Royal Bank of Canada
Second Quarter Results

May 30, 2013

All amounts are in Canadian dollars and are based on financial statements prepared in compliance with International Accounting Standard 34 *Interim Financial Reporting*, unless otherwise noted. Our Q2 2013 Report to Shareholders and Supplementary Financial Information are available on our website at rbc.com/investorrelations.

Caution regarding forward-looking statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this presentation and in the accompanying management’s comments and responses to questions during the May 30, 2013 analyst conference call (Q2 presentation), in filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, operational, legal and regulatory compliance, insurance, reputation and strategic risks and other risks discussed in the Risk management and Overview of other risks sections of our 2012 Annual Report and in the Risk management section of our Q2 2013 Report to Shareholders; the impact of changes in laws and regulations, including relating to the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations issued and to be issued thereunder, the Basel Committee on Banking Supervision’s global standards for capital and liquidity reform, over-the-counter derivatives reform, the payments system in Canada, consumer protection measures and regulatory reforms in the U.K. and Europe; general business and economic market conditions in Canada, the United States and certain other countries in which we operate, including the effects of the European sovereign debt crisis, and the high levels of Canadian household debt; cybersecurity; the effects of changes in government fiscal, monetary and other policies; the effects of competition in the markets in which we operate; our ability to attract and retain employees; the accuracy and completeness of information concerning our clients and counterparties; judicial or regulatory judgments and legal proceedings; development and integration of our distribution networks; and the impact of environmental issues.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward looking-statements contained in this Q2 presentation are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2012 Annual Report, as updated by the Overview section in our Q2 2013 Report to Shareholders. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the Risk management and the Overview of other risks sections in our 2012 Annual Report and in the Risk management section of our Q2 2013 Report to Shareholders.

Information contained in or otherwise accessible through the websites mentioned does not form part of this Q2 presentation. All references in this Q2 presentation to websites are inactive textual references and are for your information only.

Overview

Gordon M. Nixon

President and Chief Executive Officer

Q2/2013 performance highlights

Strong Q2 results

- Reported net income of $1.94 billion
  - Adjusted net income of $1.97 billion(1), up 13% YoY and down 5% QoQ
- Solid earnings growth across all business segments compared to last year
- Particular strength in our Canadian Banking, corporate and investment banking and asset management businesses

Solid capital position

- "All-in" Common Equity Tier 1 ratio of 9.1%, well above Basel III minimum and D-SIB buffer(2)
- Down 20 bps QoQ as strong internal capital generation was more than offset by our Ally Canada acquisition (-45 bps impact)

Successfully executing our focused growth strategy

(1) Excluding certain items of note related to our acquisition and integration of the remaining 50% interest in RBC Dexia Investor Services (RBC Dexia), renamed RBC Investor Services (RBCIS). This is a non-GAAP measure. For additional information see slides 18 and 31.

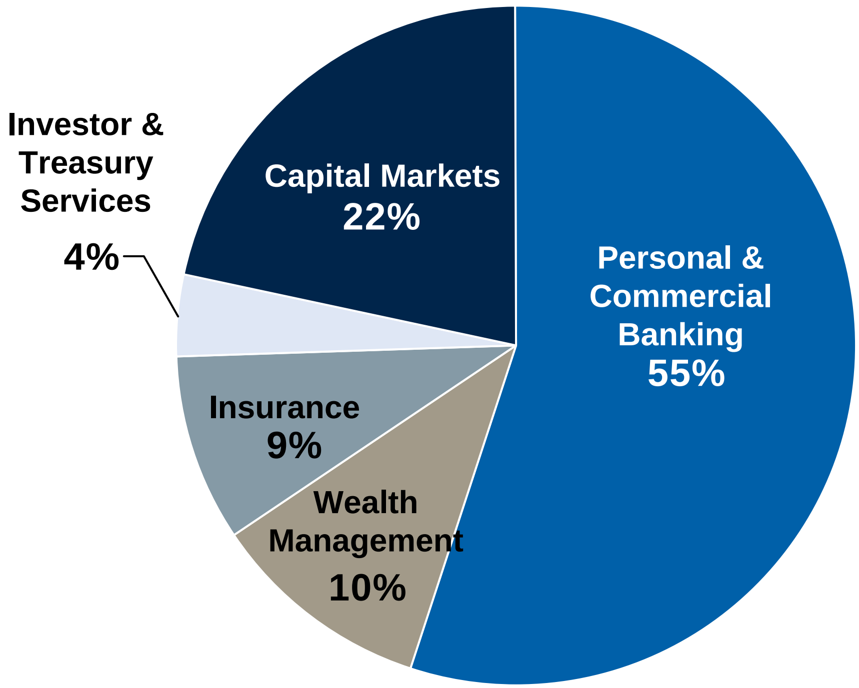
(2) OSFI has designated RBC as a "domestically systemically important bank" (D-SIB), which requires a CET1 Ratio of 8% (100 bps above the Basel III minimum) by 2016.

RBC's key strengths

- Diversified business mix, with the right balance of retail and wholesale
- Almost two-thirds of revenue from Canada
- Strategic approach in key businesses in the U.S. and select international markets

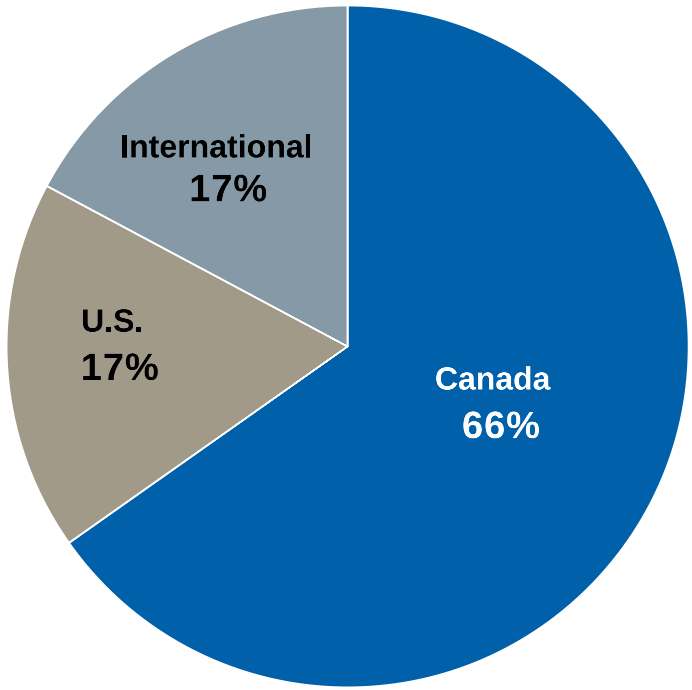
Earnings by business segment[1][2]

Average Q3/2012 to Q2/2013



Revenue by geography[1]

Average Q3/2012 to Q2/2013



(1) Amounts exclude Corporate Support. For further information, see the Business segment results and Results by geographic segment sections of our Q2 2013 Report to Shareholders.
(2) Excluding certain items of note related to our acquisition and integration of RBCIS. These are non-GAAP measures. For additional information see slides 18 and 31.

Strategic priorities

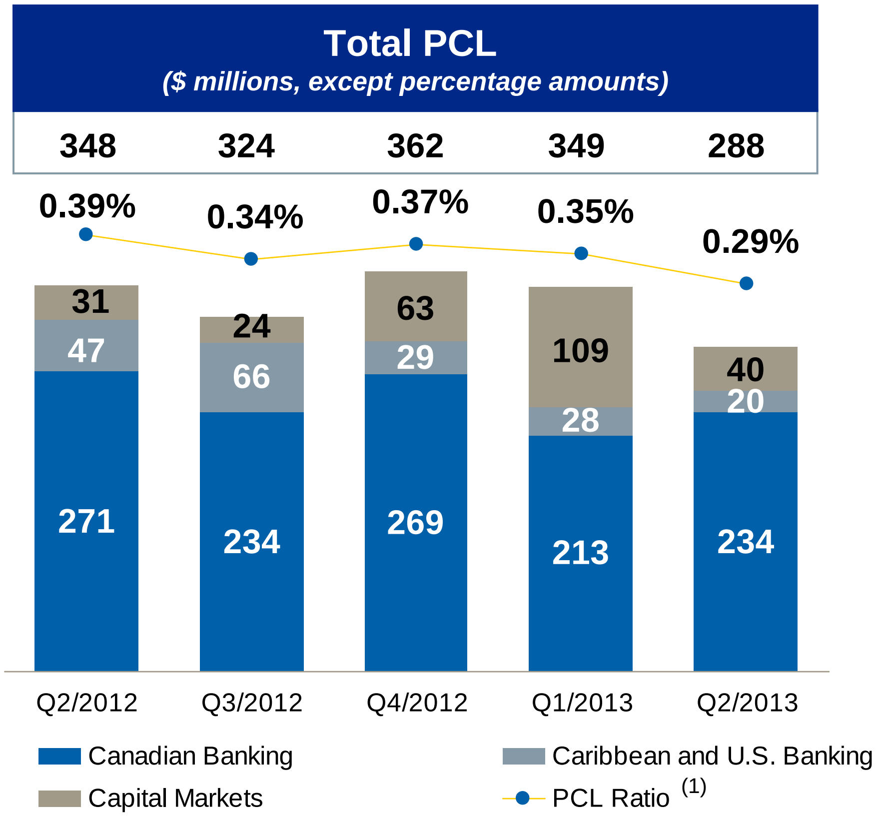
Personal & Commercial Banking	▪ Building on leading market positions in Canada ▪ Extending our Canadian sales power ▪ Managing costs and reinvesting for the future in Canada ▪ Building on strengths in innovation and technology to differentiate the client experience in the Caribbean and U.S.
Wealth Management	▪ Building a high-performing global asset management business ▪ Focusing on high net worth and ultra-high net worth clients to build global leadership ▪ Leveraging RBC and RBC Wealth Management strengths and capabilities
Insurance	▪ Improving distribution efficiency and deepening client relationships ▪ Making it easier for clients to do business with us ▪ Pursuing select international opportunities to grow our reinsurance business
Investor & Treasury Services	▪ Establishing a specialist custody bank with an integrated funding and liquidity business ▪ Focusing on organic growth through deeper client relationships, cross-selling and promoting the RBC brand ▪ Leverage Investor & Treasury Services as a driver of enterprise growth strategies
Capital Markets	▪ Extending our leadership position in Canada ▪ Expanding and strengthening client relationships in the U.S. ▪ Building on core strengths and capabilities in the U.K., Europe and Asia ▪ Optimizing capital use to earn high risk-adjusted returns on assets and equity

Risk Review

Morten Friis

Chief Risk Officer

Provision for credit losses (PCL)



Personal & Commercial Banking

- PCL increased $13 million, or 5% QoQ
  - Higher provisions in our Canadian business and personal loan portfolios
  - Lower provisions in our Caribbean portfolio due to stable credit quality

Capital Markets

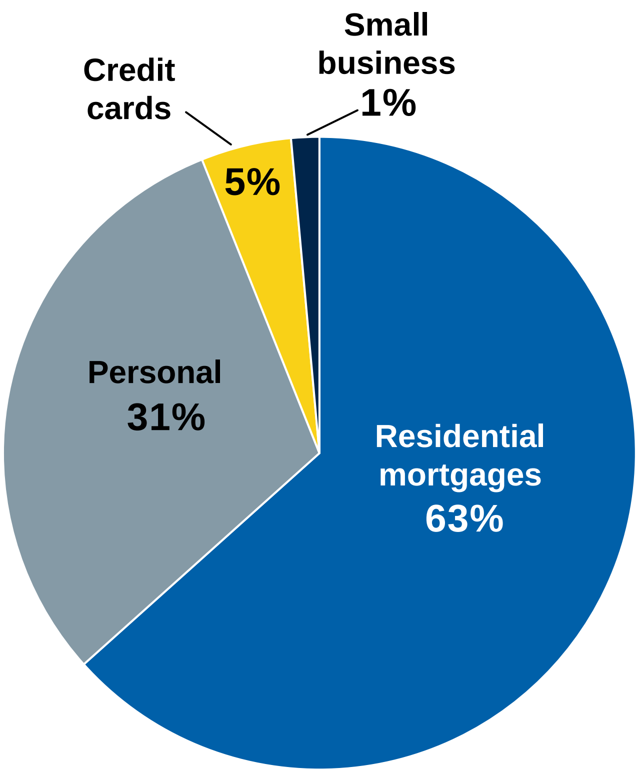
- PCL decreased $69 million or 63% QoQ as prior quarter reflected higher PCL related to a couple of accounts

PCL Ratio by Segment	Q2/2012	Q3/2012	Q4/2012	Q1/2013	Q2/2013
Personal & Commercial Banking	0.41%	0.38%	0.37%	0.29%	**0.31%**
Canadian Banking	0.36%	0.30%	0.34%	0.26%	**0.29%**
Capital Markets	0.27%	0.20%	0.49%	0.82%	**0.31%**

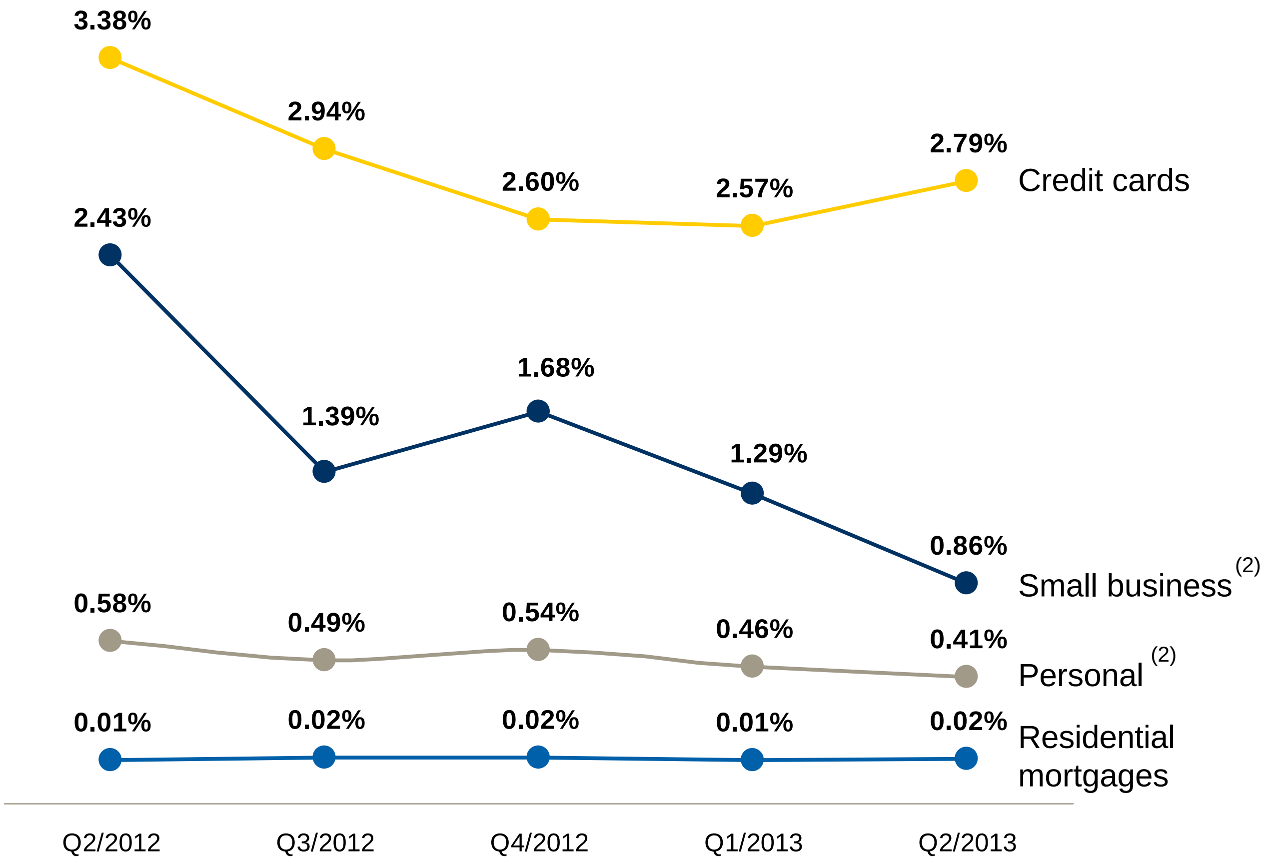
(1) PCL ratio is PCL on impaired loans as a percentage of average net loans and acceptances (annualized).

Canadian Banking retail portfolio credit quality

Average Retail Loans ($279 billion)



PCL Ratio[1] by Product



Overall credit quality remains stable

(1) PCL ratio is PCL on impaired loans as a percentage of average net loans and acceptances (annualized).
(2) At April 30, 2013 Ally Canada contributed personal loans & acceptances of $6 billion and business loans & acceptances of $4 billion.

Financial Review

Janice Fukakusa

Chief Administrative Officer and Chief Financial Officer

Q2/2013 financial highlights

($ millions, except for EPS and ROE)	Q2/2013		Q1/2013	Q2/2012	
	As Reported	Excluding Items of Note[1]	As Reported	As Reported	Excluding Item of Note[1]
Revenue	$7,769	**$7,769**	$7,910	$6,924	**$6,960**
Net income	$1,936	**$1,967**	$2,070	$1,533	**$1,735**
Diluted earnings per share (EPS)	$1.27	**$1.29**	$1.36	$0.99	**$1.13**
Return on common equity (ROE)[2]	18.5%	**18.8%**	19.6%	16.1%	**18.4%**

Earnings, excluding items of note up $232 million, or 13% YoY[1]

- Solid volume growth across all Canadian Banking businesses
- Strong Corporate and Investment Banking performance, particularly in loan syndication and lending in the U.S.
- Higher average fee-based client assets in Wealth Management

Earnings, excluding item of note down $103 million, or 5% QoQ[1]

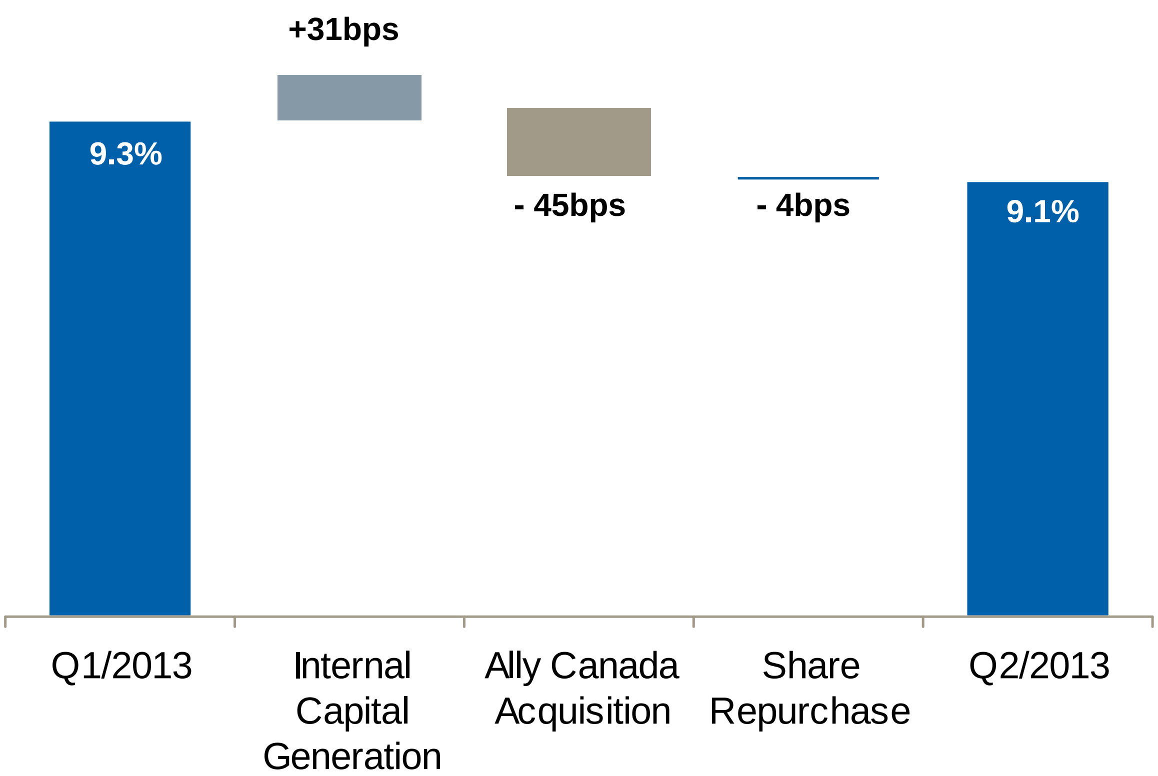
- Lower Capital Markets results, following robust Q1/2013
- Seasonal factors, including fewer days in the quarter
- Q1/2013 reflects seasonality of performance fees earned in Wealth Management

Growth driven by the strength and diversification of our businesses

(1) Excluding certain items of note related to our acquisition and integration of RBCIS. These are non-GAAP measures. For additional information see slides 18 and 31.
(2) ROE may not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. For additional information see slide 31.

Basel III Common Equity Tier 1 (CET1) ratio

"All-in" CET1 ratio (1)(2)



Q2/2013 Results

- Strong internal capital generation was more than offset by the Ally Canada acquisition, an impact of 45 bps
- Share repurchase of $128 million (2.1 million common shares), an impact of 4 bps
- Well above 8% Basel III minimum and D-SIB buffer

Strong capital position and disciplined capital deployment

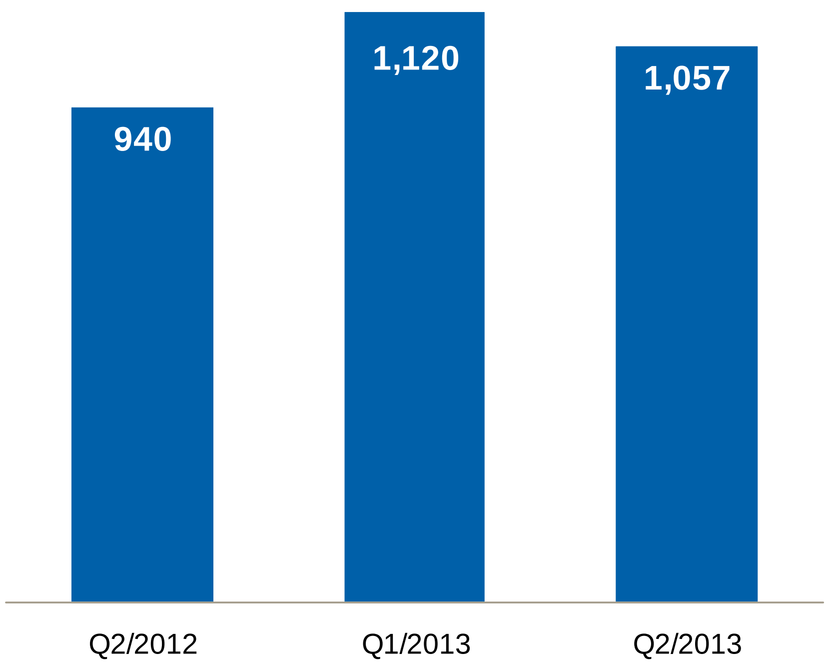
(1) Capital calculated to include all the regulatory adjustments that will be required by 2019 but retaining the phase-out rules of non-qualifying capital. Please refer to the Capital Management section of our Q2 2013 Report to Shareholders for details on Basel III requirements.

(2) RWA increase impacted the "All-in" CET1 ratio by (2) basis points.

Personal & Commercial Banking

Net Income

($ millions)



Percentage Change	QoQ	YoY
NIAT	**(6%)**	**12%**

Q2/2013 Highlights

Canadian Banking (Net Income: $1,043 million)

	Reported		Adjusted[1]	
	YoY	QoQ	YoY	QoQ
Loan Growth	9%	4%	**6%**	**1%**
Deposit Growth	9%	2%	**7%**	**1%**

- Solid volume growth across all businesses
- NIM of 2.68%, down 5 bps QoQ and 4 bps YoY
- Operating leverage of 0.7%, or 1.8%[1] excluding Ally Canada
- Efficiency ratio of 45.0%, or 44.6%[1] excluding Ally Canada
- Ally Canada contributed earnings of $12 million[2], net of $17 million ($12 million after-tax) of integration costs and amortization of intangibles

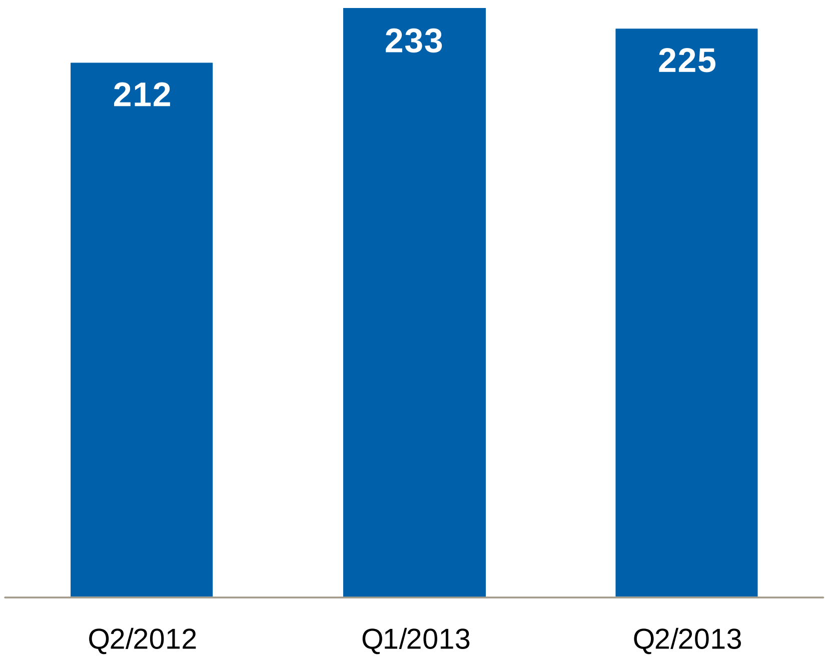
Caribbean & U.S. Banking

- Stable credit quality QoQ notwithstanding ongoing economic challenges in the Caribbean

(1) Adjusted measures exclude the impact of our acquisition of Ally Canada. These are non-GAAP measures. For additional information see slides 21 and 31.
(2) Ally Canada results reflected revenue of $60 million, non-interest expenses of $41 million and PCL of $4 million.

Wealth Management

Net Income
($ millions)



Percentage Change	QoQ	YoY
NIAT	**(3%)**	**6%**

Q2/2013 Highlights

- Strong net income of $225 million, up 6% YoY and down 3% QoQ
  - Higher average fee-based client assets
  - Improved transaction volumes
  - QoQ results reflect seasonality of performance fees earned in Q1/2013

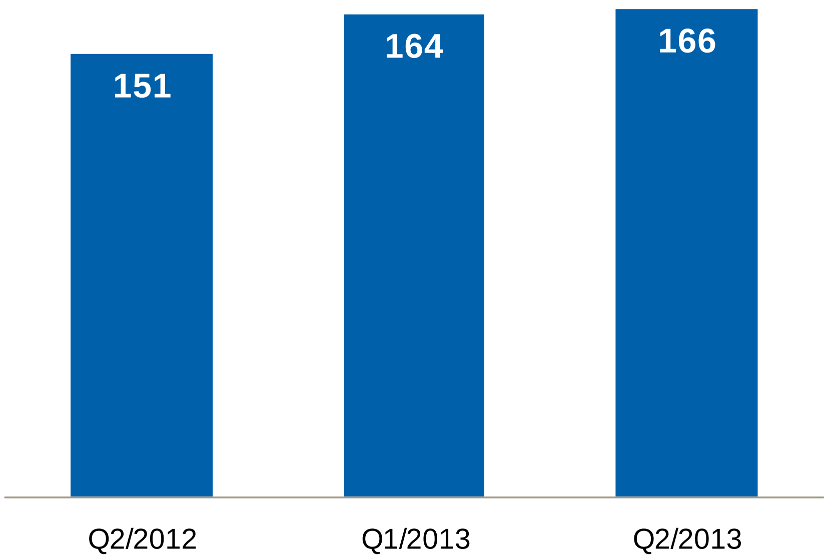
	Amount *($ billions)*	**YoY**	**QoQ**
AUA	605	**8%**	**2%**
AUM	370	**15%**	**5%**
Loans(1)	12	**19%**	**5%**
Deposits(1)	32	**10%**	**5%**

- Client assets grew across all geographies as a result of net sales and improved market conditions
- Solid growth in loans and deposits

(1) Average balances.

Insurance

Net Income
($ millions)



Percentage Change	QoQ	YoY
NIAT	**1%**	**10%**

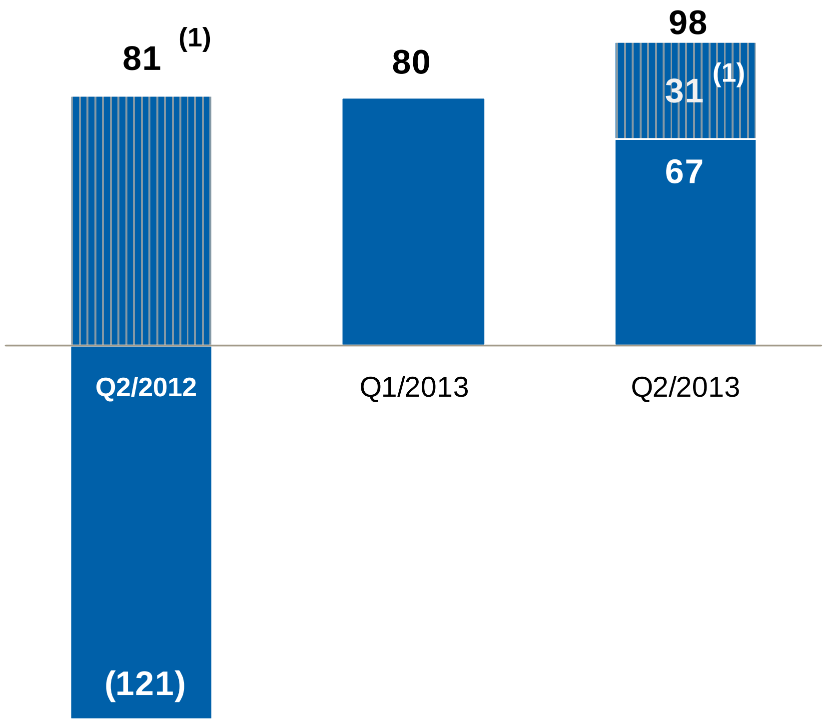
Q2/2013 Highlights

- YoY increase was driven by a favourable change in actuarial adjustments, favourable life policyholder experience and net investment gains
  - Results were impacted by higher disability claims costs
- QoQ earnings were relatively flat
  - Lower reinsurance claims costs and net investment gains
  - Higher disability claims costs
  - The favourable impact of interest rates and investment activity on policyholder liabilities in the prior quarter

Investor & Treasury Services

Net Income

($ millions)



Percentage Change	QoQ	YoY
Reported NIAT	**(16%)**	**n.m.**
Adjusted NIAT(1)	**23%**	**21%**

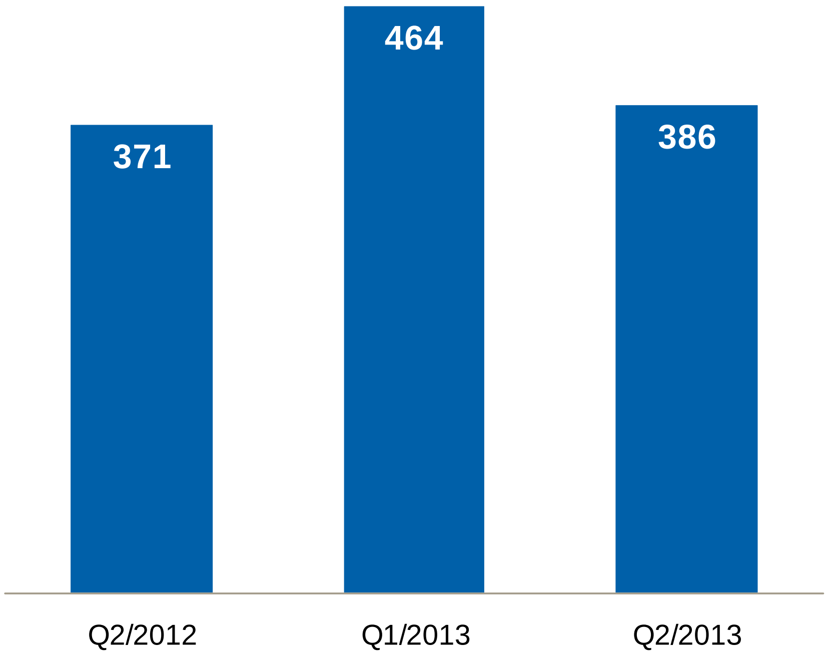
Q2/2013 Highlights

- Net income was $67 million compared to a net loss of $121 million a year ago and $80 million last quarter
- Excluding items of note(1), net income of $98 million increased 21% YoY and 23% QoQ
  - Improved performance in RBCIS due to our ongoing focus on cost management activities as well as higher transaction volumes and client assets
  - YoY, incremental earnings this quarter related to our additional 50% ownership of RBCIS
  - Lower funding and liquidity revenue

(1) Adjusted measures exclude certain items of note related to our acquisition and integration of RBCIS. These are non-GAAP measures. For additional information see slides 18 and 31.

Capital Markets

Net Income
($ millions)



Percentage Change	QoQ	YoY
NIAT	**(17)%**	**4%**

Q2/2013 Highlights

- **Corporate & Investment Banking**
  - Revenue of $719 million
    - Up 21% YoY, due to strong growth in loan syndication, lending, and debt origination mainly in the U.S. and higher M&A activity mainly in Canada
    - Down 14% QoQ, due to lower M&A and loan syndication activities from a robust Q1/2013
- **Global Markets [1]**
  - Revenue of $817 million
    - Down 15% YoY, largely due to lower fixed income trading revenue, primarily in Europe
    - Down 21% QoQ, mainly due to lower fixed income trading results, primarily in the U.S. and Europe

(1) For additional information see slide 26.

Appendices

Items impacting results

Adjusted Net Income ($ millions, except for earnings per share (EPS) amounts)	Q2/2013		Q2/2012	
	Amount	Diluted EPS	Amount	Diluted EPS
Reported GAAP net income	**$1,936**	**$1.27**	$1,533	$0.99
Items impacting results:				
Add: RBCIS restructuring charge	**31**	**0.02**	–	–
Add: Loss related to RBC Dexia acquisition	–	–	202	0.14
Adjusted Net Income / EPS [(1)]	**$1,967**	**$1.29**	$1,735	$1.13

- Our results were impacted by the following items relating to our acquisition and integration of the remaining 50% interest in RBC Dexia Investor Services, renamed RBC Investor Services (RBCIS):
  - **Q2/2013:** A restructuring charge of $44 million ($31 million after-tax) related to our RBCIS integration
  - **Q2/2012:** A loss of $212 million ($202 million after-tax) related to the acquisition of RBCIS

(1) This is a non-GAAP measure. For additional information see slide 31.

Canadian Banking – retail momentum

Canadian Market Share	Q2/2013		Q2/2012	
	Rank	Market Share (1)	Rank	Market Share (1)
Consumer Lending (2)	**1**	**23.6%**	**2**	**22.8%**
Personal Core Deposits + GICs	2	20.1%	2	19.4%
Long-Term Mutual Funds (3)	**1**	**14.2%**	**1**	**13.8%**
Business Loans (4)				
$0 - $250M	1	27.1%	1	26.0%
$250M - $25MM	1	24.1%	1	24.1%
Business Deposits (5)	**1**	**27.3%**	**1**	**25.8%**

- Personal core deposits and GICs market share up 70 bps YoY
- Long-term mutual fund market share up 40 bps YoY

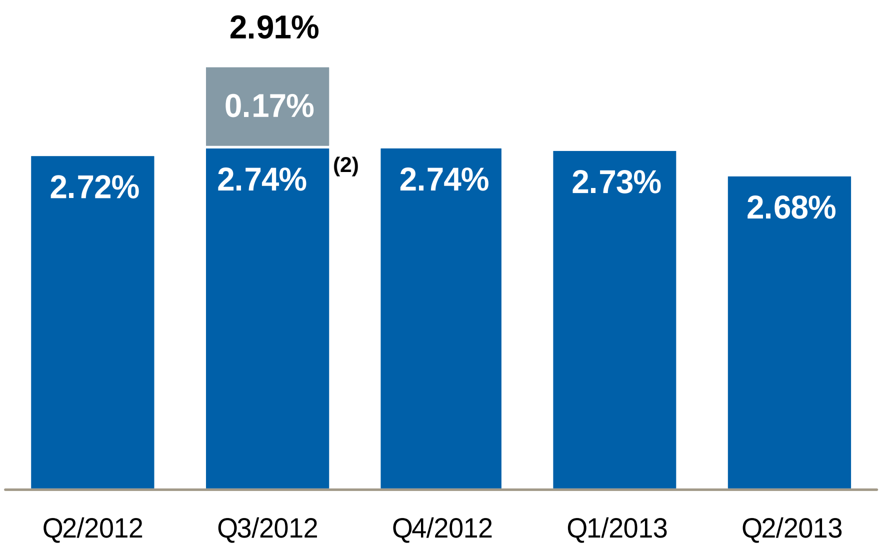
(1) Market share is calculated using most current data available from OSFI (M4), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA). OSFI, IFIC and Consumer Lending CBA data is at February 2013 and February 2012, Business Loans CBA data is at December 2012 and December 2011. Market share is of total Chartered Banks except for Business Loans which is of total 7 Banks (RBC, BMO, BNS, CIBC, TD, NBC, CWB).
(2) Consumer Lending market share is of 6 banks (RBC, TD, CIBC, BMO, BNS and National). Consumer Lending comprises residential mortgages excluding acquired portfolios, personal loans and credit cards.
(3) Mutual fund market share is per IFIC.
(4) Business Loans market share is of the nine Chartered Banks that submit tiered data to CBA on a quarterly basis.
(5) Business Deposits market share excludes Fixed Term, Government and Deposit Taking Institution balances.

Leadership in most personal products and in all business products

Canadian Banking – net interest margin

Net interest margin (NIM)(1)

(Percentage)



- NIM decreased 5 bps QoQ and 4 bps YoY reflecting:
  - Lower spreads due to continued low rate environment and competitive pressures, particularly on business lending
  - Current quarter negatively impacted by 2 bps due to accounting volatility
  - Impact of Ally Canada acquisition (1bp)

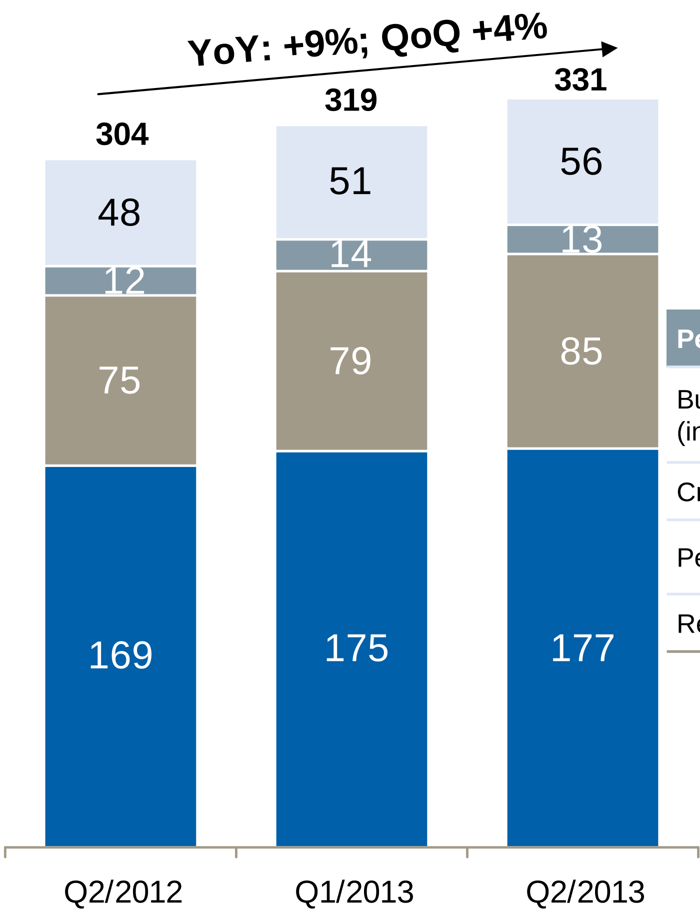
(1) Net interest margin: net interest income as a percentage of average total earning assets.

(2) Q3/2012 results were favourably impacted by a mortgage prepayment interest adjustment of $92 million ($125 million before-tax). Excluding this adjustment, NIM was 2.74%. NIM excluding this adjustment is a non-GAAP measure. For reconciliation, see our Q3 2012 Report to Shareholders. For additional information see slide 31.

Canadian Banking – volume growth

Average Loans & Acceptances(1)(2)

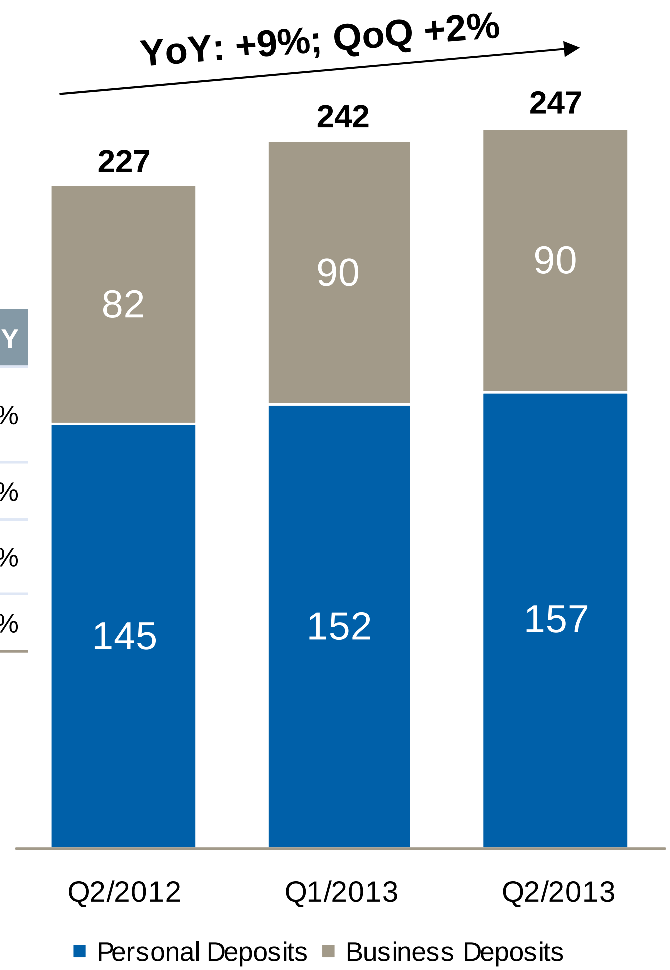
($ billions)



Percentage Change(1)	QoQ	YoY
Business (inc. small business)	+10%	+16%
Credit Cards	-3%	+6%
Personal Lending	+8%	+13%
Residential Mortgages	+1%	+5%

Average Deposits(1)(2)

($ billions)

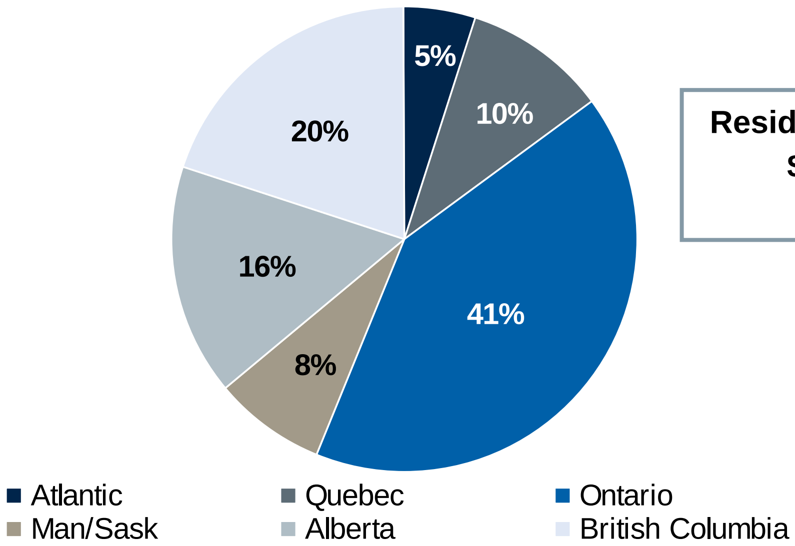


Combined loan and deposit YoY growth of 9%

(1) Total loans and acceptances and deposits and percentage change may not reflect the average loans and acceptances balances and average deposits for each loan type shown due to rounding.
(2) At April 30, 2013 Ally Canada contributed personal loans & acceptances of \$6 billion, business loans & acceptances of \$4 billion and deposits of \$3 billion.

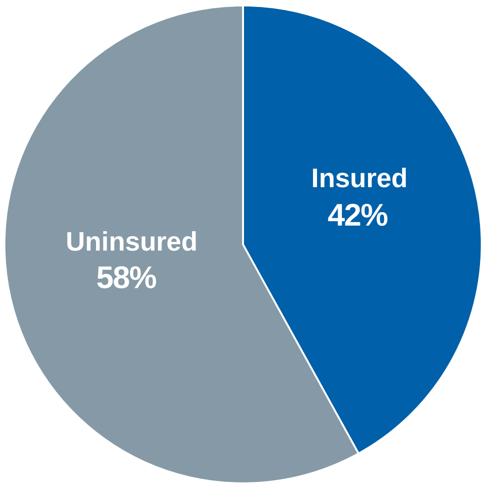
Canadian Banking – residential mortgage portfolio

Geographic Diversification
(as at April 30, 2013)



Residential Mortgages:
$177 billion(1)
LTV: 47%(2)

Insured vs. Uninsured mortgages
(as at April 30, 2013)



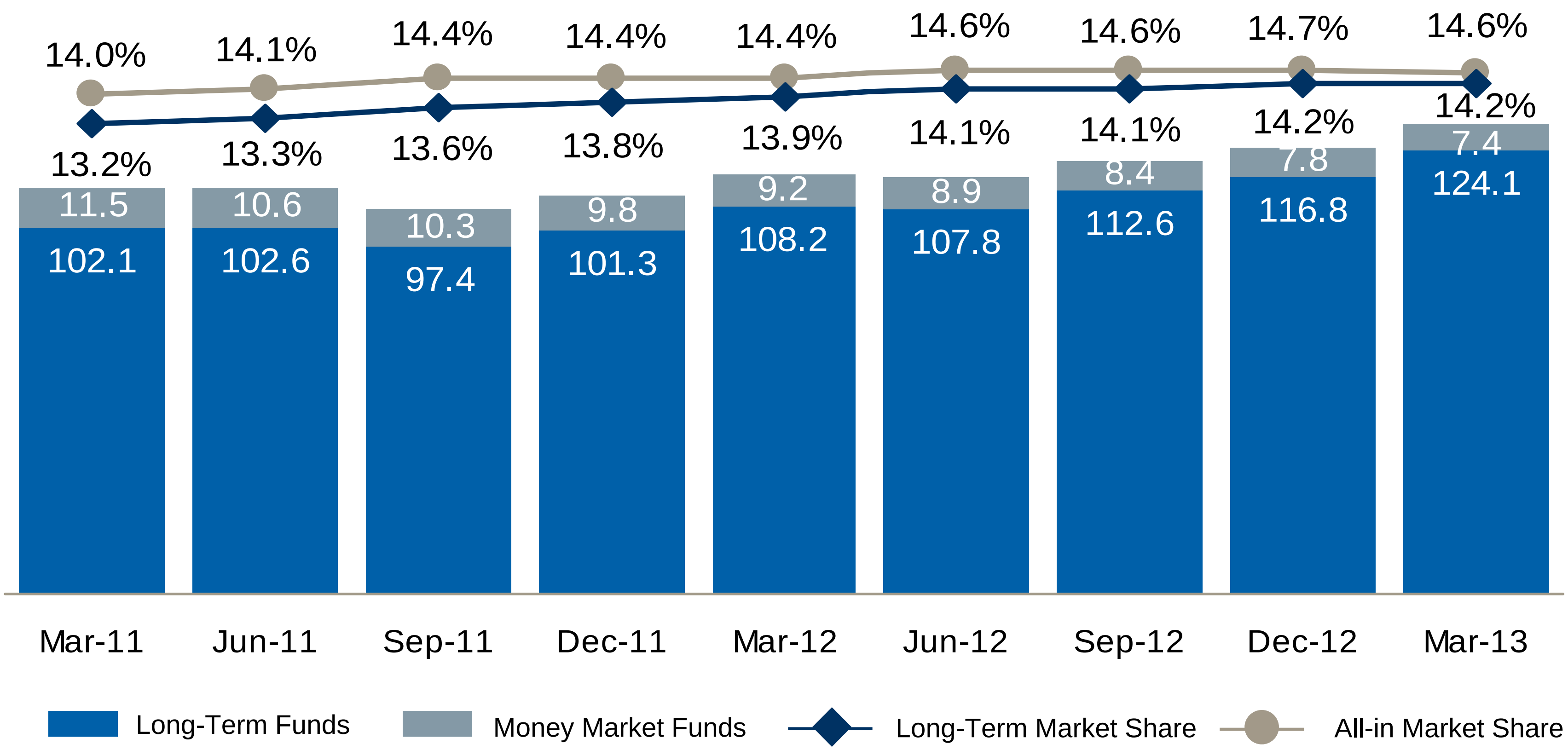
- Well diversified mortgage portfolio across Canada
- Ongoing stress testing for numerous scenarios including unemployment, interest rates, housing prices
- Strong underwriting practices with all mortgages originated through our proprietary channels

(1) Excludes commercial mortgages of $5 billion related to multi-unit buildings which are reported as business loans.
(2) Represents loan-to-value (LTV) ratio for uninsured mortgages adjusted for property values based on provincial housing price index and outstanding balance (including Homeline product).

Wealth Management – asset management growth

Canadian mutual fund balances and market share[1]

($ billions, except percentage amounts)



- For the 7th quarter in a row, RBC GAM ranked #1 in market share, for both all-in and long-term fund assets[1]
- Long-term fund assets increased 22% since March 2011, with RBC GAM capturing over 23% of industry sales

(1) Source: IFIC (as of March 2013) and RBC reporting.

Capital Markets – revenue by business

($ millions)	Q2/2013	Q1/2013	Q2/2012	QoQ	YoY
Fixed income, currencies and commodities	393	644	522	(39%)	(25%)
Global equities	263	222	271	18%	(3%)
Repo and secured financing	161	169	169	(5%)	(5%)
Global Markets (teb)	$817	$1,035	$962	(21%)	(15%)
Investment banking	370	475	304	(22%)	22%
Lending and other	349	365	290	(4%)	20%
Corporate & Investment Banking	$719	$840	$594	(14%)	21%
Other	$26	$32	-	(19%)	n.m.
Capital Markets total revenue (teb)	$1,562	$1,907	$1,556	(18%)	-

Global Markets

- YoY decrease driven by lower fixed income trading revenue, primarily in the latter half of Q2/2013, driven by challenging market conditions particularly in Europe. In addition, Q2/2012 was particularly strong, as a result of significant pent-up demand in the first half of 2012 following the height of the European sovereign debt crisis.
- QoQ decrease driven by lower fixed income trading revenue, primarily in the latter half of Q2/2013, driven by challenging market conditions particularly in the U.S. and Europe. In addition, Q1 is typically our strongest quarter due to seasonality.

Corporate & Investment Banking

- YoY increase reflects strong growth in loan syndication, lending, and debt origination, mainly in the U.S., and higher M&A activity, mainly in Canada
- QoQ decrease reflects lower M&A and loan syndication activities, across all geographies, compared to robust Q1/2013 levels

Capital Markets – revenue by geography

($ millions)	Q2/2013	Q1/2013	Q2/2012	QoQ	YoY
Canada	540	426	527	27%	2%
U.S.	816	1,061	783	(23%)	4%
Europe	168	295	229	(43%)	(27%)
Asia and Other	59	54	48	9%	23%
Geographic revenue excluding certain items (1)	**$1,583**	**$1,836**	**$1,587**	**(14%)**	**-**
Add / (Deduct):					
BOLI (2)	(6)	11	(3)	(17)	(3)
CVA (3)	10	68	4	(58)	6
Fair value adjustment on RBC debt (3)	(24)	(8)	(32)	(16)	8
Consolidated SPE	(1)	-	-	(1)	(1)
Capital Markets total revenue (teb)	**$1,562**	**$1,907**	**$1,556**	**(18%)**	**-**

- In Canada, QoQ increase largely driven by higher M&A activity reflecting increased mandates as well as improvement in our daily cash equities business and gains in private equity investments
- In the U.S., QoQ decrease largely driven by lower fixed income trading revenue as well as lower loan syndication and M&A activity compared to robust Q1/2013 levels
- In Europe, down QoQ reflecting lower trading revenue mainly in fixed income as the region continues to experience challenging market conditions including lower of client volumes and narrower bid/ask spreads

(1) These are non-GAAP measures. For additional information see slide 31.
n.m. – not meaningful
(2) Excluded from U.S.
(3) Excluded from all geographies.

Capital Markets – trading revenue

($ millions)	Q2/2013	Q1/2013	Q2/2012	QoQ	YoY
Capital Markets total revenue (teb)	$1,562	$1,907	$1,556	**(18%)**	**0%**
Capital Markets non-trading revenue (1)	976	1,119	814	(13%)	20%
Capital Markets trading revenue (teb)	$586	$788	$742	**(26%)**	**(21%)**
Add / (Deduct):					
BOLI (2)	6	(11)	3	17	3
CVA (3)	(10)	(68)	(4)	58	(6)
Fair value adjustment on RBC debt (3)	24	8	32	16	(8)
Capital Markets trading revenue (teb) excl. certain items (4)	**$606**	**$717**	**$773**	**(15%)**	**(22%)**

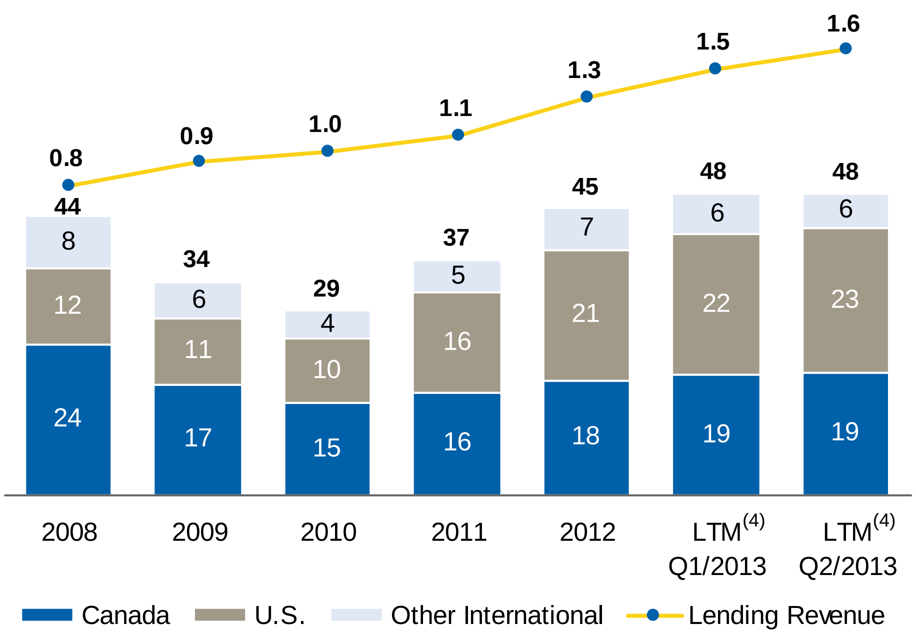
- Economic challenges in Europe and emerging regulatory reforms impacted trading results, primarily in the latter half of the quarter
- Trading revenue decreased YoY largely due to lower fixed income trading resulting from challenging market conditions characterized by lower client volumes and narrower bid/ask spreads, particularly in Europe
  - Lower equity trading revenue also contributed to softer results, mainly in the U.S. and Canada, due to lower volatility and trading volumes
- Trading revenue decreased QoQ as a result of challenging market conditions reflecting lower volatility and trading volumes, primarily in the U.S. and Europe. Q1 is typically our strongest quarter due to seasonality.

(1) Non-trading revenue primarily includes Corporate and Investment Banking and Global Markets origination and cash equities businesses.
(2) Excluded from U.S.
(3) Excluded from all geographies.
(4) These are non-GAAP measures. For additional information see slide 31.

Capital Markets loan portfolio

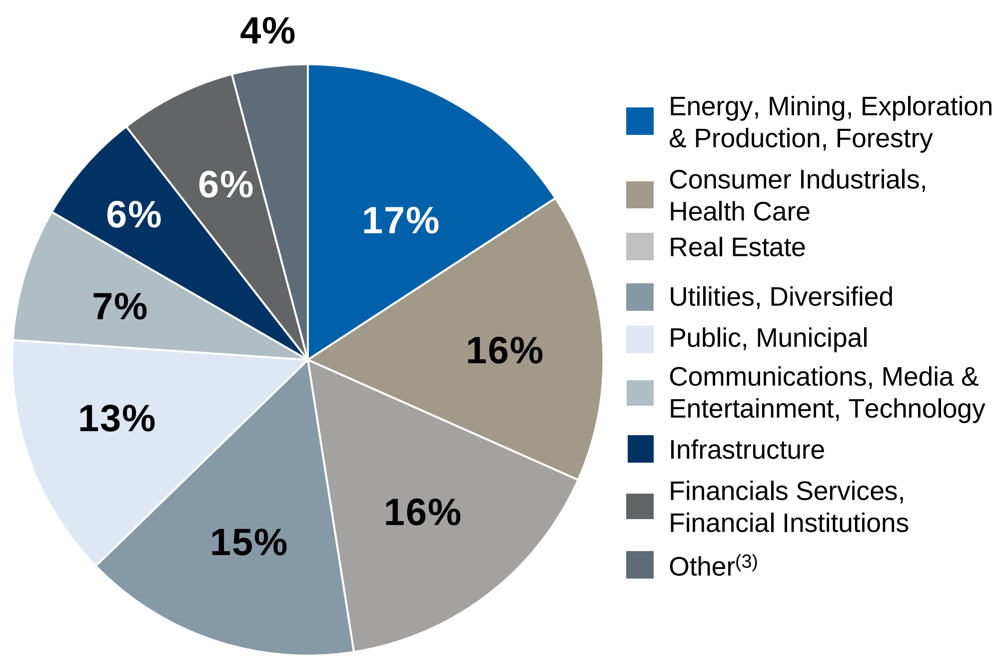
Lending Revenue and Loans Outstanding by Region[1] *($ billions)*

- In the last 2 years, our lending revenue grew by 29%, exceeding our loan book growth of 23%[2]



Loans Outstanding by Industry[1]

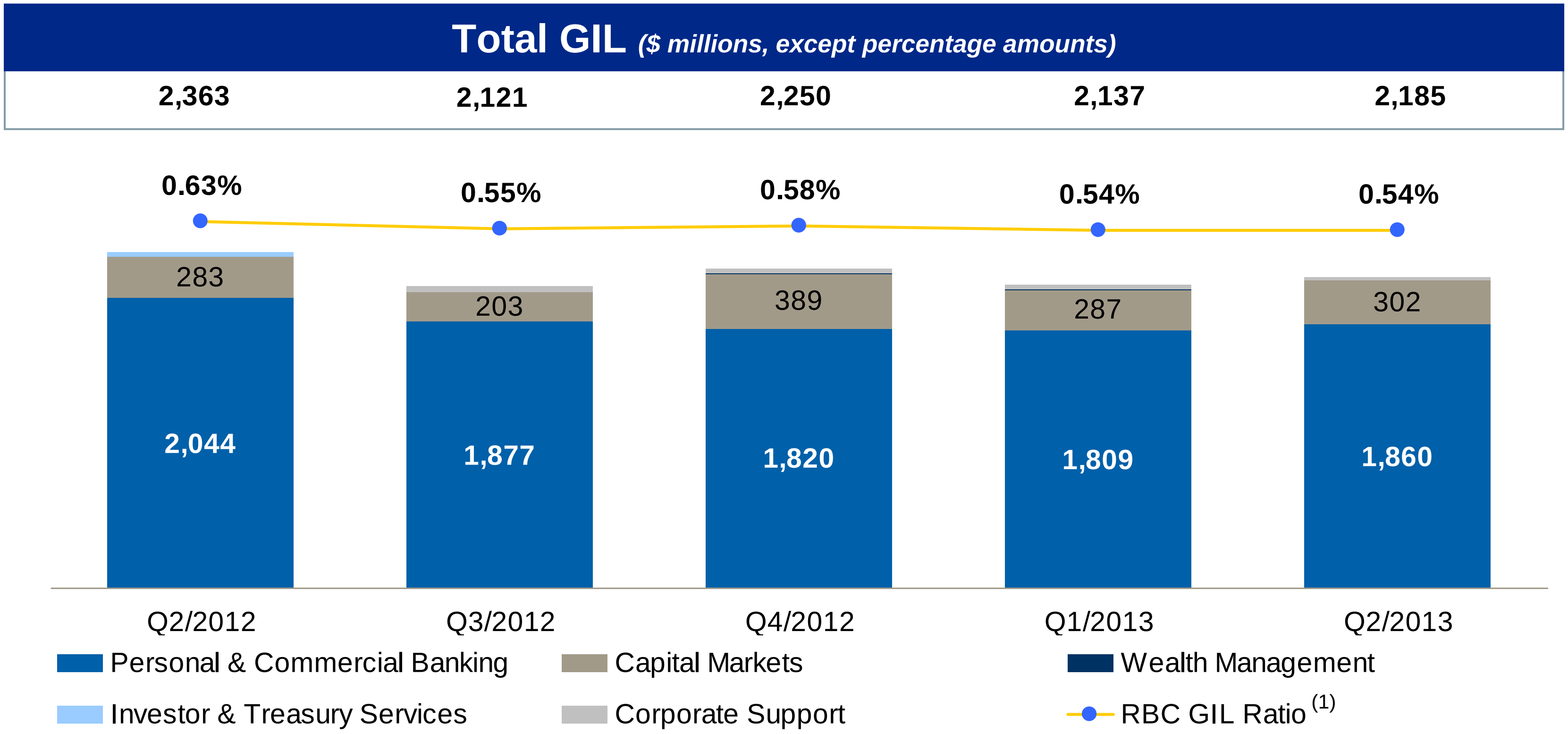
Q2/2013



- Diversification driven by strict limits on single name, country, industry and product levels across all businesses, portfolios, transactions and products
- Consistent lending standards throughout the cycle, with PCL levels in line with our risk parameters
- Approximately 70% of our authorized Capital Markets loan portfolio is investment grade

(1) Average loans and acceptances, and letters of credit and guaranteed for our wholesale portfolio (which includes Global Financial Institutions loans), on single name basis. It excludes mortgage investments, securitized mortgages and other non-core items. Lending revenue includes loan syndication fees.
(2) Based on a compounded annual growth rate. (3) Mainly includes: Aerospace and Transportation. (4) Latest twelve months.

Gross impaired loans



GIL Ratio by Segment (1)	Q2/2012	Q3/2012	Q4/2012	Q1/2013	Q2/2013
Personal & Commercial Banking	0.66%	0.59%	0.56%	**0.55%**	**0.55%**
Canadian Banking	0.42%	0.37%	0.36%	**0.35%**	**0.36%**
Capital Markets	0.63%	0.41%	0.76%	**0.54%**	**0.56%**

(1) GIL Ratio for Corporate Support is not meaningful.

Exposure to Europe

European Exposure *($ millions)*	Loans Outstanding	Securities(1)	Repo-style transactions	OTC Derivatives(2)	Q2/2013 Total Exposure	Q1/2013 Total Exposure
Gross drawn exposure to Europe (3)	10,932	18,409	1,867	9,895	41,103	41,779
Less: Collateral held against derivatives	-	-	-	7,160	7,160	6,789
Add: Trading securities	-	11,859	-	-	11,859	13,179
Net exposure to Europe (4)	**$10,932**	**$30,268**	**$1,867**	**$2,735**	**$45,802**	**$48,169**

- Net exposure down approximately $2.4 billion from the prior quarter, primarily due to lower trading securities reflecting a decrease in business activities
- European exposures reflect our client-driven businesses in Capital Markets, Wealth Management and Investor & Treasury Services
- Exposures are manageable and we remain committed to serving our global clients in these markets

(1) Securities include $12.1 billion of deposits (January 31, 2013 – $12.3 billion), $11.9 billion of trading securities (January 31, 2013 – $13.2 billion) and $6.3 billion of AFS securities (January 31, 2013 – $6.8 billion).
(2) Derivative exposures are measured at fair value.
(3) Based on our interpretation of gross funded exposures as reported by certain U.S. banks, which excludes undrawn commitments, potential future credit exposure amount and collateral.
(4) Excludes $0.6 billion (January 31, 2013 – $1.1 billion) of exposures to supra-national agencies and $2.1 billion (January 31, 2013 – $2.2 billion) of exposures to trade credit reinsurance.

We continue to transact in a prudent manner with well-rated counterparties

Other – other income

($ millions)	Q2/2013	Q1/2013	Q2/2012	QoQ	YoY
Other income – segments	125	113	85	12	40
FV adjustments on RBC debt	(8)	(7)	(3)	(1)	(5)
CDS on corporate loans	(12)	(13)	(12)	1	-
Funding related items	4	(5)	(22)	9	26
Other misc. items	12	26	-	(14)	12
Total Other – other income	**$121**	**$114**	**$48**	**$7**	**$73**

Note to users

We use a variety of financial measures to evaluate our performance. In addition to generally accepted accounting principles (GAAP) prescribed measures, we use certain non-GAAP measures we believe provide useful information to investors regarding our financial condition and result of operations. Readers are cautioned that non-GAAP measures, such as earnings excluding certain items related to RBCIS, Canadian Banking performance measures excluding Ally Canada and Capital Markets geographic revenue excluding certain items do not have any standardized meanings prescribed by GAAP, and therefore are unlikely to be comparable to similar measures disclosed by other financial institutions.

Additional information about our non-GAAP measures can be found under the “Key performance and non-GAAP measures” sections of our Q2 2013 Report to Shareholders and our 2012 Annual Report.

Definitions can be found under the “Glossary” sections in our Q2 2013 Supplementary Financial Information and our 2012 Annual Report.

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