

Supplementary Financial Information



Q2 2018

For the period ended April 30, 2018

(UNAUDITED)

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Table of Contents

Page	Page
1	Notes to Users
2	Financial Highlights
	Consolidated Results
5	Statements of income
6	Revenue from trading activities
7	Non-interest expense
	Segment Details
8	Personal & Commercial Banking
9	Canadian Banking
10	Wealth Management
11	Insurance
12	Investor & Treasury Services
13	Capital Markets
14	Corporate Support
	On- and Off-Balance Sheet
15	Balance sheets (period-end balances)
16	Selected average balance sheet items
16	Assets under administration and management
17	Statements of comprehensive income
18	Statements of changes in equity
19	Securitization
	Capital
22	Basel III regulatory capital and ratios (all-in basis)
24	Regulatory capital balance sheet
26	Flow statement of the movements in regulatory capital
27	Total capital risk-weighted assets
28	Market Risk - Risk-weighted assets by approach (all-in basis)
29	Total capital risk-weighted assets by business segments (all-in basis)
29	Movement of total capital risk-weighted assets by risk type (all-in basis)
29	Attributed capital
	Capital (continued)
30	Leverage ratio
31	Leverage ratio common disclosure template
	Credit Quality
32	Loans and acceptances
33	Gross impaired loans
36	Provision for credit losses
38	Allowance for credit losses
40	Credit quality ratios
	Credit Risk Exposure
41	Gross credit risk exposure by geography and portfolio
42	Reconciliation of gross credit risk exposure to balance sheet
43	Exposure covered by credit risk mitigation
43	Credit exposure by residual contractual maturity
44	Credit exposure of portfolios under the standardized approach by risk weight
44	Actual losses vs. estimated losses
44	Basel Pillar 3 back-testing (Internal ratings based)
45	Credit quality of advanced internal ratings based (AIRB) exposure - retail portfolios by portfolio and risk rating
46	Credit quality of advanced internal ratings based (AIRB) exposure - wholesale loans and acceptances by portfolio and risk rating
47	Realized gains and losses on investment securities
47	Trading credit derivatives
47	Other than trading credit derivatives positions
48	Fair value of derivative instruments
48	Derivatives - Notional amounts
49	Derivatives - Related credit risk
50	Market risk regulatory capital - Internal models-based approach VaR
51	Calculation of ROE and RORC
52	Key performance and Non-GAAP measures
52	Glossary

Notes to Users

The Consolidated Financial Statements are prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), International Accounting Standard (IAS) 34, *Interim Financial Reporting* unless otherwise noted. Unless otherwise stated, monetary amounts are stated in Canadian dollars. This document is not audited and should be read in conjunction with our Q2 2018 Report to Shareholders and 2017 Annual Report. Certain comparative amounts have been amended to conform to the current period's presentation.

IFRS 9

Effective November 1, 2017, we adopted IFRS 9 *Financial Instruments*. Results from periods prior to November 1, 2017 are reported in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. Under IFRS 9, Provisions for credit losses (PCL) relates primarily to loans, acceptances and commitments and also applies to all financial assets except for those classified or designated as fair value through profit or loss (FVTPL) and equity securities designated as fair value through other comprehensive income (FVOCI). Prior to the adoption of IFRS 9, PCL related only to loans, acceptances and commitments. Provisions for credit losses (PCL) on performing (Stages 1 and 2) and impaired (Stage 3) financial assets are recorded within the respective business segment. Under IAS 39 and prior to November 1, 2017, PCL on performing financial assets (loans not yet identified as impaired) was included in Corporate Support. For further details on the impacts of the adoption of IFRS 9 including the description of accounting policies selected, refer to our Q2 2018 Report to Shareholders and 2017 Annual Report.

Capital Disclosure Requirements related to Basel III Pillar 3

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

EDTF Disclosures

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

Type of Risk	Recommendation	Disclosure	Page
Capital adequacy and risk-weighted assets	10	Composition of capital and reconciliation of the accounting balance sheet to the regulatory balance sheet	22-25
	11	Flow statement of the movements in regulatory capital	26
	13	Risk-weighted assets (RWA) by business segments	29
	14	Analysis of capital requirement, and related measurement model information	27-28
	15	RWA credit risk and related risk measurements	44-46
	16	Movement of risk-weighted assets by risk type	29
	17	Basel Pillar 3 back-testing	44
Credit risk	26	Bank's credit risk profile Reconciliation of gross credit risk exposure to balance sheet	32-46 42
	28	Reconciliation of the opening and closing balances of impaired loans and impairment allowances during the year	34, 39
	29	Quantification of gross notional exposure for OTC derivatives or exchange-traded derivatives	48
	30	Credit risk mitigation, including collateral held for all sources of credit risk	43

For a full index of where to find all EDTF related disclosures, see p. 50 of our Q2 2018 Report to Shareholders.

FINANCIAL HIGHLIGHTS (Millions of Canadian dollars, except otherwise noted) ¹	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
SELECTED INCOME STATEMENT INFORMATION													
Net interest income	4,421	4,445	4,361	4,257	4,198	4,324	4,187	4,123	4,025	8,866	8,522	17,140	16,531
Non-interest income	5,633	6,383	6,162	5,831	6,214	5,322	5,177	6,229	5,597	12,016	11,536	23,529	22,264
Total revenue	10,054	10,828	10,523	10,088	10,412	9,646	9,364	10,352	9,622	20,882	20,058	40,669	38,795
Provision for credit losses (PCL) ²	274	334	234	320	302	294	358	318	460	608	596	1,150	1,546
Insurance policyholder benefits, claims and acquisition expense	421	836	1,137	643	1,090	183	397	1,210	988	1,257	1,273	3,053	3,424
Non-interest expense (NIE)	5,482	5,611	5,611	5,537	5,331	5,315	5,297	5,188	4,983	11,093	10,646	21,794	20,526
Net income	3,060	3,012	2,837	2,796	2,809	3,027	2,543	2,895	2,573	6,072	5,836	11,469	10,458
Less: Non-controlling interest	(9)	(11)	(8)	(13)	(8)	(12)	(10)	(9)	(13)	(20)	(20)	(41)	(53)
Preferred dividends	(72)	(72)	(72)	(76)	(77)	(75)	(75)	(85)	(74)	(144)	(152)	(300)	(294)
Net income available to common shareholders	2,979	2,929	2,757	2,707	2,724	2,940	2,458	2,801	2,486	5,908	5,664	11,128	10,111
Add: Dilutive impact of exchangeable shares	3	4	4	4	3	4	4	4	3	7	7	15	15
Net income available to common shareholders including dilutive impact of exchangeable shares	2,982	2,933	2,761	2,711	2,727	2,944	2,462	2,805	2,489	5,915	5,671	11,143	10,126
PROFITABILITY MEASURES													
Earnings per share (EPS) - basic	\$2.06	\$2.02	\$1.89	\$1.86	\$1.86	\$1.98	\$1.66	\$1.88	\$1.67	\$4.08	\$3.84	\$7.59	\$6.80
- diluted	\$2.06	\$2.01	\$1.88	\$1.85	\$1.85	\$1.97	\$1.65	\$1.88	\$1.66	\$4.07	\$3.82	\$7.56	\$6.78
Common shares outstanding (000s) ³													
- average (basic)	1,443,084	1,451,781	1,457,855	1,457,854	1,468,015	1,484,262	1,483,869	1,485,915	1,487,346	1,447,504	1,476,273	1,466,988	1,485,876
- average (diluted)	1,449,737	1,458,714	1,464,916	1,465,035	1,475,562	1,492,350	1,491,872	1,494,126	1,495,609	1,454,299	1,484,332	1,474,421	1,494,137
Return on common equity (ROE) ⁴	18.1%	17.4%	16.6%	16.3%	17.2%	18.0%	15.5%	18.0%	16.2%	17.7%	17.7%	17.0%	16.3%
Return on assets	0.98%	0.94%	0.94%	0.93%	0.98%	1.02%	0.86%	0.97%	0.90%	0.96%	1.00%	0.97%	0.89%
Return on RWA ⁵	2.57%	2.56%	2.37%	2.43%	2.45%	2.71%	2.26%	2.60%	2.41%	2.57%	2.58%	2.49%	2.34%
Efficiency ratio	54.5%	51.8%	53.3%	54.9%	51.2%	55.1%	56.6%	50.1%	51.8%	53.1%	53.1%	53.6%	52.9%
Adjusted efficiency ratio ⁶	53.6%	51.9%	54.8%	53.7%	53.1%	53.6%	55.5%	54.5%	53.0%	52.7%	53.3%	53.8%	54.2%
KEY RATIOS													
Diluted EPS growth ⁷	11.4%	2.0%	13.9%	(1.6)%	11.4%	24.7%	(5.2)%	13.3%	(1.2)%	6.5%	17.5%	11.5%	0.7%
Revenue growth ⁷	(3.4)%	12.3%	12.4%	(2.6)%	8.2%	2.0%	15.4%	16.0%	7.8%	4.1%	5.1%	4.8%	8.7%
Adjusted revenue growth ^{6,7}	1.8%	8.9%	7.4%	8.3%	6.9%	5.3%	11.2%	6.2%	3.1%	5.4%	6.1%	7.0%	6.3%
NIE growth ⁷	2.8%	5.6%	5.9%	6.7%	7.0%	5.1%	11.7%	9.6%	3.2%	4.2%	6.0%	6.2%	7.9%
Adjusted NIE growth ^{6,7}	2.8%	5.6%	5.9%	6.7%	7.0%	5.1%	11.7%	9.6%	3.2%	4.2%	6.0%	6.2%	7.9%
Operating leverage	(6.2)%	6.7%	6.5%	(9.3)%	1.2%	(3.1)%	3.7%	6.4%	4.6%	(0.1)%	(0.9)%	(1.4)%	0.8%
Adjusted operating leverage ⁶	(1.0)%	3.3%	1.5%	1.6%	(0.1)%	0.2%	(0.5)%	(3.4)%	(0.1)%	1.2%	0.1%	0.8%	(1.6)%
PCL on impaired loans (IFRS 9 - Stage 3) as a % of Average net loans and acceptances ⁸	0.22%	0.23%	0.17%	0.23%	0.23%	0.22%	0.27%	0.24%	0.32%	0.23%	0.22%	0.21%	0.28%
Net interest margin (average earning assets, net)	1.68%	1.65%	1.72%	1.69%	1.73%	1.73%	1.70%	1.69%	1.70%	1.66%	1.73%	1.72%	1.70%
Net interest margin (total average assets)	1.42%	1.38%	1.45%	1.42%	1.46%	1.45%	1.42%	1.38%	1.40%	1.40%	1.46%	1.44%	1.41%
Net interest margin (total average assets) excluding Trading Assets, Trading NII and Insurance Assets	2.04%	1.99%	2.02%	1.99%	2.01%	2.02%	2.04%	2.03%	2.02%	2.02%	2.01%	2.01%	2.03%
Non-interest income as % of total revenue	56.0%	58.9%	58.6%	57.8%	59.7%	55.2%	55.3%	60.2%	58.2%	57.5%	57.5%	57.9%	57.4%
Effective tax rate	21.1%	25.6%	19.9%	22.1%	23.9%	21.5%	23.2%	20.4%	19.4%	23.4%	22.6%	21.8%	21.4%
Effective tax rate (teb)	24.0%	27.2%	24.7%	24.3%	25.8%	23.8%	25.8%	25.8%	24.2%	25.7%	24.8%	24.6%	25.5%
CAPITAL MEASURES - CONSOLIDATED													
Common Equity Tier 1 capital ratio (CET1) ⁵	10.9%	11.0%	10.9%	10.9%	10.6%	11.0%	10.8%	10.5%	10.3%	10.9%	10.6%	10.9%	10.8%
Tier 1 capital ratio ⁵	12.3%	12.4%	12.3%	12.4%	12.0%	12.6%	12.3%	12.1%	11.9%	12.3%	12.0%	12.3%	12.3%
Total capital ratio ⁵	14.1%	14.4%	14.2%	14.4%	14.1%	14.7%	14.4%	14.2%	14.0%	14.1%	14.1%	14.2%	14.4%
Total capital risk-weighted assets (\$ billions) ⁵	489.2	466.8	474.5	458.1	471.2	443.9	449.7	445.1	437.1	489.2	471.2	474.5	449.7
Leverage ratio - all-in basis	4.3%	4.2%	4.4%	4.4%	4.3%	4.4%	4.4%	4.2%	4.2%	4.3%	4.3%	4.4%	4.4%
Leverage ratio exposure - all-in basis (\$ billions)	1,381.0	1,363.9	1,315.5	1,286.6	1,311.7	1,260.0	1,265.1	1,270.4	1,228.3	1,381.0	1,311.7	1,315.5	1,265.1

¹ Effective Q4/17, service fees and other costs incurred in association with certain commissions and fees earned are presented on a gross basis in non-interest expense. Comparative amounts have been reclassified to conform with this presentation.

² Under IFRS 9, PCL relates primarily to loans, acceptances and commitments and also to all other financial assets except for those classified or designated as fair value through profit or loss (FVTPL) and equity securities designated as fair value through other comprehensive income (FVOCI).

³ Average common shares outstanding includes the impact of treasury shares held.

⁴ This measure does not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section on page 52.

⁵ Different scalars are applied to the Credit valuation adjustment (CVA) included in the risk weighted asset calculation applicable to each of the three tiers of capital. This phase-in approach of CVA ends in Q4/18. During this phase-in period, RWA for Common Equity Tier 1 (CET1), Tier 1 capital and Total capital ratios will be subject to different annual CVA percentages. 2015 and 2016 CVA scalars are 64%, 71% and 77%. For 2017 the CVA scalars are 72%, 77% and 81%. For 2018 the CVA scalars are 80%, 83% and 86%.

⁶ These measures have been adjusted to exclude the change in fair value backing out policyholder liabilities and the following specified items (pre-tax): Gain on sale of U.S. operations of Moneris Solutions (Q1/17 - \$212 million), Gain on sale of RBC General Insurance (Q3/16 - \$287 million), Cumulative translation adjustment release (Q2/15 - \$108 million). These are non-GAAP measures. Refer to page 52 for further details.

⁷ Growth rates are calculated based on earnings in the same period a year ago.

⁸ PCL on impaired loans ratio under IFRS 9 is calculated using PCL on Stage 3 loans and acceptances as a percentage of average net loans and acceptances. Under IAS 39, the ratio was calculated using PCL on impaired loans as a percentage of average net loans and acceptances.

FINANCIAL HIGHLIGHTS <i>continued</i> (Millions of Canadian dollars, except otherwise noted)	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
ADJUSTED BASIS MEASURES¹													
Net income available to common shareholders	2,979	2,929	2,757	2,707	2,724	2,940	2,458	2,801	2,486	5,908	5,664	11,128	10,111
Adjustments													
Add: After-tax effect of amortization of other intangibles	55	54	49	50	51	56	53	51	52	109	107	206	212
Cumulative translation adjustment release	-	-	-	-	-	-	-	-	-	-	-	-	-
City National transaction and integration costs	3	8	9	7	5	6	9	12	13	11	11	27	57
Gain on sale of RBC General Insurance	-	-	-	-	-	-	-	(235)	-	-	-	-	(235)
Gain on sale of U.S. operations of Moneris Solutions Corporation	-	-	-	-	-	(212)	-	-	-	-	(212)	(212)	-
	3,037	2,991	2,815	2,764	2,780	2,790	2,520	2,629	2,551	6,028	5,570	11,149	10,145
Add: Dilutive impact of exchangeable shares	3	4	4	4	3	4	4	4	3	7	7	15	15
Net income available to common shareholders including dilutive impact of exchangeable shares	3,040	2,995	2,819	2,768	2,783	2,794	2,524	2,633	2,554	6,035	5,577	11,164	10,160
Adjusted EPS	\$2.11	\$2.06	\$1.93	\$1.90	\$1.89	\$1.88	\$1.70	\$1.77	\$1.72	\$4.17	\$3.77	\$7.60	\$6.83
Adjusted diluted EPS	\$2.10	\$2.05	\$1.92	\$1.89	\$1.89	\$1.87	\$1.69	\$1.76	\$1.71	\$4.15	\$3.76	\$7.57	\$6.80
Adjusted ROE	18.5%	17.7%	16.9%	16.7%	17.6%	17.1%	15.9%	16.9%	16.6%	18.1%	17.4%	17.1%	16.3%
ECONOMIC PROFIT													
Net income	3,060	3,012	2,837	2,796	2,809	3,027	2,543	2,895	2,573	6,072	5,836	11,469	10,458
Non-controlling interests	(9)	(11)	(8)	(13)	(8)	(12)	(10)	(9)	(13)	(20)	(20)	(41)	(53)
After-tax effect of amortization of other intangibles	55	54	49	50	51	56	53	51	52	109	107	206	212
Goodwill and other intangibles impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital charge	(1,468)	(1,505)	(1,485)	(1,484)	(1,420)	(1,460)	(1,503)	(1,484)	(1,455)	(2,973)	(2,880)	(5,849)	(5,893)
Economic profit ²	1,638	1,550	1,393	1,349	1,432	1,611	1,083	1,453	1,157	3,188	3,043	5,785	4,724
ADDITIONAL SHARE INFORMATION													
Common shares outstanding (000s) - end of period	1,442,009	1,444,065	1,452,898	1,457,934	1,457,291	1,475,540	1,485,394	1,485,085	1,488,219	1,442,009	1,457,291	1,452,898	1,485,394
Treasury shares held													
- preferred (000s)	(112)	(7)	6	3	(24)	13	31	(18)	5	(112)	(24)	6	31
- common (000s)	(1,023)	(150)	(363)	1,091	(227)	(515)	(1,159)	(1,473)	(1,324)	(1,023)	(227)	(363)	(1,159)
Stock options outstanding (000s)	9,348	9,557	9,315	9,932	10,612	11,382	11,388	12,595	13,176	9,348	10,612	9,315	11,388
Stock options exercisable (000s)	4,526	4,589	4,337	4,952	5,595	6,209	6,909	8,085	8,718	4,526	5,595	4,337	6,909
Dividends declared per common share	\$0.94	\$0.91	\$0.91	\$0.87	\$0.87	\$0.83	\$0.83	\$0.81	\$0.81	\$1.85	\$1.70	\$3.48	\$3.24
Dividend yield	3.7%	3.5%	3.6%	3.7%	3.6%	3.8%	4.0%	4.1%	4.5%	3.6%	3.7%	3.8%	4.3%
Dividend payout ratio	46%	45%	48%	47%	47%	42%	50%	43%	49%	45%	44%	46%	48%
Common dividends	1,356	1,319	1,324	1,269	1,271	1,232	1,234	1,202	1,206	2,675	2,503	5,096	4,817
Preferred dividends	71	72	72	76	77	75	75	85	74	143	152	300	294
Book value per share	\$47.97	\$46.01	\$46.41	\$44.93	\$45.20	\$43.97	\$43.32	\$42.15	\$40.91	\$47.97	\$45.20	\$46.41	\$43.32
Common share price (RY on TSX)													
- High	\$105.15	\$108.52	\$102.15	\$96.20	\$99.90	\$94.90	\$84.70	\$80.97	\$78.93	\$108.52	\$99.90	\$102.15	\$84.70
- Low	\$96.00	\$99.30	\$90.13	\$90.73	\$93.11	\$81.82	\$78.24	\$74.64	\$64.52	\$96.00	\$81.82	\$81.82	\$64.52
- Close, end of period	\$97.64	\$105.32	\$100.87	\$93.01	\$93.47	\$93.56	\$83.80	\$79.59	\$77.92	\$97.64	\$93.47	\$100.87	\$83.80
Market capitalization (TSX)	140,798	152,089	146,554	135,602	136,213	138,052	124,476	118,198	115,962	140,798	136,213	146,554	124,476
Market price to book value	2.04	2.29	2.17	2.07	2.07	2.13	1.93	1.89	1.90	2.04	2.07	2.17	1.93

¹ Adjusted measures are non-GAAP measures. For further information, refer to the Key performance and non-GAAP measures section on page 52.

² This is a non-GAAP measure. For further information, refer to the Key performance and non-GAAP measures section on page 52.

FINANCIAL HIGHLIGHTS <i>continued</i> (Millions of Canadian dollars, except otherwise noted)	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
SELECTED BALANCE SHEET INFORMATION													
Average loans and acceptances, net	561,900	554,000	554,400	547,700	540,500	535,600	531,900	527,600	524,200	557,900	538,000	544,600	527,200
Total assets	1,274,778	1,276,275	1,212,853	1,201,047	1,202,919	1,161,766	1,180,258	1,198,875	1,150,357	1,274,778	1,202,919	1,212,853	1,180,258
Average assets	1,276,700	1,276,700	1,195,600	1,188,800	1,181,000	1,180,800	1,175,400	1,184,300	1,166,500	1,276,700	1,180,900	1,186,600	1,176,400
Average earning assets, net	1,081,100	1,071,200	1,007,500	1,000,200	997,700	990,500	981,900	973,400	960,900	1,076,100	994,000	999,000	973,200
Deposits	822,048	800,020	789,635	778,618	785,583	757,512	757,589	754,415	741,454	822,048	785,583	789,635	757,589
Common equity	69,122	66,430	67,416	65,561	65,858	64,853	64,304	62,541	60,825	69,122	65,858	67,416	64,304
Average common equity	67,450	66,850	65,900	65,750	64,800	64,650	63,100	61,800	62,400	67,150	64,700	65,300	62,200
OTHER INFORMATION													
Number of employees (full-time equivalent)													
Canada	56,376	55,782	55,420	56,147	55,283	55,214	55,213	56,396	56,030	56,376	55,283	55,420	55,213
US	12,773	12,622	12,505	12,611	11,947	11,896	11,824	11,861	11,509	12,773	11,947	12,505	11,824
Other	10,159	10,244	10,285	10,376	10,428	10,704	10,788	10,956	11,005	10,159	10,428	10,285	10,788
Total	79,308	78,648	78,210	79,134	77,658	77,814	77,825	79,213	78,544	79,308	77,658	78,210	77,825
Number of banking branches													
Canada	1,221	1,230	1,235	1,246	1,256	1,265	1,268	1,271	1,274	1,221	1,256	1,235	1,268
US	72	71	73	72	72	73	73	73	75	72	72	73	73
Other	62	67	68	70	73	77	78	78	78	62	73	68	78
Total	1,355	1,368	1,376	1,388	1,401	1,415	1,419	1,422	1,427	1,355	1,401	1,376	1,419
Number of automated teller machines (ATMs)	4,875	4,660	4,630	4,758	4,893	4,902	4,905	4,901	4,898	4,875	4,893	4,630	4,905
Active digital (Online and Mobile) users (000's) ¹	6,482	6,377	6,226	6,088	6,021	5,908	5,806	5,694	5,607	6,482	6,021	6,226	5,806
Active mobile users (000's) ¹	3,533	3,427	3,298	3,135	2,981	2,886	2,772	2,617	2,463	3,533	2,981	3,298	2,772
MARKET RISK MEASURES - Structural Interest Rate Sensitivities													
Before-tax impact of 1% increase in rates on:													
Net interest income risk ²	555	458	451	379	471	414	420	449	421	555	471	451	420
Economic value of equity	(1,086)	(1,224)	(1,215)	(1,325)	(1,208)	(1,304)	(1,377)	(1,187)	(1,192)	(1,086)	(1,208)	(1,215)	(1,377)
Before-tax impact of 1% decrease in rates on:													
Net interest income risk ²	(656)	(578)	(604)	(546)	(577)	(553)	(465)	(450)	(450)	(656)	(577)	(604)	(465)
Economic value of equity	669	809	638	753	655	860	644	496	571	669	655	638	644

¹ This figure represents the 90-Day Active customers in Canadian Banking only.

² Amounts represent the 12-month Net interest exposure to an instantaneous and sustained shift in interest rates.

STATEMENTS OF INCOME (Millions of Canadian dollars)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Net interest income													
Interest income	7,865	7,540	7,146	6,808	6,491	6,459	6,211	6,184	6,001	15,405	12,950	26,904	24,452
Interest expense	3,444	3,095	2,785	2,551	2,293	2,135	2,024	2,061	1,976	6,539	4,428	9,764	7,921
Total	4,421	4,445	4,361	4,257	4,198	4,324	4,187	4,123	4,025	8,866	8,522	17,140	16,531
Non-interest income													
Accounts	328	328	329	328	324	325	329	323	317	656	649	1,306	1,284
Other payment services	115	112	116	122	113	113	118	120	118	227	226	464	472
Service charges	443	440	445	450	437	438	447	443	435	883	875	1,770	1,756
Insurance premiums, investment and fee income	806	1,144	1,612	1,009	1,448	497	824	1,534	1,351	1,950	1,945	4,566	4,868
Trading revenue	236	318	146	216	181	263	119	311	181	554	444	806	701
Investment management and custodial fees	1,318	1,325	1,228	1,227	1,189	1,159	1,133	1,083	1,059	2,643	2,348	4,803	4,358
Mutual fund revenue	862	885	848	857	820	814	813	795	763	1,747	1,634	3,339	3,159
Securities brokerage commissions	334	355	327	330	360	399	350	352	360	689	759	1,416	1,429
Underwriting and other advisory fees	457	541	498	537	590	468	509	524	469	998	1,058	2,093	1,876
Foreign exchange revenue, other than trading	277	281	230	281	236	227	217	189	376	558	463	974	964
Card service revenue	267	257	211	245	241	236	220	227	226	524	477	933	889
Credit fees	317	328	364	355	358	356	384	285	307	645	714	1,433	1,239
Net gain (loss) on investment securities ¹	49	39	47	44	54	27	2	7	15	88	81	172	76
Share of profit (loss) in joint ventures and associates	14	25	10	33	41	251	44	44	41	39	292	335	176
Other	253	445	196	247	259	187	115	435	14	698	446	889	773
Total	5,633	6,383	6,162	5,831	6,214	5,322	5,177	6,229	5,597	12,016	11,536	23,529	22,264
Total revenue	10,054	10,828	10,523	10,088	10,412	9,646	9,364	10,352	9,622	20,882	20,058	40,669	38,795
Provision for credit losses	274	334	234	320	302	294	358	318	460	608	596	1,150	1,546
Insurance policyholder benefits, claims and acquisition expense	421	836	1,137	643	1,090	183	397	1,210	988	1,257	1,273	3,053	3,424
Non-interest expense	5,482	5,611	5,611	5,537	5,331	5,315	5,297	5,188	4,983	11,093	10,646	21,794	20,526
Income before income taxes	3,877	4,047	3,541	3,588	3,689	3,854	3,312	3,636	3,191	7,924	7,543	14,672	13,299
Income taxes	817	1,035	704	792	880	827	769	741	618	1,852	1,707	3,203	2,841
Net income	3,060	3,012	2,837	2,796	2,809	3,027	2,543	2,895	2,573	6,072	5,836	11,469	10,458
Net income (loss) attributable to:													
Shareholders	3,051	3,001	2,829	2,783	2,801	3,015	2,533	2,886	2,560	6,052	5,816	11,428	10,405
Non-controlling interests (NCI)	9	11	8	13	8	12	10	9	13	20	20	41	53
Net income	3,060	3,012	2,837	2,796	2,809	3,027	2,543	2,895	2,573	6,072	5,836	11,469	10,458
Net income	3,060	3,012	2,837	2,796	2,809	3,027	2,543	2,895	2,573	6,072	5,836	11,469	10,458
Non-controlling interests	(9)	(11)	(8)	(13)	(8)	(12)	(10)	(9)	(13)	(20)	(20)	(41)	(53)
Preferred dividends	(72)	(72)	(72)	(76)	(77)	(75)	(75)	(85)	(74)	(144)	(152)	(300)	(294)
Net income available to common shareholders	2,979	2,929	2,757	2,707	2,724	2,940	2,458	2,801	2,486	5,908	5,664	11,128	10,111

¹ Under IFRS 9, the Net gain (loss) on investment securities represents realized gains (losses) on debt securities at fair value through other comprehensive income and amortized cost debt securities. Under IAS 39, the Net gain (loss) on investment securities represents realized gains (losses) on debt and equity available-for-sale securities.

REVENUE FROM TRADING ACTIVITIES (Millions of Canadian dollars)	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Total trading revenue													
Net interest income	524	550	526	544	631	669	571	570	597	1,074	1,300	2,370	2,376
Non-interest income	236	318	146	216	181	263	119	311	181	554	444	806	701
Total	760	868	672	760	812	932	690	881	778	1,628	1,744	3,176	3,077
Trading revenue by product													
Interest rate and credit	397	470	366	416	431	583	449	585	430	867	1,014	1,796	1,830
Equities	234	258	207	236	239	213	123	165	189	492	452	895	684
Foreign exchange and commodities	129	140	99	108	142	136	118	131	159	269	278	485	563
Total	760	868	672	760	812	932	690	881	778	1,628	1,744	3,176	3,077
Trading revenue (teb) by product													
Interest rate and credit	397	470	366	416	431	583	449	585	430	867	1,014	1,796	1,830
Equities	313	329	279	311	325	306	210	262	336	642	631	1,221	1,166
Foreign exchange and commodities	129	140	99	108	142	136	119	131	159	269	278	485	564
Total (teb)	839	939	744	835	898	1,025	778	978	925	1,778	1,923	3,502	3,560
Trading revenue (teb) by product - Capital Markets													
Interest rate and credit	324	399	297	353	332	484	332	465	349	723	816	1,466	1,473
Equities	328	363	280	323	330	318	223	262	339	691	648	1,251	1,205
Foreign exchange and commodities	96	101	70	77	104	80	74	87	124	197	184	331	402
Total (teb)	748	863	647	753	766	882	629	814	812	1,611	1,648	3,048	3,080
Trading revenue (teb) - Investor & Treasury Services													
	47	58	40	41	79	89	105	90	58	105	168	249	301

NON-INTEREST EXPENSE (Millions of Canadian dollars) ¹	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Human resources													
Salaries	1,482	1,466	1,487	1,559	1,449	1,441	1,466	1,462	1,445	2,948	2,890	5,936	5,865
Variable compensation	1,338	1,384	1,323	1,342	1,277	1,261	1,204	1,173	1,089	2,722	2,538	5,203	4,583
Benefits and retention compensation	465	480	415	444	465	468	378	402	430	945	933	1,792	1,674
Stock-based compensation ²	39	172	74	88	98	139	30	86	93	211	237	399	255
Total Human resources	3,324	3,502	3,299	3,433	3,289	3,309	3,078	3,123	3,057	6,826	6,598	13,330	12,377
Equipment													
Depreciation	67	64	69	63	60	61	66	47	64	131	121	253	241
Computer rental and maintenance	314	304	300	293	277	291	306	294	289	618	568	1,161	1,176
Office equipment rental and maintenance	5	4	4	5	7	4	6	5	5	9	11	20	21
Total Equipment	386	372	373	361	344	356	378	346	358	758	700	1,434	1,438
Occupancy													
Premises rent	170	175	179	168	175	200	181	154	163	345	375	722	661
Premises repairs and maintenance	105	101	107	100	106	66	103	115	114	206	172	379	441
Depreciation	74	71	82	78	86	101	87	85	72	145	187	347	332
Property taxes	37	32	34	37	37	32	35	33	33	69	69	140	134
Total Occupancy	386	379	402	383	404	399	406	387	382	765	803	1,588	1,568
Communications													
Telecommunications	43	40	41	40	42	42	43	45	42	83	84	165	172
Postage and courier	58	57	52	51	58	56	50	50	57	115	114	217	206
Marketing and public relations	126	104	183	135	119	101	167	122	107	230	220	538	490
Stationery and printing	22	23	23	24	22	22	18	23	18	45	44	91	77
Total Communications	249	224	299	250	241	221	278	240	224	473	462	1,011	945
Professional fees	321	281	368	326	265	255	312	279	247	602	520	1,214	1,078
Amortization of other intangibles													
Computer software	191	188	184	181	174	167	179	173	152	379	341	706	657
Other	75	73	73	74	77	85	78	77	77	148	162	309	313
Total Amortization of other intangibles	266	261	257	255	251	252	257	250	229	527	503	1,015	970
Other													
Business and capital taxes	19	27	77	22	13	22	91	30	23	46	35	134	175
Travel and relocation	51	52	48	52	47	44	55	51	46	103	91	191	203
Employee training	14	11	16	15	13	11	19	13	11	25	24	55	54
Donations	20	20	42	18	18	16	23	22	18	40	34	94	82
Outsourced item processing	37	39	39	44	45	46	39	45	48	76	91	174	178
Impairment of other intangibles	-	-	-	2	-	-	-	-	3	-	-	2	3
Impairment of investments in joint ventures and associates	1	3	2	-	1	1	(23)	5	4	4	2	4	(8)
Other	408	440	389	376	400	383	384	397	333	848	783	1,548	1,463
Total Other	550	592	613	529	537	523	588	563	486	1,142	1,060	2,202	2,150
Total non-interest expense	5,482	5,611	5,611	5,537	5,331	5,315	5,297	5,188	4,983	11,093	10,646	21,794	20,526

¹ Effective Q4/17, service fees and other costs incurred in association with certain commissions and fees earned are presented on a gross basis in non-interest expense. Comparative amounts have been reclassified to conform with this presentation.

² Stock-based compensation includes the cost of stock options, performance deferred shares, deferred compensation plans and the impact of related economic hedges.

PERSONAL & COMMERCIAL BANKING (Millions of Canadian dollars, except percentage amounts) ¹	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Income Statement													
Net interest income	2,852	2,856	2,820	2,721	2,597	2,649	2,640	2,598	2,527	5,708	5,246	10,787	10,337
Non-interest income	1,251	1,309	1,199	1,249	1,201	1,427	1,189	1,182	1,151	2,560	2,628	5,076	4,675
Total revenue	4,103	4,165	4,019	3,970	3,798	4,076	3,829	3,780	3,678	8,268	7,874	15,863	15,012
Provision for credit losses (PCL)	300	317	270	273	262	249	288	271	279	617	511	1,054	1,122
Non-interest expense	1,828	1,801	1,872	1,826	1,709	1,769	1,825	1,732	1,658	3,629	3,478	7,176	6,933
Income taxes	516	526	473	472	467	466	441	455	444	1,042	933	1,878	1,773
Net income	1,459	1,521	1,404	1,399	1,360	1,592	1,275	1,322	1,297	2,980	2,952	5,755	5,184
Total revenue by business													
Personal Banking ²	2,971	3,023	2,891	2,879	2,746	3,004	2,766	2,730	2,651	5,994	5,750	11,520	10,819
Business Banking ²	900	904	875	850	812	820	811	814	773	1,804	1,632	3,357	3,190
Canadian Banking	3,871	3,927	3,766	3,729	3,558	3,824	3,577	3,544	3,424	7,798	7,382	14,877	14,009
Caribbean & U.S. Banking	232	238	253	241	240	252	252	236	254	470	492	986	1,003
Total	4,103	4,165	4,019	3,970	3,798	4,076	3,829	3,780	3,678	8,268	7,874	15,863	15,012
Financial ratios													
Return on equity (ROE) ³	27.8 %	28.6 %	26.7 %	26.6 %	28.0 %	32.1 %	27.1 %	28.0 %	27.8 %	28.2 %	30.1 %	28.3 %	27.5 %
Net interest margin (average earning assets, net)	2.79 %	2.73 %	2.71 %	2.66 %	2.67 %	2.66 %	2.69 %	2.68 %	2.69 %	2.76 %	2.66 %	2.68 %	2.68 %
Efficiency ratio	44.6 %	43.2 %	46.6 %	46.0 %	45.0 %	43.4 %	47.7 %	45.8 %	45.1 %	43.9 %	44.2 %	45.2 %	46.2 %
Operating leverage	1.0 %	0.4 %	2.4 %	(0.4)%	0.2 %	6.4 %	0.0 %	0.5 %	4.7 %	0.7 %	3.4 %	2.2 %	1.3 %
Average balances													
Total assets	438,600	434,500	430,100	423,700	417,300	413,100	409,000	405,000	400,400	436,500	415,200	421,100	403,800
Earning assets, net	419,200	415,600	412,200	405,700	398,900	395,500	391,000	386,000	382,200	417,400	397,200	403,100	385,400
Loans and acceptances, net	419,900	416,000	412,000	405,200	398,200	394,600	390,000	384,700	380,600	417,900	396,400	402,500	383,900
Deposits	357,900	357,000	352,100	346,400	342,400	336,700	329,700	321,300	314,600	357,500	339,500	344,400	320,100
Attributed capital	21,200	20,750	20,500	20,500	19,550	19,350	18,350	18,400	18,600	20,950	19,450	20,000	18,550
Risk capital	16,600	16,200	15,950	15,850	14,850	14,650	13,600	13,700	13,800	16,400	14,750	15,300	13,750
Credit quality													
Gross impaired loans / Related loans and acceptances	0.41 %	0.41 %	0.36 %	0.37 %	0.39 %	0.39 %	0.42 %	0.43 %	0.45 %	0.41 %	0.39 %	0.36 %	0.43 %
PCL on performing loans (IFRS 9 - Stage 1 and 2) / Average net loans and acceptance ⁴	0.02 %	0.04 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %
PCL on impaired loans (IFRS 9 - Stage 3) / Average net loans and acceptances ⁵	0.28 %	0.26 %	0.26 %	0.27 %	0.27 %	0.25 %	0.29 %	0.28 %	0.30 %	0.27 %	0.26 %	0.26 %	0.29 %
Net write-offs / Average net loans and acceptances	0.25 %	0.23 %	0.24 %	0.25 %	0.27 %	0.25 %	0.28 %	0.30 %	0.29 %	0.24 %	0.26 %	0.25 %	0.28 %
Business information													
Assets under administration ⁶	269,100	270,800	264,800	252,500	258,100	245,000	239,600	235,300	228,000	269,100	258,100	264,800	239,600
Assets under management	4,600	4,400	4,600	4,400	4,800	4,500	4,600	4,400	4,400	4,600	4,800	4,600	4,600
Number of employees (full-time equivalent)	34,792	34,749	34,601	34,934	34,593	34,913	35,191	36,075	36,006	34,792	34,593	34,601	35,191
Other earnings measures													
Net income	1,459	1,521	1,404	1,399	1,360	1,592	1,275	1,322	1,297	2,980	2,952	5,755	5,184
Non-controlling interests	(1)	(2)	1	(4)	1	(3)	(1)	(1)	(4)	(3)	(2)	(5)	(8)
Add: After-tax effect of amortization of other intangibles	3	3	2	3	3	3	3	4	2	6	6	11	12
Adjusted net income	1,461	1,522	1,407	1,398	1,364	1,592	1,277	1,325	1,295	2,983	2,956	5,761	5,188
Less: Capital charge	461	467	462	463	429	437	438	442	433	928	866	1,791	1,756
Economic profit ⁷	1,000	1,055	945	935	935	1,155	839	883	862	2,055	2,090	3,970	3,432

¹ Effective Q4/17, service fees and other costs incurred in association with certain commissions and fees earned are presented on a gross basis in non-interest expense. Comparative amounts have been reclassified to conform with this presentation.

² In Q1/18, the lines of business within Canadian Banking have been realigned. Prior period amounts have been revised from Personal Financial Services and Cards and Payment Solutions to Personal Banking and Business Financial Services to Business Banking.

³ This measure does not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section on page 52.

⁴ PCL on performing loans ratio under IFRS 9 is calculated using PCL on Stage 1 and 2 loans and acceptances as a percentage of average net loans and acceptances. Under IAS 39 and prior to November 1, 2017, PCL on loans not yet identified as impaired was included in Corporate Support.

⁵ PCL on impaired loans ratio under IFRS 9 is calculated using PCL on Stage 3 loans and acceptances as a percentage of average net loans and acceptances. Under IAS 39, the ratio was calculated using PCL on impaired loans as a percentage of average net loans and acceptances.

⁶ AUA represents period-end spot balances and includes securitized residential mortgages and credit card loans as at April 30, 2018 of \$17.8 billion and \$9.1 billion, respectively (January 31, 2018 - \$18.2 billion and \$9.1 billion; April 30, 2017 - \$18.9 billion and \$9.8 billion).

⁷ This is a non-GAAP measure. For further information, refer to the Key performance and non-GAAP measures section on page 52.

CANADIAN BANKING (Millions of Canadian dollars, except percentage amounts) ¹	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Income Statement													
Net interest income	2,691	2,698	2,644	2,561	2,435	2,488	2,471	2,442	2,367	5,389	4,923	10,128	9,683
Non-interest income	1,180	1,229	1,122	1,168	1,123	1,336	1,106	1,102	1,057	2,409	2,459	4,749	4,326
Total revenue	3,871	3,927	3,766	3,729	3,558	3,824	3,577	3,544	3,424	7,798	7,382	14,877	14,009
Provision for credit losses (PCL)	291	302	251	259	256	250	276	265	273	593	506	1,016	1,080
Non-interest expense	1,650	1,629	1,685	1,651	1,527	1,560	1,623	1,548	1,478	3,279	3,087	6,423	6,186
Income taxes	504	516	470	470	459	468	432	447	432	1,020	927	1,867	1,741
Net income	1,426	1,480	1,360	1,349	1,316	1,546	1,246	1,284	1,241	2,906	2,862	5,571	5,002
Total revenue by business													
Personal Banking ²	2,971	3,023	2,891	2,879	2,746	3,004	2,766	2,730	2,651	5,994	5,750	11,520	10,819
Business Banking ²	900	904	875	850	812	820	811	814	773	1,804	1,632	3,357	3,190
Total	3,871	3,927	3,766	3,729	3,558	3,824	3,577	3,544	3,424	7,798	7,382	14,877	14,009
Financial ratios													
Return on equity (ROE) ³	32.0 %	32.8 %	30.7 %	30.6 %	32.9 %	37.8 %	32.5 %	33.4 %	32.9 %	32.4 %	35.4 %	32.9 %	32.6 %
Net interest margin (average earning assets, net)	2.74 %	2.68 %	2.65 %	2.61 %	2.62 %	2.61 %	2.63 %	2.63 %	2.64 %	2.71 %	2.61 %	2.62 %	2.63 %
Efficiency ratio	42.6 %	41.5 %	44.7 %	44.3 %	42.9 %	40.8 %	45.4 %	43.7 %	43.2 %	42.0 %	41.8 %	43.2 %	44.2 %
Operating leverage	0.7 %	(1.7)%	1.5 %	(1.5)%	0.6 %	8.9 %	0.3 %	1.2 %	3.4 %	(0.6)%	4.8 %	2.4 %	1.2 %
Average balances													
Total assets	416,200	412,500	408,200	401,200	393,900	390,400	386,500	382,300	377,800	414,300	392,100	398,500	381,000
Earning assets, net	402,500	399,200	395,500	388,600	381,400	378,400	374,300	368,900	364,900	400,800	379,900	386,000	368,100
Loans and acceptances, net ⁴	411,100	407,300	403,100	396,100	388,800	385,300	380,900	375,600	371,300	409,100	387,100	393,400	374,600
Residential mortgages ⁴	240,100	238,500	235,200	229,600	225,600	224,100	220,600	216,400	213,900	239,400	224,800	228,600	215,800
Personal ^{4,5}	80,100	80,400	80,600	81,000	80,200	80,300	81,000	81,400	81,300	80,200	80,300	80,500	81,500
Credit cards ⁴	17,600	17,800	17,400	17,100	16,400	16,700	16,400	16,100	15,500	17,700	16,600	17,000	16,000
Small business ⁴	4,600	4,500	4,400	4,400	3,800	3,800	3,900	3,900	3,900	4,500	3,800	4,100	3,900
Total retail	342,400	341,200	337,600	332,100	326,000	324,900	321,900	317,800	314,600	341,800	325,500	330,200	317,200
Wholesale loans and acceptances ⁴	70,500	67,900	65,500	64,000	62,800	60,400	59,000	57,800	56,700	69,100	61,600	63,200	57,400
Personal deposits	191,700	190,900	188,800	185,200	182,900	181,200	178,300	177,100	175,600	191,300	182,100	184,600	176,000
Business deposits	147,800	147,900	145,500	143,000	140,400	137,200	133,100	125,600	120,600	147,800	138,700	141,500	125,400
Attributed capital	18,050	17,650	17,350	17,200	16,150	16,000	15,000	15,050	15,150	17,850	16,100	16,700	15,100
Risk capital	15,250	14,850	14,500	14,400	13,300	13,150	12,150	12,150	12,250	15,050	13,250	13,850	12,250
Credit quality													
Gross impaired loans / Related loans and acceptances	0.29 %	0.29 %	0.24 %	0.25 %	0.25 %	0.26 %	0.27 %	0.28 %	0.28 %	0.29 %	0.25 %	0.24 %	0.27 %
PCL on performing loans (IFRS 9 - Stage 1 and 2) / Average net loans and acceptances ⁶	0.03 %	0.03 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.03 %	0.00 %	0.00 %	0.00 %
PCL on impaired loans (IFRS 9 - Stage 3) / Average net loans and acceptances ⁷	0.26 %	0.26 %	0.25 %	0.26 %	0.27 %	0.26 %	0.29 %	0.28 %	0.30 %	0.26 %	0.26 %	0.26 %	0.29 %
Net write-offs / Average net loans and acceptances	0.25 %	0.23 %	0.23 %	0.24 %	0.26 %	0.25 %	0.27 %	0.27 %	0.28 %	0.24 %	0.26 %	0.25 %	0.27 %
Business information													
Assets under administration ⁸	260,800	262,900	256,400	244,400	249,200	236,700	231,400	227,400	218,800	260,800	249,200	256,400	231,400
Number of employees (full-time equivalent)	32,020	31,909	31,730	32,042	31,689	31,879	32,127	33,029	32,875	32,020	31,689	31,730	32,127
Other earnings measures													
Net income	1,426	1,480	1,360	1,349	1,316	1,546	1,246	1,284	1,241	2,906	2,862	5,571	5,002
Add: After-tax effect of amortization of other intangibles	3	3	2	4	2	3	2	3	3	6	5	11	11
Adjusted net income	1,429	1,483	1,362	1,353	1,318	1,549	1,248	1,287	1,244	2,912	2,867	5,582	5,013
Less: Capital charge	393	397	390	390	353	362	358	361	352	790	715	1,495	1,431
Economic profit ⁹	1,036	1,086	972	963	965	1,187	890	926	892	2,122	2,152	4,087	3,582

¹ Effective Q4/17, service fees and other costs incurred in association with certain commissions and fees earned are presented on a gross basis in non-interest expense. Comparative amounts have been reclassified to conform with this presentation.

² In Q1/18, the lines of business within Canadian Banking have been realigned. Prior period amounts have been revised from Personal Financial Services and Cards and Payment Solutions to Personal Banking and Business Financial Services to Business Banking.

³ This measure does not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section on page 52.

⁴ Average loans and acceptances, net are reported net of allowance for credit losses. All other average balances are reported on a gross basis (before deducting allowance for credit losses).

⁵ As at Q2/18, average personal secured loans was \$59.5 billion and average personal unsecured loans was \$20.6 billion. The loans are secured by securities, residential real estate, automotive assets and government guarantees.

⁶ PCL on performing loans ratio under IFRS 9 is calculated using PCL on Stage 1 and 2 loans and acceptances as a percentage of average net loans and acceptances. Under IAS 39 and prior to November 1, 2017, PCL on loans not yet identified as impaired was included in Corporate Support.

⁷ PCL on impaired loans ratio under IFRS 9 is calculated using PCL on Stage 3 loans and acceptances as a percentage of average net loans and acceptances. Under IAS 39, the ratio was calculated using PCL on impaired loans as a percentage of average net loans and acceptances.

⁸ AUA represents period-end spot balances and includes securitized residential mortgages and credit card loans as at April 30, 2018 of \$17.8 billion and \$9.1 billion, respectively (January 31, 2018 - \$18.2 billion and \$9.1 billion; April 30, 2017 - \$18.9 billion and \$9.8 billion).

⁹ This is a non-GAAP measure. For further information, refer to the Key performance and non-GAAP measures section on page 52.

WEALTH MANAGEMENT (Millions of Canadian dollars, except percentage amounts) ¹	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Income Statement													
Net interest income	632	612	583	578	546	541	524	496	466	1,244	1,087	2,248	1,955
Fee-based revenue	1,570	1,589	1,485	1,484	1,425	1,405	1,385	1,328	1,284	3,159	2,830	5,799	5,323
Transaction and other revenue	447	516	457	449	468	492	442	427	428	963	960	1,866	1,702
U.S. Wealth accumulation plan gains/(losses) ²	(44)	66	37	36	42	47	(10)	36	54	22	89	162	23
Total revenue	2,605	2,783	2,562	2,547	2,481	2,485	2,341	2,287	2,232	5,388	4,966	10,075	9,003
Provision for credit losses (PCL)	(20)	(2)	-	6	15	13	22	14	7	(22)	28	34	48
Non-interest expense	1,972	1,951	1,868	1,877	1,853	1,868	1,797	1,734	1,680	3,923	3,721	7,466	6,992
U.S. Wealth accumulation plan (gains)/losses ²	(33)	60	33	32	39	41	(7)	35	42	27	80	145	23
Income taxes	149	177	170	146	143	133	133	116	117	326	276	592	467
Net income	537	597	491	486	431	430	396	388	386	1,134	861	1,838	1,473
Total revenue by business													
Canadian Wealth Management	742	749	717	693	692	713	663	620	614	1,491	1,405	2,815	2,506
U.S. Wealth Management (including City National)	1,255	1,384	1,252	1,251	1,205	1,183	1,094	1,076	1,050	2,639	2,388	4,891	4,173
Global Asset Management	516	556	508	507	486	493	482	484	460	1,072	979	1,994	1,894
International Wealth Management	92	94	85	96	98	96	102	107	108	186	194	375	430
Total	2,605	2,783	2,562	2,547	2,481	2,485	2,341	2,287	2,232	5,388	4,966	10,075	9,003
Financial ratios													
Return on equity (ROE) ³	15.8%	17.3%	14.2%	13.9%	12.4%	12.2%	11.6%	11.4%	11.6%	16.5%	12.3%	13.2%	10.9%
Net interest margin (average earning assets, net)	3.47%	3.27%	3.13%	3.14%	2.99%	2.82%	2.82%	2.87%	2.88%	3.37%	2.90%	3.02%	2.84%
Pre-tax margin	26.3%	27.8%	25.8%	24.8%	23.1%	22.7%	22.6%	22.0%	22.5%	27.1%	22.9%	24.1%	21.5%
Average balances													
Total assets	89,000	88,200	86,800	86,400	89,000	90,100	87,900	83,000	80,000	88,600	89,600	88,100	83,200
Earning assets, net	74,800	74,300	73,900	73,100	74,800	76,200	73,800	68,800	65,700	74,500	75,500	74,500	68,800
Loans and acceptances, net ⁴	54,800	52,500	51,600	51,500	52,000	50,800	50,200	49,100	47,900	53,600	51,400	51,500	49,200
Retail loans ⁴	22,600	22,000	21,800	21,600	21,700	21,300	20,900	20,400	20,000	22,300	21,500	21,600	20,600
Wholesale loans and acceptances ⁴	32,400	30,700	29,800	29,900	30,300	29,500	29,300	28,700	27,900	31,500	29,900	29,900	28,600
Deposits	93,000	92,600	90,900	91,800	94,800	95,100	91,300	85,200	82,200	92,800	95,000	93,100	85,400
Attributed capital	13,600	13,400	13,300	13,450	13,700	13,400	13,000	12,900	13,000	13,500	13,550	13,450	12,950
Risk capital	6,200	6,100	6,000	5,900	5,950	5,700	5,150	4,900	4,850	6,150	5,850	5,900	4,850
Credit quality													
Gross impaired loans / Related loans and acceptances ⁵	0.41%	0.52%	1.04%	1.17%	1.36%	1.20%	1.41%	1.44%	1.54%	0.41%	1.37%	1.04%	1.44%
Gross impaired loans on acquired credit impaired loans / Related loans and acceptances	0.04%	0.05%	0.48%	0.52%	0.64%	0.68%	0.83%	1.04%	1.11%	0.04%	0.64%	0.48%	0.85%
PCL on performing loans (IFRS 9 - Stage 1 and 2) / Average net loans and acceptances ⁶	(0.16)%	(0.05)%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	(0.10)%	0.00%	0.00%	0.00%
PCL on impaired loans (IFRS 9 - Stage 3) / Average net loans and acceptances ⁷	0.01%	0.04%	0.00%	0.04%	0.12%	0.10%	0.17%	0.11%	0.06%	0.02%	0.11%	0.07%	0.10%
Net write-offs / Average net loans and acceptances	0.07%	0.00%	0.08%	(0.02)%	0.01%	0.04%	0.07%	0.00%	(0.01)%	0.03%	0.03%	0.03%	0.02%
Business information													
Assets under administration													
Canadian Wealth Management	364,800	365,900	359,600	343,600	349,800	336,500	326,600	318,100	303,200	364,800	349,800	359,600	326,600
U.S. Wealth Management (including City National)	458,500	453,000	442,700	412,300	427,100	395,000	394,200	389,600	362,600	458,500	427,100	442,700	394,200
Global Asset Management	6,600	6,600	6,600	6,400	6,500	6,200	6,200	6,300	5,900	6,600	6,500	6,600	6,200
International Wealth Management	114,700	113,300	120,300	111,600	147,800	141,300	148,300	136,200	139,200	114,700	147,800	120,300	148,300
Total	944,600	938,800	929,200	873,900	931,200	879,000	875,300	850,200	810,900	944,600	931,200	929,200	875,300
Assets under management													
Canadian Wealth Management	96,000	94,700	90,400	85,300	84,200	79,500	76,000	71,500	67,200	96,000	84,200	90,400	76,000
U.S. Wealth Management (including City National)	126,000	122,500	119,100	108,100	113,100	101,000	103,000	100,100	91,000	126,000	113,100	119,100	103,000
Global Asset Management ⁸	424,500	424,800	415,200	393,100	401,800	389,200	392,600	388,600	372,300	424,500	401,800	415,200	392,600
International Wealth Management	8,500	9,000	9,400	9,200	9,600	8,900	9,100	9,500	9,200	8,500	9,600	9,400	9,100
Total	655,000	651,000	634,100	595,700	608,700	578,600	580,700	569,700	539,700	655,000	608,700	634,100	580,700
Number of employees (full-time equivalent)	17,313	17,092	16,946	16,947	16,597	16,521	16,371	16,213	15,982	17,313	16,597	16,946	16,371
Other earnings measures													
Net income	537	597	491	486	431	430	396	388	386	1,134	861	1,838	1,473
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: After-tax effect of amortization of other intangibles	50	46	42	44	44	49	44	45	45	96	93	179	183
Adjusted net income	587	643	533	530	475	479	440	433	431	1,230	954	2,017	1,656
Less: Capital charge	296	301	299	304	300	303	309	310	302	597	603	1,206	1,229
Economic profit ⁹	291	342	234	226	175	176	131	123	129	633	351	811	427
(Millions of U.S. dollars)													
U.S. Wealth Management (including City National)													
Revenue	977	1,100	992	963	899	890	828	826	807	2,077	1,789	3,744	3,155
Assets under administration	357,300	368,100	343,200	330,500	312,900	303,500	293,900	298,500	288,900	357,300	312,900	343,200	293,900

¹ Effective Q4/17, service fees and other costs incurred in association with certain commissions and fees earned are presented on a gross basis in non-interest expense. Comparative amounts have been reclassified to conform with this presentation.

² Gains (losses) on investments in mutual funds used as economic hedges are included in revenue and related variability is included in market-linked compensation expense in our U.S. Wealth Accumulation Plan.

³ This measure does not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section on page 52.

⁴ Average total loans and acceptances are reported net of allowance for credit losses. Average retail and wholesale loans and acceptance balances are reported gross (before deducting allowance for credit losses).

⁵ Effective November 1, 2017, gross impaired loans exclude \$229 million of acquired credit-impaired loans related to our acquisition of City National that have returned to performing status.

⁶ PCL on performing loans ratio under IFRS 9 is calculated using PCL on Stage 1 and 2 loans and acceptances as a percentage of average net loans and acceptances. Under IAS 39 and prior to November 1, 2017, PCL on loans not yet identified as impaired was included in Corporate Support.

⁷ PCL on impaired loans and acceptances ratio under IFRS 9 is calculated using PCL on Stage 3 loan and acceptances as a percentage of average net loans and acceptances. Under IAS 39, the ratio was calculated using PCL on impaired loans as a percentage of average net loans and acceptances.

⁸ Excludes assets held by clients of Phillips, Hager & North Investment Management Ltd. for which we earn either a nominal or no management fee. In Q2/18, \$nil balances of these assets were excluded.

⁹ This is a non-GAAP measure. For further information, refer to the Key performance and non-GAAP measures section on page 52.

INSURANCE (Millions of Canadian dollars, except percentage amounts)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Income Statement													
Net earned premiums ¹	824	939	1,166	1,081	879	749	698	764	837	1,763	1,628	3,875	3,175
Investment income ²	(87)	166	399	(120)	527	(353)	(51)	921	390	79	174	453	1,422
Fee income	69	39	47	48	42	101	176	133	124	108	143	238	554
Total revenue	806	1,144	1,612	1,009	1,448	497	823	1,818	1,351	1,950	1,945	4,566	5,151
Insurance policyholder benefits, claims and acquisition expense (PBCAE)	421	836	1,137	643	1,090	183	397	1,210	988	1,257	1,273	3,053	3,424
Provision for credit losses (PCL)	-	-	-	-	-	-	1	-	-	-	-	-	1
Non-interest expense	148	142	157	147	140	140	154	151	157	290	280	584	622
Income taxes	65	39	53	58	52	40	43	93	29	104	92	203	204
Net income	172	127	265	161	166	134	228	364	177	299	300	726	900
Total revenue by business													
Canadian Insurance	310	621	1,098	473	978	20	295	1,437	894	931	998	2,569	3,373
International Insurance	496	523	514	536	470	477	528	381	457	1,019	947	1,997	1,778
Total	806	1,144	1,612	1,009	1,448	497	823	1,818	1,351	1,950	1,945	4,566	5,151
Financial ratios													
Return on equity (ROE) ³	36.3%	28.2%	52.3%	37.0%	41.5%	33.7%	54.3%	75.7%	44.3%	32.3%	37.6%	41.8%	52.8%
Average balances													
Total assets	15,600	15,400	14,700	14,700	13,900	14,000	14,200	14,500	14,500	15,500	14,000	14,300	14,400
Attributed capital	1,950	1,750	2,000	1,700	1,600	1,550	1,650	1,900	1,600	1,850	1,600	1,700	1,700
Risk capital	1,750	1,600	1,800	1,550	1,450	1,400	1,500	1,750	1,450	1,650	1,450	1,550	1,550
Additional information													
Premiums and deposits ^{1,4}	981	1,095	1,302	1,233	1,008	1,003	1,065	1,131	1,184	2,076	2,011	4,546	4,594
Canadian Insurance	466	583	794	718	511	473	508	596	661	1,049	984	2,496	2,424
International Insurance	515	512	508	515	497	530	557	535	523	1,027	1,027	2,050	2,170
Fair value changes on investments backing policyholder liabilities ⁵	(174)	26	279	(225)	369	(481)	(172)	543	225	(148)	(112)	(58)	633
PBCAE													
Insurance policyholder benefits and claims	351	768	1,063	573	1,021	130	349	1,158	933	1,119	1,151	2,787	3,208
Insurance policyholder acquisition expense	70	68	74	70	69	53	48	52	55	138	122	266	216
Insurance claims and policy benefit liabilities	9,763	9,977	9,676	9,331	9,262	8,785	9,164	9,305	8,644	9,763	9,262	9,676	9,164
Business information													
Assets under management	1,300	1,300	1,200	1,100	1,100	1,000	1,000	900	800	1,300	1,100	1,200	1,000
Number of employees (full-time equivalent)	2,837	2,756	2,691	2,716	2,663	2,676	2,657	2,734	3,186	2,837	2,663	2,691	2,657
Other earnings measures													
Net income	172	127	265	161	166	134	228	364	177	299	300	726	900
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: After-tax effect of amortization of other intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted net income	172	127	265	161	166	134	228	364	177	299	300	726	900
Less: Capital charge	41	40	45	39	35	35	39	46	38	81	70	154	160
Economic profit ⁶	131	87	220	122	131	99	189	318	139	218	230	572	740

¹ Premiums and deposits equals net earned premiums excluding the cost of premiums to other institutions for reinsurance coverage, plus segregated fund deposits.

² Investment income can experience volatility arising from fluctuation in the fair value through profit or loss (FVTPL) assets. The investments which support actuarial liabilities are predominantly fixed income assets designated as at FVTPL and consequently changes in fair values of these assets are recorded in Insurance premiums, investment and fee income in the consolidated statements of income. Changes in fair values of these assets are largely offset by changes in the fair value of the actuarial liabilities, the impact of which is reflected in insurance policyholder benefits and claims.

³ This measure does not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section on page 52.

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

⁵ The revenue impact of the change in fair value on investments backing policyholder liabilities is reflected in Insurance premiums, investment and fee income and largely offset in PBCAE.

⁶ This is a non-GAAP measure. For further information, refer to the Key performance and non-GAAP measures section on page 52.

INVESTOR & TREASURY SERVICES (Millions of Canadian dollars, except percentage amounts)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Income Statement													
Net interest income	118	128	128	141	173	237	214	195	190	246	410	679	825
Non-interest income	553	548	474	453	435	394	390	382	350	1,101	829	1,756	1,446
Total revenue	671	676	602	594	608	631	604	577	540	1,347	1,239	2,435	2,271
Provision for credit losses (PCL)	-	-	-	-	-	-	(3)	-	-	-	-	-	(3)
Non-interest expense	391	389	397	364	355	350	379	368	352	780	705	1,466	1,460
Income taxes	68	68	49	52	60	67	54	52	49	136	127	228	201
Net income	212	219	156	178	193	214	174	157	139	431	407	741	613
Financial ratios													
Return on equity (ROE) ¹	28.1%	26.9%	19.2%	21.9%	24.6%	25.1%	21.0%	18.2%	16.5%	27.5%	24.9%	22.7%	17.9%
Average balances													
Total assets	131,500	132,900	138,400	138,700	133,100	141,800	142,400	143,200	144,800	132,200	137,500	138,100	142,500
Trading securities	27,400	31,000	34,700	37,200	38,000	43,100	46,400	46,400	47,100	29,200	40,600	38,300	47,800
Loans and acceptances, net	2,900	2,600	2,300	2,200	2,000	1,900	1,700	1,800	1,700	2,800	2,000	2,100	1,700
Deposits	163,600	155,300	142,600	132,000	127,900	128,500	124,400	123,200	138,100	159,400	128,200	132,800	134,300
Client deposits	58,200	56,900	56,600	55,600	52,900	52,500	50,900	53,000	53,900	57,500	52,700	54,400	52,800
Wholesale funding deposits	105,400	98,400	86,000	76,400	75,000	76,000	73,500	70,200	84,200	101,900	75,500	78,400	81,500
Attributed capital	3,050	3,150	3,150	3,150	3,150	3,300	3,200	3,350	3,350	3,100	3,250	3,200	3,350
Risk capital	2,500	2,650	2,650	2,650	2,650	2,850	2,750	2,850	2,850	2,600	2,750	2,700	2,850
Business information													
Assets under administration	4,439,800	4,431,800	4,266,600	4,251,300	4,111,400	3,797,000	3,929,400	3,724,300	3,617,700	4,439,800	4,111,400	4,266,600	3,929,400
Number of employees (full-time equivalent)	4,765	4,744	4,771	4,783	4,751	4,781	4,776	4,958	4,926	4,765	4,751	4,771	4,776
Other earnings measures													
Net income (loss)	212	219	156	178	193	214	174	157	139	431	407	741	613
Non-controlling interests	(1)	-	-	-	(1)	-	-	(1)	-	(1)	(1)	(1)	(1)
Add: After-tax effect of amortization of other intangibles and goodwill impairment	5	3	4	3	4	4	4	5	4	8	8	15	16
Adjusted net income	216	222	160	181	196	218	178	161	143	438	414	755	628
Less: Capital charge	67	71	72	70	69	75	77	80	77	138	144	286	316
Economic profit (loss) ²	149	151	88	111	127	143	101	81	66	300	270	469	312

¹ This measure does not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section on page 52.

² This is a non-GAAP measure. For further information, refer to the Key performance and non-GAAP measures section on page 52.

CAPITAL MARKETS (Millions of Canadian dollars, except percentage amounts)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Income Statement													
Net interest income (teb)	841	866	851	845	922	947	857	892	993	1,707	1,869	3,565	3,804
Non-interest income (teb) ¹	1,169	1,309	1,103	1,195	1,195	1,124	1,036	1,195	997	2,478	2,319	4,617	4,146
Total revenue (teb)	2,010	2,175	1,954	2,040	2,117	2,071	1,893	2,087	1,990	4,185	4,188	8,182	7,950
Provision for credit losses (PCL)	(7)	20	(38)	44	24	32	51	33	123	13	56	62	327
Non-interest expense	1,190	1,214	1,222	1,199	1,173	1,125	1,151	1,160	1,080	2,404	2,298	4,719	4,466
Income taxes	162	193	186	186	252	252	209	259	204	355	504	876	887
Net income	665	748	584	611	668	662	482	635	583	1,413	1,330	2,525	2,270
Total revenue by business													
Corporate and Investment Banking	967	994	1,049	995	1,020	936	976	956	892	1,961	1,956	4,000	3,694
Global Markets	1,092	1,221	976	1,134	1,162	1,194	978	1,148	1,125	2,313	2,356	4,466	4,361
Other	(49)	(40)	(71)	(89)	(65)	(59)	(61)	(17)	(27)	(89)	(124)	(284)	(105)
Total	2,010	2,175	1,954	2,040	2,117	2,071	1,893	2,087	1,990	4,185	4,188	8,182	7,950
Financial ratios													
Return on equity (ROE) ²	13.4 %	14.7 %	12.4 %	11.9 %	14.2 %	13.3 %	10.4 %	14.2 %	12.1 %	14.1 %	13.7 %	12.9 %	12.2 %
Total compensation to revenue ³	37.0 %	36.4 %	37.0 %	38.0 %	35.4 %	35.6 %	36.1 %	34.6 %	34.3 %	36.7 %	35.2 %	36.6 %	34.9 %
Average balances													
Total assets	563,700	570,200	490,600	494,000	499,600	493,600	496,700	514,500	502,600	567,000	496,500	494,400	508,200
Trading securities	98,900	100,800	86,500	86,800	95,000	98,900	105,300	104,600	100,700	99,900	96,900	91,800	104,900
Loans and acceptances, net	82,800	81,400	83,000	83,100	83,600	83,800	85,500	87,400	89,600	82,100	83,700	83,400	88,100
Deposits	71,000	64,900	62,800	59,500	59,900	58,700	59,200	61,600	62,200	67,900	59,300	60,200	61,500
Attributed capital	19,700	19,650	18,050	19,550	18,700	19,100	17,600	17,200	18,850	19,650	18,900	18,850	17,900
Risk capital	18,150	18,150	16,600	18,200	17,650	18,000	16,500	16,100	17,800	18,150	17,800	17,600	16,800
Credit quality													
Gross impaired loans / Related loans and acceptances	0.80 %	0.67 %	0.63 %	0.94 %	1.18 %	1.66 %	1.78 %	1.53 %	1.38 %	0.80 %	1.18 %	0.63 %	1.73 %
PCL on performing loans (IFRS 9 - Stage 1 and 2) / Average net loans and acceptances ⁴	(0.12)%	(0.10)%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	(0.11)%	0.00 %	0.00 %	0.00 %
PCL on impaired loans (IFRS 9 - Stage 3) / Average net loans and acceptances ⁵	0.07 %	0.22 %	(0.18)%	0.21 %	0.12 %	0.15 %	0.24 %	0.15 %	0.56 %	0.15 %	0.13 %	0.07 %	0.37 %
Net write-offs / Average net loans and acceptances	(0.02)%	0.04 %	0.23 %	0.06 %	0.12 %	(0.08)%	0.01 %	0.50 %	0.00 %	0.01 %	0.02 %	0.09 %	0.17 %
Business information													
Assets under administration	12,900	12,100	12,700	12,300	13,800	13,600	14,600	13,900	13,400	12,900	13,800	12,700	14,600
Number of employees (full-time equivalent)	3,936	3,917	3,970	4,188	3,758	3,817	3,883	4,132	3,824	3,936	3,758	3,970	3,883
Other earnings measures													
Net income	665	748	584	611	668	662	482	635	583	1,413	1,330	2,525	2,270
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: After-tax effect of amortization of other intangibles	-	-	-	-	-	-	(1)	1	-	-	-	-	-
Adjusted net income	665	748	584	611	668	662	481	636	583	1,413	1,330	2,525	2,270
Less: Capital charge	429	442	407	441	410	432	419	412	441	871	842	1,690	1,694
Economic profit (loss) ⁶	236	306	177	170	258	230	62	224	142	542	488	835	576

¹ Non-interest income is adjusted for teb commencing Q2/16.

² This measure does not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section on page 52.

³ Total compensation to revenue ratio is calculated as total human resources non-interest expense / total revenue (teb) for Front Office personnel and for functional support teams (Technology, Operations, and Functions). Total human resources non-interest expense includes salary, benefits, stock based compensation, severance, retention costs, and variable compensation.

⁴ PCL on performing loans ratio under IFRS 9 is calculated using PCL on Stage 1 and 2 loans and acceptances as a percentage of average net loans and acceptances. Under IAS 39 and prior to November 1, 2017, PCL on loans not yet identified as impaired was included in Corporate Support.

⁵ PCL on impaired loans and acceptances ratio under IFRS 9 is calculated using PCL on Stage 3 loans and acceptances as a percentage of average net loans and acceptances. Under IAS 39, the ratio was calculated using PCL on impaired loans as a percentage of average net loans and acceptances.

⁶ This is a non-GAAP measure. For further information, refer to the Key performance and non-GAAP measures section on page 52.

CORPORATE SUPPORT (Millions of Canadian dollars)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Income Statement													
Net interest income (teb)	(22)	(17)	(21)	(28)	(40)	(50)	(48)	(58)	(151)	(39)	(90)	(139)	(390)
Non-interest income (teb) ¹	(119)	(98)	(205)	(44)	-	(64)	(78)	(139)	(18)	(217)	(64)	(313)	(202)
Total revenue (teb)	(141)	(115)	(226)	(72)	(40)	(114)	(126)	(197)	(169)	(256)	(154)	(452)	(592)
Provision for (recovery of) credit losses (PCL)	1	(1)	2	(3)	1	-	(1)	-	51	-	1	-	51
Non-interest expense	(14)	54	62	92	62	22	(2)	8	14	40	84	238	30
Income taxes	(143)	32	(227)	(122)	(94)	(131)	(111)	(234)	(225)	(111)	(225)	(574)	(691)
Net income (loss)	15	(200)	(63)	(39)	(9)	(5)	(12)	29	(9)	(185)	(14)	(116)	18
Additional information													
teb adjustment	(151)	(92)	(225)	(107)	(97)	(119)	(115)	(267)	(203)	(243)	(216)	(548)	(736)
Average balances													
Total assets	38,300	35,500	35,000	31,300	28,100	28,200	25,200	24,100	24,200	36,900	28,100	30,600	24,300
Attributed capital	7,950	8,150	8,900	7,400	8,100	7,950	9,300	8,050	7,000	8,100	7,950	8,100	7,750
Other earnings measures													
Net income (loss)	15	(200)	(63)	(39)	(9)	(5)	(12)	29	(9)	(185)	(14)	(116)	18
Non-controlling interests	(7)	(9)	(9)	(9)	(8)	(9)	(9)	(7)	(9)	(16)	(17)	(35)	(44)
Add: After-tax effect of amortization of other intangibles	(3)	2	1	-	-	-	3	(4)	1	(1)	-	1	1
Adjusted net (loss) income	5	(207)	(71)	(48)	(17)	(14)	(18)	18	(17)	(202)	(31)	(150)	(25)
Less: Capital charge	174	184	200	167	177	178	221	194	164	358	355	722	738
Economic profit (loss) ²	(169)	(391)	(271)	(215)	(194)	(192)	(239)	(176)	(181)	(560)	(386)	(872)	(763)

¹ Non-interest income is adjusted for teb commencing Q2/16.

² This is a non-GAAP measure. For further information, refer to the Key performance and non-GAAP measures section on page 52.

BALANCE SHEETS (Millions of Canadian dollars)	IFRS 9		IAS 39							IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	2017	2016
Period-end balances											
ASSETS											
Cash and due from banks	32,765	34,488	28,407	24,302	30,518	25,363	14,929	19,501	14,845	28,407	14,929
Interest-bearing deposits with banks	36,979	37,269	32,662	36,098	25,875	22,380	27,851	22,008	29,229	32,662	27,851
Securities											
Trading	131,168	129,361	127,657	128,740	132,370	142,192	151,292	157,446	151,952	127,657	151,292
Investment, net of applicable allowance ¹	89,673	92,901	90,722	85,430	87,035	82,635	84,801	76,552	72,419	90,722	84,801
	220,841	222,262	218,379	214,170	219,405	224,827	236,093	233,998	224,371	218,379	236,093
Assets purchased under reverse repurchase agreements and securities borrowed	261,184	259,765	220,977	208,669	216,931	197,285	186,302	200,430	184,825	220,977	186,302
Loans											
Retail	388,558	386,235	385,170	379,869	374,168	370,161	369,470	364,476	359,863	385,170	369,470
Wholesale	165,643	154,585	159,606	156,401	160,352	154,088	154,369	153,521	150,602	159,606	154,369
	554,201	540,820	544,776	536,270	534,520	524,249	523,839	517,997	510,465	544,776	523,839
Allowance for loan losses	(2,808)	(2,776)	(2,159)	(2,236)	(2,258)	(2,239)	(2,235)	(2,177)	(2,271)	(2,159)	(2,235)
	551,393	538,044	542,617	534,034	532,262	522,010	521,604	515,820	508,194	542,617	521,604
Segregated fund net assets	1,308	1,270	1,216	1,077	1,096	1,021	981	933	882	1,216	981
Other											
Customers' liability under acceptances	15,653	16,363	16,459	15,246	14,499	13,959	12,843	13,152	13,844	16,459	12,843
Derivatives	94,175	105,512	95,023	105,833	100,763	97,419	118,944	130,462	115,298	95,023	118,944
Premises and equipment, net	2,706	2,648	2,670	2,646	2,754	2,746	2,836	2,872	2,970	2,670	2,836
Goodwill	10,990	10,736	10,977	10,733	11,352	10,967	11,156	11,254	11,200	10,977	11,156
Other intangibles	4,533	4,420	4,507	4,421	4,640	4,537	4,648	4,605	4,526	4,507	4,648
Other assets	42,251	43,498	38,959	43,818	42,824	39,252	42,071	43,840	40,173	38,959	42,071
Total Assets	1,274,778	1,276,275	1,212,853	1,201,047	1,202,919	1,161,766	1,180,258	1,198,875	1,150,357	1,212,853	1,180,258
LIABILITIES AND EQUITY											
Deposits											
Personal	263,390	261,312	260,213	254,559	259,319	253,106	250,550	250,128	243,882	260,213	250,550
Business and government	530,365	517,428	505,665	501,282	498,231	481,577	488,007	480,896	479,821	505,665	488,007
Bank	28,293	21,280	23,757	22,777	28,033	22,829	19,032	23,391	17,751	23,757	19,032
	822,048	800,020	789,635	778,618	785,583	757,512	757,589	754,415	741,454	789,635	757,589
Segregated fund net liabilities	1,308	1,270	1,216	1,077	1,096	1,021	981	933	882	1,216	981
Other											
Acceptances	15,668	16,379	16,459	15,246	14,499	13,959	12,843	13,152	13,844	16,459	12,843
Obligations related to securities sold short	33,047	30,404	30,008	40,512	37,331	37,969	50,369	46,679	47,121	30,008	50,369
Obligations related to assets sold under repurchase agreements and securities loaned	170,918	183,319	143,084	121,980	127,955	123,474	103,441	118,283	96,574	143,084	103,441
Derivatives	90,890	104,219	92,127	104,203	99,031	95,646	116,550	128,533	116,479	92,127	116,550
Insurance claims and policy benefit liabilities	9,763	9,977	9,676	9,331	9,262	8,785	9,164	9,305	8,644	9,676	9,164
Other liabilities	46,043	48,402	46,955	48,019	45,348	41,762	47,947	47,974	47,669	46,955	47,947
Subordinated debentures	9,068	8,961	9,265	9,200	9,646	9,487	9,762	9,765	9,564	9,265	9,762
	1,198,753	1,202,951	1,138,425	1,128,186	1,129,751	1,089,615	1,108,646	1,129,039	1,082,231	1,138,425	1,108,646
Equity attributable to shareholders											
Preferred shares	6,303	6,306	6,413	6,713	6,712	6,713	6,713	6,712	6,713	6,413	6,713
Common shares	17,539	17,640	17,703	17,871	17,707	17,865	17,859	17,775	17,796	17,703	17,859
Retained earnings	47,405	45,764	45,359	44,479	42,538	42,996	41,519	40,424	39,590	45,359	41,519
Other components of equity	4,178	3,026	4,354	3,211	5,613	3,992	4,926	4,342	3,439	4,354	4,926
	75,425	72,736	73,829	72,274	72,570	71,566	71,017	69,253	67,538	73,829	71,017
Non-controlling interests	600	588	599	587	598	585	595	583	588	599	595
	76,025	73,324	74,428	72,861	73,168	72,151	71,612	69,836	68,126	74,428	71,612
Total Liabilities and Equity	1,274,778	1,276,275	1,212,853	1,201,047	1,202,919	1,161,766	1,180,258	1,198,875	1,150,357	1,212,853	1,180,258

¹ Investment, net of applicable allowance represents debt and equity securities at fair value through other comprehensive income (available-for-sale securities under IAS 39) and amortized cost (held-to-maturity securities under IAS 39). For further details on the impacts of the adoption of IFRS 9 including the description of accounting policies selected, refer to the Q2/18 Report to Shareholders and our 2017 Annual Report.

SELECTED AVERAGE BALANCE SHEET ITEMS ¹ (Millions of Canadian dollars)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Securities, net of applicable allowance	228,900	234,200	217,300	217,500	225,300	234,700	239,300	234,200	225,300	231,600	230,000	223,700	234,800
Assets purchased under reverse repurchase agreements and securities borrowed	258,200	256,100	208,600	208,800	209,500	197,200	190,300	191,300	191,800	257,200	203,200	206,000	191,200
Total loans, net ²	546,200	537,600	538,600	532,800	526,400	522,200	519,100	514,200	510,700	541,800	524,300	530,000	514,000
Retail ²	388,200	386,700	382,500	376,700	371,900	370,800	367,300	363,200	359,500	387,500	371,300	375,500	362,700
Wholesale ²	160,800	153,500	158,300	158,300	156,700	153,700	153,900	153,300	153,400	157,100	155,200	156,800	153,500
Customers' liability under acceptances	15,700	16,400	15,800	14,900	14,100	13,400	12,800	13,400	13,500	16,100	13,700	14,600	13,200
Average earning assets, net	1,081,100	1,071,200	1,007,500	1,000,200	997,700	990,500	981,900	973,400	960,900	1,076,100	994,000	999,000	973,200
Derivatives	93,700	95,900	97,700	99,000	94,900	107,600	113,400	129,900	122,900	94,800	101,400	99,900	121,600
Total assets	1,276,700	1,276,700	1,195,600	1,188,800	1,181,000	1,180,800	1,175,400	1,184,300	1,166,500	1,276,700	1,180,900	1,186,600	1,176,400
Deposits	815,900	803,600	781,900	770,000	766,800	762,400	751,500	743,000	743,700	809,700	764,600	770,300	749,600
Common equity	67,450	66,850	65,900	65,750	64,800	64,650	63,100	61,800	62,400	67,150	64,700	65,300	62,200
Total equity	74,300	73,800	73,100	73,100	72,100	71,900	70,400	69,100	69,500	74,000	72,000	72,600	69,400

ASSETS UNDER ADMINISTRATION AND MANAGEMENT ³ (Millions of Canadian dollars)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Assets under administration													
Institutional	4,579,900	4,568,900	4,411,000	4,387,700	4,258,600	3,937,200	4,077,300	3,859,800	3,757,200	4,579,900	4,258,600	4,411,000	4,077,300
Personal	929,500	927,200	907,100	854,000	882,000	833,100	819,500	804,700	759,900	929,500	882,000	907,100	819,500
Retail mutual funds	157,000	157,400	155,200	148,300	173,900	164,300	162,100	159,200	152,900	157,000	173,900	155,200	162,100
Total assets under administration	5,666,400	5,653,500	5,473,300	5,390,000	5,314,500	4,934,600	5,058,900	4,823,700	4,670,000	5,666,400	5,314,500	5,473,300	5,058,900
Assets under management													
Institutional	219,700	220,600	216,000	204,100	212,800	210,800	218,000	201,600	194,800	219,700	212,800	216,000	218,000
Personal	229,300	225,500	216,200	200,900	201,200	184,900	182,900	175,800	162,900	229,300	201,200	216,200	182,900
Retail mutual funds	211,900	210,600	207,700	196,200	200,600	188,400	185,400	197,600	187,200	211,900	200,600	207,700	185,400
Total assets under management	660,900	656,700	639,900	601,200	614,600	584,100	586,300	575,000	544,900	660,900	614,600	639,900	586,300

¹ Calculated using methods intended to approximate the average of the daily balances for the period, as applicable.

² Average total loans are reported net of allowance for loan losses. Average retail and wholesale balances are reported on a gross basis (before deducting allowance for loan losses).

³ To be read in conjunction with the Segment pages.

STATEMENTS OF COMPREHENSIVE INCOME (Millions of Canadian dollars)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Net income	3,060	3,012	2,837	2,796	2,809	3,027	2,543	2,895	2,573	6,072	5,836	11,469	10,458
Other comprehensive income (loss), net of taxes													
Items that will be reclassified subsequently to income:													
Net change in unrealized gains (losses) on available-for-sale securities													
Net unrealized gains (losses) on available-for-sale securities			68	67	128	(129)	(92)	96	50		(1)	134	73
Reclassification of net losses (gains) on available-for-sale securities to income			(20)	(27)	(37)	(12)	-	5	(18)		(49)	(96)	(48)
Net change in unrealized gains (losses) on debt securities and loans at fair value through other comprehensive income													
Net unrealized gains (losses) on debt securities and loans at fair value through other comprehensive income	(14)	(24)								(38)			
Provisions for credit losses (PCL) recognized in profit or loss	9	15								24			
Reclassification of net losses (gains) on debt securities and loans at fair value through other comprehensive income to income	(35)	(28)								(63)			
	(40)	(37)	48	40	91	(141)	(92)	101	32	(77)	(50)	38	25
Foreign currency translation adjustments													
Unrealized foreign currency translation gains (losses)	1,978	(2,006)	1,702	(4,405)	2,595	(1,462)	979	1,301	(5,152)	(28)	1,133	(1,570)	147
Net foreign currency translation gains (losses) from hedging activities	(710)	658	(638)	1,538	(1,005)	543	(305)	(426)	2,016	(52)	(462)	438	113
Reclassification of losses (gains) on foreign currency translation to income	-	-	-	-	-	(10)	-	-	-	-	(10)	(10)	-
	1,268	(1,348)	1,064	(2,867)	1,590	(929)	674	875	(3,136)	(80)	661	(1,142)	260
Net change in cash flow hedges													
Net gains (losses) on derivatives designated as cash flow hedges	(217)	424	27	585	(86)	96	(56)	(120)	230	207	10	622	(35)
Reclassification of losses (gains) on derivatives designated as cash flow through profit or loss	144	(153)	7	(167)	31	37	60	50	(88)	(9)	68	(92)	52
	(73)	271	34	418	(55)	133	4	(70)	142	198	78	530	17
Items that will not be reclassified subsequently to income:													
Remeasurements of employee benefit plans	84	49	(42)	510	(275)	597	25	(432)	(216)	133	322	790	(1,077)
Net fair value change due to credit risk on financial liabilities designated as at fair value through profit or loss	144	(18)	(58)	(20)	(212)	(33)	(90)	(87)	(265)	126	(245)	(323)	(322)
Net gains (losses) on equity securities designated at fair value through other comprehensive income	1	(2)								(1)			
	229	29	(100)	490	(487)	564	(65)	(519)	(481)	258	77	467	(1,399)
Total other comprehensive income (loss), net of taxes	1,384	(1,085)	1,046	(1,919)	1,139	(373)	521	387	(3,443)	299	766	(107)	(1,097)
Total comprehensive income (loss)	4,444	1,927	3,883	877	3,948	2,654	3,064	3,282	(870)	6,371	6,602	11,362	9,361
Total comprehensive income (loss) attributable to:													
Shareholders	4,432	1,919	3,872	871	3,935	2,645	3,052	3,270	(875)	6,351	6,580	11,323	9,306
Non-controlling interests	12	8	11	6	13	9	12	12	5	20	22	39	55
	4,444	1,927	3,883	877	3,948	2,654	3,064	3,282	(870)	6,371	6,602	11,362	9,361

STATEMENTS OF CHANGES IN EQUITY (Millions of Canadian dollars)	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Preferred shares													
Balance at beginning of period	6,306	6,413	6,713	6,713	6,713	6,713	6,713	6,713	6,205	6,413	6,713	6,713	5,100
Issued	-	-	-	-	-	-	-	-	750	-	-	-	1,855
Redeemed	-	(107)	(300)	-	-	-	-	-	-	(107)	-	(300)	-
Purchased for cancellation	-	-	-	-	-	-	-	-	(242)	-	-	-	(242)
Balance at end of period	6,306	6,306	6,413	6,713	6,713	6,713	6,713	6,713	6,713	6,306	6,713	6,413	6,713
Common shares													
Balance at beginning of period	17,647	17,730	17,759	17,717	17,898	17,939	17,876	17,883	17,774	17,730	17,939	17,939	14,573
Issued	15	30	39	42	50	96	74	38	109	45	146	227	3,422
Purchased for cancellation	(28)	(113)	(68)	-	(231)	(137)	(11)	(45)	-	(141)	(368)	(436)	(56)
Balance at end of period	17,634	17,647	17,730	17,759	17,717	17,898	17,939	17,876	17,883	17,634	17,717	17,730	17,939
Treasury shares - preferred													
Balance at beginning of period	-	-	-	(1)	-	-	(1)	-	(1)	-	-	-	(2)
Sales	64	69	48	38	23	21	28	40	64	133	44	130	172
Purchases	(67)	(69)	(48)	(37)	(24)	(21)	(27)	(41)	(63)	(136)	(45)	(130)	(170)
Balance at end of period	(3)	-	-	-	(1)	-	-	(1)	-	(3)	(1)	-	-
Treasury shares - common													
Balance at beginning of period	(7)	(27)	112	(10)	(33)	(80)	(101)	(87)	88	(27)	(80)	(80)	38
Sales	1,344	1,425	1,000	1,099	1,124	1,191	1,056	1,503	1,425	2,769	2,315	4,414	4,973
Purchases	(1,432)	(1,405)	(1,139)	(977)	(1,101)	(1,144)	(1,035)	(1,517)	(1,600)	(2,837)	(2,245)	(4,361)	(5,091)
Balance at end of period	(95)	(7)	(27)	112	(10)	(33)	(80)	(101)	(87)	(95)	(10)	(27)	(80)
Retained earnings													
Balance at beginning of period	45,764	45,359	44,479	42,538	42,996	41,519	40,424	39,590	38,856	45,359	41,519	41,519	37,811
Transition adjustment for IFRS 9 ¹	-	(558)	-	-	-	-	-	-	-	(558)	-	-	-
Net income attributable to shareholders	3,051	3,001	2,829	2,783	2,801	3,015	2,533	2,886	2,560	6,052	5,816	11,428	10,405
Other comprehensive income	229	29	(100)	490	(487)	564	(65)	(519)	(481)	258	77	467	(1,399)
Preferred share dividends	(71)	(72)	(72)	(76)	(77)	(75)	(75)	(85)	(74)	(143)	(152)	(300)	(294)
Common share dividends	(1,356)	(1,319)	(1,324)	(1,269)	(1,271)	(1,232)	(1,234)	(1,202)	(1,206)	(2,675)	(2,503)	(5,096)	(4,817)
Premium paid on common shares purchased for cancellation	(196)	(810)	(454)	-	(1,406)	(814)	(59)	(247)	-	(1,006)	(2,220)	(2,674)	(306)
Premium paid on preferred shares purchased for cancellation	-	-	-	-	-	-	-	-	(22)	-	-	-	(22)
Share-based compensation awards	(1)	(3)	(9)	(6)	(13)	(12)	(12)	(10)	(26)	(4)	(25)	(40)	(54)
Issuance costs	-	-	-	-	(1)	-	-	-	(9)	-	(1)	(1)	(16)
Other	(15)	137	10	19	(4)	31	7	11	(8)	122	27	56	211
Balance at end of period	47,405	45,764	45,359	44,479	42,538	42,996	41,519	40,424	39,590	47,405	42,538	45,359	41,519
Other components of equity													
Unrealized gains and losses on available-for-sale securities	-	-	378	330	290	199	340	432	331	-	290	378	340
Unrealized gains and losses on securities and loans at fair value through other comprehensive income	84	124	-	-	-	-	-	-	-	84	-	-	-
Unrealized foreign currency translation gains and losses, net of hedging activities	3,465	2,200	3,545	2,484	5,344	3,759	4,685	4,013	3,141	3,465	5,344	3,545	4,685
Gains and losses on derivatives designated as cash flow hedges	629	702	431	397	(21)	34	(99)	(103)	(33)	629	(21)	431	(99)
Balance at end of period	4,178	3,026	4,354	3,211	5,613	3,992	4,926	4,342	3,439	4,178	5,613	4,354	4,926
Total retained earnings and other components of equity	51,583	48,790	49,713	47,690	48,151	46,988	46,445	44,766	43,029	51,583	48,151	49,713	46,445
	75,425	72,736	73,829	72,274	72,570	71,566	71,017	69,253	67,538	75,425	72,570	73,829	71,017
Non-controlling interests													
Balance at beginning of period	588	599	587	598	585	595	583	588	573	599	595	595	1,798
Dividends	(1)	(18)	-	(17)	-	(17)	-	(17)	-	(19)	(17)	(34)	(63)
Net income attributable to Non-controlling interests	9	11	8	13	8	12	10	9	13	20	20	41	53
Foreign currency translation adjustments	3	(3)	3	(7)	5	(3)	2	3	(8)	-	2	(2)	2
Redemption of trust capital securities	-	-	-	-	-	-	-	-	-	-	-	-	(1,200)
Other	1	(1)	1	-	-	(2)	-	-	10	-	(2)	(1)	5
Balance at end of period	600	588	599	587	598	585	595	583	588	600	598	599	595
Total equity	76,025	73,324	74,428	72,861	73,168	72,151	71,612	69,836	68,126	76,025	73,168	74,428	71,612

¹ For further details, refer to the Q2/18 Report to Shareholders and our 2017 Annual Report.

SECURITIZATION OF OUR FINANCIAL ASSETS (Millions of Canadian dollars)	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	2018 6 months	2017 6 months	2017	2016
Credit card loans ¹													
Opening balance	9,828	8,776	8,589	10,314	8,978	10,420	10,094	11,379	10,839	8,776	10,420	10,420	8,314
Securitized	-	2,025	711	-	3,003	-	987	-	1,084	2,025	3,003	3,714	4,596
Reversal of prior securitizations	(702)	(973)	(524)	(1,725)	(1,667)	(1,442)	(661)	(1,285)	(544)	(1,675)	(3,109)	(5,358)	(2,490)
Closing balance	9,126	9,828	8,776	8,589	10,314	8,978	10,420	10,094	11,379	9,126	10,314	8,776	10,420
Commercial mortgages ¹													
Opening balance	1,287	1,366	967	1,060	1,180	1,297	1,115	852	977	1,366	1,297	1,297	1,080
Securitized	-	-	407	-	-	-	278	401	-	-	-	407	679
Amortization	(28)	(79)	(8)	(93)	(120)	(117)	(96)	(138)	(125)	(107)	(237)	(338)	(462)
Closing balance	1,259	1,287	1,366	967	1,060	1,180	1,297	1,115	852	1,259	1,060	1,366	1,297
Bond participation certificates - sold													
Opening balance	44	49	58	68	75	81	94	99	140	49	81	81	138
Sold	-	-	-	-	-	-	-	-	-	-	-	-	-
Other ²	(9)	(5)	(9)	(10)	(7)	(6)	(13)	(5)	(41)	(14)	(13)	(32)	(57)
Closing balance	35	44	49	58	68	75	81	94	99	35	68	49	81
Total exposures securitized	10,420	11,159	10,191	9,614	11,442	10,233	11,798	11,303	12,330	10,420	11,442	10,191	11,798

¹ Amounts include assets that we have securitized but continue to service.

² Other primarily relates to foreign exchange translation gains and losses. For bond participation certificates, maturity of bonds is also included in this category.

SECURITIZATION SUBJECT TO EARLY AMORTIZATION SELLER'S INTEREST (Millions of Canadian dollars)	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16
Our financial assets ¹									
Credit cards									
Total drawn	1,981	1,916	2,838	3,187	1,440	2,680	1,853	1,959	1,361
Capital charges drawn	80	81	119	132	61	115	80	84	60
Capital charges undrawn	96	78	113	126	84	159	106	111	79
Credit card loans securitized									
Past due ²	78	81	71	67	78	81	75	79	84
Net write-offs	56	46	45	52	56	51	56	63	64

OFF-BALANCE SHEET ARRANGEMENTS OUTSTANDING SECURITIZED ASSETS (Millions of Canadian dollars, except percentage amounts)	Q2/18			Q1/18			Q4/17			Q3/17		
	Securitized exposures ³	Annualized average net loss rate ^{4,5}	Average coverage multiple of average net losses ^{4,5}	Securitized exposures ³	Annualized average net loss rate ^{4,5}	Average coverage multiple of average net losses ^{4,5}	Securitized exposures ³	Annualized average net loss rate ^{4,5}	Average coverage multiple of average net losses ^{4,5}	Securitized exposures ³	Annualized average net loss rate ^{4,5}	Average coverage multiple of average net losses ^{4,5}
Asset-backed securities	369	2.21%	16	354	2.27%	15	371	0.00%	-	359	0.00%	-
Auto loans and leases	16,739	0.48%	54	15,874	0.46%	53	16,783	0.37%	74	16,794	0.33%	81
Consumer loans ⁵	1,848	2.97%	10	1,697	2.76%	11	1,634	2.54%	14	1,676	2.46%	13
Credit cards	5,959	4.23%	13	5,735	4.66%	12	5,745	4.43%	12	7,071	3.99%	12
Dealer floor plan receivables	1,954	0.20%	>100	1,900	0.24%	>100	2,064	0.23%	>100	2,071	0.21%	>100
Equipment receivables	1,963	0.55%	46	1,726	0.35%	65	1,809	0.41%	59	1,749	0.44%	51
Fleet finance receivables	1,182	0.23%	62	1,156	0.24%	58	1,294	0.04%	>100	1,276	0.06%	>100
Insurance premiums	290	0.25%	88	284	0.25%	90	336	0.12%	>100	163	0.21%	>100
Residential mortgages	1,377	-	-	1,377	-	-	1,377	-	-	1,377	-	-
Student loans	3,174	0.90%	>100	2,126	0.94%	>100	2,253	1.00%	88	2,454	0.90%	>100
Trade receivables	2,764	0.40%	51	2,567	0.22%	>100	3,042	0.29%	80	2,687	0.12%	>100
Transportation finance	1,615	-	-	1,618	-	-	1,914	-	-	1,959	-	-
Total off-balance sheet arrangements outstanding securitized assets	39,234			36,414			38,622			39,636		

¹ Amounts reported are based on regulatory securitization reporting requirements as it includes our credit card loans. It excludes our Canadian residential mortgages under the National Housing Act MBS (NHA MBS) program, which also encompasses our Canadian social housing mortgages.

² Amounts represent credit card loans securitized greater than 90 days past due.

³ Comprised of multi-seller asset-backed commercial paper conduit programs. The outstanding securitized assets reflect our maximum exposure to loss for liquidity and credit facilities only, and excludes derivative transactions with RBC. Of the outstanding securitized assets, 100% of these are internally rated as investment grade.

⁴ Average annual net loss rates reflect impaired/past due assets. In our conduit programs, our risk of loss is significantly reduced due to the presence of first loss credit protection provided by the sellers of the financial assets. This protection provides an average coverage multiple as disclosed above, representing the number of times the credit enhancement provided by others, would cover losses. Refer to our 2017 Annual Report for a detailed discussion on credit protection and other factors, including additional credit enhancements which reduce our risk of loss.

⁵ Amounts are reported on a two-month lag.

SECURITIZATION AND RESECURITIZATION EXPOSURES RETAINED OR PURCHASED ^{1, 2, 3} (Millions of Canadian dollars)	Q2/18		Q1/18		Q4/17		Q3/17	
	Banking book	Trading book	Banking book	Trading book	Banking book	Trading book	Banking book	Trading book
Securitization exposures retained or purchased								
Asset-backed securities	5,812	619	5,210	806	4,873	830	4,266	471
Auto loans and leases	17,563	84	16,760	361	17,610	293	17,155	295
Commercial mortgages	921	4,956	889	3,363	868	2,986	512	1,041
Consumer loans	3,758	-	3,604	-	3,386	-	3,388	-
Credit cards	10,920	168	10,699	197	9,750	98	10,858	95
Dealer floor plan receivables	1,951	-	1,910	-	2,067	-	2,076	-
Equipment receivables	2,638	4	2,217	6	2,311	22	2,150	11
Residential mortgages	5,100	1,011	4,962	1,181	5,054	1,350	4,779	1,400
Student loans	5,426	15	4,971	13	5,911	18	6,092	3
Trade receivables	1,327	-	1,378	-	2,780	-	2,432	-
Other	3,754	445	3,740	400	3,803	310	3,770	231
Total securitization and resecuritization exposures retained or purchased	59,170	7,302	56,340	6,327	58,413	5,907	57,478	3,547

SECURITIZATION AND RESECURITIZATION EXPOSURES RETAINED OR PURCHASED ^{1, 2, 3, 5} (Millions of Canadian dollars)	Q2/18						Q2/18			
	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%	-	-	8,212	47	35,257	209	43,469	256	4,812	27
> 10% ≤ 20%	4,864	75	1,259	15	6,015	61	12,138	151	2,346	36
> 20% ≤ 50%	333	9	229	8	450	14	1,012	31	53	2
> 50% ≤ 100%	7	1	-	-	1,643	85	1,650	86	81	6
> 100% ≤ 650%	856	73	-	-	-	-	856	73	-	-
> 650% < 1250%	-	-	-	-	-	-	-	-	-	-
1250%	13	13	32	32	-	-	45	45	10	10
Total securitization and resecuritization exposures retained or purchased	6,073	171	9,732	102	43,365	369	59,170	642	7,302	81

SECURITIZATION AND RESECURITIZATION EXPOSURES RETAINED OR PURCHASED ^{1, 2, 3, 4} (Millions of Canadian dollars)	Q1/18		Q1/18		Q4/17		Q4/17		Q3/17		Q3/17	
	Banking book		Trading book		Banking book		Trading book		Banking book		Trading book	
	Exposure	Capital charges	Exposure	Capital charges	Exposure	Capital charges	Exposure	Capital charges	Exposure	Capital charges	Exposure	Capital charges
≤ 10%	40,018	235	4,252	24	40,227	237	4,252	24	40,070	237	2,529	14
> 10% ≤ 20%	12,873	158	1,959	31	14,209	175	1,522	23	13,501	166	882	13
> 20% ≤ 50%	1,059	34	16	-	1,105	35	12	-	1,077	34	37	1
> 50% ≤ 100%	1,534	80	83	6	1,664	87	65	5	1,651	87	25	2
> 100% ≤ 650%	821	69	8	4	1,164	98	46	23	1,126	97	54	23
> 650% < 1250%	-	-	-	-	-	-	-	-	-	-	-	-
1250%	35	35	9	9	44	44	10	10	53	53	20	20
Total securitization and resecuritization exposures retained or purchased	56,340	611	6,327	74	58,413	676	5,907	85	57,478	674	3,547	73

RESECURITIZATION EXPOSURES RETAINED OR PURCHASED ^{1, 2, 3} (Millions of Canadian dollars)	Q2/18		Q1/18		Q4/17		Q3/17	
	Banking book	Trading book	Banking book	Trading book	Banking book	Trading book	Banking book	Trading book
AAA to AA-	450	-	497	-	496	-	468	-
A+ to A-	1,643	-	1,508	-	1,636	-	1,596	-
BBB+ to BB	-	-	-	-	-	-	-	-
BB- and below	-	-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-	-	-
Total resecuritization exposures retained or purchased	2,093	-	2,005	-	2,132	-	2,064	-

¹ 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. For Q2/18, \$7 million of Canadian social housing mortgages have been excluded.

² Amounts reflect regulatory exposure values.

³ Securitization exposures include securities, liquidity facilities, protection provided to securitization positions, other commitments and credit enhancements.

⁴ Capital charges for Standardized approach deductions are net of allowance for credit losses (ACL) and partial write-offs. Capital charges for Rating based approach and internal assessment approach are gross of ACL and partial write-offs.

BASEL III REGULATORY CAPITAL AND RATIOS (ALL-IN BASIS) <i>continued</i> (Millions of Canadian dollars, except percentage and otherwise noted)	IFRS 9		IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17
Capital ratios					
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	10.9%	11.0%	10.9%	10.9%	10.6%
62 Tier 1 (as a percentage of risk-weighted assets)	12.3%	12.4%	12.3%	12.4%	12.0%
63 Total capital (as a percentage of risk-weighted assets)	14.1%	14.4%	14.2%	14.4%	14.1%
64 Buffer requirement (minimum CET1 requirement plus capital conservation buffer plus G-SIB buffer requirement plus D-SIB buffer requirement expressed as a percentage of risk-weighted assets)	8.0%	8.0%	8.0%	8.0%	8.0%
65 of which: capital conservation buffer requirement	2.5%	2.5%	2.5%	2.5%	2.5%
66 Buffer requirements ⁽¹⁾	0.0%	0.0%	n.a.	n.a.	n.a.
67 of which: G-SIB buffer requirement	1.0%	1.0%	n.a.	n.a.	n.a.
67a of which: D-SIB buffer requirement	0.0%	0.0%	1.0%	1.0%	1.0%
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	10.9%	11.0%	10.9%	10.9%	10.6%
OSFI all-in target (minimum + capital conservation buffer + D-SIB surcharge (if applicable))					
69 Common Equity Tier 1 all-in target ratio	8.0%	8.0%	8.0%	8.0%	8.0%
70 Tier 1 capital all-in target ratio	9.5%	9.5%	9.5%	9.5%	9.5%
71 Total capital all-in target ratio	11.5%	11.5%	11.5%	11.5%	11.5%
Amounts below the thresholds for deduction (before risk-weighting)					
72 Non-significant investments in the capital of other financials	2,254	2,594	3,555	966	1,251
73 Significant investments in the common stock of financials	3,716	3,579	3,627	3,484	3,347
74 Mortgage servicing rights (net of related tax liability)	-	-	-	-	-
75 Deferred tax assets arising from temporary differences (net of related tax liability)	844	809	2,711	2,694	2,896
Applicable caps on the inclusion of allowances in Tier 2					
76 Allowances eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	429	438	287	280	281
77 Cap on inclusion of allowances in Tier 2 under standardized approach	429	438	287	280	281
78 Allowances eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	1,917	1,908	1,577	1,582	1,608
79 Cap on inclusion of allowances in Tier 2 under internal ratings-based approach	1,917	1,908	1,577	1,582	1,608
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)					
80 Current cap on CET1 instruments subject to phase out arrangements	-	-	-	-	-
81 Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-
82 Current cap on AT1 instruments subject to phase out arrangements	2,957	2,957	3,696	3,696	3,696
83 Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)	5	-	-	-	-
84 Current cap on T2 instruments subject to phase out arrangements	3,676	3,676	4,595	4,595	4,595
85 Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-

To BASEL III REGULATORY CAPITAL AND RATIOS (TRANSITIONAL BASIS) ^{2,3} (Millions of Canadian dollars, except percentage and otherwise noted)	IFRS 9		IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17
29 Common Equity Tier 1 capital (CET1)			54,738	52,768	52,923
45 Tier 1 capital (T1 = CET1 + AT1)			59,205	57,550	57,586
59 Total capital (TC = T1 + T2)			68,275	66,534	66,984
60 Total risk-weighted assets			483,086	461,765	474,964
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)			11.3%	11.4%	11.1%
62 Tier 1 (as a percentage of risk-weighted assets)			12.3%	12.5%	12.1%
63 Total capital (as a percentage of risk-weighted assets)			14.1%	14.4%	14.1%

¹ Effective November 1, 2016, the capital conservation buffer includes a countercyclical capital buffer as prescribed by OSFI and has no material impact.

² The transitional RWA does not reflect the CVA phase-in adjustments as implemented under the All-in Basis.

³ Per the CAR guidelines, transitional basis capital and ratios are not applicable subsequent to Q4/17.

REGULATORY CAPITAL BALANCE SHEET
(Millions of Canadian dollars)

Cross Reference to
Basel III Regulatory Capital
Components Page 22

Q2/18

Balance sheet as in
Report to Shareholders

Under regulatory
scope of consolidation

Assets			
Cash and due from banks		32,765	32,762
Interest-bearing deposits with banks		36,979	36,979
Securities, net of applicable allowance		220,841	210,924
<i>Non-significant investments in capital of other financial institutions not exceeding regulatory thresholds</i>			2,254
<i>Other securities</i>			208,670
Assets purchased under reverse repurchase agreements and securities borrowed		261,184	261,184
Loans			
Retail		388,558	388,273
Wholesale		165,643	163,881
Allowance for loan losses		(2,808)	(2,808)
<i>Collective allowance reflected in Tier 2 regulatory capital ¹</i>	s		(429)
<i>Shortfall of allowances to expected loss ²</i>	i		(631)
<i>Allowances not reflected in regulatory capital</i>			(1,748)
Segregated fund net assets		551,393	549,346
Other		1,308	-
Customers' liability under acceptances		15,653	15,653
Derivatives		94,175	94,303
Premises and equipment, net		2,706	2,704
Goodwill	e	10,990	10,989
<i>Goodwill related to insurance and joint ventures</i>	e'		7
Other intangibles	f	4,533	4,459
<i>Other intangibles related to insurance and joint ventures</i>	f'		74
Other		42,251	43,357
<i>Significant investments in other financial institutions and insurance subsidiaries</i>			3,716
<i>of which: exceeding regulatory thresholds</i>	l		-
<i>of which: not exceeding regulatory thresholds</i>			3,716
<i>Defined -benefit pension fund net assets</i>	k		93
<i>Deferred tax assets</i>			1,579
<i>of which: deferred tax assets excluding those arising from temporary differences</i>	g		12
<i>of which: deferred tax assets arising from temporary differences exceeding regulatory thresholds</i>	m		-
<i>of which: deferred tax liabilities related to permitted tax netting</i>			(883)
<i>of which: deferred tax assets - other temporary differences</i>			2,450
Other assets			37,969
Total assets		1,274,778	1,262,660

¹ Collective allowance includes Stage 1 and Stage 2 allowance for credit losses on financial assets under IFRS 9.

² Expected loss as defined under the Basel III framework.

REGULATORY CAPITAL BALANCE SHEET *continued*
(Millions of Canadian dollars)

Liabilities
Deposits
Personal
Business and government
Bank
Segregated fund net liabilities
Other
Acceptances
Obligations related to securities sold short
Obligations related to assets sold under repurchase agreements and securities loaned
Derivatives
Insurance claims and policy benefit liabilities
Other liabilities
<i>Gains and losses due to changes in own credit risk on fair value liabilities</i>
<i>Deferred tax liabilities</i>
<i>of which: related to goodwill</i>
<i>of which: related to intangibles</i>
<i>of which: related to pensions</i>
<i>of which: relates to permitted tax netting</i>
<i>of which: other deferred tax liabilities</i>
Other Liabilities
Subordinated debentures
Regulatory capital amortization of maturing debentures
Subordinated debentures not allowed for regulatory capital
Subordinated debentures used for regulatory capital:
<i>of which: are qualifying</i>
<i>of which: are subject to phase out directly issued capital:</i>
<i>of which: are subject to phase out issued by subsidiaries and held by 3rd party</i>
Total liabilities
Equity attributable to shareholders
Common shares
<i>of which are treasury shares - common</i>
Retained earnings
<i>of which relates to contributed surplus</i>
<i>of which relates to retained earning for capital purposes</i>
<i>of which relates to insurance and joint ventures</i>
Other components of equity
<i>Gains and losses on derivatives designated as cash flow hedges</i>
<i>Unrealized foreign currency translation gains and losses, net of hedging activities</i>
<i>Other reserves allowed for regulatory capital</i>
<i>of which relates to insurance</i>
Preferred shares
<i>of which: are qualifying</i>
<i>of which: are subject to phase out</i>
<i>of which portion are not allowed for regulatory capital</i>
<i>of which: are qualifying treasury shares</i>
<i>of which: are subject to phase out treasury shares</i>
Non-controlling interests
<i>of which: are qualifying</i>
<i>portion allowed for inclusion into CET1</i>
<i>portion allowed for inclusion into Tier 1 capital</i>
<i>portion allowed for inclusion into Tier 2 capital</i>
<i>of which: are subject to phase out</i>
<i>of which: portion not allowed for regulatory capital</i>
Total equity
Total liabilities and equity

	Cross Reference to Basel III Regulatory Capital Components Page 22	Q2/18	
		Balance sheet as in Report to Shareholders	Under regulatory scope of consolidation
		263,390	263,389
		530,365	530,532
		28,293	28,293
		822,048	822,214
		1,308	-
		15,668	15,668
		33,047	33,047
		170,918	170,918
		90,890	90,890
		9,763	-
		46,043	44,785
	j		(98)
			89
	t		-
	v		937
	u		-
	w		35
			(883)
			44,794
	q	9,068	9,068
	q'		-
			343
	q''		8,725
	q'''		6,207
	q''''		2,497
			21
		1,198,753	1,186,590
		75,425	75,470
	a	17,539	17,539
	a''		(95)
		47,405	47,418
	a'		296
	b		47,122
	b'		(13)
	c	4,178	4,210
	h		629
			3,465
			84
	c'		(32)
	n	6,303	6,303
	n'		3,822
	n''		2,446
	n'''		35
	n''''		(3)
	n'''''		-
	x	600	600
	d		13
	o		3
	r		24
	x'		511
			49
		76,025	76,070
		1,274,778	1,262,660
	Equity		Assets
		5	-
		12	41
		2,126	14,597
		52	95
		1	-
		1,169	750
		3,365	15,483

Insurance subsidiaries ¹	Principal activities
Assured Assistance Inc.	Service provider for insurance claims
RBC Insurance Services Inc.	Service provider for insurance companies listed and the bank (creditor)
RBC Life Insurance Company	Life and health insurance company
RBC Insurance Company of Canada	Property and casualty insurance company
RBC Insurance Holdings Inc.	Holding company
Royal Bank of Canada Insurance Company Limited	Life, annuity, trade credit, title and property reinsurance company provides coverage to international clients

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

FLOW STATEMENT OF THE MOVEMENTS IN REGULATORY CAPITAL ¹

(Millions of Canadian dollars)

Common Tier 1 (CET1) capital
Opening amount

New capital issues	
Redeemed capital	
Gross dividends (deduction)	
Shares issued in lieu of dividends (add back)	
Profit for the year (attributable to shareholders of parent company)	
Removal of own credit spread (net of tax)	
Movement in other comprehensive income	
<i>Currency translation differences (unrealized foreign currency translation gains/(losses)), net of hedging activities)</i>	
<i>Investments (unrealized gains (losses) on Investment securities)</i>	
<i>Other</i>	
Goodwill and other intangible assets (deduction, net of related tax liability)	
Other, including regulatory adjustments and transitional arrangements	
<i>Deferred tax assets that rely on future profitability (excluding those arising from temporary differences)</i>	
<i>Defined benefit pension fund assets (net of related tax liability)</i>	
<i>Investment in common equity of deconsolidated subsidiaries & other significant investments</i>	
<i>Prudential valuation adjustments</i>	
<i>Other ²</i>	

Closing amount
Other 'non-core' Tier 1 (Additional Tier 1) capital
Opening amount

New non-core Tier 1 (additional Tier 1) eligible capital issues	
Redeemed capital	
Other, including regulatory adjustments and transitional arrangements ^{3,4}	

Closing amount
Total Tier 1 capital
Tier 2 capital
Opening amount

New Tier 2 eligible capital issues	
Redeemed capital	
Amortization adjustments	
Other, including regulatory adjustments and transitional arrangements ⁵	

Closing amount
Total regulatory capital

	IFRS 9		IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17
Common Tier 1 (CET1) capital					
Opening amount	51,145	51,572	49,608	49,598	48,880
New capital issues	15	30	39	42	50
Redeemed capital	(28)	(113)	(68)	-	(231)
Gross dividends (deduction)	(1,427)	(1,391)	(1,396)	(1,345)	(1,348)
Shares issued in lieu of dividends (add back)	-	-	-	-	-
Profit for the year (attributable to shareholders of parent company)	3,051	3,001	2,829	2,783	2,801
Removal of own credit spread (net of tax)	(177)	30	79	38	231
Movement in other comprehensive income	1,152	(1,328)	1,143	(2,402)	1,621
<i>Currency translation differences (unrealized foreign currency translation gains/(losses)), net of hedging activities)</i>	1,265	(1,345)	1,061	(2,860)	1,585
<i>Investments (unrealized gains (losses) on Investment securities)</i>	(40)	(254)	48	40	91
<i>Other</i>	(73)	271	34	418	(55)
Goodwill and other intangible assets (deduction, net of related tax liability)	(342)	98	(290)	777	(458)
Other, including regulatory adjustments and transitional arrangements	(112)	(754)	(372)	117	(1,948)
<i>Deferred tax assets that rely on future profitability (excluding those arising from temporary differences)</i>	(2)	9	2	7	(3)
<i>Defined benefit pension fund assets (net of related tax liability)</i>	(30)	(4)	(3)	(15)	7
<i>Investment in common equity of deconsolidated subsidiaries & other significant investments</i>	-	-	-	-	-
<i>Prudential valuation adjustments</i>	-	-	-	-	-
<i>Other ²</i>	(80)	(759)	(371)	125	(1,952)
Closing amount	53,277	51,145	51,572	49,608	49,598
Other 'non-core' Tier 1 (Additional Tier 1) capital					
Opening amount	6,780	6,789	7,079	7,088	7,079
New non-core Tier 1 (additional Tier 1) eligible capital issues	(3)	-	-	-	-
Redeemed capital	-	-	-	-	-
Other, including regulatory adjustments and transitional arrangements ^{3,4}	4	(9)	(290)	(9)	9
Closing amount	6,781	6,780	6,789	7,079	7,088
Total Tier 1 capital	60,058	57,925	58,361	56,687	56,686
Tier 2 capital					
Opening amount	9,059	9,195	9,133	9,549	9,418
New Tier 2 eligible capital issues	-	-	-	-	-
Redeemed capital	-	-	-	-	-
Amortization adjustments	-	-	-	-	-
Other, including regulatory adjustments and transitional arrangements ⁵	97	(136)	62	(416)	131
Closing amount	9,156	9,059	9,195	9,133	9,549
Total regulatory capital	69,214	66,984	67,556	65,820	66,235

¹ Reflects required EDTF format.

² Includes changes in shortfall in allowance, treasury shares, issue costs and other, share-based compensation awards, threshold deduction allocated to loss carry back, de-recognition of cash flow hedge reserves, transitional adjustment, premium paid on common shares purchased for cancellation and common equity issued by consolidated subsidiaries to third parties.

³ Includes changes to capital issued by consolidated bank subsidiaries to third parties and non-qualifying capital instruments.

⁴ Includes \$300 million of non-qualifying preferred shares redeemed in Q4/17.

⁵ Includes changes to non-qualifying capital issued by consolidated bank subsidiaries to third parties, non-qualifying capital instruments and eligible collective allowance.

TOTAL CAPITAL RISK-WEIGHTED ASSETS ¹ (Millions of Canadian dollars, except percentage and per share amounts)	IFRS 9 Q2/18						IFRS 9 Q2/18	IFRS 9 Risk-weighted assets All-in Basis	IAS 39 Risk-weighted assets All-in Basis		
	Risk-weighted assets All-in Basis						Capital requirements	Total ⁴	Q4/17 Total ⁴	Q3/17 Total ⁴	Q2/17 Total ⁴
	Exposure ²	Average of risk weights ³	Standardized approach	Advanced approach	Other	Total ⁴	Total ⁴				
Credit risk ⁵											
Lending-related and other											
Residential mortgages	\$251,305	8%	\$6,413	\$13,712	-	20,125	1,610	18,106	18,197	17,504	16,016
Other retail (Personal, Credit cards and Small business treated as retail)	246,357	23%	7,632	47,893	-	55,525	4,442	52,998	53,749	54,415	54,687
Business (Corporate, Commercial, Medium-sized enterprises and Non-bank financial institutions)	344,041	60%	44,171	161,456	-	205,627	16,450	188,227	187,163	185,567	192,616
Sovereign (Government)	142,293	8%	2,597	8,552	-	11,149	892	11,826	11,735	11,335	12,241
Bank	133,384	7%	1,276	7,466	-	8,742	699	10,092	11,267	10,748	10,896
Total lending-related and other	1,117,380	27%	62,089	239,079	-	301,168	24,093	281,249	282,111	279,569	286,456
Trading-related											
Repo-style transactions	580,166	2%	90	8,893	63	9,046	724	8,659	8,520	8,070	9,093
Derivatives -including CVA - CET1 phase-in adjustment ⁶	81,681	37%	759	16,777	13,017	30,553	2,444	31,629	28,388	29,309	30,043
Total trading-related	661,847	6%	849	25,670	13,080	39,599	3,168	40,288	36,908	37,379	39,136
Total lending-related and other and trading-related	1,779,227	19%	62,938	264,749	13,080	340,767	27,261	321,537	319,019	316,948	325,592
Bank book equities ^{7,8}	3,363	111%	-	3,732	-	3,732	299	3,709	3,485	3,391	3,710
Securitization exposures	59,177	14%	2,137	5,896	-	8,033	643	7,654	8,462	8,414	9,249
Regulatory scaling factor ⁹	n.a.	n.a.	n.a.	16,438	-	16,438	1,315	15,419	15,306	15,274	15,739
Other assets ¹⁰	52,895	51%	n.a.	n.a.	27,080	27,080	2,166	26,018	28,836	27,144	29,317
Total credit risk ¹⁰	1,894,662	21%	65,075	290,815	40,160	396,050	31,684	374,337	375,108	371,171	383,607
Market risk ^{11, 12}											
Interest rate			3,428	5,716	-	9,144	732	8,628	6,910	6,125	7,386
Equity			1,425	791	-	2,216	177	2,709	2,832	3,970	3,674
Foreign exchange			787	39	-	826	66	887	735	914	1,182
Commodities			193	17	-	210	17	376	245	321	239
Specific risk			7,477	2,422	-	9,899	792	8,306	7,193	7,535	7,021
Incremental risk charge ^{13, 14}			-	9,455	-	9,455	756	9,194	9,703	8,572	8,927
Total market risk			13,310	18,440	-	31,750	2,540	30,100	27,618	27,437	28,429
Operational risk			4,823	55,603	-	60,426	4,834	60,119	59,203	58,131	57,682
Regulatory floor adjustment ¹⁵			-	-	-	-	-	2,202	12,549	-	-
CET1 capital risk-weighted assets	1,894,662		83,208	364,858	40,160	488,226	39,058	466,758	474,478	456,739	469,718
Additional CVA adjustment, prescribed by OSFI, for Tier 1 Capital ⁶					473	473	38	461	784	776	810
Regulatory floor adjustment ¹⁵					-	-	-	(461)	(784)	-	-
Tier 1 capital risk-weighted assets	1,894,662		83,208	364,858	40,633	488,699	39,096	466,758	474,478	457,515	470,528
Additional CVA adjustment, prescribed by OSFI, for Total Capital ⁶					473	473	38	462	627	621	648
Regulatory floor adjustment ¹⁵					-	-	-	(462)	(627)	-	-
Total capital risk-weighted assets (RWA)	1,894,662		83,208	364,858	41,106	489,172	39,134	466,758	474,478	458,136	471,176
RWA CVA PHASE-IN CALCULATION ⁶											
	CVA (A)	OSFI Scalars (B)	Total RWA before CVA phase-in (C)	CVA Phase-in Adjustments (D)=A*(100%-B)	RWA Net CVA phase-in (E)=C-D	Regulatory Floor Adjustment ¹⁵	RWA including Regulatory Floor Adjustment, net CVA				
Common equity tier 1 (CET1) capital RWA	15,767	80%	491,380	3,154	488,226	-	488,226				
Tier 1 capital RWA	15,767	83%	491,380	2,681	488,699	-	488,699				
Total capital RWA	15,767	86%	491,380	2,208	489,172	-	489,172				

¹ Calculated using guidelines issued by OSFI under the Basel III All-in framework.

² Total exposure represents exposure at default which is the expected gross exposure upon the default of an obligor. This amount excludes any allowance against impaired loans or partial write-offs and does not reflect the impact of credit risk mitigation.

³ Represents the average of counterparty risk weights within a particular category.

⁴ The minimum capital requirements for each category can be calculated by multiplying the total RWA by 8%.

⁵ For credit risk, a majority of our portfolios use the Internal Ratings Based (IRB) Approach and the remainder use the Standardized Approach.

⁶ As per OSFI guidelines, the CVA regulatory capital charge applied to derivatives has a three tier capital approach with different scalars for each tier. For 2018 the scalars percentages were 80%, 83% and 86% applied to CET1, Tier 1 and Total capital respectively. 2018 scalars are shown above.

⁷ CAR (Capital Adequacy Requirement) guidelines define banking book equities based on the economic substance of the transaction rather than the legal form or accounting treatment associated with the financial instrument. As such, 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 derivative instruments tied to equity interests.

⁸ As at Q2/18, the amount of publicly-traded equity exposures was \$1,310 million and private equity exposures amounted to \$2,053 million. Total exposure represents exposure at default, which is the expected gross exposure upon the default of an obligor.

⁹ Effective Q1/17, the Basel Committee on Banking Supervision issued new requirements for Equity Investments in Funds (BCBS 266). The Simple Risk Weight method under the Market-based Approach is being used to calculate RWA for Direct Equity exposures (\$2,317 million). On the other hand, the calculation of RWA for Equity Investments in Funds (\$1,045 million) uses the Mandate-based and Fall-Back Approaches.

¹⁰ The amount of available-for-sale securities held in the banking book that were "grandfathered" under CAR (Capital Adequacy Requirement) guidelines, and thus subject to a 100% risk-weighting until the end of 2017, was \$74 million for Q4/17.

¹¹ The scaling factor represents a calibration adjustment of 6% as prescribed by OSFI under the Basel III framework and is applied to RWA amounts for credit risk assessed under the IRB Approach.

¹² For credit risk, portfolios using the Standardized and IRB Approaches represents 16% and 74%, respectively, of RWA. The remaining 10% represents Balance Sheet assets not included in Standardized or IRB Approaches.

¹³ 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. For standardized approach, we use internally validated models.

¹⁴ 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 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 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.

¹⁵ The incremental risk charge (IRC) was \$755 million as at Q2/18. The average was \$757 million, high was \$847 million and low was \$637 million for Q2/18. The IRC is measured over a one-year horizon at a 99.9% confidence level. We utilize a technique known as the Monte Carlo simulation process to generate a statistically relevant number of loss scenarios due to ratings migration and default in order to establish the losses at that confidence level. We also make certain assumptions about position liquidity (the length of time to close out a position) within the model that range from a floor of three months to maximum of one year. The determination of liquidity is based on issuer type and credit rating. Credit rating migration and default probabilities are based on historical data.

¹⁶ 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 the long time horizon and high confidence level of the risk measure, we do not perform back-testing as we do for the VaR measure.

¹⁷ Effective February 1, 2018, OSFI prescribed the transition from the current Basel I regulatory capital floor to a new regulatory capital floor of 75% of RWA based on the Basel II Standardized Approaches. This new regulatory floor will be transitioned over three quarters reflecting a regulatory capital floor requirement of 70%, 72.5%, and 75% in Q2 2018, Q3 2018, and Q4 2018, respectively.

MARKET RISK - RISK-WEIGHTED ASSETS BY APPROACH (ALL-IN BASIS) (Millions of Canadian dollars, except percentage and otherwise noted)	IFRS 9 Q2/18		IFRS 9 Q1/18		IAS 39 Q4/17		IAS 39 Q3/17		IAS 39 Q2/17	
	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements	Risk-weighted assets	Capital requirements
Internal models-based approach										
VaR	2,756	221	2,099	168	1,837	147	2,414	193	2,845	227
Stressed VaR	6,229	498	6,702	536	6,035	483	6,568	525	6,746	540
Incremental risk charge	9,455	756	9,194	736	9,703	776	8,572	686	8,927	714
Comprehensive risk measure	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
	18,440	1,475	17,995	1,440	17,575	1,406	17,554	1,404	18,518	1,481
Standardized approach	13,310	1,065	12,105	968	10,043	803	9,883	791	9,911	793
Total Market Risk RWA	31,750	2,540	30,100	2,408	27,618	2,209	27,437	2,195	28,429	2,274

TOTAL CAPITAL RISK-WEIGHTED ASSETS BY BUSINESS SEGMENTS (ALL-IN BASIS) (Millions of Canadian dollars)	IFRS 9		IAS 39				
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16
Personal and Commercial Banking							
Canadian Banking	163,982	156,735	154,983	155,476	150,754	141,612	138,358
Caribbean & U.S. Banking	12,780	12,309	12,572	12,557	14,341	13,446	13,235
Wealth Management	69,286	67,018	68,431	65,832	69,264	66,232	65,019
Insurance	8,744	8,438	8,584	8,248	7,835	7,953	8,012
Investor & Treasury Services	26,239	27,165	28,891	29,075	29,953	29,325	30,498
Capital Markets	201,260	183,346	181,942	181,216	193,084	181,764	189,294
Corporate Support	6,881	11,747	19,075	5,732	5,945	3,608	5,296
Total capital risk-weighted assets	489,172	466,758	474,478	458,136	471,176	443,940	449,712

MOVEMENT OF TOTAL CAPITAL RISK-WEIGHTED ASSETS (RWA) BY RISK TYPE (ALL-IN BASIS) (Millions of Canadian dollars, except percentage and otherwise noted)	IFRS 9 Q2/18			IFRS 9 Q1/18			IAS 39 Q4/17			IAS 39 Q3/17		
	Non-counterparty credit risk	Counterparty credit risk	Total	Non-counterparty credit risk	Counterparty credit risk	Total	Non-counterparty credit risk	Counterparty credit risk	Total	Non-counterparty credit risk	Counterparty credit risk	Total
Credit risk RWA												
Opening balance of credit risk RWA	334,051	41,209	375,260	338,200	38,319	376,519	333,790	38,778	372,568	344,470	40,595	385,065
Portfolio size ¹	13,669	(63)	13,606	6,717	3,041	9,758	3,589	(839)	2,750	4,176	158	4,334
Portfolio credit quality ²	(652)	(492)	(1,144)	(1,144)	(241)	(1,385)	(3,178)	20	(3,158)	(336)	18	(318)
Model updates ³	3,172	-	3,172	-	-	-	-	-	-	-	-	-
Methodology and policy ⁴	-	-	-	(2,439)	784	(1,655)	-	-	-	-	-	-
Acquisitions and dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange movements	6,467	809	7,276	(6,897)	(747)	(7,644)	3,714	767	4,481	(15,663)	(1,980)	(17,643)
Other	(255)	(919)	(1,174)	(386)	53	(333)	285	(407)	(122)	1,143	(13)	1,130
Closing balance of credit risk RWA	356,452	40,544	396,996	334,051	41,209	375,260	338,200	38,319	376,519	333,790	38,778	372,568
Market risk RWA												
Opening balance of market risk RWA	n.a.	n.a.	30,100	n.a.	n.a.	27,618	n.a.	n.a.	27,437	n.a.	n.a.	28,429
Movement in risk levels ⁵	n.a.	n.a.	429	n.a.	n.a.	3,365	n.a.	n.a.	570	n.a.	n.a.	118
Model updates ³	n.a.	n.a.	67	n.a.	n.a.	(375)	n.a.	n.a.	(241)	n.a.	n.a.	7
Methodology and policy ⁴	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	n.a.	-
Acquisitions and dispositions	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	n.a.	-
Foreign exchange movements	n.a.	n.a.	1,154	n.a.	n.a.	(508)	n.a.	n.a.	(148)	n.a.	n.a.	(1,117)
Other	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	n.a.	-
Closing balance of market risk RWA	n.a.	n.a.	31,750	n.a.	n.a.	30,100	n.a.	n.a.	27,618	n.a.	n.a.	27,437
Operational risk RWA												
Opening balance of operational risk RWA	n.a.	n.a.	60,119	n.a.	n.a.	59,203	n.a.	n.a.	58,131	n.a.	n.a.	57,682
Revenue generation	n.a.	n.a.	307	n.a.	n.a.	916	n.a.	n.a.	1,072	n.a.	n.a.	449
Closing balance of operational risk RWA	n.a.	n.a.	60,426	n.a.	n.a.	60,119	n.a.	n.a.	59,203	n.a.	n.a.	58,131
Regulatory floor adjustment ⁶	n.a.	n.a.	-	n.a.	n.a.	1,279	n.a.	n.a.	11,138	n.a.	n.a.	-
Total capital RWA	356,452	40,544	489,172	334,051	41,209	466,758	338,200	38,319	474,478	333,790	38,778	458,136

ATTRIBUTED CAPITAL (Millions of Canadian dollars)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Attributed capital													
Credit risk	21,400	21,650	21,500	22,250	21,000	21,050	20,500	20,550	20,600	21,500	21,000	21,450	20,550
Market risk (trading and non-trading)	4,150	3,850	3,750	3,100	3,100	3,150	3,000	3,200	3,050	4,000	3,150	3,250	3,200
Operational risk	5,500	5,550	5,150	5,150	5,300	5,100	5,000	5,100	4,900	5,550	5,200	5,200	4,900
Business and fixed assets risk	3,400	3,350	3,250	3,200	3,250	3,150	3,100	3,200	3,100	3,350	3,200	3,200	3,100
Insurance risk	700	650	700	650	650	600	600	650	650	700	650	650	650
Goodwill and intangibles	15,550	15,300	15,250	15,500	15,800	15,700	15,750	15,900	16,100	15,400	15,750	15,550	16,100
Regulatory capital allocation ⁷	11,550	11,450	10,450	11,450	10,800	11,050	8,800	8,200	10,000	11,500	10,900	10,950	8,900
Attributed capital	62,250	61,800	60,050	61,300	59,900	59,800	56,750	56,800	58,400	62,000	59,850	60,250	57,400
Under/(over) attribution of capital ^{7,8}	5,200	5,050	5,850	4,450	4,900	4,850	6,350	5,000	4,000	5,150	4,850	5,050	4,800
Total average common equity	67,450	66,850	65,900	65,750	64,800	64,650	63,100	61,800	62,400	67,150	64,700	65,300	62,200

¹ Organic changes in portfolio size and composition (including new business and maturing loans).

² Quality of book changes caused by experience such as underlying customer behaviour or demographics and credit migration.

³ Updates to the model to reflect recent experience, model implementation, change in model scope or any change to address model malfunctions including changes through model calibrations/realignments.

⁴ Methodology changes to the calculations driven by regulatory policy changes.

⁵ Change in risk due to position changes and market movements.

⁶ Effective February 1, 2018, OSFI prescribed the transition from the current Basel I regulatory capital floor to a new regulatory capital floor of 75% of RWA based on the Basel II Standardized Approaches. This new regulatory floor will be transitioned over three quarters reflecting a regulatory capital floor requirement of 70%, 72.5%, and 75% in Q2 2018, Q3 2018, and Q4 2018, respectively.

⁷ Our capital allocation methodology is annually revised to anticipate and incorporate any changes in the regulatory (Basel and/or OSFI) environment that affects our capital requirement.

⁸ Under/(over) attribution of capital is reported in Corporate Support.

LEVERAGE RATIO ¹ Summary comparison of accounting assets vs. leverage ratio exposure measure (Millions of Canadian dollars)	IFRS 9		IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17
1 Total consolidated assets as per published financial statements	1,274,778	1,276,275	1,212,853	1,201,047	1,202,919
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(12,245)	(12,110)	(11,648)	(11,207)	(11,101)
3 Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-	-
4 Adjustments for derivative financial instruments	(26,738)	(33,274)	(20,372)	(33,274)	(19,642)
5 Adjustment for securities financing transactions (SFT) (i.e. repo assets and similar secured lending)	5,916	3,693	4,512	6,659	7,456
6 Adjustments for off-balance sheet items (i.e., credit equivalent amounts of off-balance sheet exposures)	170,264	163,420	162,199	157,093	168,022
7 Other adjustments	(30,947)	(34,149)	(32,005)	(33,755)	(35,951)
8 Leverage Ratio Exposure	1,381,028	1,363,855	1,315,539	1,286,563	1,311,703

¹ Based on OSFI's Leverage Requirements Guidelines issued October 2014. Leverage ratio summary disclosure was revised in Q1/18, as instructed by OSFI. Historical periods reflect the Leverage Ratio Exposure-All-in basis.

LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE¹

(Millions of Canadian dollars, except percentages)

	IFRS 9		IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17
On-balance sheet exposures					
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures, but including collateral)	904,693	896,026	882,407	872,640	871,504
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(15,957)	(15,574)	(16,104)	(16,019)	(16,401)
3 Total on-balance sheet exposure (excluding derivatives and SFTs) (sum of lines 1 and 2)	888,736	880,452	866,303	856,621	855,103
Derivatives exposures					
4 Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	15,771	15,435	17,414	18,059	22,193
5 Add-on amounts for PFE associated with all derivatives transactions	51,085	56,259	56,599	53,964	58,674
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-	-
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(12,978)	(16,222)	(13,431)	(15,251)	(17,058)
8 (Exempted CCP-leg of client-cleared trade exposures)	-	-	-	-	-
9 Adjusted effective notional amount of written credit derivatives	582	544	638	536	253
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-	-
11 Total derivative exposures (sum of lines 4 to 10)	54,460	56,016	61,220	57,308	64,062
Securities financing transaction exposures					
12 Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	284,946	275,109	241,707	235,901	236,527
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	(25,631)	(21,580)	(24,022)	(27,019)	(19,467)
14 Counterparty credit risk (CCR) exposure for SFTs	8,253	10,438	8,132	6,659	7,456
15 Agent transaction exposures	-	-	-	-	-
16 Total securities financing transaction exposures (sum of lines 12 to 15)	267,568	263,967	225,817	215,541	224,516
Other off-balance sheet exposures					
17 Off-balance sheet exposures at gross notional amount	524,901	500,939	497,169	481,161	508,070
18 (Adjustments for conversion to credit equivalent amounts)	(354,637)	(337,519)	(334,970)	(324,068)	(340,048)
19 Off-balance sheet items (sum of lines 17 and 18)	170,264	163,420	162,199	157,093	168,022
Capital and Total Exposures					
20 Tier 1 capital	60,058	57,925	58,361	56,687	56,686
21 Total Exposures (sum of lines 3,11,16 and 19)	1,381,028	1,363,855	1,315,539	1,286,563	1,311,703
Leverage ratio					
22 Basel III leverage ratio	4.3%	4.2%	4.4%	4.4%	4.3%

¹ Based on OSFI's Leverage Requirements Guidelines issued October 2014. Leverage ratio summary disclosure was revised in Q1/18, as instructed by OSFI. Historical periods reflect the Leverage Ratio Exposure-All-in basis.

LOANS AND ACCEPTANCES (Millions of Canadian dollars)	IFRS 9		IAS 39						IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	2017	2016
By portfolio and sector											
Retail											
Residential mortgages	273,383	272,192	270,348	264,583	259,973	257,324	254,998	250,126	246,029	270,348	254,998
Personal	91,995	91,469	92,294	93,087	92,950	92,106	93,466	93,850	93,679	92,294	93,466
Credit cards	18,551	18,049	18,035	17,789	17,417	16,942	17,128	16,629	16,269	18,035	17,128
Small business	4,629	4,525	4,493	4,410	3,828	3,789	3,878	3,871	3,886	4,493	3,878
	388,558	386,235	385,170	379,869	374,168	370,161	369,470	364,476	359,863	385,170	369,470
Wholesale											
Business											
Agriculture	7,904	7,683	7,380	7,141	6,921	6,886	6,515	6,469	6,399	7,380	6,515
Automotive	9,113	8,663	8,248	8,316	8,456	7,939	7,279	6,730	7,318	8,248	7,279
Consumer goods	11,286	10,738	11,387	10,955	10,530	10,083	10,052	9,043	8,994	11,387	10,052
Energy											
Oil and gas	7,187	6,559	6,743	6,722	5,977	6,176	6,259	7,057	7,991	6,743	6,259
Utilities	5,318	5,305	5,614	5,532	6,003	6,083	7,680	8,179	6,863	5,614	7,680
Financing products	5,863	5,891	6,556	6,952	8,163	7,732	8,840	9,912	10,582	6,556	8,840
Forest products	1,050	950	911	1,014	1,101	1,113	1,099	1,195	1,233	911	1,099
Health services	7,551	6,759	6,998	6,507	7,392	7,637	7,763	8,205	7,111	6,998	7,763
Holding and investments	8,876	8,605	8,803	8,585	8,533	7,825	7,195	7,329	7,508	8,803	7,195
Industrial products	6,225	6,176	5,581	5,731	5,598	5,875	5,508	5,172	5,142	5,581	5,508
Mining and metals	1,212	1,149	1,113	1,168	1,404	1,343	1,455	1,424	1,514	1,113	1,455
Non-bank financial services	12,901	10,820	10,744	10,428	10,169	8,792	8,408	9,423	9,315	10,744	8,408
Other services	15,047	14,913	14,757	14,639	15,557	12,705	11,582	10,778	10,954	14,757	11,582
Real estate and related ¹	48,862	46,284	46,197	43,583	42,987	42,817	40,419	40,163	39,196	46,197	40,419
Technology and media	10,011	11,055	8,890	9,019	9,606	10,193	11,019	10,164	9,521	8,890	11,019
Transportation and environment	7,389	5,715	5,950	5,486	6,981	5,712	6,060	6,071	6,288	5,950	6,060
Other	4,338	3,935	4,570	4,041	4,411	6,154	7,568	7,267	6,035	4,570	7,568
Sovereign	6,523	5,951	11,362	11,543	10,766	11,084	10,581	9,788	10,561	11,362	10,581
Bank	4,655	3,813	4,261	4,285	4,296	1,898	1,930	2,304	1,921	4,261	1,930
	181,311	170,964	176,065	171,647	174,851	168,047	167,212	166,673	164,446	176,065	167,212
Total loans and acceptances	569,869	557,199	561,235	551,516	549,019	538,208	536,682	531,149	524,309	561,235	536,682
Allowance for credit losses - Loans and acceptances	(2,823)	(2,792)	(2,159)	(2,236)	(2,258)	(2,239)	(2,235)	(2,177)	(2,271)	(2,159)	(2,235)
Total loans and acceptances, net of allowance	567,046	554,407	559,076	549,280	546,761	535,969	534,447	528,972	522,038	559,076	534,447
Loans and acceptances by geography ² and portfolio											
Canada											
Residential mortgages	257,974	257,812	255,799	250,998	245,601	244,003	241,800	237,864	234,545	255,799	241,800
Personal	81,736	81,540	82,022	82,861	81,833	81,288	82,205	82,683	82,624	82,022	82,205
Credit cards	17,959	17,490	17,491	17,287	16,838	16,394	16,601	16,153	15,787	17,491	16,601
Small business	4,629	4,525	4,493	4,410	3,828	3,789	3,878	3,871	3,886	4,493	3,878
Retail	362,298	361,367	359,805	355,556	348,100	345,474	344,484	340,571	336,842	359,805	344,484
Business	97,241	91,811	88,453	83,532	79,471	77,749	76,266	74,216	73,856	88,453	76,266
Sovereign	4,634	4,185	9,379	9,632	8,549	9,098	8,586	7,654	7,823	9,379	8,586
Bank	1,197	1,162	1,326	1,255	989	867	1,278	619	618	1,326	1,278
Wholesale	103,072	97,158	99,158	94,419	89,009	87,714	86,130	82,489	82,297	99,158	86,130
United States											
Retail	19,233	17,853	18,100	17,311	18,376	17,342	17,134	16,003	15,041	18,100	17,134
Wholesale	58,154	54,173	55,037	55,101	62,311	57,724	59,349	59,830	58,190	55,037	59,349
	77,387	72,026	73,137	72,412	80,687	75,066	76,483	75,833	73,231	73,137	76,483
Other International											
Retail	7,027	7,015	7,265	7,002	7,692	7,345	7,852	7,902	7,980	7,265	7,852
Wholesale	20,085	19,633	21,870	22,127	23,531	22,609	21,733	24,354	23,959	21,870	21,733
	27,112	26,648	29,135	29,129	31,223	29,954	29,585	32,256	31,939	29,135	29,585
Total											
Retail	388,558	386,235	385,170	379,869	374,168	370,161	369,470	364,476	359,863	385,170	369,470
Wholesale	181,311	170,964	176,065	171,647	174,851	168,047	167,212	166,673	164,446	176,065	167,212
Total loans and acceptances	569,869	557,199	561,235	551,516	549,019	538,208	536,682	531,149	524,309	561,235	536,682

¹ Wholesale - Real estate and related loans and acceptances in Q2/18 is comprised of amounts based in Canada of \$33.4 billion, United States of \$12.6 billion and Other International of \$2.9 billion.

² Geographic information is based on residence of borrower.

GROSS IMPAIRED LOANS ¹ (Millions of Canadian dollars)	IFRS 9		IAS 39						IFRS 9		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	2017	2016
Gross impaired loans by portfolio and sector											
Retail											
Residential mortgages	766	749	634	621	723	688	709	672	643	634	709
Personal	292	287	276	285	280	297	304	300	315	276	304
Small business	42	43	38	38	40	41	46	45	45	38	46
	1,100	1,079	948	944	1,043	1,026	1,059	1,017	1,003	948	1,059
Wholesale											
Business											
Agriculture	17	17	28	24	35	35	43	56	42	28	43
Automotive	29	31	29	20	25	43	43	41	46	29	43
Consumer goods	221	219	105	100	108	127	165	118	115	105	165
Energy											
Oil and gas	420	291	315	482	625	983	1,264	1,136	1,039	315	1,264
Utilities	8	8	10	11	55	57	78	65	51	10	78
Financing products	76	102	107	104	113	107	111	108	104	107	111
Forest products	9	12	7	10	16	18	21	31	15	7	21
Health services	21	29	21	21	13	17	21	15	19	21	21
Holding and investments	21	25	27	88	102	17	72	76	163	27	72
Industrial products	42	36	34	32	41	44	43	34	37	34	43
Mining and metals	2	2	3	4	8	10	15	17	17	3	15
Non-bank financial services	24	25	32	36	5	5	3	1	1	32	3
Other services	188	163	157	185	185	187	109	99	94	157	109
Real estate and related ²	358	345	345	417	372	363	241	245	271	345	241
Technology and media	28	56	82	83	100	100	93	28	31	82	93
Transportation and environment	24	22	23	25	27	26	45	46	48	23	45
Other	46	41	47	42	45	46	57	73	74	47	57
Sovereign	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	2	2	2	-	2
	1,534	1,424	1,372	1,684	1,875	2,185	2,426	2,191	2,169	1,372	2,426
Acquired credit-impaired loans ³	21	24	256	268	331	348	418	508	531	256	418
Total gross impaired loans	2,655	2,527	2,576	2,896	3,249	3,559	3,903	3,716	3,703	2,576	3,903
Gross impaired loans by geography ⁴ and portfolio											
Canada											
Residential mortgages	448	443	323	324	362	372	368	366	360	323	368
Personal	232	229	198	201	209	226	228	233	246	198	228
Small business	42	43	38	38	40	41	46	45	45	38	46
Retail	722	715	559	563	611	639	642	644	651	559	642
Business	527	518	426	467	405	427	522	502	591	426	522
Sovereign	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	-	-	-	-
Wholesale	527	518	426	467	405	427	522	502	591	426	522
Total - Canada	1,249	1,233	985	1,030	1,016	1,066	1,164	1,146	1,242	985	1,164
United States											
Retail	37	39	59	61	76	50	56	43	42	59	56
Wholesale	497	386	736	978	1,243	1,653	1,736	1,746	1,568	736	1,736
	534	425	795	1,039	1,319	1,703	1,792	1,789	1,610	795	1,792
Other International											
Retail	343	327	345	335	373	355	380	348	330	345	380
Wholesale	529	542	451	492	541	435	567	433	521	451	567
	872	869	796	827	914	790	947	781	851	796	947
Total gross impaired loans	2,655	2,527	2,576	2,896	3,249	3,559	3,903	3,716	3,703	2,576	3,903

¹ Effective November 1, 2017, the definition of gross impaired loans has been shortened for certain products to align with a definition of default of 90 days past due under IFRS 9, resulting in an increase in GIL of \$134 million. For further details on the impacts of the adoption of IFRS 9 including the description of accounting policies selected, refer to the Q2/18 Report to Shareholders and our 2017 Annual Report.

² Wholesale - Real estate and related gross impaired loans in Q2/18 is comprised of amounts based in Canada of \$200 million, United States of \$64 million and Other International of \$94 million.

³ Effective November 1, 2017, gross impaired loans excludes \$229 million of acquired credit impaired loans related to our acquisition of City National that have returned to performing status.

⁴ Geographic information is based on residence of borrower.

GROSS IMPAIRED LOANS <i>continued</i> (Millions of Canadian dollars)	IFRS 9		IAS 39							IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	2017	2016
Impaired loans book movements (Change in gross impaired loans)											
Balance at beginning of period											
Retail	1,081	963	959	1,060	1,044	1,078	1,035	1,023	1,038	1,078	990
Wholesale	1,446	1,613	1,937	2,189	2,515	2,825	2,681	2,680	2,082	2,825	1,295
	2,527	2,576	2,896	3,249	3,559	3,903	3,716	3,703	3,120	3,903	2,285
Classified as impaired during the period (New impaired) ¹											
Retail	342	349	322	278	314	305	345	314	350	1,219	1,284
Wholesale	252	345	203	216	287	344	572	520	1,028	1,050	2,389
	594	694	525	494	601	649	917	834	1,378	2,269	3,673
Transferred to not impaired during the period (Return to performing status) ¹											
Retail	(1)	-	-	-	-	(3)	-	-	-	(3)	-
Wholesale	(35)	(85)	(176)	(41)	(409)	(138)	(183)	(50)	(95)	(764)	(332)
	(36)	(85)	(176)	(41)	(409)	(141)	(183)	(50)	(95)	(767)	(332)
Net repayments ¹											
Retail	(21)	(20)	(29)	(44)	(19)	(19)	(9)	(15)	(6)	(111)	(43)
Wholesale	(112)	(106)	(284)	(181)	(201)	(415)	(266)	(333)	(142)	(1,081)	(903)
	(133)	(126)	(313)	(225)	(220)	(434)	(275)	(348)	(148)	(1,192)	(946)
Amounts written off											
Retail	(310)	(294)	(302)	(297)	(299)	(301)	(303)	(308)	(309)	(1,199)	(1,202)
Wholesale	(36)	(27)	(82)	(54)	(55)	(35)	(51)	(169)	(36)	(226)	(321)
	(346)	(321)	(384)	(351)	(354)	(336)	(354)	(477)	(345)	(1,425)	(1,523)
Recoveries of loans and advances previously written off											
Retail	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Disposal of loans (sold) ¹											
Retail	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	(22)	(10)	(33)	(2)	-	(61)	(6)	(67)	(67)
	-	-	(22)	(10)	(33)	(2)	-	(61)	(6)	(67)	(67)
Exchange and other movements ^{1, 2}											
Retail	11	83	13	(38)	20	(16)	10	21	(50)	(21)	49
Wholesale	38	(294)	37	(182)	85	(64)	72	94	(151)	(124)	764
	49	(211)	50	(220)	105	(80)	82	115	(201)	(145)	813
Balance at end of period											
Retail	1,102	1,081	963	959	1,060	1,044	1,078	1,035	1,023	963	1,078
Wholesale	1,553	1,446	1,613	1,937	2,189	2,515	2,825	2,681	2,680	1,613	2,825
	2,655	2,527	2,576	2,896	3,249	3,559	3,903	3,716	3,703	2,576	3,903
Net impaired loans by geography ³ and portfolio											
Canada											
Residential mortgages	414	408	292	294	330	339	333	337	331	292	333
Personal	134	129	107	106	114	123	123	131	141	107	123
Small business	22	25	19	20	22	21	26	25	23	19	26
Retail	570	562	418	420	466	483	482	493	495	418	482
Business	386	378	302	339	284	308	403	375	377	302	403
Sovereign	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	-	-	-	-
Wholesale	386	378	302	339	284	308	403	375	377	302	403
United States ⁴											
Retail	35	38	58	60	75	49	54	42	41	58	54
Wholesale	360	251	586	740	1,034	1,458	1,559	1,569	1,419	586	1,559
	395	289	644	800	1,109	1,507	1,613	1,611	1,460	644	1,613
Other International											
Retail	172	170	177	172	193	186	200	180	165	177	200
Wholesale	344	375	298	347	368	260	396	304	356	298	396
	516	545	475	519	561	446	596	484	521	475	596
Total											
Retail	777	770	653	652	734	718	736	715	701	653	736
Wholesale	1,090	1,004	1,186	1,426	1,686	2,026	2,358	2,248	2,152	1,186	2,358
Total net impaired loans	1,867	1,774	1,839	2,078	2,420	2,744	3,094	2,963	2,853	1,839	3,094

¹ Certain GIL movements for Canadian Banking retail and wholesale portfolios are generally allocated to New Impaired, as Return to performing status, Net repayments, Sold, and Exchange and other movements amounts are not reasonably determinable. Certain GIL movements for Caribbean Banking retail and wholesale portfolios are generally allocated to Net repayments and New Impaired, as Return to performing status, Sold, and Exchange and other movements amounts are not reasonably determinable. In 2016, Exchange and other movements includes \$680 million of acquired credit impaired loans from City National at the acquisition date.

² Effective November 1, 2017, the definition of gross impaired loans has been shortened for certain products to align with a definition of default of 90 days past due under IFRS 9, resulting in an increase in GIL of \$134 million. For further details on the impacts of the adoption of IFRS 9 including the description of accounting policies selected, refer to the Q2/18 Report to Shareholders and our 2017 Annual Report. For further details on the impacts of the adoption of IFRS 9 including the description of accounting policies selected, refer to the Q2/18 Report to Shareholders and our 2017 Annual Report. Additionally, effective November 1, 2017, gross impaired loans excludes \$229 million of acquired credit impaired loans related to our acquisition of City National that have returned to performing status.

³ Geographic information is based on residence of borrower, net of allowance for impaired loans.

⁴ Includes acquired credit-impaired loans.

GROSS IMPAIRED LOANS <i>continued</i> (Millions of Canadian dollars)	IFRS 9		IAS 39						IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	2017	2016
Net write-offs by geography¹ and portfolio											
Canada											
Residential mortgages	6	8	8	7	7	6	4	7	5	28	21
Personal	106	102	105	99	106	108	111	110	115	418	439
Credit cards	119	107	102	108	109	107	106	114	112	426	436
Small business	5	7	8	6	9	6	8	9	6	29	30
Retail	236	224	223	220	231	227	229	240	238	901	926
Business	13	11	17	22	17	3	33	103	19	59	176
Sovereign	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	-	-	-	-
Wholesale	13	11	17	22	17	3	33	103	19	59	176
United States²											
Retail	1	-	1	-	1	1	-	(1)	1	3	-
Wholesale	3	6	52	11	26	7	9	24	(1)	96	71
	4	6	53	11	27	8	9	23	-	99	71
Other International											
Retail	8	8	11	6	7	7	9	7	6	31	28
Wholesale	2	1	6	1	5	(7)	1	31	5	5	36
	10	9	17	7	12	-	10	38	11	36	64
Total											
Retail	245	232	235	226	239	235	238	246	245	935	954
Wholesale	18	18	75	34	48	3	43	158	23	160	283
Total net write-offs	263	250	310	260	287	238	281	404	268	1,095	1,237

¹ Geographic information is based on residence of borrower.

² Includes acquired credit-impaired loans.

PROVISION FOR CREDIT LOSSES (Millions of Canadian dollars)	IFRS 9		IAS 39						2018	2017	IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Provision for credit losses - loans by portfolio and sector													
Retail	26	20								46			
Wholesale	(46)	(11)								(57)			
Provision for credit losses on performing loans (IFRS 9 - Stage 1 and 2) ¹	(20)	9								(11)			
Retail													
Residential mortgages	13	15	20	10	20	6	28	11	10	28	26	56	77
Personal	115	113	102	101	97	109	118	110	112	228	206	409	458
Credit cards	123	110	107	108	110	110	107	116	115	233	220	435	442
Small business	8	7	10	7	8	7	9	8	9	15	15	32	34
Wholesale	259	245	239	226	235	232	262	245	246	504	467	932	1,011
Business													
Agriculture	-	-	(2)	1	-	3	2	3	4	-	3	2	10
Automotive	4	-	6	1	-	7	3	-	9	4	7	14	13
Consumer goods	16	31	8	2	3	(2)	6	9	-	47	1	11	20
Energy													
Oil and gas	3	10	(18)	(2)	32	(39)	69	30	115	13	(7)	(27)	320
Utilities	1	-	-	5	-	-	(1)	4	(5)	1	-	5	16
Financing products	1	(1)	-	(18)	(1)	-	1	(1)	1	-	(1)	(19)	1
Forest products	-	3	1	-	2	1	1	1	2	3	3	4	4
Health services	-	4	2	4	2	2	2	2	-	4	4	10	4
Holding and investments	-	1	-	(1)	1	1	4	(4)	(1)	1	2	1	-
Industrial products	(2)	3	5	5	3	3	2	6	2	1	6	16	12
Mining and metals	-	(1)	-	-	(4)	-	1	4	1	(1)	(4)	(4)	7
Non-bank financial services	-	-	(1)	3	-	-	-	-	-	-	-	2	-
Other services	18	31	6	3	8	3	(13)	2	6	49	11	20	(5)
Real estate and related ²	3	5	(12)	58	3	66	6	3	17	8	69	115	36
Technology and media	(7)	(9)	(3)	7	3	6	6	1	1	(16)	9	13	8
Transportation and environment	(1)	3	-	-	1	(1)	(3)	(2)	3	2	-	-	(4)
Other	3	(1)	3	25	13	12	13	9	7	2	25	53	36
Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	(3)	-	-	-	-	-	(3)
Acquired credit-impaired loans	39	79	(5)	93	66	62	96	67	162	118	128	216	475
Total provision for credit losses on impaired loans (IFRS 9 - Stage 3) ³	-	1	-	1	1	-	-	6	2	1	1	2	10
Total provision for credit losses on performing loans (IFRS 9 - Stage 1 and 2) ¹	298	325	234	320	302	294	358	318	410	623	596	1,150	1,496
Provision for loans not yet identified as impaired ¹													
Provision for credit losses - Loans ^{1,3}	278	334								612			
Provision for credit losses - Other financial assets ⁴	(4)	-								(4)			
Total provision for credit losses	274	334	234	320	302	294	358	318	460	608	596	1,150	1,546

¹ Provision for credit losses (PCL) on performing loans and acceptances represents Stage 1 and Stage 2 PCL on loans, commitments and acceptances under IFRS 9 and PCL on loans not yet identified as impaired under IAS 39.

² Wholesale - Real estate and related provision for credit losses in Q2/18 are comprised of losses based in Canada of \$6 million, United States of \$(1) million, and Other International of \$(2) million.

³ PCL on impaired loans and acceptances represents Stage 3 PCL on loans and acceptances under IFRS 9 and PCL on impaired loans under IAS 39.

⁴ PCL on other financial assets relates to all other financial assets except for those classified or designated as fair value through profit or loss (FVTPL) and equity securities designated as fair value through other comprehensive income (FVOCI). For further details refer to our Q2/18 Report to Shareholders including Notes 4 and 5.

PROVISION FOR CREDIT LOSSES <i>continued</i> ¹ (Millions of Canadian dollars)	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
	Provision for credit losses on impaired loans (IFRS 9 - Stage 3) ¹ by geography ² and portfolio:												
Canada													
Residential mortgages	7	10	11	7	9	6	16	7	8	17	15	33	42
Personal	107	113	103	101	100	109	116	110	117	220	209	413	459
Credit cards	119	107	102	107	109	108	105	114	113	226	217	426	435
Small business	8	7	10	7	8	7	9	8	9	15	15	32	34
Retail	241	237	226	222	226	230	246	239	247	478	456	904	970
Business	21	34	19	37	28	11	31	20	45	55	39	95	213
Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale	21	34	19	37	28	11	31	20	45	55	39	95	213
Total Canada	262	271	245	259	254	241	277	259	292	533	495	999	1,183
United States ³													
Retail	1	1	2	-	1	-	-	1	-	2	1	3	1
Wholesale	1	22	(34)	67	42	42	20	57	112	23	84	117	227
Total	2	23	(32)	67	43	42	20	58	112	25	85	120	228
Other International													
Retail	17	7	11	4	8	2	17	5	(1)	24	10	25	41
Wholesale	17	24	10	(10)	(3)	9	44	(4)	7	41	6	6	44
Total	34	31	21	(6)	5	11	61	1	6	65	16	31	85
Provision for credit losses (IFRS 9 - Stage 3) on impaired loans ¹	298	325	234	320	302	294	358	318	410	623	596	1,150	1,496
Total provision for credit losses by stage by segment													
Provisions for credit losses on performing financial assets (IFRS 9 - Stage 1 and 2)													
Personal and Commercial Banking ⁴	18	41								59			
Wealth Management	(21)	(7)								(28)			
Capital Markets	(21)	(25)								(46)			
Corporate Support and Other	-	-								-			
Total	(24)	9								(15)			
Provisions for credit losses on impaired financial assets (IFRS 9 - Stage 3)													
Personal and Commercial Banking ⁴	282	276								558			
Wealth Management	1	5								6			
Capital Markets	14	45								59			
Corporate Support and Other	1	(1)								-			
Total	298	325								623			
Total provision for credit losses	274	334								608			

¹ Provisions for Credit Losses (PCL) on impaired loans and acceptances represents Stage 3 PCL on loans and acceptances under IFRS 9 and PCL on impaired loans under IAS 39.

² Geographic information is based on residence of borrower.

³ Includes acquired credit-impaired loans.

⁴ Includes \$30 million of PCL on performing financial assets and \$261 million of PCL on impaired financial assets in Canadian Banking in Q2/18.

ALLOWANCE FOR CREDIT LOSSES (Millions of Canadian dollars)	IFRS 9		IAS 39							IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	2017	2016
Allowance for credit losses - loans by portfolio and sector ^{1,3}											
Retail	1,678	1,643									
Wholesale	564	599									
Allowance for credit losses on performing loans (IFRS 9 - Stage 1 and 2) ¹	2,242	2,242									
Retail											
Residential mortgages	170	166	169	161	175	163	177	165	161	169	177
Personal	135	127	121	127	132	142	144	135	139	121	144
Small business	20	18	19	18	18	20	20	20	22	19	20
Wholesale	325	311	309	306	325	325	341	320	322	309	341
Business											
Agriculture	2	1	3	5	5	6	6	8	6	3	6
Automotive	15	10	11	6	6	22	14	13	13	11	14
Consumer goods	56	49	14	18	20	25	31	30	30	14	31
Energy											
Oil and gas	100	92	97	128	154	137	176	118	198	97	176
Utilities	1	-	-	-	3	4	5	6	3	-	5
Financing products	21	20	22	22	43	42	44	42	41	22	44
Forest products	5	6	3	2	6	4	5	4	3	3	5
Health services	9	11	9	8	6	6	6	6	6	9	6
Holding and investments	4	8	7	8	10	9	9	7	39	7	9
Industrial products	14	19	17	14	12	10	12	13	12	17	12
Mining and metals	1	1	4	4	4	8	9	9	5	4	9
Non-bank financial services	1	1	2	4	1	1	-	-	-	2	-
Other services	64	52	21	19	24	22	21	40	39	21	21
Real estate and related	119	113	117	155	115	116	59	63	70	117	59
Technology and media	14	20	26	34	26	23	24	12	12	26	24
Transportation and environment	9	11	8	10	11	11	11	13	18	8	11
Other	25	25	64	72	55	42	33	39	27	64	33
Sovereign	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	2	2	-	-
Acquired credit-impaired loans	460	439	425	509	501	488	465	425	524	425	465
	3	3	3	3	3	2	3	8	4	3	3
Allowance for credit losses on impaired loans (IFRS 9 - Stage 3) ³	788	753	737	818	829	815	809	753	850	737	809
Allowance for loans not yet identified as impaired ¹			1,513	1,509	1,520	1,515	1,517	1,515	1,512	1,513	1,517
Allowance for credit losses - loans ^{1,3}	3,030	2,995	2,250	2,327	2,349	2,330	2,326	2,268	2,362	2,250	2,326
Allowance for credit losses on other financial assets	104	103									
Total allowance for credit losses	3,134	3,098	2,250	2,327	2,349	2,330	2,326	2,268	2,362	2,250	2,326
Additional information on allowance for credit losses by type											
Allowance for loans losses			2,159	2,236	2,258	2,239	2,235	2,177	2,271	2,159	2,235
Allowance for off-balance sheet items			91	91	91	91	91	91	91	91	91
Total			2,250	2,327	2,349	2,330	2,326	2,268	2,362	2,250	2,326

¹ Allowance for credit losses (ACL) on performing loans represents Stage 1 and Stage 2 ACL on loans, acceptances and commitments under IFRS 9 and allowance for loans, acceptances and commitments not yet identified as impaired under IAS 39.

² Wholesale - Real estate and related allowance for credit losses in Q2/18 is comprised of allowances based in Canada of \$38 million, United States of \$51 million and Other International of \$30 million.

³ ACL on impaired loans represents Stage 3 ACL on loans and acceptances under IFRS 9 and ACL on impaired loans under IAS 39.

ALLOWANCE FOR CREDIT LOSSES <i>continued</i> (Millions of Canadian dollars)	IFRS 9		IAS 39							IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	2017	2016
Allowances for credit losses on impaired loans (IFRS 9 - Stage 3) ¹ by geography ² and portfolio											
Canada											
Residential mortgages	34	35	31	30	32	33	35	29	29	31	35
Personal	98	100	91	95	95	103	105	102	105	91	105
Small business	20	18	19	18	18	20	20	20	22	19	20
Retail	152	153	141	143	145	156	160	151	156	141	160
Business	141	140	124	128	121	119	119	127	214	124	119
Sovereign	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	-	-	-	-
Wholesale	141	140	124	128	121	119	119	127	214	124	119
Canada - Total	293	293	265	271	266	275	279	278	370	265	279
United States ³											
Retail	2	1	1	1	1	1	2	1	1	1	2
Wholesale	137	135	150	238	209	195	177	177	149	150	177
United States - Total	139	136	151	239	210	196	179	178	150	151	179
Other International											
Retail	171	157	168	163	180	169	180	168	165	168	180
Wholesale	185	167	153	145	173	175	171	129	165	153	171
Other International - Total	356	324	321	308	353	344	351	297	330	321	351
Allowance for credit losses on impaired loans (IFRS 9 - Stage 3) ¹	788	753	737	818	829	815	809	753	850	737	809
Impairment allowance - movements - Loans											
Allowance for credit losses on performing loans (IFRS 9 - Stage 1 and 2) ⁴											
Balance at beginning of period	2,242	2,256	1,509	1,520	1,515	1,517	1,515	1,512	1,474	1,517	1,466
Charge to income statement (Provision for credit losses)	(20)	9	-	-	-	-	-	-	50	-	50
Disposal of loans	-	-	-	-	-	-	-	-	-	-	-
Exchange and other movements	20	(23)	4	(11)	5	(2)	2	3	(12)	(4)	1
Balance at end of the period	2,242	2,242	1,513	1,509	1,520	1,515	1,517	1,515	1,512	1,513	1,517
Allowance for credit losses on impaired loans (IFRS 9 - Stage 3) ^{1,3}											
Balance at beginning of period	753	720	818	829	815	809	753	850	786	809	654
Amounts written off	(346)	(321)	(384)	(351)	(354)	(336)	(354)	(477)	(345)	(1,425)	(1,523)
Recoveries of amounts written off in previous period	83	71	74	91	67	98	73	73	77	330	286
Charge to income statement (Provision for credit losses)	298	325	234	320	302	294	358	318	410	1,150	1,496
Disposal of loans	-	-	-	-	-	-	-	-	-	-	-
Exchange and other movements	-	(42)	(5)	(71)	(1)	(50)	(21)	(11)	(78)	(127)	(104)
Balance at the end of the period	788	753	737	818	829	815	809	753	850	737	809

¹ Allowance for credit losses (ACL) on impaired loans and acceptances represents Stage 3 ACL on loans and acceptances under IFRS 9 and Allowance for impaired loans under IAS 39.

² Geographic information is based on residence of borrower.

³ Includes acquired credit-impaired loans related to the acquisition of City National.

⁴ Allowance for credit losses (ACL) on performing loans and acceptances represents Stage 1 and Stage 2 ACL on loans, acceptances and commitments under IFRS 9 and allowance for loans, acceptances and commitments not yet identified as impaired under IAS 39.

CREDIT QUALITY RATIOS	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Diversification ratios													
Portfolio as a % of Total loans and acceptances													
Retail	68%	69%	69%	69%	68%	69%	69%	69%	69%	68%	68%	69%	69%
Wholesale	32%	31%	31%	31%	32%	31%	31%	31%	31%	32%	32%	31%	31%
Canada	82%	82%	82%	82%	79%	80%	80%	80%	80%	82%	79%	82%	80%
United States	13%	13%	13%	13%	15%	14%	14%	14%	14%	13%	15%	13%	14%
Other International	5%	5%	5%	5%	6%	6%	6%	6%	6%	5%	6%	5%	6%
Condition ratios													
Gross Impaired Loans (GILs) as a % of Related loans and acceptances													
Retail	0.47%	0.45%	0.46%	0.53%	0.59%	0.66%	0.73%	0.70%	0.71%	0.47%	0.59%	0.46%	0.73%
Wholesale	0.28%	0.28%	0.25%	0.25%	0.28%	0.28%	0.29%	0.28%	0.28%	0.28%	0.28%	0.25%	0.29%
	0.86%	0.85%	0.92%	1.13%	1.25%	1.50%	1.69%	1.61%	1.63%	0.86%	1.25%	0.92%	1.69%
Canada	0.27%	0.27%	0.21%	0.23%	0.23%	0.25%	0.27%	0.27%	0.30%	0.27%	0.23%	0.21%	0.27%
United States	0.69%	0.59%	1.09%	1.43%	1.63%	2.27%	2.34%	2.36%	2.20%	0.69%	1.63%	1.09%	2.34%
Other International	3.22%	3.26%	2.73%	2.84%	2.93%	2.64%	3.20%	2.42%	2.66%	3.22%	2.93%	2.73%	3.20%
Net Impaired Loans as a % of Related loans and acceptances													
Retail	0.33%	0.32%	0.33%	0.38%	0.44%	0.51%	0.58%	0.56%	0.54%	0.33%	0.44%	0.33%	0.58%
Wholesale	0.20%	0.20%	0.17%	0.17%	0.20%	0.19%	0.20%	0.20%	0.19%	0.20%	0.20%	0.17%	0.20%
	0.60%	0.59%	0.67%	0.83%	0.96%	1.21%	1.41%	1.35%	1.31%	0.60%	0.96%	0.67%	1.41%
Canada	0.21%	0.21%	0.16%	0.17%	0.17%	0.18%	0.21%	0.21%	0.21%	0.21%	0.17%	0.16%	0.21%
United States	0.51%	0.40%	0.88%	1.11%	1.37%	2.01%	2.12%	2.12%	1.99%	0.51%	1.37%	0.88%	2.11%
Other International	1.91%	2.05%	1.63%	1.78%	1.80%	1.49%	2.02%	1.50%	1.63%	1.91%	1.80%	1.63%	2.02%
PCL on performing loans (IFRS 9 - Stage 1 and 2) as a % of average net loans and acceptances ¹	(0.02)%	0.01%								(0.01)%			
PCL on impaired loans (IFRS 9 - Stage 3) as a % of Related average net loans and acceptances ²	0.22%	0.23%	0.17%	0.23%	0.23%	0.22%	0.27%	0.24%	0.32%	0.23%	0.22%	0.21%	0.28%
Retail	0.27%	0.25%	0.25%	0.24%	0.26%	0.25%	0.29%	0.27%	0.28%	0.26%	0.25%	0.24%	0.28%
Wholesale	0.09%	0.19%	(0.01)%	0.22%	0.16%	0.15%	0.23%	0.18%	0.40%	0.14%	0.16%	0.13%	0.29%
Canada	0.23%	0.24%	0.22%	0.23%	0.24%	0.22%	0.26%	0.24%	0.29%	0.23%	0.23%	0.22%	0.28%
United States	0.01%	0.13%	(0.18)%	0.35%	0.23%	0.22%	0.11%	0.31%	0.60%	0.07%	0.22%	0.16%	0.32%
Other International	0.53%	0.46%	0.30%	(0.08)%	0.08%	0.14%	0.79%	0.03%	0.08%	0.49%	0.11%	0.11%	0.26%
Coverage ratios													
ACL on loans and acceptances as a % of Total loans and acceptances	0.53%	0.54%	0.40%	0.42%	0.43%	0.43%	0.43%	0.43%	0.45%	0.53%	0.43%	0.40%	0.43%
ACL against impaired loans (IFRS 9 - Stage 3) as a % of Total loans and acceptances ³	0.14%	0.14%	0.13%	0.15%	0.15%	0.15%	0.15%	0.14%	0.16%	0.14%	0.15%	0.13%	0.15%
Retail	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%
Wholesale	0.08%	0.08%	0.08%	0.09%	0.09%	0.09%	0.09%	0.08%	0.10%	0.08%	0.09%	0.08%	0.09%
ACL against impaired loans (IFRS 9 - Stage 3) as a % of GIL ⁴	29.66%	29.78%	28.61%	28.24%	25.52%	22.90%	20.72%	20.28%	22.95%	29.66%	25.52%	28.61%	20.72%
Retail	29.46%	28.85%	32.16%	31.98%	30.78%	31.20%	31.69%	30.93%	31.45%	29.46%	30.78%	32.16%	31.69%
Wholesale	29.80%	30.48%	26.49%	26.39%	22.98%	19.45%	16.53%	16.16%	19.71%	29.80%	22.98%	26.49%	16.53%
Total net write-offs as a % of Related average net loans and acceptances	0.19%	0.18%	0.23%	0.19%	0.22%	0.18%	0.21%	0.30%	0.21%	0.19%	0.20%	0.20%	0.23%
Retail	0.26%	0.24%	0.25%	0.24%	0.26%	0.25%	0.26%	0.27%	0.28%	0.25%	0.26%	0.25%	0.26%
Wholesale	0.04%	0.04%	0.17%	0.08%	0.12%	0.01%	0.10%	0.38%	0.06%	0.04%	0.06%	0.09%	0.17%
Canada	0.22%	0.20%	0.21%	0.22%	0.24%	0.21%	0.24%	0.32%	0.25%	0.21%	0.22%	0.21%	0.26%
United States	0.01%	0.04%	0.30%	0.06%	0.14%	0.04%	0.05%	0.13%	0.00%	0.03%	0.09%	0.13%	0.10%
Other International	0.17%	0.12%	0.23%	0.11%	0.15%	0.01%	0.13%	0.47%	0.14%	0.14%	0.08%	0.12%	0.20%

¹ PCL on performing loans ratio under IFRS 9 is calculated using PCL on Stage 1 and 2 loans and acceptances as a percentage of average net loans and acceptances.

² PCL on impaired loans ratio under IFRS 9 is calculated using PCL on Stage 3 loans and acceptances as a percentage of average net loans and acceptances. Under IAS 39, the ratio was calculated using PCL on impaired loans as a percentage of average net loans and acceptances.

³ ACL on impaired loans ratio under IFRS 9 is calculated using ACL on Stage 3 loans and acceptances as a percentage of gross loans and acceptances. Under IAS 39, the ratio was calculated using ACL on impaired loans as a percentage of gross loans and acceptances.

⁴ ACL against impaired loans ratio under IFRS 9 is calculated using ACL on Stage 3 loans and acceptances as a percentage of gross impaired loans. Under IAS 39, the ratio was calculated using ACL on impaired loans as a percentage of gross impaired loans.

GROSS CREDIT RISK EXPOSURE BY GEOGRAPHY AND PORTFOLIO ¹ (Millions of Canadian dollars)	IFRS 9						IAS 39								
	Lending-related and other			Trading-related			Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16
	Loans and acceptances			Repo-style transactions ³			Total	Total	Total	Total	Total	Total	Total	Total	Total
	Outstanding	Undrawn commitments	Other ²	Repo-style transactions ³	Derivatives ^{4,5}										
Credit risk exposure by geography ⁶ and portfolio															
Canada															
Residential mortgages	257,974	907	205	-	-	259,086	258,568	256,814	252,245	246,753	244,851	242,961	239,256	234,726	
Personal	81,736	95,731	151	-	-	177,618	170,504	169,435	168,844	166,551	164,660	164,224	164,817	163,972	
Credit cards	17,959	23,569	-	-	-	41,528	36,844	38,290	38,590	40,253	43,781	40,294	39,537	36,609	
Small business	4,629	6,881	6	-	-	11,516	11,502	11,371	11,318	11,029	10,167	10,071	9,908	9,584	
Retail	362,298	127,088	362	-	-	489,748	477,418	475,910	470,987	464,586	463,459	457,550	453,518	444,891	
Business	97,241	37,322	18,047	31,026	16,937	200,573	194,804	195,550	177,617	181,712	173,493	177,271	173,743	163,078	
Sovereign	4,634	4,655	25,122	22,778	3,144	60,333	58,804	52,900	47,679	55,096	57,597	55,876	57,009	58,634	
Bank	1,197	106	63,647	21,742	4,426	91,118	88,878	83,889	90,541	81,778	76,807	76,941	75,329	71,641	
Wholesale	103,072	42,083	106,816	75,546	24,507	352,024	342,486	332,339	315,837	318,586	307,897	310,088	306,081	293,353	
Total Canada	465,370	169,171	107,178	75,546	24,507	841,772	819,904	808,249	786,824	783,172	771,356	767,638	759,599	738,244	
United States															
Residential mortgages	12,312	1	41	-	-	12,354	11,444	11,486	10,644	11,171	10,312	10,094	9,107	8,394	
Personal	6,582	674	21	-	-	7,277	6,729	6,982	6,999	7,553	7,202	7,270	6,956	6,891	
Credit cards	339	1,051	-	-	-	1,390	1,251	1,234	1,123	1,284	1,044	1,002	931	882	
Small business	-	5	-	-	-	5	6	6	6	-	-	-	-	-	
Retail	19,233	1,731	62	-	-	21,026	19,430	19,708	18,772	20,008	18,558	18,366	16,994	16,167	
Business	54,424	73,640	14,783	260,321	9,118	412,286	380,982	351,314	332,035	364,127	329,855	318,136	322,370	284,884	
Sovereign	945	2,819	44,183	7,310	606	55,863	57,679	62,657	58,997	50,483	35,109	42,463	42,761	39,673	
Bank	2,785	620	10,342	38,966	2,838	55,551	53,510	56,895	55,482	59,920	73,530	70,764	68,698	69,056	
Wholesale	58,154	77,079	69,308	306,597	12,562	523,700	492,171	470,866	446,514	474,530	438,494	431,363	433,829	393,613	
Total United States	77,387	78,810	69,370	306,597	12,562	544,726	511,601	490,574	465,286	494,538	457,052	449,729	450,823	409,780	
Other International															
Residential mortgages	3,097	5	31	-	-	3,133	3,006	3,135	2,974	3,231	3,119	3,220	3,187	3,094	
Personal	3,677	299	3	-	-	3,979	4,064	4,173	4,070	4,459	4,226	4,644	4,750	4,884	
Credit cards	253	104	-	-	-	357	326	337	328	408	407	403	387	380	
Small business	-	2	-	-	-	2	10	10	10	-	-	-	1	-	
Retail	7,027	410	34	-	-	7,471	7,406	7,655	7,382	8,098	7,752	8,267	8,325	8,358	
Business	18,468	21,464	8,095	116,540	18,680	183,247	182,682	151,422	143,658	150,290	147,082	131,225	137,498	130,764	
Sovereign	944	3,652	52,777	16,299	10,588	84,260	87,738	67,376	69,786	77,701	64,671	59,257	57,015	52,352	
Bank	673	624	56,462	65,184	15,344	138,287	137,262	127,625	121,246	123,847	113,680	105,278	97,630	90,163	
Wholesale	20,085	25,740	117,334	198,023	44,612	405,794	407,682	346,423	334,690	351,838	325,433	295,760	292,143	273,279	
Total Other International	27,112	26,150	117,368	198,023	44,612	413,265	415,088	354,078	342,072	359,936	333,185	304,027	300,468	281,637	
Total exposure	569,869	274,131	293,916	580,166	81,681	1,799,763	1,746,593	1,652,901	1,594,182	1,637,646	1,561,593	1,521,394	1,510,890	1,429,661	

¹ Gross credit risk exposure is before allowance for loan losses. 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.

² Includes contingent liabilities such as letters of credit and guarantees, available-for-sale debt securities, deposits with financial institutions and other assets.

³ Includes repurchase and reverse repurchase agreements and securities lending and borrowing transactions.

⁴ For derivative related credit risk, we utilize the OSFI prescribed Current Exposure Method. Wrong-way risk, which arises when the exposure to a counterparty is positively correlated to the probability of default of that counterparty, is considered in our determination of exposure.

⁵ Credit equivalent amount after factoring in master netting agreements.

⁶ Geographic profile is primarily based on country of residence of the borrower.

RECONCILIATION OF GROSS CREDIT RISK EXPOSURE TO BALANCE SHEET (Millions of Canadian dollars)	Q2/18							
	Lending-related and other			Trading-related		Amount included in credit risk	Amount not included in credit risk	Total assets per balance sheet
	Loans and acceptances			Repo-style transactions	Derivatives			
	Outstanding	Undrawn commitments	Other					
On-balance sheet assets								
Cash and due from banks	-	-	31,281	-	-	31,281	1,484	32,765
Interest-bearing deposits with banks	-	-	36,979	-	-	36,979	-	36,979
Securities								
Trading	-	-	-	-	-	-	131,168	131,168
Investment, net of applicable allowance	-	-	89,673	-	-	89,673	-	89,673
Assets purchased under reverse repurchase agreements and securities borrowed	-	-	-	261,184	-	261,184	-	261,184
Loans								
Retail	388,558	-	-	-	-	388,558	-	388,558
Wholesale	165,643	-	-	-	-	165,643	-	165,643
Allowance for loan losses	-	-	-	-	-	-	(2,808)	(2,808)
Customers' liability under acceptances	15,653	-	-	-	-	15,653	-	15,653
Derivatives	-	-	-	-	94,175	94,175	-	94,175
Other ¹	-	-	11,004	-	-	11,004	50,784	61,788
Total balance sheet assets	569,854	-	168,937	261,184	94,175	1,094,150	180,628	1,274,778
Undrawn commitments	-	274,131	-	-	-	274,131		
Repo-style transactions ²	-	-	-	272,392	-	272,392		
Netting and other valuation adjustments ³	15	-	-	46,590	(12,494)	34,111		
Other ⁴	-	-	124,979	-	-	124,979		
Total credit risk exposure	569,869	274,131	293,916	580,166	81,681	1,799,763		

¹ Represents other on-balance sheet assets such as goodwill, other intangibles, receivables, premises and equipment.

² Collateral on Obligations related to assets sold under repurchase agreements and securities loaned, and off-balance sheet securities borrowing and lending.

³ Impact of netting agreements and other valuation adjustments on derivatives, repo-style transactions and acceptances.

⁴ Represents commitments related to securities lending indemnifications, financial guarantees and letters of credit.

EXPOSURE COVERED BY CREDIT RISK MITIGATION (Millions of Canadian dollars)	IFRS 9				IFRS 9				IAS 39				IAS 39			
	Q2/18				Q1/18				Q4/17				Q3/17			
	Standardized		IRB ²		Standardized		IRB ²		Standardized		IRB ²		Standardized		IRB ²	
	Eligible financial collateral ¹	Guarantees/credit derivatives	Guarantees/credit derivatives	Total	Eligible financial collateral ¹	Guarantees/credit derivatives	Guarantees/credit derivatives	Total	Eligible financial collateral ¹	Guarantees/credit derivatives	Guarantees/credit derivatives	Total	Eligible financial collateral ¹	Guarantees/credit derivatives	Guarantees/credit derivatives	Total
Retail																
Residential mortgages	-	14,532	84,004	98,536	-	14,898	85,918	100,816	-	14,702	86,998	101,700	-	14,362	89,780	104,142
Personal	-	4,901	973	5,874	-	4,891	1,015	5,906	-	4,878	969	5,847	-	4,735	1,018	5,753
Small business	-	-	421	421	-	-	403	403	-	-	388	388	-	-	364	364
	-	19,433	85,398	104,831	-	19,789	87,336	107,125	-	19,580	88,355	107,935	-	19,097	91,162	110,259
Wholesale																
Business	9,234	-	3,900	13,134	8,270	-	3,247	11,517	11,832	-	3,352	15,184	10,397	-	3,417	13,814
Sovereign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	9,234	-	3,900	13,134	8,270	-	3,247	11,517	11,832	-	3,352	15,184	10,397	-	3,417	13,814
Total exposure covered by credit risk mitigation	9,234	19,433	89,298	117,965	8,270	19,789	90,583	118,642	11,832	19,580	91,707	123,119	10,397	19,097	94,579	124,073

CREDIT EXPOSURE BY RESIDUAL CONTRACTUAL MATURITY (Millions of Canadian dollars)	IFRS 9				IFRS 9				IAS 39				IAS 39			
	Q2/18				Q1/18				Q4/17				Q3/17			
	Residual contractual maturity term				Residual contractual maturity term				Residual contractual maturity term				Residual contractual maturity term			
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Lending-related and other																
Outstanding loans and acceptances	253,198	292,708	23,963	569,869	247,723	284,664	24,812	557,199	246,894	288,238	26,103	561,235	243,378	280,748	27,390	551,516
Undrawn commitments	188,681	83,150	2,300	274,131	166,252	77,966	2,449	246,667	165,137	75,992	3,271	244,400	161,798	73,550	2,328	237,676
Other ³	228,175	41,029	24,712	293,916	237,549	44,605	26,560	308,714	212,727	43,722	27,986	284,435	203,079	41,165	27,415	271,659
	670,054	416,887	50,975	1,137,916	651,524	407,235	53,821	1,112,580	624,758	407,952	57,360	1,090,070	608,255	395,463	57,133	1,060,851
Trading-related																
Repo-style transactions ⁴	566,598	13,568	-	580,166	532,765	11,494	-	544,259	456,754	19,078	-	475,832	420,707	25,182	-	445,889
Derivatives ⁵	30,625	28,627	22,429	81,681	31,881	28,296	29,577	89,754	28,005	29,035	29,959	86,999	26,894	29,561	30,987	87,442
	597,223	42,195	22,429	661,847	564,646	39,790	29,577	634,013	484,759	48,113	29,959	562,831	447,601	54,743	30,987	533,331
Total exposure⁶	1,267,277	459,082	73,404	1,799,763	1,216,170	447,025	83,398	1,746,593	1,109,517	456,065	87,319	1,652,901	1,055,856	450,206	88,120	1,594,182

¹ Eligible financial collateral includes cash and deposits, as well as qualifying debt securities, equities and mutual funds.

² Under the IRB Approach, disclosure on eligible financial collateral is not required as the benefit the collateral provides has been taken into account in the Loss Given Default (LGD) estimates in our internal LGD risk rating system.

³ Includes contingent liabilities such as letters of credit and guarantees, available-for-sale debt securities, deposits with financial institutions and other assets.

⁴ Includes repurchase and reverse repurchase agreements and securities lending and borrowing transactions.

⁵ Credit equivalent amount after factoring in master netting agreements.

⁶ Represents exposure at default, which is the expected gross exposure upon the default of an obligor. This amount is before allowance for loan losses and does not reflect the impact of credit risk mitigation.

CREDIT EXPOSURE OF PORTFOLIOS UNDER THE STANDARDIZED APPROACH BY RISK WEIGHT (Millions of Canadian dollars, except percentage amounts)	IFRS 9		IAS 39						
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16
	Gross exposure ¹		Gross exposure ¹						
Risk weight ²									
0%	12,023	10,770	12,557	11,554	10,429	9,859	13,379	6,182	7,158
20%	19,848	18,593	22,391	18,783	17,704	18,524	20,764	15,783	13,771
35%	14,956	13,798	13,737	12,163	11,973	11,851	11,398	10,346	9,674
50%	218	466	493	868	562	732	1,138	3,977	3,793
75%	27,968	27,923	28,355	27,875	27,558	27,992	28,547	28,536	28,377
100%	52,649	50,639	50,966	49,884	51,239	50,710	51,739	51,473	48,960
150%	902	994	1,049	942	897	735	754	696	717
Total	128,564	123,183	129,548	122,069	120,362	120,403	127,719	116,993	112,450

ACTUAL LOSSES VS. ESTIMATED LOSSES	IFRS 9		IFRS 9		IAS 39			IAS 39	
	Q2/18		Q1/18		Q4/17			Q3/17	
	Actual loss rate ³	Estimated loss rate ⁴	Actual loss rate ³	Estimated loss rate ⁴	Actual loss rate ³	Estimated loss rate ⁴	historical actual loss rate ⁵	Actual loss rate ³	Estimated loss rate ⁴
Residential mortgages	0.02%	0.08%	0.02%	0.09%	0.02%	0.09%	0.02%	0.02%	0.08%
Personal	0.47%	0.72%	0.45%	0.76%	0.44%	0.77%	0.61%	0.46%	0.75%
Credit cards	2.47%	3.38%	2.44%	3.44%	2.48%	3.46%	3.01%	2.51%	3.48%
Small business	0.71%	2.44%	0.74%	2.48%	0.77%	2.49%	1.43%	0.78%	2.53%
Retail	0.25%	0.42%	0.25%	0.43%	0.25%	0.44%	0.35%	0.26%	0.44%
Business	0.13%	0.84%	0.15%	0.74%	0.14%	0.80%	0.32%	0.20%	0.81%
Sovereign	0.00%	0.06%	0.00%	0.06%	0.00%	0.07%	0.00%	0.00%	0.06%
Bank	0.00%	0.11%	0.00%	0.12%	0.00%	0.14%	0.09%	0.00%	0.14%
Wholesale	0.12%	0.81%	0.14%	0.71%	0.13%	0.77%	0.33%	0.19%	0.77%

BASEL PILLAR 3 BACK-TESTING (INTERNAL RATINGS BASED) ^{6,7}	Q2 2018					
	Average probability of default (PD)		Average loss given default (LGD)		Average Exposure at Default (EAD) ⁹	
	Actual %	Estimated %	Actual %	Estimated %	Actual %	Estimated %
Retail						
Residential mortgages						
Uninsured	0.48%	1.03%	5.96%	17.29%	100.00%	100.00%
Insured	0.75%	1.80%	n.a.	n.a.	100.00%	100.00%
Personal	0.67%	1.20%	59.45%	62.59%	98.62%	102.04%
Credit cards	0.99%	1.58%	91.35%	95.83%	98.61%	109.35%
Small business	1.76%	3.91%	39.46%	85.16%	97.80%	98.66%
Wholesale						
Business	0.66%	3.20%	22.88%	41.14%	22.90%	52.89%
Sovereign	0.00%	0.54%	n.a.	25.09%	n.a.	40.84%
Bank	0.00%	1.42%	n.a.	43.98%	n.a.	33.99%

BASEL PILLAR 3 BACK-TESTING (INTERNAL RATINGS BASED) ^{7,9}	Q1 2018					
	Average probability of default (PD)		Average loss given default (LGD)		Average Exposure at Default (EAD) ⁹	
	Actual %	Estimated %	Actual %	Estimated %	Actual %	Estimated %
Retail						
Residential mortgages						
Uninsured	0.43%	0.98%	5.72%	17.11%	100.00%	100.00%
Insured	0.79%	1.92%	n.a.	n.a.	100.00%	100.00%
Personal	0.65%	1.16%	59.28%	62.44%	98.57%	101.96%
Credit cards	0.96%	1.53%	91.47%	95.81%	98.54%	109.25%
Small business	1.85%	3.99%	40.52%	80.87%	97.46%	98.66%
Wholesale						
Business	0.68%	3.28%	22.99%	41.07%	29.99%	52.82%
Sovereign	0.00%	0.53%	n.a.	25.63%	n.a.	44.92%
Bank	0.00%	1.48%	90.74%	44.00%	n.a.	34.90%

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

² To determine the appropriate risk weight, credit assessments by OSFI-recognized external credit rating agencies of S&P, Moody's, Fitch and DBRS are used. For rated exposures, primarily in the sovereign and bank classes, we assign the risk weight corresponding to OSFI's standard mapping. For unrated exposures, mainly in the business and retail classes, we generally apply OSFI prescribed risk weights 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.

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

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

⁵ Average annual actual loss rate from fiscal 2003 through to the most recent full year. The information is updated on an annual basis and is based on consolidated results. The Average historical actual loss rate on a continuing operations basis is 0.34%.

⁶ Back-testing is performed to check the effectiveness of the models used to measure PD, LGD and EAD. Estimated percentages are as of January 31, 2017 (January 31, 2016 for Retail LGD) and actual percentages reflect experience in the following 12 months (24 months for Retail LGD).

⁷ There are several key differences under current Basel and IFRS 9 reporting rules which could lead to significantly different expected loss estimates for PD and LGD. Basel parameters reflect historical experience adjusted for periods of downturn whereas IFRS 9 parameters are based on forward-looking macroeconomic scenarios. For further information refer to our Q2/18 Report to Shareholders.

⁸ For retail, EAD rate represents the utilization of the authorized credit limit. For wholesale, EAD rate represents the utilization of the undrawn amount where the undrawn amount is equal to the authorized credit limit minus the outstanding balance.

⁹ Estimated percentages are as of October 31, 2016 (October 31, 2015 for Retail LGD) and actual percentages reflect experience in the following 12 months (24 months for Retail LGD).

CREDIT QUALITY OF INTERNAL RATINGS BASED (IRB) EXPOSURE - RETAIL PORTFOLIOS BY PORTFOLIO AND RISK RATING ¹ (Millions of Canadian dollars, except percentage amounts)		IFRS 9 Q2/18									IFRS 9 Q1/18								
		Exposure at default (EAD) ²	Notional of undrawn commitments	Exposure weighted- average EAD % ³	Exposure weighted- average probability of default (PD) % ²	Exposure weighted- average loss given default (LGD) % ²	Exposure weighted- average risk weight % ³	Risk weighted assets (RWA)	Expected losses (EL)	EL adjusted average risk weight (%)	Exposure at default (EAD) ²	Notional of undrawn commitments	Exposure weighted- average EAD % ³	Exposure weighted- average probability of default (PD) % ²	Exposure weighted- average loss given default (LGD) % ²	Exposure weighted- average risk weight % ³	Risk weighted assets (RWA)	Expected losses (EL)	EL adjusted average risk weight (%)
Portfolio / Risk Category	PD Range(%)																		
Residential Mortgages and HELOCs																			
Insured Drawn and Undrawn																			
Exceptionally low risk	0.000% to 0.108%	86,189	-	0.00%	0.01%	11.55%	2.43%	2,099	2	2.46%	88,214	-	0.00%	0.01%	14.13%	2.47%	2,179	2	2.49%
	0.109% to 0.214%	22	-	0.00%	0.17%	15.56%	39.88%	9	-	40.82%	24	-	0.00%	0.17%	16.65%	39.88%	9	-	40.82%
Very low risk	0.215% to 0.308%	1,104	119	100.00%	0.30%	11.00%	5.94%	65	-	6.35%	1,027	50	100.00%	0.30%	13.74%	7.43%	76	-	7.95%
	0.309% to 0.590%	203	181	100.00%	0.32%	10.50%	5.79%	12	-	6.20%	101	77	100.00%	0.33%	12.90%	7.33%	7	-	7.85%
Low risk	0.591% to 1.040%	124	-	0.00%	0.76%	13.87%	14.50%	18	-	15.83%	137	-	0.00%	0.69%	15.40%	15.05%	21	-	16.38%
	1.041% to 1.718%	150	29	100.00%	1.33%	10.19%	15.35%	23	-	17.04%	144	15	100.00%	1.16%	13.38%	18.54%	27	-	20.49%
Medium risk	1.719% to 2.969%	127	94	100.00%	2.25%	10.18%	21.80%	27	-	24.78%	84	48	100.00%	2.26%	14.32%	29.55%	25	-	33.56%
	2.970% to 6.430%	107	13	100.00%	3.06%	10.03%	25.20%	27	-	29.04%	21	3	100.00%	3.01%	13.39%	33.40%	7	-	38.45%
High risk	6.431% to 99.99%	11	1	100.00%	60.77%	10.32%	31.90%	4	1	108.82%	12	1	100.00%	61.77%	13.37%	39.36%	5	1	142.16%
Default	100%	3	-	0.00%	100.00%	10.10%	126.22%	4	-	126.22%	3	-	0.00%	100.00%	12.96%	162.01%	5	-	162.01%
Total Insured Drawn & Undrawn		88,040	437	100.00%	0.04%	11.54%	2.60%	2,288	3	2.65%	89,767	194	100.00%	0.03%	14.13%	2.63%	2,361	3	2.68%
Uninsured Undrawn																			
Exceptionally low risk	0.000% to 0.108%	57,819	78,497	73.66%	0.09%	21.41%	4.57%	2,642	11	4.80%	53,300	77,492	68.78%	0.09%	14.83%	3.17%	1,688	7	3.33%
	0.109% to 0.214%	333	-	100.00%	0.12%	25.96%	7.27%	24	-	7.67%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%
Very low risk	0.215% to 0.308%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	35	35	100.00%	0.26%	98.76%	47.70%	17	-	50.87%
	0.309% to 0.590%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%	-	-	0.00%	0.00%	0.00%	0.00%	-	-	0.00%
Low risk	0.591% to 1.040%	27	27	100.00%	0.72%	17.31%	17.43%	5	-	18.99%	28	28	100.00%	0.69%	15.40%	15.05%	4	-	16.39%
	1.041% to 1.718%	589	897	65.65%	1.08%	21.77%	28.62%	169	2	31.54%	662	949	69.83%	1.08%	16.21%	21.48%	124	1	23.69%
Medium risk	1.719% to 2.969%	553	757	73.11%	2.57%	23.39%	53.42%	296	3	61.02%	579	786	73.66%	5.71%	16.89%	38.69%	224	3	44.20%
	2.970% to 6.430%	27	70	39.21%	5.67%	22.18%	77.30%	21	-	93.63%	30	70	43.75%	5.71%	21.41%	76.30%	23	-	91.64%
High risk	6.431% to 99.99%	49	82	59.57%	18.61%	19.78%	100.93%	49	2	149.13%	58	79	72.52%	21.99%	14.87%	74.77%	43	2	115.50%
Default	100%	-	-	0.00%	100.00%	29.58%	0.00%	-	-	369.48%	-	1	0.00%	100.00%	17.15%	0.00%	-	-	214.33%
Total Uninsured Undrawn		59,397	80,663	73.64%	0.14%	21.45%	5.40%	3,206	18	5.77%	54,692	79,440	68.85%	0.16%	14.93%	3.91%	2,141	13	4.21%
Uninsured Drawn																			
Exceptionally low risk	0.000% to 0.108%	34,249	n.a.	n.a.	0.09%	21.55%	4.60%	1,575	6	4.83%	140,449	n.a.	n.a.	0.10%	17.71%	4.32%	6,070	26	4.55%
	0.109% to 0.214%	109,488	n.a.	n.a.	0.12%	19.59%	5.49%	6,007	27	5.79%	-	n.a.	n.a.	0.00%	0.00%	0.00%	-	-	0.00%
Very low risk	0.215% to 0.308%	-	n.a.	n.a.	0.00%	0.00%	0.00%	-	-	0.00%	114	n.a.	n.a.	0.27%	75.35%	36.91%	42	-	39.38%
	0.309% to 0.590%	40	n.a.	n.a.	0.35%	22.67%	13.74%	6	-	14.73%	-	n.a.	n.a.	0.00%	0.00%	0.00%	-	-	0.00%
Low risk	0.591% to 1.040%	7,711	n.a.	n.a.	0.72%	20.47%	20.62%	1,590	11	22.47%	7,595	n.a.	n.a.	0.69%	19.46%	19.03%	1,446	10	20.72%
	1.041% to 1.718%	2,576	n.a.	n.a.	0.72%	22.24%	29.24%	753	6	32.23%	2,669	n.a.	n.a.	1.08%	20.72%	20.72%	553	5	22.85%
Medium risk	1.719% to 2.969%	9,708	n.a.	n.a.	2.28%	21.52%	45.43%	4,410	48	51.56%	10,014	n.a.	n.a.	2.16%	19.21%	38.78%	3,884	41	43.87%
	2.970% to 6.430%	132	n.a.	n.a.	5.52%	25.28%	86.59%	115	2	103.71%	950	n.a.	n.a.	5.70%	19.97%	70.40%	669	11	84.68%
High risk	6.431% to 99.99%	3,535	n.a.	n.a.	22.40%	20.20%	93.58%	3,308	160	150.24%	2,825	n.a.	n.a.	26.40%	17.19%	83.05%	2,346	127	139.16%
Default	100%	281	n.a.	n.a.	100.00%	20.96%	82.02%	230	46	284.88%	293	n.a.	n.a.	100.00%	17.13%	47.82%	140	47	248.59%
Total Uninsured Drawn		167,720	n.a.	n.a.	0.92%	20.20%	10.73%	17,994	306	13.01%	164,909	n.a.	n.a.	0.93%	17.89%	9.19%	15,150	267	11.21%
Qualifying Revolving Credit																			
Exceptionally low risk	0.000% to 0.108%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.109% to 0.214%	45,841	37,975	89.72%	0.18%	86.65%	8.56%	3,924	72	10.53%	40,480	37,297	77.26%	0.20%	88.53%	9.54%	3,864	73	11.79%
Very low risk	0.215% to 0.308%	6,654	7,434	85.00%	0.27%	69.65%	9.39%	625	12	11.71%	8,184	8,906	88.04%	0.27%	73.29%	9.98%	817	16	12.45%
	0.309% to 0.590%	11,076	9,965	87.01%	0.42%	92.65%	18.14%	2,009	44	23.06%	7,957	8,198	69.05%	0.43%	94.04%	18.67%	1,486	33	23.76%
Low risk	0.591% to 1.040%	5,241	6,367	70.24%	0.69%	89.69%	25.34%	1,328	32	32.92%	6,157	6,760	79.99%	0.71%	88.68%	25.69%	1,582	38	33.44%
	1.041% to 1.718%	5,641	2,637	91.95%	1.41%	89.10%	44.17%	2,492	71	59.89%	4,714	1,948	79.39%	1.54%	89.51%	47.41%	2,235	65	64.65%
Medium risk	1.719% to 2.969%	1,460	779	84.25%	2.39%	82.99%	61.04%	891	30	86.21%	1,372	767	84.11%	2.40%	84.31%	62.42%	856	28	88.25%
	2.970% to 6.430%	3,896	1,174	79.82%	4.54%	88.03%	99.47%	3,876	154	148.89%	4,028	1,147	86.35%	4.92%	88.85%	105.79%	4,261	174	159.91%
High risk	6.431% to 99.99%	1,545	279	79.90%	24.12%	86.63%	189.56%	2,929	326	453.37%	1,572	275	78.43%	25.48%	88.06%	194.86%	3,063	354	476.48%
Default	100%	66	2	0.00%	100.00%	83.79%	248.97%	164	42	1047.39%	65	2	0.00%	100.00%	81.76%	215.93%	140	42	1022.02%
Total Qualifying Revolving Credit		81,420	66,612	86.73%	1.12%	86.44%	22.40%	18,238	783	34.41%	74,529	65,300	78.29%	1.27%	87.44%	24.56%	18,304	823	38.36%
Other Retail																			
Exceptionally low risk	0.000% to 0.108%	5,074	712	72.33%	0.07%	60.26%	13.48%	684	3	14.10%	17,330	750	66.08%	0.10%	31.64%	7.50%	1,299	5	7.86%
	0.109% to 0.214%	18,557	2,799	83.54%	0.13%	35.10%	10.99%	2,039	9	11.60%	4,998	2,538	85.68%	0.16%	70.58%	25.62%	1,281	6	27.14%
Very low risk	0.215% to 0.308%	11,072	1,835	85.96%	0.28%	67.92%	34.58%	3,829	21	38.98%	3,134	1,963	99.07%	0.27%	86.19%	42.96%	1,347	7	45.91%
	0.309% to 0.590%	4,940	3,405	91.84%	0.40%	73.58%	45.35%	2,240	14	48.90%	13,621	3,415	87.41%	0.36%	63.38%	37.06%	5,047	31	39.86%
Low risk	0.591% to 1.040%	2,690	955	96.15%	0.89%	68.91%	67.70%	1,821	17	75.71%	2,636	922	104.37%	0.84%	72.50%	69.57%	1,834	17	77.55%
	1.041% to 1.718%	5,736	653	90.09%	1.43%	63.03%	73.63%	4,223	52	84.97%	3,500	691	89.02%	1.47%	61.60%	72.55%	2,539	32	83.98%
Medium risk	1.719% to 2.969%	2,943	876	97.27%	2.28%	51.12%	67.97%	2,000	35	82.73%	5,160	776	102.85%	2.03%	53.19%	68.63%	3,542	56	82.15%
	2.970% to 6.430%	3,534	314	89.50%	3.88%	64.66%	92.98%	3,286	88	124.25%	3,593	338	91.60%	4.06%	64.45%	93.12%	3,346	94	125.93%
High risk	6.431% to 99.99%	1,522	167	87.00%	18.82%	62.59%	117.44%	1,787	175	261.41%	1,457	155	94.61%	21.30%	64.73%	123.60%	1,801	190	286.48%
Default	100%	78	1	0.00%	100.00%	57.24%	88.50%	69	42	756.98%	77	1	0.00%	100.00%	57.80%	101.95%	78	41	774.10%
Total Other Retail		56,146	11,717	8															

REALIZED GAINS AND LOSSES ON INVESTMENT SECURITIES (Millions of Canadian dollars)	IFRS 9		IAS 39						IAS 39		
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	2017	2016
Realized gains	75	46	61	74	84	50	40	44	33	269	193
Realized losses ¹	(24)	(3)	(13)	(20)	(21)	(21)	(34)	(33)	(15)	(75)	(107)
Net gains (losses) on investment securities	51	43	48	54	63	29	6	11	18	194	86
Less: Amount booked in Insurance premium, investment and fee income	2	4	1	10	9	2	4	4	3	22	10
Net gains (losses) on investment securities net of Insurance premium, investment and fee income	49	39	47	44	54	27	2	7	15	172	76

TRADING CREDIT DERIVATIVES ² (Millions of Canadian dollars)	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16
Notional amount									
Protection purchased	7,579	10,789	8,522	6,853	7,408	7,004	10,107	9,711	7,857
Protection sold	3,563	3,291	4,808	3,500	3,370	3,650	5,735	5,321	4,978
Fair value ³									
Positive	77	109	157	81	83	70	191	189	74
Negative	160	204	246	174	169	137	242	246	114
Replacement cost ⁴	38	64	109	34	34	31	31	39	27

OTHER THAN TRADING CREDIT DERIVATIVES POSITIONS ⁵ (NOTIONAL AMOUNT AND FAIR VALUE) (Millions of Canadian dollars)	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16
Notional amount									
Automotive	-	-	-	-	-	-	-	-	-
Energy									
Oil and gas	-	-	-	-	-	-	-	-	-
Utilities	16	15	16	15	17	16	7	7	6
Non-bank financial services	-	-	-	-	-	91	94	91	88
Mining & metals	-	-	-	-	-	-	-	-	-
Real estate & related	-	-	-	-	-	-	-	-	-
Technology & media	-	-	-	-	-	121	124	121	117
Transportation & environment	128	123	129	125	137	130	134	131	125
Other	-	-	-	-	-	-	-	-	-
Sovereign	-	-	-	-	-	-	-	-	-
Bank	-	-	-	-	-	-	-	-	-
Net protection purchased	144	138	145	140	154	358	359	350	336
Offsetting protection sold related to the same reference entity	-	-	-	-	-	-	-	-	-
Gross protection purchased	144	138	145	140	154	358	359	350	336
Net protection sold	-	-	-	-	-	-	-	-	-
Offsetting protection purchased related to the same reference entity	-	-	-	-	-	-	-	-	-
Gross protection sold	-	-	-	-	-	-	-	-	-
Gross protection purchased and sold (notional amount)	144	138	145	140	154	358	359	350	336
Fair value ³									
Positive	-	-	-	-	-	-	-	-	7
Negative	9	10	12	13	14	21	21	17	15

¹ Prior to the adoption of IFRS 9 Financial Instruments, realized losses include impairments of available-for-sale securities.

² Comprises credit default swaps, total return swaps, credit default baskets and credit default options. As at Q2/18, all of our exposures are with investment grade counterparties.

³ Gross fair value before netting.

⁴ Replacement cost includes the impact of netting but excludes collateral.

⁵ Comprises credit default swaps.

FAIR VALUE OF DERIVATIVE INSTRUMENTS (Millions of Canadian dollars)	Q2/18		Q1/18		Q4/17		Q3/17		Q2/17		Q1/17	
	Fair value		Fair value		Fair value		Fair value		Fair value		Fair value	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Held or issued for trading purposes	92,365	89,186	171,151	169,301	159,781	156,123	174,137	172,049	176,677	174,908	165,777	162,750
Held or issued for other than trading purposes	3,509	2,882	4,669	4,066	3,794	3,641	4,345	3,925	4,945	4,118	4,090	4,359
Total gross fair values before netting ¹	95,874	92,068	175,820	173,367	163,575	159,764	178,482	175,974	181,622	179,026	169,867	167,109
Impact of master netting agreements that qualify for balance sheet offset ²	(1,008)	(1,008)	(69,680)	(69,208)	(67,827)	(67,705)	(71,825)	(71,803)	(79,887)	(80,013)	(71,305)	(71,428)
that do not qualify for balance sheet offset ³	(57,828)	(57,828)	(65,675)	(65,675)	(58,804)	(58,804)	(66,474)	(66,474)	(66,582)	(66,582)	(65,214)	(65,214)
Total	37,038	33,232	40,465	38,484	36,944	33,255	40,183	37,697	35,153	32,431	33,348	30,467

DERIVATIVES - NOTIONAL AMOUNTS ^{4,5} (Millions of Canadian dollars)	Q2/18						Q1/18						Q4/17							
	Trading						Trading						Trading							
	Over the counter		Exchange traded	Total	Non-trading		Total	Over the counter		Exchange traded	Total	Non-trading		Total	Over the counter		Exchange traded	Total	Non-trading	
Centrally cleared	Non Centrally cleared	Centrally cleared			Non Centrally cleared	Centrally cleared		Non Centrally cleared	Centrally cleared			Non Centrally cleared	Centrally cleared		Non Centrally cleared					
Interest rate contracts	1,777,006	78,446	-	1,855,452	25,664	1,881,116	1,321,185	99,410	-	1,420,595	4,922	1,425,517	1,118,081	70,752	-	1,188,833	-	1,188,833		
Forward rate agreement	7,612,656	1,020,086	-	8,632,742	483,122	9,115,864	6,871,355	1,018,508	-	7,889,863	431,099	8,320,962	6,772,804	1,081,505	-	7,854,309	497,440	8,351,749		
Swaps	-	233,554	4,403	237,957	-	237,957	-	208,484	1,365	209,849	-	209,849	-	261,471	8,969	270,440	-	270,440		
Options purchased	-	-	131,311	131,311	-	131,311	-	-	108,777	108,777	-	108,777	-	-	112,151	112,151	-	112,151		
Future	9,389,662	1,332,086	135,714	10,857,462	508,786	11,366,248	8,192,540	1,326,402	110,142	9,629,084	436,021	10,065,105	7,890,885	1,413,728	121,120	9,425,733	497,440	9,923,173		
Foreign exchange contract	-	1,594,083	-	1,594,083	18,937	1,613,020	-	1,404,806	-	1,404,806	14,826	1,419,632	-	1,343,196	-	1,343,196	17,193	1,360,389		
Forward contracts	-	101,940	-	101,940	10,300	112,240	-	179,910	-	179,910	9,608	189,518	-	149,255	-	149,255	7,818	157,073		
Swaps	-	1,181,612	-	1,181,612	55,147	1,236,759	-	1,107,605	-	1,107,605	53,741	1,161,346	-	1,048,891	-	1,048,891	56,901	1,105,792		
Cross-currency interest rate swaps	-	51,924	-	51,924	-	51,924	-	73,038	-	73,038	-	73,038	-	73,150	-	73,150	-	73,150		
Options purchased	-	-	595	595	-	595	-	476	476	-	476	-	516	516	-	516	-	516		
Future	-	2,929,559	595	2,930,154	84,384	3,014,538	-	2,765,359	476	2,765,835	78,175	2,844,010	-	2,614,492	516	2,615,008	81,912	2,696,920		
Credit derivatives	4,904	6,239	-	11,143	-	11,143	4,246	9,834	-	14,080	-	14,080	6,407	6,923	-	13,330	-	13,330		
Other contracts ⁶	124	78,102	132,767	210,993	2,496	213,489	189	69,937	123,841	193,967	2,500	196,467	199	69,342	132,258	201,799	2,295	204,094		
Total	9,394,690	4,345,986	269,076	14,009,752	595,666	14,605,418	8,196,975	4,171,532	234,459	12,602,966	516,696	13,119,662	7,897,491	4,104,485	253,894	12,255,870	581,647	12,837,517		

DERIVATIVES - NOTIONAL AMOUNTS ^{4,5} (Millions of Canadian dollars)	Q3/17						Q2/17						Q1/17							
	Trading						Trading						Trading							
	Over the counter		Exchange traded	Total	Non-trading		Total	Over the counter		Exchange traded	Total	Non-trading		Total	Over the counter		Exchange traded	Total	Non-trading	
Centrally cleared	Non Centrally cleared	Centrally cleared			Non Centrally cleared	Centrally cleared		Non Centrally cleared	Centrally cleared			Non Centrally cleared	Centrally cleared		Non Centrally cleared					
Interest rate contracts	884,574	76,761	-	961,335	-	961,335	1,069,317	84,045	-	1,153,362	14,298	1,167,660	680,803	63,075	-	743,878	-	743,878		
Forward rate agreement	6,968,087	1,091,560	-	8,059,647	490,260	8,549,907	6,540,577	1,162,715	-	7,703,292	488,085	8,191,377	6,051,798	1,143,479	-	7,195,277	340,604	7,535,881		
Swaps	-	283,198	6,113	289,311	-	289,311	-	295,867	6,805	302,672	-	302,672	-	304,273	6,230	310,503	-	310,503		
Options purchased	-	-	108,751	108,751	1,151	109,902	-	-	98,790	98,790	634	99,424	-	-	101,608	101,608	-	101,608		
Future	7,852,661	1,451,519	114,864	9,419,044	491,411	9,910,455	7,609,894	1,542,627	105,595	9,258,116	503,017	9,761,133	6,732,601	1,510,827	107,838	8,351,266	340,604	8,691,870		
Foreign exchange contract	-	1,297,345	-	1,297,345	14,363	1,311,708	-	1,486,169	-	1,486,169	20,087	1,506,256	-	1,385,875	-	1,385,875	21,991	1,407,866		
Forward contracts	-	134,929	-	134,929	7,760	142,689	-	102,139	-	102,139	8,365	110,504	-	82,886	-	82,886	6,796	89,682		
Swaps	-	979,377	-	979,377	54,400	1,033,777	-	1,029,837	-	1,029,837	59,955	1,089,792	-	1,007,306	-	1,007,306	56,012	1,063,318		
Cross-currency interest rate swaps	-	53,996	-	53,996	-	53,996	-	51,671	-	51,671	-	51,671	-	38,127	-	38,127	-	38,127		
Options purchased	-	-	1,130	1,130	-	1,130	-	-	467	467	-	467	-	-	280	280	-	280		
Future	-	2,465,647	1,130	2,466,777	76,523	2,543,300	-	2,669,816	467	2,670,283	88,407	2,758,690	-	2,514,194	280	2,514,474	84,799	2,599,273		
Credit derivatives	3,931	6,422	-	10,353	-	10,353	4,003	6,776	-	10,779	-	10,779	3,848	6,806	-	10,654	-	10,654		
Other contracts ⁶	216	65,776	105,519	171,511	2,158	173,669	244	79,224	125,324	204,792	2,148	206,940	238	74,840	98,336	173,414	2,106	175,520		
Total	7,856,808	3,989,364	221,513	12,067,685	570,092	12,637,777	7,614,141	4,298,443	231,386	12,143,970	593,572	12,737,542	6,736,687	4,106,667	206,454	11,049,808	427,509	11,477,317		

¹ As at Q2/18, positive and negative fair values exclude market and credit valuation adjustments of \$691 million and \$(170) million respectively that are determined on a pooled basis.

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

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

⁴ Notional amounts do not represent assets or liabilities and therefore are not recorded in our Consolidated Balance Sheet. As of Q2/18, the notional amounts excludes exchange traded options written of \$107.3 billion, over-the-counter options written of \$325.4 billion and non-trading credit derivatives of \$0.1 billion. It includes interest rate and currency swaps of \$4.5 billion related to a consolidated structured entity.

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

⁶ Comprises precious metal, commodity, stable value and equity-linked derivative contracts.

DERIVATIVE - RELATED CREDIT RISK (Millions of Canadian dollars)	Q2/18				Q1/18				Q4/17				Q3/17			
	Notional amount ¹	Replacement cost	Credit equivalent amount	Risk-weighted equivalent ²	Notional amount ¹	Replacement cost	Credit equivalent amount	Risk-weighted equivalent ²	Notional amount ¹	Replacement cost	Credit equivalent amount	Risk-weighted equivalent ²	Notional amount ¹	Replacement cost	Credit equivalent amount	Risk-weighted equivalent ²
Over-the-counter contracts																
Interest rate contracts																
Forward rate agreements	1,881,116	511	567	104	1,425,517	1,162	1,211	267	1,188,833	264	328	59	961,335	250	359	49
Swaps	9,115,863	10,448	17,211	3,395	8,320,962	12,005	25,318	4,872	8,351,749	10,890	24,318	4,187	8,549,907	12,107	25,590	4,590
Options purchased	233,554	560	898	486	208,484	742	905	457	261,471	283	883	527	283,198	195	919	583
Foreign exchange contracts																
Forward contracts	1,613,020	5,221	12,374	3,892	1,419,632	5,201	11,075	3,537	1,360,389	5,421	11,555	3,634	1,311,708	6,328	11,741	3,881
Swaps	1,344,524	9,405	12,654	4,691	1,345,732	11,390	13,141	4,920	1,256,824	10,476	12,643	4,498	1,169,935	12,113	12,666	4,618
Options purchased	51,924	326	1,214	599	73,038	398	1,196	504	73,150	360	1,125	472	53,996	319	959	422
Credit derivatives ³	11,143	38	699	158	14,080	64	1,000	491	13,330	109	936	149	10,353	34	607	140
Other contracts ⁴	80,719	8,562	8,195	3,752	72,623	8,011	7,529	3,558	71,699	7,750	6,332	2,945	68,150	7,621	5,519	3,152
Exchange traded contracts	269,079	1,967	8,978	180	234,463	1,492	7,926	159	254,031	1,391	8,340	167	222,664	1,216	6,757	135
Total derivatives ⁵	14,600,942	37,038	62,790	17,247	13,114,531	40,465	69,301	18,765	12,831,476	36,944	66,460	16,638	12,631,246	40,183	65,117	17,570
DERIVATIVE - RELATED CREDIT RISK (Millions of Canadian dollars)																
Over-the-counter contracts																
Interest rate contracts																
Forward rate agreements	1,167,660	428	442	98	743,878	323	333	74	532,065	232	250	53	478,166	441	462	79
Swaps	8,191,377	12,373	26,410	4,736	7,535,881	11,850	24,760	4,515	7,762,792	15,118	27,214	5,429	7,643,046	18,848	29,661	6,619
Options purchased	295,867	324	979	592	304,273	284	942	543	346,263	334	1,092	662	239,216	376	989	687
Foreign exchange contracts																
Forward contracts	1,506,256	5,899	12,816	4,045	1,407,866	5,258	11,817	3,785	1,334,576	6,914	12,952	3,896	1,587,769	7,994	13,594	4,124
Swaps	1,200,296	11,454	11,313	3,955	1,153,000	11,411	12,119	3,851	1,150,553	13,763	12,492	3,790	1,061,235	10,899	10,820	3,360
Options purchased	51,671	462	1,179	498	38,127	331	855	373	49,758	416	1,045	456	50,563	427	1,069	455
Credit derivatives ³	10,779	34	610	124	10,654	31	609	138	15,842	31	920	188	15,032	39	880	169
Other contracts ⁴	81,616	1,206	6,225	3,419	77,184	1,376	5,235	3,083	84,347	1,409	6,188	3,463	81,927	1,273	6,202	3,383
Exchange traded contracts	232,020	3,150	11,721	234	206,454	2,601	9,400	188	241,138	2,933	11,756	235	267,392	3,050	12,160	243
Total derivatives ⁵	12,737,542	35,330	71,695	17,701	11,477,317	33,465	66,070	16,550	11,517,334	41,150	73,909	18,172	11,424,346	43,347	75,837	19,119

¹ As at Q2/18, the notional amounts excludes exchange traded options written of \$107.3 billion, over-the-counter options written of \$325.4 billion, and non-trading credit derivatives of \$0.1 billion.

² As at Q2/18, the risk-weighted equivalents for over-the-counter contracts shown are calculated by applying risk weights against the credit equivalent amounts net of credit valuation adjustment (CVA) losses of \$125 million. The risk-weighted equivalent amounts shown do not reflect CVA regulatory capital charge.

³ Comprises credit default swaps, total return swaps, credit default baskets and credit default options.

⁴ Comprises precious metal, commodity, stable value and equity-linked derivative contracts.

⁵ As at Q2/18, the total credit equivalent amount reported above is net of \$16.3 billion in collateral and does not reflect the netting of the credit valuation adjustment losses of \$216 million described in footnote 2.

MARKET RISK REGULATORY CAPITAL Internal models-based approach VaR ¹ (Millions of Canadian dollars)	For the three months ended											
	Q2/18				Q1/18		Q4/17		Q3/17		Q2/17	
	As at Apr 30	Avg	High	Low	As at Jan 31	Avg	As at Oct 31	Avg	As at Jul 31	Avg	As at Apr 30	Avg
Equity	2	2	2	1	2	5	4	4	7	10	10	9
Foreign exchange	3	2	3	1	2	3	2	2	2	2	2	2
Commodities	2	1	2	1	1	1	2	1	1	1	1	3
Interest rate	20	21	30	15	13	15	13	13	17	16	15	19
Credit specific	5	6	8	5	4	6	6	6	5	5	5	5
Diversification	(13)	(9)	n.m.	n.m.	(8)	(12)	(11)	(11)	(13)	(14)	(14)	(14)
VaR	19	23	31	16	14	18	16	15	19	20	19	24
Stressed VaR	47	52	65	36	33	57	58	51	53	55	49	57

¹ The table shows VaR and stressed VaR for trading activities that have a capital requirement under the internal models-based approach, for which we have been granted approval by OSFI. Regulatory capital for market risk is allocated based on VaR and stressed VaR only for those trading positions that have approval to use the internal models-based approach. The above numbers reflect calculations for VaR and stressed VaR based on a 1 day time horizon. As stipulated by OSFI, RBC's Market Risk regulatory capital calculations are based on VaR and stressed VaR measures for a 10 day time horizon.
n.m. not meaningful

CALCULATION OF ROE ¹ AND RETURN ON RISK CAPITAL (RORC) ¹ (Millions of Canadian dollars, except percentage and per share amounts)	IFRS 9		IAS 39							2018	2017	IAS 39	
	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	6 months	6 months	2017	2016
Personal & Commercial Banking													
Net income available to common shareholders	1,435	1,497	1,383	1,371	1,338	1,567	1,252	1,296	1,271	2,932	2,905	5,659	5,089
Average risk capital	16,600	16,200	15,950	15,850	14,850	14,650	13,600	13,700	13,800	16,400	14,750	15,300	13,750
Add: Average goodwill and other intangibles	4,600	4,550	4,550	4,650	4,700	4,700	4,750	4,700	4,800	4,550	4,700	4,700	4,800
Average attributed capital	21,200	20,750	20,500	20,500	19,550	19,350	18,350	18,400	18,600	20,950	19,450	20,000	18,550
ROE ²	27.8%	28.6%	26.7%	26.6%	28.0%	32.1%	27.1%	28.0%	27.8%	28.2%	30.1%	28.3%	27.5%
RORC	35.5%	36.7%	34.4%	34.3%	37.0%	42.4%	36.6%	37.7%	37.4%	36.1%	39.7%	36.9%	37.0%
Canadian Banking													
Net income available to common shareholders	1,407	1,461	1,341	1,329	1,297	1,527	1,228	1,263	1,223	2,868	2,824	5,494	4,930
Average risk capital	15,250	14,850	14,500	14,400	13,300	13,150	12,150	12,150	12,250	15,050	13,250	13,850	12,250
Add: Average goodwill and other intangibles	2,800	2,800	2,850	2,800	2,850	2,850	2,850	2,900	2,900	2,800	2,850	2,850	2,850
Average attributed capital	18,050	17,650	17,350	17,200	16,150	16,000	15,000	15,050	15,150	17,850	16,100	16,700	15,100
ROE ²	32.0%	32.8%	30.7%	30.6%	32.9%	37.8%	32.5%	33.4%	32.9%	32.4%	35.4%	32.9%	32.6%
RORC	37.9%	39.0%	36.7%	36.7%	39.9%	46.0%	40.2%	41.3%	40.6%	38.5%	43.0%	39.7%	40.3%
Wealth Management													
Net income available to common shareholders	522	583	476	470	415	414	381	370	371	1,105	829	1,775	1,412
Average risk capital	6,200	6,100	6,000	5,900	5,950	5,700	5,150	4,900	4,850	6,150	5,850	5,900	4,850
Add: Average goodwill and other intangibles	7,400	7,300	7,300	7,550	7,750	7,700	7,850	8,000	8,150	7,350	7,700	7,550	8,100
Average attributed capital	13,600	13,400	13,300	13,450	13,700	13,400	13,000	12,900	13,000	13,500	13,550	13,450	12,950
ROE ²	15.8%	17.3%	14.2%	13.9%	12.4%	12.2%	11.6%	11.4%	11.6%	16.5%	12.3%	13.2%	10.9%
RORC	34.6%	38.0%	31.6%	31.6%	28.6%	28.8%	29.4%	30.0%	31.3%	36.3%	28.7%	30.2%	29.2%
Insurance													
Net income available to common shareholders	170	125	263	159	164	132	226	361	175	295	296	718	891
Average risk capital	1,750	1,600	1,800	1,550	1,450	1,400	1,500	1,750	1,450	1,650	1,450	1,550	1,550
Add: Average goodwill and other intangibles	200	150	200	150	150	150	150	150	150	200	150	150	150
Average attributed capital	1,950	1,750	2,000	1,700	1,600	1,550	1,650	1,900	1,600	1,850	1,600	1,700	1,700
ROE ²	36.3%	28.2%	52.3%	37.0%	41.5%	33.7%	54.3%	75.7%	44.3%	32.3%	37.6%	41.8%	52.8%
RORC	40.1%	31.3%	57.2%	40.8%	45.9%	37.2%	59.4%	82.0%	48.9%	35.8%	41.6%	46.0%	57.8%
Investor & Treasury Services													
Net income available to common shareholders	208	216	153	174	188	210	170	151	135	424	398	725	596
Average risk capital	2,500	2,650	2,650	2,650	2,650	2,850	2,750	2,850	2,850	2,600	2,750	2,700	2,850
Add: Average goodwill and other intangibles	550	500	500	500	500	450	450	500	500	500	500	500	500
Average attributed capital	3,050	3,150	3,150	3,150	3,150	3,300	3,200	3,350	3,350	3,100	3,250	3,200	3,350
ROE ²	28.1%	26.9%	19.2%	21.9%	24.6%	25.1%	21.0%	18.2%	16.5%	27.5%	24.9%	22.7%	17.9%
RORC	34.1%	32.1%	22.9%	26.1%	29.2%	29.5%	24.8%	21.3%	19.4%	33.0%	29.3%	26.9%	21.0%
Capital Markets													
Net income available to common shareholders	644	727	564	588	646	640	461	611	561	1,371	1,286	2,438	2,186
Average risk capital	18,150	18,150	16,600	18,200	17,650	18,000	16,500	16,100	17,800	18,150	17,800	17,600	16,800
Add: Average goodwill and other intangibles	1,550	1,500	1,450	1,350	1,050	1,100	1,100	1,100	1,050	1,500	1,100	1,250	1,100
Average attributed capital	19,700	19,650	18,050	19,550	18,700	19,100	17,600	17,200	18,850	19,650	18,900	18,850	17,900
ROE ²	13.4%	14.7%	12.4%	11.9%	14.2%	13.3%	10.4%	14.2%	12.1%	14.1%	13.7%	12.9%	12.2%
RORC	14.6%	15.9%	13.5%	12.8%	15.0%	14.1%	11.1%	15.1%	12.8%	15.2%	14.6%	13.8%	13.0%
Corporate Support ³													
Net income available to common shareholders	-	(219)	(82)	(55)	(27)	(23)	(32)	12	(27)	(219)	(50)	(187)	(63)
Average risk capital and other	2,750	3,100	3,050	2,950	3,200	3,100	2,950	3,050	3,000	2,950	3,100	3,050	2,950
Add: Average under/(over) attribution of capital	5,200	5,050	5,850	4,450	4,900	4,850	6,350	5,000	4,000	5,150	4,850	5,050	4,800
Average attributed capital	7,950	8,150	8,900	7,400	8,100	7,950	9,300	8,050	7,000	8,100	7,950	8,100	7,750
RBC													
Net income	3,060	3,012	2,837	2,796	2,809	3,027	2,543	2,895	2,573	6,072	5,836	11,469	10,458
Net income available to common shareholders	2,979	2,929	2,757	2,707	2,724	2,940	2,458	2,801	2,486	5,908	5,664	11,128	10,111
Average risk capital	46,700	46,500	44,800	45,800	44,100	44,100	41,000	40,900	42,300	46,600	44,100	44,700	41,300
Average common equity	67,450	66,850	65,900	65,750	64,800	64,650	63,100	61,800	62,400	67,150	64,700	65,300	62,200
ROE	18.1%	17.4%	16.6%	16.3%	17.2%	18.0%	15.5%	18.0%	16.2%	17.7%	17.7%	17.0%	16.3%
RORC	26.2%	25.0%	24.4%	23.4%	25.3%	26.4%	23.9%	27.2%	23.9%	25.6%	25.9%	24.9%	24.5%

¹ These measures do not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section on page 52.

² Business segment ROE is based on Average attributed capital. Under/(over) attribution of capital is reported in Corporate Support.

³ We do not report ROE and RORC for Corporate Support as they are considered not meaningful.

Key performance and Non-GAAP measures

Management measures and evaluates the performance of our consolidated operations and each of our segments based on variety of financial measures. In addition to generally accepted accounting principles (GAAP) prescribed measures, we use certain non-GAAP measures and key performance measures. We believe these measures provide useful information to investors regarding our financial condition and result of operations. For details, refer to the "How we measure and report our business segments" section of our Report to Shareholders. Readers are cautioned that non-GAAP measures do not have any standardized meanings prescribed by GAAP and therefore are unlikely to be comparable to similar measures disclosed by other companies.

Performance measures

Attributed capital (Economic capital)

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

Risk capital

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

Average risk capital

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

Return on equity (ROE)

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

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. RORC is based on actual balances of average common equity before rounding.

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

Adjusted efficiency ratio, operating leverage, NIE growth and revenue growth

The ratio and calculations are adjusted to exclude specified items and the change in fair value backing our policyholder liabilities from revenue and revenue growth. Refer to page 53 for the definition of the efficiency ratio, operating leverage, NIE growth and revenue growth.

Economic profit

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

Common equity

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

Glossary

Definitions

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.

Glossary continued

Definitions

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.

Net impaired loans and acceptances

Gross impaired loans and acceptances less the associated allowance for credit losses on impaired loans by portfolio.

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.

Common Equity Tier 1 ratio

Common Equity Tier 1 (CET1) capital under Basel III comprises the highest quality of capital including common shares, retained earnings, accumulated other comprehensive income and other items. Regulatory adjustments such as goodwill and intangibles, deferred tax assets, and other components subject to threshold deductions are excluded from CET1 capital. This ratio is calculated by dividing CET1 by risk-weighted assets, in accordance with OSFI's Basel III Capital Adequacy Requirements guideline.

Efficiency ratio

Non-interest expense as a percentage of total revenue. For adjusted efficiency ratio refer to the non-GAAP measures on page 52.

Return on assets

Net income as a percentage of average assets.

Return on risk-weighted assets

Net income as a percentage of average risk-weighted assets.

Calculations

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, net

Average earning assets include interest-bearing deposits with other banks, securities, net of applicable allowance, assets purchased under reverse repurchase agreements and securities borrowed, loans, net of allowance, cash collateral and margin deposits. Insurance assets, and all other assets not specified are excluded. The averages are based on the daily balances for the period.

Capital charge

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

Dividend yield

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

Diluted EPS

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

Effective tax rate (teb)

Effective tax rate (teb) is calculated using the tax provision for the period adjusted for the teb amount divided by the net income before tax for the period also adjusted for the teb amount. For teb, refer to Definitions above.

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)

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

Net write-offs

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

Operating leverage

The difference between our revenue growth rate and non-interest expense growth rate. For adjusted operating leverage ratio, refer to the non-GAAP measures on page 52.

NIE Growth

The growth rate is calculated based on NIE in the same period a year ago. For adjusted NIE growth, refer to the non-GAAP measures on page 52.

Revenue Growth

The growth rate is calculated based on revenue in the same period a year ago. For adjusted revenue growth, refer to the non-GAAP measures on page 52.

Risk-weighted assets (RWA) - Basel III

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

n.a.

Not applicable