Accumulated other comprehensive income (and other reserves)</td>
<td>1,913</td>
<td>2,117</td>
<td>1,207</td>
<td>1,040</td>
<td>853</td>
</tr>
<tr>
<td>4 Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)</td>
<td>12</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td><strong>Common Equity Tier 1 capital before regulatory adjustments</strong></td>
<td>45,879</td>
<td>45,156</td>
<td>43,949</td>
<td>42,625</td>
<td>41,450</td>
</tr>
<tr>
<td><strong>Common Equity Tier 1 capital: Regulatory adjustments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Regulatory adjustment in respect of own use property</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8 Goodwill (net of related tax liability)</td>
<td>8,566</td>
<td>8,616</td>
<td>8,361</td>
<td>8,234</td>
<td>8,106</td>
</tr>
<tr>
<td>9 Other intangibles other than mortgage-servicing rights (net of related tax liability)</td>
<td>2,289</td>
<td>2,295</td>
<td>2,522</td>
<td>2,509</td>
<td>2,508</td>
</tr>
<tr>
<td>10 Deferred tax assets excluding those arising from temporary differences (net of related tax liability)</td>
<td>92</td>
<td>59</td>
<td>62</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>11 Cash flow hedge reserve</td>
<td>805</td>
<td>662</td>
<td>749</td>
<td>749</td>
<td>749</td>
</tr>
<tr>
<td>12 Shortfall of provisions to expected losses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Common Equity Tier 1 capital</strong></td>
<td>5,466</td>
<td>5,913</td>
<td>6,652</td>
<td>6,652</td>
<td>6,652</td>
</tr>
<tr>
<td><strong>Total regulatory adjustments to Common Equity Tier 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 Securitization gain on sale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14 Gains and losses due to changes in own credit risk on fair value liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>15 Defined benefit pension fund net assets (net of related tax liability)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16 Investments in own shares (if not already netted off paid-in capital on reported balance sheet)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>17 Reciprocal cross holdings in common equity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>18 Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Additional Tier 1 capital (AT1): Instruments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>31 of which: classified as equity under applicable accounting standards</td>
<td>500</td>
<td>500</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>32 of which: non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>33 Directly issued capital instruments subject to phase out from Additional Tier 1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)</td>
<td>5,466</td>
<td>5,913</td>
<td>6,652</td>
<td>6,652</td>
<td>6,652</td>
</tr>
<tr>
<td>35 of which: instruments issued by subsidiaries subject to phase out</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Additional Tier 1 capital before regulatory adjustments</strong></td>
<td>5,969</td>
<td>6,416</td>
<td>6,655</td>
<td>6,654</td>
<td>6,654</td>
</tr>
<tr>
<td><strong>Additional Tier 1 capital: Regulatory adjustments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36 Reciprocal cross holdings in Additional Tier 1 instruments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>37 Non-significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>38 Other deductions from Tier 1 capital as determined by OSFI</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>39 of which: reverse mortgages</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Additional Tier 1 Capital (AT1)</strong></td>
<td>5,969</td>
<td>6,416</td>
<td>6,655</td>
<td>6,654</td>
<td>6,654</td>
</tr>
<tr>
<td><strong>Tier 1 capital (T1 = CET1 + AT1)</strong></td>
<td>39,725</td>
<td>39,414</td>
<td>37,196</td>
<td>35,702</td>
<td>34,942</td>
</tr>
<tr>
<td><strong>Tier 2 Capital: Instruments and Provisions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 Directly issued qualifying Tier 2 instruments plus related stock surplus</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>41 Directly issued capital instruments subject to phase out from Tier 2</td>
<td>6,235</td>
<td>6,269</td>
<td>7,234</td>
<td>7,185</td>
<td>8,247</td>
</tr>
<tr>
<td>42 Tier 2 instruments and CET1 and AT1 instruments not included in rows 5 or 34 issued by subsidiaries and held by third parties (amount allowed in group Tier 2)</td>
<td>27</td>
<td>28</td>
<td>24</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>43 of which: instruments issued by subsidiaries subject to phase out</td>
<td>24</td>
<td>26</td>
<td>22</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>44 Collective allowances</td>
<td>250</td>
<td>267</td>
<td>252</td>
<td>268</td>
<td>312</td>
</tr>
<tr>
<td><strong>Tier 2 capital before regulatory adjustments</strong></td>
<td>6,512</td>
<td>6,964</td>
<td>7,520</td>
<td>7,478</td>
<td>8,585</td>
</tr>
<tr>
<td><strong>Tier 2 Capital: Regulatory adjustments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 Investments in own Tier 2 instruments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>46 Reciprocal cross holdings in Tier 2 instruments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>47 Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>48 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>49 Other deductions from Tier 2 capital</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Tier 2 capital</strong></td>
<td>6,512</td>
<td>6,964</td>
<td>7,520</td>
<td>7,478</td>
<td>8,585</td>
</tr>
<tr>
<td><strong>Total capital (TC = T1 + T2)</strong></td>
<td>46,237</td>
<td>46,379</td>
<td>44,716</td>
<td>43,180</td>
<td>43,527</td>
</tr>
</tbody>
</table>

**continued on next page**
### BASEL III REGULATORY CAPITAL AND RATIOS (ALL-IN BASIS): continued

(Millions of Canadian dollars, except percentage and otherwise noted)

<table>
<thead>
<tr>
<th>Capital ratios</th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>61 Common Equity Tier 1 (as percentage of risk-weighted assets)</td>
<td>9.7%</td>
<td>9.7%</td>
<td>9.6%</td>
<td>9.2%</td>
<td>9.1%</td>
</tr>
<tr>
<td>62 Tier 1 (as percentage of risk-weighted assets)</td>
<td>11.4%</td>
<td>11.5%</td>
<td>11.7%</td>
<td>11.3%</td>
<td>11.2%</td>
</tr>
<tr>
<td>63 Total capital (as percentage of risk-weighted assets)</td>
<td>13.2%</td>
<td>13.5%</td>
<td>14.0%</td>
<td>13.7%</td>
<td>14.0%</td>
</tr>
<tr>
<td>64 Institution-specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus G-SIB buffer requirement plus D-SIB buffer requirement expressed as a percentage of risk-weighted assets)</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>65 of which: capital conservation buffer requirement</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>66 not applicable</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>67 of which: G-SIB buffer requirement</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>67a of which: D-SIB buffer requirement</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>68 Common Equity Tier 1 available to meet buffers (as percentage of risk-weighted assets)</td>
<td>9.7%</td>
<td>9.7%</td>
<td>9.6%</td>
<td>9.2%</td>
<td>9.1%</td>
</tr>
<tr>
<td>69 Tier 1 capital all-in target ratio</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>70 Total capital all-in target ratio</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>71 Assets-to-capital multiple</td>
<td>17.5X</td>
<td>17.6X</td>
<td>16.6X</td>
<td>16.8X</td>
<td>16.6X</td>
</tr>
<tr>
<td>72 Gross-adjusted assets ($ billions)</td>
<td>849.8</td>
<td>850.8</td>
<td>807.0</td>
<td>792.0</td>
<td>788.7</td>
</tr>
</tbody>
</table>

**OSFI all-in target**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>69 Common Equity Tier 1 all-in target ratio</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>70 Tier 1 capital all-in target ratio</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>71 Total capital all-in target ratio</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

**Amounts below the thresholds for deduction (before risk-weighting)**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>72 Non-significant investments in the capital of other financials</td>
<td>335</td>
<td>1,058</td>
<td>571</td>
<td>1,756</td>
<td>737</td>
</tr>
<tr>
<td>73 Significant investments in the common stock of financials</td>
<td>2,687</td>
<td>2,769</td>
<td>2,747</td>
<td>2,797</td>
<td>2,745</td>
</tr>
<tr>
<td>74 Mortgage servicing rights (net of related tax liability)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>75 Deferred tax assets arising from temporary differences (net of related tax liability)</td>
<td>2,286</td>
<td>2,181</td>
<td>1,835</td>
<td>1,560</td>
<td>1,498</td>
</tr>
</tbody>
</table>

**Applicable caps on the inclusion of allowances in Tier 2**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>76 Allowances eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)</td>
<td>250</td>
<td>267</td>
<td>262</td>
<td>268</td>
<td>312</td>
</tr>
<tr>
<td>77 Cap on inclusion of allowances in Tier 2 under standardised approach</td>
<td>250</td>
<td>267</td>
<td>262</td>
<td>268</td>
<td>312</td>
</tr>
<tr>
<td>78 Allowances eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)</td>
<td>1,580</td>
<td>1,586</td>
<td>1,549</td>
<td>1,528</td>
<td>1,477</td>
</tr>
<tr>
<td>79 Cap on inclusion of allowances in Tier 2 under internal ratings-based approach</td>
<td>1,580</td>
<td>1,586</td>
<td>1,549</td>
<td>1,528</td>
<td>1,477</td>
</tr>
</tbody>
</table>

**Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 Current cap on CET1 instruments subject to phase out arrangements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>81 Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>82 Current cap on AT1 instruments subject to phase out arrangements</td>
<td>5,913</td>
<td>5,913</td>
<td>6,652</td>
<td>6,652</td>
<td>6,652</td>
</tr>
<tr>
<td>83 Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)</td>
<td>-</td>
<td>387</td>
<td>583</td>
<td>547</td>
<td>776</td>
</tr>
<tr>
<td>84 Current cap on T2 instruments subject to phase out arrangements</td>
<td>7,352</td>
<td>7,352</td>
<td>8,271</td>
<td>8,271</td>
<td>8,271</td>
</tr>
<tr>
<td>85 Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>52</td>
</tr>
</tbody>
</table>

**ASSETS TO CAPITAL MULTIPLE (GROSS ADJUSTED ASSETS OVER TRADITIONAL TOTAL CAPITAL)**

(Millions of Canadian dollars, except multiples and otherwise noted)

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets-to-capital multiple</td>
<td>17.5X</td>
<td>17.6X</td>
<td>16.6X</td>
<td>16.8X</td>
<td>16.6X</td>
</tr>
<tr>
<td>Gross-adjusted assets ($ billions)</td>
<td>849.8</td>
<td>850.8</td>
<td>807.0</td>
<td>792.0</td>
<td>788.7</td>
</tr>
</tbody>
</table>

**BASEL III REGULATORY CAPITAL AND RATIOS (TRANSITIONAL BASIS)**

(Millions of Canadian dollars, except percentage and otherwise noted)

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>60 Common Equity Tier 1 capital (CET1)</td>
<td>42,254</td>
<td>41,921</td>
<td>41,543</td>
<td>40,161</td>
<td>39,330</td>
</tr>
<tr>
<td>65 Tier 1 capital (T1 = CET1 + AT1)</td>
<td>42,254</td>
<td>41,921</td>
<td>41,543</td>
<td>40,161</td>
<td>39,330</td>
</tr>
<tr>
<td>66 Total capital (TC = T1 + T2)</td>
<td>48,442</td>
<td>48,206</td>
<td>48,568</td>
<td>47,085</td>
<td>47,410</td>
</tr>
<tr>
<td>67 Total risk-weighted assets</td>
<td>359,383</td>
<td>357,263</td>
<td>348,238</td>
<td>332,863</td>
<td>325,651</td>
</tr>
<tr>
<td>69 Common Equity Tier 1 (as percentage of risk-weighted assets)</td>
<td>11.8%</td>
<td>11.7%</td>
<td>11.9%</td>
<td>12.1%</td>
<td>12.1%</td>
</tr>
<tr>
<td>70 Tier 1 (as percentage of risk-weighted assets)</td>
<td>11.8%</td>
<td>11.7%</td>
<td>11.9%</td>
<td>12.1%</td>
<td>12.1%</td>
</tr>
<tr>
<td>71 Total capital (as percentage of risk-weighted assets)</td>
<td>13.5%</td>
<td>13.5%</td>
<td>13.9%</td>
<td>14.2%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

1 The reduction of the Amounts excluded from AT1 due to cap is as a result of the redemption of $212.5 million of preferred shares Series AH in Q3/13, the redemption of $900 million of innovative instruments in Q1/14 and the redemption of $850 million of preferred shares in Q2/14.

2 The reduction of the Amounts excluded from T2 due to cap is as a result of the redemption of $1 billion of subordinated debentures Tier 2 capital instruments in Q2/13.

---

2nd Quarter 2014 - Supplementary Financial Information
ROYAL BANK OF CANADA
## REGULATORY CAPITAL BALANCE SHEET
(Millions of Canadian dollars)

### Balance sheet as in Report to Shareholders vs Under regulatory scope of consolidation

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
<th>Q2/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and due from banks</td>
<td>15,879</td>
<td>15,879</td>
</tr>
<tr>
<td>Interest-bearing deposits with banks</td>
<td>5,210</td>
<td>5,210</td>
</tr>
<tr>
<td>Securities</td>
<td>191,481</td>
<td>183,536</td>
</tr>
<tr>
<td>Assets purchased under reverse repurchase agreements and securities borrowed</td>
<td>133,981</td>
<td>133,981</td>
</tr>
<tr>
<td>Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>324,142</td>
<td>324,142</td>
</tr>
<tr>
<td>Wholesale</td>
<td>56,177</td>
<td>98,053</td>
</tr>
<tr>
<td>Allowance for loan losses</td>
<td>(1,883)</td>
<td>(1,883)</td>
</tr>
<tr>
<td>Segregated fund net assets</td>
<td>593</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer's liability under acceptances</td>
<td>10,911</td>
<td>10,911</td>
</tr>
<tr>
<td>Derivatives</td>
<td>72,633</td>
<td>72,684</td>
</tr>
<tr>
<td>Premises and equipment, net</td>
<td>2,603</td>
<td>2,593</td>
</tr>
<tr>
<td>Goodwill</td>
<td>8,566</td>
<td>8,566</td>
</tr>
<tr>
<td>Other intangibles</td>
<td>2,802</td>
<td>2,772</td>
</tr>
<tr>
<td>Investments in joint ventures and associates</td>
<td>273</td>
<td>273</td>
</tr>
<tr>
<td>Investments in insurance subsidiaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefit assets</td>
<td>299</td>
<td>299</td>
</tr>
<tr>
<td>Other assets</td>
<td>29,226</td>
<td>27,003</td>
</tr>
<tr>
<td>Total assets</td>
<td>895,893</td>
<td>886,730</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th>Q2/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td>202,670</td>
<td>202,670</td>
</tr>
<tr>
<td>Business and government</td>
<td>365,369</td>
<td>365,584</td>
</tr>
<tr>
<td>Bank</td>
<td>19,083</td>
<td>19,083</td>
</tr>
<tr>
<td>Segregated fund liabilities</td>
<td>593</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptances</td>
<td>10,911</td>
<td>10,911</td>
</tr>
<tr>
<td>Obligations related to securities sold short</td>
<td>50,423</td>
<td>50,423</td>
</tr>
<tr>
<td>Obligations related to assets sold under repurchase agreements and securities loaned</td>
<td>63,790</td>
<td>63,790</td>
</tr>
<tr>
<td>Derivatives</td>
<td>73,206</td>
<td>73,206</td>
</tr>
<tr>
<td>Insurance claims and policy benefit liabilities</td>
<td>8,163</td>
<td>-</td>
</tr>
<tr>
<td>Employee benefit liabilities</td>
<td>2,034</td>
<td>2,006</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>41,192</td>
<td>40,604</td>
</tr>
<tr>
<td>Subordinated debentures</td>
<td>6,486</td>
<td>6,486</td>
</tr>
<tr>
<td>Preferred share liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>490</td>
<td>490</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>844,410</td>
<td>835,253</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity attributable to shareholders</th>
<th></th>
<th>Q2/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred shares</td>
<td>3,750</td>
<td>3,750</td>
</tr>
<tr>
<td>Common shares</td>
<td>14,458</td>
<td>14,458</td>
</tr>
<tr>
<td>Treasury shares - preferred - common</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>29,496</td>
<td>29,511</td>
</tr>
<tr>
<td>Other components of equity</td>
<td>1,913</td>
<td>1,892</td>
</tr>
<tr>
<td>Total equity</td>
<td>40,696</td>
<td>40,684</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>1,793</td>
<td>1,793</td>
</tr>
<tr>
<td>Total equity</td>
<td>42,489</td>
<td>42,477</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>895,893</td>
<td>886,730</td>
</tr>
</tbody>
</table>

### Insurance subsidiaries ¹

<table>
<thead>
<tr>
<th>Insurance subsidiaries</th>
<th>Principal activities</th>
<th>Equity</th>
<th>Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>RBC Reinsurance (Ireland) Limited</td>
<td>Incorporated in Ireland to provide reinsurance to international clients</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>Assured Assistance Inc.</td>
<td>Service provider for Insurance claims</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>RBC General Insurance Company</td>
<td>Property and casualty insurance company</td>
<td></td>
<td>297</td>
</tr>
<tr>
<td>RBC Insurance Services Inc.</td>
<td>Service provider for insurance companies listed and the bank (creditor)</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>RBC Life Insurance Company</td>
<td>Life and health insurance company</td>
<td></td>
<td>1,425</td>
</tr>
<tr>
<td>RBC Insurance Company of Canada</td>
<td>Property and casualty insurance company</td>
<td></td>
<td>120</td>
</tr>
<tr>
<td>RBC Insurance Holdings Inc.</td>
<td>Holding company</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Royal Bank of Canada Insurance Company Limited</td>
<td>Life, annuity, trade credit, title and property reinsurance company provides coverage to international clients</td>
<td>841</td>
<td>745</td>
</tr>
</tbody>
</table>

¹ The list of legal entities that are included within the accounting scope of consolidation but excluded from the regulatory scope of consolidation.

---

2nd Quarter 2014 - Supplementary Financial Information

ROYAL BANK OF CANADA
# REGULATORY CAPITAL BALANCE SHEET

(Millions of Canadian dollars)

<table>
<thead>
<tr>
<th>Assets</th>
<th>2014 Q2</th>
<th>2014 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and due from banks</strong></td>
<td>15,879</td>
<td>15,879</td>
</tr>
<tr>
<td><strong>Interest-bearing deposits with banks</strong></td>
<td>5,210</td>
<td>5,210</td>
</tr>
<tr>
<td><strong>Securities</strong></td>
<td>191,481</td>
<td>183,536</td>
</tr>
<tr>
<td><strong>Non-significant investments in capital of other financial institutions reflected in regulatory capital</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other securities</strong></td>
<td>133,981</td>
<td>133,981</td>
</tr>
<tr>
<td><strong>Assets purchased under reverse repurchase agreements and securities borrowed</strong></td>
<td>133,981</td>
<td>133,981</td>
</tr>
<tr>
<td><strong>Loans</strong></td>
<td>324,142</td>
<td>324,142</td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>99,177</td>
<td>98,053</td>
</tr>
<tr>
<td><strong>Allowance for loan losses</strong></td>
<td>(1,883)</td>
<td>(1,883)</td>
</tr>
<tr>
<td><strong>Collective allowance reflected in Tier 2 regulatory capital</strong></td>
<td>i</td>
<td>(250)</td>
</tr>
<tr>
<td><strong>Shortfall of allowances to expected loss</strong></td>
<td>(805)</td>
<td></td>
</tr>
<tr>
<td><strong>Allowances not reflected in regulatory capital</strong></td>
<td>(829)</td>
<td></td>
</tr>
<tr>
<td><strong>Segregated fund net assets</strong></td>
<td>593</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>10,911</td>
<td>10,911</td>
</tr>
<tr>
<td><strong>Premises and equipment, net</strong></td>
<td>72,633</td>
<td>72,684</td>
</tr>
<tr>
<td><strong>Goodwill</strong></td>
<td>2,802</td>
<td>2,802</td>
</tr>
<tr>
<td><strong>of which relates to insurance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other intangibles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Deferred tax assets excluding those arising from temporary differences</strong></td>
<td>g</td>
<td>52</td>
</tr>
<tr>
<td><strong>Deferred tax assets arising from temporary differences exceeding regulatory thresholds</strong></td>
<td>o</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred tax liabilities related to permitted tax netting</strong></td>
<td></td>
<td>(348)</td>
</tr>
<tr>
<td><strong>Deferred tax assets - other temporary differences</strong></td>
<td></td>
<td>2,285</td>
</tr>
<tr>
<td><strong>Defined-benefit pension fund net assets</strong></td>
<td>k</td>
<td>299</td>
</tr>
<tr>
<td><strong>Significant investments in other financial institutions and insurance subsidiaries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Significant investments exceeding regulatory thresholds</strong></td>
<td>n</td>
<td>2,708</td>
</tr>
<tr>
<td><strong>Defined-benefit pension fund net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Significant investments in other financial institutions included in Other Assets but reported above</strong></td>
<td></td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Significant investments in other financial institutions included in Other Assets but reported above</strong></td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>29,226</td>
<td>27,002</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>895,893</td>
<td>886,730</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Q2/14</td>
<td>Q2/14</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Deposits</td>
<td>202,670</td>
<td>202,670</td>
</tr>
<tr>
<td>Personal</td>
<td>365,369</td>
<td>365,584</td>
</tr>
<tr>
<td>Business and government</td>
<td>19,083</td>
<td>19,083</td>
</tr>
<tr>
<td>Bank</td>
<td>587,122</td>
<td>587,337</td>
</tr>
<tr>
<td>Segregated fund liabilities</td>
<td>593</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
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<td>63,790</td>
</tr>
<tr>
<td>Derivatives</td>
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<td>73,206</td>
</tr>
<tr>
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<td>8,006</td>
</tr>
<tr>
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<td>2,034</td>
<td>2,006</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>41,192</td>
<td>40,604</td>
</tr>
<tr>
<td>Gains and losses due to changes in own credit risk on fair value liabilities</td>
<td>j</td>
<td>24</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>w</td>
<td>225</td>
</tr>
<tr>
<td>related to goodwill</td>
<td>x</td>
<td>513</td>
</tr>
<tr>
<td>related to intangibles</td>
<td>y</td>
<td>4</td>
</tr>
<tr>
<td>related to pensions</td>
<td>z</td>
<td>56</td>
</tr>
<tr>
<td>related to permitted tax netting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other deferred tax liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>related to goodwill</td>
<td></td>
<td></td>
</tr>
<tr>
<td>related to intangibles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>related to pensions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>related to permitted tax netting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other deferred tax liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulatory capital amortization of maturing debentures</td>
<td>r</td>
<td>6,486</td>
</tr>
<tr>
<td>Subordinated debentures</td>
<td>r'</td>
<td>227</td>
</tr>
<tr>
<td>Subordinated debentures not allowed for regulatory capital</td>
<td>r''</td>
<td>6,259</td>
</tr>
<tr>
<td>Subordinated debentures used for regulatory capital</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which: are qualifying</td>
<td>r'''</td>
<td>6,235</td>
</tr>
<tr>
<td>of which: are subject to phase out directly issued capital:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>of which: are subject to phase out issued by subsidiaries and held by 3rd party</td>
<td>r'''</td>
<td>24</td>
</tr>
<tr>
<td>Preferred shares liabilities</td>
<td>u</td>
<td>500</td>
</tr>
<tr>
<td>related to issuance costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>844,410</td>
<td>835,253</td>
</tr>
<tr>
<td>Equity attributable to shareholders</td>
<td>49,690</td>
<td>49,684</td>
</tr>
<tr>
<td>Common shares</td>
<td>a</td>
<td>14,458</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>a'</td>
<td>14,458</td>
</tr>
<tr>
<td>of which relates to contributed surplus</td>
<td>28,496</td>
<td>29,511</td>
</tr>
<tr>
<td>of which relates to retained earning for capital purposes</td>
<td>-</td>
<td>186</td>
</tr>
<tr>
<td>of which portion are not allowed for regulatory capital</td>
<td>b</td>
<td>29,310</td>
</tr>
<tr>
<td>of which portion are qualifying</td>
<td>c</td>
<td>1,913</td>
</tr>
<tr>
<td>of which: are subject to phase out</td>
<td>h</td>
<td>1,892</td>
</tr>
<tr>
<td>of which portion are not allowed for regulatory capital</td>
<td>-</td>
<td>92</td>
</tr>
<tr>
<td>of which: are subject to phase out</td>
<td>c'</td>
<td>Unrealized foreign currency translation gains and losses, net of hedging activities</td>
</tr>
<tr>
<td>Preferred shares</td>
<td>p</td>
<td>3,750</td>
</tr>
<tr>
<td>of which: are qualifying</td>
<td>p'</td>
<td>3,750</td>
</tr>
<tr>
<td>of which: are subject to phase out</td>
<td>p''</td>
<td>-</td>
</tr>
<tr>
<td>of which portion are not allowed for regulatory capital</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Treasury shares - preferred - phase-out</td>
<td>73</td>
<td>1,793</td>
</tr>
<tr>
<td>Treasury shares - Common</td>
<td>z</td>
<td>1,793</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which: are qualifying</td>
<td></td>
<td></td>
</tr>
<tr>
<td>portion allowed for inclusion into CET1</td>
<td>d</td>
<td>12</td>
</tr>
<tr>
<td>portion allowed for inclusion into Tier 1 capital</td>
<td>q</td>
<td>3</td>
</tr>
<tr>
<td>portion allowed for inclusion into Tier 2 capital</td>
<td>s</td>
<td>3</td>
</tr>
<tr>
<td>of which: are subject to phase out</td>
<td>z'</td>
<td>1,716</td>
</tr>
<tr>
<td>of which: portion not allowed for regulatory capital</td>
<td>z''</td>
<td>49</td>
</tr>
<tr>
<td>Total equity</td>
<td>51,483</td>
<td>51,477</td>
</tr>
<tr>
<td>Total liabilities and equity</td>
<td>895,893</td>
<td>886,730</td>
</tr>
<tr>
<td>Common Equity Tier 1 Capital: Instruments and Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>1 Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus</td>
<td>a+a'</td>
<td></td>
</tr>
<tr>
<td>2 Retained earnings</td>
<td>b</td>
<td></td>
</tr>
<tr>
<td>3 Accumulated other comprehensive income (and other reserves)</td>
<td>c-c'</td>
<td></td>
</tr>
<tr>
<td>4 Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</td>
<td>d</td>
<td></td>
</tr>
<tr>
<td>5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)</td>
<td>e</td>
<td></td>
</tr>
<tr>
<td>6 Common Equity Tier 1 capital before regulatory adjustments</td>
<td>45,879</td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Common Equity Tier 1 capital: Regulatory adjustments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7 Regulatory adjustment in respect of own use property</td>
<td>-</td>
</tr>
<tr>
<td>8 Goodwill (net of related tax liability)</td>
<td>e-w</td>
</tr>
<tr>
<td>9 Intangibles other than mortgage-servicing rights (net of related tax liability)</td>
<td>f-x</td>
</tr>
<tr>
<td>10 Deferred tax assets excluding those arising from temporary differences (net of related tax liability)</td>
<td>q</td>
</tr>
<tr>
<td>11 Gains and losses on derivatives designated as cash flow hedges</td>
<td>h</td>
</tr>
<tr>
<td>12 Shortfall of provisions to expected losses</td>
<td>i</td>
</tr>
<tr>
<td>13 Securitization gain on sale</td>
<td>j</td>
</tr>
<tr>
<td>14 Gains and losses due to changes in own credit risk on fair valued liabilities</td>
<td>k-y</td>
</tr>
<tr>
<td>15 Defined benefit pension fund net assets (net of related tax liability)</td>
<td>u</td>
</tr>
<tr>
<td>16 Investments in own shares (if not already netted off paid-in capital on reported balance sheet)</td>
<td>v-w</td>
</tr>
<tr>
<td>17 Reciprocal cross holdings in common equity</td>
<td>-</td>
</tr>
<tr>
<td>18 Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)</td>
<td>-</td>
</tr>
<tr>
<td>19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)</td>
<td>m</td>
</tr>
<tr>
<td>20 Mortgage servicing rights (amount above 10% threshold)</td>
<td>-</td>
</tr>
<tr>
<td>21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)</td>
<td>-</td>
</tr>
<tr>
<td>22 Amount exceeding the 15% threshold</td>
<td>-</td>
</tr>
<tr>
<td>23 of which: significant investments in the common stock of financials</td>
<td>n</td>
</tr>
<tr>
<td>24 of which: mortgage servicing rights</td>
<td>o</td>
</tr>
</tbody>
</table>
| 25 of which: deferred tax assets arising from temporary differences | p-)
| 26 Other deductions or regulatory adjustments to CET1 as determined by OSFI | q |
| 27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | r |
| 28 Total regulatory adjustments to Common Equity Tier 1 | 12,123 |
| 29 Common Equity Tier 1 capital (CET1) | 33,756 |

<table>
<thead>
<tr>
<th>Additional Tier 1 capital: Instruments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus</td>
<td>u</td>
</tr>
<tr>
<td>31 of which: classified as equity under applicable accounting standards</td>
<td>500</td>
</tr>
<tr>
<td>32 of which: classified as liabilities under applicable accounting standards</td>
<td>u+v-w+x+y+z</td>
</tr>
<tr>
<td>33 Directly issued capital instruments subject to phase out from Additional Tier 1</td>
<td>u+v-w+x+y+z</td>
</tr>
<tr>
<td>34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)</td>
<td>q</td>
</tr>
<tr>
<td>35 of which: instruments issued by subsidiaries subject to phase out</td>
<td>r</td>
</tr>
<tr>
<td>36 Additional Tier 1 capital before regulatory adjustments</td>
<td>5,069</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Tier 1 capital: Regulatory adjustments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>37 Investments in own Additional Tier 1 instruments</td>
<td>-</td>
</tr>
<tr>
<td>38 Reciprocal cross holdings in Additional Tier 1 instruments</td>
<td>-</td>
</tr>
<tr>
<td>39 Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)</td>
<td>-</td>
</tr>
<tr>
<td>40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions</td>
<td>-</td>
</tr>
<tr>
<td>41 Other deductions from Tier 1 capital as determined by OSFI</td>
<td>-</td>
</tr>
<tr>
<td>41a of which: reverse mortgages</td>
<td>-</td>
</tr>
<tr>
<td>41b of which: valuation adjustment for less liquid positions</td>
<td>-</td>
</tr>
<tr>
<td>42 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions</td>
<td>-</td>
</tr>
<tr>
<td>43 Total regulatory adjustments to Additional Tier 1 capital</td>
<td>-</td>
</tr>
<tr>
<td>44 Additional Tier 1 Capital (AT1)</td>
<td>5,969</td>
</tr>
<tr>
<td>45 Tier 1 capital (T1 = CET1 + AT1)</td>
<td>39,725</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>46 Directly issued qualifying Tier 2 instruments plus related stock surplus</td>
<td>r+s+t+u+v+x+y+z</td>
</tr>
<tr>
<td>47 Directly issued capital instruments subject to phase out from Tier 2</td>
<td>r+s+t+u+v+x+y+z</td>
</tr>
<tr>
<td>48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)</td>
<td>s+t+u+v+x+y+z</td>
</tr>
<tr>
<td>49 of which: instruments issued by subsidiaries subject to phase out</td>
<td>t</td>
</tr>
<tr>
<td>50 Collective allowances</td>
<td>i</td>
</tr>
<tr>
<td>51 Tier 2 capital before regulatory adjustments</td>
<td>6,512</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tier 2 Capital: Regulatory Adjustments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>52 Investments in own Tier 2 instruments</td>
<td>-</td>
</tr>
<tr>
<td>53 Reciprocal cross holdings in Tier 2 instruments</td>
<td>-</td>
</tr>
<tr>
<td>54 Non-significant investments in the capital of banking, financial and insurance entities, net of eligible short positions (amount above 10% threshold)</td>
<td>-</td>
</tr>
<tr>
<td>55 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions</td>
<td>-</td>
</tr>
<tr>
<td>56 Other deductions from Tier 2 capital</td>
<td>-</td>
</tr>
<tr>
<td>57 Total regulatory adjustments to Tier 2 capital</td>
<td>6,512</td>
</tr>
<tr>
<td>58 Tier 2 capital (T2)</td>
<td>46,237</td>
</tr>
<tr>
<td>59 Total capital (TC = T1 + T2)</td>
<td>-</td>
</tr>
</tbody>
</table>
### Flow Statement of the Movements in Regulatory Capital

**Common Tier 1 (CET1) capital**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening amount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New capital issues</td>
<td>30</td>
<td>65</td>
<td>44</td>
<td>25</td>
<td>8</td>
</tr>
<tr>
<td>Redeemed capital</td>
<td>(14)</td>
<td>-</td>
<td>(46)</td>
<td>(21)</td>
<td></td>
</tr>
<tr>
<td>Gross dividends (deduction)</td>
<td>(1,077)</td>
<td>(1,028)</td>
<td>(1,026)</td>
<td>(971)</td>
<td>(974)</td>
</tr>
<tr>
<td>Shares issued in lieu of dividends (add back)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year attributable to shareholders of parent company</td>
<td>2,175</td>
<td>2,067</td>
<td>2,095</td>
<td>2,279</td>
<td>1,912</td>
</tr>
<tr>
<td>Removal of own credit spread (net of tax)</td>
<td>136</td>
<td>23</td>
<td>(15)</td>
<td>10</td>
<td>27</td>
</tr>
<tr>
<td><strong>Movement in other comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation differences (unrealized foreign currency translation gains/losses), net of hedging activities</td>
<td>(226)</td>
<td>967</td>
<td>233</td>
<td>196</td>
<td>75</td>
</tr>
<tr>
<td>Available-for-sale investments (unrealized gains (losses) on AFS securities)</td>
<td>(15)</td>
<td>63</td>
<td>76</td>
<td>(179)</td>
<td>(79)</td>
</tr>
<tr>
<td>Other</td>
<td>38</td>
<td>(121)</td>
<td>(142)</td>
<td>170</td>
<td>(81)</td>
</tr>
<tr>
<td>Goodwill and other intangible assets (deduction, net of related tax liability)</td>
<td>55</td>
<td>(28)</td>
<td>(140)</td>
<td>(129)</td>
<td>(692)</td>
</tr>
<tr>
<td>Other, including regulatory adjustments and transitional arrangements</td>
<td>(343)</td>
<td>449</td>
<td>368</td>
<td>(595)</td>
<td>(160)</td>
</tr>
<tr>
<td>Deferred tax assets that rely on future profitability, excluding those arising from temporary differences</td>
<td>7</td>
<td>3</td>
<td>(37)</td>
<td>(1)</td>
<td>(18)</td>
</tr>
<tr>
<td>Defined benefit pension fund assets (net of related tax liability)</td>
<td>(51)</td>
<td>586</td>
<td>259</td>
<td>(10)</td>
<td>(91)</td>
</tr>
<tr>
<td>Investment in common equity of deconsolidated subsidiaries &amp; other significant investments</td>
<td>38</td>
<td>317</td>
<td>46</td>
<td>(11)</td>
<td>(30)</td>
</tr>
<tr>
<td>Prudential valuation adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>(337)</td>
<td>(457)</td>
<td>100</td>
<td>(573)</td>
<td>(21)</td>
</tr>
<tr>
<td><strong>Closing amount</strong></td>
<td>33,756</td>
<td>32,998</td>
<td>30,541</td>
<td>29,048</td>
<td>28,288</td>
</tr>
</tbody>
</table>

**Other 'non-core' Tier 1 (Additional Tier 1) capital**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening amount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New non-core Tier 1 (additional Tier 1) eligible capital issues</td>
<td>6,416</td>
<td>6,655</td>
<td>6,654</td>
<td>6,654</td>
<td>6,654</td>
</tr>
<tr>
<td>Redeemed capital</td>
<td>-</td>
<td>500</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other, including regulatory adjustments and transitional arrangements</td>
<td>(447)</td>
<td>(739)</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Closing amount</strong></td>
<td>5,969</td>
<td>6,416</td>
<td>6,655</td>
<td>6,654</td>
<td>6,654</td>
</tr>
</tbody>
</table>

**Total Tier 1 capital**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tier 2 capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Opening amount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Tier 2 eligible capital issues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Redeemed capital</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortization adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other, including regulatory adjustments and transitional arrangements</td>
<td>(52)</td>
<td>(956)</td>
<td>42</td>
<td>(1,107)</td>
<td>67</td>
</tr>
<tr>
<td><strong>Closing amount</strong></td>
<td>6,512</td>
<td>6,564</td>
<td>7,520</td>
<td>7,478</td>
<td>8,585</td>
</tr>
</tbody>
</table>

**Total regulatory capital**

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>** closing amount**</td>
<td>46,237</td>
<td>45,978</td>
<td>44,716</td>
<td>43,180</td>
<td>43,527</td>
</tr>
</tbody>
</table>

---

1. Restated prior periods to the required EDTF format.
2. Includes changes in shortfall in allowance, treasury shares, issue costs and other, share-based compensation awards, threshold deduction allocated to loss carryback, derecognition of cash flow hedge reserves, transitional adjustment and common equity issued by consolidated subsidiaries to third parties.
3. Includes changes to capital issued by consolidated bank subsidiaries to third parties and non-qualifying capital instruments.
4. Includes changes to non-qualifying capital issued by consolidated bank subsidiaries to third parties, non-qualifying capital instruments and eligible collective allowance.
5. Excludes $200 million preferred shares redeemed in Q3/13; excludes $900 million of innovative instruments redeemed in Q1/14; excludes $850 million preferred shares redeemed in Q2/14, as they were not included in capital per the OSFI (Basel III) rules.
6. Includes an issuance of $2 billion subordinated debentures in Q1/13, deemed to be non-qualifying as per OSFI (Basel III) rules and are subject to phase-out.
7. Excludes $1 billion subordinated debentures redeemed in both Q3/13 and Q1/14, as they were not included in capital per the OSFI (Basel III) rules.
## RISK-WEIGHTED ASSETS

### Millions of Canadian dollars, except percentage and per share amounts)

<table>
<thead>
<tr>
<th>Q2/14</th>
<th>Q2/14 Risk-weighted assets All-in-Basis</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exposure 1</td>
<td>Average of risk weights 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Credit risk

<table>
<thead>
<tr>
<th>Category</th>
<th>Exposure 1</th>
<th>Average of risk weights 1</th>
<th>Standardized approach</th>
<th>Advanced approach</th>
<th>Other</th>
<th>Total 1</th>
<th>Capital requirements 1</th>
<th>Risk-weighted assets All-in-Basis 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending-related and other</td>
<td>184,801</td>
<td>9%</td>
<td>940</td>
<td>8,998</td>
<td>9,38</td>
<td>705</td>
<td>8,550</td>
<td>8,400</td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>220,646</td>
<td>21%</td>
<td>4,899</td>
<td>42,139</td>
<td>47,138</td>
<td>3,77</td>
<td>47,989</td>
<td>48,418</td>
</tr>
<tr>
<td>Other retail (Personal, Credit cards and Small business treated as retail)</td>
<td>215,385</td>
<td>51%</td>
<td>15,508</td>
<td>94,658</td>
<td>110,166</td>
<td>8,813</td>
<td>106,485</td>
<td>101,780</td>
</tr>
<tr>
<td>Business (Corporate, Commercial, Medium-sized enterprises and Non-bank financial institutions)</td>
<td>49,483</td>
<td>11%</td>
<td>3,328</td>
<td>2,256</td>
<td>5,583</td>
<td>447</td>
<td>3,781</td>
<td>3,910</td>
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<tr>
<td>Sovereign (Government)</td>
<td>79,318</td>
<td>8%</td>
<td>2,603</td>
<td>412</td>
<td>14,728</td>
<td>538</td>
<td>6,177</td>
<td>5,406</td>
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<tr>
<td>Total lending-related and other trading-related</td>
<td>749,833</td>
<td>24%</td>
<td>27,378</td>
<td>192,175</td>
<td>179,568</td>
<td>14,358</td>
<td>172,851</td>
<td>168,007</td>
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<tr>
<td>Trading-related</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Repo-style transactions</td>
<td>283,138</td>
<td>1%</td>
<td>25</td>
<td>3,651</td>
<td>29</td>
<td>706</td>
<td>3,474</td>
<td>2,662</td>
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<tr>
<td>Derivatives 2</td>
<td>68,178</td>
<td>1%</td>
<td>2,085</td>
<td>23,906</td>
<td>11,321</td>
<td>2,172</td>
<td>28,264</td>
<td>19,151</td>
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<tr>
<td>Total trading-related</td>
<td>351,316</td>
<td>6%</td>
<td>2,177</td>
<td>17,597</td>
<td>11,246</td>
<td>2,473</td>
<td>31,748</td>
<td>21,691</td>
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<tr>
<td>Total lending-related and other trading-related</td>
<td>1,100,949</td>
<td>19%</td>
<td>29,488</td>
<td>195,732</td>
<td>111,245</td>
<td>16,837</td>
<td>204,389</td>
<td>187,158</td>
</tr>
<tr>
<td>Bank book equity 2, 3</td>
<td>1,866</td>
<td>99%</td>
<td>1,865</td>
<td>1,865</td>
<td>1,865</td>
<td>149</td>
<td>1,851</td>
<td>1,712</td>
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<tr>
<td>Securitization exposures</td>
<td>42,835</td>
<td>14%</td>
<td>284</td>
<td>5,720</td>
<td>6,004</td>
<td>480</td>
<td>6,451</td>
<td>6,789</td>
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<tr>
<td>Regulatory scaling factor 3</td>
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<td>n.a.</td>
<td>n.a.</td>
<td>10,573</td>
<td>10,573</td>
<td>846</td>
<td>10,163</td>
<td>9,813</td>
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<td>Other assets 4</td>
<td>36,027</td>
<td>82%</td>
<td>n.a.</td>
<td>29,374</td>
<td>29,374</td>
<td>2,390</td>
<td>30,745</td>
<td>27,169</td>
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<tr>
<td>Total credit risk 6</td>
<td>1,181,680</td>
<td>22%</td>
<td>29,772</td>
<td>187,854</td>
<td>40,619</td>
<td>258,279</td>
<td>20,662</td>
<td>253,799</td>
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</table>

### Market risk

<table>
<thead>
<tr>
<th>Category</th>
<th>Exposure 1</th>
<th>Average of risk weights 1</th>
<th>Standardized approach</th>
<th>Advanced approach</th>
<th>Other</th>
<th>Total 1</th>
<th>Capital requirements 1</th>
<th>Risk-weighted assets All-in-Basis 1</th>
</tr>
</thead>
<tbody>
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<td>Interest rate</td>
<td>2,650</td>
<td>5%</td>
<td>4,549</td>
<td>-</td>
<td>7,199</td>
<td>576</td>
<td>5,881</td>
<td>3,361</td>
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<td>Equity</td>
<td>460</td>
<td>3%</td>
<td>3,474</td>
<td>-</td>
<td>3,934</td>
<td>315</td>
<td>3,621</td>
<td>3,330</td>
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<tr>
<td>Foreign exchange</td>
<td>1,188</td>
<td>22%</td>
<td>1,227</td>
<td>1,227</td>
<td>1,227</td>
<td>108</td>
<td>1,391</td>
<td>1,661</td>
</tr>
<tr>
<td>Commodities</td>
<td>1,649</td>
<td>3%</td>
<td>1,652</td>
<td>1,652</td>
<td>1,652</td>
<td>130</td>
<td>1,592</td>
<td>950</td>
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<tr>
<td>Specific risk</td>
<td>13,131</td>
<td>6%</td>
<td>10,010</td>
<td>-</td>
<td>19,141</td>
<td>1,531</td>
<td>20,219</td>
<td>21,948</td>
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<tr>
<td>Incremental risk charge 7, 8</td>
<td>12,355</td>
<td>52%</td>
<td>12,355</td>
<td>12,355</td>
<td>12,355</td>
<td>1,036</td>
<td>11,351</td>
<td>10,894</td>
</tr>
<tr>
<td>Total market risk</td>
<td>19,968</td>
<td>27,016</td>
<td>-</td>
<td>46,194</td>
<td>3,988</td>
<td>44,055</td>
<td>42,184</td>
<td>37,043</td>
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<td>Operational risk 9</td>
<td>44,715</td>
<td>n.a.</td>
<td>n.a.</td>
<td>-</td>
<td>44,715</td>
<td>3,577</td>
<td>43,808</td>
<td>44,156</td>
</tr>
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</table>

### Total credit risk

1,181,680 | 22% | 29,772 | 187,854 | 40,619 | 258,279 | 20,662 | 253,799 | 233,527 | 231,264 |

### Notes

1. Effective Q1/13 numbers are calculated using guidelines issued by OSFI under the Basel III All-in approach.
2. Total exposure represents exposure at default which is the expected gross exposure upon the default of an obligor. This amount excludes any allowance against impaired loans or partial write-offs and does not reflect the impact of credit risk mitigation and collateral held.
3. Represents the average of counterparty risk weights within a particular category.
4. The minimum capital requirements for each category can be calculated by multiplying the total RWA by 8%.
5. For credit risk, a majority of our portfolios use the Internal Ratings Based (IRB) Approach and the remainder use the Standardized Approach.
6. Commencing Q1/2014, a new CVA regulatory capital charge has been applied to derivatives. For Q2/2014, CVA regulatory capital charge was calculated using the standardized method applied at a phased in factor of 57%.
7. Capital Adequacy Requirement (CAR) guidelines define banking book equities based on the economic substance of the transaction rather than the legal form or accounting treatment associated with the financial instrument. As such, there are differences in the identification of equity securities held in the banking books and those reported in the financial statements. Banking book equities are financial instruments held for investment purposes and are not part of our trading book, consisting of publicly-traded and private equities, partnership units, venture capital and derivative instruments held to equity interests.
8. As at Q1/2014, the amount of publicly-traded equity exposures was $839 million and private equity exposures amounted to $1,030 million. Total exposure represents exposure at default, which is the expected gross exposure upon the default of an obligor.
9. Incremental risk charge (IRC) was $1,036 million as at Q2/14. The average was $984 million, high was $1,137 million, and low was $857 million for Q2/14. The IRC is measured over a one-year horizon at a 99.9% confidence level. We utilize a technique known as the Monte Carlo simulation process to generate a statistically relevant number of loss scenarios due to ratings migration and default in order to establish the losses at that confidence level. We also make certain assumptions about position liquidity (the length of time to close out a position) within the model that range from a floor of three months to maximum of one year. The determination of liquidity is based on issuer type and credit rating. Credit rating migration and default probabilities are based on historical data.
10. The models are subject to the same internal independent testing and validation procedures used for all regulatory capital models. Important assumptions are re-reviewed at least annually. Due to long time horizon and high confidence level of the risk measure, we do not perform backtesting as we do for the VaR measure.
<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Risk-weighted assets</td>
<td>Capital requirements</td>
<td>Risk-weighted assets</td>
<td>Capital requirements</td>
<td>Risk-weighted assets</td>
</tr>
<tr>
<td>Internal models-based approach</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VaR</td>
<td>4,031</td>
<td>322</td>
<td>3,717</td>
<td>297</td>
<td>3,385</td>
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<tr>
<td>Stressed VaR</td>
<td>10,034</td>
<td>803</td>
<td>8,665</td>
<td>693</td>
<td>6,383</td>
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<td>Incremental risk charge</td>
<td>12,951</td>
<td>1,036</td>
<td>11,351</td>
<td>908</td>
<td>10,894</td>
</tr>
<tr>
<td>Comprehensive risk measure</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td>27,016</td>
<td>2,161</td>
<td>23,733</td>
<td>1,898</td>
<td>20,662</td>
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<tr>
<td>Standardized approach</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>19,088</td>
<td>1,527</td>
<td>20,322</td>
<td>1,626</td>
<td>21,522</td>
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<tr>
<td>Total Market Risk RWA</td>
<td>46,104</td>
<td>3,688</td>
<td>44,055</td>
<td>3,524</td>
<td>42,184</td>
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### Risk-Weighted Assets by Business Segments (All-in Basis)

(Millions of Canadian dollars)

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal and Commercial Banking</td>
<td>112,682</td>
<td>109,793</td>
<td>108,210</td>
</tr>
<tr>
<td>Canadian Banking</td>
<td>14,411</td>
<td>15,886</td>
<td>14,665</td>
</tr>
<tr>
<td>Caribbean &amp; U.S. Banking</td>
<td>19,858</td>
<td>21,862</td>
<td>18,375</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>20,217</td>
<td>20,302</td>
<td>18,776</td>
</tr>
<tr>
<td>Insurance</td>
<td>7,039</td>
<td>7,193</td>
<td>8,921</td>
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<tr>
<td>Investor &amp; Treasury Services</td>
<td>166,579</td>
<td>158,040</td>
<td>146,237</td>
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<tr>
<td>Total risk-weighted assets</td>
<td>349,094</td>
<td>341,752</td>
<td>318,981</td>
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</table>

### Movement of Risk Weighted Assets by Risk Type (All-in Basis)

(Millions of Canadian dollars, except percentage and otherwise noted)

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
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</thead>
<tbody>
<tr>
<td>Opening balance of credit risk RWA</td>
<td>213,747</td>
<td>32,052</td>
<td>253,799</td>
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<tr>
<td>Portfolio size 1</td>
<td>3,547</td>
<td>(694)</td>
<td>2,853</td>
</tr>
<tr>
<td>Portfolio credit quality 2</td>
<td>192</td>
<td>(200)</td>
<td>72</td>
</tr>
<tr>
<td>Model updates 3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Methodology and policy 4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisitions and dispositions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange movements</td>
<td>(1,101)</td>
<td>(144)</td>
<td>-</td>
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<tr>
<td>Closing balance of credit risk RWA</td>
<td>227,363</td>
<td>30,912</td>
<td>258,275</td>
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<table>
<thead>
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</thead>
<tbody>
<tr>
<td>Opening balance of market risk RWA</td>
<td>n.a.</td>
<td>n.a.</td>
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<td>Movement in risk levels 3</td>
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<td>1,114</td>
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<td>Model updates 4</td>
<td>n.a.</td>
<td>463</td>
<td>(1,241)</td>
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<td>-</td>
<td>n.a.</td>
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<td>Acquisitions and dispositions</td>
<td>n.a.</td>
<td>-</td>
<td>n.a.</td>
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<tr>
<td>Foreign exchange movements</td>
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<td>1,966</td>
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<td>Closing balance of market risk RWA</td>
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<td>n.a.</td>
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<table>
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<td>Opening balance of operational risk RWA</td>
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<td>n.a.</td>
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<td>Revenue generation</td>
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<td>Closing balance of operational risk RWA</td>
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<td>44,735</td>
<td>n.a.</td>
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### Attributed Capital

(Millions of Canadian dollars)

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</tr>
</thead>
<tbody>
<tr>
<td>Q2/14</td>
<td>13,050</td>
<td>13,000</td>
<td>12,450</td>
<td>11,700</td>
<td>11,700</td>
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<td>9,000</td>
<td>13,000</td>
<td>11,550</td>
<td>11,800</td>
<td>9,050</td>
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<tr>
<td>Q1/14</td>
<td>3,600</td>
<td>3,900</td>
<td>3,060</td>
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<td>3,400</td>
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<td>3,600</td>
<td>3,750</td>
<td>3,550</td>
<td>3,300</td>
<td>3,800</td>
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<td>4,300</td>
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<td>3,950</td>
<td>4,550</td>
<td>5,150</td>
<td>4,950</td>
<td>4,400</td>
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<td>4,300</td>
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<td>4,050</td>
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<td>2,700</td>
<td>2,560</td>
<td>2,500</td>
<td>2,600</td>
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<td>450</td>
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<td>450</td>
<td>550</td>
<td>450</td>
<td>500</td>
<td>450</td>
</tr>
<tr>
<td>Q1/13</td>
<td>11,350</td>
<td>11,350</td>
<td>11,150</td>
<td>10,060</td>
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<td>9,700</td>
<td>11,350</td>
<td>10,500</td>
<td>10,750</td>
<td>9,800</td>
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<tr>
<td>Q4/12</td>
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<td>4,300</td>
<td>4,350</td>
<td>4,250</td>
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<td>4,150</td>
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<td>3,400</td>
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</tr>
<tr>
<td>Q3/12</td>
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<td>39,550</td>
<td>38,650</td>
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<td>36,450</td>
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<td>39,750</td>
<td>34,950</td>
<td>36,450</td>
<td>34,250</td>
</tr>
<tr>
<td>Q2/12</td>
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<td>4,200</td>
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<td>1,850</td>
<td>5,000</td>
<td>4,400</td>
<td>4,150</td>
<td>1,900</td>
</tr>
<tr>
<td>2014 6 months</td>
<td>45,550</td>
<td>44,050</td>
<td>42,500</td>
<td>41,000</td>
<td>39,890</td>
<td>38,850</td>
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<td>35,850</td>
<td>44,750</td>
<td>39,350</td>
<td>40,650</td>
<td>36,000</td>
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<td>2013 6 months</td>
<td>38,500</td>
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<td>38,500</td>
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<tr>
<td>2012 6 months</td>
<td>38,500</td>
<td>38,500</td>
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<td>38,500</td>
<td>38,500</td>
<td>38,500</td>
<td>38,500</td>
<td>38,500</td>
</tr>
</tbody>
</table>

1. Organic changes in portfolio size and composition (including new business and maturing loans).
2. Quality of book changes caused by experience such as underlying customer behaviour or demographics and credit migration.
3. Updates to the model to reflect recent experience, model implementation, change in model scope or any change to address model malfunctions including changes through model calibrations/realignments.
4. Methodology changes to the calculations driven by regulatory policy changes. In Q1/14, the change was due to the implementation of CVA of $11.1 billion.
5. Change in risk due to position changes and market movements.
6. Regulatory capital allocation is accurately revised to anticipate and incorporate any changes in the regulatory (Basel and/or OSFI) environment that affects the capital requirement. As such, for 2014 attributed capital includes the Credit Valuation Adjustment (CVA) as prescribed by OSFI.
7. Under/(over) attribution of capital is reported in Corporate Support.
## LOANS AND ACCEPTANCES

(Millions of Canadian dollars)

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>By portfolio and sector</strong></td>
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<td></td>
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1. During the period, we amended our presentation of certain loans and acceptances.
2. Wholesale - Real estate and related loans and acceptances in Q2/14 is comprised of amounts based in Canada of $19.2 billion, United States of $5.3 billion and Other International of $2.7 billion.
3. Other International related to financing products $4.1 billion, health $4.2 billion, holding and investments $6.2 billion, other services $8.2 billion, and other $2.5 billion.
4. Geographic information is based on residence of borrower.
## GROSS IMPAIRED LOANS
(Millions of Canadian dollars)

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### Gross impaired loans by geography and portfolio

#### Canada
- Residential mortgages
- Personal
- Small business
- Retail
- Business
- Sovereign
- Bank
- Wholesale

**Total - Canada**

#### United States
- Retail
- Wholesale

**Total**

#### Other International
- Retail
- Wholesale

**Total**

### Notes:
1. Wholesale - Real estate and related loans and acceptances in Q2/14 is comprised of amounts based in Canada of $165 million, United States of $nil and Other International of $160 million.
2. Wholesale - Other in Q2/14 related to other services, $116 million; financing products, $nil; holding and investments, $21 million; health, $15 million; and other, $77 million.
3. Geographic information is based on residence of borrower.
## GROSS IMPAIRED LOANS continued

### (Millions of Canadian dollars)

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1 Certain GIL movements for Canadian Banking retail and wholesale portfolios are generally allocated to New Impaired, as Return to performing status, Repayments, Sold, and Exchange and other movements amounts are not reasonably determinable. Certain GIL movements for Caribbean Banking retail and wholesale portfolios are generally allocated to Exchange and other movements, as Return to performing status, Repayments, and Sold amounts are not reasonably determinable.

2 Geographic information is based on residence of borrower, net of allowance for impaired loans.

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2nd Quarter 2014 - Supplementary Financial Information
ROYAL BANK OF CANADA
### GROSS IMPAIRED LOANS continued
(Millions of Canadian dollars)

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<sup>1</sup> Geographic information is based on residence of borrower, net of allowance for impaired loans.
## Provision for Credit Losses

### Provision for Credit Losses on Impaired Loans by Portfolio and Sector

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1. Wholesale - Real estate and related provision for credit losses in Q2/14 are comprised of losses based in Canada of $6 million, United States of $nil, and Other International of $9 million.
2. Wholesale - Other in Q2/14 related to financing products, $3 million; holding and investments, $nil; other services, $1 million; health, $nil million; and other, $6 million.
3. Geographic information is based on residence of borrower.
### Allowance for Credit Losses

#### ( Millions of Canadian dollars )

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### Allowance for Loans not yet Identified as Impaired

#### ( Millions of Canadian dollars )

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#### 1. Wholesale - Real estate and related allowance for credit losses in Q2/14 is comprised of allowances based in Canada of $40 million, United States of $nil and Other International of $44 million.

#### 2. Wholesale - Other in Q2/14 related to financing products, $nil; other services, $27 million; health, $6 million; holding and investments, $4 million; and other, $27 million.
Allowance for credit losses on impaired loans by geography 1 and portfolio

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Total allowance for impaired loans

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Allowance for loans not yet identified as impaired

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Impairment allowance - movements (Allowance for credit losses continuity)

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<td>1,451</td>
<td>1,451</td>
<td>1,451</td>
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<tr>
<td>2012</td>
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<td>1,451</td>
<td>1,451</td>
<td>1,451</td>
<td>1,451</td>
</tr>
</tbody>
</table>

1 Geographic information is based on residence of borrower.
2 PCL related to the sale of impaired loans is now presented in Disposal of loans.
3 Exchange and other movements include primarily foreign exchange translations on non-Canadian dollar denominated ACL.
### Diversification ratios

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
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<tbody>
<tr>
<td><strong>Portfolio as a % of Total loans and acceptances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Retail</td>
<td>75%</td>
<td>75%</td>
<td>76%</td>
<td>77%</td>
<td>75%</td>
<td>77%</td>
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<td>78%</td>
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<tr>
<td>Wholesale</td>
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<td>25%</td>
<td>24%</td>
<td>23%</td>
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<td>23%</td>
<td>23%</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>Canada</td>
<td>88%</td>
<td>88%</td>
<td>89%</td>
<td>89%</td>
<td>89%</td>
<td>89%</td>
<td>90%</td>
<td>88%</td>
<td>89%</td>
</tr>
<tr>
<td>United States</td>
<td>6%</td>
<td>6%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Other International</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
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### Condition ratios

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<th>2014 6 months</th>
<th>2013 6 months</th>
<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td><strong>Gross Impaired Loans (GILs) as a % of Related loans and acceptances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>0.45%</td>
<td>0.54%</td>
<td>0.52%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0.80%</td>
<td>1.11%</td>
<td>1.12%</td>
<td>1.21%</td>
</tr>
<tr>
<td>Canada</td>
<td>0.33%</td>
<td>0.34%</td>
<td>0.34%</td>
<td>0.32%</td>
</tr>
<tr>
<td>United States</td>
<td>0.11%</td>
<td>0.14%</td>
<td>0.16%</td>
<td>0.18%</td>
</tr>
<tr>
<td>Other International</td>
<td>2.49%</td>
<td>3.49%</td>
<td>3.20%</td>
<td>3.15%</td>
</tr>
<tr>
<td><strong>Net Impaired Loans as a % of Loans and acceptances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>0.33%</td>
<td>0.38%</td>
<td>0.36%</td>
<td>0.39%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0.26%</td>
<td>0.25%</td>
<td>0.26%</td>
<td>0.23%</td>
</tr>
<tr>
<td>Canada</td>
<td>0.25%</td>
<td>0.24%</td>
<td>0.24%</td>
<td>0.26%</td>
</tr>
<tr>
<td>United States</td>
<td>0.06%</td>
<td>0.28%</td>
<td>0.39%</td>
<td>0.51%</td>
</tr>
<tr>
<td>Other International</td>
<td>1.75%</td>
<td>1.95%</td>
<td>2.41%</td>
<td>2.24%</td>
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<tr>
<td><strong>PCL as a % of Average net loans and acceptances</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Retail</td>
<td>0.23%</td>
<td>0.27%</td>
<td>0.32%</td>
<td>0.26%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0.16%</td>
<td>0.16%</td>
<td>0.27%</td>
<td>0.27%</td>
</tr>
<tr>
<td>Canada</td>
<td>0.23%</td>
<td>0.27%</td>
<td>0.26%</td>
<td>0.35%</td>
</tr>
<tr>
<td>United States</td>
<td>0.02%</td>
<td>0.02%</td>
<td>0.01%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Other International</td>
<td>0.42%</td>
<td>0.55%</td>
<td>1.49%</td>
<td>0.25%</td>
</tr>
<tr>
<td><strong>Coverage ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACL as a % of Total loans and acceptances</td>
<td>0.45%</td>
<td>0.48%</td>
<td>0.49%</td>
<td>0.49%</td>
</tr>
<tr>
<td>ACL against impaired loans as a % of Total loans and acceptances</td>
<td>0.12%</td>
<td>0.14%</td>
<td>0.14%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Retail</td>
<td>0.06%</td>
<td>0.08%</td>
<td>0.07%</td>
<td>0.06%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0.06%</td>
<td>0.06%</td>
<td>0.07%</td>
<td>0.08%</td>
</tr>
<tr>
<td><strong>ACL against impaired loans as a % of GIL</strong></td>
<td>26.50%</td>
<td>26.50%</td>
<td>27.32%</td>
<td>27.08%</td>
</tr>
<tr>
<td>Retail</td>
<td>24.44%</td>
<td>24.44%</td>
<td>27.08%</td>
<td>27.20%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>29.11%</td>
<td>29.11%</td>
<td>27.24%</td>
<td>29.75%</td>
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<tr>
<td><strong>Total net write-offs as a % of Average net loans and acceptances</strong></td>
<td>0.30%</td>
<td>0.24%</td>
<td>0.27%</td>
<td>0.28%</td>
</tr>
<tr>
<td>Retail</td>
<td>0.34%</td>
<td>0.24%</td>
<td>0.26%</td>
<td>0.24%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0.18%</td>
<td>0.24%</td>
<td>0.31%</td>
<td>0.41%</td>
</tr>
<tr>
<td>Canada</td>
<td>0.25%</td>
<td>0.25%</td>
<td>0.25%</td>
<td>0.26%</td>
</tr>
<tr>
<td>United States</td>
<td>0.19%</td>
<td>0.02%</td>
<td>0.07%</td>
<td>0.48%</td>
</tr>
<tr>
<td>Other International</td>
<td>1.15%</td>
<td>0.35%</td>
<td>0.79%</td>
<td>0.50%</td>
</tr>
</tbody>
</table>

1 Amounts represent continuing operations. Effective Q3/12, we no longer have discontinued operations. Certain ratios have been updated from those previously provided.
<table>
<thead>
<tr>
<th>Gross Credit Risk Exposure by Geography and Portfolio (Millions of Canadian dollars)</th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>Q1/12</th>
<th>Q4/11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total exposure</strong></td>
<td>434,220</td>
<td>385,708</td>
<td>381,350</td>
<td>283,138</td>
<td>66,178</td>
<td>1,103,949</td>
<td>1,321,175</td>
<td>1,051,722</td>
<td>1,051,440</td>
<td>1,045,976</td>
<td>1,043,979</td>
</tr>
<tr>
<td><strong>Lending-related and other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Outstanding</td>
<td>207,936</td>
<td>85,832</td>
<td>13,920</td>
<td>312,219</td>
<td>3,639</td>
<td>498</td>
<td>66,898</td>
<td>109,692</td>
<td>27,687</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loan and Acceptances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>207,936</td>
<td>85,832</td>
<td>13,920</td>
<td>312,219</td>
<td>3,639</td>
<td>498</td>
<td>66,898</td>
<td>109,692</td>
<td>27,687</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal</td>
<td>85,832</td>
<td>38,831</td>
<td>12,885</td>
<td>103,797</td>
<td>10,661</td>
<td>69</td>
<td>28,421</td>
<td>6,651</td>
<td>11,687</td>
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<td></td>
</tr>
<tr>
<td>Oversie</td>
<td>13,920</td>
<td>18,411</td>
<td>19,781</td>
<td>103,797</td>
<td>12,885</td>
<td>19,781</td>
<td>18,411</td>
<td>19,781</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Credit cards</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>312,219</td>
<td>18,411</td>
<td>19,781</td>
<td>103,797</td>
<td>12,885</td>
<td>19,781</td>
<td>18,411</td>
<td>19,781</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sovereign</td>
<td>3,639</td>
<td>3,661</td>
<td>12,885</td>
<td>19,781</td>
<td>103,797</td>
<td>12,885</td>
<td>19,781</td>
<td>18,411</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>498</td>
<td>69</td>
<td>6,651</td>
<td>19,781</td>
<td>103,797</td>
<td>12,885</td>
<td>19,781</td>
<td>18,411</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total exposure</strong></td>
<td>207,936</td>
<td>85,832</td>
<td>13,920</td>
<td>312,219</td>
<td>3,639</td>
<td>498</td>
<td>66,898</td>
<td>109,692</td>
<td>27,687</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trading-related</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Outstanding</td>
<td>58,854</td>
<td>71,044</td>
<td>7,955</td>
<td>15,125</td>
<td>12,318</td>
<td>95,095</td>
<td>128,500</td>
<td>115,908</td>
<td>132,918</td>
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<td></td>
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<tr>
<td><strong>Repo-style transactions</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>58,854</td>
<td>71,044</td>
<td>7,955</td>
<td>15,125</td>
<td>12,318</td>
<td>95,095</td>
<td>128,500</td>
<td>115,908</td>
<td>132,918</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other International</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total exposure</td>
<td>434,220</td>
<td>385,708</td>
<td>381,350</td>
<td>283,138</td>
<td>66,178</td>
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<td>1,321,175</td>
<td>1,051,722</td>
<td>1,051,440</td>
<td>1,045,976</td>
<td>1,043,979</td>
</tr>
</tbody>
</table>

1 Gross credit risk exposure is before allowance for loan losses. Exposure to Basel III and Basel II (prior to Q1/13) asset classes of qualifying revolving retail and other retail are largely included within Personal and Credit cards, while home equity lines of credit are included in Personal.
2 Includes contingent liabilities such as letters of credit and guarantees, available-for-sale debt securities, deposits with financial institutions and other assets.
3 Includes repurchase and reverse repurchase agreements and securities borrowing and lending transactions.
4 For derivative related credit risk we utilize the Office of Superintendent of Financial Institutions (OSFI) prescribed Current Exposure Method. Wrong-way risk, which arises when the exposure to a counterparty is positively correlated to the probability of default of that counterparty, is considered in our determination of exposure.
5 Credit equivalent amount after factoring in master netting agreements.
6 Geographic information is based on residence of borrower.

**Canada**

Credit risk exposure by geography and portfolio:

- **Residential mortgages**: 207,936
- **Personal**: 85,832
- **Credit cards**: 13,920
- **Retail**: 312,219
- **Sovereign**: 3,639
- **Bank**: 498
- **Wholesale**: 66,898

**United States**

- **Credit cards**: 72
- **Small business**: 445
- **Retail**: 4,337
- **Bank**: 109
- **Wholesale**: 23,699

**Other International**

- **Personal**: 4,519
- **Credit cards**: 193
- **Small business**: 2,874
- **Retail**: 7,586
- **Business**: 18,629
- **Bank**: 22,980

**Geographic information** is based on residence of borrower.
### EXPOSURE COVERED BY CREDIT RISK MITIGATION

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Std.</td>
<td>IRB</td>
<td>Std.</td>
<td>IRB</td>
</tr>
<tr>
<td></td>
<td>collateral</td>
<td>financial</td>
<td>collateral</td>
<td>financial</td>
</tr>
<tr>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>-</td>
<td>9,432</td>
<td>71,627</td>
<td>81,059</td>
</tr>
<tr>
<td>Personal</td>
<td>3</td>
<td>7,610</td>
<td>1,340</td>
<td>6,982</td>
</tr>
<tr>
<td>Small business</td>
<td>255</td>
<td>255</td>
<td>255</td>
<td>255</td>
</tr>
<tr>
<td>Wholesale</td>
<td>3</td>
<td>17,042</td>
<td>72,232</td>
<td>80,277</td>
</tr>
<tr>
<td>Business</td>
<td>12,881</td>
<td>-</td>
<td>2,993</td>
<td>15,874</td>
</tr>
<tr>
<td>Sovereign</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Bank</td>
<td>50,470</td>
<td>2,058</td>
<td>52,528</td>
<td>57,584</td>
</tr>
<tr>
<td>Total exposure covered by credit risk mitigation</td>
<td>63,152</td>
<td>2,058</td>
<td>66,253</td>
<td>75,411</td>
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</table>

#### CREDIT EXPOSURE BY RESIDUAL CONTRACTUAL MATURITY

<table>
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<tr>
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<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Residual contractual maturity term</td>
<td>Residual contractual maturity term</td>
<td>Residual contractual maturity term</td>
<td>Residual contractual maturity term</td>
</tr>
<tr>
<td></td>
<td>Within 1 year</td>
<td>1 to 5 years</td>
<td>Over 5 years</td>
<td>Total</td>
</tr>
<tr>
<td>Lending-related and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding loans and acceptances</td>
<td>169,003</td>
<td>231,752</td>
<td>33,475</td>
<td>434,230</td>
</tr>
<tr>
<td>Unbilled commitments</td>
<td>129,231</td>
<td>50,267</td>
<td>1,280</td>
<td>180,779</td>
</tr>
<tr>
<td>Total</td>
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<td>319,780</td>
<td>43,955</td>
<td>788,363</td>
</tr>
<tr>
<td>Trading-related</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repo-style transactions 4</td>
<td>283,138</td>
<td>-</td>
<td>-</td>
<td>283,138</td>
</tr>
<tr>
<td>Derivatives 5</td>
<td>19,880</td>
<td>23,525</td>
<td>24,773</td>
<td>68,178</td>
</tr>
<tr>
<td>Total exposure 6</td>
<td>707,839</td>
<td>342,272</td>
<td>63,838</td>
<td>1,113,947</td>
</tr>
</tbody>
</table>

1 Eligible financial collateral includes cash and deposit, gold, as well as qualifying debt securities, equities and mutual funds.
2 Under the IRB Approach, disclosure on eligible financial collateral is not required as the benefit the collateral provides has been taken into account in the Loss Given Default (LGD) estimates in our internal LGD risk rating system.
3 Includes contingent liabilities such as letters of credit and guarantees, available-for-sale debt securities, deposits with financial institutions and other assets.
4 Includes re-master collateral and agreements and securities borrowing and lending transactions.
5 Credit-equivalent amount after factoring in master netting agreements.
6 Represents exposure at default, which is the expected gross exposure upon the default of an obligor. This amount is before allowance for loan losses and does not reflect the impact of credit risk mitigation.
## Credit Exposure of Portfolios Under the Standardized Approach by Risk Weight

### Millions of Canadian dollars, except percentage amounts

<table>
<thead>
<tr>
<th>Risk weight</th>
<th>Q3/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>8,063</td>
<td>10,353</td>
<td>9,334</td>
<td>9,621</td>
<td>8,248</td>
<td>7,765</td>
<td>8,077</td>
<td>4,849</td>
<td>5,785</td>
</tr>
<tr>
<td>20%</td>
<td>61,926</td>
<td>56,843</td>
<td>56,918</td>
<td>55,386</td>
<td>60,703</td>
<td>80,283</td>
<td>80,109</td>
<td>57,563</td>
<td>57,563</td>
</tr>
<tr>
<td>35%</td>
<td>983</td>
<td>992</td>
<td>854</td>
<td>878</td>
<td>839</td>
<td>848</td>
<td>874</td>
<td>855</td>
<td>911</td>
</tr>
<tr>
<td>75%</td>
<td>23,972</td>
<td>24,459</td>
<td>25,232</td>
<td>25,089</td>
<td>24,182</td>
<td>16,638</td>
<td>16,931</td>
<td>16,759</td>
<td>15,794</td>
</tr>
<tr>
<td>100%</td>
<td>32,734</td>
<td>34,132</td>
<td>31,461</td>
<td>29,445</td>
<td>28,909</td>
<td>26,757</td>
<td>23,079</td>
<td>21,100</td>
<td>19,034</td>
</tr>
<tr>
<td>150%</td>
<td>408</td>
<td>459</td>
<td>418</td>
<td>418</td>
<td>655</td>
<td>413</td>
<td>385</td>
<td>502</td>
<td>570</td>
</tr>
</tbody>
</table>

### Actual Losses vs. Estimated Losses

<table>
<thead>
<tr>
<th></th>
<th>Q3/13</th>
<th>Q2/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential mortgages</td>
<td>0.02%</td>
<td>0.03%</td>
<td>0.02%</td>
<td>0.02%</td>
<td>0.02%</td>
</tr>
<tr>
<td>Personal</td>
<td>0.52%</td>
<td>0.75%</td>
<td>0.53%</td>
<td>0.75%</td>
<td>0.72%</td>
</tr>
<tr>
<td>Credit cards</td>
<td>3.46%</td>
<td>2.05%</td>
<td>2.52%</td>
<td>3.02%</td>
<td>2.19%</td>
</tr>
<tr>
<td>Small business</td>
<td>0.94%</td>
<td>0.97%</td>
<td>2.06%</td>
<td>0.89%</td>
<td>1.63%</td>
</tr>
<tr>
<td>Retail</td>
<td>0.29%</td>
<td>0.29%</td>
<td>0.42%</td>
<td>0.28%</td>
<td>0.48%</td>
</tr>
<tr>
<td>Business</td>
<td>0.22%</td>
<td>0.87%</td>
<td>0.27%</td>
<td>0.82%</td>
<td>0.45%</td>
</tr>
<tr>
<td>Sovereign</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Bank</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0.21%</td>
<td>0.82%</td>
<td>0.26%</td>
<td>0.76%</td>
<td>0.46%</td>
</tr>
</tbody>
</table>

### BASEL Pillar 3 Back-Testing (Internal Ratings Based)

<table>
<thead>
<tr>
<th></th>
<th>Actual %</th>
<th>Estimated %</th>
<th>Actual %</th>
<th>Estimated %</th>
<th>Actual %</th>
<th>Estimated %</th>
<th>Actual %</th>
<th>Estimated %</th>
<th>Actual %</th>
<th>Estimated %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential mortgages Uninsured</td>
<td>0.69%</td>
<td>1.27%</td>
<td>4.29%</td>
<td>12.85%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>0.69%</td>
<td>1.27%</td>
<td>4.29%</td>
<td>12.85%</td>
</tr>
<tr>
<td>Insured</td>
<td>1.22%</td>
<td>2.49%</td>
<td>n.a</td>
<td>n.a</td>
<td>100.00%</td>
<td>100.00%</td>
<td>1.22%</td>
<td>2.49%</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Personal</td>
<td>0.68%</td>
<td>1.26%</td>
<td>55.66%</td>
<td>56.95%</td>
<td>97.12%</td>
<td>98.55%</td>
<td>0.68%</td>
<td>1.26%</td>
<td>55.66%</td>
<td>56.95%</td>
</tr>
<tr>
<td>Credit cards</td>
<td>0.69%</td>
<td>1.28%</td>
<td>92.51%</td>
<td>95.62%</td>
<td>88.67%</td>
<td>93.30%</td>
<td>0.69%</td>
<td>1.28%</td>
<td>92.51%</td>
<td>95.62%</td>
</tr>
<tr>
<td>Small business</td>
<td>2.42%</td>
<td>4.38%</td>
<td>48.55%</td>
<td>66.06%</td>
<td>97.40%</td>
<td>98.07%</td>
<td>2.42%</td>
<td>4.38%</td>
<td>48.55%</td>
<td>66.06%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>0.57%</td>
<td>2.57%</td>
<td>12.38%</td>
<td>26.96%</td>
<td>17.13%</td>
<td>24.57%</td>
<td>0.57%</td>
<td>2.57%</td>
<td>12.38%</td>
<td>26.96%</td>
</tr>
<tr>
<td>Business</td>
<td>0.08%</td>
<td>0.46%</td>
<td>3.25%</td>
<td>28.79%</td>
<td>0.00%</td>
<td>25.35%</td>
<td>0.08%</td>
<td>0.46%</td>
<td>3.25%</td>
<td>28.79%</td>
</tr>
<tr>
<td>Sovereign</td>
<td>0.08%</td>
<td>0.58%</td>
<td>n.a</td>
<td>43.15%</td>
<td>n.a</td>
<td>11.42%</td>
<td>0.08%</td>
<td>0.58%</td>
<td>n.a</td>
<td>43.15%</td>
</tr>
</tbody>
</table>

1 Represents exposure at default, which is the expected gross exposure upon the default of an obligor. This amount is before allowance for loan losses and does not reflect the impact of credit risk mitigation.

2 To determine the appropriate risk weight, credit assessments by OSFI-recognized external credit rating agencies of S&P, Moody’s, Fitch and DBRS are used. For rated exposures, primarily in the sovereign and bank classes, we assign the risk weight corresponding to OSFI’s standard mapping. For unrated exposures, mainly in the business and retail classes, we generally apply OSFI prescribed risk weights that vary based on the credit quality of the obligor, industry, and geographic risk factors. For exposures with credit risk mitigation, the risk weight applied is calculated using the appropriate risk weight for the obligor and the effectiveness of the mitigation technique employed.

3 Actual loss reflects internal credit loss experience realized over a given period. Actual loss rate is the sum of provision for credit losses on impaired loans divided by average of loans and acceptances period end outstanding for the current and prior 3-quarter period.

4 Estimated loss represents expected loss which is calculated using the Basel III “through the cycle” parameters of probability of default x loss given default x exposure at default, estimated based on available historical loss data. Estimated loss rate is the expected loss divided by loans and acceptances outstanding at the beginning of the applicable consecutive 4-quarter period defined above. Actual loss will normally exceed estimated loss during economic downturns and come below in periods of expansion.

5 Average annual actual loss rate from fiscal 2003 through to the most recent full year. The information is updated on an annual basis.

6 Back-testing is performed to check the effectiveness of the models used to measure PD, LGD and EAD. Estimated percentages are as of January 31, 2013 (January 31, 2012 for Retail LGD) and actual percentages reflect experience in the following 12 months (24 months for Retail LGD).

7 For retail, EAD rate represents the utilization of the authorized credit limit. For wholesale, EAD rate represents the utilization of the undrawn amount where the undrawn amount is equal to the authorized credit limit minus the outstanding balance.
<table>
<thead>
<tr>
<th>Portfolio / Risk Category</th>
<th>Probability of default range (%)</th>
<th>Q2/14</th>
<th>Q1/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.000% to 0.108%</td>
<td>158,568</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.109% to 0.214%</td>
<td>24,196</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.215% to 0.308%</td>
<td>580</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Very low risk</td>
<td>3,137</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.039% to 0.590%</td>
<td>10,364</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.591% to 1.040%</td>
<td>1,385</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.041% to 1.718%</td>
<td>10,161</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medium risk</td>
<td>1,419</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.719% to 2.969%</td>
<td>3,242</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.970% to 6.430%</td>
<td>1,465</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High risk</td>
<td>2,401</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.431% to 99.99%</td>
<td>716</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impaired</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.000% to 0.108%</td>
<td>82,650</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.109% to 0.214%</td>
<td>36,017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.215% to 0.308%</td>
<td>14,610</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Very low risk</td>
<td>7,211</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.390% to 0.590%</td>
<td>3,187</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low risk</td>
<td>11,459</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.041% to 1.718%</td>
<td>11,575</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medium risk</td>
<td>4,275</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.970% to 6.430%</td>
<td>4,027</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High risk</td>
<td>333</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impaired</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Personal</td>
<td>174,774</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.000% to 0.108%</td>
<td>82,650</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.109% to 0.214%</td>
<td>36,017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Very low risk</td>
<td>14,610</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.390% to 0.590%</td>
<td>7,211</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low risk</td>
<td>11,459</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medium risk</td>
<td>4,275</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High risk</td>
<td>333</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impaired</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Credit Cards</td>
<td>33,207</td>
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</tr>
<tr>
<td></td>
<td>0.000% to 0.108%</td>
<td>82,650</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.109% to 0.214%</td>
<td>36,017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.215% to 0.308%</td>
<td>14,610</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Very low risk</td>
<td>7,211</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.390% to 0.590%</td>
<td>3,187</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low risk</td>
<td>11,459</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.041% to 1.718%</td>
<td>11,575</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medium risk</td>
<td>4,275</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High risk</td>
<td>333</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impaired</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Small Business</td>
<td>8,873</td>
<td></td>
</tr>
</tbody>
</table>

1 Total exposure includes loans outstanding (drawn) and undrawn commitments and represents exposure at default, which is the expected gross exposure of an obligor. This amount is before allowance for loan losses. Exposure under Basel III asset classes of qualifying retail exposure and other retail are largely included within Personal and Credit cards. Exposure includes amounts in Canada, U.S. and Other International, and covers portfolios under both the Internal Ratings Based Approach and Standardized Approach. Quarter over quarter variances are largely related to the update of our retail risk parameters in Q2/2014.

2 Represents the exposure-weighted average probability of default, loss given default rate, exposure at default (EAD) rate and risk weight of each range. Average LGD for insured residential mortgages is based on the adjustment approach where the impact of related insurance is considered. EAD rate is a percentage of undrawn.

3 Residential mortgages include both insured and uninsured amounts.

4 Includes home equity lines of credit which are uninsured.

5 The table includes loans outstanding (drawn) and undrawn commitments and represents exposure at default, which is the expected gross exposure of an obligor. This amount is before allowance for loan losses. Exposure under Basel III asset classes of qualifying retail exposure and other retail are largely included within Personal and Credit cards. Exposure includes amounts in Canada, U.S. and Other International, and covers portfolios under both the Internal Ratings Based Approach and Standardized Approach. Quarter over quarter variances are largely related to the update of our retail risk parameters in Q2/2014.

6 Represents the exposure-weighted average probability of default, loss given default rate, exposure at default (EAD) rate and risk weight of each range. Average LGD for insured residential mortgages is based on the adjustment approach where the impact of related insurance is considered. EAD rate is a percentage of undrawn.

7 Residential mortgages include both insured and uninsured amounts.

8 Includes home equity lines of credit which are uninsured.
<table>
<thead>
<tr>
<th>Business</th>
<th>Internal rating equivalent (S&amp;P)</th>
<th>External rating equivalent (Moodys)</th>
<th>Internal probability of default range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AAA+ Aaa</td>
<td></td>
<td>0.00% to 0.03%</td>
</tr>
<tr>
<td>2</td>
<td>AAA+ Aaa</td>
<td></td>
<td>0.00% to 0.03%</td>
</tr>
<tr>
<td>3</td>
<td>AA+ Aaa</td>
<td></td>
<td>0.00% to 0.03%</td>
</tr>
<tr>
<td>4</td>
<td>AA+ Aaa</td>
<td></td>
<td>0.00% to 0.03%</td>
</tr>
<tr>
<td>5</td>
<td>A+ Aaa</td>
<td>3,081</td>
<td>1.142 0.02% 32.88% 63.28% 45.82% 5 18.32%</td>
</tr>
<tr>
<td>6</td>
<td>A+ Aa</td>
<td>768</td>
<td>1.291 0.03% 28.06% 60.11% 48 6.22%</td>
</tr>
<tr>
<td>7</td>
<td>A+ A</td>
<td>991</td>
<td>1.750 0.03% 34.60% 60.33% 117 11.85%</td>
</tr>
<tr>
<td>8</td>
<td>A+ A</td>
<td>2,328</td>
<td>5.132 0.03% 35.94% 64.05% 458 14.41%</td>
</tr>
<tr>
<td>9</td>
<td>A+ A</td>
<td>4,778</td>
<td>7.034 0.03% 36.72% 64.07% 763 16.84%</td>
</tr>
<tr>
<td>10</td>
<td>A+ A</td>
<td>8,698</td>
<td>12.534 0.09% 39.25% 62.40% 2,675 33.62%</td>
</tr>
<tr>
<td>11</td>
<td>A+ A</td>
<td>17,447</td>
<td>19.922 0.22% 41.93% 61.84% 8,016 51.91%</td>
</tr>
<tr>
<td>12</td>
<td>A+ A</td>
<td>20,463</td>
<td>16.503 0.35% 38.65% 60.33% 2,087 36.01%</td>
</tr>
<tr>
<td>13</td>
<td>A+ A</td>
<td>27,141</td>
<td>14.354 0.66% 32.66% 35.09% 10,281 62.10%</td>
</tr>
<tr>
<td>14</td>
<td>A+ A</td>
<td>26,197</td>
<td>17.383 1.05% 35.68% 60.40% 2,042 75.94%</td>
</tr>
<tr>
<td>15</td>
<td>A+ A</td>
<td>14,485</td>
<td>12.186 1.48% 35.12% 62.01% 7,959 72.96%</td>
</tr>
<tr>
<td>16</td>
<td>A+ A</td>
<td>4,713</td>
<td>8.882 3.44% 37.72% 60.33% 2,675 46.41%</td>
</tr>
<tr>
<td>17</td>
<td>A+ A</td>
<td>19,496</td>
<td>12.146 1.46% 37.12% 62.01% 7,959 72.96%</td>
</tr>
<tr>
<td>18</td>
<td>A+ A</td>
<td>19,496</td>
<td>12.146 1.46% 37.12% 62.01% 7,959 72.96%</td>
</tr>
<tr>
<td>19</td>
<td>A+ A</td>
<td>19,496</td>
<td>12.146 1.46% 37.12% 62.01% 7,959 72.96%</td>
</tr>
<tr>
<td>20</td>
<td>A+ A</td>
<td>19,496</td>
<td>12.146 1.46% 37.12% 62.01% 7,959 72.96%</td>
</tr>
</tbody>
</table>

### Business

<table>
<thead>
<tr>
<th>Internal rating equivalent (S&amp;P)</th>
<th>External rating equivalent (Moodys)</th>
<th>Internal probability of default range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>Bankruptcy</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Bankruptcy</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Total Business

<table>
<thead>
<tr>
<th>Exposure</th>
<th>Unaudited (Notional amount)</th>
<th>Average probability of default (%)</th>
<th>Average loss given default rate (%)</th>
<th>Average exposure at default (%)</th>
<th>Average risk weighted assets (%)</th>
<th>Average risk weighted amount (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>201,203</td>
<td>162,693</td>
<td>0.19%</td>
<td>34.92%</td>
<td>54,623</td>
<td>100,195</td>
<td>34.61%</td>
</tr>
<tr>
<td>174,109</td>
<td>151,924</td>
<td>1.86%</td>
<td>35.14%</td>
<td>53,663</td>
<td>99,760</td>
<td>35.10%</td>
</tr>
</tbody>
</table>

### Sovereign

<table>
<thead>
<tr>
<th>Exposure</th>
<th>Unaudited (Notional amount)</th>
<th>Average probability of default (%)</th>
<th>Average loss given default rate (%)</th>
<th>Average exposure at default (%)</th>
<th>Average risk weighted assets (%)</th>
<th>Average risk weighted amount (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,000</td>
<td>2,136</td>
<td>0.01%</td>
<td>6.11%</td>
<td>26.64%</td>
<td>5</td>
<td>0.44%</td>
</tr>
<tr>
<td>1,003</td>
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<tr>
<td>1,003</td>
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<tr>
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### Total Sovereign

<table>
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<th>Exposure</th>
<th>Unaudited (Notional amount)</th>
<th>Average probability of default (%)</th>
<th>Average loss given default rate (%)</th>
<th>Average exposure at default (%)</th>
<th>Average risk weighted assets (%)</th>
<th>Average risk weighted amount (%)</th>
</tr>
</thead>
<tbody>
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<td>10,058</td>
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### Bank

<table>
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<th>Average probability of default (%)</th>
<th>Average loss given default rate (%)</th>
<th>Average exposure at default (%)</th>
<th>Average risk weighted assets (%)</th>
<th>Average risk weighted amount (%)</th>
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### Total Bank

<table>
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<tr>
<th>Exposure</th>
<th>Unaudited (Notional amount)</th>
<th>Average probability of default (%)</th>
<th>Average loss given default rate (%)</th>
<th>Average exposure at default (%)</th>
<th>Average risk weighted assets (%)</th>
<th>Average risk weighted amount (%)</th>
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</thead>
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<tr>
<td>1,888</td>
<td>2,112</td>
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<td>21.88%</td>
<td>21.88%</td>
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<td>33.33%</td>
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</table>
**REALIZED GAINS AND LOSSES ON AVAILABLE-FOR-SALE SECURITIES**

( Millions of Canadian dollars)

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>2013</th>
<th>2012</th>
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<tr>
<td>Realized gains</td>
<td>80</td>
<td>46</td>
<td>82</td>
<td>38</td>
<td>51</td>
<td>83</td>
<td>101</td>
<td>59</td>
<td>53</td>
<td>234</td>
<td>251</td>
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<tr>
<td>Realized losses and writedowns</td>
<td>(7)</td>
<td>(17)</td>
<td>(9)</td>
<td>(10)</td>
<td>(7)</td>
<td>(17)</td>
<td>(19)</td>
<td>(17)</td>
<td>(41)</td>
<td>(43)</td>
<td>(94)</td>
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<tr>
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<td>29</td>
<td>53</td>
<td>28</td>
<td>44</td>
<td>66</td>
<td>82</td>
<td>42</td>
<td>12</td>
<td>191</td>
<td>157</td>
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<tr>
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<tr>
<td>Net gains (losses) on Available-for-sale securities net of Insurance premium, investment and fee income</td>
<td>71</td>
<td>23</td>
<td>51</td>
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<td>44</td>
<td>66</td>
<td>80</td>
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**TRADING CREDIT DERIVATIVES**

( Millions of Canadian dollars)

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<th>Q2/13</th>
<th>Q1/13</th>
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<th>Q3/12</th>
<th>Q2/12</th>
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<td>8,701</td>
<td>8,785</td>
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<td>75</td>
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<td>121</td>
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**OTHER THAN TRADING CREDIT DERIVATIVES POSITIONS**

( NOTIONAL AMOUNT AND FAIR VALUE)

( Millions of Canadian dollars)

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<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
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<tr>
<td>Real estate &amp; related</td>
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<tr>
<td>Net protection purchased</td>
<td>1,304</td>
<td>1,313</td>
<td>1,405</td>
<td>1,523</td>
<td>1,606</td>
<td>1,559</td>
<td>1,594</td>
<td>1,716</td>
<td>1,759</td>
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<tr>
<td>Offsetting protection sold related to the same reference entity</td>
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</tr>
<tr>
<td>Gross protection purchased</td>
<td>1,304</td>
<td>1,313</td>
<td>1,405</td>
<td>1,523</td>
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<td>1,559</td>
<td>1,594</td>
<td>1,716</td>
<td>1,759</td>
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<tr>
<td>Offsetting protection purchased related to the same reference entity</td>
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<td>Gross protection sold</td>
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<tr>
<td>Gross protection purchased and sold (notional amount)</td>
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<td>1,313</td>
<td>1,405</td>
<td>1,523</td>
<td>1,606</td>
<td>1,559</td>
<td>1,594</td>
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<td>1,759</td>
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<td>29</td>
<td>23</td>
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</table>

1 Comprises credit default swaps, total return swaps, credit default baskets and credit default options. As at Q2/14, over 95% of our net exposures are with investment grade counterparties.
2 Gross fair value before netting.
3 Replacement cost includes the impact of netting but excludes collateral.
4 Comprises credit default swaps.
### FAIR VALUE OF DERIVATIVE INSTRUMENTS (Millions of Canadian dollars)

<table>
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<td>Held or issued for trading purposes</td>
<td>103,947</td>
<td>107,253</td>
<td>108,950</td>
<td>112,866</td>
<td>105,164</td>
<td>109,506</td>
<td>118,361</td>
<td>126,454</td>
<td>111,706</td>
<td>121,157</td>
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<tr>
<td>Held or issued for other than trading purposes</td>
<td>3,850</td>
<td>1,203</td>
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<td>1,377</td>
<td>3,039</td>
<td>1,095</td>
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<td>1,411</td>
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<tr>
<td>Total gross fair values before netting ¹</td>
<td>107,797</td>
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<td>118,154</td>
<td>122,331</td>
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<td>that qualify for balance sheet offset ²</td>
<td>(49,213)</td>
<td>(49,213)</td>
<td>(54,340)</td>
<td>(54,340)</td>
<td>(51,653)</td>
<td>(51,653)</td>
<td>(53,789)</td>
<td>(53,789)</td>
<td>(69,269)</td>
<td>(69,269)</td>
<td>(63,085)</td>
<td>(63,085)</td>
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### DERIVATIVES - NOTIONAL AMOUNTS (Millions of Canadian dollars)

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<th>Q1/14</th>
<th>Q4/13</th>
<th>Q3/13</th>
<th>Q2/13</th>
<th>Q1/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over-the-counter contracts</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Interest rate contracts</td>
<td></td>
<td></td>
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<tr>
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<td>3,856,504</td>
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<td>2,314,027</td>
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<tr>
<td>Non-centrally cleared</td>
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<td>18,614</td>
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<td>Other contracts ⁵</td>
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<td>Non-centrally cleared</td>
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<td>225,819</td>
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<td>8,671,001</td>
<td>8,226,343</td>
<td>7,844,997</td>
<td>7,431,654</td>
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</tr>
</tbody>
</table>

¹ As at Q2/14, positive and negative fair values exclude market and credit valuation adjustments of $511 million and $(39) million respectively that are determined on a pooled basis.

² Impact of offsetting derivative assets and liabilities on contracts where we have both (a) unconditional and legally enforceable netting agreement in place and (b) we intend to settle the contracts on either a net basis or simultaneously. The right of setoff is considered unconditional if its exercise is not contingent upon the occurrence of a future event; it is considered conditional if it becomes exercisable only upon the occurrence of a future event, such as bankruptcy, insolvency, default, or change in control.

³ Additional impact of offsetting credit exposures on contracts that do not qualify for balance sheet offset.

⁴ Notional amounts do not represent assets or liabilities and therefore are not recorded in our Consolidated Balance Sheet.

⁵ The majority of non-centrally cleared over the counter derivative activity is conducted with other professional market counterparties, under bilateral collateral arrangements with very low unsecured thresholds and daily collateral valuations. These collateral arrangements take the form of Credit Support Annex, to the International Swaps and Derivatives Association master agreement.

⁶ Comprises precious metal, commodity, stable value and equity-linked derivative contracts.
### DERIVATIVE - RELATED CREDIT RISK

**Q2/14**

<table>
<thead>
<tr>
<th>Over-the-counter contracts</th>
<th>Credit equivalent</th>
<th>Risk-weighted equivalent</th>
<th>Q2/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notional amount</td>
<td>Replacement cost</td>
<td>Credit equivalent</td>
<td>Risk-weighted equivalent</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------------</td>
<td>--------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Swaps</td>
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<td>Options purchased</td>
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<td>453</td>
<td>748</td>
</tr>
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<td>Foreign exchange contracts</td>
<td>1,009,415</td>
<td>2,043</td>
<td>6,995</td>
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<tr>
<td>Options purchased</td>
<td>41,152</td>
<td>278</td>
<td>488</td>
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<tr>
<td>Credit derivatives</td>
<td>21,097</td>
<td>163</td>
<td>1,671</td>
</tr>
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<td>Other contracts</td>
<td>96,974</td>
<td>1,827</td>
<td>7,303</td>
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<tr>
<td>Exchange traded contracts</td>
<td>222,402</td>
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<td>8,549</td>
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<tr>
<td>Total derivatives</td>
<td>6,671,061</td>
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<td>54,586</td>
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**Q3/13**

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<th>Risk-weighted equivalent</th>
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<td>Credit equivalent</td>
<td>Risk-weighted equivalent</td>
</tr>
<tr>
<td>----------------------------</td>
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<tr>
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<tr>
<td>Total derivatives</td>
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<td>54,586</td>
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### DERIVATIVE - RELATED CREDIT RISK

**Q2/14**

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<tr>
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<tr>
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<tr>
<td>Total derivatives</td>
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**Q3/13**

<table>
<thead>
<tr>
<th>Over-the-counter contracts</th>
<th>Credit equivalent</th>
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<th>Q3/13</th>
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</thead>
<tbody>
<tr>
<td>Notional amount</td>
<td>Replacement cost</td>
<td>Credit equivalent</td>
<td>Risk-weighted equivalent</td>
</tr>
<tr>
<td>----------------------------</td>
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<td>--------------------------</td>
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<tr>
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<tr>
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<td>2,860</td>
<td>8,549</td>
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<tr>
<td>Total derivatives</td>
<td>6,671,061</td>
<td>23,875</td>
<td>54,586</td>
</tr>
</tbody>
</table>

### Notes

1. As at Q2/14, the notional amounts exclude exchange-traded options written of $76.0 billion, over-the-counter options written of $201.7 billion, and non-trading credit derivatives of $1.3 billion.
2. Commencing Q1/13, the risk weighted equivalent is calculated using guidelines issued by OSFI under the Basel III framework whereas all prior periods have been calculated under the Basel II framework. As at Q2/14, the risk-weighted equivalents for over-the-counter contracts shown are calculated by applying risk weights against the credit equivalent amounts net of credit valuation adjustment (CVA) losses of $217 million. This charge is an integral part of the CVA-regulatory capital charge which contributed $11 billion in risk-weighted equivalent which is not reflected in the balances above.
3. Comprises credit default swaps, total return swaps, credit default baskets and credit default options.
4. Comprises precious metal, commodity, stable value and equity-linked derivative contracts.
5. Commencing Q1/13, exchange traded instruments were included in the calculation of credit risk.
6. As at Q2/14, the total credit equivalent amount reported above is net of $11.7 billion in collateral and does not reflect the netting of the credit valuation adjustment losses of $217 million described in footnote 2.
### For the three months ended Q2/14 - Q2/13

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<td>20</td>
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<td>11</td>
<td>10</td>
</tr>
<tr>
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<td>34</td>
<td>24</td>
<td>25</td>
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<td>25</td>
<td>22</td>
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<td>19</td>
<td>18</td>
<td>21</td>
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<tr>
<td>Stressed VaR</td>
<td>84</td>
<td>83</td>
<td>101</td>
<td>84</td>
<td>63</td>
<td>57</td>
<td>52</td>
<td>39</td>
<td>35</td>
<td>35</td>
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### For the six months ended Q2/13 - Q1/14 - Q4/13

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<tr>
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<td>27</td>
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<tr>
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<td>11</td>
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<tr>
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<td>34</td>
<td>22</td>
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<td>21</td>
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<tr>
<td>Stressed VaR</td>
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<td></td>
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</table>

1. The table shows VaR and stressed VaR for trading activities that have a capital requirement under the internal models-based approach, for which we have been granted approval by OSFI. Regulatory capital for market risk is allocated based on VaR and stressed VaR only for those trading positions that have approval to use the internal models based approach.
## Tier 1 common and Tier 1 regulatory capital

<table>
<thead>
<tr>
<th>Description</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
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<td>Common shares</td>
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<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
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<td>23,310</td>
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<td>Net after tax fair value losses arising from changes in institutions’ own credit risk</td>
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<td>(59)</td>
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<td>(30)</td>
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<td>Foreign currency translation adjustments 2</td>
<td>195</td>
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<td>9</td>
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<td>Net after-tax unrealized loss on available-for-sale equity securities 2</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Goodwill 3</td>
<td>(7,485)</td>
<td>(7,466)</td>
<td>(7,440)</td>
<td>(7,485)</td>
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<td>Substantial investments</td>
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<td>(80)</td>
<td>(74)</td>
<td>(52)</td>
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<tr>
<td>Securitization-related deductions 4</td>
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<td>(501)</td>
<td>(509)</td>
<td>(448)</td>
</tr>
<tr>
<td>Investment in insurance subsidiaries</td>
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<td>(1,512)</td>
<td>(1,498)</td>
<td>(1,562)</td>
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<tr>
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<td>(269)</td>
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<td>Other</td>
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<td>(1)</td>
<td>(1)</td>
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<td>Total Tier 1 common</td>
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<tr>
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<td>Other non-controlling interests</td>
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<td>Total Tier 1 regulatory capital</td>
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## Tier 2 regulatory capital

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<tbody>
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<td>Permanent subordinated debentures</td>
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<td>817</td>
<td>820</td>
<td>809</td>
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<td>Non-permanent subordinated debentures 7</td>
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<td>6,709</td>
<td>6,613</td>
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<td>Innovative capital instruments (excess over 15% of Tier 1)</td>
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<tr>
<td>Excess of non-cumulative preferred shares</td>
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<td>Net after-tax unrealized gain on available-for-sale equity securities 2</td>
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<td>Allowance against non-impaired loans</td>
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<td>Excess Allowance (re IBR Approach)</td>
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</tr>
<tr>
<td>Expected loss in excess of allowance - IBR approach</td>
<td>(305)</td>
<td>(295)</td>
<td>(269)</td>
<td>(305)</td>
</tr>
<tr>
<td>Other</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Total Tier 2 regulatory capital</td>
<td>5,540</td>
<td>5,538</td>
<td>5,448</td>
<td>5,540</td>
</tr>
</tbody>
</table>

## Total regulatory capital

<table>
<thead>
<tr>
<th>Description</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 common and Tier 1 regulatory capital</td>
<td>42,347</td>
<td>41,698</td>
<td>40,599</td>
<td>42,347</td>
</tr>
</tbody>
</table>

## Capital measures

<table>
<thead>
<tr>
<th>Description</th>
<th>Q4/12</th>
<th>Q3/12</th>
<th>Q2/12</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 common ratio</td>
<td>10.5%</td>
<td>10.3%</td>
<td>10.4%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Tier 1 capital ratio</td>
<td>13.1%</td>
<td>13.0%</td>
<td>13.2%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Total capital ratio</td>
<td>15.1%</td>
<td>15.0%</td>
<td>15.2%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Assets-to-capital multiple</td>
<td>16.7X</td>
<td>16.7X</td>
<td>16.8X</td>
<td>16.7X</td>
</tr>
</tbody>
</table>

1. Under IFRS, we record items related to Contributed surplus directly to Retained earnings.
2. As prescribed by OSFI, certain items of Other components of equity are included in the determination of regulatory capital. Accumulated net foreign currency translation adjustments are included in Tier 1 capital. Net unrealized fair value losses on available-for-sale equities are deducted in the determination of Tier 1 capital while net unrealized fair value gains on available-for-sale equities are included in Tier 2A capital.
4. Securitization deduction from Tier 1 capital consists of Seller’s interest in credit cards of $9 million and securitizations rated below BB- of $439 million and unrated positions of $nil. Of the total deduction from Tier 1 $225 million is related to the banking book and $223 million is related to the trading book.
5. As defined in the guidelines issued by OSFI.
6. Subordinated debentures that are within five years of maturity are subject to straight-line amortization to zero during their remaining term and, accordingly, are included at their amortized value.
7. As described in the guidelines issued by OSFI.
8. Securitization deduction from Tier 2 capital consists of Seller’s interest in credit cards of $9 million and securitizations rated below BB- of $440 million and unrated positions of $nil. Of the total deduction from Tier 2, $226 million is related to the banking book and $223 million is related to the trading book.
### REGULATORY CAPITAL GENERATION

(Millions of Canadian dollars)

Replaced with the Flow statement of the movements in regulatory capital table

<table>
<thead>
<tr>
<th>Regulatory capital generation</th>
<th>BASEL III</th>
<th>BASEL II</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q2/13</td>
<td>Q1/13</td>
</tr>
<tr>
<td>Internal capital generation</td>
<td>938</td>
<td>1,112</td>
</tr>
<tr>
<td>External capital generation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common shares</td>
<td>(13)</td>
<td>44</td>
</tr>
<tr>
<td>Contributed surplus</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Preferred shares</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trust capital securities</td>
<td>63</td>
<td>(52)</td>
</tr>
<tr>
<td>Treasury shares - common</td>
<td>-</td>
<td>630</td>
</tr>
<tr>
<td>Subordinated debentures</td>
<td>-</td>
<td>60</td>
</tr>
<tr>
<td>Trust subordinated notes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>155</td>
<td>136</td>
</tr>
<tr>
<td>Other 4, 5</td>
<td>(904)</td>
<td>(930)</td>
</tr>
<tr>
<td>Total regulatory capital generation</td>
<td>239</td>
<td>940</td>
</tr>
</tbody>
</table>

1 Effective Q1/13 numbers are calculated using guidelines issued by OSFI under the Basel III All-in framework. Prior periods are calculated using Basel II framework.
2 Internal capital generation is net income attributable to shareholders less dividends.
3 Under IFRS, we record items related to Contributed surplus directly to Retained earnings.
4 Includes changes to investments in insurance subsidiaries, regulatory capital deductions for goodwill, substantial investments, eligible general allowance, non-controlling interests, securitization related amounts, treasury shares (other than common) other adjustments to retained earnings and the impact of the transition to Basel III for all capital components except subordinated debentures and other comprehensive income.
5 Transitional adjustments for IFRS are shown under Other.
<table>
<thead>
<tr>
<th>Segment</th>
<th>Net Income Available to Common Shareholders (Millions of Canadian dollars)</th>
<th>Average Risk Capital (Millions of Canadian dollars)</th>
<th>Average Attributed Capital (Millions of Canadian dollars)</th>
<th>ROE</th>
<th>RORC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal &amp; Commercial Banking</strong></td>
<td>Q1/14 10,900, 14,750</td>
<td>Q1/14 10,900, 14,750</td>
<td>Q1/14 10,900, 14,750</td>
<td>30.8%</td>
<td>44.4%</td>
</tr>
<tr>
<td><strong>Canadian Banking</strong></td>
<td>Q2/14 10,800, 14,650</td>
<td>Q2/14 10,800, 14,650</td>
<td>Q2/14 10,800, 14,650</td>
<td>37.7%</td>
<td>50.1%</td>
</tr>
<tr>
<td><strong>Wealth Management</strong></td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>42.1%</td>
<td>46.7%</td>
</tr>
<tr>
<td><strong>Investor &amp; Treasury Services</strong></td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>28.5%</td>
<td>26.6%</td>
</tr>
<tr>
<td><strong>Capital Markets</strong></td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>15.5%</td>
<td>15.5%</td>
</tr>
<tr>
<td><strong>Corporate Support</strong></td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>19.1%</td>
<td>19.1%</td>
</tr>
<tr>
<td><strong>RBC</strong></td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>Q2/14 1,500, 1,500</td>
<td>30.4%</td>
<td>30.4%</td>
</tr>
</tbody>
</table>

1 Business segment ROE is based on Average attributed capital. Under/(over) attribution of capital is reported in Corporate Support.
2 Effective Q2/12 discontinued operations are included in Corporate Support.
3 We do not report ROE and RORC for Corporate Support as they are considered not meaningful.
Management measures and evaluates the performance of our consolidated operations and each of our segments based on a variety of financial measures. In addition to generally accepted accounting principles (GAAP) prescribed measures, we use certain non-GAAP measures and key performance measures. We believe these measures provide useful information to investors regarding our financial condition and result of operations. For details, refer to the “How we measure and report our business segments” section of our Report to Shareholders. Readers are cautioned that non-GAAP measures do not have any standardized meanings prescribed by GAAP and therefore are unlikely to be comparable to similar measures disclosed by other companies.

**Performance measures**

**Attributed capital (Economic capital)**
An estimate of the amount of equity capital required to underpin risks. It is calculated by estimating the level of capital that is necessary to support our various businesses, given their risks, consistent with our desired solvency standard and credit ratings.

**Risk capital**
Risk capital includes credit, market (trading and non-trading), insurance-specific, operational, business and fixed assets risk capital.

**Average risk capital**
Calculated using methods intended to approximate the average of the daily risk capital balances for the period.

**Return on equity (ROE)**
Business segment return on equity is calculated as net income available to common shareholders divided by Average attributed capital for the period and using methods that are intended to approximate the average of the daily balances for the period. Corporate Support also includes average unattributed capital.

**Return on risk capital (RORC)**
Net income available to common shareholders divided by average risk capital. Business segment RORC is calculated as net income available to common shareholders divided by average risk capital for the period.

**Non-GAAP measures**

**Adjusted basis measures**
Adjusted basis measures such as cash net income available to common shareholders, adjusted diluted earnings per share (EPS) and adjusted ROE are calculated by adding back to net income the after-tax amount of amortization of intangibles (excluding amortization of software), any goodwill impairment, the dilutive impact of exchangeable shares, and other significant non-recurring items.

**Economic profit**
Net income (loss) after non-controlling interests excluding the after-tax effect of amortization and write-down of other intangibles (excluding software) and goodwill less a capital charge for use of attributed capital.

**Common equity**
Common equity includes common shares, common treasury shares, retained earnings and other components of equity.

**Unattributed capital**
Unattributed capital represents common equity in excess of common equity attributed to our business segments and is reported in the Corporate Support segment.
Calculations

**Assets-to-capital multiple**
Total assets plus specified off balance sheet items, as defined by the Office of the Superintendent of Financial Institutions Canada (OSFI), divided by total regulatory capital.

**Average balances (assets, loans and acceptances, and deposits)**
Calculated using methods intended to approximate the average of the daily balances for the period.

**Average common equity**
Calculated using methods intended to approximate the average of the daily balances for the period. For the business segments, calculated using methods intended to approximate the average of the daily attributed capital for the period.

**Average earnings assets**
The average carrying value of deposits with banks, securities, assets purchased under reverse repurchase agreements and certain securities borrowed, and loans based on daily balances for the period.

**Capital charge**
Calculated by multiplying the cost of capital by the amount of average common equity. The cost of capital is a proxy for the after-tax return that we estimate to be required by shareholders for the use of their capital.

**Dividend yield**
Dividends per common share divided by the average of the high and low share prices in the relevant period.

**Diluted EPS**
Diluted EPS is net income attributable to common shareholders divided by the average diluted shares outstanding. Both net income and number of shares outstanding have been adjusted for the impact of exchangeable shares.

**Market capitalization**
End of period common shares outstanding multiplied by the closing common share price on the Toronto Stock Exchange.

**Net interest margin (average assets)**
Net interest income as a percentage of total average assets.

**Net interest margin (average earnings assets)**
Net interest income as a percentage of total average earnings assets.

**Net write-offs**
Gross write-offs less recoveries of amounts previously written off.

**Operating leverage**
The difference between our revenue growth rate and non-interest expense growth rate.

**Risk-weighted assets (RWA) - Basel III**
Used in the calculation of risk-based capital ratios as defined by the guidelines issued by OSFI based on Basel III effective January 1, 2013 and on the “Basel III: A global regulatory framework for more resilient banks and banking systems - December 2010 (rev June 2011)” issued by the Basel Committee on Banking Supervision (BCBS) and adopted by OSFI effective January 2013. A majority of our credit risk portfolios use IRB Approach and the remainder uses Standardized Approach for the calculation of RWA based on the total exposure (i.e. exposure at default, and counterparty risk weights). For market risk measurement we use the internal models approach for products with regulatory approval and a standardised approach for all other products. For Operational risk, we use the Standardised Approach. In addition, Basel III requires a transitional capital floor adjustment.

**n.a.**
Not applicable.