



## Supplementary Financial Information

# Q2 2012

For the period ended April 30, 2012

(UNAUDITED)

For further information, please contact:

|                  |   |                |                          |
|------------------|---|----------------|--------------------------|
| Amy Cairncross   | Vice-President & Head, Investor Relations | (416) 955-7803 | amy.cairncross@rbc.com   |
| Karen McCarthy   | Director, Investor Relations              | (416) 955-7809 | karen.mccarthy@rbc.com   |
| Robert Colangelo | Associate Director, Investor Relations    | (416) 955-2049 | robert.colangelo@rbc.com |

[www.rbc.com/investorrelations](http://www.rbc.com/investorrelations)

## Table of Contents

### Page

- 1 **Notes to Users**
- 3 **Key performance and Non-GAAP measures**

### 4 **Financial Highlights**

#### **Consolidated Results**

- 7 Statements of income
- 8 Revenue from trading activities
- 8 Gains (losses) on certain market and credit related items
- 9 Non-interest expense

#### **Segment Details**

- 10 Canadian Banking
- 11 Wealth Management
- 12 Insurance
- 13 International Banking
- 14 Capital Markets
- 15 Corporate Support
- 16 Discontinued operations

#### **On- and Off-Balance Sheet**

- 17 Balance sheets (period-end balances)
- 18 Selected average balance sheet items
- 18 Assets under administration and management
- 18 Statements of comprehensive income
- 19 Statements of changes in equity
- 20 Securitization

#### **Capital**

- 23 Capital

### Page

#### **Capital (continued)**

- 24 Risk-weighted assets
- 25 Regulatory capital generation
- 25 Attributed capital

#### **Credit Quality**

- 26 Loans and acceptances
- 27 Gross impaired loans
- 30 Provision for credit losses
- 31 Allowance for credit losses
- 33 Credit quality ratios

#### **Credit Risk Exposure**

- 34 Gross credit risk exposure by geography and portfolio
- 35 Exposure covered by credit risk mitigation
- 35 Credit exposure by residual contractual maturity
- 36 Credit exposure of portfolios under the standardized approach by risk weight
- 36 Actual losses vs. estimated losses
- 37 Retail credit exposure by portfolio and risk category
- 37 Wholesale credit exposure by portfolio and risk rating
- 38 Realized gains and losses on available-for-sale securities
- 38 Trading credit derivatives
- 38 Other than trading credit derivatives positions
- 39 Fair value of derivative instruments
- 39 Derivative-related credit risk

#### **40 Calculation of ROE and RORC**

#### **41 Glossary**

## 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, 2012 prepared in accordance with International Financial Reporting Standards (IFRS), unless otherwise noted. This document is not audited and should be read in conjunction with our Q2 2012 Report to Shareholders and our 2011 Annual Report. Certain comparative amounts have been reclassified to conform to the current period's presentation.

### Impact of IFRS on Net Income and Key Performance Measures

RBC adopted IFRS effective November 1, 2010 (Transition date) and provided comparative results for 2011 under IFRS. The following information provides a summary of the key impacts to our 2011 financial position and results of operations from our adoption of IFRS.

Note: Under IFRS, Accumulated Other Comprehensive Income (loss) is named Other Components of Equity. As well, held-for-trading is referred to as fair value through profit or loss (FVTPL).

### Non-controlling interests

Under Canadian generally accepted accounting principles (GAAP), the portion of income attributable to non-controlling interests (NCI) is deducted prior to the presentation of net income from continuing operations in the Consolidated Statement of Income. Under IFRS, net income from continuing operations reflects income attributable to both shareholders and NCI. Net income under IFRS is apportioned between our shareholders and NCI after the effects of all continuing and discontinued operations have been presented.

### Employee benefits

First Time Adoption of IFRS (IFRS 1) provides the option to recognize cumulative actuarial gains and losses on employee benefit plans that are deferred under Canadian GAAP in opening retained earnings at the Transition date. We have elected this option for our employee defined benefit pension plans and other post-retirement benefit plans. Under IFRS, this election eliminated the amortization of previously deferred actuarial liabilities and reduced our pension costs. The reduced pension costs are expected to continue on a declining balance basis over the average remaining service lives of our employees which is approximately 15 years, with most of the impact expected in the first few years.

### Hedge accounting

Certain cash flow hedges which qualify for hedge accounting under Canadian GAAP do not qualify for hedge accounting under IFRS. Upon transition to IFRS, we have re-designated all hedge programs to ensure they qualify for hedge accounting, and the deferred amount related to non-qualifying hedges was reallocated from Other Components of Equity to retained earnings as a reduction. Therefore, amortization charges related to non-qualifying hedge relationships under Canadian GAAP are eliminated under IFRS. The transition adjustment amount would have continued to amortize on a declining balance basis under Canadian GAAP.

### Classification of financial instruments

IFRS 1 provides the option to designate a previously recognized financial asset or liability as a financial asset or financial liability at FVTPL or a financial asset as available-for-sale (AFS) at the Transition date provided the asset or liability meets certain criteria specified under IFRS at that date. Differences between the fair value and carrying value at the Transition date are recorded in opening retained earnings.

We have applied this election and designated certain financial assets previously held at FVTPL as AFS and certain liabilities as FVTPL. Valuation adjustments on financial instruments previously held at FVTPL under Canadian GAAP and designated as AFS under IFRS would be classified as Other Comprehensive Income (OCI) rather than as Trading revenue.

### Securitization (Derecognition)

Under IFRS, the criteria to transfer assets off-balance sheet is based on risks and rewards as well as control. Most assets transferred in our securitization transactions, which are mainly Canadian residential mortgages, do not qualify for derecognition under IFRS. Under IFRS, these transactions are recognized as funding, secured by residential mortgages, which results in the securitized assets and a related funding liability being reported on our balance sheet on transition to IFRS.

Under IFRS, we will no longer recognize gains on these securitization activities. Income and expenses from transferred assets and related funding will be recognized over their remaining term, net of impairment losses. This mainly impacts Corporate Support.

### Special purpose entities (Consolidation)

Under IFRS, Special Purpose Entities (SPEs) are consolidated when the substance of the relationship between the reporting entity and the SPE indicates that the SPE is controlled by the reporting entity. Certain entities not consolidated under Canadian GAAP will be consolidated under IFRS, while others previously consolidated under Canadian GAAP will be deconsolidated. Under IFRS, we will no longer recognize earnings of deconsolidated SPEs and we will recognize earnings of newly consolidated SPEs. This change will largely impact Capital Markets and Corporate Support on a recurring basis.

### Foreign currency translation impact on AFS debt securities

Under Canadian GAAP, foreign currency translation gains or losses incurred on AFS debt securities denominated in a non-functional currency are reported in Other Components of Equity, while they are recognized in the income statement under IFRS.

### Income taxes

Under Canadian GAAP, income taxes paid on intercompany transactions are deferred on the balance sheet until the related transferred assets are transferred to a third party. Under IFRS, income taxes paid on intercompany transfers are reported in the income statement immediately. This largely impacts International Banking.

### Securities impairment

Under IFRS, the impairment assessment framework requires a security to be written down to fair value when there is objective evidence of impairment and must continue to be written down thereafter as long as the fair value is lower than the book value, whether or not the security will continue to be held.

### Customer loyalty reward program

Under Canadian GAAP, customer loyalty reward points are expensed when clients' credit card sales occur and a corresponding liability is created. The reward liability is based on an estimate of the points expected to be redeemed and the average cost of the points. Under IFRS, when reward points are earned, a portion of interchange revenue is deferred based on the fair value of the points granted. When the points are redeemed, deferred revenue is recognized in income and a corresponding expense charged based on actual costs incurred.

### Diluted earnings per share (EPS)

Under IFRS, financial instruments which may be settled in common shares or cash at our option must be treated as though they are settled in common shares for the purpose of the calculation of diluted EPS, while under Canadian GAAP the inclusion or exclusion of such instruments in the calculation of diluted EPS is based on past experience and expectations of whether these instruments will be settled in cash rather than shares. Refer to definition in the "Key performance and Non-GAAP measures" section of this document.

**Notes to Users (continued)**

**IFRS Shareholders' Equity Adjustment**

We prepared an opening IFRS Consolidated Balance Sheet as at the Transition date, which forms the starting point for our financial reporting in accordance with IFRS. Any differences between the carrying values of assets, liabilities and equity determined in accordance with Canadian GAAP and IFRS, as at November 1, 2010, were recorded as an adjustment to opening retained earnings.

The quarterly differences in Shareholders' equity for 2011 were primarily due to the opening IFRS balance sheet differences noted above as well as the impacts to Other Components of Equity and quarterly earnings previously described above.

**Impact on Regulatory Capital from Adoption of IFRS**

Capital levels for Canadian banks are regulated pursuant to guidelines issued by Office of the Superintendent of Financial Institutions (OSFI), based on standards issued by the Bank for International Settlements, Basel Committee on Banking Supervision. Regulatory capital reporting under IFRS commenced with our conversion to IFRS on November 1, 2011. As per OSFI's Capital Adequacy Guidelines, financial institutions may elect a phase-in of the impact of the conversion to IFRS on their regulatory capital reporting. We elected to make use of this option and phase-in the IFRS conversion impact over a five-quarter period starting with Q1 2012. This phase-in amount is based on the impact to retained earnings of our IFRS conversion as at November 1, 2011, and is recognized on a straight-line basis.

**Presentation Changes - IFRS**

**Discontinued operations**

Under IFRS, Balance Sheet adjustments related to discontinued operations are made prospectively from the date of classification as discontinued operations. The results of discontinued operations are reported as a separate component of income or loss for both current and all comparative periods. The classification of our U.S. Retail Banking operations as discontinued operations has been reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in October 2010 has also been reflected as discontinued operations under IFRS from the Transition date.

**Other Changes**

**Significant reporting changes made to this document effective Q2/12**

**Sale of U.S. regional retail banking operations**

On March 2, 2012, we completed the disposition of our U.S. regional retail banking operations to PNC Financial Services Group, Inc. These operations were classified as discontinued operations. For further details, refer to the "Key corporate events" of 2012 section of our Q2 2012 Report to Shareholders.

**Announced acquisition of the other 50% stake in RBC Dexia Investor Services Limited (RBC Dexia)**

On April 3, 2012, we announced a definitive agreement to acquire the other 50 per cent stake in the joint venture RBC Dexia. As a result, we recorded in the second quarter of 2012 a loss of \$212 million (\$202 million after-tax). The transaction is subject to regulatory approvals and other customary closing conditions and is expected to be completed in the third quarter of 2012. For further details, refer to the "Key corporate events" of 2012 section of our Q2 2012 Report to Shareholders.

**Cash collateral for derivatives and margin deposits with exchanges**

During the quarter, we retrospectively reclassified cash collateral paid from Interest bearing deposits with banks and loans - Wholesale to Other assets and Cash collateral received from Deposits to Other liabilities to better reflect the nature of the balances. These changes are reflected in average balances and credit quality ratios. The reclassification does not include cash collateral that is received or paid on securities borrowed and securities loaned, which is currently classified in Assets purchased under reverse repurchase agreements and securities borrowed and Obligations related to assets sold under repurchase agreements and securities loaned, respectively.

**Significant reporting changes made to this document effective Q1/12**

**Cash and Other assets**

Effective November 1, 2010, we reclassified certain amounts on the Balance Sheet relating from Cash to Other assets to align to the IFRS definition of cash equivalents, which treats precious metals as commodities rather than cash.

**Share of profit in associates**

Effective Q1/11, we reclassified certain amounts on the Statement of Income relating to non-associates, which were reported in the Share of profit in associates category under Canadian GAAP, to the Other category.

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

Effective Q1/11, we updated the 'Fair value adjustments on RBC debt - Other segments' amounts reported in the Gains (Losses) on Certain Market and Credit Related Items table to capture amounts previously omitted.

**Embedded value**

Effective Q4/10, we updated the embedded value amounts reported in Insurance to capture dividend payments previously omitted.

**Realized gains/losses on AFS Securities**

We updated realized gains and realized losses/write-downs. No net impact to the net gain and losses reported.

**Allowance for credit losses**

We updated the individually and collectively assessed amounts.

**Selected average balances**

We have updated certain average balances reported on pages 4, 15, and 18.

**Financial Highlight changes**

We updated certain financial highlights measures to correct amounts previously reported.

## Key performance and Non-GAAP measures

Management measures and evaluates the performance of our consolidated operations and each of our segments based on a number of different measures including net income and non-GAAP measures.

For details, refer to the 'How we measure and report our business segments' section in our Q2 2012 Report to Shareholders and 2011 Annual Report. Readers are cautioned that key performance measures and non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented 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.

#### 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.

### 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 other intangibles, any goodwill impairment, the dilutive impact of exchangeable shares, and the loss on our announced acquisition of RBC Dexia. These adjusting charges do not deplete our cash reserves, and excludes the amortization of computer software intangibles.

#### Economic profit

Economic profit is net income (loss) after non-controlling interests excluding the after-tax effect of amortization of other intangibles, 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.

#### Diluted EPS

Diluted EPS is net income from continuing operations 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.

| FINANCIAL HIGHLIGHTS <sup>1</sup><br>(C\$ millions, except percentage and per share amounts)          | IFRS    |         |         |         |         |         | CGAAP   |         |         | IFRS             |                  | IFRS    |         | CGAAP   |  |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|------------------|---------|---------|---------|--|
|   | Q2/12   | Q1/12   | Q4/11   | Q3/11   | Q2/11   | Q1/11   | Q4/10   | Q3/10   | Q2/10   | 2012<br>6 months | 2011<br>6 months | 2011    | 2010    | 2009    |  |
| <b>SELECTED INCOME STATEMENT INFORMATION</b>  |         |         |         |         |         |         |         |         |         |                  |                  |         |         |         |  |
| Total revenue   | 6,924   | 7,574   | 6,692   | 6,897   | 6,831   | 7,218   | 6,778   | 6,150   | 6,381   | 14,498           | 14,049           | 27,638  | 26,082  | 26,441  |  |
| Provision for credit losses (PCL)   | 348     | 267     | 276     | 320     | 273     | 264     | 283     | 277     | 334     | 615              | 537              | 1,133   | 1,240   | 2,167   |  |
| Insurance policyholder benefits, claims and acquisition expense                                       | 640     | 1,211   | 867     | 1,081   | 843     | 567     | 1,047   | 978     | 721     | 1,851            | 1,410            | 3,358   | 3,546   | 3,042   |  |
| Non-interest expense (NIE)  | 3,857   | 3,671   | 3,530   | 3,417   | 3,551   | 3,669   | 3,582   | 3,146   | 3,344   | 7,528            | 7,220            | 14,167  | 13,469  | 13,436  |  |
| Net income from continuing operations   | 1,563   | 1,876   | 1,609   | 1,683   | 1,682   | 1,996   | n.a.    | n.a.    | n.a.    | 3,439            | 3,678            | 6,970   | n.a.    | n.a.    |  |
| Net income from continuing operations - CGAAP   | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | 1,372   | 1,379   | 1,421   | n.a.             | n.a.             | n.a.    | 5,732   | 5,681   |  |
| Net loss from discontinued operations   | (30)    | (21)    | (38)    | (389)   | (51)    | (48)    | (251)   | (103)   | (92)    | (51)             | (99)             | (526)   | (509)   | (1,823) |  |
| Net income  | 1,533   | 1,855   | 1,571   | 1,294   | 1,631   | 1,948   | 1,121   | 1,276   | 1,329   | 3,388            | 3,579            | 6,444   | 5,223   | 3,858   |  |
| Net income available to common shareholders   | 1,443   | 1,766   | 1,481   | 1,205   | 1,542   | 1,857   | 1,057   | 1,211   | 1,284   | 3,209            | 3,399            | 6,085   | 4,965   | 3,625   |  |
| Add: Dilutive impact of exchangeable shares <sup>2</sup>  | 13      | 13      | 13      | 20      | 22      | 23      | n.a.    | n.a.    | n.a.    | 26               | 45               | 78      | n.a.    | n.a.    |  |
| Net income available to common shareholders including dilutive impact of exchangeable shares          | 1,456   | 1,779   | 1,494   | 1,225   | 1,564   | 1,880   | n.a.    | n.a.    | n.a.    | 3,235            | 3,444            | 6,163   | n.a.    | n.a.    |  |
| <b>PROFITABILITY MEASURES</b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |         |  |
| <b>CONSOLIDATED</b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |         |  |
| Earnings per share (EPS) - basic  | \$1.00  | \$1.23  | \$1.03  | \$0.84  | \$1.08  | \$1.30  | \$0.74  | \$0.85  | \$0.89  | \$2.23           | \$2.38           | \$4.25  | \$3.49  | \$2.59  |  |
| - diluted <sup>3</sup>  | \$0.99  | \$1.22  | \$1.02  | \$0.83  | \$1.06  | \$1.27  | \$0.74  | \$0.84  | \$0.88  | \$2.21           | \$2.34           | \$4.19  | \$3.46  | \$2.57  |  |
| Return on common equity (ROE)   | 16.1 %  | 19.7 %  | 17.1 %  | 14.5 %  | 19.9 %  | 23.7 %  | 12.3 %  | 14.3 %  | 15.8 %  | 17.9 %           | 21.8 %           | 18.7 %  | 14.9 %  | 11.9 %  |  |
| Return on risk capital (RORC)   | 24.2 %  | 27.5 %  | 24.2 %  | 22.4 %  | 31.3 %  | 37.5 %  | 20.6 %  | 24.3 %  | 26.7 %  | 25.9 %           | 34.4 %           | 28.4 %  | 25.4 %  | 19.5 %  |  |
| Return on assets  | 0.79 %  | 0.91 %  | 0.76 %  | 0.67 %  | 0.88 %  | 1.01 %  | 0.61 %  | 0.73 %  | 0.83 %  | 0.85 %           | 0.95 %           | 0.83 %  | 0.76 %  | 0.55 %  |  |
| Return on risk-weighted assets (RWA)  | 2.33 %  | 2.58 %  | 2.29 %  | 1.93 %  | 2.60 %  | 2.98 %  | 1.71 %  | 1.96 %  | 2.19 %  | 2.46 %           | 2.79 %           | 2.44 %  | 2.03 %  | 1.50 %  |  |
| <b>CONTINUING OPERATIONS</b>  |         |         |         |         |         |         |         |         |         |                  |                  |         |         |         |  |
| Earnings per share (EPS) - basic  | \$1.02  | \$1.24  | \$1.06  | \$1.11  | \$1.12  | \$1.34  | \$0.92  | \$0.93  | \$0.96  | \$2.26           | \$2.45           | \$4.62  | \$3.85  | \$3.90  |  |
| - diluted <sup>3</sup>  | \$1.01  | \$1.23  | \$1.05  | \$1.10  | \$1.10  | \$1.31  | \$0.91  | \$0.92  | \$0.95  | \$2.24           | \$2.40           | \$4.55  | \$3.82  | \$3.86  |  |
| Return on common equity (ROE)   | 16.5 %  | 20.0 %  | 17.5 %  | 19.2 %  | 20.5 %  | 24.4 %  | 15.2 %  | 15.6 %  | 16.9 %  | 18.2 %           | 22.5 %           | 20.3 %  | 16.5 %  | 17.9 %  |  |
| Return on risk capital (RORC)   | 25.1 %  | 29.3 %  | 26.3 %  | 32.1 %  | 35.8 %  | 43.1 %  | 29.0 %  | 29.8 %  | 32.2 %  | 27.2 %           | 39.4 %           | 33.7 %  | 31.5 %  | 33.2 %  |  |
| Return on assets <sup>4</sup>   | 0.82 %  | 0.95 %  | 0.80 %  | 0.90 %  | 0.95 %  | 1.08 %  | 0.79 %  | 0.83 %  | 0.94 %  | 0.88 %           | 1.02 %           | 0.93 %  | 0.88 %  | 0.87 %  |  |
| Efficiency ratio  | 55.7 %  | 48.5 %  | 52.7 %  | 49.5 %  | 52.0 %  | 50.8 %  | 52.8 %  | 51.2 %  | 52.4 %  | 51.9 %           | 51.4 %           | 51.3 %  | 51.6 %  | 50.8 %  |  |
| <b>ADJUSTED BASIS MEASURES - Continuing Op<sup>5</sup></b>  |         |         |         |         |         |         |         |         |         |                  |                  |         |         |         |  |
| Net income available to common shareholders   | 1,473   | 1,787   | 1,519   | 1,594   | 1,593   | 1,905   | 1,308   | 1,314   | 1,356   | 3,260            | 3,498            | 6,611   | 5,474   | 5,448   |  |
| Add: After-tax effect of amortization of other intangibles and goodwill impairment <sup>6</sup>       | 189     | 29      | 31      | 32      | 31      | 29      | 30      | 31      | 34      | 218              | 60               | 123     | 127     | 141     |  |
| Adjusted net income available to common shareholders  | 1,662   | 1,816   | 1,550   | 1,626   | 1,624   | 1,934   | 1,338   | 1,345   | 1,390   | 3,478            | 3,558            | 6,734   | 5,601   | 5,589   |  |
| Adjusted diluted EPS <sup>3</sup>   | \$1.14  | \$1.25  | \$1.07  | \$1.12  | \$1.12  | \$1.33  | \$0.93  | \$0.94  | \$0.97  | \$2.39           | \$2.44           | \$4.63  | \$3.91  | \$3.96  |  |
| Adjusted ROE <sup>5</sup>   | 18.6 %  | 20.3 %  | 17.9 %  | 19.5 %  | 20.9 %  | 24.8 %  | 15.6 %  | 15.9 %  | 17.3 %  | 19.4 %           | 21.9 %           | 20.7 %  | 16.9 %  | 18.4 %  |  |
| <b>ECONOMIC PROFIT - CONSOLIDATED<sup>7</sup></b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |         |  |
| Adjusted net income available to common shareholders <sup>8</sup>                                     | 1,636   | 1,805   | 1,523   | 1,247   | 1,584   | 1,897   | 1,096   | 1,250   | 1,305   | 3,441            | 3,481            | 6,251   | 5,124   | 4,801   |  |
| Add: Preferred dividends  | 65      | 64      | 65      | 64      | 64      | 65      | 64      | 65      | 65      | 129              | 129              | 258     | 258     | 233     |  |
| Less: Capital charge  | 915     | 914     | 931     | 897     | 840     | 847     | 965     | 952     | 905     | 1,829            | 1,687            | 3,515   | 3,745   | 3,583   |  |
| Economic Profit   | 786     | 955     | 657     | 414     | 808     | 1,115   | 195     | 363     | 465     | 1,741            | 1,923            | 2,994   | 1,637   | 1,451   |  |
| <b>KEY RATIOS</b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |         |  |
| Diluted EPS growth <sup>7</sup>   | (8.2)%  | (6.1)%  | n.a.    | n.a.    | n.a.    | n.a.    | (5.2)%  | (21.4)% | (15.9)% | (6.7)%           | n.a.             | n.a.    | (1.0)%  | n.a.    |  |
| Revenue growth <sup>7</sup>   | 1.4 %   | 4.9 %   | n.a.    | n.a.    | n.a.    | n.a.    | 0.7 %   | (13.3)% | 3.9 %   | 3.2 %            | n.a.             | n.a.    | (1.4)%  | n.a.    |  |
| NIE growth <sup>7,8</sup>   | 8.6 %   | 0.1 %   | n.a.    | n.a.    | n.a.    | n.a.    | 7.3 %   | (9.5)%  | 2.0 %   | 4.3 %            | n.a.             | n.a.    | 0.2 %   | n.a.    |  |
| PCL on impaired loans as a % of Average net loans and acceptances                                     | 0.39 %  | 0.30 %  | 0.31 %  | 0.37 %  | 0.34 %  | 0.32 %  | 0.40 %  | 0.40 %  | 0.51 %  | 0.34 %           | 0.33 %           | 0.33 %  | 0.40 %  | 0.72 %  |  |
| Net interest margin (total average assets)  | 1.58 %  | 1.52 %  | 1.47 %  | 1.55 %  | 1.53 %  | 1.52 %  | 1.50 %  | 1.56 %  | 1.67 %  | 1.55 %           | 1.52 %           | 1.52 %  | 1.59 %  | 1.64 %  |  |
| Net interest margin (total average assets) excluding Trading Assets, Trading NII and Insurance Assets | 2.28 %  | 2.26 %  | 2.29 %  | 2.34 %  | 2.34 %  | 2.39 %  | 2.39 %  | 2.40 %  | 2.53 %  | 2.3 %            | 2.37 %           | 2.34 %  | 2.45 %  | 2.32 %  |  |
| Non-interest income as % of total revenue   | 56.2 %  | 60.4 %  | 55.8 %  | 58.1 %  | 60.2 %  | 61.3 %  | 61.5 %  | 57.9 %  | 60.4 %  | 58.4 %           | 60.8 %           | 58.9 %  | 60.4 %  | 59.5 %  |  |
| Effective tax rate  | 24.8 %  | 22.6 %  | 20.3 %  | 19.0 %  | 22.3 %  | 26.6 %  | 25.0 %  | 19.7 %  | 27.1 %  | 23.6 %           | 24.7 %           | 22.4 %  | 25.5 %  | 25.8 %  |  |
| <b>SELECTED BALANCE SHEET INFORMATION</b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |         |  |
| Average loans and acceptances <sup>9</sup>  | 366,300 | 362,200 | 353,300 | 342,700 | 352,100 | 350,300 | 280,400 | 275,300 | 268,600 | 362,800          | 351,200          | 340,600 | 272,700 | 264,400 |  |
| Total assets <sup>10</sup>  | 800,371 | 815,016 | 793,833 | 772,141 | 768,249 | 761,972 | 726,206 | 704,424 | 655,136 | 800,371          | 768,249          | 793,833 | 726,206 | 654,989 |  |
| Average assets <sup>10</sup>  | 787,800 | 814,500 | 823,700 | 767,600 | 759,000 | 764,600 | 725,300 | 691,900 | 653,500 | 801,300          | 761,800          | 778,900 | 683,000 | 695,300 |  |
| Average earning assets <sup>11</sup>  | 629,900 | 618,800 | 623,800 | 612,500 | 625,200 | 622,200 | 543,700 | 530,600 | 501,000 | 624,300          | 623,700          | 620,900 | 518,900 | 489,300 |  |
| Deposits <sup>9</sup>   | 495,875 | 489,827 | 479,102 | 473,767 | 478,508 | 477,789 | 414,561 | 400,177 | 379,615 | 495,875          | 478,508          | 479,102 | 414,561 | 378,457 |  |
| Common equity <sup>10</sup>   | 36,625  | 36,519  | 34,889  | 33,419  | 32,190  | 31,651  | 34,140  | 33,702  | 33,252  | 36,625           | 32,190           | 34,889  | 34,140  | 32,095  |  |
| Average common equity <sup>10</sup>   | 36,400  | 35,600  | 34,400  | 33,050  | 31,850  | 31,000  | 34,000  | 33,500  | 32,850  | 36,000           | 31,400           | 32,600  | 33,250  | 30,450  |  |
| Average risk capital <sup>10</sup>  | 24,300  | 25,500  | 24,300  | 21,400  | 20,200  | 19,600  | 20,350  | 19,800  | 19,450  | 24,900           | 19,900           | 21,400  | 19,500  | 18,600  |  |

<sup>1</sup> Amounts represent continuing operations unless otherwise noted.

<sup>2</sup> Impacts continuing operations only.

<sup>3</sup> Defined in the "Key performance and Non-GAAP measures" section.

<sup>4</sup> Return on assets calculation is based on annualized net income divided by average assets from continuing operations.

<sup>5</sup> The after-tax amount related to continuing operations for Q2/12 is \$189 million (Q1/12 - \$29 million; Q2/11 - \$31 million).

<sup>6</sup> Adjusted ROE calculation is based on adjusted net income divided by average capital.

<sup>7</sup> Growth rates are calculated based on earnings from continuing operations in the same period a year ago.

<sup>8</sup> Includes the goodwill and intangibles writedown of \$161 million (before- and after- tax) as well as the other acquisition cost of \$15 million (before- and after-tax) related to our previously announced acquisition of RBC Dexia. Excluding these items, NIE growth was 3.7%.

<sup>9</sup> The classification of our U.S. Retail Banking operations as discontinued operations will be reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in

October 2010 will be reflected as discontinued operations under IFRS from the Transition date.

<sup>10</sup> Amounts represent consolidated (combined continuing and discontinued) operations.

<sup>11</sup> Not applicable.

| FINANCIAL HIGHLIGHTS <i>continued</i> <sup>1</sup><br>(C\$ millions, except percentage and per share amounts) | IFRS      |           | CGAAP     |           |           |           |           |           | IFRS      |                  | CGAAP            |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|------------------|-----------|-----------|-----------|
|   | Q2/12     | Q1/12     | Q4/11     | Q3/11     | Q2/11     | Q1/11     | Q4/10     | Q3/10     | Q2/10     | 2012<br>6 months | 2011<br>6 months | 2011      | 2010      | 2009      |
| <b>CAPITAL MEASURES - CONSOLIDATED</b>  |           |           |           |           |           |           |           |           |           |                  |                  |           |           |           |
| Tier 1 capital ratio  | 13.2%     | 12.2%     | 13.3%     | 13.2%     | 13.6%     | 13.2%     | 13.0%     | 12.9%     | 13.4%     | 13.2%            | 13.6%            | 13.3%     | 13.0%     | 13.0%     |
| Total capital ratio   | 15.2%     | 14.5%     | 15.3%     | 15.2%     | 15.7%     | 15.3%     | 14.4%     | 14.2%     | 14.4%     | 15.2%            | 15.7%            | 15.3%     | 14.4%     | 14.2%     |
| Assets-to-capital multiple  | 16.8X     | 16.6X     | 16.1X     | 16.4X     | 16.3X     | 16.5X     | 16.5X     | 16.5X     | 16.0X     | 16.8X            | 16.3X            | 16.1X     | 16.5X     | 16.3X     |
| Tier 1 common ratio   | 10.4%     | 9.6%      | 10.6%     | 10.3%     | 10.3%     | 9.9%      | 9.8%      | 9.6%      | 9.7%      | 10.4%            | 10.3%            | 10.6%     | 9.8%      | 9.2%      |
| Risk-weighted assets (\$ billions)  | 267.1     | 285.5     | 267.8     | 261.0     | 253.2     | 256.0     | 260.5     | 258.8     | 249.3     | 267.1            | 253.2            | 267.8     | 260.5     | 244.8     |
| Gross-adjusted assets (\$ billions)   | 714.6     | 717.5     | 684.6     | 675.0     | 673.4     | 668.0     | 647.5     | 633.0     | 599.9     | 714.6            | 673.4            | 684.6     | 647.5     | 591.1     |
| <b>SHARE INFORMATION - CONSOLIDATED</b>   |           |           | IFRS      |           |           | CGAAP     |           |           | IFRS      |                  | IFRS             | CGAAP     |           |           |
|   | Q2/12     | Q1/12     | Q4/11     | Q3/11     | Q2/11     | Q1/11     | Q4/10     | Q3/10     | Q2/10     | 2012<br>6 months | 2011<br>6 months | 2011      | 2010      | 2009      |
| First preferred shares outstanding (000s) - end of period   |           |           |           |           |           |           |           |           |           |                  |                  |           |           |           |
| Non-cumulative series W   | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000           | 12,000           | 12,000    | 12,000    | 12,000    |
| Non-cumulative series AA  | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000           | 12,000           | 12,000    | 12,000    | 12,000    |
| Non-cumulative series AB  | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000           | 12,000           | 12,000    | 12,000    | 12,000    |
| Non-cumulative series AC  | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000            | 8,000            | 8,000     | 8,000     | 8,000     |
| Non-cumulative series AD  | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000           | 10,000           | 10,000    | 10,000    | 10,000    |
| Non-cumulative series AE  | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000           | 10,000           | 10,000    | 10,000    | 10,000    |
| Non-cumulative series AF  | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000     | 8,000            | 8,000            | 8,000     | 8,000     | 8,000     |
| Non-cumulative series AG  | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000    | 10,000           | 10,000           | 10,000    | 10,000    | 10,000    |
| Non-cumulative series AH  | 8,500     | 8,500     | 8,500     | 8,500     | 8,500     | 8,500     | 8,500     | 8,500     | 8,500     | 8,500            | 8,500            | 8,500     | 8,500     | 8,500     |
| Non-cumulative series AJ  | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000           | 16,000           | 16,000    | 16,000    | 16,000    |
| Non-cumulative series AL  | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000    | 12,000           | 12,000           | 12,000    | 12,000    | 12,000    |
| Non-cumulative series AN  | 9,000     | 9,000     | 9,000     | 9,000     | 9,000     | 9,000     | 9,000     | 9,000     | 9,000     | 9,000            | 9,000            | 9,000     | 9,000     | 9,000     |
| Non-cumulative series AP  | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000           | 11,000           | 11,000    | 11,000    | 11,000    |
| Non-cumulative series AR  | 14,000    | 14,000    | 14,000    | 14,000    | 14,000    | 14,000    | 14,000    | 14,000    | 14,000    | 14,000           | 14,000           | 14,000    | 14,000    | 14,000    |
| Non-cumulative series AT  | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000    | 11,000           | 11,000           | 11,000    | 11,000    | 11,000    |
| Non-cumulative series AV  | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000    | 16,000           | 16,000           | 16,000    | 16,000    | 16,000    |
| Non-cumulative series AX  | 13,000    | 13,000    | 13,000    | 13,000    | 13,000    | 13,000    | 13,000    | 13,000    | 13,000    | 13,000           | 13,000           | 13,000    | 13,000    | 13,000    |
| Common shares outstanding (000s) <sup>2</sup> - end of period   | 1,442,843 | 1,440,857 | 1,438,376 | 1,436,757 | 1,428,830 | 1,425,901 | 1,424,922 | 1,423,744 | 1,423,424 | 1,442,843        | 1,428,830        | 1,438,376 | 1,424,922 | 1,417,610 |
| - average (basic)   | 1,441,761 | 1,439,252 | 1,437,023 | 1,435,131 | 1,426,504 | 1,424,094 | 1,422,565 | 1,421,777 | 1,420,375 | 1,440,493        | 1,425,279        | 1,430,772 | 1,420,719 | 1,398,675 |
| - average (diluted)   | 1,467,063 | 1,467,527 | 1,465,927 | 1,474,261 | 1,472,344 | 1,473,955 | 1,434,353 | 1,434,379 | 1,434,232 | 1,467,182        | 1,473,122        | 1,471,493 | 1,433,754 | 1,412,126 |
| Treasury shares held - preferred (000s)   | 31        | (4)       | 6         | (50)      | 67        | 60        | 86        | 80        | 43        | 31               | 67               | 6         | 86        | 65        |
| - common (000s)   | 382       | (295)     | (146)     | 1,379     | 230       | 1,305     | 1,719     | 1,546     | 1,887     | 382              | 230              | (146)     | 1,719     | 2,127     |
| Stock options outstanding (000s)  | 13,531    | 14,421    | 14,413    | 14,917    | 15,584    | 16,945    | 15,659    | 16,856    | 17,192    | 13,531           | 15,584           | 14,413    | 15,659    | 17,877    |
| Stock options exercisable (000s)  | 7,734     | 8,557     | 8,688     | 9,175     | 9,783     | 11,124    | 10,170    | 11,348    | 11,654    | 7,734            | 9,783            | 8,688     | 10,170    | 12,806    |
| <b>COMMON SHARE PERFORMANCE - CONSOLIDATED</b>  |           |           |           |           |           |           |           |           |           |                  |                  |           |           |           |
| Book value per share  | \$25.38   | \$25.09   | \$24.25   | \$23.28   | \$22.53   | \$22.22   | \$23.99   | \$23.70   | \$23.39   | \$25.38          | \$22.53          | \$24.25   | \$23.99   | \$22.67   |
| Common share price (RY on TSX) - High   | \$59.13   | \$54.87   | \$52.06   | \$60.25   | \$61.53   | \$56.32   | \$56.96   | \$62.75   | \$62.89   | \$59.13          | \$61.53          | \$61.53   | \$62.89   | \$58.50   |
| - Low   | \$52.45   | \$43.30   | \$44.38   | \$50.94   | \$53.77   | \$50.78   | \$48.85   | \$50.38   | \$52.16   | \$43.30          | \$50.78          | \$44.38   | \$48.85   | \$25.52   |
| - Close, end of period  | \$57.09   | \$52.37   | \$48.62   | \$51.40   | \$59.60   | \$53.68   | \$54.39   | \$53.72   | \$61.59   | \$57.09          | \$59.60          | \$48.62   | \$54.39   | \$54.80   |
| Market capitalization (TSX)   | 82,372    | 75,458    | 69,934    | 73,849    | 85,158    | 76,542    | 77,502    | 76,484    | 87,669    | 82,372           | 85,158           | 69,934    | 77,502    | 77,685    |
| P/E ratio (4-quarters trailing earnings) <sup>3</sup>   | 14.1      | 12.7      | 11.6      | n.a.      | n.a.      | n.a.      | 15.7      | 15.2      | 16.4      | 14.1             | n.a.             | 11.6      | 15.7      | 21.3      |
| Market price to book value  | 2.25      | 2.09      | 2.00      | 2.21      | 2.65      | 2.42      | 2.27      | 2.27      | 2.63      | 2.25             | 2.65             | 2.00      | 2.27      | 2.42      |
| <b>DIVIDEND INFORMATION - CONSOLIDATED</b>  |           |           |           |           |           |           |           |           |           |                  |                  |           |           |           |
| Dividends declared per common share   | \$0.57    | \$0.54    | \$0.54    | \$0.54    | \$0.50    | \$0.50    | \$0.50    | \$0.50    | \$0.50    | \$1.11           | \$1.00           | \$2.08    | \$2.00    | \$2.00    |
| Dividend yield  | 4.1%      | 4.4%      | 4.5%      | 3.9%      | 3.5%      | 3.7%      | 3.8%      | 3.5%      | 3.5%      | 4.3%             | 3.6%             | 3.9%      | 3.6%      | 4.8%      |
| Dividend payout ratio from continuing operations  | 56%       | 44%       | 51%       | 49%       | 45%       | 37%       | 54%       | 54%       | 52%       | 49%              | 41%              | 45%       | 52%       | 52%       |
| Common dividends  | 822       | 778       | 777       | 776       | 713       | 713       | 712       | 710       | 711       | 1,600            | 1,426            | 2,979     | 2,843     | 2,819     |
| Preferred dividends   | 65        | 64        | 65        | 64        | 64        | 65        | 64        | 65        | 65        | 129              | 129              | 258       | 258       | 233       |

<sup>1</sup> Amounts represent continuing operations unless otherwise noted.

<sup>2</sup> Common shares outstanding at the end of the period does not include treasury shares held. Average common shares outstanding does not include treasury shares held.

<sup>3</sup> Closing share price divided by diluted earnings per share for the most recent 12 month period.

n.a. Not applicable.

| FINANCIAL HIGHLIGHTS <i>continued</i> <sup>1</sup><br>(C\$ millions) |        |        |        |        |        |        |        |        |        |                  |                  |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|------------------|--------|--------|--------|
|  | Q2/12  | Q1/12  | Q4/11  | Q3/11  | Q2/11  | Q1/11  | Q4/10  | Q3/10  | Q2/10  | 2012<br>6 months | 2011<br>6 months | 2011   | 2010   | 2009   |
| <b>MARKET RISK MEASURES - NON TRADING BANKING ACTIVITIES</b>         |        |        |        |        |        |        |        |        |        |                  |                  |        |        |        |
| <b>Before tax impact of 1% increase in rates on:</b>                 |        |        |        |        |        |        |        |        |        |                  |                  |        |        |        |
| Net interest income risk <sup>2</sup>                                | 340    | 331    | 307    | 191    | 204    | 122    | 93     | 141    | 160    | 340              | 204              | 307    | 93     | 339    |
| Economic value of equity   | (463)  | (383)  | (454)  | (417)  | (290)  | (394)  | (484)  | (151)  | (202)  | (463)            | (290)            | (454)  | (484)  | (230)  |
| <b>Before tax impact of 1% decrease in rates on:</b>                 |        |        |        |        |        |        |        |        |        |                  |                  |        |        |        |
| Net interest income risk <sup>2</sup>                                | (212)  | (173)  | (161)  | (158)  | (203)  | (147)  | (98)   | (157)  | (140)  | (212)            | (203)            | (161)  | (98)   | (112)  |
| Economic value of equity   | 374    | 351    | 412    | 344    | 211    | 309    | 425    | 84     | 155    | 374              | 211              | 412    | 425    | 214    |
| <b>OTHER INFORMATION</b>   |        |        |        |        |        |        |        |        |        |                  |                  |        |        |        |
| Number of employees (full time equivalent)                           |        |        |        |        |        |        |        |        |        |                  |                  |        |        |        |
| Canada   | 50,264 | 50,197 | 50,219 | 50,830 | 50,430 | 50,808 | 49,792 | 49,842 | 48,773 | 50,264           | 50,430           | 50,219 | 49,792 | 48,793 |
| US   | 7,298  | 7,413  | 7,588  | 7,650  | 7,463  | 7,480  | 7,449  | 7,452  | 7,316  | 7,298            | 7,463            | 7,588  | 7,449  | 7,409  |
| Other  | 10,639 | 10,727 | 10,673 | 10,585 | 10,347 | 10,083 | 9,906  | 9,721  | 9,665  | 10,639           | 10,347           | 10,673 | 9,906  | 9,778  |
| Total  | 68,201 | 68,337 | 68,480 | 69,065 | 68,240 | 68,371 | 67,147 | 67,015 | 65,754 | 68,201           | 68,240           | 68,480 | 67,147 | 65,980 |
| Number of banking branches   |        |        |        |        |        |        |        |        |        |                  |                  |        |        |        |
| Canada   | 1,227  | 1,221  | 1,214  | 1,211  | 1,212  | 1,210  | 1,209  | 1,205  | 1,202  | 1,227            | 1,212            | 1,214  | 1,209  | 1,197  |
| Other  | 124    | 124    | 124    | 124    | 124    | 130    | 127    | 125    | 125    | 124              | 124              | 124    | 127    | 126    |
| Total  | 1,351  | 1,345  | 1,338  | 1,335  | 1,336  | 1,340  | 1,336  | 1,330  | 1,327  | 1,351            | 1,336            | 1,338  | 1,336  | 1,323  |
| Number of automated teller machines (ATM)                            | 4,819  | 4,704  | 4,626  | 4,610  | 4,591  | 4,571  | 4,557  | 4,572  | 4,566  | 4,819            | 4,591            | 4,626  | 4,557  | 4,544  |

<sup>1</sup> Amounts represent continuing operations unless otherwise noted.

<sup>2</sup> Amounts represent the 12-month Net interest income exposure to an instantaneous and sustained shift in interest rates.



| STATEMENTS OF INCOME <sup>1</sup><br>(C\$ millions)             | IFRS         |              |              |              |              |              | CGAAP        |              |              | IFRS             |                  | IFRS          | CGAAP         |               |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|------------------|---------------|---------------|---------------|
|   | Q2/12        | Q1/12        | Q4/11        | Q3/11        | Q2/11        | Q1/11        | Q4/10        | Q3/10        | Q2/10        | 2012<br>6 months | 2011<br>6 months | 2011          | 2010          | 2009          |
| <b>Net interest income</b>                                      |              |              |              |              |              |              |              |              |              |                  |                  |               |               |               |
| Interest income   | 5,100        | 5,171        | 5,216        | 5,249        | 5,098        | 5,250        | 4,616        | 4,418        | 4,311        | 10,271           | 10,348           | 20,813        | 17,746        | 19,272        |
| Interest expense  | 2,069        | 2,168        | 2,259        | 2,360        | 2,382        | 2,455        | 2,006        | 1,830        | 1,783        | 4,237            | 4,837            | 9,456         | 7,408         | 8,567         |
| Total   | 3,031        | 3,003        | 2,957        | 2,889        | 2,716        | 2,795        | 2,610        | 2,588        | 2,528        | 6,034            | 5,511            | 11,357        | 10,338        | 10,705        |
| <b>Non-interest income</b>                                      |              |              |              |              |              |              |              |              |              |                  |                  |               |               |               |
| Accounts  | 254          | 256          | 263          | 249          | 247          | 249          | 264          | 248          | 248          | 510              | 496              | 1,008         | 1,009         | 991           |
| Other payment services  | 79           | 78           | 80           | 80           | 77           | 78           | 80           | 79           | 78           | 157              | 155              | 315           | 312           | 308           |
| Service charges   | 333          | 334          | 343          | 329          | 324          | 327          | 344          | 327          | 326          | 667              | 651              | 1,323         | 1,321         | 1,299         |
| Insurance premiums, investment and fee income                   | 926          | 1,550        | 1,214        | 1,349        | 1,086        | 825          | 1,283        | 1,249        | 930          | 2,476            | 1,911            | 4,474         | 4,485         | 4,067         |
| Trading revenue   | 349          | 396          | (219)        | (132)        | 285          | 721          | 279          | (220)        | 613          | 745              | 1,006            | 655           | 1,333         | 2,380         |
| Investment management and custodial fees                        | 496          | 497          | 497          | 507          | 490          | 505          | 457          | 447          | 431          | 993              | 995              | 1,999         | 1,774         | 1,615         |
| Mutual fund revenue   | 506          | 499          | 505          | 519          | 510          | 441          | 410          | 388          | 376          | 1,005            | 951              | 1,975         | 1,571         | 1,400         |
| Securities brokerage commissions                                | 304          | 287          | 331          | 307          | 344          | 349          | 305          | 313          | 315          | 591              | 693              | 1,331         | 1,271         | 1,357         |
| Underwriting and other advisory fees                            | 386          | 294          | 277          | 361          | 352          | 495          | 337          | 295          | 250          | 680              | 847              | 1,485         | 1,193         | 1,049         |
| Foreign exchange revenue, other than trading                    | 177          | 146          | 181          | 161          | 173          | 169          | 164          | 175          | 140          | 323              | 342              | 684           | 608           | 635           |
| Card service revenue  | 206          | 237          | 221          | 225          | 202          | 234          | 129          | 132          | 127          | 443              | 436              | 882           | 521           | 728           |
| Credit fees   | 173          | 188          | 173          | 196          | 150          | 188          | 156          | 156          | 137          | 361              | 338              | 707           | 621           | 522           |
| Securitization revenue  | -            | (1)          | (1)          | (1)          | 2            | -            | 206          | 214          | 147          | (1)              | 2                | -             | 764           | 1,169         |
| Net gain (loss) on available-for-sale securities                | (17)         | 15           | (2)          | 64           | 58           | (16)         | 13           | 17           | 1            | (2)              | 42               | 104           | 38            | (611)         |
| Share of profit in associates <sup>2</sup>                      | 6            | 10           | (12)         | 3            | 2            | -            | n.a.         | n.a.         | n.a.         | 16               | 2                | (7)           | n.a.          | n.a.          |
| Other <sup>2</sup>  | 48           | 119          | 227          | 120          | 137          | 185          | 85           | 69           | 60           | 167              | 322              | 669           | 244           | 126           |
| Total   | 3,893        | 4,571        | 3,735        | 4,008        | 4,115        | 4,423        | 4,168        | 3,562        | 3,853        | 8,464            | 8,538            | 16,281        | 15,744        | 15,736        |
| <b>Total revenue</b>  | <b>6,924</b> | <b>7,574</b> | <b>6,692</b> | <b>6,897</b> | <b>6,831</b> | <b>7,218</b> | <b>6,778</b> | <b>6,150</b> | <b>6,381</b> | <b>14,498</b>    | <b>14,049</b>    | <b>27,638</b> | <b>26,082</b> | <b>26,441</b> |
| Provision for credit losses                                     | 348          | 267          | 276          | 320          | 273          | 264          | 283          | 277          | 334          | 615              | 537              | 1,133         | 1,240         | 2,167         |
| Insurance policyholder benefits, claims and acquisition expense | 640          | 1,211        | 867          | 1,081        | 843          | 567          | 1,047        | 978          | 721          | 1,851            | 1,410            | 3,358         | 3,546         | 3,042         |
| Non-interest expense  | 3,857        | 3,671        | 3,530        | 3,417        | 3,551        | 3,669        | 3,582        | 3,146        | 3,344        | 7,528            | 7,220            | 14,167        | 13,469        | 13,436        |
| Income taxes  | 516          | 549          | 410          | 396          | 482          | 722          | 467          | 344          | 538          | 1,065            | 1,204            | 2,010         | 1,996         | 2,015         |
| Net income from continuing operations                           | 1,563        | 1,876        | 1,609        | 1,683        | 1,682        | 1,996        | n.a.         | n.a.         | n.a.         | 3,439            | 3,678            | 6,970         | n.a.          | n.a.          |
| Non-controlling interest in net income of subsidiaries          | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 27           | 26           | 23           | n.a.             | n.a.             | n.a.          | 99            | 100           |
| Net income from continuing operations - CGAAP                   | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 1,372        | 1,379        | 1,421        | n.a.             | n.a.             | n.a.          | 5,732         | 5,681         |
| Net loss from discontinued operations                           | (30)         | (21)         | (38)         | (389)        | (51)         | (48)         | (251)        | (103)        | (92)         | (51)             | (99)             | (526)         | (509)         | (1,823)       |
| Net income <sup>3</sup>   | 1,533        | 1,855        | 1,571        | 1,294        | 1,631        | 1,948        | 1,121        | 1,276        | 1,329        | 3,388            | 3,579            | 6,444         | 5,223         | 3,858         |
| <b>Net income (loss) attributable to:</b>                       |              |              |              |              |              |              |              |              |              |                  |                  |               |               |               |
| Shareholders  | 1,508        | 1,830        | 1,546        | 1,269        | 1,606        | 1,922        | n.a.         | n.a.         | n.a.         | 3,338            | 3,528            | 6,343         | n.a.          | n.a.          |
| Non-controlling interests                                       | 25           | 25           | 25           | 25           | 25           | 26           | n.a.         | n.a.         | n.a.         | 50               | 51               | 101           | n.a.          | n.a.          |
| Net income <sup>3</sup>   | 1,533        | 1,855        | 1,571        | 1,294        | 1,631        | 1,948        | 1,121        | 1,276        | 1,329        | 3,388            | 3,579            | 6,444         | n.a.          | n.a.          |
| Net income <sup>3</sup>   | 1,533        | 1,855        | 1,571        | 1,294        | 1,631        | 1,948        | 1,121        | 1,276        | 1,329        | 3,388            | 3,579            | 6,444         | 5,223         | 3,858         |
| Non-controlling interests                                       | (25)         | (25)         | (25)         | (25)         | (25)         | (26)         | n.a.         | n.a.         | n.a.         | (50)             | (51)             | (101)         | n.a.          | n.a.          |
| Preferred dividends   | (65)         | (64)         | (65)         | (64)         | (64)         | (65)         | (64)         | (65)         | (65)         | (129)            | (129)            | (258)         | (258)         | (233)         |
| Net income available to common shareholders                     | 1,443        | 1,766        | 1,481        | 1,205        | 1,542        | 1,857        | 1,057        | 1,211        | 1,264        | 3,209            | 3,399            | 6,085         | 4,965         | 3,625         |

<sup>1</sup> Amounts represent continuing operations unless otherwise noted.

<sup>2</sup> Effective Q1/11, we reclassified certain amounts relating to non-associates, which were reported in the Share of profit in associates category to the Other category.

<sup>3</sup> Under Canadian GAAP, income attributable to NCI is deducted prior to the presentation of Net income from continuing operations.

n.a. Not applicable.

| REVENUE FROM TRADING ACTIVITIES <sup>1</sup><br>(C\$ millions)   | IFRS  |       |       |       |       |       | CGAAP |       |       | IFRS             |                  | IFRS  | CGAAP |         |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------------|------------------|-------|-------|---------|
|  | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 | 2012<br>6 months | 2011<br>6 months | 2011  | 2010  | 2009    |
| <b>Total trading revenue</b>   |       |       |       |       |       |       |       |       |       |                  |                  |       |       |         |
| Net interest income  | 412   | 388   | 386   | 391   | 317   | 283   | 341   | 368   | 344   | 800              | 600              | 1,377 | 1,443 | 2,316   |
| Non-interest income  | 349   | 396   | (219) | (132) | 285   | 721   | 279   | (220) | 613   | 745              | 1,006            | 655   | 1,333 | 2,380   |
| Total  | 761   | 784   | 167   | 259   | 602   | 1,004 | 620   | 148   | 957   | 1,545            | 1,606            | 2,032 | 2,776 | 4,696   |
| <b>Trading revenue by product</b>  |       |       |       |       |       |       |       |       |       |                  |                  |       |       |         |
| Interest rate and credit   | 495   | 536   | (6)   | 114   | 433   | 705   | 446   | 28    | 709   | 1,031            | 1,138            | 1,246 | 1,997 | 3,078   |
| Equities   | 180   | 110   | 79    | 64    | 93    | 199   | 100   | 15    | 107   | 290              | 292              | 435   | 364   | 965     |
| Foreign exchange and commodities <sup>2</sup>  | 86    | 138   | 94    | 81    | 76    | 100   | 74    | 105   | 141   | 224              | 176              | 351   | 415   | 653     |
| Total  | 761   | 784   | 167   | 259   | 602   | 1,004 | 620   | 148   | 957   | 1,545            | 1,606            | 2,032 | 2,776 | 4,696   |
| <b>Trading revenue (teb) by product</b>  |       |       |       |       |       |       |       |       |       |                  |                  |       |       |         |
| Interest rate and credit   | 495   | 536   | (6)   | 114   | 433   | 705   | 446   | 28    | 709   | 1,031            | 1,138            | 1,246 | 1,997 | 3,078   |
| Equities   | 298   | 231   | 163   | 148   | 238   | 343   | 257   | 98    | 233   | 529              | 581              | 892   | 851   | 1,329   |
| Foreign exchange and commodities <sup>2</sup>  | 86    | 138   | 94    | 81    | 76    | 100   | 74    | 105   | 141   | 224              | 176              | 351   | 415   | 653     |
| Total (teb)  | 879   | 905   | 251   | 343   | 747   | 1,148 | 777   | 231   | 1,083 | 1,784            | 1,895            | 2,489 | 3,263 | 5,060   |
| <b>Trading revenue (teb) by product - Capital Markets</b>  |       |       |       |       |       |       |       |       |       |                  |                  |       |       |         |
| Interest rate and credit   | 444   | 495   | (36)  | 74    | 389   | 656   | 414   | (3)   | 666   | 939              | 1,045            | 1,083 | 1,854 | 2,827   |
| Equities   | 294   | 216   | 156   | 150   | 235   | 336   | 256   | 113   | 237   | 510              | 571              | 877   | 876   | 1,350   |
| Foreign exchange and commodities <sup>2</sup>  | 85    | 136   | 93    | 81    | 75    | 100   | 69    | 102   | 141   | 221              | 175              | 349   | 407   | 659     |
| Total (teb)  | 823   | 847   | 213   | 305   | 699   | 1,092 | 739   | 212   | 1,044 | 1,670            | 1,791            | 2,309 | 3,137 | 4,836   |
| <b>GAINS (LOSSES) ON CERTAIN MARKET AND CREDIT RELATED ITEMS <sup>1</sup></b><br>(C\$ millions, except percentage and per share amounts) |       |       |       |       |       |       |       |       |       |                  |                  |       |       |         |
| Fair Value Adjustments on RBC debt   |       |       |       |       |       |       |       |       |       |                  |                  |       |       |         |
| Capital markets <sup>3</sup>   | (32)  | 9     | 50    | (3)   | (9)   | 25    | (36)  | 24    | 22    | (23)             | 16               | 63    | 18    | (369)   |
| Other segments <sup>4</sup>  | (3)   | (1)   | 24    | (4)   | (14)  | (3)   | -     | 11    | 10    | (4)              | (17)             | 3     | 18    | (217)   |
| Total  | (35)  | 8     | 74    | (7)   | (23)  | 22    | (36)  | 35    | 32    | (27)             | (1)              | 66    | 36    | (586)   |
| Credit Valuation Adjustments (CVA) - MBI <sup>3,5</sup>  | -     | -     | -     | -     | -     | 102   | 99    | (100) | 182   | -                | 102              | 102   | 137   | (420)   |
| CVA - other <sup>3</sup>   | 4     | 58    | 47    | (34)  | 32    | 5     | (49)  | (74)  | (23)  | 62               | 37               | 50    | (133) | 46      |
| Credit default swaps (CDS) <sup>4</sup>  | (12)  | (25)  | 31    | 9     | (8)   | (16)  | (17)  | 21    | (39)  | (37)             | (24)             | 16    | (69)  | (200)   |
| BOLI <sup>3</sup>  | (3)   | (35)  | (36)  | (66)  | (16)  | 3     | 66    | (73)  | 28    | (38)             | (13)             | (115) | 75    | (111)   |
| Consolidated SPE in Capital Markets <sup>6</sup>   | -     | (1)   | (105) | (48)  | 19    | 39    | -     | -     | -     | (1)              | 58               | (95)  | -     | -       |
| <b>Total revenue impact</b>  | (46)  | 5     | 11    | (146) | 4     | 155   | 63    | (191) | 180   | (41)             | 159              | 24    | 46    | (1,271) |

<sup>1</sup> Amounts represent continuing operations unless otherwise noted.

<sup>2</sup> Includes precious metals.

<sup>3</sup> Reported as Trading revenue.

<sup>4</sup> Reported as Non-Interest Income - Other.

<sup>5</sup> Q1/11 amounts included a gain related to MBIA settlement.

<sup>6</sup> SPE consolidated due to adoption of IFRS.

| NON-INTEREST EXPENSE <sup>1</sup><br>(C\$ millions)              | IFRS         |              |              |              |              |              | CGAAP        |              |              | IFRS             |                  | IFRS          | CGAAP         |               |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|------------------|---------------|---------------|---------------|
|  | Q2/12        | Q1/12        | Q4/11        | Q3/11        | Q2/11        | Q1/11        | Q4/10        | Q3/10        | Q2/10        | 2012<br>6 months | 2011<br>6 months | 2011          | 2010          | 2009          |
| <b>Human resources</b>   |              |              |              |              |              |              |              |              |              |                  |                  |               |               |               |
| Salaries   | 1,044        | 1,060        | 1,060        | 1,025        | 990          | 999          | 978          | 947          | 915          | 2,104            | 1,989            | 4,074         | 3,777         | 3,817         |
| Variable compensation  | 948          | 911          | 684          | 699          | 872          | 1,045        | 850          | 642          | 862          | 1,859            | 1,917            | 3,300         | 3,335         | 3,505         |
| Benefits and retention compensation                              | 297          | 311          | 276          | 257          | 275          | 291          | 278          | 279          | 285          | 608              | 566              | 1,099         | 1,132         | 1,085         |
| Stock-based compensation <sup>2</sup>                            | 24           | 47           | 12           | 48           | 46           | 82           | 47           | 33           | 39           | 71               | 128              | 188           | 186           | 73            |
| Total Human resources  | 2,313        | 2,329        | 2,032        | 2,029        | 2,183        | 2,417        | 2,153        | 1,901        | 2,101        | 4,642            | 4,600            | 8,661         | 8,430         | 8,480         |
| <b>Equipment</b>   |              |              |              |              |              |              |              |              |              |                  |                  |               |               |               |
| Depreciation   | 62           | 63           | 62           | 58           | 62           | 59           | 61           | 61           | 57           | 125              | 121              | 241           | 238           | 232           |
| Computer rental and maintenance                                  | 194          | 190          | 197          | 185          | 186          | 180          | 176          | 173          | 167          | 384              | 366              | 748           | 686           | 703           |
| Office equipment rental and maintenance                          | 5            | 5            | 5            | 6            | 6            | 4            | 6            | 5            | 5            | 10               | 10               | 21            | 20            | 23            |
| Total Equipment  | 261          | 258          | 264          | 249          | 254          | 243          | 243          | 239          | 229          | 519              | 497              | 1,010         | 944           | 958           |
| <b>Occupancy</b>   |              |              |              |              |              |              |              |              |              |                  |                  |               |               |               |
| Premises rent  | 117          | 115          | 103          | 111          | 109          | 106          | 105          | 101          | 98           | 232              | 215              | 429           | 404           | 389           |
| Premises repairs and maintenance                                 | 89           | 83           | 98           | 82           | 85           | 79           | 87           | 73           | 75           | 172              | 164              | 344           | 308           | 321           |
| Depreciation   | 38           | 38           | 40           | 38           | 35           | 33           | 44           | 34           | 33           | 76               | 68               | 146           | 143           | 121           |
| Property taxes   | 30           | 28           | 27           | 30           | 28           | 22           | 24           | 28           | 27           | 58               | 50               | 107           | 105           | 103           |
| Total Occupancy  | 274          | 264          | 268          | 261          | 257          | 240          | 260          | 236          | 233          | 538              | 497              | 1,026         | 960           | 934           |
| <b>Communications</b>  |              |              |              |              |              |              |              |              |              |                  |                  |               |               |               |
| Telecommunications   | 45           | 45           | 46           | 45           | 43           | 40           | 43           | 44           | 44           | 90               | 83               | 174           | 176           | 185           |
| Postage and courier  | 28           | 26           | 23           | 25           | 28           | 26           | 24           | 23           | 26           | 54               | 54               | 102           | 99            | 98            |
| Marketing and public relations                                   | 93           | 81           | 111          | 104          | 89           | 71           | 114          | 78           | 100          | 174              | 160              | 375           | 372           | 307           |
| Stationery and printing  | 19           | 25           | 23           | 20           | 28           | 24           | 28           | 26           | 27           | 44               | 52               | 95            | 103           | 96            |
| Total Communications   | 185          | 177          | 203          | 194          | 188          | 161          | 209          | 171          | 197          | 362              | 349              | 746           | 750           | 686           |
| <b>Professional fees</b>   | 158          | 154          | 213          | 159          | 157          | 163          | 188          | 146          | 128          | 312              | 320              | 692           | 572           | 484           |
| <b>Outsourced item processing</b>                                | 70           | 65           | 64           | 63           | 73           | 66           | 68           | 66           | 76           | 135              | 139              | 266           | 278           | 283           |
| <b>Amortization of other intangibles</b>                         |              |              |              |              |              |              |              |              |              |                  |                  |               |               |               |
| Computer software  | 92           | 94           | 87           | 85           | 82           | 78           | 85           | 72           | 70           | 186              | 160              | 332           | 295           | 236           |
| Other  | 35           | 35           | 39           | 38           | 38           | 34           | 35           | 36           | 37           | 70               | 72               | 149           | 145           | 157           |
| Total Amortization of other intangibles                          | 127          | 129          | 126          | 123          | 120          | 112          | 120          | 108          | 107          | 256              | 232              | 481           | 440           | 393           |
| <b>Impairment of goodwill and other intangibles <sup>3</sup></b> | 161          | -            | -            | -            | -            | -            | -            | -            | -            | 161              | -                | -             | -             | -             |
| <b>Other</b>   |              |              |              |              |              |              |              |              |              |                  |                  |               |               |               |
| Business and capital taxes                                       | 37           | 25           | 22           | 26           | 24           | 21           | 35           | 35           | 38           | 62               | 45               | 93            | 142           | 175           |
| Travel and relocation  | 38           | 36           | 44           | 44           | 37           | 35           | 42           | 37           | 34           | 74               | 72               | 160           | 143           | 133           |
| Employee training  | 8            | 8            | 13           | 9            | 9            | 8            | 12           | 7            | 7            | 16               | 17               | 39            | 32            | 34            |
| Donations  | 13           | 11           | 22           | 13           | 12           | 12           | 17           | 16           | 12           | 24               | 24               | 59            | 55            | 52            |
| Other  | 212          | 215          | 259          | 247          | 237          | 191          | 235          | 184          | 182          | 427              | 428              | 934           | 723           | 824           |
| Total Other  | 308          | 295          | 360          | 339          | 319          | 267          | 341          | 279          | 273          | 603              | 586              | 1,285         | 1,095         | 1,218         |
| <b>Total non-interest expense</b>                                | <b>3,857</b> | <b>3,671</b> | <b>3,530</b> | <b>3,417</b> | <b>3,551</b> | <b>3,669</b> | <b>3,582</b> | <b>3,146</b> | <b>3,344</b> | <b>7,528</b>     | <b>7,220</b>     | <b>14,167</b> | <b>13,469</b> | <b>13,436</b> |

<sup>1</sup> Amounts represent continuing operations unless otherwise noted.

<sup>2</sup> 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.

<sup>3</sup> As a result of our announced acquisition of the other 50 percent interest in RBC Dexia Investor Services Limited, that we did not already own, we were required to revalue our existing 50 percent interest in the joint venture. This revaluation resulted in a writedown of \$161 million (before- and after-tax) of goodwill and intangibles.

| CANADIAN BANKING <sup>1</sup><br>(C\$ millions, except percentage amounts) | IFRS         |              |              |              |              |              | CGAAP        |              |              | IFRS             |                  | IFRS          | CGAAP         |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|------------------|---------------|---------------|--------------|
|  | Q2/12        | Q1/12        | Q4/11        | Q3/11        | Q2/11        | Q1/11        | Q4/10        | Q3/10        | Q2/10        | 2012<br>6 months | 2011<br>6 months | 2011          | 2010          | 2009         |
| <b>Income Statement</b>  |              |              |              |              |              |              |              |              |              |                  |                  |               |               |              |
| Net interest income  | 2,017        | 2,064        | 2,036        | 2,000        | 1,933        | 1,991        | 1,934        | 1,865        | 1,810        | 4,081            | 3,924            | 7,960         | 7,488         | 6,947        |
| Non-interest income  | 800          | 821          | 815          | 801          | 812          | 811          | 764          | 763          | 781          | 1,621            | 1,623            | 3,239         | 3,067         | 2,943        |
| <b>Total revenue</b>   | <b>2,817</b> | <b>2,885</b> | <b>2,851</b> | <b>2,801</b> | <b>2,745</b> | <b>2,802</b> | <b>2,698</b> | <b>2,628</b> | <b>2,591</b> | <b>5,702</b>     | <b>5,547</b>     | <b>11,199</b> | <b>10,555</b> | <b>9,890</b> |
| Provision for credit losses (PCL)  | 271          | 243          | 234          | 267          | 260          | 272          | 287          | 284          | 302          | 514              | 532              | 1,033         | 1,191         | 1,275        |
| Non-interest expense   | 1,277        | 1,294        | 1,303        | 1,298        | 1,244        | 1,237        | 1,313        | 1,243        | 1,234        | 2,571            | 2,481            | 5,082         | 4,995         | 4,729        |
| Income taxes   | 332          | 354          | 366          | 348          | 346          | 360          | 333          | 335          | 319          | 686              | 706              | 1,420         | 1,325         | 1,223        |
| <b>Net income<sup>2</sup></b>  | <b>937</b>   | <b>994</b>   | <b>948</b>   | <b>888</b>   | <b>895</b>   | <b>933</b>   | <b>765</b>   | <b>766</b>   | <b>736</b>   | <b>1,931</b>     | <b>1,828</b>     | <b>3,664</b>  | <b>3,044</b>  | <b>2,663</b> |
| <b>Total revenue by business</b>   |              |              |              |              |              |              |              |              |              |                  |                  |               |               |              |
| Personal Financial Services  | 1,568        | 1,575        | 1,571        | 1,547        | 1,522        | 1,552        | 1,501        | 1,421        | 1,402        | 3,143            | 3,074            | 6,192         | 5,760         | 5,305        |
| Business Financial Services  | 695          | 721          | 708          | 696          | 663          | 683          | 654          | 644          | 622          | 1,416            | 1,346            | 2,750         | 2,557         | 2,457        |
| Cards and Payment Solutions  | 554          | 589          | 572          | 558          | 560          | 567          | 543          | 563          | 567          | 1,143            | 1,127            | 2,257         | 2,238         | 2,128        |
| <b>Total</b>   | <b>2,817</b> | <b>2,885</b> | <b>2,851</b> | <b>2,801</b> | <b>2,745</b> | <b>2,802</b> | <b>2,698</b> | <b>2,628</b> | <b>2,591</b> | <b>5,702</b>     | <b>5,547</b>     | <b>11,199</b> | <b>10,555</b> | <b>9,890</b> |
| <b>Financial ratios</b>  |              |              |              |              |              |              |              |              |              |                  |                  |               |               |              |
| Return on equity (ROE) <sup>3</sup>  | 36.0%        | 36.6%        | 33.3%        | 36.0%        | 40.6%        | 43.7%        | 34.1%        | 34.7%        | 34.8%        | 36.3%            | 42.1%            | 38.0%         | 35.6%         | 35.9%        |
| Return on risk capital (RORC)  | 45.3%        | 45.8%        | 41.5%        | 46.4%        | 53.1%        | 57.7%        | 44.4%        | 45.4%        | 45.0%        | 45.6%            | 55.4%            | 48.8%         | 46.9%         | 48.4%        |
| Net interest margin (average earning assets)                               | 2.72%        | 2.75%        | 2.75%        | 2.75%        | 2.79%        | 2.80%        | 2.75%        | 2.70%        | 2.76%        | 2.73%            | 2.80%            | 2.77%         | 2.75%         | 2.76%        |
| Efficiency ratio   | 45.3%        | 44.9%        | 45.7%        | 46.3%        | 45.3%        | 44.1%        | 48.7%        | 47.3%        | 47.8%        | 45.1%            | 44.7%            | 45.4%         | 47.3%         | 47.8%        |
| Operating leverage   | 0.0%         | (1.6)%       | n.a.         | n.a.         | n.a.         | n.a.         | (3.4)%       | (0.4)%       | 3.9%         | (0.8)%           | n.a.             | n.a.          | 1.1%          | 3.8%         |
| <b>Average balances</b>  |              |              |              |              |              |              |              |              |              |                  |                  |               |               |              |
| Total assets   | 311,500      | 308,000      | 303,800      | 297,000      | 292,400      | 291,000      | 287,000      | 282,300      | 276,700      | 309,800          | 291,700          | 296,100       | 279,900       | 258,900      |
| Total earning assets   | 301,700      | 298,600      | 294,300      | 288,100      | 283,800      | 282,400      | 279,000      | 274,400      | 268,800      | 300,100          | 283,100          | 287,200       | 272,100       | 251,600      |
| Loans and acceptances  | 304,200      | 300,600      | 295,800      | 289,200      | 283,600      | 280,500      | 276,800      | 271,700      | 266,400      | 302,400          | 282,000          | 287,300       | 269,500       | 249,600      |
| Residential mortgages  | 168,600      | 167,100      | 164,500      | 160,600      | 157,500      | 156,200      | 154,200      | 151,900      | 149,400      | 167,800          | 156,800          | 159,700       | 151,000       | 141,800      |
| Personal <sup>4</sup>  | 75,300       | 74,400       | 73,000       | 71,200       | 69,500       | 68,300       | 67,100       | 64,700       | 62,700       | 74,900           | 68,900           | 70,500        | 63,700        | 53,000       |
| Credit cards   | 12,500       | 12,800       | 12,800       | 12,800       | 12,800       | 13,200       | 13,000       | 12,600       | 11,900       | 12,700           | 13,000           | 12,900        | 12,500        | 12,500       |
| Small business   | 2,600        | 2,600        | 2,600        | 2,600        | 2,700        | 2,700        | 2,700        | 2,700        | 2,800        | 2,600            | 2,700            | 2,600         | 2,700         | 2,800        |
| Total Retail   | 259,000      | 256,900      | 252,900      | 247,200      | 242,500      | 240,400      | 237,000      | 231,900      | 226,800      | 258,000          | 241,400          | 245,700       | 229,900       | 210,100      |
| Wholesale  | 45,200       | 43,700       | 42,900       | 42,000       | 41,100       | 40,100       | 39,800       | 39,800       | 39,600       | 44,400           | 40,600           | 41,600        | 39,600        | 39,500       |
| Deposits   | 227,100      | 225,500      | 219,500      | 211,000      | 202,400      | 201,200      | 197,400      | 193,000      | 187,700      | 226,300          | 201,800          | 208,600       | 191,400       | 176,000      |
| Attributed capital   | 10,400       | 10,600       | 11,050       | 9,550        | 8,850        | 8,300        | 8,700        | 8,550        | 8,550        | 10,500           | 8,600            | 9,450         | 8,350         | 7,250        |
| Risk capital   | 8,250        | 8,450        | 8,850        | 7,450        | 6,800        | 6,300        | 6,700        | 6,550        | 6,550        | 8,350            | 6,550            | 7,350         | 6,350         | 5,400        |
| <b>Credit quality</b>  |              |              |              |              |              |              |              |              |              |                  |                  |               |               |              |
| Gross impaired loans / Average net loans and acceptances                   | 0.42%        | 0.43%        | 0.43%        | 0.45%        | 0.49%        | 0.50%        | 0.51%        | 0.48%        | 0.49%        | 0.42%            | 0.49%            | 0.44%         | 0.52%         | 0.50%        |
| PCL / Average net loans and acceptances                                    | 0.36%        | 0.32%        | 0.31%        | 0.37%        | 0.38%        | 0.38%        | 0.41%        | 0.41%        | 0.47%        | 0.34%            | 0.38%            | 0.36%         | 0.44%         | 0.51%        |
| Net write-offs / Average net loans and acceptances                         | 0.33%        | 0.30%        | 0.32%        | 0.35%        | 0.37%        | 0.34%        | 0.41%        | 0.40%        | 0.47%        | 0.31%            | 0.36%            | 0.35%         | 0.43%         | 0.47%        |
| <b>Business information</b>  |              |              |              |              |              |              |              |              |              |                  |                  |               |               |              |
| Assets under administration <sup>5</sup>                                   | 164,500      | 161,500      | 158,000      | 158,600      | 161,200      | 154,600      | 148,200      | 141,100      | 141,200      | 164,500          | 161,200          | 158,000       | 148,200       | 133,800      |
| <b>Other earnings measures</b>   |              |              |              |              |              |              |              |              |              |                  |                  |               |               |              |
| Net income   | 937          | 994          | 948          | 888          | 895          | 933          | 765          | 766          | 736          | 1,931            | 1,828            | 3,664         | 3,044         | 2,663        |
| Add: After-tax effect of amortization of other intangibles                 | -            | -            | -            | -            | -            | -            | -            | -            | 5            | -                | -                | -             | 6             | 6            |
| Cash net income <sup>6</sup>   | 937          | 994          | 948          | 888          | 895          | 933          | 765          | 766          | 741          | 1,931            | 1,828            | 3,664         | 3,050         | 2,669        |
| Less: Capital charge   | 263          | 275          | 301          | 260          | 233          | 227          | 249          | 244          | 235          | 538              | 460              | 1,021         | 945           | 834          |
| Economic profit  | 674          | 719          | 647          | 628          | 662          | 706          | 516          | 522          | 506          | 1,393            | 1,368            | 2,643         | 2,105         | 1,835        |

<sup>1</sup> Reported results include securitized residential mortgage and credit card loans and related amounts for income and provision for credit losses. As at Q2/12, the average securitized residential mortgage and credit card loans included were \$43 billion and \$4.9 billion, respectively. Securitized residential mortgages and credit card loans are included in Total assets, Total earning assets, Loans and acceptances, Residential mortgage, Credit cards. Under IFRS, these transactions are being reported on our balance sheet.

<sup>2</sup> Q2/11 includes a gain on the sale of the remaining VISA shares of \$29 million (\$21 million after-tax).

<sup>3</sup> Effective Q1/12, we prospectively revised our capital allocation methodology to further align our allocation processes with evolving regulatory capital requirements. The revised methodology replaced the pro-rata allocation of unallocated capital that was used in 2011 and the impacts are being phased-in over fiscal 2012 in anticipation of our requirement to report under Basel III requirements in 2013. The revised methodology resulted in a reduction in attributed capital for Canadian Banking and an increase in attributed capital for Capital Markets.

<sup>4</sup> As at Q2/12, average personal secured loans was \$44.1 billion and average personal unsecured loans was \$31.2 billion.

<sup>5</sup> RBC AUA includes \$36.5 billion (January 31, 2012 - \$35.7 billion, April 30, 2011 - \$34.6 billion) of securitized mortgages and credit card loans.

<sup>6</sup> Defined in the "Key performance and Non-GAAP measures" section.

n.a. Not applicable.

| WEALTH MANAGEMENT<br>(C\$ millions, except percentage amounts)  | IFRS           |                |                |                |                |                | CGAAP          |                |                | IFRS             |                  | IFRS           | CGAAP          |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|----------------|----------------|----------------|
|   | Q2/12          | Q1/12          | Q4/11          | Q3/11          | Q2/11          | Q1/11          | Q4/10          | Q3/10          | Q2/10          | 2012<br>6 months | 2011<br>6 months | 2011           | 2010           | 2009           |
| <b>Income Statement</b>   |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| Net interest income   | 98             | 102            | 96             | 91             | 88             | 90             | 80             | 75             | 72             | 200              | 178              | 365            | 305            | 397            |
| Fee-based revenue   | 732            | 721            | 726            | 734            | 702            | 659            | 615            | 594            | 579            | 1,453            | 1,361            | 2,821          | 2,362          | 2,154          |
| Transactional and other revenue                                 | 389            | 365            | 329            | 331            | 426            | 436            | 410            | 375            | 324            | 754              | 862              | 1,522          | 1,521          | 1,529          |
| <b>Total revenue</b>  | <b>1,219</b>   | <b>1,188</b>   | <b>1,151</b>   | <b>1,156</b>   | <b>1,216</b>   | <b>1,185</b>   | <b>1,105</b>   | <b>1,044</b>   | <b>975</b>     | <b>2,407</b>     | <b>2,401</b>     | <b>4,708</b>   | <b>4,188</b>   | <b>4,080</b>   |
| Provision for credit losses (PCL)                               | (1)            | -              | -              | -              | -              | -              | -              | 3              | -              | (1)              | -                | -              | 3              | -              |
| Non-interest expense  | 941            | 939            | 893            | 895            | 914            | 884            | 855            | 806            | 828            | 1,880            | 1,798            | 3,586          | 3,295          | 3,262          |
| Income taxes  | 67             | 61             | 79             | 69             | 75             | 88             | 75             | 50             | 57             | 128              | 163              | 311            | 221            | 235            |
| <b>Net income</b>   | <b>212</b>     | <b>188</b>     | <b>179</b>     | <b>192</b>     | <b>227</b>     | <b>213</b>     | <b>175</b>     | <b>185</b>     | <b>90</b>      | <b>400</b>       | <b>440</b>       | <b>811</b>     | <b>669</b>     | <b>583</b>     |
| <b>Total revenue by business</b>                                |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| Canadian Wealth Management                                      | 434            | 422            | 426            | 421            | 444            | 433            | 399            | 368            | 368            | 856              | 877              | 1,724          | 1,502          | 1,365          |
| U.S. & International Wealth Management                          | 508            | 486            | 466            | 451            | 512            | 519            | 519            | 490            | 425            | 994              | 1,031            | 1,948          | 1,949          | 2,081          |
| Global Asset Management <sup>1</sup>                            | 277            | 280            | 259            | 284            | 260            | 233            | 187            | 186            | 182            | 557              | 493              | 1,036          | 737            | 634            |
| <b>Total</b>  | <b>1,219</b>   | <b>1,188</b>   | <b>1,151</b>   | <b>1,156</b>   | <b>1,216</b>   | <b>1,185</b>   | <b>1,105</b>   | <b>1,044</b>   | <b>975</b>     | <b>2,407</b>     | <b>2,401</b>     | <b>4,708</b>   | <b>4,188</b>   | <b>4,080</b>   |
| <b>Financial ratios</b>   |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| Return on equity (ROE)  | 16.1%          | 13.8%          | 12.7%          | 14.3%          | 17.8%          | 19.5%          | 18.7%          | 19.9%          | 9.6%           | 14.9%            | 18.6%            | 15.9%          | 17.6%          | 14.2%          |
| Return on risk capital (RORC)                                   | 61.8%          | 51.9%          | 47.9%          | 59.9%          | 77.3%          | 82.9%          | 70.9%          | 75.9%          | 36.2%          | 56.7%            | 79.9%            | 65.2%          | 64.6%          | 49.2%          |
| Pre-tax margin  | 22.9%          | 21.0%          | 22.4%          | 22.6%          | 24.8%          | 25.4%          | 22.6%          | 22.5%          | 15.1%          | 21.9%            | 25.1%            | 23.8%          | 21.3%          | 20.0%          |
| <b>Average balances</b>   |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| Total assets  | 21,000         | 21,300         | 22,300         | 21,400         | 20,600         | 19,400         | 18,000         | 18,200         | 18,200         | 21,100           | 20,000           | 20,900         | 18,400         | 20,500         |
| Loans and acceptances   | 9,700          | 9,400          | 8,900          | 8,300          | 7,900          | 7,600          | 7,400          | 7,000          | 6,400          | 9,600            | 7,700            | 8,200          | 6,800          | 5,800          |
| Deposits  | 29,200         | 29,000         | 28,300         | 27,300         | 28,600         | 28,500         | 28,700         | 28,900         | 28,800         | 29,100           | 28,500           | 28,200         | 29,000         | 31,500         |
| Attributed capital  | 5,150          | 5,150          | 5,300          | 5,050          | 5,000          | 4,150          | 3,550          | 3,550          | 3,550          | 5,150            | 4,550            | 4,850          | 3,650          | 3,900          |
| Risk capital  | 1,350          | 1,350          | 1,400          | 1,200          | 1,150          | 1,000          | 950            | 950            | 950            | 1,350            | 1,050            | 1,200          | 1,000          | 1,100          |
| <b>Credit quality</b>   |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| Gross impaired loans / Average net loans and acceptances        | 0.03%          | 0.02%          | 0.10%          | 0.10%          | 0.13%          | 0.04%          | 0.04%          | 0.09%          | 0.09%          | 0.03%            | 0.13%            | 0.11%          | 0.04%          | 0.00%          |
| PCL / Average net loans and acceptances                         | (0.04)%        | (0.01)%        | 0.00%          | 0.00%          | 0.00%          | 0.00%          | (0.01)%        | 0.17%          | 0.00%          | (0.03)%          | 0.00%            | 0.00%          | 0.04%          | 0.00%          |
| Net write-offs / Average net loans and acceptances              | (0.04)%        | (0.01)%        | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.15%          | 0.00%          | 0.00%          | (0.03)%          | 0.00%            | 0.00%          | 0.04%          | 0.00%          |
| <b>Business information</b>                                     |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| <b>Assets under administration</b>                              |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| Canadian Wealth Management                                      | 225,100        | 216,200        | 209,700        | 211,600        | 215,000        | 209,700        | 201,200        | 192,400        | 193,600        | 225,100          | 215,000          | 209,700        | 201,200        | 182,000        |
| U.S. & International Wealth Management                          | 335,000        | 318,000        | 317,500        | 313,700        | 322,900        | 333,300        | 320,400        | 308,600        | 307,000        | 335,000          | 322,900          | 317,500        | 320,400        | 320,300        |
| <b>Total</b>  | <b>560,100</b> | <b>534,200</b> | <b>527,200</b> | <b>525,300</b> | <b>537,900</b> | <b>543,000</b> | <b>521,600</b> | <b>501,000</b> | <b>500,600</b> | <b>560,100</b>   | <b>537,900</b>   | <b>527,200</b> | <b>521,600</b> | <b>502,300</b> |
| <b>Assets under management</b>                                  |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| Canadian Wealth Management                                      | 34,400         | 33,500         | 31,700         | 32,000         | 31,700         | 31,500         | 29,700         | 27,900         | 27,500         | 34,400           | 31,700           | 31,700         | 29,700         | 25,000         |
| U.S. & International Wealth Management                          | 29,100         | 27,800         | 26,800         | 24,000         | 23,800         | 23,600         | 22,900         | 21,600         | 21,500         | 29,100           | 23,800           | 26,800         | 22,900         | 21,000         |
| Global Asset Management <sup>1,2</sup>                          | 258,800        | 251,900        | 247,200        | 254,200        | 252,800        | 250,100        | 209,200        | 201,600        | 202,000        | 258,800          | 252,800          | 247,200        | 209,200        | 199,700        |
| <b>Total</b>  | <b>322,300</b> | <b>313,200</b> | <b>305,700</b> | <b>310,200</b> | <b>308,300</b> | <b>305,200</b> | <b>261,800</b> | <b>251,100</b> | <b>251,000</b> | <b>322,300</b>   | <b>308,300</b>   | <b>305,700</b> | <b>261,800</b> | <b>245,700</b> |
| <b>Other earnings measures</b>                                  |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| Net income  | 212            | 188            | 179            | 192            | 227            | 213            | 175            | 185            | 90             | 400              | 440              | 811            | 669            | 583            |
| Add: After-tax effect of amortization of other intangibles      | 16             | 15             | 18             | 18             | 17             | 15             | 12             | 12             | 13             | 31               | 32               | 68             | 49             | 48             |
| Adjusted net income   | 228            | 203            | 197            | 210            | 244            | 228            | 187            | 197            | 103            | 431              | 472              | 879            | 718            | 631            |
| Less: Capital charge  | 130            | 133            | 144            | 137            | 131            | 113            | 101            | 101            | 99             | 263              | 244              | 525            | 410            | 447            |
| Economic profit   | 98             | 70             | 53             | 73             | 113            | 115            | 86             | 96             | 4              | 168              | 228              | 354            | 308            | 184            |
| <b>(US\$ millions, except percentage and per share amounts)</b> |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| <b>Revenue by business</b>                                      |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| U.S. & International Wealth Management                          | 512            | 480            | 464            | 468            | 532            | 516            | 502            | 470            | 419            | 992              | 1,048            | 1,980          | 1,878          | 1,794          |
| <b>Business information</b>                                     |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| <b>Assets under administration</b>                              |                |                |                |                |                |                |                |                |                |                  |                  |                |                |                |
| U.S. & International Wealth Management                          | 339,200        | 317,158        | 318,600        | 328,400        | 341,200        | 332,800        | 314,000        | 300,100        | 302,300        | 339,200          | 341,200          | 318,600        | 314,000        | 296,000        |

<sup>1</sup> BlueBay Asset Management plc results are reported on a one-month lag.

<sup>2</sup> Excludes assets held by clients of Phillips, Hager & North Investment Management Ltd. for which we earn either a nominal or no management fee. Q2/12 AUM excludes \$0.7 billion of these assets.

| INSURANCE <sup>1</sup><br>(C\$ millions, except percentage amounts)             | IFRS       |              |              |              |              |            | CGAAP        |              |            | IFRS             |                  | IFRS         | CGAAP        |              |
|---|------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|------------|------------------|------------------|--------------|--------------|--------------|
|   | Q2/12      | Q1/12        | Q4/11        | Q3/11        | Q2/11        | Q1/11      | Q4/10        | Q3/10        | Q2/10      | 2012<br>6 months | 2011<br>6 months | 2011         | 2010         | 2009         |
| <b>Income Statement</b>   |            |              |              |              |              |            |              |              |            |                  |                  |              |              |              |
| Net earned premiums <sup>2</sup>  | 932        | 957          | 897          | 891          | 864          | 881        | 839          | 925          | 754        | 1,889            | 1,745            | 3,533        | 3,313        | 2,882        |
| Investment income <sup>3</sup>  | (59)       | 532          | 254          | 399          | 166          | (116)      | 381          | 276          | 110        | 473              | 50               | 703          | 928          | 940          |
| Fee income  | 53         | 61           | 64           | 59           | 56           | 60         | 66           | 48           | 68         | 114              | 116              | 239          | 248          | 241          |
| <b>Total revenue</b>  | <b>926</b> | <b>1,550</b> | <b>1,215</b> | <b>1,349</b> | <b>1,086</b> | <b>825</b> | <b>1,286</b> | <b>1,249</b> | <b>932</b> | <b>2,476</b>     | <b>1,911</b>     | <b>4,475</b> | <b>4,489</b> | <b>4,063</b> |
| Insurance policyholder benefits, claims and acquisition expense (PBCAE)         | 640        | 1,211        | 867          | 1,081        | 843          | 567        | 1,047        | 978          | 721        | 1,851            | 1,410            | 3,358        | 3,546        | 3,042        |
| Non-interest expense  | 126        | 129          | 129          | 126          | 121          | 122        | 124          | 120          | 116        | 255              | 243              | 498          | 468          | 457          |
| Income taxes  | 9          | 20           | 19           | 1            | (1)          | -          | (9)          | 3            | (11)       | 29               | (11)             | 19           | (16)         | 37           |
| <b>Net income</b>   | <b>151</b> | <b>190</b>   | <b>200</b>   | <b>141</b>   | <b>123</b>   | <b>136</b> | <b>124</b>   | <b>148</b>   | <b>106</b> | <b>341</b>       | <b>259</b>       | <b>600</b>   | <b>491</b>   | <b>527</b>   |
| <b>Total revenue by business</b>  |            |              |              |              |              |            |              |              |            |                  |                  |              |              |              |
| Canadian Insurance  | 449        | 1,054        | 757          | 875          | 652          | 392        | 838          | 730          | 561        | 1,503            | 1,044            | 2,676        | 2,756        | 2,664        |
| International and Other Insurance   | 477        | 496          | 458          | 474          | 434          | 433        | 448          | 519          | 371        | 973              | 867              | 1,799        | 1,733        | 1,399        |
| <b>Total</b>  | <b>926</b> | <b>1,550</b> | <b>1,215</b> | <b>1,349</b> | <b>1,086</b> | <b>825</b> | <b>1,286</b> | <b>1,249</b> | <b>932</b> | <b>2,476</b>     | <b>1,911</b>     | <b>4,475</b> | <b>4,489</b> | <b>4,063</b> |
| <b>Financial ratios</b>   |            |              |              |              |              |            |              |              |            |                  |                  |              |              |              |
| Return on equity (ROE)  | 40.8%      | 48.5%        | 40.3%        | 34.5%        | 34.8%        | 40.5%      | 38.6%        | 40.5%        | 30.8%      | 44.6%            | 37.6%            | 37.6%        | 37.2%        | 45.7%        |
| Return on risk capital (RORC)   | 45.1%      | 53.1%        | 43.3%        | 37.7%        | 38.5%        | 45.7%      | 44.3%        | 45.9%        | 34.9%      | 49.3%            | 42.0%            | 41.3%        | 42.7%        | 53.9%        |
| <b>Average balances</b>   |            |              |              |              |              |            |              |              |            |                  |                  |              |              |              |
| Total assets  | 11,400     | 11,100       | 10,800       | 10,600       | 10,200       | 10,500     | 10,500       | 9,900        | 9,800      | 11,200           | 10,300           | 10,500       | 9,900        | 8,500        |
| Attributed capital  | 1,500      | 1,550        | 1,950        | 1,600        | 1,400        | 1,300      | 1,250        | 1,400        | 1,400      | 1,500            | 1,350            | 1,550        | 1,300        | 1,150        |
| Risk capital  | 1,350      | 1,400        | 1,800        | 1,450        | 1,300        | 1,150      | 1,100        | 1,250        | 1,200      | 1,350            | 1,200            | 1,400        | 1,150        | 950          |
| <b>Additional information</b>   |            |              |              |              |              |            |              |              |            |                  |                  |              |              |              |
| Premiums and deposits <sup>2,4</sup>  | 1,189      | 1,232        | 1,205        | 1,211        | 1,138        | 1,147      | 1,123        | 1,221        | 1,020      | 2,421            | 2,285            | 4,701        | 4,457        | 3,880        |
| Canadian Insurance  | 572        | 591          | 605          | 605          | 568          | 577        | 547          | 567          | 538        | 1,163            | 1,145            | 2,355        | 2,191        | 1,977        |
| International and Other Insurance   | 617        | 641          | 600          | 606          | 570          | 570        | 576          | 654          | 482        | 1,258            | 1,140            | 2,346        | 2,266        | 1,903        |
| Insurance policyholder benefits and claims                                      | 495        | 1,065        | 720          | 933          | 695          | 409        | 908          | 827          | 589        | 1,560            | 1,104            | 2,757        | 2,989        | 2,520        |
| Insurance policyholder acquisition expense                                      | 145        | 146          | 147          | 148          | 148          | 158        | 139          | 151          | 132        | 291              | 306              | 601          | 557          | 522          |
| Insurance claims and policy benefit liabilities                                 | 7,621      | 7,681        | 7,119        | 7,371        | 6,896        | 6,740      | 6,273        | 5,847        | 5,542      | 7,621            | 6,896            | 7,119        | 6,273        | 5,223        |
| Fair value changes on investments backing policyholder liabilities <sup>5</sup> | (196)      | 385          | 123          | 280          | 54           | (243)      | 247          | 121          | (28)       | 189              | (189)            | 214          | 389          | 458          |
| Embedded value  | 5,507      | 5,458        | 5,327        | 5,084        | 4,914        | 4,971      | 5,466        | 5,572        | 5,208      | 5,507            | 4,914            | 5,327        | 5,466        | 5,162        |
| <b>Business information</b>   |            |              |              |              |              |            |              |              |            |                  |                  |              |              |              |
| Assets under management   | 400        | 300          | 300          | 300          | 300          | 300        | 300          | 200          | 200        | 400              | 300              | 300          | 300          | 200          |
| <b>Other earnings measures</b>  |            |              |              |              |              |            |              |              |            |                  |                  |              |              |              |
| Net income  | 151        | 190          | 200          | 141          | 123          | 136        | 124          | 148          | 106        | 341              | 259              | 600          | 491          | 527          |
| Add: After-tax effect of amortization of other intangibles                      | -          | -            | -            | -            | -            | -          | -            | -            | -          | -                | -                | -            | -            | -            |
| Adjusted net income   | 151        | 190          | 200          | 141          | 123          | 136        | 124          | 148          | 106        | 341              | 259              | 600          | 491          | 527          |
| Less: Capital charge  | 37         | 40           | 53           | 43           | 37           | 36         | 36           | 40           | 38         | 77               | 73               | 169          | 146          | 130          |
| Economic profit   | 114        | 150          | 147          | 98           | 86           | 100        | 88           | 108          | 68         | 264              | 186              | 431          | 345          | 397          |

<sup>1</sup> Amounts represent continuing operations unless otherwise noted.

<sup>2</sup> Premium and deposits equals net earned premiums excluding the cost of premiums to other institutions for reinsurance coverage, plus segregated fund deposits.

<sup>3</sup> Investment income can experience volatility arising from fluctuation in the fair value through profit or loss assets. The investments which support actuarial liabilities are predominantly fixed income assets designated as fair value through profit or loss and consequently changes in fair values of these assets are recorded in investment 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.

<sup>4</sup> Premiums and deposits include premiums on risk-based insurance and annuity products, and individual and group segregated fund deposits, consistent with insurance industry practices.

<sup>5</sup> The revenue impact of the change in fair value on investments backing policyholder liabilities is reflected in Investment income and largely offset in PBCAE.

| INTERNATIONAL BANKING <sup>1</sup><br>(C\$ millions, except percentage amounts)    | IFRS               |            |            |            |            |            | CGAAP      |            |            | IFRS             |                  | IFRS         | CGAAP        |              |
|--|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------------|--------------|--------------|--------------|
|  | Q2/12 <sup>2</sup> | Q1/12      | Q4/11      | Q3/11      | Q2/11      | Q1/11      | Q4/10      | Q3/10      | Q2/10      | 2012<br>6 months | 2011<br>6 months | 2011         | 2010         | 2009         |
| <b>Income Statement</b>  |                    |            |            |            |            |            |            |            |            |                  |                  |              |              |              |
| Net interest income  | 166                | 159        | 161        | 149        | 157        | 171        | 166        | 166        | 165        | 325              | 328              | 638          | 669          | 803          |
| Non-interest income  | 173                | 214        | 224        | 243        | 226        | 236        | 223        | 217        | 232        | 387              | 462              | 929          | 834          | 724          |
| <b>Total revenue</b>   | <b>339</b>         | <b>373</b> | <b>385</b> | <b>392</b> | <b>383</b> | <b>407</b> | <b>389</b> | <b>383</b> | <b>397</b> | <b>712</b>       | <b>790</b>       | <b>1,567</b> | <b>1,503</b> | <b>1,527</b> |
| Provision for credit losses (PCL)  | 47                 | 8          | 36         | 44         | 15         | 14         | 46         | 31         | 40         | 55               | 29               | 109          | 142          | 72           |
| Non-interest expense   | 499                | 326        | 339        | 307        | 311        | 292        | 332        | 300        | 289        | 825              | 603              | 1,249        | 1,210        | 1,281        |
| Income taxes   | (11)               | 15         | -          | 23         | 11         | 33         | 19         | 14         | 16         | 4                | 44               | 67           | 57           | 42           |
| Non-controlling interest in net income of subsidiaries                             | n.a.               | n.a.       | n.a.       | n.a.       | n.a.       | n.a.       | (1)        | 2          | 1          | n.a.             | n.a.             | n.a.         | 2            | 9            |
| <b>Net income (loss)</b>   | <b>(196)</b>       | <b>24</b>  | <b>10</b>  | <b>18</b>  | <b>46</b>  | <b>68</b>  | <b>(7)</b> | <b>36</b>  | <b>51</b>  | <b>(172)</b>     | <b>114</b>       | <b>142</b>   | <b>92</b>    | <b>123</b>   |
| <b>Total revenue by business</b>   |                    |            |            |            |            |            |            |            |            |                  |                  |              |              |              |
| Banking <sup>3</sup>   | 211                | 201        | 197        | 198        | 198        | 233        | 218        | 212        | 241        | 412              | 431              | 826          | 846          | 817          |
| RBC Dexia IS <sup>4</sup>  | 128                | 172        | 188        | 194        | 185        | 174        | 171        | 171        | 156        | 300              | 359              | 741          | 657          | 710          |
| <b>Total</b>   | <b>339</b>         | <b>373</b> | <b>385</b> | <b>392</b> | <b>383</b> | <b>407</b> | <b>389</b> | <b>383</b> | <b>397</b> | <b>712</b>       | <b>790</b>       | <b>1,567</b> | <b>1,503</b> | <b>1,527</b> |
| <b>Financial ratios</b>  |                    |            |            |            |            |            |            |            |            |                  |                  |              |              |              |
| Return on equity (ROE)   | (26.9)%            | 2.0%       | 0.3%       | 1.4%       | 5.1%       | 7.7%       | (1.6)%     | 3.8%       | 6.0%       | (11.9)%          | 6.4%             | 3.5%         | 2.2%         | 3.0%         |
| Return on risk capital (RORC)  | (69.2)%            | 5.1%       | 0.6%       | 3.4%       | 12.7%      | 20.9%      | (4.7)%     | 10.9%      | 16.6%      | (30.3)%          | 16.7%            | 8.7%         | 6.4%         | 9.1%         |
| Net interest margin (average earning assets) <sup>5</sup>                          | 5.73%              | 5.53%      | 5.43%      | 5.35%      | 5.50%      | 5.77%      | 5.44%      | 5.40%      | 5.98%      | 5.63%            | 5.64%            | 5.52%        | 5.60%        | 5.33%        |
| <b>Average balances</b>  |                    |            |            |            |            |            |            |            |            |                  |                  |              |              |              |
| Total assets   | 26,400             | 25,200     | 26,700     | 26,900     | 26,500     | 26,300     | 27,000     | 26,800     | 24,200     | 25,800           | 26,400           | 26,600       | 25,600       | 27,200       |
| Total earning assets <sup>5</sup>  | 10,500             | 10,000     | 10,200     | 9,700      | 9,900      | 10,400     | 11,000     | 11,300     | 10,300     | 10,200           | 10,100           | 10,000       | 10,900       | 12,200       |
| Loans and acceptances  | 8,300              | 8,400      | 8,400      | 8,000      | 8,000      | 8,500      | 9,300      | 9,400      | 8,500      | 8,400            | 8,200            | 8,200        | 8,900        | 9,900        |
| Deposits   | 28,600             | 28,000     | 29,800     | 24,900     | 26,200     | 24,800     | 27,000     | 27,700     | 25,400     | 28,300           | 25,500           | 26,400       | 26,900       | 29,200       |
| Attributed capital   | 3,050              | 3,200      | 3,400      | 3,150      | 3,100      | 3,100      | 3,100      | 3,100      | 3,050      | 3,100            | 3,100            | 3,200        | 3,050        | 3,250        |
| Risk capital   | 1,200              | 1,250      | 1,500      | 1,300      | 1,250      | 1,150      | 1,100      | 1,100      | 1,100      | 1,200            | 1,200            | 1,300        | 1,050        | 1,050        |
| <b>Credit quality</b>  |                    |            |            |            |            |            |            |            |            |                  |                  |              |              |              |
| Gross impaired loans / Average net loans and acceptances                           | 9.16%              | 9.50%      | 9.31%      | 9.05%      | 7.94%      | 7.68%      | 7.87%      | 7.22%      | 7.16%      | 9.10%            | 7.71%            | 9.55%        | 8.19%        | 4.49%        |
| PCL / Average net loans and acceptances  | 2.31%              | 0.36%      | 1.70%      | 2.20%      | 0.75%      | 0.68%      | 1.96%      | 1.32%      | 1.95%      | 1.32%            | 0.71%            | 1.33%        | 1.59%        | 0.72%        |
| Net write-offs / Average net loans and acceptances                                 | 0.78%              | 0.47%      | 1.97%      | 0.96%      | 0.96%      | 2.80%      | 1.10%      | 0.43%      | 0.97%      | 0.62%            | 1.92%            | 1.70%        | 0.71%        | 0.28%        |
| <b>Business information</b>  |                    |            |            |            |            |            |            |            |            |                  |                  |              |              |              |
| Assets under administration - RBC <sup>3</sup>                                     | 7,800              | 7,900      | 7,900      | 7,200      | 7,100      | 7,500      | 7,800      | 7,900      | 7,300      | 7,800            | 7,100            | 7,900        | 7,800        | 7,700        |
| - RBC Dexia IS <sup>4</sup>  | 2,808,800          | 2,709,800  | 2,744,400  | 2,831,900  | 2,892,700  | 2,881,200  | 2,779,500  | 2,652,500  | 2,481,900  | 2,808,800        | 2,892,700        | 2,744,400    | 2,779,500    | 2,484,400    |
| Assets under management - RBC <sup>3</sup>   | 2,700              | 2,800      | 2,700      | 2,600      | 2,600      | 2,600      | 2,600      | 2,600      | 2,600      | 2,700            | 2,600            | 2,700        | 2,600        | 3,800        |
| <b>Other earnings measures</b>   |                    |            |            |            |            |            |            |            |            |                  |                  |              |              |              |
| Net income (loss)  | (196)              | 24         | 10         | 18         | 46         | 68         | (7)        | 36         | 51         | (172)            | 114              | 142          | 92           | 123          |
| Non-controlling interests  |                    | (2)        | (1)        | (1)        | (1)        | (1)        | n.a.       | n.a.       | n.a.       | (2)              | (2)              | (4)          | n.a.         | n.a.         |
| Add: After-tax effect of amortization of other intangibles and goodwill impairment | 173                | 12         | 12         | 13         | 12         | 12         | 17         | 16         | 16         | 185              | 24               | 49           | 67           | 74           |
| Adjusted net income  | (23)               | 34         | 21         | 30         | 57         | 79         | 10         | 52         | 67         | 11               | 136              | 187          | 159          | 197          |
| Less: Capital charge   | 77                 | 82         | 93         | 87         | 82         | 84         | 88         | 88         | 84         | 159              | 166              | 346          | 347          | 375          |
| Economic loss  | (100)              | (48)       | (72)       | (57)       | (25)       | (5)        | (78)       | (36)       | (17)       | (148)            | (30)             | (159)        | (188)        | (178)        |
| <b>(US\$ millions, except percentage and per share amounts)</b>                    |                    |            |            |            |            |            |            |            |            |                  |                  |              |              |              |
| <b>Revenue by business</b>   |                    |            |            |            |            |            |            |            |            |                  |                  |              |              |              |
| Banking <sup>3</sup>   | 212                | 199        | 194        | 206        | 207        | 230        | 210        | 203        | 235        | 411              | 437              | 837          | 814          | 701          |

<sup>1</sup> Amounts represent continuing operations unless otherwise noted.

<sup>2</sup> Results reflect the previously announced loss of \$212 million (\$202 after-tax) related to our announced acquisition of the other 50 percent interest in RBC Dexia. For further information, refer to the *Key corporate events* of the 2012 section of our Q2 2012 Report to Shareholders.

<sup>3</sup> Includes Caribbean banking businesses. RBTT Financial Group (RBTT) results are reported on a one-month lag. AUA - RBC and AUM - RBC include the AUA and AUM of RBTT.

<sup>4</sup> RBC Dexia Investor Services (RBC Dexia IS), of which we have a 50% ownership interest. Results are reported on a one-month lag. AUA - RBC Dexia IS represents the total AUA of the joint venture.

<sup>5</sup> Calculated based on Banking information and excludes RBC Dexia IS amounts.

n.a. Not applicable.

| CAPITAL MARKETS<br>(C\$ millions, except percentage amounts) | IFRS         |              |              |              |              |              | CGAAP        |            |              | IFRS             |                  | IFRS         | CGAAP        |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|------------------|------------------|--------------|--------------|--------------|
|  | Q2/12        | Q1/12        | Q4/11        | Q3/11        | Q2/11        | Q1/11        | Q4/10        | Q3/10      | Q2/10        | 2012<br>6 months | 2011<br>6 months | 2011         | 2010         | 2009         |
| <b>Income Statement</b>                                      |              |              |              |              |              |              |              |            |              |                  |                  |              |              |              |
| Net interest income (teb)                                    | 807          | 764          | 702          | 666          | 664          | 655          | 692          | 638        | 660          | 1,571            | 1,319            | 2,687        | 2,719        | 3,399        |
| Non-interest income  | 903          | 852          | 340          | 467          | 835          | 1,396        | 801          | 316        | 940          | 1,755            | 2,231            | 3,038        | 3,168        | 3,524        |
| <b>Total revenue (teb)</b>                                   | <b>1,710</b> | <b>1,616</b> | <b>1,042</b> | <b>1,133</b> | <b>1,499</b> | <b>2,051</b> | <b>1,493</b> | <b>954</b> | <b>1,600</b> | <b>3,326</b>     | <b>3,550</b>     | <b>5,725</b> | <b>5,887</b> | <b>6,923</b> |
| Provision for credit losses (PCL)                            | 31           | 17           | 5            | 9            | (3)          | (25)         | (22)         | (9)        | 21           | 48               | (28)             | (14)         | 20           | 702          |
| Non-interest expense   | 1,014        | 978          | 838          | 772          | 928          | 1,121        | 933          | 674        | 862          | 1,992            | 2,049            | 3,659        | 3,420        | 3,628        |
| Income taxes   | 216          | 173          | 45           | 93           | 168          | 318          | 204          | 87         | 216          | 389              | 486              | 624          | 795          | 826          |
| Non-controlling interest in net income of subsidiaries       | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 5            | 1          | (1)          | n.a.             | n.a.             | n.a.         | 5            | (1)          |
| <b>Net income</b>  | <b>449</b>   | <b>448</b>   | <b>154</b>   | <b>259</b>   | <b>406</b>   | <b>637</b>   | <b>373</b>   | <b>201</b> | <b>502</b>   | <b>897</b>       | <b>1,043</b>     | <b>1,456</b> | <b>1,647</b> | <b>1,768</b> |
| <b>Total revenue (teb)</b>                                   |              |              |              |              |              |              |              |            |              |                  |                  |              |              |              |
| Total revenue  | 1,710        | 1,616        | 1,042        | 1,133        | 1,499        | 2,051        | 1,493        | 954        | 1,600        | 3,326            | 3,550            | 5,725        | 5,887        | 6,923        |
| Revenue related to VIEs offset in non-controlling interests  | -            | -            | -            | -            | -            | 4            | 10           | -          | 2            | -                | 4                | 4            | 14           | (22)         |
| <b>Total revenue excluding VIEs</b>                          | <b>1,710</b> | <b>1,616</b> | <b>1,042</b> | <b>1,133</b> | <b>1,499</b> | <b>2,047</b> | <b>1,483</b> | <b>954</b> | <b>1,598</b> | <b>3,326</b>     | <b>3,546</b>     | <b>5,721</b> | <b>5,873</b> | <b>6,945</b> |
| <b>Total revenue by business</b>                             |              |              |              |              |              |              |              |            |              |                  |                  |              |              |              |
| Global Markets   | 1,072        | 1,090        | 564          | 591          | 915          | 1,303        | 825          | 478        | 1,216        | 2,162            | 2,218            | 3,373        | 3,802        | 6,039        |
| Corporate and Investment Banking                             | 638          | 566          | 591          | 663          | 574          | 712          | 558          | 565        | 424          | 1,204            | 1,286            | 2,540        | 2,108        | 1,697        |
| Other  | -            | (40)         | (113)        | (121)        | 10           | 36           | 110          | (89)       | (40)         | (40)             | 46               | (188)        | (23)         | (813)        |
| <b>Total</b>   | <b>1,710</b> | <b>1,616</b> | <b>1,042</b> | <b>1,133</b> | <b>1,499</b> | <b>2,051</b> | <b>1,493</b> | <b>954</b> | <b>1,600</b> | <b>3,326</b>     | <b>3,550</b>     | <b>5,725</b> | <b>5,887</b> | <b>6,923</b> |
| <b>Financial ratios</b>                                      |              |              |              |              |              |              |              |            |              |                  |                  |              |              |              |
| Return on equity (ROE) <sup>1</sup>                          | 14.9%        | 14.9%        | 5.8%         | 11.5%        | 20.3%        | 30.7%        | 17.0%        | 9.2%       | 25.8%        | 14.9%            | 25.6%            | 16.5%        | 19.5%        | 21.0%        |
| Return on risk capital (RORC)                                | 16.3%        | 16.4%        | 6.5%         | 13.1%        | 23.3%        | 35.1%        | 19.3%        | 10.5%      | 29.6%        | 16.3%            | 29.3%            | 18.8%        | 22.3%        | 24.3%        |
| <b>Average balances</b>                                      |              |              |              |              |              |              |              |            |              |                  |                  |              |              |              |
| Total assets   | 393,000      | 407,700      | 417,800      | 371,600      | 361,200      | 367,900      | 359,000      | 333,900    | 304,300      | 400,400          | 364,600          | 379,800      | 327,500      | 347,900      |
| Trading securities   | 118,100      | 120,600      | 136,500      | 151,000      | 146,700      | 137,500      | 129,600      | 133,300    | 126,300      | 119,400          | 142,000          | 142,900      | 130,700      | 121,100      |
| Loans and acceptances  | 46,400       | 43,100       | 41,200       | 35,900       | 34,700       | 35,500       | 29,000       | 29,200     | 29,000       | 44,700           | 35,100           | 36,800       | 29,600       | 39,500       |
| Deposits   | 117,300      | 117,900      | 117,800      | 111,000      | 114,200      | 118,600      | 103,400      | 95,900     | 89,900       | 117,600          | 116,500          | 115,400      | 94,800       | 108,100      |
| Attributed capital   | 11,600       | 11,450       | 9,250        | 8,350        | 7,850        | 8,000        | 8,300        | 8,050      | 7,750        | 11,550           | 7,900            | 8,350        | 8,100        | 8,100        |
| Risk capital   | 10,650       | 10,400       | 8,250        | 7,350        | 6,850        | 7,000        | 7,350        | 7,050      | 6,750        | 10,550           | 6,900            | 7,350        | 7,100        | 7,000        |
| <b>Credit quality</b>  |              |              |              |              |              |              |              |            |              |                  |                  |              |              |              |
| Gross impaired loans / Average net loans and acceptances     | 0.68 %       | 0.53 %       | 0.63 %       | 0.72 %       | 0.56 %       | 0.68 %       | 1.41 %       | 1.70 %     | 2.23 %       | 0.71 %           | 0.56 %           | 0.67 %       | 1.38 %       | 2.32 %       |
| PCL / Average net loans and acceptances                      | 0.27 %       | 0.16 %       | 0.05 %       | 0.10 %       | (0.04)%      | (0.28)%      | (0.31)%      | (0.12)%    | 0.29 %       | 0.21 %           | (0.16)%          | (0.04)%      | 0.07 %       | 1.78 %       |
| Net write-offs / Average net loans and acceptances           | 0.00 %       | 0.10 %       | 0.09 %       | (0.09)%      | 0.01 %       | (0.29)%      | 0.53 %       | 1.38 %     | 0.45 %       | 0.05 %           | (0.14)%          | (0.06)%      | 0.82 %       | 1.34 %       |
| <b>Business information</b>                                  |              |              |              |              |              |              |              |            |              |                  |                  |              |              |              |
| Assets under administration                                  | 6,800        | 6,300        | 6,700        | 6,300        | 6,100        | 6,100        | 6,200        | 5,800      | 4,800        | 6,800            | 6,100            | 6,700        | 6,200        | 5,000        |
| <b>Other earnings measures</b>                               |              |              |              |              |              |              |              |            |              |                  |                  |              |              |              |
| Net income   | 449          | 448          | 154          | 259          | 406          | 637          | 373          | 201        | 502          | 897              | 1,043            | 1,456        | 1,647        | 1,768        |
| Non-controlling interests                                    | (2)          | 1            | (1)          | -            | (1)          | (3)          | n.a.         | n.a.       | n.a.         | (1)              | (4)              | (5)          | n.a.         | n.a.         |
| Add: After-tax effect of amortization of other intangibles   | 1            | 1            | 1            | 2            | 2            | -            | 1            | 1          | 1            | 2                | 2                | 5            | 5            | 13           |
| Adjusted net income  | 448          | 450          | 154          | 261          | 407          | 634          | 374          | 202        | 503          | 898              | 1,041            | 1,456        | 1,652        | 1,781        |
| Less: Capital charge   | 294          | 297          | 253          | 228          | 208          | 216          | 237          | 228        | 213          | 591              | 424              | 905          | 916          | 933          |
| Economic profit (loss)                                       | 154          | 153          | (99)         | 33           | 199          | 418          | 137          | (26)       | 290          | 307              | 617              | 551          | 736          | 848          |

<sup>1</sup> Effective Q1/12, we prospectively revised our capital allocation methodology to further align our allocation processes with evolving regulatory capital requirements. The revised methodology replaced the pro-rata allocation of unallocated capital that was used in 2011 and the impacts are being phased-in over fiscal 2012 in anticipation of our requirement to report under Basel III requirements in 2013. The revised methodology resulted in a reduction in attributed capital for Canadian Banking and an increase in attributed capital for Capital Markets.  
n.a. Not applicable.



| CORPORATE SUPPORT <sup>1</sup><br>(C\$ millions)             | IFRS      |           |            |            |             |          | CGAAP       |           |             | IFRS             |                  | IFRS       | CGAAP        |           |
|--|-----------|-----------|------------|------------|-------------|----------|-------------|-----------|-------------|------------------|------------------|------------|--------------|-----------|
|  | Q2/12     | Q1/12     | Q4/11      | Q3/11      | Q2/11       | Q1/11    | Q4/10       | Q3/10     | Q2/10       | 2012<br>6 months | 2011<br>6 months | 2011       | 2010         | 2009      |
| <b>Income Statement</b>                                      |           |           |            |            |             |          |             |           |             |                  |                  |            |              |           |
| Net interest income (teb)                                    | (57)      | (86)      | (38)       | (17)       | (126)       | (112)    | (262)       | (156)     | (179)       | (143)            | (238)            | (293)      | (843)        | (841)     |
| Non-interest income  | (30)      | 48        | 86         | 83         | 28          | 60       | 69          | 48        | 65          | 18               | 88               | 257        | 303          | 799       |
| <b>Total revenue (teb)</b>                                   | (87)      | (38)      | 48         | 66         | (98)        | (52)     | (193)       | (108)     | (114)       | (125)            | (150)            | (36)       | (540)        | (42)      |
| Provision for (recovery of) credit losses (PCL) <sup>2</sup> | -         | (1)       | 1          | -          | 1           | 3        | (28)        | (32)      | (29)        | (1)              | 4                | 5          | (116)        | 118       |
| Non-interest expense   | -         | 5         | 28         | 19         | 33          | 13       | 25          | 3         | 15          | 5                | 46               | 93         | 81           | 79        |
| Income taxes   | (97)      | (74)      | (99)       | (138)      | (117)       | (77)     | (155)       | (145)     | (59)        | (171)            | (194)            | (431)      | (386)        | (348)     |
| Non-controlling interest in net income of subsidiaries       | n.a.      | n.a.      | n.a.       | n.a.       | n.a.        | n.a.     | 23          | 23        | 23          | n.a.             | n.a.             | n.a.       | 92           | 92        |
| <b>Net income (loss)<sup>3</sup></b>                         | <b>10</b> | <b>32</b> | <b>118</b> | <b>185</b> | <b>(15)</b> | <b>9</b> | <b>(58)</b> | <b>43</b> | <b>(64)</b> | <b>42</b>        | <b>(6)</b>       | <b>297</b> | <b>(211)</b> | <b>17</b> |
| <b>Additional information</b>                                |           |           |            |            |             |          |             |           |             |                  |                  |            |              |           |
| teb adjustment   | (118)     | (121)     | (85)       | (84)       | (146)       | (144)    | (158)       | (83)      | (127)       | (239)            | (290)            | (459)      | (489)        | (366)     |
| <b>Average balances</b>                                      |           |           |            |            |             |          |             |           |             |                  |                  |            |              |           |
| Total assets <sup>4</sup>                                    | 16,400    | 14,700    | 14,500     | 13,600     | 16,700      | 16,500   | (10,600)    | (12,500)  | (13,400)    | 15,600           | 16,700           | 15,300     | (12,600)     | (8,300)   |
| Attributed capital   | 4,300     | 2,400     | 2,050      | 2,600      | 2,150       | 2,500    | 5,100       | 5,000     | 4,850       | 3,400            | 2,300            | 2,400      | 5,000        | 2,150     |
| <b>Other earnings measures</b>                               |           |           |            |            |             |          |             |           |             |                  |                  |            |              |           |
| Net income (loss)  | 10        | 32        | 118        | 185        | (15)        | 9        | (58)        | 43        | (64)        | 42               | (6)              | 297        | (211)        | 17        |
| Non-controlling interests                                    | (23)      | (24)      | (23)       | (24)       | (23)        | (22)     | n.a.        | n.a.      | n.a.        | (47)             | (45)             | (92)       | n.a.         | n.a.      |
| Add: After-tax effect of amortization of other intangibles   | (1)       | 1         | (1)        | (2)        | -           | 2        | -           | 3         | (2)         | -                | 2                | (1)        | 1            | 1         |
| Adjusted net (loss) income                                   | (14)      | 9         | 94         | 159        | (38)        | (11)     | (58)        | 46        | (66)        | (5)              | (49)             | 204        | (210)        | 18        |
| Less: Capital charge   | 103       | 55        | 48         | 68         | 58          | 71       | 140         | 142       | 133         | 158              | 129              | 245        | 554          | 327       |
| Economic (loss) profit                                       | (117)     | (46)      | 46         | 91         | (96)        | (82)     | (198)       | (96)      | (199)       | (163)            | (178)            | (41)       | (764)        | (309)     |

<sup>1</sup> Amounts represent continuing operations unless otherwise noted.

<sup>2</sup> Under Canadian GAAP, this amount comprises of the PCL for loans not yet identified as impaired and an adjustment related to losses on securitized card loans managed by Canadian Banking. In Q2/11 and 2009, PCL also included an amount related to the reclassification of certain AFS securities to loans.

<sup>3</sup> Net income reflects income attributable to both shareholders and NCI. Net income attributable to NCI for the three months ended April 30, 2012 was \$23 million (January 31, 2012 - \$24 million; April 30, 2011 - \$23 million). For the six months ended April 30, 2012, net income attributable to NCI was \$47 million (April 30, 2011 - \$45 million).

<sup>4</sup> Average assets under Canadian GAAP included adjustments relating to securitized assets managed by Canadian Banking.  
n.a. Not applicable.

| DISCONTINUED OPERATIONS <sup>1</sup><br>(C\$ millions, except percentage amounts) | IFRS  |        |        |        |        |        | CGAAP  |        |        | IFRS             |                  | IFRS   | CGAAP  |         |
|---|-------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|------------------|--------|--------|---------|
|   | Q2/12 | Q1/12  | Q4/11  | Q3/11  | Q2/11  | Q1/11  | Q4/10  | Q3/10  | Q2/10  | 2012<br>6 months | 2011<br>6 months | 2011   | 2010   | 2009    |
| <b>Income Statement</b>   |       |        |        |        |        |        |        |        |        |                  |                  |        |        |         |
| Net interest income   | 46    | 154    | 160    | 161    | 173    | 189    | 173    | 160    | 171    | 200              | 362              | 683    | 639    | 836     |
| Non-interest income   | 10    | 58     | (10)   | 3      | 215    | 120    | 367    | 517    | 415    | 68               | 335              | 328    | 1,725  | 1,830   |
| <b>Total revenue</b>  | 56    | 212    | 150    | 164    | 388    | 309    | 540    | 677    | 586    | 268              | 697              | 1,011  | 2,364  | 2,666   |
| Provision for credit losses (PCL)   | 34    | 83     | 15     | 92     | 108    | 111    | 149    | 155    | 170    | 117              | 219              | 326    | 621    | 1,246   |
| Insurance policyholder benefits, claims and acquisitions expense (PBCAE)          | -     | -      | -      | -      | 178    | 62     | 376    | 481    | 375    | -                | 240              | 240    | 1,562  | 1,567   |
| Non-interest expense  | 73    | 185    | 199    | 206    | 208    | 221    | 236    | 231    | 226    | 258              | 429              | 834    | 922    | 1,124   |
| Goodwill impairment charge  | -     | -      | -      | -      | -      | -      | -      | -      | -      | -                | -                | -      | -      | 1,000   |
| Income taxes  | (18)  | (28)   | (20)   | (52)   | (46)   | (37)   | (86)   | (87)   | (93)   | (46)             | (83)             | (155)  | (348)  | (448)   |
| <b>Net (loss)</b>   | (33)  | (28)   | (44)   | (82)   | (60)   | (48)   | (135)  | (103)  | (92)   | (61)             | (108)            | (234)  | (393)  | (1,823) |
| Gain (loss) on sale <sup>2</sup>  | 3     | 7      | 6      | (307)  | 9      | -      | (116)  | -      | -      | 10               | 9                | (292)  | (116)  | -       |
| <b>Net loss from discontinued operations</b>                                      | (30)  | (21)   | (38)   | (389)  | (51)   | (48)   | (251)  | (103)  | (92)   | (51)             | (99)             | (526)  | (509)  | (1,823) |
| <b>Average balances</b>   |       |        |        |        |        |        |        |        |        |                  |                  |        |        |         |
| Total assets  | 8,100 | 26,450 | 27,700 | 26,200 | 31,300 | 32,900 | 34,400 | 33,300 | 33,700 | 17,400           | 32,100           | 29,500 | 34,300 | 40,600  |
| Total earning assets  | 6,400 | 20,990 | 25,000 | 23,600 | 28,000 | 29,200 | 28,600 | 27,400 | 27,500 | 13,800           | 28,300           | 26,400 | 28,300 | 34,400  |
| Loans and acceptances   | 5,100 | 16,100 | 17,100 | 16,600 | 17,300 | 18,300 | 19,100 | 19,400 | 20,300 | 10,700           | 17,800           | 17,300 | 20,100 | 25,400  |
| Deposits  | 5,600 | 17,900 | 21,100 | 19,600 | 19,000 | 19,300 | 18,700 | 18,500 | 18,800 | 11,900           | 19,200           | 19,700 | 18,900 | 22,400  |
| <b>Credit quality</b>   |       |        |        |        |        |        |        |        |        |                  |                  |        |        |         |
| Gross impaired loans / Average net loans and acceptances                          | 1.31% | 7.68%  | 7.58%  | 8.15%  | 8.29%  | 8.87%  | 11.89% | 12.00% | 11.32% | 0.63%            | 8.05%            | 7.47%  | 11.28% | 10.37%  |
| PCL / Average net loans and acceptances   | 2.75% | 2.04%  | 0.36%  | 2.20%  | 2.57%  | 2.39%  | 3.02%  | 3.11%  | 3.36%  | 2.21%            | 2.48%            | 1.88%  | 3.02%  | 4.78%   |
| Net write-offs / Average net loans and acceptances                                | 3.21% | 2.41%  | 1.99%  | 2.96%  | 3.46%  | 2.97%  | 3.55%  | 2.88%  | 3.39%  | 2.60%            | 3.20%            | 2.84%  | 3.10%  | 3.05%   |
| <b>Other information</b>  |       |        |        |        |        |        |        |        |        |                  |                  |        |        |         |
| Number of employees (full-time equivalent)  | 15    | 4,756  | 4,763  | 4,801  | 4,836  | 5,000  | 4,979  | 4,957  | 5,058  | 15               | 4,836            | 4,763  | 4,979  | 5,206   |
| Number of banking branches  | -     | 422    | 424    | 424    | 423    | 426    | 426    | 426    | 427    | -                | 423              | 424    | 426    | 438     |
| Number of automated teller machines (ATM)   | -     | 469    | 469    | 470    | 470    | 476    | 476    | 476    | 477    | -                | 470              | 469    | 476    | 486     |
| <b>U.S. banking loans</b>   |       |        |        |        |        |        |        |        |        |                  |                  |        |        |         |
| <b>Retail</b>   |       |        |        |        |        |        |        |        |        |                  |                  |        |        |         |
| Residential mortgages   | -     | 1,936  | 1,897  | 1,851  | 1,812  | 1,931  | 2,042  | 2,052  | 2,013  | -                | 1,812            | 1,897  | 2,042  | 2,185   |
| Home equity   | -     | 3,578  | 3,579  | 3,474  | 3,448  | 3,689  | 3,818  | 3,868  | 3,844  | -                | 3,448            | 3,579  | 3,818  | 4,108   |
| Lot loans   | -     | 484    | 501    | 506    | 524    | 587    | 622    | 654    | 679    | -                | 524              | 501    | 622    | 801     |
| Credit cards  | -     | 223    | 214    | 197    | 190    | 194    | 193    | 199    | 188    | -                | 190              | 214    | 193    | 193     |
| Other   | -     | 229    | 226    | 216    | 208    | 222    | 216    | 212    | 209    | -                | 208              | 226    | 216    | 228     |
| <b>Total retail</b>   | -     | 6,450  | 6,417  | 6,244  | 6,182  | 6,623  | 6,891  | 6,985  | 6,933  | -                | 6,182            | 6,417  | 6,891  | 7,515   |
| <b>Wholesale</b>  |       |        |        |        |        |        |        |        |        |                  |                  |        |        |         |
| Commercial loans  | -     | 9,989  | 10,249 | 9,988  | 10,140 | 10,897 | 11,151 | 11,475 | 11,458 | -                | 10,140           | 10,249 | 11,151 | 12,542  |
| Residential builder finance loans   | -     | 430    | 463    | 505    | 554    | 633    | 699    | 775    | 866    | -                | 554              | 463    | 699    | 1,140   |
| RBC Real Estate Finance Inc. (REFI)   | 84    | 94     | 121    | 144    | 166    | 225    | 251    | 322    | 387    | 84               | 166              | 121    | 251    | 642     |
| Other   | -     | -      | -      | -      | -      | -      | 688    | 772    | 756    | -                | -                | -      | 688    | 1,193   |
| <b>Total wholesale</b>  | 84    | 10,513 | 10,833 | 10,637 | 10,860 | 11,755 | 12,789 | 13,344 | 13,467 | 84               | 10,860           | 10,833 | 12,789 | 15,517  |
| <b>Total U.S. banking loans</b>   | 84    | 16,963 | 17,250 | 16,881 | 17,042 | 18,378 | 19,680 | 20,329 | 20,400 | 84               | 17,042           | 17,250 | 19,680 | 23,032  |
| <b>Capital Ratios for Significant Banking Subsidiary</b>                          |       |        |        |        |        |        |        |        |        |                  |                  |        |        |         |
| <b>RBC Bank (USA) <sup>3</sup></b>  |       |        |        |        |        |        |        |        |        |                  |                  |        |        |         |
| Tier 1 capital ratio  | 0.0%  | 12.9%  | 12.8%  | 13.0%  | 12.7%  | 12.3%  | 12.6%  | 13.1%  | 13.2%  | 0.0%             | 12.7%            | 12.8%  | 12.6%  | 9.9%    |
| Total capital ratio   | 0.0%  | 16.1%  | 15.9%  | 15.9%  | 15.8%  | 15.4%  | 15.8%  | 16.2%  | 16.6%  | 0.0%             | 15.8%            | 15.9%  | 15.8%  | 13.2%   |

<sup>1</sup> On April 29, 2011, we completed the divestiture of Liberty Life Insurance Company (Liberty Life), our U.S. life insurance business, to Athene Holding Ltd for US\$628 million (C\$641 million). As a result of this transaction, we classified the results of Liberty Life as discontinued operations. As well, on June 20, 2011, we announced a definitive agreement to sell our U.S. regional retail banking operations to PNC Financial Services Group, Inc. Discontinued operations also includes the results of our U.S. builder finance loans portfolio, as this loan portfolio is being wound down. Comparative financial information, starting from 2009, has been restated to reflect these results of operations as discontinued operations. Under IFRS, Balance Sheet adjustments related to discontinued operations are made prospectively from the date of classification as discontinued operations (U.S. Retail Banking in Q3/11, Liberty Life at November 1, 2010). The results of discontinued operations are reported as a separate component of income or loss for both current and all comparative periods.

<sup>2</sup> Our estimated loss on sale of our U.S. regional retail banking operations was \$304 million after taxes. Goodwill impairment was taken on transition to IFRS, which decreased Retained Earnings by \$1.3 billion.

<sup>3</sup> This table 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.

| BALANCE SHEETS <sup>1</sup><br>(C\$ millions)  | IFRS    |         |         |         |         |         |                                | CGAAP   |         |         | IFRS    | CGAAP   |         |
|--|---------|---------|---------|---------|---------|---------|--------------------------------|---------|---------|---------|---------|---------|---------|
|  | Q2/12   | Q1/12   | Q4/11   | Q3/11   | Q2/11   | Q1/11   | Nov 1/10<br>Transition<br>date | Q4/10   | Q3/10   | Q2/10   | 2011    | 2010    | 2009    |
| <b>Period-end balances</b>   |         |         |         |         |         |         |                                |         |         |         |         |         |         |
| <b>ASSETS</b>  |         |         |         |         |         |         |                                |         |         |         |         |         |         |
| Cash and due from banks <sup>2</sup>   | 8,828   | 12,005  | 12,428  | 11,669  | 8,264   | 7,854   | 8,536                          | 8,440   | 8,145   | 7,623   | 12,428  | 8,440   | 7,584   |
| Interest-bearing deposits with banks   | 11,925  | 5,844   | 6,460   | 6,705   | 8,026   | 6,883   | 7,241                          | 13,254  | 11,420  | 8,885   | 6,460   | 13,254  | 8,919   |
| Securities   |         |         |         |         |         |         |                                |         |         |         |         |         |         |
| Trading  | 125,046 | 123,565 | 128,128 | 147,023 | 155,141 | 150,343 | 129,839                        | 144,925 | 148,507 | 146,690 | 128,128 | 144,925 | 136,213 |
| Available-for-sale   | 39,396  | 41,621  | 38,894  | 36,747  | 44,102  | 52,362  | 49,244                         | 38,594  | 36,136  | 34,840  | 38,894  | 38,594  | 41,085  |
| Assets purchased under reverse repurchase agreements and securities borrowed         | 164,442 | 165,186 | 167,022 | 183,770 | 199,243 | 202,705 | 179,083                        | 183,519 | 184,643 | 181,530 | 167,022 | 183,519 | 177,298 |
| Loans  |         |         |         |         |         |         |                                |         |         |         |         |         |         |
| Retail   | 108,600 | 96,212  | 84,947  | 76,900  | 79,830  | 79,259  | 72,698                         | 72,698  | 68,200  | 52,804  | 84,947  | 72,698  | 41,580  |
| Wholesale  | 291,751 | 287,164 | 284,745 | 277,507 | 277,442 | 274,792 | 271,927                        | 214,937 | 211,309 | 206,308 | 284,745 | 214,937 | 197,709 |
| Allowance for loan losses  | 72,987  | 68,739  | 64,752  | 60,796  | 68,731  | 68,423  | 67,597                         | 60,107  | 59,849  | 58,970  | 64,752  | 60,107  | 62,850  |
|  | 364,738 | 355,903 | 349,497 | 338,303 | 346,173 | 343,215 | 339,524                        | 275,044 | 271,158 | 265,278 | 349,497 | 275,044 | 260,559 |
|  | (2,019) | (1,965) | (1,967) | (1,984) | (2,658) | (2,784) | (2,867)                        | (2,038) | (2,073) | (2,142) | (1,967) | (2,038) | (2,164) |
|  | 362,719 | 353,938 | 347,530 | 336,319 | 343,515 | 340,431 | 336,657                        | 273,006 | 269,085 | 263,136 | 347,530 | 273,006 | 258,395 |
| Investments for account of segregated fund holders                                   | 351     | 343     | 320     | 312     | 304     | 277     | 257                            | n.a.    | n.a.    | n.a.    | 320     | n.a.    | n.a.    |
| Other <sup>2</sup>   |         |         |         |         |         |         |                                |         |         |         |         |         |         |
| Customers' liability under acceptances   | 8,656   | 7,980   | 7,689   | 7,333   | 7,203   | 7,499   | 7,371                          | 7,371   | 7,699   | 7,668   | 7,689   | 7,371   | 9,024   |
| Derivatives  | 87,863  | 103,341 | 99,650  | 85,183  | 82,494  | 73,461  | 106,109                        | 106,155 | 96,353  | 77,984  | 99,650  | 106,155 | 92,095  |
| Premises and equipment, net  | 2,753   | 2,614   | 2,490   | 2,341   | 2,657   | 2,582   | 2,501                          | 2,139   | 1,934   | 1,986   | 2,490   | 2,139   | 1,954   |
| Goodwill   | 7,440   | 7,608   | 7,610   | 7,542   | 7,519   | 7,705   | 6,553                          | 6,660   | 6,696   | 6,623   | 7,610   | 6,660   | 6,867   |
| Other intangibles  | 2,132   | 2,124   | 2,115   | 1,963   | 2,059   | 2,093   | 1,925                          | 1,710   | 1,823   | 1,651   | 2,115   | 1,710   | 1,791   |
| Assets of discontinued operations  | 277     | 26,324  | 27,152  | 26,094  | -       | 5,555   | 5,723                          | 34,364  | 33,354  | 32,168  | 27,152  | 34,364  | 36,721  |
| Investments in associates  | 162     | 153     | 142     | 140     | 139     | 134     | 131                            | n.a.    | n.a.    | n.a.    | 142     | n.a.    | n.a.    |
| Prepaid pension benefit cost   | 1,051   | 302     | 311     | 298     | 265     | 252     | 266                            | n.a.    | n.a.    | n.a.    | 311     | n.a.    | n.a.    |
| Other assets   | 33,172  | 31,042  | 27,967  | 25,572  | 26,731  | 25,282  | 30,321                         | 16,890  | 15,072  | 13,078  | 27,967  | 16,890  | 12,761  |
|  | 800,371 | 815,016 | 793,833 | 772,141 | 768,249 | 761,972 | 765,372                        | 726,206 | 704,424 | 655,136 | 793,833 | 726,206 | 654,989 |
| <b>LIABILITIES AND EQUITY</b>  |         |         |         |         |         |         |                                |         |         |         |         |         |         |
| Deposits   |         |         |         |         |         |         |                                |         |         |         |         |         |         |
| Personal   | 173,351 | 172,104 | 166,030 | 160,665 | 164,155 | 161,633 | 161,693                        | 151,347 | 149,377 | 145,743 | 166,030 | 151,347 | 140,897 |
| Business and government  | 302,947 | 300,100 | 297,511 | 293,866 | 298,628 | 297,296 | 287,535                        | 239,233 | 232,128 | 216,634 | 297,511 | 239,233 | 212,913 |
| Bank   | 19,577  | 17,623  | 15,561  | 19,236  | 15,725  | 18,860  | 19,238                         | 23,981  | 18,672  | 17,238  | 15,561  | 23,981  | 24,647  |
|  | 495,875 | 489,827 | 479,102 | 473,767 | 478,508 | 477,789 | 468,513                        | 414,561 | 400,177 | 379,615 | 479,102 | 414,561 | 378,457 |
| Insurance and investment contracts for account of segregated fund holders            | 351     | 343     | 320     | 312     | 304     | 277     | 257                            | n.a.    | n.a.    | n.a.    | 320     | n.a.    | n.a.    |
| Other  |         |         |         |         |         |         |                                |         |         |         |         |         |         |
| Acceptances  | 8,656   | 7,980   | 7,689   | 7,333   | 7,203   | 7,499   | 7,371                          | 7,371   | 7,699   | 7,668   | 7,689   | 7,371   | 9,024   |
| Obligations related to securities sold short   | 50,150  | 37,358  | 44,284  | 50,566  | 62,042  | 56,440  | 46,597                         | 46,597  | 46,706  | 46,560  | 44,284  | 46,597  | 41,359  |
| Obligations related to assets sold under repurchase agreements and securities loaned | 55,169  | 53,562  | 42,735  | 37,120  | 39,901  | 47,226  | 36,006                         | 41,207  | 44,436  | 41,255  | 42,735  | 41,207  | 34,187  |
| Derivatives  | 92,104  | 106,763 | 100,522 | 87,498  | 85,200  | 76,789  | 108,077                        | 108,908 | 100,000 | 77,857  | 100,522 | 108,908 | 84,386  |
| Insurance claims and policy benefit liabilities                                      | 7,621   | 7,681   | 7,119   | 7,371   | 6,896   | 6,740   | 6,867                          | 6,273   | 5,846   | 5,542   | 7,119   | 6,273   | 5,223   |
| Liabilities of discontinued operations   | 34      | 19,488  | 20,076  | 19,314  | -       | 4,822   | 5,012                          | 24,454  | 24,465  | 23,437  | 20,076  | 24,454  | 27,343  |
| Accrued pension and other post-employment benefits                                   | 1,667   | 1,609   | 1,639   | 1,603   | 1,588   | 1,580   | 1,576                          | n.a.    | n.a.    | n.a.    | 1,639   | n.a.    | n.a.    |
| Other liabilities  | 37,086  | 38,031  | 39,241  | 37,761  | 37,300  | 33,625  | 38,318                         | 28,220  | 26,962  | 25,684  | 39,241  | 28,220  | 28,177  |
| Subordinated debentures  | 7,553   | 8,744   | 8,749   | 8,614   | 8,577   | 9,035   | 7,676                          | 6,681   | 6,661   | 5,813   | 8,749   | 6,681   | 6,461   |
| Trust capital securities   | 895     | 900     | 894     | 900     | 1,641   | 1,635   | 1,627                          | 727     | 744     | 1,398   | 894     | 727     | 1,395   |
| Non-controlling interest in subsidiaries   | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.                           | 2,256   | 2,215   | 2,243   | n.a.    | 2,256   | 2,071   |
|  | 757,161 | 772,286 | 752,370 | 732,159 | 729,160 | 723,457 | 727,897                        | 687,255 | 665,911 | 617,072 | 752,370 | 687,255 | 618,083 |
| Equity attributable to Shareholders  |         |         |         |         |         |         |                                |         |         |         |         |         |         |
| Preferred shares   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813                          | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   |
| Common shares  | 14,206  | 14,113  | 14,010  | 13,941  | 13,550  | 13,419  | 13,378                         | 13,378  | 13,340  | 13,331  | 14,010  | 13,378  | 13,075  |
| Contributed surplus <sup>3</sup>   | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.                           | 236     | 232     | 228     | n.a.    | 236     | 246     |
| Treasury shares - preferred  | (1)     | -       | -       | 1       | (2)     | (2)     | (2)                            | (2)     | (2)     | (1)     | -       | (2)     | (2)     |
| - common   | (21)    | 15      | 8       | (62)    | 5       | (59)    | (81)                           | (81)    | (71)    | (84)    | 8       | (81)    | (95)    |
| Retained earnings <sup>3</sup>   | 21,983  | 21,364  | 20,381  | 19,669  | 19,203  | 18,415  | 17,287                         | 22,706  | 22,361  | 21,860  | 20,381  | 22,706  | 20,585  |
| Other components of equity <sup>4</sup>  | 457     | 667     | 490     | (129)   | (568)   | (124)   | (14)                           | (2,099) | (2,160) | (2,083) | 490     | (2,099) | (1,716) |
|  | 41,437  | 40,972  | 39,702  | 38,233  | 37,001  | 36,462  | 35,381                         | 38,951  | 38,513  | 38,064  | 39,702  | 38,951  | 36,906  |
| Non-controlling interests  | 1,773   | 1,758   | 1,761   | 1,749   | 2,088   | 2,053   | 2,094                          | n.a.    | n.a.    | n.a.    | 1,761   | n.a.    | n.a.    |
|  | 43,210  | 42,730  | 41,463  | 39,982  | 39,089  | 38,515  | 37,475                         | n.a.    | n.a.    | n.a.    | 41,463  | n.a.    | n.a.    |
|  | 800,371 | 815,016 | 793,833 | 772,141 | 768,249 | 761,972 | 765,372                        | 726,206 | 704,424 | 655,136 | 793,833 | 726,206 | 654,989 |

<sup>1</sup> The classification of our U.S. Retail Banking operations as discontinued operations will be reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in October 2010 will be reflected as discontinued operations under IFRS from the Transition date.

<sup>2</sup> Under IFRS, precious metals are treated as commodities and are included as part of Other assets, rather than Cash and due from banks.

<sup>3</sup> Under IFRS, we record items related to Contributed surplus directly to Retained earnings.

<sup>4</sup> Under IFRS, Accumulated other comprehensive income (loss) is named Other components of equity.

n.a. Not applicable.

| SELECTED AVERAGE BALANCE SHEET ITEMS <sup>1,3</sup><br>(C\$ millions)        | IFRS       |         |         |         |         |         | CGAAP   |         |         | IFRS             |                  | IFRS    | CGAAP   |         |
|--|------------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|------------------|---------|---------|---------|
|  | Q2/12      | Q1/12   | Q4/11   | Q3/11   | Q2/11   | Q1/11   | Q4/10   | Q3/10   | Q2/10   | 2012<br>6 months | 2011<br>6 months | 2011    | 2010    | 2009    |
|  | Securities | 164,600 | 165,300 | 179,400 | 194,300 | 206,700 | 200,000 | 187,900 | 188,800 | 180,300          | 165,000          | 203,300 | 195,000 | 186,600 |
| Assets purchased under reverse repurchase agreements and securities borrowed | 100,400    | 95,500  | 91,800  | 80,300  | 76,000  | 81,000  | 70,100  | 63,500  | 51,700  | 97,900           | 78,500           | 82,400  | 57,500  | 44,500  |
| Total loans <sup>4</sup>   | 358,000    | 351,500 | 344,200 | 331,600 | 341,600 | 339,700 | 272,700 | 267,400 | 260,700 | 354,800          | 340,600          | 339,300 | 264,700 | 254,200 |
| Retail <sup>4</sup>  | 298,800    | 296,100 | 290,200 | 283,300 | 284,300 | 281,300 | 222,100 | 216,700 | 211,200 | 297,400          | 282,800          | 284,800 | 214,200 | 194,800 |
| Wholesale <sup>4</sup>   | 61,200     | 57,500  | 56,000  | 50,300  | 60,100  | 61,300  | 52,700  | 53,000  | 51,600  | 59,400           | 60,700           | 56,900  | 52,700  | 61,300  |
| Customers' liability under acceptances                                       | 8,300      | 7,800   | 7,800   | 7,400   | 7,500   | 7,500   | 7,700   | 7,900   | 7,900   | 8,000            | 7,500            | 7,600   | 8,000   | 10,200  |
| Average earning assets   | 629,900    | 618,800 | 623,800 | 612,500 | 625,200 | 622,200 | 543,700 | 530,600 | 501,000 | 624,300          | 623,700          | 620,900 | 518,900 | 489,300 |
| Total assets <sup>2</sup>  | 787,800    | 814,500 | 823,700 | 767,600 | 758,000 | 764,600 | 725,300 | 691,900 | 653,500 | 801,300          | 761,800          | 778,900 | 683,000 | 695,300 |
| Deposits   | 492,700    | 490,000 | 482,700 | 464,000 | 476,000 | 474,900 | 409,300 | 396,500 | 378,600 | 491,300          | 475,400          | 474,900 | 391,800 | 399,700 |
| Common equity <sup>2</sup>   | 36,400     | 35,600  | 34,400  | 33,050  | 31,850  | 31,000  | 34,000  | 33,500  | 32,850  | 36,000           | 31,400           | 32,600  | 33,250  | 30,450  |
| Total equity <sup>2</sup>  | 41,000     | 39,500  | 39,000  | 38,600  | 37,850  | 36,800  | 38,800  | 38,200  | 37,700  | 40,200           | 37,300           | 38,100  | 37,900  | 34,500  |

  

| ASSETS UNDER ADMINISTRATION AND MANAGEMENT<br>(C\$ millions, except percentage and per share amounts) | IFRS   |           |           |           |           |           | CGAAP     |           |           | IFRS             |                  | IFRS      | CGAAP     |           |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|------------------|-----------|-----------|-----------|
|   | Q2/12  | Q1/12     | Q4/11     | Q3/11     | Q2/11     | Q1/11     | Q4/10     | Q3/10     | Q2/10     | 2012<br>6 months | 2011<br>6 months | 2011      | 2010      | 2009      |
|   | Assets under administration - RBC <sup>5</sup> |           |           |           |           |           |           |           |           |                  |                  |           |           |           |
| Institutional <sup>6</sup>  | 151,200  | 148,400   | 153,600   | 153,100   | 158,500   | 163,000   | 154,300   | 146,700   | 140,800   | 151,200          | 158,500          | 153,600   | 154,300   | 126,000   |
| Personal  | 492,700  | 484,100   | 470,300   | 467,600   | 475,800   | 472,800   | 457,700   | 434,100   | 445,500   | 492,700          | 475,800          | 470,300   | 457,700   | 459,500   |
| Retail mutual funds   | 95,300   | 77,400    | 75,900    | 76,700    | 78,000    | 75,400    | 71,800    | 75,000    | 67,600    | 95,300           | 78,000           | 75,900    | 71,800    | 63,300    |
| Total assets under administration   | 739,200  | 709,900   | 699,800   | 697,400   | 712,300   | 711,200   | 683,800   | 655,800   | 653,900   | 739,200          | 712,300          | 699,800   | 683,800   | 648,800   |
| Assets under administration - RBC Dexia IS <sup>7</sup>   | 2,808,800                                      | 2,709,800 | 2,744,400 | 2,831,900 | 2,892,700 | 2,881,200 | 2,779,500 | 2,652,500 | 2,481,900 | 2,808,800        | 2,892,700        | 2,744,400 | 2,779,500 | 2,484,400 |
| Assets under management - RBC <sup>5,8</sup>  |  |           |           |           |           |           |           |           |           |                  |                  |           |           |           |
| Institutional   | 130,200  | 124,700   | 124,200   | 125,700   | 120,600   | 121,800   | 85,700    | 81,500    | 76,800    | 130,200          | 120,600          | 124,200   | 85,700    | 78,000    |
| Personal  | 69,000   | 67,100    | 64,100    | 64,100    | 63,900    | 64,900    | 61,700    | 56,300    | 55,600    | 69,000           | 63,900           | 64,100    | 61,700    | 51,600    |
| Retail mutual funds   | 126,200  | 124,500   | 120,400   | 123,300   | 126,700   | 121,400   | 117,300   | 116,100   | 121,400   | 126,200          | 126,700          | 120,400   | 117,300   | 120,100   |
| Total assets under management   | 325,400  | 316,300   | 308,700   | 313,100   | 311,200   | 308,100   | 264,700   | 253,900   | 253,800   | 325,400          | 311,200          | 308,700   | 264,700   | 249,700   |

  

| STATEMENTS OF COMPREHENSIVE INCOME <sup>1,2</sup><br>(C\$ millions, except percentage and per share amounts) | IFRS       |       |       |       |         |       | CGAAP |       |         | IFRS             |                  | IFRS  | CGAAP   |         |
|--|------------|-------|-------|-------|---------|-------|-------|-------|---------|------------------|------------------|-------|---------|---------|
|  | Q2/12      | Q1/12 | Q4/11 | Q3/11 | Q2/11   | Q1/11 | Q4/10 | Q3/10 | Q2/10   | 2012<br>6 months | 2011<br>6 months | 2011  | 2010    | 2009    |
|  | Net income | 1,533 | 1,855 | 1,571 | 1,294   | 1,631 | 1,948 | 1,121 | 1,276   | 1,329            | 3,388            | 3,579 | 6,444   | 5,223   |
| Other comprehensive (loss) income, net of taxes  |            |       |       |       |         |       |       |       |         |                  |                  |       |         |         |
| Net change in unrealized (losses) gains on available-for-sale securities                                     |            |       |       |       |         |       |       |       |         |                  |                  |       |         |         |
| Net unrealized (losses) gains on available-for-sale securities   | (68)       | 57    | (52)  | 191   | 29      | (198) | 134   | 131   | 168     | (11)             | (169)            | (30)  | 441     | 662     |
| Reclassification of net losses (gains) on available-for-sale securities to income                            | 25         | (14)  | (2)   | 31    | (49)    | 33    | (1)   | (79)  | (135)   | 11               | (16)             | 13    | (261)   | 330     |
|  | (43)       | 43    | (54)  | 222   | (20)    | (165) | 133   | 52    | 33      | -                | (185)            | (17)  | 180     | 992     |
| Foreign currency translation adjustments   |            |       |       |       |         |       |       |       |         |                  |                  |       |         |         |
| Unrealized foreign currency translation (losses) gains   | (326)      | 51    | 1,132 | 141   | (1,402) | (496) | (137) | 414   | (1,601) | (275)            | (1,898)          | (625) | (1,785) | (2,973) |
| Net foreign currency translation gains (losses) from hedging activities                                      | 216        | (3)   | (647) | (63)  | 943     | 484   | 109   | (353) | 1,338   | 213              | 1,427            | 717   | 1,479   | 2,399   |
| Reclassification of (gains) losses on foreign currency translation to income                                 | (1)        | 1     | (1)   | -     | -       | -     | (3)   | -     | (2)     | -                | -                | (1)   | (5)     | 2       |
|  | (111)      | 49    | 484   | 78    | (459)   | (12)  | (31)  | 61    | (265)   | (62)             | (471)            | 91    | (311)   | (572)   |
| Net change in cash flow hedges   |            |       |       |       |         |       |       |       |         |                  |                  |       |         |         |
| Net (losses) gains on derivatives designated as cash flow hedges   | (64)       | 67    | 142   | 98    | 16      | 42    | (100) | (222) | 42      | 3                | 58               | 298   | (334)   | 156     |
| Reclassification of losses (gains) on derivatives designated as cash flow hedges to income                   | 8          | 19    | 47    | 41    | 19      | 25    | 59    | 32    | 8       | 27               | 44               | 132   | 82      | (38)    |
|  | (56)       | 86    | 189   | 139   | 35      | 67    | (41)  | (190) | 50      | 30               | 102              | 430   | (252)   | 118     |
| Total other comprehensive (loss) income, net of taxes  | (210)      | 178   | 619   | 439   | (444)   | (110) | 61    | (77)  | (182)   | (32)             | (554)            | 504   | (383)   | 538     |
| Total comprehensive income   | 1,323      | 2,033 | 2,190 | 1,733 | 1,187   | 1,838 | 1,182 | 1,199 | 1,147   | 3,356            | 3,025            | 6,948 | 4,840   | 4,396   |
| Total comprehensive income attributable to:  |            |       |       |       |         |       |       |       |         |                  |                  |       |         |         |
| Shareholders   | 1,298      | 2,007 | 2,164 | 1,709 | 1,161   | 1,813 | n.a.  | n.a.  | n.a.    | 3,305            | 2,974            | 6,847 | n.a.    | n.a.    |
| Non-controlling interests  | 25         | 26    | 26    | 24    | 26      | 25    | n.a.  | n.a.  | n.a.    | 51               | 51               | 101   | n.a.    | n.a.    |
|  | 1,323      | 2,033 | 2,190 | 1,733 | 1,187   | 1,838 | n.a.  | n.a.  | n.a.    | 3,356            | 3,025            | 6,948 | n.a.    | n.a.    |

<sup>1</sup> The classification of our U.S. Retail Banking operations as discontinued operations will be reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in October 2010 will be reflected as discontinued operations under IFRS from the Transition date.

<sup>2</sup> Amounts represent consolidated (both continuing and discontinued) operations.

<sup>3</sup> Calculated using methods intended to approximate the average of the daily balances for the period, as applicable.

<sup>4</sup> 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).

<sup>5</sup> RBC AUA includes \$36.5 billion (January 31, 2012 - \$35.7 billion, April 30, 2011 - \$34.5 billion) of securitized mortgages and credit card loans. Includes Caribbean banking businesses. RBTT Financial Group (RBTT) results are reported on a one-month lag. AUA - RBC and AUM - RBC include the AUA and AUM of RBTT.

<sup>6</sup> Amounts include securitized residential mortgages and credit cards.

<sup>7</sup> RBC Dexia Investor Services (RBC Dexia IS), of which we have a 50% ownership interest. Results are reported on a one-month lag. AUA - RBC Dexia IS represents the total AUA of the joint venture.

<sup>8</sup> Excludes assets held by clients of Phillips, Hager & North Investment Management Ltd. for which we earn either a nominal or no management fee. Q2/12 AUM excludes \$0.7 billion of these assets.

n.a. Not applicable.

| STATEMENTS OF CHANGES IN EQUITY <sup>1</sup><br>(C\$ millions)                      | IFRS    |         |         |         |         |         | CGAAP   |         |         | IFRS             |                  | IFRS    | CGAAP   |          |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|------------------|---------|---------|----------|
|   | Q2/12   | Q1/12   | Q4/11   | Q3/11   | Q2/11   | Q1/11   | Q4/10   | Q3/10   | Q2/10   | 2012<br>6 months | 2011<br>6 months | 2011    | 2010    | 2009     |
| <b>Preferred shares</b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
| Balance at beginning of period  | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813            | 4,813            | 4,813   | 4,813   | 2,663    |
| Issued  | -       | -       | -       | -       | -       | -       | -       | -       | -       | -                | -                | -       | -       | 2,150    |
| Balance at end of period  | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813   | 4,813            | 4,813            | 4,813   | 4,813   | 4,813    |
| <b>Common shares</b>  |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
| Balance at beginning of period  | 14,113  | 14,010  | 13,941  | 13,550  | 13,419  | 13,378  | 13,340  | 13,331  | 13,267  | 14,010           | 13,378           | 13,378  | 13,075  | 10,384   |
| Issued  | 93      | 103     | 69      | 391     | 131     | 41      | 38      | 9       | 64      | 196              | 172              | 632     | 303     | 2,691    |
| Balance at end of period  | 14,206  | 14,113  | 14,010  | 13,941  | 13,550  | 13,419  | 13,378  | 13,340  | 13,331  | 14,206           | 13,550           | 14,010  | 13,378  | 13,075   |
| <b>Contributed surplus <sup>2</sup></b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
| Balance at beginning of period  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | 232     | 228     | 233     | n.a.             | n.a.             | n.a.    | 246     | 242      |
| Renounced stock appreciation rights   | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | -       | -       | -       | n.a.             | n.a.             | n.a.    | -       | (7)      |
| Share-based compensation awards   | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | -       | 1       | (3)     | n.a.             | n.a.             | n.a.    | (9)     | (11)     |
| Other   | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | 4       | 3       | (2)     | n.a.             | n.a.             | n.a.    | (1)     | 22       |
| Balance at end of period  | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | n.a.    | 236     | 232     | 228     | n.a.             | n.a.             | n.a.    | 236     | 246      |
| <b>Treasury shares - preferred</b>  |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
| Balance at beginning of period  | -       | -       | 1       | (2)     | (2)     | (2)     | (2)     | (1)     | (1)     | -                | (2)              | (2)     | (2)     | (5)      |
| Sales   | 24      | 29      | 22      | 25      | 20      | 30      | 40      | 19      | 41      | 53               | 50               | 97      | 129     | 2,757    |
| Purchases   | (25)    | (29)    | (23)    | (22)    | (20)    | (30)    | (40)    | (20)    | (41)    | (54)             | (50)             | (95)    | (129)   | (2,754)  |
| Balance at end of period  | (1)     | -       | -       | 1       | (2)     | (2)     | (2)     | (2)     | (1)     | (1)              | (2)              | -       | (2)     | (2)      |
| <b>Treasury shares - common</b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
| Balance at beginning of period  | 15      | 8       | (62)    | 5       | (59)    | (81)    | (71)    | (84)    | (84)    | 8                | (81)             | (81)    | (95)    | (104)    |
| Sales   | 1,444   | 1,795   | 1,778   | 1,366   | 1,778   | 1,152   | 1,310   | 2,280   | 1,893   | 3,239            | 2,930            | 6,074   | 6,814   | 12,212   |
| Purchases   | (1,480) | (1,788) | (1,708) | (1,433) | (1,714) | (1,130) | (1,320) | (2,267) | (1,893) | (3,268)          | (2,844)          | (5,985) | (6,800) | (12,203) |
| Balance at end of period  | (21)    | 15      | 8       | (62)    | 5       | (59)    | (81)    | (71)    | (84)    | (21)             | 5                | 8       | (81)    | (95)     |
| <b>Retained earnings</b>  |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
| Balance at beginning of period  | 21,364  | 20,381  | 19,669  | 19,203  | 18,415  | 17,287  | 22,361  | 21,860  | 21,307  | 20,381           | 17,287           | 17,287  | 20,585  | 19,816   |
| Transition adjustment - Financial instruments                                       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -                | -                | -       | -       | 66       |
| Net income attributable to Shareholders   | 1,508   | 1,830   | 1,546   | 1,269   | 1,606   | 1,922   | 1,121   | 1,276   | 1,329   | 3,338            | 3,528            | 6,343   | 5,223   | 3,858    |
| Preferred share dividends   | (65)    | (64)    | (65)    | (64)    | (64)    | (65)    | (64)    | (65)    | (65)    | (129)            | (129)            | (258)   | (258)   | (233)    |
| Common share dividends  | (822)   | (778)   | (777)   | (776)   | (713)   | (713)   | (712)   | (710)   | (711)   | (1,600)          | (1,426)          | (2,979) | (2,843) | (2,819)  |
| Share-based compensation awards   | -       | (1)     | (16)    | (1)     | (2)     | (14)    | n.a.    | n.a.    | n.a.    | (1)              | (16)             | (33)    | n.a.    | n.a.     |
| Other   | (2)     | (4)     | 24      | 38      | (39)    | (2)     | -       | -       | -       | (6)              | (41)             | 21      | (1)     | (103)    |
| Balance at end of period  | 21,983  | 21,364  | 20,381  | 19,669  | 19,203  | 18,415  | 22,706  | 22,361  | 21,860  | 21,983           | 19,203           | 20,381  | 22,706  | 20,585   |
| <b>Other components of equity</b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
| Transition adjustment - Financial instruments                                       | -       | -       | -       | -       | -       | -       | 59      | 59      | 59      | -                | -                | -       | 59      | 59       |
| Unrealized gains and losses on available-for-sale securities                        | 258     | 302     | 259     | 314     | 92      | 111     | 104     | (29)    | (81)    | 258              | 92               | 259     | 104     | (76)     |
| Unrealized foreign currency translation gains and losses, net of hedging activities | 9       | 119     | 71      | (414)   | (491)   | (32)    | (1,685) | (1,654) | (1,715) | 9                | (491)            | 71      | (1,685) | (1,374)  |
| Gains and losses on derivatives designated as cash flow hedges                      | 190     | 246     | 160     | (29)    | (169)   | (203)   | (577)   | (536)   | (346)   | 190              | (169)            | 160     | (577)   | (325)    |
| Balance at end of period  | 457     | 667     | 490     | (129)   | (568)   | (124)   | (2,099) | (2,160) | (2,083) | 457              | (568)            | 490     | (2,099) | (1,716)  |
| <b>Total retained earnings and other components of equity</b>                       |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
|   | 22,440  | 22,031  | 20,871  | 19,540  | 18,635  | 18,291  | 20,607  | 20,201  | 19,777  | 22,440           | 18,635           | 20,871  | 20,607  | 18,869   |
|   | 41,437  | 40,972  | 39,702  | 38,233  | 37,001  | 36,462  | 38,951  | 38,513  | 38,064  | 41,437           | 37,001           | 39,702  | 38,951  | 36,906   |
| <b>Non-controlling interests</b>  |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
| Balance at beginning of period  | 1,758   | 1,761   | 1,749   | 2,088   | 2,053   | 2,094   | n.a.    | n.a.    | n.a.    | 1,761            | 2,094            | 2,094   | n.a.    | n.a.     |
| Purchases of treasury shares  | -       | -       | -       | (324)   | -       | -       | n.a.    | n.a.    | n.a.    | -                | -                | (324)   | n.a.    | n.a.     |
| Dividends   | -       | (46)    | -       | (47)    | -       | (46)    | n.a.    | n.a.    | n.a.    | (46)             | (46)             | (93)    | n.a.    | n.a.     |
| Net income attributable to Non-controlling interests                                | 25      | 25      | 25      | 25      | 25      | 26      | n.a.    | n.a.    | n.a.    | 50               | 51               | 101     | n.a.    | n.a.     |
| Net change in unrealized gains (losses) on available-for-sales securities           | -       | 1       | -       | -       | (2)     | -       | n.a.    | n.a.    | n.a.    | 1                | (2)              | (2)     | n.a.    | n.a.     |
| Foreign currency translation adjustments  | (1)     | 1       | 2       | -       | (2)     | (1)     | n.a.    | n.a.    | n.a.    | -                | (3)              | (1)     | n.a.    | n.a.     |
| Other   | (9)     | 16      | (15)    | 7       | 14      | (20)    | n.a.    | n.a.    | n.a.    | 7                | (6)              | (14)    | n.a.    | n.a.     |
| Balance at end of period  | 1,773   | 1,758   | 1,761   | 1,749   | 2,088   | 2,053   | n.a.    | n.a.    | n.a.    | 1,773            | 2,088            | 1,761   | n.a.    | n.a.     |
| <b>Total equity</b>   |         |         |         |         |         |         |         |         |         |                  |                  |         |         |          |
|   | 43,210  | 42,730  | 41,463  | 39,982  | 39,089  | 38,515  | 38,951  | 38,513  | 38,064  | 43,210           | 39,089           | 41,463  | 38,951  | 36,906   |

<sup>1</sup> Amounts represent consolidated (both continuing and discontinued) operations.

<sup>2</sup> Under IFRS, we record items related to Contributed surplus directly to Retained earnings.  
n.a. Not applicable.

| SECURITIZATION <sup>1,2</sup><br>(C\$ millions)  | Q2/12   | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 | 2012<br>6 months | 2011<br>6 months | 2011    | 2010    | 2009  |
|--|---------|-------|-------|-------|-------|-------|-------|-------|-------|------------------|------------------|---------|---------|-------|
| <b>Credit card loans<sup>3</sup></b>   |         |       |       |       |       |       |       |       |       |                  |                  |         |         |       |
| Opening balance  | 3,930   | 3,930 | 3,063 | 3,204 | 2,333 | 3,265 | 3,953 | 2,870 | 3,470 | 3,930            | 3,265            | 3,265   | 3,870   | 4,120 |
| Securitized  | 993     | -     | 867   | -     | 1,257 | -     | -     | 1,283 | -     | 993              | 1,257            | 2,124   | 1,283   | -     |
| Reversal of prior securitizations  | -       | -     | -     | (141) | (386) | (932) | (688) | (200) | (600) | -                | (1,318)          | (1,459) | (1,888) | (250) |
| Closing balance  | 4,923   | 3,930 | 3,930 | 3,063 | 3,204 | 2,333 | 3,265 | 3,953 | 2,870 | 4,923            | 3,204            | 3,930   | 3,265   | 3,870 |
| <b>Commercial mortgages<sup>3</sup></b>  |         |       |       |       |       |       |       |       |       |                  |                  |         |         |       |
| Opening balance  | 1,504   | 1,531 | 1,560 | 1,588 | 1,661 | 1,705 | 1,763 | 1,812 | 1,885 | 1,531            | 1,705            | 1,705   | 1,916   | 2,159 |
| Amortization   | (32)    | (27)  | (29)  | (28)  | (73)  | (44)  | (58)  | (49)  | (73)  | (59)             | (117)            | (174)   | (211)   | (243) |
| Closing balance  | 1,472   | 1,504 | 1,531 | 1,560 | 1,588 | 1,661 | 1,705 | 1,763 | 1,812 | 1,472            | 1,588            | 1,531   | 1,705   | 1,916 |
| <b>Bond participation certificates - sold</b>  |         |       |       |       |       |       |       |       |       |                  |                  |         |         |       |
| Opening balance  | 735     | 735   | 723   | 761   | 906   | 935   | 996   | 994   | 1,069 | 735              | 935              | 935     | 1,105   | 1,243 |
| Sold   | -       | -     | -     | -     | -     | -     | -     | -     | -     | -                | -                | -       | -       | 15    |
| Other <sup>4</sup>   | (33)    | -     | 12    | (38)  | (145) | (29)  | (61)  | 2     | (75)  | (33)             | (174)            | (200)   | (170)   | (153) |
| Closing balance  | 702     | 735   | 735   | 723   | 761   | 906   | 935   | 996   | 994   | 702              | 761              | 735     | 935     | 1,105 |
| <b>Bond participation certificates - retained</b>  |         |       |       |       |       |       |       |       |       |                  |                  |         |         |       |
| Opening balance  | 6       | 6     | 6     | 17    | 19    | 19    | 35    | 41    | 48    | 6                | 19               | 19      | 55      | 87    |
| Sold   | -       | -     | -     | -     | -     | -     | -     | -     | -     | -                | -                | -       | -       | (15)  |
| Other <sup>4</sup>   | -       | -     | -     | (11)  | (2)   | -     | (16)  | (6)   | (7)   | -                | (2)              | (13)    | (36)    | (17)  |
| Closing balance  | 6       | 6     | 6     | 6     | 17    | 19    | 19    | 35    | 41    | 6                | 17               | 6       | 19      | 55    |
| <b>U.S. Residential mortgages - sold<sup>3,5</sup></b>                                     |         |       |       |       |       |       |       |       |       |                  |                  |         |         |       |
| Opening balance  | 1,478   | 1,265 | 1,065 | 937   | 823   | 667   | 598   | 545   | 545   | 1,265            | 667              | 667     | 429     | 308   |
| Sold   | 70      | 257   | 193   | 144   | 181   | 198   | 102   | 65    | 42    | 327              | 379              | 716     | 345     | 229   |
| Amortization   | (20)    | (50)  | (39)  | (24)  | (19)  | (29)  | (27)  | (18)  | (14)  | (70)             | (48)             | (111)   | (75)    | (73)  |
| Other <sup>4,6</sup>   | (1,528) | 6     | 46    | 8     | (48)  | (13)  | (6)   | 6     | (28)  | (1,522)          | (61)             | (7)     | (32)    | (35)  |
| Closing balance  | -       | 1,478 | 1,265 | 1,065 | 937   | 823   | 667   | 598   | 545   | -                | 937              | 1,265   | 667     | 429   |
| <b>U.S. residential mortgages securitized and not administered by the bank<sup>5</sup></b> |         |       |       |       |       |       |       |       |       |                  |                  |         |         |       |
|  | -       | -     | -     | -     | -     | 137   | 167   | 120   | 122   | -                | 137              | 137     | 409     | 340   |

<sup>1</sup> Beginning Q1/12, revised OSFI regulatory guidelines resulted in the exclusion of Canadian residential mortgages under the National Housing Act (NHA) mortgage-backed securities (MBS) program from regulatory securitization reporting. Under the revised guidelines, we are no longer reporting: MBS sold, MBS retained, and Impact of securitizations on net income before income taxes.

<sup>2</sup> Amounts represent consolidated (both continuing and discontinued) operations.

<sup>3</sup> The amounts include assets that we have securitized but continue to service.

<sup>4</sup> Other primarily relates to foreign exchange translation gains and losses. For bond participation certificates, maturity of bonds is also included in this category.

<sup>5</sup> Amounts relate to discontinued operations.

<sup>6</sup> In Q2/12, Other includes the value of U.S. residential mortgages sold to PNC Financial Services Group, Inc.

| SECURITIZATION SUBJECT TO EARLY AMORTIZATION <sup>1,2</sup><br>SELLER'S INTEREST<br>(C\$ millions)                                | Q2/12                                    | Q1/12   | Q4/11  | Q3/11                                    | Q2/11   | Q1/11  | Q4/10  | Q3/10  | Q2/10  |
|---|--|---|--|--|---|--|--------|--------|--------|
| <b>Our financial assets<sup>3</sup></b>   |  |   |  |  |   |  |        |        |        |
| Credit cards  |  |   |  |  |   |  |        |        |        |
| Total drawn   | 895                                      | 1,824   | 2,029  | 2,959                                    | 2,985   | 3,981  | 3,163  | 2,384  | 3,305  |
| Capital charges drawn   | 36                                       | 76  | 71   | 104                                      | 106   | 142  | 113    | 86     | 123    |
| Capital charges undrawn   | 70                                       | 145   | 129  | 186                                      | 183   | 238  | 204    | 157    | 227    |
| Credit card loans securitized   |  |   |  |  |   |  |        |        |        |
| Past due <sup>4</sup>   | 41                                       | 46  | 44   | 48                                       | 51  | 52   | 50     | 58     | 63     |
| Net write-offs  | 34                                       | 25  | 22   | 22                                       | 19  | 21   | 29     | 33     | 33     |
| <b>EXPOSURES SECURITIZED<sup>1,2</sup></b><br>(C\$ millions)  |  |   |  |  |   |  |        |        |        |
| <b>Outstanding securitized assets<sup>3</sup></b>   |  |   |  |  |   |  |        |        |        |
| Credit cards  | 4,923                                    | 3,930   | 3,930  | 3,063                                    | 3,204   | 2,333  | 3,265  | 3,953  | 2,870  |
| Commercial and residential mortgages  | 1,472                                    | 2,982   | 43,555   | 42,584                                   | 41,887  | 41,603   | 39,720 | 38,894 | 38,844 |
| Bond participation certificates   | 702                                      | 735   | 735  | 723                                      | 761   | 906  | 935    | 996    | 994    |
|   | 7,097                                    | 7,647   | 48,220   | 46,370                                   | 45,852  | 44,842   | 43,920 | 43,843 | 42,708 |
| <b>OFF-BALANCE SHEET ARRANGEMENTS<br/>OUTSTANDING SECURITIZED ASSETS<sup>2</sup></b><br>(C\$ millions, except percentage amounts) |  |   |  |  |   |  |        |        |        |
|   | <b>Q2/12</b>                             |   |  | <b>Q1/12</b>                             |   |  |        |        |        |
|   | <b>Securitized exposures<sup>5</sup></b> | <b>Annualized average net loss rate<sup>6,7</sup></b> | <b>Average coverage multiple of average net losses<sup>6,7</sup></b> | <b>Securitized exposures<sup>5</sup></b> | <b>Annualized average net loss rate<sup>6,7</sup></b> | <b>Average coverage multiple of average net losses<sup>6,7</sup></b> |        |        |        |
| Asset-backed securities   | 1,496                                    | 2.69%   | 16   | 1,574                                    | 2.59%   | 16   |        |        |        |
| Auto loans and leases   | 9,658                                    | 0.30%   | 67   | 9,118                                    | 0.49%   | 44   |        |        |        |
| Consumer loans  | 756                                      | 4.13%   | 19   | 767                                      | 2.98%   | 26   |        |        |        |
| Corporate loan receivables  | 112                                      | 4.14%   | 13   | 121                                      | 5.26%   | 10   |        |        |        |
| Credit cards  | 6,488                                    | 5.07%   | 8  | 6,411                                    | 5.79%   | 7  |        |        |        |
| Dealer floor plan receivables   | 1,140                                    | 0.08%   | >100   | 1,149                                    | 0.10%   | >100   |        |        |        |
| Electricity market receivables  | 255                                      | -   | -  | 255                                      | -   | -  |        |        |        |
| Equipment receivables   | 1,159                                    | 0.55%   | 58   | 1,176                                    | 0.56%   | 59   |        |        |        |
| Fleet finance receivables   | 540                                      | 0.17%   | >100   | 456                                      | 0.13%   | >100   |        |        |        |
| Residential mortgages   | 510                                      | -   | -  | -  | -   | -  |        |        |        |
| Student loans   | 2,379                                    | 1.46%   | 69   | 2,428                                    | 1.51%   | 67   |        |        |        |
| Trade receivables   | 2,501                                    | 0.48%   | 40   | 2,537                                    | 0.28%   | 97   |        |        |        |
| Transportation finance  | 138                                      | -   | -  | -  | -   | -  |        |        |        |
|   | 27,132                                   |   |  | 25,992                                   |   |  |        |        |        |

<sup>1</sup> Beginning Q1/12, revised OSFI regulatory guidelines resulted in the exclusion of Canadian residential mortgages under the NHA MBS program from regulatory securitization reporting. Under the revised requirements, the following sections were removed as they were no longer applicable: Loans managed (except for past due and net write-offs relating to credit card loans), Our financial asset securitization retained interests, and Financial asset securitizations capital charges.

<sup>2</sup> Amounts represent consolidated (both continuing and discontinued) operations.

<sup>3</sup> Amounts reported are based on regulatory securitization reporting requirements as 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.

<sup>4</sup> Amounts represent credit card loans securitized greater than 90 days past due.

<sup>5</sup> Comprised of multi-seller asset-backed commercial paper conduit programs. The outstanding securitized assets reflect our maximum exposure to loss. Of the outstanding securitized assets, 99% of these are internally rated as investment grade.

<sup>6</sup> 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 2011 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.

<sup>7</sup> Amounts are reported on a two-month lag.

| SECURITIZATION AND RESECURITIZATION EXPOSURES<br>RETAINED OR PURCHASED <sup>1, 2, 3, 4</sup><br>(C\$ millions) | Q2/12           |                 | Q1/12                        |                 |
|--|-----------------|-----------------|------------------------------|-----------------|
|  | Banking<br>book | Trading<br>book | Banking<br>book <sup>5</sup> | Trading<br>book |
| Securitization exposures retained or purchased   |                 |                 |                              |                 |
| Asset-backed securities  | 3,468           | -               | 3,641                        | -               |
| Auto loans and leases  | 12,060          | 21              | 11,038                       | 10              |
| Commercial mortgages   | -               | 77              | -                            | 42              |
| Consumer loans   | 756             | -               | 767                          | -               |
| Credit cards   | 8,143           | 19              | 7,539                        | 33              |
| Dealer floor plan receivables  | 1,176           | -               | 1,185                        | -               |
| Equipment receivables  | 1,159           | -               | 1,176                        | -               |
| Residential mortgages  | 1,160           | 857             | 962                          | 856             |
| Student loans  | 6,810           | 36              | 8,526                        | 80              |
| Trade receivables  | 2,636           | -               | 2,625                        | -               |
| Other  | 1,515           | (95)            | 1,386                        | 151             |
| Total securitization and resecuritization exposures retained or purchased                                      | 38,883          | 915             | 38,845                       | 1,172           |

| SECURITIZATION AND RESECURITIZATION EXPOSURES<br>RETAINED OR PURCHASED <sup>1, 2, 3, 4, 6</sup><br>(C\$ millions) | Q2/12                 |                 |                       |                 |                              |                 |          | Q2/12           |                       |                 |
|---|-----------------------|-----------------|-----------------------|-----------------|------------------------------|-----------------|----------|-----------------|-----------------------|-----------------|
|   | Banking book          |                 |                       |                 |                              |                 |          | Trading book    |                       |                 |
|   | Standardized approach |                 | Rating based approach |                 | Internal assessment approach |                 | Total    |                 | Standardized approach |                 |
|   | Exposure              | Capital charges | Exposure              | Capital charges | Exposure                     | Capital charges | Exposure | Capital charges | Exposure              | Capital charges |
| ≤ 10%   | -                     | -               | 3,059                 | 20              | 26,533                       | 153             | 29,592   | 173             | 140                   | 1               |
| > 10% ≤ 20%   | 527                   | 8               | 1,826                 | 23              | 2,890                        | 34              | 5,243    | 65              | 351                   | 6               |
| > 20% ≤ 50%   | -                     | -               | 249                   | 10              | 2,669                        | 64              | 2,918    | 74              | 156                   | 5               |
| > 50% ≤ 100%  | -                     | -               | 151                   | 9               | 180                          | 9               | 331      | 18              | 80                    | 5               |
| > 100% ≤ 650%   | -                     | -               | 178                   | 86              | -                            | -               | 178      | 86              | 6                     | 3               |
| > 650% < 1250%  | -                     | -               | -                     | -               | -                            | -               | -        | -               | -                     | -               |
| 1250 / Deduction  | -                     | -               | 470                   | 470             | 151                          | 151             | 621      | 621             | 182                   | 501             |
| Total securitization and resecuritization exposures retained or purchased   | 527                   | 8               | 5,933                 | 618             | 32,423                       | 411             | 38,883   | 1,037           | 915                   | 521             |

| SECURITIZATION AND RESECURITIZATION EXPOSURES<br>RETAINED OR PURCHASED <sup>1, 2, 3, 4, 6</sup><br>(C\$ millions) | Q1/12        |                 | Q1/12        |                 |
|---|--------------|-----------------|--------------|-----------------|
|   | Banking book |                 | Trading book |                 |
|   | Exposure     | Capital charges | Exposure     | Capital charges |
| ≤ 10%   | 27,509       | 160             | 266          | 2               |
| > 10% ≤ 20%   | 7,026        | 98              | 248          | 3               |
| > 20% ≤ 50%   | 2,901        | 78              | 191          | 6               |
| > 50% ≤ 100%  | 230          | 13              | 89           | 6               |
| > 100% ≤ 650%   | 405          | 163             | 7            | 3               |
| > 650% < 1250%  | -            | -               | -            | -               |
| 1250 / Deduction  | 774          | 774             | 371          | 495             |
| Total securitization and resecuritization exposures retained or purchased   | 38,845       | 1,286           | 1,172        | 515             |

| RESECURITIZATION EXPOSURES RETAINED OR PURCHASED <sup>1, 2, 3, 4</sup><br>(C\$ millions) | Q2/12           |                 | Q1/12           |                 |
|--|-----------------|-----------------|-----------------|-----------------|
|  | Banking<br>book | Trading<br>book | Banking<br>book | Trading<br>book |
| AAA to AA-   | 2,744           | 115             | 2,653           | 104             |
| A+ to A-   | 36              | 7               | 36              | 15              |
| BBB+ to BB-  | -               | -               | -               | -               |
| BB- and below  | 151             | -               | 154             | -               |
| Unrated  | -               | (249)           | -               | (54)            |
| Total resecuritization exposures retained or purchased                                   | 2,931           | (127)           | 2,843           | 65              |

<sup>1</sup> The 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.

<sup>2</sup> Amounts represent consolidated (both continuing and discontinued) operations.

<sup>3</sup> Amounts reflect regulatory exposure values.

<sup>4</sup> Securitization exposures include securities, liquidity facilities, protection provided to securitization positions, other commitments and credit enhancements.

<sup>5</sup> Comparative amounts presented have been revised from those previously reported.

<sup>6</sup> Includes securitization exposures deducted entirely from Tier 1 capital and other exposures deducted from total capital. 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.



| CAPITAL <sup>1,2</sup><br>(C\$ millions, except percentage and per share amounts)     | IFRS          |               | CGAAP         |               |               |               |               |               |               | CGAAP         |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Q2/12         | Q1/12         | Q4/11         | Q3/11         | Q2/11         | Q1/11         | Q4/10         | Q3/10         | Q2/10         | 2011          | 2010          | 2009          |
| <b>Tier 1 common and Tier 1 regulatory capital</b>                                    |               |               |               |               |               |               |               |               |               |               |               |               |
| Common shares   | 14,185        | 14,128        | 13,977        | 13,852        | 13,488        | 13,350        | 13,287        | 13,261        | 13,245        | 13,977        | 13,287        | 12,959        |
| Contributed surplus <sup>3</sup>  | n.a.          | n.a.          | 212           | 223           | 219           | 221           | 236           | 232           | 228           | 212           | 236           | 246           |
| Retained earnings <sup>2,3</sup>  | 21,983        | 21,364        | 24,282        | 23,525        | 24,457        | 23,767        | 22,706        | 22,361        | 21,860        | 24,282        | 22,706        | 20,585        |
| Adjustment for transition to IFRS   | 1,333         | 1,778         | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          |
| Net after tax fair value losses arising from changes in institutions' own credit risk | (2)           | (33)          | (47)          | (17)          | (19)          | (35)          | (17)          | (23)          | (21)          | (47)          | (17)          | (9)           |
| Foreign currency translation adjustments <sup>2,4</sup>                               | 9             | 120           | (1,663)       | (2,147)       | (2,249)       | (1,719)       | (1,685)       | (1,654)       | (1,715)       | (1,663)       | (1,685)       | (1,374)       |
| Net after-tax unrealized loss on available-for-sale equity securities <sup>5</sup>    | -             | -             | -             | -             | -             | -             | -             | (19)          | (15)          | -             | -             | (68)          |
| Goodwill <sup>5</sup>   | (7,440)       | (7,608)       | (7,703)       | (7,636)       | (8,936)       | (9,198)       | (8,064)       | (8,111)       | (8,021)       | (7,703)       | (8,064)       | (8,368)       |
| Substantial investments   | (74)          | (105)         | (101)         | (119)         | (103)         | (97)          | (101)         | (122)         | (148)         | (101)         | (101)         | (148)         |
| Securitization-related deductions <sup>6</sup>  | (509)         | (582)         | (517)         | (672)         | (777)         | (924)         | (810)         | (898)         | (1,012)       | (517)         | (810)         | (1,172)       |
| Investment in insurance subsidiaries <sup>7</sup>                                     | (1,498)       | (1,618)       | (67)          | (29)          | (29)          | (29)          | (29)          | (29)          | (29)          | (67)          | (29)          | (13)          |
| Expected loss in excess of allowance - AIRB Approach                                  | (269)         | (158)         | (72)          | (47)          | -             | (16)          | (39)          | (38)          | (108)         | (72)          | (39)          | (19)          |
| Other   | -             | (1)           | (10)          | -             | (2)           | (1)           | -             | -             | -             | (10)          | -             | -             |
| Total Tier 1 common   | 27,718        | 27,285        | 28,291        | 26,933        | 26,049        | 25,319        | 25,484        | 24,960        | 24,264        | 28,291        | 25,484        | 22,619        |
| Non-cumulative preferred shares   | 4,810         | 4,811         | 4,810         | 4,810         | 4,811         | 4,811         | 4,810         | 4,810         | 4,811         | 4,810         | 4,810         | 4,811         |
| Innovative capital instruments <sup>8</sup>   | 2,592         | 2,599         | 2,582         | 2,600         | 3,340         | 3,319         | 3,327         | 3,341         | 3,999         | 2,582         | 3,327         | 3,991         |
| Other non-controlling interests   | 31            | 32            | 30            | 28            | 351           | 352           | 351           | 355           | 353           | 30            | 351           | 353           |
| Total Tier 1 regulatory capital <sup>9</sup>  | 35,151        | 34,727        | 35,713        | 34,371        | 34,551        | 33,801        | 33,972        | 33,466        | 33,427        | 35,713        | 33,972        | 31,774        |
| <b>Tier 2 regulatory capital</b>  |               |               |               |               |               |               |               |               |               |               |               |               |
| Permanent subordinated debentures   | 820           | 839           | 837           | 828           | 827           | 842           | 863           | 861           | 849           | 837           | 863           | 878           |
| Non-permanent subordinated debentures <sup>10</sup>                                   | 6,613         | 6,787         | 6,832         | 6,709         | 6,696         | 7,119         | 5,778         | 5,759         | 4,924         | 6,832         | 5,778         | 5,583         |
| Innovative capital instruments (excess over 15% of Tier 1)                            | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Excess of non-cumulative preferred shares   | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Net after-tax unrealized gain on available-for-sale equity securities <sup>4</sup>    | 180           | 165           | 11            | 47            | 36            | 38            | 12            | -             | -             | 11            | 12            | -             |
| Trust subordinated notes  | -             | 998           | 1,027         | 1,025         | 1,001         | 1,022         | 1,023         | 1,013         | 1,027         | 1,027         | 1,023         | 1,017         |
| General allowance   | 185           | 409           | 430           | 465           | 470           | 488           | 517           | 515           | 511           | 430           | 517           | 575           |
| Excess Allowance (re IRB Approach)  | -             | -             | -             | -             | 83            | -             | -             | -             | -             | -             | -             | -             |
| Substantial investments   | (73)          | (104)         | (101)         | (120)         | (104)         | (98)          | (101)         | (122)         | (148)         | (101)         | (101)         | (147)         |
| Investment in insurance subsidiaries <sup>7</sup>                                     | (1,498)       | (1,618)       | (3,154)       | (3,046)       | (2,979)       | (3,221)       | (3,607)       | (3,818)       | (3,626)       | (3,154)       | (3,607)       | (3,628)       |
| Securitization-related deductions <sup>11</sup>                                       | (509)         | (583)         | (490)         | (653)         | (758)         | (910)         | (792)         | (875)         | (993)         | (490)         | (792)         | (1,150)       |
| Expected loss in excess of allowance - AIRB approach                                  | (269)         | (159)         | (72)          | (47)          | -             | (16)          | (39)          | (38)          | (107)         | (72)          | (39)          | (20)          |
| Other   | (1)           | 1             | (12)          | (1)           | 1             | (1)           | (1)           | 1             | (1)           | (12)          | (1)           | (1)           |
| Total Tier 2 regulatory capital <sup>9</sup>  | 5,448         | 6,735         | 5,308         | 5,207         | 5,273         | 5,263         | 3,653         | 3,296         | 2,436         | 5,308         | 3,653         | 3,107         |
| <b>Total regulatory capital</b>   | <b>40,599</b> | <b>41,462</b> | <b>41,021</b> | <b>39,578</b> | <b>39,824</b> | <b>39,064</b> | <b>37,625</b> | <b>36,762</b> | <b>35,863</b> | <b>41,021</b> | <b>37,625</b> | <b>34,881</b> |
| <b>Capital measures</b>   |               |               |               |               |               |               |               |               |               |               |               |               |
| Tier 1 common ratio   | 10.4%         | 9.6%          | 10.6%         | 10.3%         | 10.3%         | 9.9%          | 9.8%          | 9.6%          | 9.7%          | 10.6%         | 9.8%          | 9.2%          |
| Tier 1 capital ratio  | 13.2%         | 12.2%         | 13.3%         | 13.2%         | 13.6%         | 13.2%         | 13.0%         | 12.9%         | 13.4%         | 13.3%         | 13.0%         | 13.0%         |
| Total capital ratio   | 15.2%         | 14.5%         | 15.3%         | 15.2%         | 15.7%         | 15.3%         | 14.4%         | 14.2%         | 14.4%         | 15.3%         | 14.4%         | 14.2%         |
| Assets-to-capital multiple <sup>12</sup>  | 16.8X         | 16.6X         | 16.1X         | 16.4X         | 16.3X         | 16.5X         | 16.5X         | 16.5X         | 16.0X         | 16.1X         | 16.5X         | 16.3X         |

<sup>1</sup> Amounts represent consolidated (combined continuing and discontinued) operations.

<sup>2</sup> Comparative information has been restated as at November 1, 2008 due to the implementation of amendments to CICA Handbook Section 3855 issued in August, 2009.

<sup>3</sup> Under IFRS, we record items related to Contributed surplus directly to Retained earnings.

<sup>4</sup> 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.

<sup>5</sup> Basel II goodwill deduction reflects total consolidated goodwill.

<sup>6</sup> Securitization deduction from Tier 1 capital consists of Seller's interest in credit cards of \$6 million and securitizations rated below BB- of \$503 million and unrated positions of \$nil million. Of the total deduction from Tier 1 \$259 million is related to the banking book and \$250 million is related to the trading book.

<sup>7</sup> Starting November 1, 2011 OSFI requires that the investment in insurance subsidiaries must be deducted 50% from each of Tier I and Tier 2 capital.

<sup>8</sup> Innovative capital instruments are included in Other Liabilities on the Balance Sheet.

<sup>9</sup> As defined in the guidelines issued by OSFI.

<sup>10</sup> 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.

<sup>11</sup> Securitization deduction from Tier 2 capital consists of Seller's interest in credit cards of \$6 million and securitizations rated below BB- of \$503 million and unrated positions of \$nil million. Of the total deduction from Tier 2, \$258 million is related to the banking book and \$251 million is related to the trading book.

<sup>12</sup> Comparative information (Q2/11 and Q1/11) has been restated to reflect the correction of Gross-adjusted assets. No impact to periods prior to 2011.

| RISK-WEIGHTED ASSETS <sup>1,2</sup><br>(C\$ millions, except percentage and per share amounts) | Q2/12                 |                                      |                       |                   |               |                    | Risk-weighted assets     |                          |                          |                          |                          |                          |                          |                          |
|--|-----------------------|--------------------------------------|-----------------------|-------------------|---------------|--------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|  | Exposure <sup>3</sup> | Average of risk weights <sup>4</sup> | Risk-weighted assets  |                   |               |                    | Q1/12 Total <sup>5</sup> | Q4/11 Total <sup>5</sup> | Q3/11 Total <sup>5</sup> | Q2/11 Total <sup>5</sup> | Q1/11 Total <sup>5</sup> | Q4/10 Total <sup>5</sup> | Q3/10 Total <sup>5</sup> | Q2/10 Total <sup>5</sup> |
|  |                       |                                      | Standardized approach | Advanced approach | Other         | Total <sup>5</sup> |                          |                          |                          |                          |                          |                          |                          |                          |
| <b>Credit risk <sup>6</sup></b>  |                       |                                      |                       |                   |               |                    |                          |                          |                          |                          |                          |                          |                          |                          |
| Lending-related and other  |                       |                                      |                       |                   |               |                    |                          |                          |                          |                          |                          |                          |                          |                          |
| Residential mortgages  | 169,151               | 5%                                   | 1,157                 | 7,656             | -             | 8,813              | 9,234                    | 6,869                    | 6,545                    | 6,354                    | 6,633                    | 7,788                    | 7,643                    | 7,491                    |
| Other retail (Personal, Credit cards and Small business treated as retail)                     | 196,303               | 19%                                  | 1,390                 | 36,802            | -             | 38,192             | 45,530                   | 42,429                   | 42,489                   | 41,914                   | 43,283                   | 41,143                   | 39,664                   | 40,407                   |
| Business (Corporate, Commercial, Medium-sized enterprises and Non-bank financial institutions) | 154,704               | 58%                                  | 15,532                | 73,584            | -             | 89,116             | 98,183                   | 92,250                   | 85,025                   | 78,583                   | 78,598                   | 81,646                   | 80,003                   | 78,488                   |
| Sovereign (Government)   | 42,108                | 6%                                   | 504                   | 1,846             | -             | 2,350              | 2,346                    | 1,799                    | 2,074                    | 3,197                    | 3,041                    | 2,119                    | 2,002                    | 2,559                    |
| Bank   | 53,828                | 9%                                   | 2,567                 | 2,459             | -             | 5,026              | 4,930                    | 4,723                    | 5,076                    | 4,407                    | 3,833                    | 3,141                    | 2,833                    | 2,542                    |
| <b>Total lending-related and other</b>   | <b>616,094</b>        | <b>23%</b>                           | <b>21,150</b>         | <b>122,347</b>    | <b>-</b>      | <b>143,497</b>     | <b>160,223</b>           | <b>148,070</b>           | <b>141,209</b>           | <b>134,455</b>           | <b>135,388</b>           | <b>135,837</b>           | <b>132,145</b>           | <b>131,487</b>           |
| Trading-related  |                       |                                      |                       |                   |               |                    |                          |                          |                          |                          |                          |                          |                          |                          |
| Repo-style transactions  | 237,890               | 1%                                   | 120                   | 1,668             | -             | 1,788              | 1,884                    | 2,309                    | 1,845                    | 1,902                    | 1,756                    | 1,352                    | 1,483                    | 1,365                    |
| Over-the-counter derivatives   | 50,012                | 28%                                  | 853                   | 12,931            | -             | 13,784             | 15,561                   | 15,986                   | 15,311                   | 14,612                   | 15,726                   | 20,236                   | 19,889                   | 17,824                   |
| <b>Total trading-related</b>   | <b>287,902</b>        | <b>5%</b>                            | <b>973</b>            | <b>14,599</b>     | <b>-</b>      | <b>15,572</b>      | <b>17,445</b>            | <b>18,295</b>            | <b>17,156</b>            | <b>16,514</b>            | <b>17,482</b>            | <b>21,588</b>            | <b>21,372</b>            | <b>19,189</b>            |
| <b>Total lending-related and other and trading-related</b>                                     | <b>903,996</b>        | <b>18%</b>                           | <b>22,123</b>         | <b>136,946</b>    | <b>-</b>      | <b>159,069</b>     | <b>177,668</b>           | <b>166,365</b>           | <b>158,365</b>           | <b>150,969</b>           | <b>152,870</b>           | <b>157,425</b>           | <b>153,517</b>           | <b>150,676</b>           |
| Bank book equities <sup>7,8</sup>  | 1,185                 | 100%                                 | -                     | 1,183             | -             | 1,183              | 1,190                    | 1,336                    | 1,323                    | 1,385                    | 1,456                    | 1,465                    | 1,440                    | 1,432                    |
| Securitization exposures   | 38,900                | 13%                                  | 106                   | 5,092             | -             | 5,198              | 6,394                    | 6,951                    | 6,756                    | 7,084                    | 6,179                    | 5,979                    | 5,885                    | 6,240                    |
| Regulatory scaling factor <sup>9</sup>   | n.a.                  | n.a.                                 | n.a.                  | 8,593             | -             | 8,593              | 8,647                    | 7,982                    | 7,451                    | 7,127                    | 7,135                    | 7,203                    | 7,035                    | 6,945                    |
| Other assets <sup>10</sup>   | 35,658                | 65%                                  | n.a.                  | n.a.              | 23,032        | 23,032             | 17,705                   | 22,548                   | 20,203                   | 22,118                   | 23,583                   | 25,123                   | 25,768                   | 23,708                   |
| <b>Total credit risk <sup>10</sup></b>   | <b>979,739</b>        | <b>20%</b>                           | <b>22,229</b>         | <b>151,814</b>    | <b>23,032</b> | <b>197,075</b>     | <b>211,604</b>           | <b>205,182</b>           | <b>194,098</b>           | <b>188,683</b>           | <b>191,223</b>           | <b>197,195</b>           | <b>193,645</b>           | <b>189,001</b>           |
| <b>Market risk <sup>11,12</sup></b>  |                       |                                      |                       |                   |               |                    |                          |                          |                          |                          |                          |                          |                          |                          |
| Interest rate  |                       |                                      | 3,276                 | 1,180             | -             | 4,456              | 7,065                    | 4,358                    | 4,753                    | 3,306                    | 6,549                    | 6,870                    | 8,355                    | 6,247                    |
| Equity   |                       |                                      | 665                   | 2,174             | -             | 2,839              | 2,244                    | 1,650                    | 3,404                    | 3,338                    | 2,716                    | 2,249                    | 2,317                    | 1,682                    |
| Foreign exchange   |                       |                                      | 1,386                 | 95                | -             | 1,481              | 1,144                    | 866                      | 773                      | 776                      | 833                      | 711                      | 692                      | 839                      |
| Commodities  |                       |                                      | 997                   | 16                | -             | 1,013              | 854                      | 896                      | 928                      | 1,032                    | 832                      | 800                      | 842                      | 695                      |
| Specific risk  |                       |                                      | 5,943                 | 4,189             | -             | 10,132             | 11,119                   | 13,576                   | 16,735                   | 15,930                   | 14,612                   | 14,198                   | 15,081                   | 13,092                   |
| Incremental risk charge <sup>13,14</sup>   |                       |                                      | -                     | 9,039             | -             | 9,039              | 11,123                   | -                        | -                        | -                        | -                        | -                        | -                        | -                        |
| <b>Total market risk</b>   |                       |                                      | <b>12,267</b>         | <b>16,693</b>     | <b>-</b>      | <b>28,960</b>      | <b>33,549</b>            | <b>21,346</b>            | <b>26,593</b>            | <b>24,382</b>            | <b>25,542</b>            | <b>24,828</b>            | <b>27,287</b>            | <b>22,555</b>            |
| <b>Operational risk <sup>15</sup></b>  |                       |                                      |                       | 39,699            | n.a.          | n.a.               | 39,699                   | 40,355                   | 40,283                   | 40,324                   | 40,170                   | 39,244                   | 38,433                   | 37,713                   |
| <b>Transitional adjustment prescribed by OSFI</b>  |                       |                                      |                       |                   |               | 1,404              |                          | 969.00                   |                          |                          |                          |                          |                          |                          |
| <b>Total risk-weighted assets</b>  | <b>979,739</b>        |                                      | <b>74,195</b>         | <b>168,507</b>    | <b>24,436</b> | <b>267,138</b>     | <b>285,508</b>           | <b>267,780</b>           | <b>261,015</b>           | <b>253,235</b>           | <b>256,009</b>           | <b>260,456</b>           | <b>258,766</b>           | <b>249,269</b>           |

<sup>1</sup> Amounts represent consolidated (combined continuing and discontinued) operations.

<sup>2</sup> Calculated using guidelines issued by OSFI under the Basel II framework.

<sup>3</sup> Total exposure represents exposure at default which is the expected gross exposure upon the default of an obligor. This amount is before any specific allowances or partial write-offs and does not reflect the impact of credit risk mitigation and collateral held.

<sup>4</sup> Represents the average of counterparty risk weights within a particular category.

<sup>5</sup> The minimum capital requirements for each category can be calculated by multiplying the total RWA by 6%.

<sup>6</sup> For credit risk, a majority of our portfolios use the AIRB Approach and the remainder use the Standardized Approach.

<sup>7</sup> Basel II defines 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, differences exist in the identification of equity securities held in the banking book 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 derivatives instruments tied to equity interests. As at Q2/12, the amount of publicly-traded equity exposures and private equity exposures amounted to \$906 million. Total exposure represents exposure at default, which is the expected gross exposure upon the default of an obligor.

<sup>8</sup> The amount of available-for-sale securities held in the banking book that were "grandfathered" under Basel II, and thus subject to a 100% risk-weighting until the end of 2017, was \$111 million for Q2/12.

<sup>9</sup> The scaling factor represents a calibration adjustment of 6% as prescribed by OSFI under the Basel II framework and is applied to RWA amounts for credit risk assessed under the AIRB Approach.

<sup>10</sup> For credit risk, portfolios using the Standardized and Advanced Internal Ratings Based (AIRB) Approach represents 11% and 77%, respectively, of RWA. The remaining 12% represents Balance Sheet assets not included in Standardized or AIRB Approaches.

<sup>11</sup> For market risk RWA measurement, we use an internal models approach where we have obtained regulatory approval, and a standardized approach for products yet to be approved.

<sup>12</sup> Regulatory capital for our correlation trading portfolios is determined through the standardized approach as prescribed by OSFI. Therefore, we do not have a Comprehensive Risk Charge for these portfolios. Our securitization and re-securitization positions in our trading book also have capital requirements under the standardized approach. The changes in value due to market and credit risk in the securitization and re-securitization in the trading book are managed through the daily mark-to-market process. Furthermore, we employ market risk measures such as sensitivities to changes in option-adjusted spreads and underlying asset prices as well as VaR and stress testing measures.

<sup>13</sup> The incremental risk charge (IRC) was \$545 million as at Q2/2012. The average was \$707 million, high was \$873 million and low was \$518 million for Q2/2012. The IRC is measured over a one-year horizon at a 99.9% confidence level. We utilize a technique known as a 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 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.

<sup>14</sup> The models are subject to the same internal independent vetting 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.

<sup>15</sup> For operational risk, we use the Standardized Approach.  
n.a. Not applicable.

| REGULATORY CAPITAL GENERATION <sup>1,2</sup><br>(C\$ millions)                    | IFRS         |            | CGAAP        |              |            |              |            |            | IFRS       |              | CGAAP        |              |              |                   |
|---|--------------|------------|--------------|--------------|------------|--------------|------------|------------|------------|--------------|--------------|--------------|--------------|-------------------|
|   | Q2/12        | Q1/12      | Q4/11        | Q3/11        | Q2/11      | Q1/11        | Q4/10      | Q3/10      | Q2/10      | 2012         | 2011         | CGAAP        |              |                   |
|   |              |            |              |              |            |              |            |            |            | 6 months     | 6 months     | 2011         | 2010         | 2009 <sup>3</sup> |
| <b>Regulatory capital generation</b>  |              |            |              |              |            |              |            |            |            |              |              |              |              |                   |
| Internal capital generation <sup>4</sup>  | 686          | 1,052      | 757          | (932)        | 729        | 1,061        | 345        | 501        | 553        | 1,738        | 1,790        | 1,615        | 2,122        | 806               |
| External capital generation:  |              |            |              |              |            |              |            |            |            |              |              |              |              |                   |
| Common shares   | 93           | 103        | 69           | 398          | 131        | 41           | 38         | 9          | 64         | 196          | 172          | 639          | 303          | 2,691             |
| Contributed surplus <sup>5</sup>  | n.a.         | n.a.       | (11)         | 4            | (2)        | (15)         | 4          | 4          | (5)        | n.a.         | (17)         | (24)         | (10)         | 4                 |
| Premium paid on common shares repurchased   | -            | -          | -            | -            | -          | -            | -          | -          | -          | -            | -            | -            | -            | -                 |
| Preferred shares  | -            | -          | -            | -            | -          | -            | -          | -          | -          | -            | -            | -            | -            | 2,150             |
| Trust capital securities  | -            | -          | -            | (750)        | -          | -            | -          | -          | -          | -            | -            | (750)        | -            | -                 |
| Treasury shares - common  | (36)         | 7          | 70           | (67)         | 64         | 22           | (12)       | 7          | 21         | (29)         | 86           | 89           | 24           | 2                 |
| Subordinated debentures   | (98)         | 61         | (15)         | 100          | (444)      | 1,345        | 57         | 851        | (168)      | (37)         | 901          | 986          | 223          | (1,695)           |
| Trust subordinated notes  | (998)        | (28)       | 2            | 23           | (21)       | (1)          | 10         | (14)       | 30         | (1,026)      | (22)         | 3            | 6            | (10)              |
|   | (1,039)      | 143        | 115          | (292)        | (272)      | 1,392        | 97         | 857        | (58)       | (896)        | 1,120        | 943          | 546          | 3,142             |
| Other comprehensive income  |              |            |              |              |            |              |            |            |            |              |              |              |              |                   |
| Net change in foreign currency translation adjustments, net of hedging activities | (63)         | 48         | 484          | 102          | (530)      | (34)         | (30)       | 61         | (265)      | (15)         | (564)        | 22           | (310)        | (572)             |
| Net change in unrealized gains (losses) on available-for-sale equity securities   | 15           | 154        | (36)         | 11           | (2)        | 26           | 31         | (4)        | (11)       | 169          | 24           | (1)          | 80           | 312               |
| Other <sup>6,7</sup>  | (462)        | (956)      | 123          | 865          | 835        | (1,006)      | 420        | (516)      | 355        | (1,418)      | (171)        | 817          | 306          | 483               |
|   | (510)        | (754)      | 571          | 978          | 303        | (1,014)      | 421        | (459)      | 79         | (1,264)      | (711)        | 838          | 76           | 223               |
| <b>Total regulatory capital generation</b>  | <b>(863)</b> | <b>441</b> | <b>1,443</b> | <b>(246)</b> | <b>760</b> | <b>1,439</b> | <b>863</b> | <b>899</b> | <b>574</b> | <b>(422)</b> | <b>2,199</b> | <b>3,396</b> | <b>2,744</b> | <b>4,171</b>      |

| ATTRIBUTED CAPITAL <sup>1</sup><br>(C\$ millions)  | IFRS          |               |               |               |               | CGAAP         |               |               | IFRS          |               | IFRS          | CGAAP         |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | Q2/12         | Q1/12         | Q4/11         | Q3/11         | Q2/11         | Q1/11         | Q4/10         | Q3/10         | Q2/10         | 2012          | 2011          | 2011          | 2010          | 2009          |
|  |               |               |               |               |               |               |               |               |               | 6 months      | 6 months      |               |               |               |
| <b>Attributed capital</b>                          |               |               |               |               |               |               |               |               |               |               |               |               |               |               |
| Credit risk  | 9,000         | 8,750         | 8,350         | 8,000         | 7,500         | 7,300         | 8,400         | 8,350         | 8,450         | 8,900         | 7,400         | 7,800         | 8,250         | 8,400         |
| Market risk (trading and non-trading)              | 3,900         | 3,850         | 3,250         | 3,400         | 3,150         | 3,000         | 3,650         | 3,850         | 2,750         | 3,850         | 3,100         | 3,200         | 3,300         | 2,350         |
| Operational risk                                   | 3,750         | 3,650         | 3,300         | 3,300         | 3,400         | 3,600         | 3,200         | 2,900         | 3,450         | 3,700         | 3,500         | 3,400         | 3,250         | 3,350         |
| Business and fixed assets risk                     | 2,750         | 2,600         | 2,350         | 2,350         | 2,400         | 2,450         | 2,300         | 2,100         | 2,350         | 2,700         | 2,400         | 2,400         | 2,250         | 2,150         |
| Insurance risk                                     | 450           | 450           | 450           | 450           | 400           | 400           | 450           | 400           | 400           | 450           | 400           | 400           | 350           | 150           |
| Regulatory capital allocation <sup>8</sup>         | 4,050         | 4,950         | 5,200         | 2,200         | 1,400         | 800           | n.a.          | n.a.          | n.a.          | 4,500         | 1,100         | 2,400         | n.a.          | n.a.          |
| Risk capital                                       | 23,900        | 24,250        | 22,900        | 19,700        | 18,250        | 17,550        | 18,000        | 17,600        | 17,400        | 24,100        | 17,900        | 19,600        | 17,400        | 16,400        |
| Goodwill and intangibles                           | 9,700         | 9,700         | 9,750         | 9,600         | 9,550         | 8,900         | 8,450         | 8,450         | 8,300         | 9,700         | 9,200         | 9,450         | 8,400         | 8,800         |
| Attributed capital                                 | 33,600        | 33,950        | 32,650        | 29,300        | 27,800        | 26,450        | 26,450        | 26,050        | 25,700        | 33,800        | 27,100        | 29,050        | 25,800        | 25,200        |
| Under/(over) attribution of capital <sup>8,9</sup> | 2,400         | 400           | 350           | 1,000         | 550           | 900           | 3,550         | 3,600         | 3,450         | 1,400         | 700           | 750           | 3,650         | 600           |
| Average common equity from discontinued operations | 400           | 1,250         | 1,400         | 2,750         | 3,500         | 3,650         | 4,000         | 3,850         | 3,700         | 800           | 3,600         | 2,800         | 3,800         | 4,650         |
| <b>Total average common equity</b>                 | <b>36,400</b> | <b>35,600</b> | <b>34,400</b> | <b>33,050</b> | <b>31,850</b> | <b>31,000</b> | <b>34,000</b> | <b>33,500</b> | <b>32,850</b> | <b>36,000</b> | <b>31,400</b> | <b>32,600</b> | <b>33,250</b> | <b>30,450</b> |

<sup>1</sup> Amounts represent consolidated (combined continuing and discontinued) operations.

<sup>2</sup> Calculated using guidelines issued by OSFI under the Basel II framework.

<sup>3</sup> Comparative information has been restated as at November 1, 2008 due to the implementation of amendments to CICA Handbook Section 3855 issued in August, 2009.

<sup>4</sup> Internal capital generation is net income available to common shareholders less common share dividends.

<sup>5</sup> Under IFRS, we record items related to Contributed surplus directly to Retained earnings.

<sup>6</sup> 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) and other adjustments to retained earnings.

<sup>7</sup> Transitional adjustments for IFRS are shown under Other.

<sup>8</sup> Effective Q1/12, we prospectively revised our capital allocation methodology to further align our allocation processes with evolving regulatory capital requirements. The revised methodology replaced the pro-rata allocation of unallocated capital that was used in 2011 and the impacts are being phased-in over fiscal 2012 in anticipation of our requirement to report under Basel III requirements in 2013. The revised methodology resulted in a reduction in attributed capital for Canadian Banking and an increase in attributed capital for Capital Markets.

<sup>9</sup> Under/(over) attribution of capital is reported in Corporate Support.

n.a. Not applicable.

| LOANS AND ACCEPTANCES <sup>1</sup><br>(C\$ millions)                 | IFRS    |         |         |         |         |         | CGAAP   |         |         | IFRS    | CGAAP   |         |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | Q2/12   | Q1/12   | Q4/11   | Q3/11   | Q2/11   | Q1/11   | Q4/10   | Q3/10   | Q2/10   | 2011    | 2010    | 2009    |
| <b>By portfolio and sector</b>                                       |         |         |         |         |         |         |         |         |         |         |         |         |
| <b>Retail</b>  |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential mortgages  | 193,231 | 189,822 | 188,406 | 183,435 | 180,815 | 178,804 | 126,790 | 126,025 | 123,293 | 188,406 | 126,790 | 119,945 |
| Personal   | 83,008  | 82,146  | 80,921  | 78,732  | 80,836  | 79,941  | 75,519  | 73,718  | 70,731  | 80,921  | 75,519  | 66,405  |
| Credit cards   | 13,035  | 12,748  | 12,937  | 12,833  | 13,221  | 13,388  | 9,916   | 8,845   | 9,510   | 12,937  | 9,916   | 8,508   |
| Small business   | 2,477   | 2,448   | 2,481   | 2,507   | 2,570   | 2,659   | 2,712   | 2,721   | 2,774   | 2,481   | 2,712   | 2,851   |
|  | 291,751 | 287,164 | 284,745 | 277,507 | 277,442 | 274,792 | 214,937 | 211,309 | 206,308 | 284,745 | 214,937 | 197,709 |
| <b>Wholesale</b>   |         |         |         |         |         |         |         |         |         |         |         |         |
| Business   |         |         |         |         |         |         |         |         |         |         |         |         |
| Agriculture  | 5,085   | 5,026   | 4,880   | 4,787   | 4,927   | 4,965   | 4,705   | 4,724   | 4,905   | 4,880   | 4,705   | 4,967   |
| Automotive   | 3,587   | 3,303   | 3,025   | 3,034   | 3,445   | 3,491   | 3,228   | 3,323   | 3,387   | 3,025   | 3,228   | 3,282   |
| Consumer goods   | 5,208   | 5,065   | 5,341   | 5,171   | 5,755   | 5,755   | 5,202   | 5,208   | 4,995   | 5,341   | 5,202   | 5,323   |
| Energy   | 7,689   | 7,171   | 6,394   | 5,766   | 5,357   | 5,567   | 5,869   | 5,469   | 5,568   | 6,394   | 5,869   | 6,984   |
| Non-bank financial services  | 2,234   | 1,921   | 2,007   | 1,743   | 1,652   | 1,622   | 4,593   | 2,661   | 2,416   | 2,007   | 4,593   | 3,345   |
| Forest products  | 895     | 777     | 698     | 786     | 824     | 814     | 726     | 768     | 825     | 698     | 726     | 761     |
| Industrial products  | 3,639   | 3,428   | 3,381   | 3,512   | 4,040   | 3,730   | 3,143   | 3,276   | 3,291   | 3,381   | 3,143   | 3,331   |
| Mining and metals  | 892     | 923     | 1,122   | 972     | 606     | 592     | 587     | 649     | 917     | 1,122   | 587     | 1,746   |
| Real estate and related <sup>2</sup>                                 | 18,400  | 17,026  | 15,569  | 14,451  | 17,991  | 18,327  | 12,651  | 13,061  | 13,269  | 15,569  | 12,651  | 13,308  |
| Technology and media   | 3,357   | 3,166   | 2,712   | 2,487   | 2,670   | 2,688   | 2,257   | 2,046   | 2,050   | 2,712   | 2,257   | 2,307   |
| Transportation and environment                                       | 5,174   | 5,022   | 4,927   | 4,147   | 4,380   | 4,241   | 3,546   | 3,753   | 3,632   | 4,927   | 3,546   | 4,184   |
| Other <sup>3</sup>   | 20,154  | 18,615  | 17,011  | 16,216  | 19,176  | 18,898  | 15,290  | 16,798  | 15,815  | 17,011  | 15,290  | 17,041  |
| Sovereign  | 4,027   | 3,807   | 4,050   | 3,445   | 3,803   | 3,924   | 3,765   | 3,722   | 3,594   | 4,050   | 3,765   | 2,779   |
| Bank   | 1,302   | 1,469   | 1,324   | 1,612   | 1,308   | 1,308   | 1,916   | 2,090   | 1,984   | 1,324   | 1,916   | 2,516   |
|  | 81,643  | 76,719  | 72,441  | 68,129  | 75,934  | 75,922  | 67,478  | 67,548  | 66,638  | 72,441  | 67,478  | 71,874  |
| <b>Total loans and acceptances</b>                                   | 373,394 | 363,883 | 357,186 | 345,636 | 353,376 | 350,714 | 282,415 | 278,857 | 272,946 | 357,186 | 282,415 | 269,583 |
| Allowance for loan losses  | (2,019) | (1,965) | (1,967) | (1,984) | (2,658) | (2,784) | (2,038) | (2,073) | (2,142) | (1,967) | (2,038) | (2,164) |
| <b>Total loans and acceptances, net of allowance for loan losses</b> | 371,375 | 361,918 | 355,219 | 343,652 | 350,718 | 347,930 | 280,377 | 276,784 | 270,804 | 355,219 | 280,377 | 267,419 |
| <b>Loans and acceptances by geography <sup>4</sup> and portfolio</b> |         |         |         |         |         |         |         |         |         |         |         |         |
| <b>Canada</b>  |         |         |         |         |         |         |         |         |         |         |         |         |
| Residential mortgages  | 190,537 | 187,075 | 185,620 | 180,824 | 176,442 | 174,169 | 124,064 | 123,315 | 120,707 | 185,620 | 124,064 | 117,292 |
| Personal   | 77,482  | 76,682  | 75,668  | 73,908  | 71,837  | 70,453  | 69,291  | 67,498  | 65,024  | 75,668  | 69,291  | 60,493  |
| Credit cards   | 12,812  | 12,509  | 12,723  | 12,624  | 12,826  | 12,971  | 9,704   | 8,646   | 9,300   | 12,723  | 9,704   | 8,285   |
| Small business   | 2,477   | 2,448   | 2,481   | 2,507   | 2,570   | 2,659   | 2,712   | 2,721   | 2,774   | 2,481   | 2,712   | 2,851   |
| <b>Retail</b>  | 283,308 | 278,714 | 276,492 | 269,863 | 263,675 | 260,252 | 205,771 | 202,180 | 197,805 | 276,492 | 205,771 | 188,921 |
| Business   | 47,766  | 43,911  | 45,186  | 44,779  | 42,814  | 42,084  | 45,217  | 44,866  | 44,636  | 45,186  | 45,217  | 47,110  |
| Sovereign  | 3,322   | 3,141   | 3,304   | 2,726   | 3,035   | 3,005   | 2,785   | 2,803   | 2,727   | 3,304   | 2,785   | 1,394   |
| Bank   | 501     | 437     | 747     | 839     | 649     | 437     | 808     | 950     | 607     | 747     | 808     | 1,096   |
| <b>Wholesale</b>   | 51,589  | 47,489  | 49,237  | 48,344  | 46,498  | 45,526  | 48,810  | 48,619  | 47,970  | 49,237  | 48,810  | 49,600  |
| <b>United States</b>   |         |         |         |         |         |         |         |         |         |         |         |         |
| Retail   | 3,109   | 3,076   | 3,101   | 2,841   | 9,097   | 9,631   | 4,230   | 4,317   | 3,992   | 3,101   | 4,230   | 4,163   |
| Wholesale  | 14,035  | 13,519  | 11,094  | 8,751   | 18,510  | 19,145  | 7,584   | 7,927   | 7,701   | 11,094  | 7,584   | 9,310   |
|  | 17,144  | 16,595  | 14,195  | 11,592  | 27,607  | 28,776  | 11,814  | 12,244  | 11,693  | 14,195  | 11,814  | 13,473  |
| <b>Other International</b>   |         |         |         |         |         |         |         |         |         |         |         |         |
| Retail   | 5,334   | 5,374   | 5,152   | 4,803   | 4,670   | 4,909   | 4,936   | 4,812   | 4,511   | 5,152   | 4,936   | 4,625   |
| Wholesale  | 16,019  | 15,711  | 12,110  | 11,034  | 10,926  | 11,251  | 11,084  | 11,002  | 10,967  | 12,110  | 11,084  | 12,964  |
|  | 21,353  | 21,085  | 17,262  | 15,837  | 15,596  | 16,160  | 16,020  | 15,814  | 15,478  | 17,262  | 16,020  | 17,589  |
| <b>Total</b>   |         |         |         |         |         |         |         |         |         |         |         |         |
| Retail   | 291,751 | 287,164 | 284,745 | 277,507 | 277,442 | 274,792 | 214,937 | 211,309 | 206,308 | 284,745 | 214,937 | 197,709 |
| Wholesale  | 81,643  | 76,719  | 72,441  | 68,129  | 75,934  | 75,922  | 67,478  | 67,548  | 66,638  | 72,441  | 67,478  | 71,874  |
| <b>Total loans and acceptances</b>                                   | 373,394 | 363,883 | 357,186 | 345,636 | 353,376 | 350,714 | 282,415 | 278,857 | 272,946 | 357,186 | 282,415 | 269,583 |

<sup>1</sup> The classification of our U.S. Retail Banking operations as discontinued operations will be reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in October 2010 will be reflected as discontinued operations under IFRS from the Transition date.

<sup>2</sup> Wholesale - Real estate and related loans and acceptances in Q2/12 is comprised of amounts based in Canada of \$13.5 billion, United States of \$2.4 billion and Other International of \$2.5 billion.

<sup>3</sup> Wholesale - Other in Q2/12 related to other services \$6.3 billion, financing products \$4.5 billion, holding and investments \$4.9 billion, health \$3.9 billion, and other \$0.6 billion.

<sup>4</sup> Geographic information is based on residence of borrower.

| GROSS IMPAIRED LOANS <sup>1</sup><br>(C\$ millions)                | IFRS  |       |       |       |       |       | CGAAP |       |       | IFRS  | CGAAP |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 | 2011  | 2010  | 2009  |
| <b>Gross impaired loans by portfolio and sector</b>                |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Retail</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| Residential mortgages  | 714   | 769   | 719   | 744   | 872   | 885   | 691   | 644   | 628   | 719   | 691   | 533   |
| Personal   | 296   | 288   | 289   | 269   | 372   | 407   | 278   | 288   | 283   | 289   | 278   | 290   |
| Small business   | 36    | 40    | 40    | 44    | 46    | 46    | 49    | 49    | 55    | 40    | 49    | 59    |
|  | 1,046 | 1,097 | 1,048 | 1,057 | 1,290 | 1,338 | 1,018 | 981   | 966   | 1,048 | 1,018 | 882   |
| <b>Wholesale</b>   |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Business</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| Agriculture  | 60    | 65    | 75    | 75    | 73    | 66    | 74    | 83    | 78    | 75    | 74    | 79    |
| Automotive   | 32    | 38    | 38    | 43    | 61    | 63    | 97    | 82    | 77    | 38    | 97    | 36    |
| Consumer goods   | 104   | 87    | 91    | 82    | 115   | 119   | 91    | 92    | 92    | 91    | 91    | 111   |
| Energy   | 8     | 10    | 33    | 38    | 28    | 43    | 104   | 123   | 117   | 33    | 104   | 100   |
| Non-bank financial services  | 2     | 1     | 13    | 12    | 47    | 50    | 28    | 29    | 35    | 13    | 28    | 197   |
| Forest products  | 21    | 31    | 27    | 26    | 49    | 51    | 49    | 50    | 56    | 27    | 49    | 47    |
| Industrial products  | 95    | 40    | 38    | 84    | 114   | 128   | 102   | 103   | 99    | 38    | 102   | 143   |
| Mining and metals  | 5     | 4     | 4     | 5     | 7     | 10    | 8     | 11    | 18    | 4     | 8     | 18    |
| Real estate and related <sup>2</sup>                               | 421   | 452   | 464   | 428   | 1,328 | 1,477 | 560   | 512   | 553   | 464   | 560   | 422   |
| Technology and media   | 116   | 52    | 47    | 48    | 58    | 60    | 68    | 45    | 99    | 47    | 68    | 114   |
| Transportation and environment                                     | 106   | 111   | 105   | 103   | 46    | 68    | 52    | 40    | 54    | 105   | 52    | 20    |
| Other <sup>3</sup>   | 314   | 300   | 311   | 271   | 411   | 429   | 385   | 441   | 426   | 311   | 385   | 514   |
| Sovereign  | -     | 1     | -     | -     | -     | -     | 9     | 9     | 9     | -     | 9     | 10    |
| Bank   | 33    | 34    | 33    | 32    | 32    | 34    | 34    | 34    | 33    | 33    | 34    | 62    |
|  | 1,317 | 1,226 | 1,279 | 1,247 | 2,369 | 2,598 | 1,661 | 1,654 | 1,746 | 1,279 | 1,661 | 1,873 |
| <b>Total gross impaired loans</b>                                  | 2,363 | 2,323 | 2,327 | 2,304 | 3,659 | 3,936 | 2,679 | 2,635 | 2,712 | 2,327 | 2,679 | 2,755 |
| Individually assessed  | 1,004 | 904   | 940   | 893   | 1,779 | 1,963 | n.a.  | n.a.  | n.a.  | 940   | n.a.  | n.a.  |
| Collectively assessed  | 1,359 | 1,419 | 1,387 | 1,411 | 1,880 | 1,973 | n.a.  | n.a.  | n.a.  | 1,387 | n.a.  | n.a.  |
| <b>Total gross impaired loans</b>                                  | 2,363 | 2,323 | 2,327 | 2,304 | 3,659 | 3,936 | n.a.  | n.a.  | n.a.  | 2,327 | n.a.  | n.a.  |
| <b>Gross impaired loans by geography<sup>4</sup> and portfolio</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Canada</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| Residential mortgages  | 541   | 584   | 567   | 582   | 606   | 599   | 544   | 503   | 503   | 567   | 544   | 441   |
| Personal   | 208   | 204   | 188   | 188   | 183   | 186   | 174   | 171   | 179   | 188   | 174   | 173   |
| Small business   | 36    | 40    | 40    | 44    | 46    | 46    | 49    | 49    | 55    | 40    | 49    | 59    |
| Retail   | 785   | 828   | 795   | 814   | 835   | 831   | 767   | 723   | 737   | 795   | 767   | 673   |
| Business   | 579   | 483   | 513   | 579   | 611   | 662   | 771   | 803   | 824   | 513   | 771   | 839   |
| Sovereign  | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Bank   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Wholesale  | 579   | 483   | 513   | 579   | 611   | 662   | 771   | 803   | 824   | 513   | 771   | 839   |
|  | 1,364 | 1,311 | 1,308 | 1,393 | 1,446 | 1,493 | 1,538 | 1,526 | 1,561 | 1,308 | 1,538 | 1,512 |
| <b>United States</b>   |       |       |       |       |       |       |       |       |       |       |       |       |
| Retail   | 8     | 6     | 6     | 6     | 205   | 238   | -     | -     | -     | 6     | -     | -     |
| Wholesale  | 128   | 106   | 116   | 74    | 1,331 | 1,511 | 364   | 385   | 498   | 116   | 364   | 719   |
|  | 136   | 112   | 122   | 80    | 1,536 | 1,749 | 364   | 385   | 498   | 122   | 364   | 719   |
| <b>Other International</b>   |       |       |       |       |       |       |       |       |       |       |       |       |
| Retail   | 253   | 263   | 247   | 237   | 250   | 269   | 251   | 258   | 229   | 247   | 251   | 209   |
| Wholesale  | 610   | 637   | 650   | 594   | 427   | 425   | 526   | 466   | 424   | 650   | 526   | 315   |
|  | 863   | 900   | 897   | 831   | 677   | 694   | 777   | 724   | 653   | 897   | 777   | 524   |
| <b>Total</b>   |       |       |       |       |       |       |       |       |       |       |       |       |
| Retail   | 1,046 | 1,097 | 1,048 | 1,057 | 1,290 | 1,338 | 1,018 | 981   | 966   | 1,048 | 1,018 | 882   |
| Wholesale  | 1,317 | 1,226 | 1,279 | 1,247 | 2,369 | 2,598 | 1,661 | 1,654 | 1,746 | 1,279 | 1,661 | 1,873 |
| <b>Total gross impaired loans</b>                                  | 2,363 | 2,323 | 2,327 | 2,304 | 3,659 | 3,936 | 2,679 | 2,635 | 2,712 | 2,327 | 2,679 | 2,755 |

<sup>1</sup> The classification of our U.S. Retail Banking operations as discontinued operations will be reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in October 2010 will be reflected as discontinued operations under IFRS from the Transition date.

<sup>2</sup> Wholesale - Real estate and related Gross Impaired Loans in Q2/12 is comprised of loans based in Canada of \$200 million, United States of \$4 million and Other International of \$217 million.

<sup>3</sup> Wholesale - Other in Q2/12 related to financing products \$51 million, other services \$118 million, holding and investments \$30 million, health \$19 million and other \$96 million.

<sup>4</sup> Geographic information is based on residence of borrower.

n.a. Not applicable.

| GROSS IMPAIRED LOANS <i>continued</i> <sup>1</sup><br>(C\$ millions)        | IFRS  |       |       |         |       |       | CGAAP |       |       | IFRS    | CGAAP   |         |
|---|-------|-------|-------|---------|-------|-------|-------|-------|-------|---------|---------|---------|
|   | Q2/12 | Q1/12 | Q4/11 | Q3/11   | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 | 2011    | 2010    | 2009    |
| <b>Changes in gross impaired loans</b>                                      |       |       |       |         |       |       |       |       |       |         |         |         |
| <b>Balance at beginning of period</b>                                       |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | 1,097 | 1,048 | 1,057 | 1,290   | 1,338 | 1,240 | 981   | 966   | 929   | 1,240   | 882     | 595     |
| Wholesale   | 1,226 | 1,279 | 1,247 | 2,369   | 2,598 | 2,951 | 1,654 | 1,746 | 1,662 | 2,951   | 1,873   | 1,140   |
|   | 2,323 | 2,327 | 2,304 | 3,659   | 3,936 | 4,191 | 2,635 | 2,712 | 2,591 | 4,191   | 2,755   | 1,735   |
| <b>Balance at beginning of period - discontinued operations</b>             |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | -     | -     | -     | (205)   | -     | -     | n.a.  | n.a.  | n.a.  | (222)   | n.a.    | n.a.    |
| Wholesale   | -     | -     | -     | (1,228) | -     | -     | n.a.  | n.a.  | n.a.  | (1,409) | n.a.    | n.a.    |
|   | -     | -     | -     | (1,433) | -     | -     | n.a.  | n.a.  | n.a.  | (1,631) | n.a.    | n.a.    |
| <b>New impaired</b> <sup>2</sup>  |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | 249   | 330   | 290   | 283     | 402   | 485   | 360   | 349   | 419   | 1,278   | 1,526   | 1,621   |
| Wholesale   | 222   | 48    | 121   | 228     | 227   | 228   | 318   | 164   | 388   | 542     | 1,056   | 3,207   |
|   | 471   | 378   | 411   | 511     | 629   | 713   | 678   | 513   | 807   | 1,820   | 2,582   | 4,828   |
| <b>Repayments, return to performing status, sold and other</b> <sup>2</sup> |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | (17)  | (21)  | (23)  | (27)    | (112) | (62)  | (70)  | (78)  | (92)  | (127)   | (322)   | (291)   |
| Wholesale   | (95)  | (56)  | (20)  | (79)    | (309) | (410) | (183) | (101) | (223) | (570)   | (790)   | (1,669) |
|   | (112) | (77)  | (43)  | (106)   | (421) | (472) | (253) | (179) | (315) | (697)   | (1,112) | (1,960) |
| <b>Net impaired loan formation</b> <sup>2</sup>                             |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | 232   | 309   | 267   | 256     | 290   | 423   | 290   | 271   | 327   | 1,151   | 1,204   | 1,330   |
| Wholesale   | 127   | (8)   | 101   | 149     | (82)  | (182) | 135   | 63    | 165   | (28)    | 266     | 1,538   |
|   | 359   | 301   | 368   | 405     | 208   | 241   | 425   | 334   | 492   | 1,123   | 1,470   | 2,868   |
| <b>Write-offs</b>   |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | (283) | (260) | (276) | (284)   | (338) | (325) | (253) | (256) | (290) | (1,121) | (1,068) | (1,043) |
| Wholesale   | (36)  | (45)  | (69)  | (43)    | (147) | (171) | (128) | (155) | (81)  | (235)   | (478)   | (805)   |
|   | (319) | (305) | (345) | (327)   | (485) | (496) | (381) | (411) | (371) | (1,356) | (1,546) | (1,848) |
| <b>Balance at end of period</b>   |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | 1,046 | 1,097 | 1,048 | 1,057   | 1,290 | 1,338 | 1,018 | 981   | 966   | 1,048   | 1,018   | 882     |
| Wholesale   | 1,317 | 1,226 | 1,279 | 1,247   | 2,369 | 2,598 | 1,661 | 1,654 | 1,746 | 1,279   | 1,661   | 1,873   |
|   | 2,363 | 2,323 | 2,327 | 2,304   | 3,659 | 3,936 | 2,679 | 2,635 | 2,712 | 2,327   | 2,679   | 2,755   |
| <b>Net impaired loans by geography</b> <sup>3</sup> and portfolio           |       |       |       |         |       |       |       |       |       |         |         |         |
| <b>Canada</b>   |       |       |       |         |       |       |       |       |       |         |         |         |
| Residential mortgages   | 495   | 533   | 520   | 533     | 556   | 546   | 497   | 458   | 458   | 520     | 497     | 402     |
| Personal  | 115   | 112   | 100   | 100     | 97    | 92    | 86    | 83    | 89    | 100     | 86      | 79      |
| Small business  | 22    | 24    | 25    | 27      | 28    | 29    | 31    | 29    | 32    | 25      | 31      | 37      |
| <b>Retail</b>   | 632   | 669   | 645   | 660     | 681   | 667   | 614   | 570   | 579   | 645     | 614     | 518     |
| Business  | 402   | 317   | 334   | 368     | 407   | 449   | 564   | 538   | 562   | 334     | 564     | 577     |
| Sovereign   | -     | -     | -     | -       | -     | -     | -     | -     | -     | -       | -       | -       |
| Bank  | -     | -     | -     | -       | -     | -     | -     | -     | -     | -       | -       | -       |
| <b>Wholesale</b>  | 402   | 317   | 334   | 368     | 407   | 449   | 564   | 538   | 562   | 334     | 564     | 577     |
| <b>United States</b>  |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | 7     | 5     | 5     | 5       | 168   | 194   | -     | -     | -     | 5       | -       | -       |
| Wholesale   | 90    | 86    | 91    | 63      | 1,148 | 1,285 | 279   | 291   | 314   | 91      | 279     | 468     |
|   | 97    | 91    | 96    | 68      | 1,316 | 1,479 | 279   | 291   | 314   | 96      | 279     | 468     |
| <b>Other International</b>  |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | 166   | 182   | 167   | 157     | 170   | 184   | 168   | 172   | 148   | 167     | 168     | 135     |
| Wholesale   | 407   | 459   | 480   | 427     | 302   | 286   | 333   | 294   | 270   | 480     | 333     | 194     |
|   | 573   | 641   | 647   | 584     | 472   | 470   | 501   | 466   | 418   | 647     | 501     | 329     |
| <b>Total</b>  |       |       |       |         |       |       |       |       |       |         |         |         |
| Retail  | 805   | 856   | 817   | 822     | 1,019 | 1,045 | 782   | 742   | 727   | 817     | 782     | 653     |
| Wholesale   | 899   | 862   | 905   | 858     | 1,857 | 2,020 | 1,176 | 1,123 | 1,146 | 905     | 1,176   | 1,239   |
| <b>Total Net Impaired Loans</b>   | 1,704 | 1,718 | 1,722 | 1,680   | 2,876 | 3,065 | 1,958 | 1,865 | 1,873 | 1,722   | 1,958   | 1,892   |

<sup>1</sup> The classification of our U.S. Retail Banking operations as discontinued operations will be reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in October 2010 will be reflected as discontinued operations under IFRS from the Transition date.

<sup>2</sup> Net impaired loan formation for Canadian Banking and certain Caribbean Banking retail and wholesale portfolios are generally allocated to New impaired as Repayment, return to performing status, sold and other adjustments, as amounts are not reasonably determinable. There is no impact to total net impaired loan formation amounts.

<sup>3</sup> Geographic information is based on residence of borrower, net of allowance for impaired loans.  
n.a. Not applicable.

| GROSS IMPAIRED LOANS <i>continued</i> <sup>1</sup><br>(C\$ millions) | IFRS       |            |            |            |            |            | CGAAP      |            |            | IFRS         | CGAAP        |              |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
|  | Q2/12      | Q1/12      | Q4/11      | Q3/11      | Q2/11      | Q1/11      | Q4/10      | Q3/10      | Q2/10      | 2011         | 2010         | 2009         |
| <b>Net write-offs by geography <sup>2</sup> and portfolio</b>        |            |            |            |            |            |            |            |            |            |              |              |              |
| <b>Canada</b>  |            |            |            |            |            |            |            |            |            |              |              |              |
| Residential mortgages  | 4          | 3          | 4          | 4          | 2          | 2          | 4          | 3          | 1          | 12           | 11           | 7            |
| Personal   | 101        | 98         | 99         | 96         | 104        | 99         | 106        | 105        | 119        | 398          | 442          | 451          |
| Credit cards   | 104        | 104        | 102        | 113        | 118        | 115        | 91         | 95         | 113        | 448          | 400          | 393          |
| Small business   | 16         | 6          | 8          | 9          | 11         | 10         | 11         | 11         | 16         | 38           | 49           | 48           |
| <b>Retail</b>  | <b>225</b> | <b>211</b> | <b>213</b> | <b>222</b> | <b>235</b> | <b>226</b> | <b>212</b> | <b>214</b> | <b>249</b> | <b>896</b>   | <b>902</b>   | <b>899</b>   |
| Business   | 17         | 12         | 36         | 30         | 25         | 9          | 79         | 23         | 26         | 100          | 167          | 305          |
| Sovereign  | -          | -          | -          | -          | -          | -          | -          | -          | -          | -            | -            | -            |
| Bank   | -          | -          | -          | -          | -          | -          | -          | -          | -          | -            | -            | -            |
| <b>Wholesale</b>   | <b>17</b>  | <b>12</b>  | <b>36</b>  | <b>30</b>  | <b>25</b>  | <b>9</b>   | <b>79</b>  | <b>23</b>  | <b>26</b>  | <b>100</b>   | <b>167</b>   | <b>305</b>   |
| <b>United States</b>   |            |            |            |            |            |            |            |            |            |              |              |              |
| Retail   | -          | 1          | 1          | 1          | 49         | 46         | -          | -          | -          | 2            | -            | -            |
| Wholesale  | 2          | 2          | (1)        | (5)        | 97         | 73         | 8          | 106        | 30         | (24)         | 213          | 367          |
|  | 2          | 3          | -          | (4)        | 146        | 119        | 8          | 106        | 30         | (22)         | 213          | 367          |
| <b>Other International</b>   |            |            |            |            |            |            |            |            |            |              |              |              |
| Retail   | 9          | 1          | 16         | 12         | 6          | 5          | 5          | 3          | 2          | 39           | 16           | 21           |
| Wholesale  | 7          | 20         | 24         | 7          | 13         | 55         | 22         | 6          | 18         | 99           | 47           | 7            |
|  | 16         | 21         | 40         | 19         | 19         | 60         | 27         | 9          | 20         | 138          | 63           | 28           |
| <b>Total</b>   |            |            |            |            |            |            |            |            |            |              |              |              |
| Retail   | 234        | 213        | 230        | 235        | 290        | 277        | 217        | 217        | 251        | 937          | 918          | 920          |
| Wholesale  | 26         | 34         | 59         | 32         | 135        | 137        | 109        | 135        | 74         | 175          | 427          | 679          |
| <b>Total net write-offs</b>  | <b>260</b> | <b>247</b> | <b>289</b> | <b>267</b> | <b>425</b> | <b>414</b> | <b>326</b> | <b>352</b> | <b>325</b> | <b>1,112</b> | <b>1,345</b> | <b>1,599</b> |

<sup>1</sup> The classification of our U.S. Retail Banking operations as discontinued operations will be reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in October 2010 will be reflected as discontinued operations under IFRS from the Transition date.

<sup>2</sup> Geographic information is based on residence of borrower, net of allowance for impaired loans.  
n.a. Not applicable.

| PROVISION FOR CREDIT LOSSES <sup>1</sup><br>(C\$ millions)                        | IFRS  |       |       |       |       |       | CGAAP |       |       | IFRS             |                  | IFRS  | CGAAP |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------------|------------------|-------|-------|-------|
|   | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 | 2012<br>6 months | 2011<br>6 months | 2011  | 2010  | 2009  |
| <b>Provision for credit losses by portfolio and sector</b>                        |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| <b>Provision for credit losses on impaired loans</b>                              |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| <b>Retail</b>   |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| Residential mortgages   | 16    | 12    | 9     | 8     | 9     | 16    | 19    | (1)   | 4     | 28               | 25               | 42    | 25    | 22    |
| Personal  | 114   | 112   | 111   | 112   | 100   | 115   | 98    | 118   | 117   | 226              | 215              | 438   | 457   | 494   |
| Credit cards  | 104   | 104   | 101   | 114   | 118   | 115   | 90    | 95    | 112   | 208              | 233              | 448   | 399   | 393   |
| Small business  | 15    | 8     | 6     | 8     | 12    | 9     | 9     | 8     | 15    | 23               | 21               | 35    | 45    | 55    |
|   | 249   | 236   | 227   | 242   | 239   | 255   | 216   | 220   | 248   | 485              | 494              | 963   | 926   | 964   |
| <b>Wholesale</b>  |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| <b>Business</b>   |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| Agriculture   | 1     | -     | 4     | -     | 2     | 1     | 1     | 3     | 3     | 1                | 3                | 7     | 18    | 18    |
| Automotive  | (2)   | 1     | (3)   | (1)   | -     | -     | 6     | 5     | (1)   | (1)              | -                | (4)   | 15    | 21    |
| Consumer goods  | 13    | (1)   | 3     | 5     | 3     | 3     | 13    | 10    | 4     | 12               | 6                | 14    | 29    | 38    |
| Energy  | (3)   | (3)   | (2)   | (6)   | (7)   | (5)   | (6)   | 5     | (2)   | (6)              | (12)             | (20)  | (6)   | 13    |
| Non-bank financial services   | -     | -     | -     | -     | 1     | (12)  | (8)   | (22)  | -     | -                | (11)             | (11)  | (34)  | 264   |
| Forest products   | -     | 1     | 4     | (1)   | -     | 2     | -     | 2     | 1     | 1                | 2                | 5     | 3     | 11    |
| Industrial products   | 23    | 1     | (5)   | 3     | 3     | 2     | (8)   | 2     | (1)   | 24               | 5                | 3     | (6)   | 38    |
| Mining and metals   | -     | -     | -     | -     | -     | -     | (2)   | 1     | 1     | -                | -                | -     | (1)   | 7     |
| Real estate and related <sup>2</sup>  | 37    | 3     | 10    | 36    | 10    | 10    | 17    | 52    | 65    | 40               | 20               | 66    | 184   | 124   |
| Technology and media  | 6     | 4     | -     | (5)   | 4     | (2)   | 6     | (16)  | 1     | 10               | 2                | (3)   | 5     | 94    |
| Transportation and environment  | 15    | 25    | 2     | 24    | 1     | 2     | (1)   | 2     | 7     | 40               | 3                | 29    | 10    | 8     |
| Other <sup>3</sup>  | 9     | 1     | 36    | 23    | 17    | 6     | 48    | 14    | 6     | 10               | 23               | 82    | 76    | 296   |
| Sovereign   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -                | -                | -     | -     | -     |
| Bank  | -     | -     | -     | -     | -     | -     | -     | -     | -     | -                | -                | -     | 15    | 20    |
|   | 99    | 32    | 49    | 78    | 34    | 7     | 66    | 58    | 84    | 131              | 41               | 168   | 308   | 952   |
| <b>Total provision for credit losses on impaired loans</b>                        | 348   | 268   | 276   | 320   | 273   | 262   | 282   | 278   | 332   | 616              | 535              | 1,131 | 1,234 | 1,916 |
| <b>Total provision for credit losses for loans not yet identified as impaired</b> | -     | (1)   | -     | -     | -     | 2     | 1     | (1)   | 2     | (1)              | 2                | 2     | 6     | 251   |
| <b>Total provision for credit losses</b>  | 348   | 267   | 276   | 320   | 273   | 264   | 283   | 277   | 334   | 615              | 537              | 1,133 | 1,240 | 2,167 |
| Individually assessed   | 75    | 20    | 28    | 38    | 11    | (16)  | n.a.  | n.a.  | n.a.  | 95               | (5)              | 61    | n.a.  | n.a.  |
| Collectively assessed   | 273   | 247   | 248   | 282   | 262   | 280   | n.a.  | n.a.  | n.a.  | 520              | 542              | 1,072 | n.a.  | n.a.  |
| <b>Total provision for credit losses</b>  | 348   | 267   | 276   | 320   | 273   | 264   | n.a.  | n.a.  | n.a.  | 615              | 537              | 1,133 | n.a.  | n.a.  |
| <b>Provision for credit losses by geography<sup>4</sup> and portfolio</b>         |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| <b>Canada</b>   |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| Residential mortgages   | 6     | 11    | 4     | 4     | 5     | 12    | 4     | (1)   | 3     | 17               | 17               | 25    | 7     | 18    |
| Personal  | 106   | 107   | 101   | 102   | 97    | 108   | 111   | 104   | 112   | 213              | 205              | 408   | 444   | 467   |
| Credit cards  | 104   | 104   | 101   | 114   | 118   | 115   | 90    | 95    | 112   | 208              | 233              | 448   | 399   | 393   |
| Small business  | 15    | 8     | 6     | 8     | 12    | 9     | 9     | 8     | 15    | 23               | 21               | 35    | 45    | 55    |
| <b>Retail</b>   | 231   | 230   | 212   | 228   | 232   | 244   | 214   | 206   | 242   | 461              | 476              | 916   | 895   | 933   |
| <b>Business</b>   | 37    | 10    | 13    | 38    | 26    | 25    | 24    | 25    | 24    | 47               | 51               | 102   | 122   | 436   |
| Sovereign   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -                | -                | -     | -     | -     |
| Bank  | -     | -     | -     | -     | -     | -     | -     | -     | -     | -                | -                | -     | -     | -     |
| <b>Wholesale</b>  | 37    | 10    | 13    | 38    | 26    | 25    | 24    | 25    | 24    | 47               | 51               | 102   | 122   | 436   |
|   | 268   | 240   | 225   | 266   | 258   | 269   | 238   | 231   | 266   | 508              | 527              | 1,018 | 1,017 | 1,369 |
| <b>United States</b>  |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| <b>Retail</b>   | 1     | -     | 1     | 3     | -     | -     | -     | -     | -     | 1                | -                | 4     | -     | -     |
| Wholesale   | 21    | (2)   | 14    | (12)  | -     | (21)  | (2)   | 17    | 26    | 19               | (21)             | (19)  | 62    | 455   |
|   | 22    | (2)   | 15    | (9)   | -     | (21)  | (2)   | 17    | 26    | 20               | (21)             | (15)  | 62    | 455   |
| <b>Other International</b>  |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| <b>Retail</b>   | 17    | 6     | 14    | 11    | 7     | 11    | 2     | 14    | 6     | 23               | 18               | 43    | 31    | 31    |
| Wholesale   | 41    | 24    | 22    | 52    | 8     | 3     | 44    | 16    | 34    | 65               | 11               | 85    | 124   | 61    |
|   | 58    | 30    | 36    | 63    | 15    | 14    | 46    | 30    | 40    | 88               | 29               | 128   | 155   | 92    |
| <b>Total</b>  |       |       |       |       |       |       |       |       |       |                  |                  |       |       |       |
| <b>Retail</b>   | 249   | 236   | 227   | 242   | 239   | 255   | 216   | 220   | 248   | 485              | 494              | 963   | 926   | 964   |
| <b>Wholesale</b>  | 99    | 32    | 49    | 78    | 34    | 7     | 66    | 58    | 84    | 131              | 41               | 168   | 308   | 952   |
|   | 348   | 268   | 276   | 320   | 273   | 262   | 282   | 278   | 332   | 616              | 535              | 1,131 | 1,234 | 1,916 |

<sup>1</sup> Amounts represent continuing operations.

<sup>2</sup> Wholesale - Real estate and related provision for credit losses in Q2/12 are comprised of losses based in Canada of \$19 million, United States of \$1 million, and Other International of \$17 million.

<sup>3</sup> Wholesale - Other in Q2/12 related to financing products, \$nil; other services, \$(1) million; health, \$nil; holding and investments, \$(1) million; and other, \$11 million.

<sup>4</sup> Geographic information is based on residence of borrower.

n.a. Not applicable.



| ALLOWANCE FOR CREDIT LOSSES <sup>1</sup><br>(C\$ millions) | IFRS  |       |       |       |       |       | CGAAP |       |       | IFRS  | CGAAP |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 | 2011  | 2010  | 2009  |
| <b>Allowance for credit losses by portfolio and sector</b> |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Allowance for impaired loans</b>                        |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Retail</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| Residential mortgages                                      | 87    | 74    | 71    | 71    | 82    | 84    | 65    | 55    | 54    | 71    | 65    | 44    |
| Personal   | 140   | 151   | 145   | 147   | 171   | 192   | 153   | 164   | 162   | 145   | 153   | 163   |
| Small business   | 14    | 16    | 15    | 17    | 18    | 17    | 18    | 20    | 23    | 15    | 18    | 22    |
|  | 241   | 241   | 231   | 235   | 271   | 293   | 236   | 239   | 239   | 231   | 236   | 229   |
| <b>Wholesale</b>   |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Business</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| Agriculture  | 10    | 11    | 14    | 13    | 15    | 14    | 14    | 16    | 16    | 14    | 14    | 10    |
| Automotive   | 15    | 18    | 19    | 24    | 30    | 24    | 31    | 22    | 16    | 19    | 31    | 10    |
| Consumer goods   | 29    | 20    | 21    | 24    | 28    | 34    | 33    | 39    | 30    | 21    | 33    | 36    |
| Energy   | 6     | 5     | 7     | 7     | 12    | 15    | 23    | 28    | 21    | 7     | 23    | 43    |
| Non-bank financial services                                | -     | -     | 12    | 11    | 14    | 18    | 13    | 13    | 24    | 12    | 13    | 71    |
| Forest products  | 7     | 8     | 7     | 4     | 6     | 9     | 6     | 8     | 10    | 7     | 6     | 10    |
| Industrial products  | 35    | 16    | 17    | 34    | 40    | 43    | 37    | 50    | 50    | 17    | 37    | 65    |
| Mining and metals  | 1     | 2     | 1     | 1     | 1     | 1     | 2     | 7     | 6     | 1     | 2     | 5     |
| Real estate and related <sup>2</sup>                       | 90    | 77    | 86    | 95    | 184   | 218   | 94    | 102   | 168   | 86    | 94    | 122   |
| Technology and media                                       | 28    | 24    | 21    | 22    | 25    | 22    | 15    | 12    | 32    | 21    | 15    | 37    |
| Transportation and environment                             | 67    | 56    | 34    | 34    | 16    | 24    | 9     | 9     | 14    | 34    | 9     | 8     |
| Other <sup>3</sup>   | 97    | 94    | 102   | 89    | 109   | 122   | 165   | 182   | 171   | 102   | 165   | 187   |
| Sovereign  | -     | -     | -     | -     | -     | -     | 9     | 9     | 9     | -     | 9     | 10    |
| Bank   | 33    | 33    | 33    | 31    | 32    | 34    | 34    | 34    | 33    | 33    | 34    | 20    |
|  | 418   | 364   | 374   | 389   | 512   | 578   | 485   | 531   | 600   | 374   | 485   | 634   |
| <b>Total</b>   | 659   | 605   | 605   | 624   | 783   | 871   | 721   | 770   | 839   | 605   | 721   | 863   |
| <b>Allowance for loans not yet identified as impaired</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| <b>Retail</b>  |       |       |       |       |       |       |       |       |       |       |       |       |
| Residential mortgages                                      | 48    | 38    | 41    | 40    | 108   | 89    | 26    | 26    | 24    | 41    | 26    | 24    |
| Personal   | 403   | 412   | 412   | 413   | 612   | 654   | 480   | 449   | 449   | 412   | 480   | 449   |
| Credit cards   | 415   | 415   | 415   | 414   | 434   | 434   | 365   | 314   | 316   | 415   | 365   | 313   |
| Small business   | 60    | 60    | 60    | 60    | 60    | 60    | 60    | 60    | 60    | 60    | 60    | 47    |
|  | 926   | 925   | 928   | 927   | 1,214 | 1,237 | 931   | 849   | 849   | 928   | 931   | 833   |
| <b>Wholesale</b>   | 434   | 435   | 434   | 433   | 661   | 676   | 386   | 454   | 454   | 434   | 386   | 468   |
| <b>Off-balance sheet and other items</b>                   | 91    | 91    | 91    | 91    | 103   | 102   | 88    | 100   | 100   | 91    | 88    | 100   |
| <b>Total</b>   | 1,451 | 1,451 | 1,453 | 1,451 | 1,978 | 2,015 | 1,405 | 1,403 | 1,403 | 1,453 | 1,405 | 1,401 |
| <b>Total allowance for credit losses</b>                   | 2,110 | 2,056 | 2,058 | 2,075 | 2,761 | 2,886 | 2,126 | 2,173 | 2,242 | 2,058 | 2,126 | 2,264 |
| Individually assessed                                      | 313   | 253   | 252   | 253   | 298   | 342   | n.a.  | n.a.  | n.a.  | 252   | n.a.  | n.a.  |
| Collectively assessed                                      | 1,797 | 1,803 | 1,806 | 1,822 | 2,463 | 2,544 | n.a.  | n.a.  | n.a.  | 1,806 | n.a.  | n.a.  |
| <b>Total allowance for credit losses</b> <sup>4</sup>      | 2,110 | 2,056 | 2,058 | 2,075 | 2,761 | 2,886 | n.a.  | n.a.  | n.a.  | 2,058 | n.a.  | n.a.  |

<sup>1</sup> The classification of our U.S. Retail Banking operations as discontinued operations will be reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in October 2010 will be reflected as discontinued operations under IFRS from the Transition date.

<sup>2</sup> Wholesale - Real estate and related allowance for credit losses in Q2/12 is comprised of allowances based in Canada of \$60 million, United States of \$nil million and Other International of \$30 million.

<sup>3</sup> Wholesale - Other in Q2/12 related to financing products, \$4 million; other services, \$30 million; health, \$8 million; holding and investments, \$10 million; and other, \$45 million.

<sup>4</sup> We have refined our split of individually and collectively ACL for Q1/11 and Q2/11.

n.a. Not applicable.

| ALLOWANCE FOR CREDIT LOSSES <i>continued</i> <sup>1</sup><br>(C\$ millions)                             | IFRS  |       |       |       |       |       | CGAAP |       |       | IFRS    | CGAAP   |         |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|---------|
|   | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 | 2011    | 2010    | 2009    |
| <b>Allowance for credit losses by geography <sup>2</sup> and portfolio allowance for impaired loans</b> |       |       |       |       |       |       |       |       |       |         |         |         |
| <b>Canada</b>   |       |       |       |       |       |       |       |       |       |         |         |         |
| Residential mortgages   | 46    | 51    | 47    | 49    | 50    | 53    | 47    | 45    | 45    | 47      | 47      | 39      |
| Personal  | 93    | 92    | 88    | 88    | 86    | 94    | 88    | 88    | 90    | 88      | 88      | 94      |
| Small business  | 14    | 16    | 15    | 17    | 18    | 17    | 18    | 20    | 23    | 15      | 18      | 22      |
| <b>Retail</b>   | 153   | 159   | 150   | 154   | 154   | 164   | 153   | 153   | 158   | 150     | 153     | 155     |
| Business  | 177   | 166   | 179   | 211   | 204   | 213   | 207   | 265   | 262   | 179     | 207     | 262     |
| Sovereign   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -       | -       | -       |
| Bank  | -     | -     | -     | -     | -     | -     | -     | -     | -     | -       | -       | -       |
| <b>Wholesale</b>  | 177   | 166   | 179   | 211   | 204   | 213   | 207   | 265   | 262   | 179     | 207     | 262     |
| <b>Canada - Total</b>   | 330   | 325   | 329   | 365   | 358   | 377   | 360   | 418   | 420   | 329     | 360     | 417     |
| <b>United States</b>  |       |       |       |       |       |       |       |       |       |         |         |         |
| Retail  | 1     | 1     | 1     | 1     | 37    | 44    | -     | -     | -     | 1       | -       | -       |
| Wholesale   | 38    | 20    | 25    | 11    | 183   | 226   | 85    | 94    | 184   | 25      | 85      | 251     |
| <b>United States - Total</b>  | 39    | 21    | 26    | 12    | 220   | 270   | 85    | 94    | 184   | 26      | 85      | 251     |
| <b>Other International</b>  |       |       |       |       |       |       |       |       |       |         |         |         |
| Retail  | 87    | 81    | 80    | 80    | 80    | 85    | 83    | 86    | 81    | 80      | 83      | 74      |
| Wholesale   | 203   | 178   | 170   | 167   | 125   | 139   | 193   | 172   | 154   | 170     | 193     | 121     |
| <b>Other International - Total</b>  | 290   | 259   | 250   | 247   | 205   | 224   | 276   | 258   | 235   | 250     | 276     | 195     |
| <b>Total allowance for impaired loans</b>   | 659   | 605   | 605   | 624   | 783   | 871   | 721   | 770   | 839   | 605     | 721     | 863     |
| <b>Total allowance for loans not yet identified as impaired</b>   | 1,451 | 1,451 | 1,453 | 1,451 | 1,978 | 2,015 | 1,405 | 1,403 | 1,403 | 1,453   | 1,405   | 1,401   |
| <b>Total allowance for credit losses</b>  | 2,110 | 2,056 | 2,058 | 2,075 | 2,761 | 2,886 | 2,126 | 2,173 | 2,242 | 2,058   | 2,126   | 2,264   |
| <b>Allowance for credit losses by type</b>  |       |       |       |       |       |       |       |       |       |         |         |         |
| Allowance for loan losses   | 2,019 | 1,965 | 1,967 | 1,984 | 2,658 | 2,784 | 2,038 | 2,073 | 2,142 | 1,967   | 2,038   | 2,164   |
| Allowance for off-balance sheet items   | 91    | 91    | 91    | 91    | 103   | 102   | 88    | 100   | 100   | 91      | 88      | 100     |
| <b>Total</b>  | 2,110 | 2,056 | 2,058 | 2,075 | 2,761 | 2,886 | 2,126 | 2,173 | 2,242 | 2,058   | 2,126   | 2,264   |
| <b>Allowance for credit losses continuity</b>   |       |       |       |       |       |       |       |       |       |         |         |         |
| Allowance for impaired loans  |       |       |       |       |       |       |       |       |       |         |         |         |
| Balance at beginning of period  | 605   | 605   | 624   | 783   | 871   | 931   | 770   | 839   | 858   | 931     | 863     | 558     |
| Balance at beginning of period - discontinued operations  | -     | -     | -     | (204) | -     | -     | n.a.  | n.a.  | n.a.  | (274)   | n.a.    | n.a.    |
| Provision for credit losses <sup>3</sup>  | 348   | 268   | 276   | 320   | 384   | 383   | 282   | 278   | 332   | 1,131   | 1,234   | 1,916   |
| Write-offs  | (319) | (305) | (345) | (327) | (485) | (496) | (381) | (411) | (371) | (1,356) | (1,546) | (1,848) |
| Recoveries  | 59    | 58    | 56    | 60    | 60    | 82    | 55    | 59    | 46    | 244     | 201     | 249     |
| Other adjustments <sup>4</sup>  | (34)  | (21)  | (6)   | (8)   | (47)  | (29)  | (5)   | 5     | (26)  | (71)    | (31)    | (12)    |
| Allowance for impaired loans at end of period   | 659   | 605   | 605   | 624   | 783   | 871   | 721   | 770   | 839   | 605     | 721     | 863     |
| Allowance for loans not yet identified as impaired  |       |       |       |       |       |       |       |       |       |         |         |         |
| Balance at beginning of period  | 1,451 | 1,453 | 1,451 | 1,978 | 2,015 | 2,035 | 1,403 | 1,403 | 1,401 | 2,035   | 1,401   | 1,176   |
| Balance at beginning of period - discontinued operations  | -     | -     | -     | (526) | -     | -     | n.a.  | n.a.  | n.a.  | (580)   | n.a.    | n.a.    |
| Provision for credit losses <sup>3</sup>  | -     | (1)   | -     | -     | (3)   | (8)   | 1     | (1)   | 2     | 2       | 6       | 251     |
| Adjustments on acquisition  | -     | -     | -     | -     | -     | -     | -     | -     | -     | -       | -       | 4       |
| Other adjustments <sup>4</sup>  | -     | (1)   | 2     | (1)   | (34)  | (12)  | 1     | 1     | -     | (4)     | (2)     | (30)    |
| Allowance for loans not yet identified as impaired at end of period                                     | 1,451 | 1,451 | 1,453 | 1,451 | 1,978 | 2,015 | 1,405 | 1,403 | 1,403 | 1,453   | 1,405   | 1,401   |
| <b>Allowance for credit losses</b>  | 2,110 | 2,056 | 2,058 | 2,075 | 2,761 | 2,886 | 2,126 | 2,173 | 2,242 | 2,058   | 2,126   | 2,264   |

<sup>1</sup> The classification of our U.S. Retail Banking operations as discontinued operations will be reflected in our Consolidated Balance Sheets beginning in the quarter ending July 31, 2011. The sale of Liberty Life Insurance Company announced in October 2010 will be reflected as discontinued operations under IFRS from the Transition date.

<sup>2</sup> Geographic information is based on residence of borrower.

<sup>3</sup> Total PCL on impaired loans of \$121 million for Q1/11 and \$111 million for Q2/11 belong to discontinued operations. Total PCL for loans not yet identified as impaired of \$(10) million for Q1/11 and \$(3) million for Q2/11 belong to discontinued operation.

<sup>4</sup> Other adjustments include primarily foreign exchange translations on non-Canadian dollar denominated ACL.

| CREDIT QUALITY RATIOS <sup>1</sup>                                  | IFRS   |         |        |         |        |         | CGAAP   |        |        | IFRS             |                  | IFRS    | CGAAP  |        |
|---|--------|---------|--------|---------|--------|---------|---------|--------|--------|------------------|------------------|---------|--------|--------|
|   | Q2/12  | Q1/12   | Q4/11  | Q3/11   | Q2/11  | Q1/11   | Q4/10   | Q3/10  | Q2/10  | 2012<br>6 months | 2011<br>6 months | 2011    | 2010   | 2009   |
| <b>Diversification ratios</b>                                       |        |         |        |         |        |         |         |        |        |                  |                  |         |        |        |
| Portfolio as a % of Total loans and acceptances                     |        |         |        |         |        |         |         |        |        |                  |                  |         |        |        |
| Retail  | 78%    | 79%     | 80%    | 80%     | 81%    | 81%     | 76%     | 76%    | 76%    | 78%              | 81%              | 80%     | 76%    | 73%    |
| Wholesale   | 22%    | 21%     | 20%    | 20%     | 19%    | 19%     | 24%     | 24%    | 24%    | 22%              | 19%              | 20%     | 24%    | 27%    |
| Canada  | 90%    | 90%     | 91%    | 92%     | 92%    | 92%     | 90%     | 90%    | 90%    | 90%              | 92%              | 91%     | 90%    | 88%    |
| United States   | 4%     | 4%      | 4%     | 3%      | 3%     | 3%      | 4%      | 4%     | 4%     | 4%               | 3%               | 4%      | 4%     | 5%     |
| Other International   | 6%     | 6%      | 5%     | 5%      | 5%     | 5%      | 6%      | 6%     | 6%     | 6%               | 5%               | 5%      | 6%     | 7%     |
| <b>Condition ratios</b>   |        |         |        |         |        |         |         |        |        |                  |                  |         |        |        |
| Gross Impaired Loans (GILs) as a % of Related loans and acceptances |        |         |        |         |        |         |         |        |        |                  |                  |         |        |        |
| Retail  | 0.36%  | 0.38%   | 0.37%  | 0.38%   | 0.40%  | 0.41%   | 0.47%   | 0.46%  | 0.47%  | 0.36%            | 0.40%            | 0.37%   | 0.47%  | 0.45%  |
| Wholesale   | 1.61%  | 1.60%   | 1.77%  | 1.83%   | 1.75%  | 1.89%   | 2.46%   | 2.45%  | 2.62%  | 1.61%            | 1.75%            | 1.77%   | 2.46%  | 2.61%  |
| Canada  | 0.41%  | 0.40%   | 0.40%  | 0.44%   | 0.47%  | 0.49%   | 0.60%   | 0.61%  | 0.64%  | 0.41%            | 0.47%            | 0.40%   | 0.60%  | 0.63%  |
| United States   | 0.80%  | 0.68%   | 0.86%  | 0.68%   | 0.98%  | 1.21%   | 3.08%   | 3.14%  | 4.26%  | 0.80%            | 0.98%            | 0.86%   | 3.08%  | 5.34%  |
| Other International   | 4.04%  | 4.27%   | 5.20%  | 5.25%   | 4.34%  | 4.29%   | 4.85%   | 4.58%  | 4.22%  | 4.04%            | 4.34%            | 5.20%   | 4.85%  | 2.98%  |
| Net Impaired Loans as a % of Loans and acceptances                  |        |         |        |         |        |         |         |        |        |                  |                  |         |        |        |
| Retail  | 0.28%  | 0.30%   | 0.29%  | 0.30%   | 0.31%  | 0.32%   | 0.36%   | 0.35%  | 0.35%  | 0.28%            | 0.31%            | 0.29%   | 0.36%  | 0.33%  |
| Wholesale   | 1.10%  | 1.12%   | 1.25%  | 1.26%   | 1.22%  | 1.31%   | 1.74%   | 1.66%  | 1.72%  | 1.10%            | 1.22%            | 1.25%   | 1.74%  | 1.72%  |
| Canada  | 0.31%  | 0.30%   | 0.30%  | 0.32%   | 0.35%  | 0.36%   | 0.46%   | 0.44%  | 0.46%  | 0.31%            | 0.35%            | 0.30%   | 0.46%  | 0.46%  |
| United States   | 0.57%  | 0.55%   | 0.67%  | 0.58%   | 0.82%  | 1.03%   | 2.36%   | 2.38%  | 2.69%  | 0.57%            | 0.82%            | 0.67%   | 2.36%  | 3.47%  |
| Other International   | 2.69%  | 3.04%   | 3.75%  | 3.69%   | 3.02%  | 2.91%   | 3.13%   | 2.95%  | 2.70%  | 2.69%            | 3.02%            | 3.75%   | 3.13%  | 1.87%  |
| PCL as a % of Average net loans and acceptances                     | 0.39%  | 0.30%   | 0.31%  | 0.37%   | 0.34%  | 0.32%   | 0.40%   | 0.40%  | 0.51%  | 0.34%            | 0.33%            | 0.33%   | 0.45%  | 0.82%  |
| PCL on impaired loans as a % of Average net loans and acceptances   | 0.39%  | 0.30%   | 0.31%  | 0.37%   | 0.34%  | 0.32%   | 0.40%   | 0.40%  | 0.51%  | 0.34%            | 0.33%            | 0.33%   | 0.45%  | 0.72%  |
| Retail  | 0.34%  | 0.32%   | 0.31%  | 0.34%   | 0.35%  | 0.37%   | 0.39%   | 0.40%  | 0.48%  | 0.33%            | 0.36%            | 0.34%   | 0.44%  | 0.50%  |
| Wholesale   | 0.62%  | 0.19%   | 0.30%  | 0.54%   | 0.25%  | 0.08%   | 0.44%   | 0.38%  | 0.59%  | 0.39%            | 0.16%            | 0.28%   | 0.52%  | 1.35%  |
| Canada  | 0.33%  | 0.29%   | 0.27%  | 0.33%   | 0.34%  | 0.35%   | 0.37%   | 0.37%  | 0.45%  | 0.31%            | 0.35%            | 0.32%   | 0.42%  | 0.61%  |
| United States   | 0.60%  | (0.06)% | 0.47%  | (0.33)% | 0.01%  | (0.76)% | (0.01)% | 0.53%  | 0.91%  | 0.27%            | (0.38)%          | (0.11)% | 0.52%  | 2.33%  |
| Other International   | 1.29%  | 0.68%   | 0.94%  | 1.81%   | 0.42%  | 0.40%   | 1.16%   | 0.76%  | 1.05%  | 0.99%            | 0.41%            | 0.87%   | 0.97%  | 0.48%  |
| <b>Coverage ratios</b>  |        |         |        |         |        |         |         |        |        |                  |                  |         |        |        |
| ACL as a % of Total loans and acceptances                           | 0.57%  | 0.57%   | 0.58%  | 0.60%   | 0.60%  | 0.62%   | 0.75%   | 0.78%  | 0.82%  | 0.57%            | 0.60%            | 0.58%   | 0.75%  | 0.84%  |
| ACL against impaired loans as a % of Total loans and acceptances    |        |         |        |         |        |         |         |        |        |                  |                  |         |        |        |
| Retail  | 0.18%  | 0.17%   | 0.17%  | 0.18%   | 0.17%  | 0.19%   | 0.26%   | 0.28%  | 0.31%  | 0.18%            | 0.17%            | 0.17%   | 0.26%  | 0.32%  |
| Wholesale   | 0.06%  | 0.07%   | 0.06%  | 0.07%   | 0.07%  | 0.07%   | 0.08%   | 0.09%  | 0.09%  | 0.06%            | 0.07%            | 0.06%   | 0.08%  | 0.08%  |
| ACL against impaired loans as a % of GIL                            |        |         |        |         |        |         |         |        |        |                  |                  |         |        |        |
| Retail  | 27.89% | 26.06%  | 26.00% | 27.05%  | 26.16% | 26.79%  | 26.91%  | 29.22% | 30.94% | 27.89%           | 26.16%           | 26.00%  | 26.91% | 31.32% |
| Wholesale   | 23.01% | 21.98%  | 22.01% | 22.22%  | 21.61% | 22.63%  | 23.18%  | 24.36% | 24.74% | 23.01%           | 21.61%           | 22.01%  | 23.18% | 25.96% |
| Total net write-offs as a % of Average net loans and acceptances    |        |         |        |         |        |         |         |        |        |                  |                  |         |        |        |
| Retail  | 0.29%  | 0.27%   | 0.33%  | 0.31%   | 0.34%  | 0.34%   | 0.46%   | 0.51%  | 0.50%  | 0.28%            | 0.34%            | 0.33%   | 0.49%  | 0.60%  |
| Wholesale   | 0.32%  | 0.29%   | 0.32%  | 0.33%   | 0.36%  | 0.34%   | 0.39%   | 0.40%  | 0.49%  | 0.30%            | 0.35%            | 0.33%   | 0.43%  | 0.47%  |
| Canada  | 0.16%  | 0.21%   | 0.37%  | 0.22%   | 0.29%  | 0.33%   | 0.74%   | 0.90%  | 0.52%  | 0.18%            | 0.31%            | 0.29%   | 0.72%  | 0.96%  |
| United States   | 0.30%  | 0.27%   | 0.30%  | 0.32%   | 0.34%  | 0.31%   | 0.46%   | 0.38%  | 0.47%  | 0.28%            | 0.33%            | 0.32%   | 0.44%  | 0.53%  |
| Other International   | 0.07%  | 0.08%   | 0.00%  | (0.17)% | 0.05%  | (0.76)% | 0.34%   | 3.59%  | 1.04%  | 0.07%            | (0.36)%          | (0.20)% | 1.78%  | 1.88%  |
| Other International   | 0.35%  | 0.49%   | 1.06%  | 0.51%   | 0.54%  | 1.66%   | 0.65%   | 0.25%  | 0.52%  | 0.41%            | 1.12%            | 0.92%   | 0.39%  | 0.15%  |

<sup>1</sup> Amounts represent continuing operations.

| GROSS CREDIT RISK EXPOSURE BY GEOGRAPHY<br>AND PORTFOLIO <sup>1,2</sup><br>(C\$ millions) | IFRS                      |                     |                    |  |   |                | IFRS           |                |                |                |                | CGAAP          |                |                |
|---|---------------------------|---------------------|--------------------|--|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | Lending-related and other |                     |                    | Trading-related                        |   |                | Q1/12          | Q4/11          | Q3/11          | Q2/11          | Q1/11          | Q4/10          | Q3/10          | Q2/10          |
|   | Loans and acceptances     |                     | Other <sup>3</sup> | Repo-style transactions <sup>4,5</sup> | Over-the-counter derivatives <sup>5,6</sup> | Q2/12 Total    |                |                |                |                |                |                |                |                |
|   | Outstanding               | Undrawn commitments |                    |  |   |                | Total          | Total          | Total          | Total          | Total          | Total          | Total          | Total          |
| <b>Credit risk exposure by geography <sup>7</sup> and portfolio</b>                       |                           |                     |                    |  |   |                |                |                |                |                |                |                |                |                |
| <b>Canada</b>   |                           |                     |                    |  |   |                |                |                |                |                |                |                |                |                |
| Residential mortgages   | 190,537                   | 35                  | -                  | -                                      | -   | 190,572        | 187,100        | 185,633        | 180,844        | 176,457        | 174,185        | 124,076        | 123,327        | 120,720        |
| Personal  | 77,482                    | 66,665              | 29                 | -                                      | -   | 144,176        | 141,433        | 148,911        | 145,203        | 140,826        | 137,948        | 128,271        | 124,899        | 120,369        |
| Credit cards  | 12,812                    | 20,449              | -                  | -                                      | -   | 33,261         | 37,002         | 39,233         | 42,554         | 41,967         | 45,765         | 39,378         | 35,421         | 40,354         |
| Small business  | 2,477                     | 3,769               | 40                 | -                                      | -   | 6,286          | 6,186          | 6,691          | 6,578          | 6,532          | 6,499          | 5,893          | 5,816          | 5,780          |
| Retail  | 283,308                   | 90,918              | 69                 | -                                      | -   | 374,295        | 371,721        | 380,468        | 375,179        | 365,782        | 364,397        | 297,618        | 289,463        | 287,223        |
| Business  | 47,766                    | 21,705              | 8,098              | 46,327                                 | 4,426                                       | 128,322        | 110,185        | 111,664        | 107,178        | 105,694        | 109,624        | 105,467        | 113,831        | 105,905        |
| Sovereign   | 3,322                     | 3,502               | 14,191             | 13,212                                 | 3,389                                       | 37,616         | 35,429         | 27,838         | 28,378         | 28,237         | 28,765         | 29,099         | 30,325         | 30,810         |
| Bank  | 501                       | 71                  | 17,110             | 16,184                                 | 2,129                                       | 35,995         | 42,012         | 41,299         | 43,359         | 49,327         | 46,851         | 44,601         | 45,743         | 42,736         |
| Wholesale   | 51,589                    | 25,278              | 39,399             | 75,723                                 | 9,944                                       | 201,933        | 187,626        | 180,801        | 178,915        | 183,258        | 185,240        | 179,167        | 189,899        | 179,451        |
| <b>Total Canada</b>   | <b>334,897</b>            | <b>116,196</b>      | <b>39,468</b>      | <b>75,723</b>                          | <b>9,944</b>                                | <b>576,228</b> | <b>559,347</b> | <b>561,269</b> | <b>554,094</b> | <b>549,040</b> | <b>549,637</b> | <b>476,785</b> | <b>479,362</b> | <b>466,674</b> |
| <b>United States</b>  |                           |                     |                    |  |   |                |                |                |                |                |                |                |                |                |
| Residential mortgages   | 264                       | -                   | -                  | -                                      | -   | 264            | 2,233          | 2,227          | 2,142          | 2,114          | 2,350          | 2,510          | 2,589          | 2,656          |
| Personal  | 2,802                     | 255                 | 6                  | -                                      | -   | 3,063          | 9,094          | 8,733          | 8,447          | 8,802          | 9,274          | 10,565         | 10,758         | 10,388         |
| Credit cards  | 43                        | 213                 | -                  | -                                      | -   | 256            | 665            | 653            | 583            | 571            | 585            | 530            | 513            | 455            |
| Small business  | -                         | -                   | -                  | -                                      | -   | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Retail  | 3,109                     | 468                 | 6                  | -                                      | -   | 3,583          | 11,992         | 11,613         | 11,172         | 11,487         | 12,209         | 13,605         | 13,860         | 13,499         |
| Business  | 13,969                    | 21,704              | 7,635              | 44,441                                 | 5,362                                       | 93,111         | 105,285        | 89,148         | 72,114         | 66,640         | 77,807         | 75,712         | 74,949         | 69,436         |
| Sovereign   | -                         | 1,103               | 2,432              | -                                      | 1,657                                       | 5,192          | 6,232          | 5,438          | 3,763          | 4,387          | 3,710          | 3,090          | 2,971          | 1,842          |
| Bank  | 66                        | 43                  | 7,470              | 28,724                                 | 4,328                                       | 40,629         | 41,767         | 41,125         | 39,128         | 31,268         | 28,991         | 23,240         | 19,741         | 19,621         |
| Wholesale   | 14,035                    | 22,850              | 17,537             | 73,165                                 | 11,345                                      | 138,932        | 153,284        | 135,711        | 115,005        | 102,295        | 110,508        | 102,042        | 97,661         | 90,899         |
| <b>Total United States</b>  | <b>17,144</b>             | <b>23,318</b>       | <b>17,543</b>      | <b>73,165</b>                          | <b>11,345</b>                               | <b>142,515</b> | <b>165,276</b> | <b>147,324</b> | <b>126,177</b> | <b>113,782</b> | <b>122,717</b> | <b>115,647</b> | <b>111,521</b> | <b>104,398</b> |
| <b>Other International</b>  |                           |                     |                    |  |   |                |                |                |                |                |                |                |                |                |
| Residential mortgages   | 2,430                     | -                   | -                  | -                                      | -   | 2,430          | 2,458          | 2,465          | 2,336          | 2,286          | 2,408          | 2,418          | 2,399          | 2,293          |
| Personal  | 2,724                     | 307                 | 9                  | -                                      | -   | 3,040          | 3,074          | 2,946          | 2,688          | 2,497          | 2,577          | 2,578          | 2,457          | 2,250          |
| Credit cards  | 180                       | 128                 | -                  | -                                      | -   | 308            | 335            | 344            | 353            | 339            | 368            | 346            | 330            | 339            |
| Small business  | -                         | -                   | -                  | -                                      | -   | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Retail  | 5,334                     | 435                 | 9                  | -                                      | -   | 5,778          | 5,867          | 5,755          | 5,377          | 5,122          | 5,353          | 5,342          | 5,186          | 4,882          |
| Business  | 14,579                    | 7,848               | 4,977              | 48,909                                 | 4,242                                       | 80,555         | 81,175         | 68,397         | 61,685         | 67,271         | 59,356         | 60,969         | 47,881         | 47,699         |
| Sovereign   | 705                       | 335                 | 12,748             | 6,824                                  | 3,631                                       | 24,243         | 20,484         | 22,721         | 21,502         | 18,813         | 18,153         | 15,371         | 11,809         | 9,045          |
| Bank  | 735                       | 171                 | 24,113             | 33,269                                 | 20,850                                      | 79,138         | 88,745         | 79,579         | 81,015         | 83,724         | 73,533         | 70,285         | 70,951         | 56,514         |
| Wholesale   | 16,019                    | 8,354               | 41,838             | 89,002                                 | 28,723                                      | 183,936        | 190,404        | 170,697        | 164,202        | 169,808        | 151,042        | 146,625        | 130,641        | 113,258        |
| <b>Total Other International</b>  | <b>21,353</b>             | <b>8,789</b>        | <b>41,847</b>      | <b>89,002</b>                          | <b>28,723</b>                               | <b>189,714</b> | <b>196,271</b> | <b>176,452</b> | <b>169,579</b> | <b>174,930</b> | <b>156,395</b> | <b>151,967</b> | <b>135,827</b> | <b>118,140</b> |
| <b>Total exposure</b>   | <b>373,394</b>            | <b>148,303</b>      | <b>98,858</b>      | <b>237,890</b>                         | <b>50,012</b>                               | <b>908,457</b> | <b>920,894</b> | <b>885,045</b> | <b>849,850</b> | <b>837,752</b> | <b>828,749</b> | <b>744,399</b> | <b>726,710</b> | <b>689,212</b> |

<sup>1</sup> Amounts prior to Q2/12 represent consolidated (combined continuing and discontinued) operations.

<sup>2</sup> Gross credit risk exposure is before allowance for loan losses. Exposure to Basel II 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.

<sup>3</sup> Includes contingent liabilities such as letters of credit and guarantees, available-for-sale debt securities and deposits with financial institutions.

<sup>4</sup> Includes repurchase and reverse repurchase agreements and securities borrowing and lending transactions.

<sup>5</sup> For trading-related credit risk, we use statistical models to derive a credit risk exposure profile by modeling the potential value of the portfolio or trades with each counterparty over its life to estimate expected credit risk exposure and expected loss. The model takes into account wrong-way risk which arises when default risk and credit exposure increase together, in which case we use the worst case exposure value.

<sup>6</sup> Credit equivalent amount after factoring in master netting agreements.

<sup>7</sup> Based on country of residence of borrower.

| EXPOSURE COVERED BY CREDIT RISK MITIGATION <sup>1</sup><br>(C\$ millions)   | IFRS<br>Q2/12                              |                               |                               |         | IFRS<br>Q1/12                              |                               |                               |                    | IFRS<br>Q4/11                              |                               |                               |                    | IFRS<br>Q3/11                              |                               |                               |         |  |
|---|--|-------------------------------|-------------------------------|---------|--|-------------------------------|-------------------------------|--------------------|--|-------------------------------|-------------------------------|--------------------|--|-------------------------------|-------------------------------|---------|--|
|   | Standardized                               |                               | AIRB <sup>3</sup>             |         | Standardized                               |                               | AIRB <sup>3</sup>             |                    | Standardized                               |                               | AIRB <sup>3</sup>             |                    | Standardized                               |                               | AIRB <sup>3</sup>             |         |  |
|   | Eligible financial collateral <sup>2</sup> | Guarantees/credit derivatives | Guarantees/credit derivatives | Total   | Eligible financial collateral <sup>2</sup> | Guarantees/credit derivatives | Guarantees/credit derivatives | Total <sup>4</sup> | Eligible financial collateral <sup>2</sup> | Guarantees/credit derivatives | Guarantees/credit derivatives | Total <sup>4</sup> | Eligible financial collateral <sup>2</sup> | Guarantees/credit derivatives | Guarantees/credit derivatives | Total   |  |
|   |  |                               |                               |         |  |                               |                               |                    |  |                               |                               |                    |  |                               |                               |         |  |
| <b>Retail</b>   |  |                               |                               |         |  |                               |                               |                    |  |                               |                               |                    |  |                               |                               |         |  |
| Residential mortgages   | -  | 7,593                         | 62,336                        | 69,929  | -  | 7,425                         | 58,524                        | 65,949             | -  | 7,256                         | 58,642                        | 65,898             | -  | 523                           | 23,046                        | 23,569  |  |
| Personal  | -  | 5,652                         | 1,177                         | 6,829   | -  | 5,599                         | 1,170                         | 6,769              | -  | 5,327                         | 1,163                         | 6,490              | -  | 789                           | 1,115                         | 1,904   |  |
| Credit cards  | -  | -                             | -                             | -       | -  | -                             | -                             | -                  | -  | -                             | -                             | -                  | -  | -                             | -                             | -       |  |
| Small business  | -  | -                             | 236                           | 236     | -  | -                             | 238                           | 238                | -  | -                             | 237                           | 237                | -  | -                             | 233                           | 233     |  |
| <b>Wholesale</b>  |  |                               |                               |         |  |                               |                               |                    |  |                               |                               |                    |  |                               |                               |         |  |
| Business  | 25,215                                     | -                             | 358                           | 25,573  | 11,859                                     | -                             | 374                           | 12,233             | 13,637                                     | -                             | 384                           | 14,021             | 12,905                                     | -                             | 434                           | 13,339  |  |
| Sovereign   | 1,219                                      | -                             | -                             | 1,219   | -  | -                             | -                             | -                  | -  | -                             | -                             | -                  | -  | -                             | -                             | -       |  |
| Bank  | 23,926                                     | 1,479                         | -                             | 25,405  | 24,894                                     | 1,807                         | -                             | 26,701             | 21,835                                     | -                             | -                             | 21,835             | 20,783                                     | -                             | -                             | 20,783  |  |
|   | 50,360                                     | 1,479                         | 358                           | 52,197  | 36,753                                     | 1,807                         | 374                           | 38,934             | 35,472                                     | -                             | 384                           | 35,856             | 33,688                                     | -                             | 434                           | 34,122  |  |
| <b>Total exposure covered by credit risk mitigation</b>   | 50,360                                     | 14,724                        | 64,107                        | 129,191 | 36,753                                     | 14,831                        | 60,306                        | 111,890            | 35,472                                     | 12,583                        | 60,426                        | 108,481            | 33,688                                     | 1,312                         | 24,828                        | 59,828  |  |
| <b>CREDIT EXPOSURE BY RESIDUAL CONTRACTUAL MATURITY <sup>1</sup></b><br>(C\$ millions, except percentage and per share amounts) | IFRS<br>Q2/12                              |                               |                               |         | IFRS<br>Q1/12                              |                               |                               |                    | IFRS<br>Q4/11                              |                               |                               |                    | IFRS<br>Q3/11                              |                               |                               |         |  |
|   | Residual contractual maturity term         |                               |                               | Total   | Residual contractual maturity term         |                               |                               | Total              | Residual contractual maturity term         |                               |                               | Total              | Residual contractual maturity term         |                               |                               | Total   |  |
|   | Within 1 year                              | 1 to 5 years                  | Over 5 years                  |         | Within 1 year                              | 1 to 5 years                  | Over 5 years                  |                    | Within 1 year                              | 1 to 5 years                  | Over 5 years                  |                    | Within 1 year                              | 1 to 5 years                  | Over 5 years                  |         |  |
| <b>Lending-related</b>  |  |                               |                               |         |  |                               |                               |                    |  |                               |                               |                    |  |                               |                               |         |  |
| Outstanding loans and acceptances   | 152,539                                    | 190,247                       | 30,608                        | 373,394 | 157,276                                    | 189,352                       | 34,224                        | 380,852            | 148,396                                    | 194,730                       | 35,278                        | 378,404            | 142,529                                    | 189,647                       | 34,159                        | 366,335 |  |
| Undrawn commitments   | 109,449                                    | 37,949                        | 905                           | 148,303 | 111,700                                    | 35,305                        | 2,030                         | 149,035            | 125,112                                    | 30,706                        | 2,128                         | 157,946            | 124,950                                    | 26,784                        | 1,984                         | 153,718 |  |
| Other <sup>5</sup>  | 78,640                                     | 15,272                        | 4,946                         | 98,858  | 85,472                                     | 18,224                        | 5,381                         | 109,077            | 82,887                                     | 12,908                        | 4,467                         | 100,262            | 79,278                                     | 13,080                        | 5,514                         | 97,872  |  |
|   | 340,628                                    | 243,468                       | 36,459                        | 620,555 | 354,448                                    | 242,881                       | 41,635                        | 638,964            | 356,395                                    | 238,344                       | 41,873                        | 636,612            | 346,757                                    | 229,511                       | 41,657                        | 617,925 |  |
| <b>Trading-related</b>  |  |                               |                               |         |  |                               |                               |                    |  |                               |                               |                    |  |                               |                               |         |  |
| Repo-style transactions <sup>6</sup>  | 237,890                                    | -                             | -                             | 237,890 | 225,560                                    | -                             | -                             | 225,560            | 190,471                                    | -                             | -                             | 190,471            | 176,623                                    | -                             | -                             | 176,623 |  |
| Over-the-counter derivatives <sup>7</sup>   | 10,954                                     | 16,932                        | 22,126                        | 50,012  | 12,631                                     | 19,014                        | 24,725                        | 56,370             | 13,656                                     | 20,755                        | 23,551                        | 57,962             | 13,127                                     | 20,939                        | 21,236                        | 55,302  |  |
|   | 248,844                                    | 16,932                        | 22,126                        | 287,902 | 238,191                                    | 19,014                        | 24,725                        | 281,930            | 204,127                                    | 20,755                        | 23,551                        | 248,433            | 189,750                                    | 20,939                        | 21,236                        | 231,925 |  |
| <b>Total exposure <sup>8</sup></b>  | 589,472                                    | 260,400                       | 58,585                        | 908,457 | 592,639                                    | 261,895                       | 66,360                        | 920,894            | 560,522                                    | 259,099                       | 65,424                        | 885,045            | 536,507                                    | 250,450                       | 62,893                        | 849,850 |  |

<sup>1</sup> Amounts prior to Q2/12 represent consolidated (combined continuing and discontinued) operations.

<sup>2</sup> Eligible financial collateral includes cash and deposit, gold, as well as qualifying debt securities, equities and mutual funds.

<sup>3</sup> Under the AIRB 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.

<sup>4</sup> Increase in retail exposure covered by credit risk mitigation between Q4/11 and Q3/11 is accounted for by the implementation of OSFI guidelines on classification of certain mortgage-backed securities in Basel II as of Q4/11.

<sup>5</sup> Includes contingent liabilities such as letters of credit and guarantees, available-for-sale debt securities, and deposits with financial institutions.

<sup>6</sup> Includes repurchase and reverse repurchase agreements and securities borrowing and lending transactions.

<sup>7</sup> Credit equivalent amount after factoring in master netting agreements.

<sup>8</sup> Represents exposure at default, which is the expected gross exposure upon the default of an obligor. This amount is before any specific allowances and does not reflect the impact of credit risk mitigation.

| CREDIT EXPOSURE OF PORTFOLIOS UNDER THE STANDARDIZED APPROACH BY RISK WEIGHT <sup>1</sup><br>(C\$ millions, except percentage amounts) | IFRS                        |                |                |               |               |               | CGAAP                        |               |               |
|--|-----------------------------|----------------|----------------|---------------|---------------|---------------|------------------------------|---------------|---------------|
|  | Q2/12                       | Q1/12          | Q4/11          | Q3/11         | Q2/11         | Q1/11         | Q4/10                        | Q3/10         | Q2/10         |
|  | Gross exposure <sup>2</sup> |                |                |               |               |               | Gross exposures <sup>2</sup> |               |               |
| <b>Risk weight<sup>3</sup></b>   |                             |                |                |               |               |               |                              |               |               |
| 0%   | 4,849                       | 5,501          | 7,646          | 6,152         | 5,656         | 6,366         | 5,873                        | 5,277         | 4,745         |
| 20%  | 57,563                      | 47,099         | 47,765         | 47,289        | 53,028        | 47,379        | 41,833                       | 47,784        | 36,965        |
| 35%  | 911                         | 1,408          | 1,530          | 1,490         | 1,472         | 1,603         | 1,575                        | 1,602         | 1,597         |
| 50%  | 1,224                       | 1,063          | 919            | 884           | 751           | 732           | 701                          | 523           | 436           |
| 75%  | 15,794                      | 23,421         | 23,067         | 11,205        | 10,877        | 11,465        | 12,542                       | 12,707        | 12,659        |
| 100%   | 19,034                      | 29,625         | 27,343         | 28,176        | 25,880        | 26,623        | 30,395                       | 29,732        | 29,488        |
| 150%   | 570                         | 1,491          | 1,628          | 1,466         | 1,801         | 1,973         | 2,126                        | 2,057         | 1,730         |
| <b>Total</b>   | <b>99,945</b>               | <b>109,608</b> | <b>109,898</b> | <b>96,662</b> | <b>99,465</b> | <b>96,141</b> | <b>95,045</b>                | <b>99,682</b> | <b>87,620</b> |

| ACTUAL LOSSES VS. ESTIMATED LOSSES <sup>1</sup> | IFRS                          |                                  | IFRS                          |                                  | IFRS                          |                                  |  | IFRS                          |                                  |
|---|-------------------------------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|--|-------------------------------|----------------------------------|
|   | Q2/12                         |                                  | Q1/12                         |                                  | Q4/11                         |                                  | Average historical actual loss rate <sup>6</sup> | Q3/11                         |                                  |
|   | Actual loss rate <sup>4</sup> | Estimated loss rate <sup>5</sup> | Actual loss rate <sup>4</sup> | Estimated loss rate <sup>5</sup> | Actual loss rate <sup>4</sup> | Estimated loss rate <sup>5</sup> |  | Actual loss rate <sup>4</sup> | Estimated loss rate <sup>5</sup> |
| Residential mortgages                           | 0.03%                         | 0.06%                            | 0.04%                         | 0.06%                            | 0.04%                         | 0.07%                            | 0.02%  | 0.05%                         | 0.07%                            |
| Personal  | 0.63%                         | 0.77%                            | 0.65%                         | 0.77%                            | 0.68%                         | 0.78%                            | 0.76%  | 0.67%                         | 0.80%                            |
| Credit cards                                    | 3.30%                         | 3.24%                            | 3.41%                         | 3.30%                            | 3.47%                         | 3.26%                            | 3.31%  | 3.72%                         | 3.28%                            |
| Small business                                  | 1.49%                         | 2.10%                            | 1.36%                         | 2.06%                            | 1.37%                         | 2.11%                            | 1.70%  | 1.42%                         | 2.15%                            |
| <b>Retail</b>                                   | <b>0.37%</b>                  | <b>0.51%</b>                     | <b>0.38%</b>                  | <b>0.55%</b>                     | <b>0.40%</b>                  | <b>0.50%</b>                     | <b>0.42%</b>                                     | <b>0.46%</b>                  | <b>0.51%</b>                     |
| Business  | 0.56%                         | 0.77%                            | 0.55%                         | 0.78%                            | 0.56%                         | 0.77%                            | 0.52%  | 0.63%                         | 0.79%                            |
| Sovereign                                       | 0.00%                         | 0.01%                            | 0.00%                         | 0.01%                            | 0.00%                         | 0.01%                            | 0.00%  | 0.00%                         | 0.01%                            |
| Bank  | 0.00%                         | 0.07%                            | 0.00%                         | 0.07%                            | 0.00%                         | 0.07%                            | 0.16%  | 0.00%                         | 0.07%                            |
| <b>Wholesale</b>                                | <b>0.52%</b>                  | <b>0.72%</b>                     | <b>0.51%</b>                  | <b>0.70%</b>                     | <b>0.51%</b>                  | <b>0.72%</b>                     | <b>0.49%</b>                                     | <b>0.57%</b>                  | <b>0.71%</b>                     |

<sup>1</sup> Amounts prior to Q2/12 represent consolidated (combined continuing and discontinued) operations

<sup>2</sup> Represents exposure at default, which is the expected gross exposure upon the default of an obligor. This amount is before any specific allowances and does not reflect the impact of credit risk mitigation.

<sup>3</sup> 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 in accordance with OSFI's standards and guidelines taking into consideration certain exposure specific factors including counterparty type, exposure type and credit risk mitigation technique employed.

<sup>4</sup> Actual loss reflects internal credit loss experience realized over a given period or "point in time". Actual loss rate is the sum of the impairment losses on impaired loans divided by average of loans and acceptances period end outstanding for the current and prior 3-quarter period. Actual losses prior to Q4/11 are the same as CGAAP due to implementation of IFRS in Basel II as of Q1/11.

<sup>5</sup> Estimated loss represents expected loss which is calculated using the Basel II "through the cycle" parameters of probability of default x loss given default x exposure at default, conservatively 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. Estimated losses in 2011 are the same as CGAAP due to implementation of IFRS in Basel II as of Q1/11.

<sup>6</sup> Average annual actual loss rate from fiscal 2003 through to the most recent full year. The information will be updated on an annual basis.

**RETAIL CREDIT EXPOSURE**  
**BY PORTFOLIO AND RISK CATEGORY<sup>1</sup>**  
(C\$ millions, except percentage and per share amount)

|                                   |                |                |               |              |                |
|-----------------------------------|----------------|----------------|---------------|--------------|----------------|
| Low risk (0.00%-1.00%)            | 160,679        | 127,492        | 25,375        | 3,111        | 316,657        |
| Medium risk (1.10%-6.40%)         | 24,887         | 18,718         | 7,233         | 2,183        | 53,021         |
| High risk (6.50%-99.99%)          | 6,986          | 3,773          | 1,217         | 956          | 12,932         |
| Impaired (100%)                   | 714            | 296            | -             | 36           | 1,046          |
| <b>Total exposure<sup>2</sup></b> | <b>193,266</b> | <b>150,279</b> | <b>33,825</b> | <b>6,286</b> | <b>383,656</b> |

**IFRS**  
**Q2/12**

| Residentia mortgages | Personal       | Credit cards  | Small business | Total          |
|----------------------|----------------|---------------|----------------|----------------|
| 160,679              | 127,492        | 25,375        | 3,111          | 316,657        |
| 24,887               | 18,718         | 7,233         | 2,183          | 53,021         |
| 6,986                | 3,773          | 1,217         | 956            | 12,932         |
| 714                  | 296            | -             | 36             | 1,046          |
| <b>193,266</b>       | <b>150,279</b> | <b>33,825</b> | <b>6,286</b>   | <b>383,656</b> |

**IFRS**  
**Q1/12**

| Residentia mortgages | Personal       | Credit cards  | Small business | Total          |
|----------------------|----------------|---------------|----------------|----------------|
| 159,977              | 131,159        | 29,450        | 3,098          | 323,684        |
| 23,717               | 18,346         | 7,329         | 2,001          | 51,393         |
| 7,230                | 3,718          | 1,223         | 1,047          | 13,218         |
| 867                  | 378            | -             | 40             | 1,285          |
| <b>191,791</b>       | <b>153,601</b> | <b>38,002</b> | <b>6,186</b>   | <b>389,580</b> |

**WHOLESALE CREDIT EXPOSURE**  
**BY PORTFOLIO AND RISK RATING<sup>1</sup>**  
(C\$ millions, except percentage and per share amount)

|                                   |  |   |  |   |  |
|-----------------------------------|--|---|--|---|--|
| <b>Total exposure<sup>3</sup></b> | <b>Undrawn commitments (Notional amount)</b> | <b>Average probability of default<sup>4</sup> (%)</b> | <b>Average loss given default rate<sup>4</sup> (%)</b> | <b>Average exposure at default rate<sup>4</sup> (%)</b> | <b>Average risk weight<sup>4</sup> (%)</b> |
|-----------------------------------|--|---|--|---|--|

| IFRS                        |                                       |   |  |   |                                      |
|-----------------------------|---------------------------------------|---|--|---|--------------------------------------|
| Q2/12                       |                                       |   |  |   |                                      |
| Total exposure <sup>3</sup> | Undrawn commitments (Notional amount) | Average probability of default <sup>4</sup> (%) | Average loss given default rate <sup>4</sup> (%) | Average exposure at default rate <sup>4</sup> (%) | Average risk weight <sup>4</sup> (%) |
| 127,571                     | 118,617                               | 2.30%   | 35.04%   | 54.12%  | 63.48%                               |

| IFRS                        |                                       |   |  |   |                                      |
|-----------------------------|---------------------------------------|---|--|---|--------------------------------------|
| Q1/12                       |                                       |   |  |   |                                      |
| Total exposure <sup>3</sup> | Undrawn commitments (Notional amount) | Average probability of default <sup>4</sup> (%) | Average loss given default rate <sup>4</sup> (%) | Average exposure at default rate <sup>4</sup> (%) | Average risk weight <sup>4</sup> (%) |
| 131,060                     | 115,215                               | 3.50%   | 31.94%   | 53.74%  | 67.30%                               |

**INTERNAL RATING<sup>5</sup>**

| Business  | 1-4   | 5-7   | 8-10   | 11-13  | 14-16  | 17-20 | 21-22 | Total Business |
|-----------|-------|-------|--------|--------|--------|-------|-------|----------------|
| Business  | 7,403 | 8,053 | 40,291 | 44,327 | 19,120 | 1,900 | 1,284 | 127,571        |
| Sovereign | 3,872 | 3,485 | 1,396  | 187    | 25     | 2     | -     | 8,967          |
| Bank      | 74    | 815   | 550    | 80     | 32     | 3     | 33    | 1,587          |

| Business  | 1-4    | 5-7    | 8-10   | 11-13  | 14-16  | 17-20  | 21-22  | Total Business |
|-----------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Business  | 61.94% | 41.84% | 39.77% | 32.34% | 32.48% | 31.61% | 35.49% | 54.12%         |
| Sovereign | 14.99% | 34.31% | 31.00% | 33.06% | 34.27% | 11.97% | -      | 25.42%         |
| Bank      | 44.99% | 40.86% | 38.75% | 38.69% | 39.11% | 8.73%  | 25.00% | 39.79%         |

| Business  | 1-4   | 5-7    | 8-10   | 11-13  | 14-16  | 17-20 | 21-22 | Total Business |
|-----------|-------|--------|--------|--------|--------|-------|-------|----------------|
| Business  | 6.422 | 20,797 | 40,056 | 32,659 | 12,169 | 1,251 | 206   | 131,060        |
| Sovereign | 2,685 | 3,602  | 1,001  | 468    | 11     | 3     | 1     | 7,545          |
| Bank      | 69    | 728    | 856    | 92     | 15     | 2     | 34    | 1,796          |

<sup>1</sup> Amounts prior to Q2/12 represent consolidated (combined continuing and discontinued) operations.

<sup>2</sup> Total exposure represents exposure at default, which is the expected gross exposure upon the default of an obligor. This amount is before any specific allowances and does not reflect the impact of credit risk mitigation such as guarantees. Exposure under Basel III 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.

<sup>3</sup> Total exposure includes loans and acceptances outstanding and undrawn commitments and represents exposure at default, which is the expected gross exposure upon the default of an obligor. This amount is before any specific allowances and does not reflect the impact of credit risk mitigation.

<sup>4</sup> Represents the exposure-weighted average of probability of default, loss given default rate, exposure at default (EAD) rate and risk weight within each internal rating. EAD rate is a percentage of undrawn commitments (notional amount) that is currently undrawn but expected to be drawn in the event of a default.

<sup>5</sup> Ratings 8-10 or above are regarded as investment grade while ratings 11-13 or below to 17-20 inclusive are non-investment grade. Ratings 21-22 represent impaired/default.

| REALIZED GAINS AND LOSSES ON AVAILABLE-FOR-SALE SECURITIES <sup>1</sup><br>(C\$ millions)               | IFRS  |       |       |       |       |       | CGAAP |       |       | IFRS  | CGAAP |       |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|   | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 | 2011  | 2010  | 2009  |
| Realized gains  | 53    | 38    | 31    | 84    | 125   | 68    | 69    | 62    | 94    | 308   | 366   | 290   |
| Realized losses and writedowns  | (69)  | (17)  | (25)  | (13)  | (67)  | (89)  | (52)  | (45)  | (91)  | (194) | (320) | (895) |
| Net gains (losses) on Available-for-sale securities   | (16)  | 21    | 6     | 71    | 58    | (21)  | 17    | 17    | 3     | 114   | 46    | (605) |
| Less: Amount booked in Insurance premium, investment and fee income                                     | 1     | 6     | 8     | 7     | -     | (5)   | 4     | -     | 2     | 10    | 8     | 6     |
| Net gains (losses) on Available-for-sale securities net of Insurance premium, investment and fee income | (17)  | 15    | (2)   | 64    | 58    | (16)  | 13    | 17    | 1     | 104   | 38    | (611) |

| TRADING CREDIT DERIVATIVES <sup>1,2</sup><br>(C\$ millions) | IFRS  |       |        |        |        |        | CGAAP  |        |        |
|---|-------|-------|--------|--------|--------|--------|--------|--------|--------|
|   | Q2/12 | Q1/12 | Q4/11  | Q3/11  | Q2/11  | Q1/11  | Q4/10  | Q3/10  | Q2/10  |
| Notional amount   |       |       |        |        |        |        |        |        |        |
| Protection purchased  | 8,691 | 9,554 | 24,284 | 24,726 | 24,313 | 24,007 | 47,985 | 47,035 | 51,531 |
| Protection sold   | 7,410 | 8,311 | 21,352 | 22,748 | 21,578 | 22,533 | 40,087 | 36,769 | 41,371 |
| Fair value <sup>3</sup>                                     |       |       |        |        |        |        |        |        |        |
| Positive  | 436   | 496   | 599    | 668    | 750    | 867    | 1,996  | 2,190  | 2,390  |
| Negative  | 435   | 517   | 815    | 709    | 781    | 918    | 1,690  | 1,889  | 2,031  |
| Replacement cost <sup>4</sup>                               | 195   | 258   | 291    | 378    | 319    | 390    | 937    | 1,050  | 1,129  |

| OTHER THAN TRADING CREDIT DERIVATIVES POSITIONS <sup>1,5</sup><br>(NOTIONAL AMOUNT AND FAIR VALUE)<br>(C\$ millions) | IFRS  |       |       |       |       |       | CGAAP |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|  | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | Q4/10 | Q3/10 | Q2/10 |
| Notional amount  |       |       |       |       |       |       |       |       |       |
| Automotive   | 133   | 135   | 135   | 129   | 128   | 135   | 138   | 139   | 213   |
| Energy   | 89    | 90    | 140   | 215   | 213   | 225   | 230   | 231   | 229   |
| Non-bank financial services  | 936   | 876   | 887   | 953   | 698   | 703   | 362   | 265   | 475   |
| Mining & metals  | -     | -     | -     | -     | -     | 40    | 41    | 41    | 137   |
| Real estate & related  | 0     | 20    | 68    | 66    | 66    | 68    | 75    | 177   | 184   |
| Technology & media   | 15    | 15    | 15    | 14    | -     | -     | -     | -     | -     |
| Transportation & environment   | 269   | 313   | 321   | 291   | 290   | 205   | 251   | 248   | 186   |
| Other <sup>6</sup>   | 45    | 45    | 45    | 43    | 43    | 45    | 46    | 47    | 45    |
| Sovereign  | 60    | 61    | 76    | 92    | 92    | 98    | 101   | 103   | 103   |
| Bank   | 212   | 216   | 214   | 205   | 203   | 215   | 235   | 339   | 335   |
| Net protection purchased   | 1,759 | 1,771 | 1,901 | 2,008 | 1,733 | 1,734 | 1,479 | 1,590 | 1,907 |
| Offsetting protection sold related to the same reference entity  | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Gross protection purchased   | 1,759 | 1,771 | 1,901 | 2,008 | 1,733 | 1,734 | 1,479 | 1,590 | 1,907 |
| Net protection sold  | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Offsetting protection purchased related to the same reference entity   | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Gross protection sold  | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Gross protection purchased and sold (notional amount)  | 1,759 | 1,771 | 1,901 | 2,008 | 1,733 | 1,734 | 1,479 | 1,590 | 1,907 |
| Fair value <sup>3</sup>  |       |       |       |       |       |       |       |       |       |
| Positive   | 20    | 24    | 41    | 12    | 4     | 6     | 7     | 43    | 45    |
| Negative   | 26    | 21    | 19    | 28    | 37    | 28    | 28    | 22    | 32    |

<sup>1</sup> Amounts represent continuing operations.

<sup>2</sup> Comprises credit default swaps, total return swaps and credit default baskets. As at Q2/12, over 97% of our net exposures are with investment grade counterparties.

<sup>3</sup> Gross fair value before netting.

<sup>4</sup> Replacement cost includes the impact of netting but excludes collateral.

<sup>5</sup> Comprises credit default swaps.

<sup>6</sup> As at Q2/12, Other related to health \$20 million, and other \$25 million.



| FAIR VALUE OF DERIVATIVE INSTRUMENTS<br>(C\$ millions)      | IFRS<br>Q2/12 |               | IFRS<br>Q1/12 |               | IFRS<br>Q4/11 |               | IFRS<br>Q3/11 |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Fair value    |               | Fair value    |               | Fair value    |               | Fair value    |               |
|   | Positive      | Negative      | Positive      | Negative      | Positive      | Negative      | Positive      | Negative      |
|   |               |               |               |               |               |               |               |               |
| Held or issued for trading purposes                         | 107,490       | 113,736       | 125,370       | 131,074       | 115,209       | 117,568       | 93,420        | 96,358        |
| Held or issued for other than trading purposes              | 4,180         | 1,548         | 5,383         | 1,789         | 4,629         | 1,867         | 4,126         | 2,448         |
| Total gross fair values before netting <sup>2</sup>         | 111,670       | 115,284       | 130,753       | 132,863       | 119,838       | 119,435       | 97,546        | 98,806        |
| Impact of master netting agreements                         |               |               |               |               |               |               |               |               |
| With intent to settle net or simultaneously <sup>3</sup>    | (23,215)      | (23,180)      | (26,815)      | (26,100)      | (19,440)      | (18,913)      | (11,701)      | (11,309)      |
| Without intent to settle net or simultaneously <sup>4</sup> | (63,714)      | (63,714)      | (74,024)      | (74,024)      | (70,630)      | (70,630)      | (58,768)      | (58,768)      |
| <b>Total</b>  | <b>24,741</b> | <b>28,390</b> | <b>29,914</b> | <b>32,739</b> | <b>29,768</b> | <b>29,892</b> | <b>27,077</b> | <b>28,729</b> |

| DERIVATIVE-RELATED CREDIT RISK <sup>1</sup><br>(C\$ millions) | IFRS<br>Q2/12                |                  |                          |                                    | IFRS<br>Q1/12                |                  |                          |                                    | IFRS<br>Q4/11                |                  |                          |                                    | IFRS<br>Q3/11                |                  |                          |                                    |     |
|---|------------------------------|------------------|--------------------------|------------------------------------|------------------------------|------------------|--------------------------|------------------------------------|------------------------------|------------------|--------------------------|------------------------------------|------------------------------|------------------|--------------------------|------------------------------------|-----|
|   | Notional amount <sup>5</sup> | Replacement cost | Credit equivalent amount | Risk-adjusted balance <sup>6</sup> | Notional amount <sup>5</sup> | Replacement cost | Credit equivalent amount | Risk-adjusted balance <sup>6</sup> | Notional amount <sup>5</sup> | Replacement cost | Credit equivalent amount | Risk-adjusted balance <sup>6</sup> | Notional amount <sup>5</sup> | Replacement cost | Credit equivalent amount | Risk-adjusted balance <sup>6</sup> |     |
|   | Interest rate contracts      |                  |                          |                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |     |
|   | Forward rate agreements      | 550,445          | 51                       | 330                                | 88                           | 807,566          | 186                      | 640                                | 151                          | 908,107          | 173                      | 782                                | 184                          | 879,754          | 121                      | 742                                | 185 |
| Swaps   | 4,148,016                    | 14,725           | 15,723                   | 6,182                              | 4,131,034                    | 17,974           | 18,355                   | 7,123                              | 4,358,674                    | 15,275           | 18,058                   | 6,666                              | 4,332,261                    | 12,040           | 16,522                   | 5,965                              |     |
| Options purchased   | 112,372                      | 184              | 331                      | 120                                | 105,998                      | 199              | 339                      | 118                                | 97,584                       | 198              | 344                      | 121                                | 68,060                       | 147              | 232                      | 84                                 |     |
|   | 4,810,833                    | 14,960           | 16,384                   | 6,390                              | 5,044,598                    | 18,359           | 19,334                   | 7,392                              | 5,364,365                    | 15,646           | 19,184                   | 6,971                              | 5,280,075                    | 12,308           | 17,496                   | 6,234                              |     |
| Foreign exchange contracts                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |     |
| Forward contracts   | 826,191                      | 2,388            | 6,775                    | 1,588                              | 844,004                      | 3,535            | 8,029                    | 1,929                              | 899,779                      | 4,623            | 9,325                    | 2,187                              | 817,504                      | 3,997            | 8,531                    | 1,992                              |     |
| Swaps   | 524,027                      | 2,102            | 12,242                   | 2,999                              | 500,445                      | 2,803            | 12,528                   | 3,027                              | 512,700                      | 3,125            | 13,567                   | 3,232                              | 502,103                      | 4,550            | 14,734                   | 3,429                              |     |
| Options purchased   | 31,453                       | 1,088            | 1,807                    | 617                                | 34,223                       | 1,244            | 2,031                    | 707                                | 35,857                       | 1,310            | 2,116                    | 738                                | 34,297                       | 1,254            | 2,006                    | 664                                |     |
|   | 1,381,671                    | 5,578            | 20,824                   | 5,204                              | 1,378,672                    | 7,582            | 22,588                   | 5,663                              | 1,448,336                    | 9,058            | 25,008                   | 6,157                              | 1,353,904                    | 9,801            | 25,271                   | 6,085                              |     |
| Credit derivatives <sup>7</sup>                               | 16,102                       | 195              | 452                      | 195                                | 17,866                       | 258              | 556                      | 246                                | 45,775                       | 548              | 1,226                    | 399                                | 47,613                       | 402              | 1,152                    | 372                                |     |
| Other contracts <sup>8</sup>                                  | 82,529                       | 1,669            | 4,492                    | 1,995                              | 79,912                       | 1,583            | 4,407                    | 2,199                              | 69,449                       | 1,322            | 4,553                    | 2,401                              | 83,741                       | 1,421            | 4,692                    | 2,565                              |     |
| <b>Total derivatives <sup>9</sup></b>                         | <b>6,291,135</b>             | <b>22,402</b>    | <b>42,152</b>            | <b>13,784</b>                      | <b>6,521,048</b>             | <b>27,782</b>    | <b>46,885</b>            | <b>15,500</b>                      | <b>6,927,925</b>             | <b>26,574</b>    | <b>49,971</b>            | <b>15,928</b>                      | <b>6,765,333</b>             | <b>23,932</b>    | <b>48,611</b>            | <b>15,256</b>                      |     |

| DERIVATIVE-RELATED CREDIT RISK <sup>1</sup><br>(C\$ millions) | IFRS<br>Q2/11                |                  |                          |                                    | CGAAP<br>Q1/11               |                  |                          |                                    | CGAAP<br>Q4/10               |                  |                          |                                    | CGAAP<br>Q3/10               |                  |                          |                                    |       |
|---|------------------------------|------------------|--------------------------|------------------------------------|------------------------------|------------------|--------------------------|------------------------------------|------------------------------|------------------|--------------------------|------------------------------------|------------------------------|------------------|--------------------------|------------------------------------|-------|
|   | Notional amount <sup>5</sup> | Replacement cost | Credit equivalent amount | Risk-adjusted balance <sup>6</sup> | Notional amount <sup>5</sup> | Replacement cost | Credit equivalent amount | Risk-adjusted balance <sup>6</sup> | Notional amount <sup>5</sup> | Replacement cost | Credit equivalent amount | Risk-adjusted balance <sup>6</sup> | Notional amount <sup>5</sup> | Replacement cost | Credit equivalent amount | Risk-adjusted balance <sup>6</sup> |       |
|   | Interest rate contracts      |                  |                          |                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |       |
|   | Forward rate agreements      | 858,048          | 51                       | 699                                | 127                          | 709,506          | 47                       | 544                                | 106                          | 748,018          | 40                       | 478                                | 90                           | 687,256          | 252                      | 1,108                              | 1,103 |
| Swaps   | 4,079,764                    | 9,536            | 14,290                   | 4,905                              | 4,010,381                    | 9,588            | 14,449                   | 4,986                              | 3,810,644                    | 14,015           | 17,621                   | 6,505                              | 3,227,578                    | 12,493           | 17,375                   | 6,571                              |       |
| Options purchased   | 90,415                       | 101              | 343                      | 143                                | 87,132                       | 356              | 567                      | 255                                | 86,210                       | 355              | 561                      | 268                                | 67,821                       | 246              | 395                      | 138                                |       |
|   | 5,028,227                    | 9,688            | 15,332                   | 5,175                              | 4,807,019                    | 9,991            | 15,560                   | 5,347                              | 4,644,872                    | 14,410           | 18,660                   | 6,863                              | 3,982,655                    | 12,991           | 18,878                   | 7,812                              |       |
| Foreign exchange contracts                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |                              |                  |                          |                                    |       |
| Forward contracts   | 831,400                      | 4,748            | 9,014                    | 2,124                              | 862,454                      | 3,135            | 8,024                    | 1,873                              | 892,845                      | 4,290            | 8,954                    | 2,024                              | 783,019                      | 3,705            | 8,037                    | 1,900                              |       |
| Swaps   | 488,338                      | 5,670            | 15,390                   | 3,455                              | 484,951                      | 3,395            | 13,402                   | 3,128                              | 474,460                      | 3,709            | 12,956                   | 3,101                              | 422,164                      | 3,219            | 11,553                   | 3,030                              |       |
| Options purchased   | 52,364                       | 1,212            | 2,078                    | 672                                | 39,068                       | 1,096            | 1,834                    | 615                                | 40,400                       | 1,035            | 1,716                    | 583                                | 41,217                       | 927              | 1,542                    | 429                                |       |
|   | 1,372,102                    | 11,630           | 26,482                   | 6,251                              | 1,386,473                    | 7,626            | 23,260                   | 5,616                              | 1,407,705                    | 9,034            | 23,626                   | 5,708                              | 1,246,400                    | 7,851            | 21,132                   | 5,359                              |       |
| Credit derivatives <sup>7</sup>                               | 46,039                       | 340              | 1,080                    | 390                                | 46,895                       | 410              | 917                      | 353                                | 88,072                       | 937              | 2,379                    | 2,553                              | 83,804                       | 1,050            | 2,369                    | 2,685                              |       |
| Other contracts <sup>8</sup>                                  | 80,814                       | 1,895            | 5,148                    | 2,796                              | 57,978                       | 3,425            | 6,522                    | 4,292                              | 56,695                       | 3,826            | 6,688                    | 4,950                              | 75,504                       | 3,191            | 5,699                    | 3,890                              |       |
| <b>Total derivatives <sup>9</sup></b>                         | <b>6,527,182</b>             | <b>23,553</b>    | <b>48,042</b>            | <b>14,612</b>                      | <b>6,298,365</b>             | <b>21,452</b>    | <b>46,259</b>            | <b>15,608</b>                      | <b>6,197,344</b>             | <b>28,207</b>    | <b>51,353</b>            | <b>20,074</b>                      | <b>5,388,363</b>             | <b>25,083</b>    | <b>48,078</b>            | <b>19,746</b>                      |       |

<sup>1</sup> Amounts represent continuing operations.

<sup>2</sup> For the remaining instruments, these adjustments are determined on a pooled basis and thus, have been excluded. As at Q2/12, positive fair values exclude market and credit valuation adjustments of \$592 million.

<sup>3</sup> 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. For Q2/12, the net derivative balance was further netted by \$35 million against the margins balance.

<sup>4</sup> Additional impact of offsetting credit exposures on contracts where we have a legally enforceable master netting agreement in place but do not intend to settle the contracts on a net basis or simultaneously.

<sup>5</sup> As at Q2/12, the notional amounts exclude exchange traded of \$476.7 billion, over-the-counter options written of \$176.2 billion, and non-trading credit derivatives of \$1.8 billion.

<sup>6</sup> Calculated using guidelines issued by OSFI under the BASEL II framework.

<sup>7</sup> Comprises credit default swaps, total return swaps and credit default baskets. The above excludes credit derivatives issued for other-than-trading purposes related to bought and sold protection with a replacement cost of \$20 million as at Q2/12. As at Q2/12, credit derivatives issued for other-than-trading purposes related to sold protection with a replacement cost of \$nil, credit equivalent amount of \$nil and RWA asset amount of \$nil which were given guarantee treatment per OSFI guidance.

<sup>8</sup> Comprises precious metal, commodity stable value and equity-linked derivative contracts.

<sup>9</sup> As at Q2/12, the total credit equivalent amount after netting includes collateral applied of \$7.9 billion.

| CALCULATION OF ROE AND RORC <sup>1,2</sup><br>(C\$ millions, except percentage and per share amounts) | IFRS           |              |              |              |              |              | CGAAP         |              |              | IFRS             | IFRS             | IFRS         | CGAAP        |              |
|---|----------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|------------------|------------------|--------------|--------------|--------------|
|   | Q2/12          | Q1/12        | Q4/11        | Q3/11        | Q2/11        | Q1/11        | Q4/10         | Q3/10        | Q2/10        | 2012<br>6 months | 2011<br>6 months | 2011         | 2010         | 2009         |
| <b>Canadian Banking</b>   |                |              |              |              |              |              |               |              |              |                  |                  |              |              |              |
| Net income available to common shareholders   | 918            | 975          | 927          | 870          | 877          | 916          | 749           | 749          | 719          | 1,893            | 1,793            | 3,590        | 2,979        | 2,607        |
| Average risk capital <sup>3</sup>   | 8,250          | 8,450        | 8,850        | 7,450        | 6,800        | 6,300        | 6,700         | 6,550        | 6,550        | 8,350            | 6,550            | 7,350        | 6,350        | 5,400        |
| Add: Average goodwill and other intangibles   | 2,150          | 2,150        | 2,200        | 2,100        | 2,050        | 2,000        | 2,000         | 2,000        | 2,000        | 2,150            | 2,050            | 2,100        | 2,000        | 1,850        |
| Average attributed capital <sup>3</sup>   | 10,400         | 10,600       | 11,050       | 9,550        | 8,850        | 8,300        | 8,700         | 8,550        | 8,550        | 10,500           | 8,600            | 9,450        | 8,350        | 7,250        |
| <b>ROE<sup>4</sup></b>  | <b>36.0%</b>   | <b>36.6%</b> | <b>33.3%</b> | <b>36.0%</b> | <b>40.6%</b> | <b>43.7%</b> | <b>34.1%</b>  | <b>34.7%</b> | <b>34.6%</b> | <b>36.3%</b>     | <b>42.1%</b>     | <b>38.0%</b> | <b>35.6%</b> | <b>35.9%</b> |
| <b>RORC<sup>5</sup></b>   | <b>45.3%</b>   | <b>45.8%</b> | <b>41.5%</b> | <b>46.4%</b> | <b>53.1%</b> | <b>57.7%</b> | <b>44.4%</b>  | <b>45.4%</b> | <b>45.0%</b> | <b>45.6%</b>     | <b>55.4%</b>     | <b>48.8%</b> | <b>46.9%</b> | <b>48.4%</b> |
| <b>Wealth Management</b>  |                |              |              |              |              |              |               |              |              |                  |                  |              |              |              |
| Net income available to common shareholders   | 203            | 179          | 169          | 182          | 217          | 204          | 168           | 178          | 83           | 382              | 421              | 772          | 640          | 553          |
| Average risk capital <sup>3</sup>   | 1,350          | 1,350        | 1,400        | 1,200        | 1,150        | 1,000        | 950           | 950          | 950          | 1,350            | 1,050            | 1,200        | 1,000        | 1,100        |
| Add: Average goodwill and other intangibles   | 3,800          | 3,800        | 3,900        | 3,850        | 3,850        | 3,150        | 2,600         | 2,600        | 2,600        | 3,800            | 3,500            | 3,650        | 2,650        | 2,800        |
| Average attributed capital <sup>3</sup>   | 5,150          | 5,150        | 5,300        | 5,050        | 5,000        | 4,150        | 3,550         | 3,550        | 3,550        | 5,150            | 4,550            | 4,850        | 3,650        | 3,900        |
| <b>ROE<sup>4</sup></b>  | <b>16.1%</b>   | <b>13.8%</b> | <b>12.7%</b> | <b>14.3%</b> | <b>17.8%</b> | <b>19.5%</b> | <b>18.7%</b>  | <b>19.9%</b> | <b>9.6%</b>  | <b>14.9%</b>     | <b>18.6%</b>     | <b>15.9%</b> | <b>17.6%</b> | <b>14.2%</b> |
| <b>RORC<sup>5</sup></b>   | <b>61.8%</b>   | <b>51.9%</b> | <b>47.9%</b> | <b>59.9%</b> | <b>77.3%</b> | <b>82.9%</b> | <b>70.9%</b>  | <b>75.9%</b> | <b>36.2%</b> | <b>56.7%</b>     | <b>79.9%</b>     | <b>65.2%</b> | <b>64.6%</b> | <b>49.2%</b> |
| <b>Insurance</b>  |                |              |              |              |              |              |               |              |              |                  |                  |              |              |              |
| Net income available to common shareholders   | 148            | 187          | 196          | 138          | 120          | 133          | 122           | 145          | 103          | 335              | 253              | 587          | 481          | 518          |
| Average risk capital <sup>3</sup>   | 1,350          | 1,400        | 1,800        | 1,450        | 1,300        | 1,150        | 1,100         | 1,250        | 1,200        | 1,350            | 1,200            | 1,400        | 1,150        | 950          |
| Add: Average goodwill and other intangibles   | 150            | 150          | 150          | 150          | 100          | 150          | 150           | 150          | 200          | 150              | 150              | 150          | 150          | 200          |
| Average attributed capital <sup>3</sup>   | 1,500          | 1,550        | 1,950        | 1,600        | 1,400        | 1,300        | 1,250         | 1,400        | 1,400        | 1,500            | 1,350            | 1,550        | 1,300        | 1,150        |
| <b>ROE<sup>4</sup></b>  | <b>40.6%</b>   | <b>48.5%</b> | <b>40.3%</b> | <b>34.5%</b> | <b>34.8%</b> | <b>40.5%</b> | <b>38.6%</b>  | <b>40.5%</b> | <b>30.8%</b> | <b>44.6%</b>     | <b>37.6%</b>     | <b>37.6%</b> | <b>37.2%</b> | <b>45.7%</b> |
| <b>RORC<sup>5</sup></b>   | <b>45.1%</b>   | <b>53.1%</b> | <b>43.3%</b> | <b>37.7%</b> | <b>38.5%</b> | <b>45.7%</b> | <b>44.3%</b>  | <b>45.9%</b> | <b>34.9%</b> | <b>49.3%</b>     | <b>42.0%</b>     | <b>41.3%</b> | <b>42.7%</b> | <b>53.9%</b> |
| <b>International Banking</b>  |                |              |              |              |              |              |               |              |              |                  |                  |              |              |              |
| Net income available to common shareholders   | (201)          | 16           | 3            | 11           | 39           | 60           | (13)          | 30           | 45           | (185)            | 99               | 113          | 68           | 98           |
| Average risk capital <sup>3</sup>   | 1,200          | 1,250        | 1,500        | 1,300        | 1,250        | 1,150        | 1,100         | 1,100        | 1,100        | 1,200            | 1,200            | 1,300        | 1,050        | 1,050        |
| Add: Average goodwill and other intangibles   | 1,850          | 1,950        | 1,900        | 1,850        | 1,850        | 1,950        | 2,000         | 2,000        | 1,950        | 1,900            | 1,900            | 1,900        | 2,000        | 2,200        |
| Average attributed capital <sup>3</sup>   | 3,050          | 3,200        | 3,400        | 3,150        | 3,100        | 3,100        | 3,100         | 3,100        | 3,050        | 3,100            | 3,100            | 3,200        | 3,050        | 3,250        |
| <b>ROE<sup>4</sup></b>  | <b>(26.9)%</b> | <b>2.0%</b>  | <b>0.3%</b>  | <b>1.4%</b>  | <b>5.1%</b>  | <b>7.7%</b>  | <b>(1.6)%</b> | <b>3.8%</b>  | <b>6.0%</b>  | <b>(11.9)%</b>   | <b>6.4%</b>      | <b>3.5%</b>  | <b>2.2%</b>  | <b>3.0%</b>  |
| <b>RORC<sup>5</sup></b>   | <b>(69.2)%</b> | <b>5.1%</b>  | <b>0.6%</b>  | <b>3.4%</b>  | <b>12.7%</b> | <b>20.9%</b> | <b>(4.7)%</b> | <b>10.9%</b> | <b>16.6%</b> | <b>(30.3)%</b>   | <b>16.7%</b>     | <b>8.7%</b>  | <b>6.4%</b>  | <b>9.1%</b>  |
| <b>Capital Markets</b>  |                |              |              |              |              |              |               |              |              |                  |                  |              |              |              |
| Net income available to common shareholders   | 426            | 428          | 136          | 243          | 389          | 617          | 357           | 185          | 487          | 854              | 1,006            | 1,385        | 1,584        | 1,706        |
| Average risk capital <sup>3</sup>   | 10,650         | 10,400       | 8,250        | 7,350        | 6,850        | 7,000        | 7,350         | 7,050        | 6,750        | 10,550           | 6,900            | 7,350        | 7,100        | 7,000        |
| Add: Average goodwill and other intangibles   | 950            | 1,050        | 1,000        | 1,000        | 1,000        | 1,000        | 950           | 1,000        | 1,000        | 1,000            | 1,000            | 1,000        | 1,000        | 1,100        |
| Average attributed capital <sup>3</sup>   | 11,600         | 11,450       | 9,250        | 8,350        | 7,850        | 8,000        | 8,300         | 8,050        | 7,750        | 11,550           | 7,900            | 8,350        | 8,100        | 8,100        |
| <b>ROE<sup>4</sup></b>  | <b>14.9%</b>   | <b>14.9%</b> | <b>5.8%</b>  | <b>11.5%</b> | <b>20.3%</b> | <b>30.7%</b> | <b>17.0%</b>  | <b>9.2%</b>  | <b>25.8%</b> | <b>14.9%</b>     | <b>25.6%</b>     | <b>16.5%</b> | <b>19.5%</b> | <b>21.0%</b> |
| <b>RORC<sup>5</sup></b>   | <b>16.3%</b>   | <b>16.4%</b> | <b>6.5%</b>  | <b>13.1%</b> | <b>23.3%</b> | <b>35.1%</b> | <b>19.3%</b>  | <b>10.5%</b> | <b>29.6%</b> | <b>16.3%</b>     | <b>29.3%</b>     | <b>18.8%</b> | <b>22.3%</b> | <b>24.3%</b> |
| <b>Corporate Support</b>  |                |              |              |              |              |              |               |              |              |                  |                  |              |              |              |
| Net income available to common shareholders   | (21)           | 2            | 88           | 150          | (49)         | (25)         | (75)          | 27           | (81)         | (19)             | (74)             | 164          | (278)        | (34)         |
| Average risk capital and other <sup>3</sup>   | 1,900          | 2,000        | 1,700        | 1,600        | 1,600        | 1,600        | 1,550         | 1,400        | 1,400        | 2,000            | 1,600            | 1,650        | 1,350        | 1,550        |
| Add: Average under/(over) attribution of capital  | 2,400          | 400          | 350          | 1,000        | 550          | 900          | 3,550         | 3,600        | 3,450        | 1,400            | 700              | 750          | 3,650        | 600          |
| Average attributed capital <sup>3</sup>   | 4,300          | 2,400        | 2,050        | 2,600        | 2,150        | 2,500        | 5,100         | 5,000        | 4,850        | 3,400            | 2,300            | 2,400        | 5,000        | 2,150        |
| <b>RBC</b>  |                |              |              |              |              |              |               |              |              |                  |                  |              |              |              |
| Net income from continuing operations   | 1,563          | 1,876        | 1,609        | 1,683        | 1,682        | 1,996        | n.a.          | n.a.         | n.a.         | 3,439            | 3,678            | 6,970        | n.a.         | n.a.         |
| Net income from continuing operations - CGAAP   | n.a.           | n.a.         | n.a.         | n.a.         | n.a.         | n.a.         | 1,372         | 1,379        | 1,421        | n.a.             | n.a.             | n.a.         | 5,732        | 5,681        |
| Net (loss) from discontinued operations   | (30)           | (21)         | (38)         | (389)        | (51)         | (48)         | (251)         | (103)        | (92)         | (51)             | (99)             | (526)        | (509)        | (1,823)      |
| Net income  | 1,533          | 1,855        | 1,571        | 1,294        | 1,631        | 1,948        | 1,121         | 1,276        | 1,329        | 3,388            | 3,579            | 6,444        | 5,223        | 3,858        |
| Net income available to common shareholders   | 1,443          | 1,766        | 1,481        | 1,205        | 1,542        | 1,857        | 1,057         | 1,211        | 1,264        | 3,209            | 3,399            | 6,085        | 4,965        | 3,625        |
| Average risk capital <sup>3</sup>   | 24,300         | 25,500       | 24,300       | 21,400       | 20,200       | 19,600       | 20,350        | 19,800       | 19,450       | 24,900           | 19,900           | 21,400       | 19,500       | 18,600       |
| Average risk capital from continuing operations <sup>3</sup>  | 23,900         | 24,250       | 22,900       | 19,700       | 18,250       | 17,550       | 18,000        | 17,600       | 17,400       | 24,100           | 17,900           | 19,600       | 17,400       | 16,400       |
| Average common equity   | 36,400         | 35,600       | 34,400       | 33,050       | 31,850       | 31,000       | 34,000        | 33,500       | 32,850       | 36,000           | 31,400           | 32,600       | 33,250       | 30,450       |
| <b>ROE<sup>4</sup></b>  | <b>16.1%</b>   | <b>19.7%</b> | <b>17.1%</b> | <b>14.5%</b> | <b>19.9%</b> | <b>23.7%</b> | <b>12.3%</b>  | <b>14.3%</b> | <b>15.8%</b> | <b>17.9%</b>     | <b>21.8%</b>     | <b>18.7%</b> | <b>14.9%</b> | <b>11.9%</b> |
| <b>ROE from continuing operations<sup>4</sup></b>   | <b>16.5%</b>   | <b>20.0%</b> | <b>17.5%</b> | <b>19.2%</b> | <b>20.5%</b> | <b>24.4%</b> | <b>15.2%</b>  | <b>15.6%</b> | <b>16.9%</b> | <b>18.2%</b>     | <b>22.5%</b>     | <b>20.3%</b> | <b>16.5%</b> | <b>17.9%</b> |
| <b>RORC<sup>5</sup></b>   | <b>24.2%</b>   | <b>27.5%</b> | <b>24.2%</b> | <b>22.4%</b> | <b>31.3%</b> | <b>37.5%</b> | <b>20.6%</b>  | <b>24.3%</b> | <b>26.7%</b> | <b>25.9%</b>     | <b>34.4%</b>     | <b>28.4%</b> | <b>25.4%</b> | <b>19.5%</b> |
| <b>RORC from continuing operations<sup>5</sup></b>  | <b>25.1%</b>   | <b>29.3%</b> | <b>26.3%</b> | <b>32.1%</b> | <b>35.8%</b> | <b>43.1%</b> | <b>29.0%</b>  | <b>29.8%</b> | <b>32.2%</b> | <b>27.2%</b>     | <b>39.4%</b>     | <b>33.7%</b> | <b>31.5%</b> | <b>33.2%</b> |

<sup>1</sup> Amounts represent consolidated (combined continuing and discontinued) operations.

<sup>2</sup> Average risk capital, Goodwill and intangible capital, and Average attributed capital represent rounded figures. These amounts are calculated using methods intended to approximate the average of the daily balances for the period. ROE and RORC measures are based on actual balances before rounding.

<sup>3</sup> Average risk capital includes Credit, Market (trading and non-trading), Insurance, Operational, Business and Fixed Asset risk capital. Average attributed capital includes risk capital plus the Goodwill and Intangible capital.

<sup>4</sup> Business segment ROE is based on Average attributed capital. Under/(over) attribution of capital is reported in Corporate Support.

<sup>5</sup> RORC is based on Average risk capital only. We do not report ROE and RORC for Corporate Support as they are considered not meaningful.

n.a. Not applicable.

## **Glossary**

### **Definition**

#### Assets under administration (AUA)

Assets administered by us, which are beneficially owned by clients. Services provided in respect of assets under administration are of an administrative nature, including safekeeping, collecting investment income, settling purchase and sale transactions, and record keeping.

#### Assets under management (AUM)

Assets managed by us, which are beneficially owned by clients. Services provided in respect of assets under management include the selection of investments and the provision of investment advice. We have assets under management that are also administered by us and included in assets under administration.

#### Embedded value

The sum of the value of equity held in our Insurance segment and the value of in-force business (existing policies).

#### Goodwill and intangibles

Goodwill represents the excess of the price paid for the business acquired over the fair value of the net identifiable assets acquired. An intangible asset is an identifiable non-monetary asset without physical substance.

#### Gross-adjusted assets (GAA)

GAA are used in the calculation of the Assets-to-Capital multiple. They represent our total assets including specified off-balance sheet items and net of prescribed deductions. Off balance sheet items for this calculation

are direct credit substitutes, including letters of credit and guarantees, transaction-related contingencies, trade-related contingencies and sale and repurchase agreements.

#### Taxable equivalent basis (teb)

Income from certain specified tax-advantaged sources is increased to a level that would make it comparable to income from taxable sources. There is an offsetting adjustment in the tax provision, thereby generating the same after-tax net income. We record teb adjustments in Capital Markets and record elimination adjustments in Corporate Support.

#### Total trading revenue

Total trading revenue is comprised of trading related revenue recorded in Net interest income and Non-interest income.

### **Ratios**

#### Capital ratios

The percentage of risk-adjusted assets supported by capital, using the guidelines of OSFI based on standards issued by the Bank for International Settlements and GAAP financial information.

#### Efficiency ratio

Non-interest expense as a percentage of total revenue.

#### Return on assets

Net income as a percentage of average assets.

#### Tier 1 common ratio

Tier 1 capital less qualifying other non-controlling interests, less Innovative Tier 1 capital instruments less preferred shares (both net of treasury shares) divided by risk-weighted assets. This ratio is calculated consistent with a stress testing measure used by the U.S. Federal Reserve for U.S. banks in determining capital adequacy under certain adverse scenarios, except that our calculation of Tier 1 common ratio is based on the Basel II methodology.

### **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 earning 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.

The cost of capital is regularly reviewed and adjusted from time to time based on prevailing market conditions.

#### Dividend yield

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

#### 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 earning assets)

Net interest income as a percentage of total average earning assets.

#### Net write-offs

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

#### Risk-weighted assets (RWA) - Basel II

Used in the calculation of risk-based capital ratios as defined by the guidelines issued by OSFI based on Basel II effective November 1, 2007 and on the "Enhancements to the Basel II framework" issued by the Basel Committee on Banking Supervision (BCBS) and adopted by OSFI effective November 2011. A majority of our credit risk portfolios use AIRB 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 II requires a transitional capital floor adjustment.