



Supplementary Financial Information

2nd Quarter 2006

(UNAUDITED)

Investor Relations Department

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Notes to Users

This document is not audited and should be read in conjunction with our Report to Shareholders and Quarterly Results slides for Q2/06, the audited annual consolidated financial statements and accompanying management's discussion & analysis for the year ended October 31, 2005 and the Glossary on page 2 of this document. Certain comparative amounts have been reclassified to conform to the current period's presentations. Starting Q2/05, we no longer produce US GAAP Supplementary financial information. Please refer to page 26 of this document for a detailed reconciliation to the US GAAP results.

Non-GAAP financial measures

Management measures and evaluates the performance of our consolidated operations and each of our segments based on a number of different measures including net income and non-GAAP measures including segment return on equity (ROE), return on risk capital (RORC) and economic profit. Readers are cautioned that non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. Further explanations of our non-GAAP financial measures are provided in the Glossary on page 2.

Significant reporting changes made to this document in Q2/06

Change in financial statement presentation

During the quarter, we reviewed the presentation of certain items on our Consolidated Statements of Income and decided to reclassify changes in fair value of certain derivative instruments designated as economic hedges of our stock-based compensation plan at RBC Dain Rauscher from Non-interest income - Other to Non-interest expense - Human resources in order to more appropriately reflect the purpose of these instruments and our management of the stock-based compensation exposures. We reclassified \$18 million for each of the three months ended April 30, 2006 and January 31, 2006, and \$3 million for the three months ended April 30, 2005. We reclassified \$36 million and \$3 million for the six months ended April 30, 2006 and April 30, 2005, respectively.

During the quarter, we transferred our housing tax credit syndication business from RBC U.S. and International Personal and Business to RBC Capital Markets. The business segment results for the prior periods were restated to reflect the transfer.

Revenue reclassification

We reclassified \$89 million of revenue related to our Q1/06 results from Interest income to Non-interest income - Trading revenue to better reflect the nature of the item. The reclassification resulted in a decrease in Trading revenue in Net interest income and a corresponding increase in Trading revenue in Non-interest income, with no change to Trading revenue in Total revenue. The reclassification impacts the RBC Capital Market segment only.

Stock dividend

On April 6, 2006, we paid a stock dividend of one common share on each of our issued and outstanding common shares. The effect is the same as a two-for-one split of our common shares. All common share and per share information have been restated to reflect the stock dividend.

Significant reporting changes made to this document in Q1/06

Changes to transfer pricing methodology

In Q1 2006, we made changes to our transfer pricing methodologies. Segment results for 2005 and 2004 have been reclassified to reflect these changes. For details, refer to "How we manage our business segments" on page 15 of the Q2 2006 Report to Shareholders.

Glossary

Non-GAAP financial Measures

These non-GAAP financial measures are not defined by GAAP and do not have standardized meanings. They may not be comparable to similar measures used by other companies. Refer to Performance and non-GAAP measures section and Economic Capital section in the 2005 Annual Report for further discussions on Risk capital, Return on risk capital, Attributed equity, Return on equity, Unattributed common equity and Taxable equivalent basis.

Cash basis measures

Cash basis measures such as cash net income, cash diluted EPS and cash ROE are calculated by adding back to net income the after-tax amount of amortization of goodwill and other intangibles. These non-cash charges do not deplete our cash reserves. We believe these measures provide investors with supplemental information that may be useful to them in comparing results to our peers.

Capital ratios

Capital ratios that are filed with the regulators are calculated in accordance with the Office of the Superintendent of Financial Institutions Canada (OSFI).

Risk capital

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

Return on risk capital (RORC)

Business segment return on risk capital is calculated as net income available to common shareholders divided by average attributed risk capital for the period. Refer to page 25 for reconciliation.

Attributed equity

Attributed equity includes risk capital plus the net amounts of goodwill and intangibles capital.

Return on equity (ROE)

Business segment return on equity is calculated as net income available to common shareholders divided by average attributed equity for the period. Corporate Support also includes average unattributed equity. Refer to page 25 for reconciliation.

Goodwill and intangibles

Represents our net investment in goodwill and intangibles.

Unattributed common equity

Unattributed common equity represents common equity in excess of common equity attributed to our three operating segments and is reported in the Corporate Support segment.

Capital charge

Calculated by multiplying the cost of equity by the amount of average common equity. The cost of equity is a proxy for the after-tax return that we estimate to be required by shareholders for the use of their capital. The cost of equity is regularly reviewed and adjusted from time to time based on prevailing market conditions

Economic profit

Economic profit is net income available to common shareholders excluding the after-tax effect of amortization of goodwill and intangibles, less a capital charge for use of attributed equity.

Taxable equivalent basis (teb)

Net interest income from Canadian taxable dividends in our RBC Capital Markets segment are grossed up to their effective taxable equivalent value. Net interest income and total revenue are presented on a taxable equivalent basis in the RBC Capital Markets segment. Total revenue, Efficiency ratio and Net interest margin at the consolidated level are also presented on a taxable equivalent basis.

Total trading revenue

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

Calculations

Average balances (assets, loans and acceptance, and deposits)

Calculated using methods intended to approximate the average of the daily balances for the period,

Average common equity

Calculated as the average of the month-end common equity balances for the period. For the operating segments, calculated using methods intended to approximate the average of the daily attributed equity balances for the period.

Average risk capital

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

Average earning assets

Calculated using methods intended to approximate the average of the daily earning asset balances for the period. Earning assets include deposits with other banks, securities, assets purchased under reverse repurchase agreements and securities borrowed and loans.

Market capitalization

End of period common shares outstanding multiplied by the closing common share price.

Net interest margin (average assets)

Net interest income divided by average assets.

Net interest margin (average earning assets)

Net interest income divided by average earning assets.

Net write-offs

Gross write offs less recoveries of amounts previously written off.

Operating leverage

Calculated as the difference between year-over-year growth in revenue and the year-over-year growth in non-interest expense.

Risk-adjusted assets

Used in the calculation of risk-based capital ratios. The face value of assets is discounted using risk-weighting factors in order to reflect a comparable risk per dollar among all types of assets. The risk inherent in off-balance sheet instruments is also recognized, first by determining a credit equivalent amount, and then by applying appropriate risk-weighting factors.

Ratios

Efficiency ratio

Non-interest expenses as a percentage of total revenue.

Return on assets

Net income divided by average assets.

Return on common equity (ROE)

Net income available to common shareholders divided by average common equity for the period. Refer to page 25 for ROE reconciliation.

Return on risk capital (RORC)

Net income available to common shareholders divided by attributed risk capital. Refer to page 25 for RORC reconciliation.

| FINANCIAL HIGHLIGHTS (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 | |
|--|--|---------|----------|----------|----------|---------|----------|----------|---------|------------------|------------------|----------|----------|---------|---------|--|
| | SELECTED INCOME STATEMENT INFORMATION | | | | | | | | | | | | | | | |
| Total revenue ¹ | 5,122 | 4,960 | 4,796 | 4,929 | 4,686 | 4,773 | 4,570 | 4,508 | 4,442 | 10,082 | 9,459 | 19,184 | 17,802 | 16,988 | 17,092 | |
| Provision for credit losses (PCL) | 124 | 47 | 103 | 128 | 116 | 108 | 97 | 125 | 149 | 171 | 224 | 455 | 346 | 721 | 1,065 | |
| Insurance policyholder benefits, claims and acquisition expense | 619 | 652 | 740 | 681 | 622 | 582 | 589 | 575 | 508 | 1,271 | 1,204 | 2,625 | 2,124 | 1,696 | 1,535 | |
| Non-interest expense ¹ | 2,928 | 2,751 | 3,310 | 2,732 | 2,661 | 2,654 | 2,734 | 2,675 | 2,682 | 5,679 | 5,315 | 11,357 | 10,833 | 10,165 | 10,420 | |
| Net income from continuing operations | 1,128 | 1,172 | 543 | 1,001 | 916 | 977 | 687 | 771 | 759 | 2,300 | 1,893 | 3,437 | 3,023 | 2,955 | 2,702 | |
| Net income (loss) from discontinued operations | (10) | (1) | (21) | (22) | (9) | 2 | (173) | (28) | 1 | (11) | (7) | (50) | (220) | 13 | N/A | |
| Net Income | 1,118 | 1,171 | 522 | 979 | 907 | 979 | 514 | 743 | 760 | 2,289 | 1,886 | 3,387 | 2,803 | 2,968 | 2,702 | |
| Net income available to common shareholders | 1,107 | 1,161 | 515 | 968 | 895 | 971 | 507 | 734 | 752 | 2,268 | 1,866 | 3,349 | 2,772 | 2,937 | 2,664 | |
| PROFITABILITY MEASURES | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | |
| Earnings per share (EPS) ² - basic | \$0.86 | \$0.90 | \$0.40 | \$0.75 | \$0.70 | \$0.76 | \$0.40 | \$0.57 | \$0.58 | \$1.77 | \$1.46 | \$2.61 | \$2.14 | \$2.22 | \$1.98 | |
| - diluted | \$0.85 | \$0.89 | \$0.39 | \$0.74 | \$0.69 | \$0.75 | \$0.39 | \$0.56 | \$0.57 | \$1.74 | \$1.43 | \$2.57 | \$2.11 | \$2.20 | \$1.96 | |
| Return on common equity (ROE) ³ | 23.0% | 23.9% | 10.6% | 20.0% | 19.9% | 21.9% | 11.3% | 16.1% | 16.8% | 23.5% | 20.9% | 18.0% | 15.6% | 16.7% | 15.8% | |
| Return on risk capital (RORC) ³ | 35.7% | 37.9% | 17.3% | 33.4% | 32.4% | 34.6% | 17.6% | 25.4% | 27.3% | 36.8% | 33.5% | 29.3% | 24.6% | 26.5% | 23.3% | |
| Return on assets | 0.93% | 0.97% | 0.44% | 0.85% | 0.85% | 0.91% | 0.48% | 0.69% | 0.73% | 0.95% | 0.88% | 0.76% | 0.67% | 0.76% | 0.74% | |
| Return on risk adjusted assets | 2.17% | 2.28% | 1.05% | 2.04% | 1.96% | 2.07% | 1.12% | 1.62% | 1.72% | 2.19% | 2.00% | 1.77% | 1.56% | 1.77% | 1.61% | |
| Continuing Operations | | | | | | | | | | | | | | | | |
| Earnings per share (EPS) ² - basic | \$0.87 | \$0.90 | \$0.42 | \$0.77 | \$0.71 | \$0.76 | \$0.53 | \$0.59 | \$0.58 | \$1.78 | \$1.47 | \$2.65 | \$2.31 | \$2.21 | \$1.98 | |
| - diluted | \$0.86 | \$0.89 | \$0.41 | \$0.76 | \$0.70 | \$0.75 | \$0.52 | \$0.58 | \$0.57 | \$1.75 | \$1.44 | \$2.61 | \$2.28 | \$2.19 | \$1.96 | |
| Return on common equity (ROE) ³ | 22.9% | 23.6% | 10.9% | 20.2% | 19.9% | 21.6% | 15.1% | 16.6% | 17.1% | 23.3% | 20.7% | 18.1% | 16.8% | 16.7% | 15.8% | |
| Return on risk capital (RORC) ³ | 36.1% | 38.0% | 18.1% | 34.1% | 32.7% | 34.5% | 23.6% | 26.4% | 27.3% | 37.0% | 33.6% | 29.7% | 26.5% | 26.4% | 23.3% | |
| Efficiency ratio | 57.2% | 55.5% | 69.0% | 55.4% | 56.8% | 55.6% | 59.8% | 59.3% | 60.4% | 56.3% | 56.2% | 59.2% | 60.9% | 59.8% | 61.0% | |
| Efficiency ratio (teb) ³ | 56.3% | 55.1% | 68.5% | 55.1% | 56.5% | 55.3% | 59.6% | 59.2% | 60.2% | 55.7% | 55.9% | 58.9% | 60.7% | 59.7% | 60.8% | |
| Discontinued Operations | | | | | | | | | | | | | | | | |
| Earnings per share (EPS) ² - basic | (\$0.01) | \$0.00 | (\$0.02) | (\$0.02) | (\$0.01) | \$0.00 | (\$0.13) | (\$0.02) | \$0.00 | (\$0.01) | (\$0.01) | (\$0.04) | (\$0.17) | \$0.01 | N/A | |
| - diluted | (\$0.01) | \$0.00 | (\$0.02) | (\$0.02) | (\$0.01) | \$0.00 | (\$0.13) | (\$0.02) | \$0.00 | (\$0.01) | (\$0.01) | (\$0.04) | (\$0.17) | \$0.01 | N/A | |
| SELECTED BALANCE SHEET INFORMATION | | | | | | | | | | | | | | | | |
| Average loans and acceptances | 201,900 | 198,700 | 194,500 | 187,800 | 182,500 | 179,400 | 176,500 | 174,800 | 170,000 | 200,300 | 180,900 | 186,100 | 171,900 | 166,800 | 171,200 | |
| Total assets | 502,893 | 487,874 | 469,521 | 463,325 | 434,873 | 424,029 | 426,222 | 423,612 | 421,247 | 502,893 | 434,873 | 469,521 | 426,222 | 399,847 | 375,474 | |
| Average assets | 493,800 | 480,000 | 469,600 | 456,600 | 436,300 | 425,500 | 422,600 | 427,400 | 424,200 | 486,800 | 430,800 | 447,100 | 421,400 | 390,700 | 364,000 | |
| Deposits | 322,787 | 314,872 | 306,860 | 304,497 | 283,492 | 280,020 | 270,959 | 277,492 | 271,585 | 322,787 | 283,492 | 306,860 | 270,959 | 259,145 | 243,476 | |
| Common equity | 19,756 | 19,538 | 19,149 | 19,410 | 18,974 | 18,121 | 17,372 | 18,192 | 18,324 | 19,756 | 18,974 | 19,149 | 17,372 | 17,543 | 17,238 | |
| Average common equity | 19,700 | 19,300 | 19,350 | 19,150 | 18,400 | 17,600 | 17,900 | 18,200 | 18,150 | 19,500 | 18,000 | 18,600 | 17,800 | 17,550 | 16,800 | |
| Average risk capital ² | 12,700 | 12,150 | 11,800 | 11,500 | 11,350 | 11,150 | 11,450 | 11,500 | 11,200 | 12,400 | 11,250 | 11,450 | 11,300 | 11,000 | 11,450 | |
| KEY RATIOS | | | | | | | | | | | | | | | | |
| Diluted EPS growth ⁴ | 23.2% | 18.7% | 0.0% | 32.1% | 21.1% | 27.1% | (29.1)% | (3.4)% | 14.0% | 21.7% | 23.3% | 21.8% | (4.1)% | 12.2% | 11.4% | |
| Diluted EPS growth ⁴ - continuing operations | 22.9% | 18.7% | (21.2)% | 31.0% | 22.8% | 25.0% | (10.3)% | 1.8% | 16.3% | 21.5% | 23.1% | 14.5% | 4.1% | 11.7% | 11.4% | |
| Revenue growth ⁴ - continuing operations | 9.3% | 3.9% | 4.9% | 9.3% | 5.5% | 11.5% | 6.2% | 4.1% | 10.3% | 6.6% | 8.4% | 7.8% | 4.8% | (0.6)% | 7.7% | |
| NIE growth ⁴ - continuing operations | 10.0% | 3.7% | 21.1% | 2.1% | (0.8)% | (3.2)% | 6.8% | 4.7% | 7.3% | 6.8% | (2.0)% | 4.8% | 6.6% | (2.4)% | 7.2% | |
| Operating leverage ⁴ | (0.7)% | 0.2% | (16.2)% | 7.2% | 6.3% | 14.7% | (0.6)% | (0.6)% | 3.0% | (0.2)% | 10.4% | 3.0% | (1.8)% | 1.8% | 0.5% | |
| Specific PCL to average loans and acceptances ⁵ - continuing operations | 0.26% | 0.20% | 0.20% | 0.28% | 0.24% | 0.12% | 0.27% | 0.28% | 0.36% | 0.23% | 0.18% | 0.21% | 0.30% | 0.43% | 0.62% | |
| CAPITAL MEASURES⁶ | | | | | | | | | | | | | | | | |
| Tier 1 capital ratio | 9.5% | 9.5% | 9.6% | 9.7% | 9.5% | 9.2% | 8.9% | 9.1% | 9.3% | 9.5% | 9.5% | 9.6% | 8.9% | 9.7% | 9.3% | |
| Total capital ratio | 12.5% | 12.8% | 13.1% | 13.4% | 12.8% | 12.7% | 12.4% | 12.7% | 12.9% | 12.5% | 12.8% | 13.1% | 12.4% | 12.8% | 12.7% | |
| Risk adjusted assets (\$ billions) | 211.0 | 204.2 | 197.0 | 190.9 | 190.1 | 187.3 | 183.4 | 183.0 | 179.5 | 211.0 | 190.1 | 197.0 | 183.4 | 166.9 | 165.6 | |

¹In Q2/06, we reclassified the changes in the fair value of certain derivative instruments designated as economic hedges of our stock-based compensation plan at RBC Dain Rauscher from Non-interest income - Other to Non-interest expense - Stock-based compensation.

All amounts have been restated to reflect this reclassification. Refer to "Notes to Users" for further discussion.

²On April 6, 2006, we paid a stock dividend of one common share on each of our issued and outstanding common shares. The effect is the same as a two-for-one split of our common shares. All common share and per share information has been restated to reflect the stock dividend.

³These measures are non-GAAP financial measures. Refer to "Notes to Users" for further discussion.

⁴Growth rates are calculated based on earnings from continuing operations in the same period a year ago.

⁵A \$52 million transfer of the allocated specific allowance to the allocated general allowance during Q1/05 decreased this ratio by 0.11% or 0.03% for fiscal 2005.

⁶Calculated using guidelines issued by OSFI.

N/A: Comparable information not available for 2002.

| FINANCIAL HIGHLIGHTS <i>continued</i> (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 | 2005 | 2005 | 2004 | 2003 | 2002 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | | | | | | | | | 6 months | 6 months | 2005 | 2004 | 2003 |
| SHARE INFORMATION | | | | | | | | | | | | | | | |
| First preferred shares outstanding (000s) - end of period | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 12,000 |
| Non-cumulative series J | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 10,000 |
| US\$ Non-cumulative series K | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 10,000 |
| Non-cumulative series N ² | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| Non-cumulative series O | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| US\$ Non-cumulative series P | - | - | - | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | - | 4,000 | - | 4,000 | 4,000 | 4,000 |
| Non-cumulative series S | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Non-cumulative series W | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | - | - | - | 12,000 | 12,000 | 12,000 | - | - | - |
| Non-cumulative series AA | 12,000 | - | - | - | - | - | - | - | - | 12,000 | - | - | - | - | - |
| Common shares outstanding (000s) - end of period | 1,286,064 | 1,290,983 | 1,293,502 | 1,294,476 | 1,292,801 | 1,289,648 | 1,289,496 | 1,298,131 | 1,306,560 | 1,286,064 | 1,292,801 | 1,293,502 | 1,289,496 | 1,312,043 | 1,330,514 |
| - average (basic) | 1,282,694 | 1,284,333 | 1,288,428 | 1,286,204 | 1,281,685 | 1,277,361 | 1,284,235 | 1,292,038 | 1,297,352 | 1,283,436 | 1,279,482 | 1,283,433 | 1,293,465 | 1,324,159 | 1,345,143 |
| - average (diluted) | 1,301,645 | 1,304,378 | 1,308,339 | 1,306,047 | 1,303,601 | 1,298,236 | 1,301,610 | 1,308,550 | 1,315,040 | 1,303,106 | 1,301,133 | 1,304,680 | 1,311,016 | 1,338,032 | 1,356,241 |
| Treasury shares held - preferred (000s) | 213 | 118 | 91 | - | - | - | - | - | - | 213 | - | 91 | - | - | - |
| - common (000s) ¹ | 5,512 | 6,224 | 7,053 | 7,037 | 7,364 | 10,188 | 9,726 | 9,417 | 8,486 | 5,512 | 7,364 | 7,053 | 9,726 | - | - |
| Shares repurchased (000s) ¹ | 6,531 | 4,403 | 3,900 | - | - | 2,011 | 9,486 | 9,132 | 7,561 | 10,934 | 2,011 | 5,911 | 29,203 | 29,079 | 28,586 |
| (\$ MM) | 308 | 193 | 163 | - | - | 63 | 289 | 272 | 237 | 501 | 63 | 226 | 892 | 852 | 764 |
| Stock options outstanding (000s) ¹ | 34,629 | 36,296 | 36,481 | 39,502 | 41,210 | 44,497 | 44,744 | 45,656 | 46,606 | 34,629 | 41,210 | 36,481 | 44,744 | 49,606 | 56,959 |
| Stock options exercisable (000s) ¹ | 29,240 | 30,858 | 28,863 | 31,870 | 33,465 | 36,630 | 32,801 | 33,694 | 34,518 | 29,240 | 33,465 | 28,863 | 32,801 | 30,829 | 28,101 |
| COMMON SHARE PERFORMANCE | | | | | | | | | | | | | | | |
| Book value per share ¹ | \$15.43 | \$15.21 | \$14.89 | \$15.08 | \$14.76 | \$14.16 | \$13.57 | \$14.12 | \$14.12 | \$15.43 | \$14.76 | \$14.89 | \$13.57 | \$13.37 | \$12.96 |
| Common share price ¹ - High (intraday) | \$51.49 | \$46.50 | \$43.34 | \$39.85 | \$37.63 | \$32.20 | \$31.89 | \$30.94 | \$32.82 | \$51.49 | \$37.63 | \$43.34 | \$32.95 | \$32.50 | \$29.45 |
| - Low (intraday) | \$44.42 | \$41.29 | \$37.20 | \$36.76 | \$31.38 | \$30.45 | \$29.47 | \$29.02 | \$30.28 | \$41.29 | \$30.45 | \$30.45 | \$29.02 | \$26.63 | \$22.53 |
| - Close | \$47.84 | \$44.54 | \$41.67 | \$38.70 | \$37.48 | \$31.55 | \$31.70 | \$30.75 | \$30.48 | \$47.84 | \$37.48 | \$41.67 | \$31.70 | \$31.74 | \$27.21 |
| Market capitalization (\$ MM) | 61,525 | 57,494 | 53,894 | 50,096 | 48,448 | 40,688 | 40,877 | 39,918 | 39,817 | 61,525 | 48,448 | 53,894 | 40,877 | 41,644 | 36,197 |
| P/E ratio (4-quarters trailing earnings) ⁴ | 16.7 | 16.2 | 15.7 | 14.9 | 14.4 | 13.8 | 14.5 | 13.2 | 13.8 | 16.2 | 14.2 | 14.4 | 14.7 | 13.4 | 13.3 |
| Market price to book value | 3.10 | 2.93 | 2.80 | 2.57 | 2.54 | 2.23 | 2.34 | 2.18 | 2.16 | 3.10 | 2.54 | 2.80 | 2.34 | 2.37 | 2.10 |
| DIVIDEND INFORMATION | | | | | | | | | | | | | | | |
| Dividends per share ¹ | \$0.36 | \$0.32 | \$0.32 | \$0.31 | \$0.28 | \$0.28 | \$0.26 | \$0.26 | \$0.26 | \$0.68 | \$0.55 | \$1.18 | \$1.01 | \$0.86 | \$0.76 |
| Dividend yield | 3.0% | 2.9% | 3.2% | 3.2% | 3.2% | 3.5% | 3.4% | 3.5% | 3.3% | 2.9% | 3.2% | 3.2% | 3.3% | 2.9% | 2.9% |
| Dividend payout ratio | 42% | 35% | 80% | 41% | 39% | 36% | 66% | 46% | 45% | 39% | 38% | 45% | 47% | 39% | 38% |
| Dividend payout ratio - continuing operations | 41% | 35% | 77% | 40% | 39% | 36% | 49% | 44% | 45% | 38% | 38% | 44% | 44% | 39% | 38% |
| Common dividends (\$ MM) | 463 | 412 | 414 | 393 | 353 | 352 | 333 | 336 | 336 | 875 | 705 | 1,512 | 1,303 | 1,137 | 1,022 |
| Preferred dividends (\$ MM) | 11 | 10 | 11 | 11 | 12 | 8 | 7 | 9 | 8 | 21 | 20 | 42 | 31 | 31 | 38 |
| OTHER INFORMATION (Continuing operations) | | | | | | | | | | | | | | | |
| Number of employees (full time equivalent) ⁵ | | | | | | | | | | | | | | | |
| Canada | 45,396 | 45,651 | 46,401 | 46,822 | 46,047 | 46,880 | 46,386 | 47,313 | 44,829 | 45,396 | 46,047 | 46,401 | 46,386 | 44,950 | 44,639 |
| US | 9,842 | 9,815 | 9,684 | 9,723 | 9,787 | 9,801 | 10,814 | 10,875 | 10,746 | 9,842 | 9,787 | 9,684 | 10,814 | 12,159 | 11,104 |
| Other | 3,968 | 3,963 | 3,927 | 4,082 | 3,969 | 3,986 | 3,803 | 3,777 | 3,698 | 3,968 | 3,969 | 3,927 | 3,803 | 3,703 | 3,806 |
| Total | 59,206 | 59,429 | 60,012 | 60,627 | 59,803 | 60,667 | 61,003 | 61,965 | 59,273 | 59,206 | 59,803 | 60,012 | 61,003 | 60,812 | 59,549 |
| Number of bank branches ⁶ | | | | | | | | | | | | | | | |
| Canada | 1,105 | 1,105 | 1,104 | 1,102 | 1,102 | 1,101 | 1,098 | 1,107 | 1,107 | 1,105 | 1,102 | 1,104 | 1,098 | 1,104 | 1,117 |
| US | 275 | 273 | 273 | 273 | 270 | 268 | 275 | 272 | 270 | 275 | 270 | 273 | 275 | 240 | 236 |
| Other | 44 | 43 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 44 | 42 | 42 | 42 | 42 | 42 |
| Total | 1,424 | 1,421 | 1,419 | 1,417 | 1,414 | 1,411 | 1,415 | 1,421 | 1,419 | 1,424 | 1,414 | 1,419 | 1,415 | 1,386 | 1,395 |
| Number of automated banking machines | 4,272 | 4,268 | 4,277 | 4,321 | 4,367 | 4,400 | 4,432 | 4,419 | 4,433 | 4,272 | 4,367 | 4,277 | 4,432 | 4,469 | 4,572 |

¹ On April 6, 2006, we paid a stock dividend of one common share on each of our issued and outstanding common shares. The effect is the same as a two-for-one split of our common shares. All common share and per share information has been restated to reflect the stock dividend. In Q2/06, we repurchased 2,186 common shares pre-stock dividend and 2,159 common shares post-stock dividend (Q1/06 - 2,202 common shares pre-stock dividend). Since the inception of our 2005 normal course issuer bid, we repurchased 6,337 common shares pre-stock dividend and 2,159 post-stock dividend.

² As a result of adopting CICA Handbook Section 3860 Financial Instruments - Disclosure and Presentation, Series N preferred shares are reclassified as liabilities effective November 1, 2004. Refer to "Notes to Users" for further discussion.

³ Includes Treasury shares (shares acquired and held by subsidiaries for reasons other than cancellation).

⁴ Average of high and low common share price for the period divided by diluted earnings per share.

⁵ Commencing Q1/06, number of employees reflects changes due to our acquisition of Abacus Financial Services Group Limited and the creation of RBC Dexia Investor Services (RBC Dexia IS). Total number of employees excludes employees of RBC Dexia IS.

⁶ Bank branches which provide full or limited banking services dealing directly with clients.

| INCOME STATEMENT (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
|---|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|------------------|------------------|--------|--------|--------|--------|
| | Continuing operations | | | | | | | | | | | | | | |
| Net interest income | | | | | | | | | | | | | | | |
| Interest income | 5,249 | 4,971 | 4,626 | 4,283 | 4,094 | 3,955 | 3,634 | 3,494 | 3,321 | 10,220 | 8,049 | 16,958 | 13,866 | 13,899 | 14,450 |
| Interest expense | 3,640 | 3,296 | 2,869 | 2,626 | 2,432 | 2,261 | 2,030 | 1,860 | 1,761 | 6,936 | 4,693 | 10,188 | 7,468 | 7,563 | 7,677 |
| Total | 1,609 | 1,675 | 1,757 | 1,657 | 1,662 | 1,694 | 1,604 | 1,634 | 1,560 | 3,284 | 3,356 | 6,770 | 6,398 | 6,336 | 6,773 |
| Non-interest income | | | | | | | | | | | | | | | |
| Accounts | 218 | 223 | 232 | 217 | 212 | 207 | 204 | 200 | 208 | 441 | 419 | 868 | 812 | 855 | 847 |
| Other payment services | 72 | 71 | 74 | 72 | 69 | 70 | 72 | 71 | 70 | 143 | 139 | 285 | 277 | 267 | 241 |
| Service charges | 290 | 294 | 306 | 289 | 281 | 277 | 276 | 271 | 278 | 584 | 558 | 1,153 | 1,089 | 1,122 | 1,088 |
| Insurance premiums, investment and fee income | 806 | 858 | 798 | 886 | 813 | 773 | 790 | 792 | 675 | 1,664 | 1,586 | 3,270 | 2,870 | 2,356 | 2,043 |
| Trading revenue | 724 | 547 | 308 | 452 | 373 | 461 | 394 | 358 | 385 | 1,271 | 834 | 1,594 | 1,563 | 1,908 | 1,689 |
| Investment management and custodial fees | 334 | 315 | 340 | 313 | 311 | 291 | 265 | 287 | 298 | 649 | 602 | 1,255 | 1,126 | 1,098 | 1,153 |
| Securities brokerage commissions | 347 | 309 | 300 | 274 | 307 | 282 | 260 | 262 | 320 | 656 | 589 | 1,163 | 1,166 | 1,031 | 1,187 |
| Mutual fund revenue | 316 | 261 | 259 | 245 | 233 | 225 | 218 | 216 | 214 | 577 | 458 | 962 | 850 | 673 | 723 |
| Underwriting and other advisory fees | 259 | 219 | 233 | 251 | 266 | 276 | 217 | 214 | 275 | 478 | 542 | 1,026 | 918 | 813 | 755 |
| Card service revenue | 46 | 145 | 152 | 158 | 127 | 142 | 155 | 150 | 124 | 191 | 269 | 579 | 555 | 518 | 496 |
| Foreign exchange revenue, other than trading | 118 | 96 | 118 | 109 | 88 | 92 | 74 | 72 | 112 | 214 | 180 | 407 | 331 | 279 | 276 |
| Credit fees | 56 | 56 | 48 | 46 | 41 | 52 | 50 | 51 | 48 | 112 | 93 | 187 | 198 | 227 | 223 |
| Securitization revenue | 61 | 49 | 83 | 65 | 51 | 86 | 54 | 24 | 59 | 110 | 137 | 285 | 200 | 165 | 174 |
| Gain (loss) on sale of investment account securities | 22 | 39 | 12 | 33 | 25 | 15 | (31) | 24 | 23 | 61 | 40 | 85 | 20 | 31 | (111) |
| Other ¹ | 134 | 97 | 82 | 151 | 108 | 107 | 244 | 153 | 71 | 231 | 215 | 448 | 518 | 431 | 623 |
| Total | 3,513 | 3,285 | 3,039 | 3,272 | 3,024 | 3,079 | 2,966 | 2,874 | 2,882 | 6,798 | 6,103 | 12,414 | 11,404 | 10,652 | 10,319 |
| Total revenue | 5,122 | 4,960 | 4,796 | 4,929 | 4,686 | 4,773 | 4,570 | 4,508 | 4,442 | 10,082 | 9,459 | 19,184 | 17,802 | 16,988 | 17,092 |
| Provision for credit losses (PCL) | 124 | 47 | 103 | 128 | 116 | 108 | 97 | 125 | 149 | 171 | 224 | 455 | 346 | 721 | 1,065 |
| Insurance policyholder benefits, claims and acquisition expense | 619 | 652 | 740 | 681 | 622 | 582 | 589 | 575 | 508 | 1,271 | 1,204 | 2,625 | 2,124 | 1,696 | 1,535 |
| Non-interest expense ¹ | 2,928 | 2,751 | 3,310 | 2,732 | 2,661 | 2,654 | 2,734 | 2,675 | 2,682 | 5,679 | 5,315 | 11,357 | 10,833 | 10,165 | 10,420 |
| Business re-alignment charges | - | - | 40 | 1 | 2 | 2 | 177 | - | - | - | 4 | 45 | 177 | - | - |
| Income taxes | 348 | 332 | 90 | 392 | 353 | 443 | 282 | 358 | 344 | 680 | 796 | 1,278 | 1,287 | 1,439 | 1,365 |
| Non-controlling interest in net income of subsidiaries | (25) | 6 | (30) | (6) | 16 | 7 | 4 | 4 | - | (19) | 23 | (13) | 12 | 12 | 5 |
| Net income from continuing operations | 1,128 | 1,172 | 543 | 1,001 | 916 | 977 | 687 | 771 | 759 | 2,300 | 1,893 | 3,437 | 3,023 | 2,955 | 2,702 |
| Net Income (loss) from discontinued operations | (10) | (1) | (21) | (22) | (9) | 2 | (173) | (28) | 1 | (11) | (7) | (50) | (220) | 13 | N/A |
| Net income | 1,118 | 1,171 | 522 | 979 | 907 | 979 | 514 | 743 | 760 | 2,289 | 1,886 | 3,387 | 2,803 | 2,968 | 2,702 |
| Preferred dividends | (11) | (10) | (11) | (11) | (12) | (8) | (7) | (9) | (8) | (21) | (20) | (42) | (31) | (31) | (38) |
| Net gain on redemption of preferred shares | - | - | 4 | - | - | - | - | - | - | - | - | 4 | - | - | - |
| Net income available to common shareholders | 1,107 | 1,161 | 515 | 968 | 895 | 971 | 507 | 734 | 752 | 2,268 | 1,866 | 3,349 | 2,772 | 2,937 | 2,664 |
| Revenue from Trading Activities | | | | | | | | | | | | | | | |
| Total Trading revenue³ | | | | | | | | | | | | | | | |
| Net interest income | (138) | (82) | 13 | (76) | 39 | 45 | 47 | 66 | 81 | (220) | 84 | 21 | 286 | 109 | 128 |
| Non-interest income | 724 | 547 | 308 | 452 | 373 | 461 | 394 | 358 | 385 | 1,271 | 834 | 1,594 | 1,563 | 1,908 | 1,689 |
| Total | 586 | 465 | 321 | 376 | 412 | 506 | 441 | 424 | 466 | 1,051 | 918 | 1,615 | 1,849 | 2,017 | 1,817 |
| Trading revenue by product | | | | | | | | | | | | | | | |
| Equity | 135 | 125 | 46 | 97 | 71 | 141 | 155 | 93 | 146 | 260 | 212 | 355 | 527 | 541 | 657 |
| Fixed income and money markets | 364 | 264 | 233 | 251 | 268 | 273 | 228 | 264 | 241 | 628 | 541 | 1,025 | 1,044 | 1,175 | 896 |
| Foreign exchange contracts ² | 87 | 76 | 42 | 28 | 73 | 92 | 58 | 67 | 79 | 163 | 165 | 235 | 278 | 301 | 264 |
| Total | 586 | 465 | 321 | 376 | 412 | 506 | 441 | 424 | 466 | 1,051 | 918 | 1,615 | 1,849 | 2,017 | 1,817 |
| Key Ratios - continuing operations | | | | | | | | | | | | | | | |
| Net interest margin as % of average assets | 1.34% | 1.39% | 1.49% | 1.45% | 1.57% | 1.59% | 1.52% | 1.54% | 1.51% | 1.36% | 1.58% | 1.52% | 1.53% | 1.63% | 1.86% |
| Net interest margin (teb) as % of average assets ³ | 1.40% | 1.42% | 1.52% | 1.47% | 1.59% | 1.61% | 1.54% | 1.55% | 1.52% | 1.41% | 1.60% | 1.55% | 1.54% | 1.64% | 1.87% |
| Net interest margin (teb) as % of average earning assets ³ | 1.62% | 1.64% | 1.78% | 1.72% | 1.88% | 1.89% | 1.80% | 1.82% | 1.82% | 1.63% | 1.89% | 1.82% | 1.83% | 1.97% | 2.22% |
| Non-interest income as % of total revenue (teb) ³ | 67.5% | 65.7% | 62.9% | 66.0% | 64.2% | 64.2% | 64.7% | 63.6% | 64.7% | 66.7% | 64.2% | 64.3% | 63.9% | 62.6% | 60.3% |
| Effective tax rate | 24.0% | 22.0% | 14.9% | 28.3% | 27.5% | 31.0% | 29.0% | 31.6% | 31.2% | 23.0% | 29.4% | 27.2% | 29.8% | 32.7% | 33.5% |

¹In Q2/06, we reclassified the changes in the fair value of certain derivative instruments designated as economic hedges of our stock-based compensation plan at RBC Dain Rauscher from Non-interest income - Other to Non-interest expense - Stock-based compensation.

All amounts have been restated to reflect this reclassification. Refer to "Notes to Users" for further discussion. Amount also includes net gain on credit derivatives of \$29 million in 2003 and \$33 million in 2002.

²Includes commodity and precious metals.

³These measures are non-GAAP financial measures. Refer to "Notes to Users" for further discussion.

| NON-INTEREST EXPENSE (C\$ MM) | | | | | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|------------------|---------------|---------------|---------------|---------------|
| | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
| Human resources | | | | | | | | | | | | | | | |
| Salaries | 797 | 782 | 782 | 799 | 768 | 806 | 820 | 798 | 790 | 1,579 | 1,574 | 3,155 | 3,199 | 3,138 | 3,191 |
| Variable compensation | 751 | 662 | 580 | 587 | 562 | 580 | 557 | 566 | 610 | 1,413 | 1,142 | 2,309 | 2,283 | 2,102 | 2,131 |
| Acquisition retention compensation | 1 | 1 | 5 | 4 | 6 | 5 | 5 | 9 | 9 | 2 | 11 | 20 | 36 | 84 | 158 |
| Benefits related ¹ | 283 | 280 | 252 | 269 | 283 | 279 | 264 | 267 | 263 | 563 | 562 | 1,083 | 1,059 | 893 | 783 |
| Stock-based compensation ² | 38 | 68 | 8 | 56 | 77 | 28 | 48 | 35 | 21 | 106 | 105 | 169 | 124 | 80 | 52 |
| Total Human resources | 1,870 | 1,793 | 1,627 | 1,715 | 1,696 | 1,698 | 1,694 | 1,675 | 1,693 | 3,663 | 3,394 | 6,736 | 6,701 | 6,297 | 6,315 |
| Equipment | | | | | | | | | | | | | | | |
| Depreciation | 78 | 77 | 80 | 82 | 82 | 80 | 78 | 77 | 67 | 155 | 162 | 324 | 294 | 296 | 304 |
| Computer rental and maintenance | 151 | 147 | 153 | 155 | 148 | 136 | 150 | 140 | 138 | 298 | 284 | 592 | 557 | 514 | 522 |
| Office equipment rental and maintenance | 7 | 7 | 12 | 10 | 10 | 12 | 13 | 11 | 17 | 14 | 22 | 44 | 55 | 72 | 67 |
| Total Equipment | 236 | 231 | 245 | 247 | 240 | 228 | 241 | 228 | 222 | 467 | 468 | 960 | 906 | 882 | 893 |
| Occupancy | | | | | | | | | | | | | | | |
| Premises rent | 91 | 85 | 86 | 84 | 86 | 85 | 94 | 99 | 91 | 176 | 171 | 341 | 370 | 353 | 395 |
| Premises repairs and maintenance | 55 | 54 | 58 | 54 | 61 | 52 | 62 | 56 | 50 | 109 | 113 | 225 | 218 | 191 | 177 |
| Depreciation | 21 | 21 | 23 | 22 | 22 | 23 | 24 | 23 | 23 | 42 | 45 | 90 | 93 | 95 | 103 |
| Property taxes | 22 | 22 | 23 | 28 | 22 | 20 | 25 | 23 | 19 | 44 | 42 | 93 | 84 | 82 | 84 |
| Total Occupancy | 189 | 182 | 190 | 188 | 191 | 180 | 205 | 201 | 183 | 371 | 371 | 749 | 765 | 721 | 759 |
| Communications | | | | | | | | | | | | | | | |
| Telecommunications | 46 | 46 | 51 | 51 | 48 | 54 | 57 | 59 | 61 | 92 | 102 | 204 | 243 | 297 | 328 |
| Postage and courier | 25 | 23 | 24 | 23 | 25 | 25 | 24 | 26 | 29 | 48 | 50 | 97 | 99 | 107 | 121 |
| Marketing and public relations | 79 | 55 | 76 | 57 | 58 | 50 | 76 | 60 | 56 | 134 | 108 | 241 | 230 | 205 | 211 |
| Stationery and printing | 23 | 22 | 23 | 24 | 21 | 22 | 25 | 25 | 27 | 45 | 43 | 90 | 100 | 98 | 108 |
| Total Communications | 173 | 146 | 174 | 155 | 152 | 151 | 182 | 170 | 173 | 319 | 303 | 632 | 672 | 707 | 768 |
| Professional fees | 156 | 137 | 170 | 132 | 113 | 114 | 144 | 117 | 120 | 293 | 227 | 529 | 474 | 444 | 416 |
| Outsourced item processing | 80 | 73 | 73 | 73 | 78 | 72 | 72 | 74 | 79 | 153 | 150 | 296 | 294 | 292 | 306 |
| Amortization of other intangibles | 20 | 14 | (1) | 16 | 16 | 19 | 16 | 16 | 21 | 34 | 35 | 50 | 69 | 71 | 72 |
| Other | | | | | | | | | | | | | | | |
| Business and capital taxes | 39 | 42 | 48 | 29 | 54 | 42 | 41 | 40 | 39 | 81 | 96 | 173 | 153 | 143 | 129 |
| Travel and relocation | 32 | 32 | 40 | 36 | 30 | 30 | 39 | 37 | 35 | 64 | 60 | 136 | 140 | 135 | 144 |
| Employee training | 9 | 9 | 12 | 9 | 8 | 8 | 13 | 9 | 10 | 18 | 16 | 37 | 39 | 39 | 46 |
| Donations | 10 | 12 | 13 | 10 | 9 | 11 | 13 | 9 | 8 | 22 | 20 | 43 | 42 | 38 | 41 |
| Other ³ | 114 | 80 | 719 | 122 | 74 | 101 | 74 | 99 | 99 | 194 | 175 | 1,016 | 578 | 396 | 531 |
| Total Other | 204 | 175 | 832 | 206 | 175 | 192 | 180 | 194 | 191 | 379 | 367 | 1,405 | 952 | 751 | 891 |
| Total non-interest expense | 2,928 | 2,751 | 3,310 | 2,732 | 2,661 | 2,654 | 2,734 | 2,675 | 2,682 | 5,679 | 5,315 | 11,357 | 10,833 | 10,165 | 10,420 |

¹Includes pension expense of \$99 million in Q2/06 (\$99 million in Q1/06, \$87 million in Q2/05).

²Stock-based compensation includes the cost of stock options, stock appreciation rights, performance deferred shares, deferred compensation plans and the impact of related economic hedges. In Q2/06, we reclassified the changes in fair value of certain derivative instruments designated as economic hedges of our stock-based compensation plan at RBC Dain Rauscher from Non-interest income - Other to Non-interest expense - Stock-based compensation. Refer to "Notes to Users" for further discussion.

³In Q4/05, includes \$29 million for recognition of claims against the Enron Corp. (Enron) bankruptcy estate. It also includes a provision for Enron litigation of \$591 million.

In Q3/05, includes \$31 million to settle MegaClaims lawsuit brought by Enron against us and a number of other financial institutions.

| OTHER EARNINGS MEASURES (C\$ MM) | | | | | | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------------|------------------|---------|---------|---------|---------|
| | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
| Total Revenue (teb)¹ - continuing operations | | | | | | | | | | | | | | | |
| Net interest income | 1,609 | 1,675 | 1,757 | 1,657 | 1,662 | 1,694 | 1,604 | 1,634 | 1,560 | 3,284 | 3,356 | 6,770 | 6,398 | 6,336 | 6,773 |
| Tax equivalent basis (teb) adjustment ¹ | 80 | 37 | 33 | 25 | 27 | 24 | 17 | 11 | 13 | 117 | 51 | 109 | 55 | 35 | 34 |
| Net interest income (teb) ¹ | 1,689 | 1,712 | 1,790 | 1,682 | 1,689 | 1,718 | 1,621 | 1,645 | 1,573 | 3,401 | 3,407 | 6,879 | 6,453 | 6,371 | 6,807 |
| Non-interest income | 3,513 | 3,285 | 3,039 | 3,272 | 3,024 | 3,079 | 2,966 | 2,874 | 2,882 | 6,798 | 6,103 | 12,414 | 11,404 | 10,652 | 10,319 |
| Total revenue (teb) ¹ | 5,202 | 4,997 | 4,829 | 4,954 | 4,713 | 4,797 | 4,587 | 4,519 | 4,455 | 10,199 | 9,510 | 19,293 | 17,857 | 17,023 | 17,126 |
| Cash Basis Measures¹ | | | | | | | | | | | | | | | |
| Net income | 1,118 | 1,171 | 522 | 979 | 907 | 979 | 514 | 743 | 760 | 2,289 | 1,886 | 3,387 | 2,803 | 2,968 | 2,702 |
| After-tax effect of amortization of other intangibles ³ | 20 | 12 | (3) | 20 | 14 | 14 | 145 | 15 | 18 | 32 | 28 | 45 | 191 | 59 | 64 |
| Cash Net income ¹ | 1,138 | 1,183 | 519 | 999 | 921 | 993 | 659 | 758 | 778 | 2,321 | 1,914 | 3,432 | 2,994 | 3,027 | 2,766 |
| Cash Diluted EPS ¹ | 0.86 | 0.90 | 0.39 | 0.76 | 0.70 | 0.76 | 0.50 | 0.57 | 0.59 | 1.76 | 1.46 | 2.60 | 2.26 | 2.24 | 2.01 |
| Cash ROE ¹ | 23.3% | 24.0% | 10.4% | 20.3% | 20.1% | 22.1% | 14.5% | 16.4% | 17.3% | 23.6% | 21.1% | 18.2% | 16.6% | 17.1% | 16.2% |
| Economic Profit^{1,2} | | | | | | | | | | | | | | | |
| Net income | 1,118 | 1,171 | 522 | 979 | 907 | 979 | 514 | 743 | 760 | 2,289 | 1,886 | 3,387 | 2,803 | 2,968 | 2,702 |
| After-tax effect of amortization of other intangibles ³ | 20 | 12 | (3) | 20 | 14 | 14 | 145 | 15 | 18 | 32 | 28 | 45 | 191 | 59 | 64 |
| Capital charge ⁴ | (493) | (496) | (496) | (494) | (461) | (452) | (457) | (466) | (454) | (989) | (913) | (1,903) | (1,821) | (1,855) | (2,054) |
| Economic Profit ¹ | 645 | 687 | 23 | 505 | 460 | 541 | 202 | 292 | 324 | 1,332 | 1,001 | 1,529 | 1,173 | 1,172 | 712 |

¹These measures are non-GAAP financial measures. Refer to "Notes to Users" for further discussion.

²Economic profit is defined in the Glossary.

³Includes \$130 million RBC Mortgage goodwill impairment charge in Q4/04.

⁴Capital charge is defined in the Glossary.

| RBC CANADIAN PERSONAL AND BUSINESS ¹ (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 | 2005 | 2005 | 2004 | 2003 | 2002 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| | | | | | | | | | | 6 months | 6 months | | | | |
| Income Statement | | | | | | | | | | | | | | | |
| Net interest income | 1,409 | 1,428 | 1,410 | 1,367 | 1,268 | 1,276 | 1,239 | 1,219 | 1,195 | 2,837 | 2,544 | 5,321 | 4,855 | 4,784 | 4,814 |
| Non-interest income | 1,802 | 1,870 | 1,823 | 1,885 | 1,760 | 1,710 | 1,664 | 1,670 | 1,554 | 3,672 | 3,470 | 7,178 | 6,358 | 5,573 | 5,316 |
| Total revenue | 3,211 | 3,298 | 3,233 | 3,252 | 3,028 | 2,986 | 2,903 | 2,889 | 2,749 | 6,509 | 6,014 | 12,499 | 11,213 | 10,357 | 10,130 |
| Provision for credit losses (PCL) | 168 | 142 | 138 | 143 | 158 | 103 | 114 | 108 | 141 | 310 | 261 | 542 | 410 | 482 | 541 |
| Insurance policyholder benefits, claims and acquisition expense | 619 | 652 | 740 | 681 | 622 | 582 | 589 | 575 | 508 | 1,271 | 1,204 | 2,625 | 2,124 | 1,696 | 1,535 |
| Non-interest expense | 1,533 | 1,502 | 1,511 | 1,454 | 1,492 | 1,415 | 1,488 | 1,436 | 1,361 | 3,035 | 2,907 | 5,872 | 5,630 | 5,379 | 5,391 |
| Business realignment charges | - | - | 6 | - | 1 | - | 63 | - | - | - | 1 | 7 | 63 | - | - |
| Other ² | 283 | 333 | 334 | 295 | 231 | 289 | 201 | 247 | 237 | 616 | 520 | 1,149 | 943 | 956 | 988 |
| Net income | 608 | 669 | 504 | 679 | 524 | 597 | 448 | 523 | 502 | 1,277 | 1,121 | 2,304 | 2,043 | 1,844 | 1,675 |
| Total Revenue by business lines | | | | | | | | | | | | | | | |
| Personal Banking | 857 | 869 | 889 | 890 | 799 | 810 | 772 | 777 | 772 | 1,726 | 1,609 | 3,388 | 3,094 | 3,122 | N/A |
| Business and Commercial Banking | 515 | 526 | 514 | 529 | 482 | 486 | 483 | 480 | 459 | 1,041 | 968 | 2,011 | 1,888 | 1,849 | N/A |
| Cards and Payment Solutions | 341 | 404 | 410 | 394 | 340 | 351 | 358 | 352 | 317 | 745 | 691 | 1,495 | 1,341 | 1,170 | N/A |
| Wealth Management | 692 | 641 | 619 | 551 | 575 | 549 | 498 | 487 | 525 | 1,333 | 1,124 | 2,294 | 2,015 | 1,860 | N/A |
| Global Insurance | 806 | 858 | 801 | 888 | 832 | 790 | 792 | 793 | 676 | 1,664 | 1,622 | 3,311 | 2,875 | 2,356 | N/A |
| Total | 3,211 | 3,298 | 3,233 | 3,252 | 3,028 | 2,986 | 2,903 | 2,889 | 2,749 | 6,509 | 6,014 | 12,499 | 11,213 | 10,357 | 10,130 |
| Financial ratios | | | | | | | | | | | | | | | |
| Return on equity (ROE) ³ | 28.3% | 30.0% | 22.8% | 31.1% | 25.5% | 29.1% | 20.9% | 24.4% | 25.6% | 29.2% | 27.3% | 27.1% | 24.7% | 22.3% | 20.6% |
| Return on risk capital (RORC) ³ | 39.1% | 41.5% | 31.7% | 44.8% | 37.3% | 43.0% | 31.0% | 37.8% | 38.6% | 40.3% | 40.1% | 39.1% | 37.6% | 34.3% | 31.3% |
| Net interest margin (average assets) | 3.22% | 3.19% | 3.21% | 3.22% | 3.17% | 3.14% | 3.12% | 3.13% | 3.27% | 3.20% | 3.15% | 3.18% | 3.19% | 3.43% | 3.47% |
| Efficiency ratio | 47.7% | 45.5% | 46.7% | 44.7% | 49.3% | 47.4% | 51.3% | 49.7% | 49.5% | 46.6% | 48.3% | 47.0% | 50.2% | 51.9% | 53.2% |
| Operating leverage (excluding Global Insurance) ⁴ | 7.3% | 3.6% | 13.1% | 10.4% | (4.3)% | 2.2% | (7.4)% | (2.6)% | 6.9% | 5.5% | (1.0)% | 5.5% | (0.5)% | 0.1% | (5.6)% |
| Average Balances | | | | | | | | | | | | | | | |
| Assets | 179,700 | 177,600 | 174,500 | 168,600 | 164,200 | 161,400 | 158,100 | 154,800 | 148,800 | 178,600 | 162,800 | 167,200 | 152,200 | 139,600 | 138,700 |
| Loans and acceptances | 162,900 | 160,600 | 157,700 | 151,800 | 147,700 | 145,500 | 142,400 | 138,400 | 134,700 | 161,700 | 146,600 | 150,700 | 137,100 | 126,900 | 127,200 |
| Residential mortgage | 84,500 | 84,100 | 82,800 | 79,300 | 77,400 | 76,200 | 74,700 | 72,100 | 69,400 | 84,300 | 76,800 | 78,900 | 71,700 | 66,500 | 62,900 |
| Personal | 34,700 | 33,900 | 33,300 | 32,100 | 30,500 | 29,400 | 28,900 | 27,800 | 26,500 | 34,300 | 29,900 | 31,300 | 27,200 | 24,500 | 24,200 |
| Secured loans | 11,000 | 10,400 | 9,800 | 9,200 | 8,800 | 8,000 | 7,600 | 7,000 | 6,300 | 10,700 | 8,400 | 8,900 | 6,600 | 5,000 | 4,200 |
| Unsecured loans | 23,700 | 23,500 | 23,500 | 22,900 | 21,700 | 21,400 | 21,300 | 20,800 | 20,200 | 23,600 | 21,500 | 22,400 | 20,600 | 19,500 | 20,000 |
| Credit cards | 9,600 | 9,500 | 9,100 | 8,900 | 8,600 | 8,500 | 8,100 | 8,000 | 7,900 | 9,500 | 8,600 | 8,800 | 7,900 | 6,900 | 6,200 |
| Business and government loans (includes acceptances) | 34,100 | 33,100 | 32,500 | 31,500 | 31,200 | 31,400 | 30,700 | 30,500 | 30,900 | 33,600 | 31,300 | 31,700 | 30,300 | 29,000 | 33,900 |
| Deposits | 143,500 | 142,700 | 140,300 | 139,300 | 137,400 | 138,000 | 136,400 | 135,200 | 132,000 | 143,100 | 137,700 | 138,800 | 133,700 | 126,400 | 122,600 |
| Attributed equity | 8,750 | 8,750 | 8,700 | 8,600 | 8,350 | 8,100 | 8,450 | 8,450 | 7,950 | 8,750 | 8,200 | 8,450 | 8,200 | 8,200 | 8,050 |
| Risk capital ³ | 6,350 | 6,350 | 6,250 | 5,950 | 5,700 | 5,500 | 5,700 | 5,450 | 5,250 | 6,350 | 5,600 | 5,850 | 5,400 | 5,350 | 5,300 |
| Credit quality | | | | | | | | | | | | | | | |
| Gross impaired loans / Average loans and acceptances | 0.32% | 0.32% | 0.31% | 0.35% | 0.35% | 0.37% | 0.44% | 0.48% | 0.54% | 0.32% | 0.36% | 0.33% | 0.46% | 0.59% | 0.68% |
| PCL / Average loans and acceptances | 0.42% | 0.35% | 0.35% | 0.37% | 0.44% | 0.28% | 0.32% | 0.31% | 0.43% | 0.39% | 0.36% | 0.36% | 0.30% | 0.38% | 0.43% |
| Net write-offs / Average loans and acceptances | 0.43% | 0.35% | 0.41% | 0.36% | 0.42% | 0.34% | 0.41% | 0.40% | 0.46% | 0.38% | 0.38% | 0.38% | 0.41% | 0.45% | 0.54% |
| Global Insurance | | | | | | | | | | | | | | | |
| Net earned premiums | 629 | 666 | 630 | 657 | 668 | 609 | 670 | 656 | 568 | 1,295 | 1,277 | 2,564 | 2,382 | 1,965 | 1,767 |
| Investment income | 129 | 142 | 109 | 150 | 137 | 144 | 99 | 118 | 89 | 271 | 281 | 540 | 413 | 298 | 167 |
| Fee income | 48 | 50 | 62 | 81 | 27 | 37 | 23 | 19 | 19 | 98 | 64 | 207 | 80 | 93 | 109 |
| Total revenue | 806 | 858 | 801 | 888 | 832 | 790 | 792 | 793 | 676 | 1,664 | 1,622 | 3,311 | 2,875 | 2,356 | 2,043 |
| Insurance policyholder benefits, claims and acquisition expense | 619 | 652 | 740 | 681 | 622 | 582 | 589 | 575 | 508 | 1,271 | 1,204 | 2,625 | 2,124 | 1,696 | 1,535 |
| Non-interest expense | 128 | 116 | 131 | 126 | 118 | 126 | 137 | 139 | 114 | 244 | 244 | 501 | 501 | 483 | 437 |
| Business realignment charges | - | - | (1) | - | - | - | 8 | - | - | - | - | (1) | 8 | - | - |
| Net income (loss) before taxes | 59 | 90 | (69) | 81 | 92 | 82 | 58 | 79 | 54 | 149 | 174 | 186 | 242 | 177 | 71 |
| Insurance claims and policy benefit liabilities | 7,182 | 7,150 | 7,117 | 6,914 | 6,860 | 6,728 | 6,488 | 6,258 | 5,031 | 7,182 | 6,860 | 7,117 | 6,488 | 4,775 | 2,407 |
| Business information | | | | | | | | | | | | | | | |
| Assets under administration | 195,700 | 189,000 | 174,100 | 170,000 | 166,000 | 159,700 | 152,500 | 153,800 | 153,900 | 195,700 | 166,000 | 174,100 | 152,500 | 141,100 | N/A |
| Assets under management | 72,400 | 69,400 | 63,400 | 61,900 | 57,700 | 54,900 | 52,300 | 51,200 | 50,900 | 72,400 | 57,700 | 63,400 | 52,300 | 48,300 | N/A |
| Other earnings measures | | | | | | | | | | | | | | | |
| Net income | 608 | 669 | 504 | 679 | 524 | 597 | 448 | 523 | 502 | 1,277 | 1,121 | 2,304 | 2,043 | 1,844 | 1,675 |
| After-tax effect of amortization of other intangibles | 2 | 1 | 2 | 2 | 2 | 1 | 2 | 2 | 2 | 3 | 3 | 7 | 8 | 8 | 7 |
| Cash Net income ³ | 610 | 670 | 506 | 681 | 526 | 598 | 450 | 525 | 504 | 1,280 | 1,124 | 2,311 | 2,051 | 1,852 | 1,682 |
| Capital charge | (224) | (232) | (230) | (227) | (215) | (214) | (223) | (223) | (205) | (456) | (429) | (886) | (862) | (892) | (1,006) |
| Economic Profit ³ | 386 | 438 | 276 | 454 | 311 | 384 | 227 | 302 | 299 | 824 | 695 | 1,425 | 1,189 | 960 | 676 |

¹ In Q1/06, we made changes to our transfer pricing methodologies and have reclassified 2005 and 2004 results. This change impacted the following line items: net interest income, non-interest income, total revenue, net income, return on equity, return on risk capital, net interest margin, efficiency ratio, operating leverage, and economic profit. Refer to "Notes to Users" for further discussion on transfer pricing methodologies.

² Includes income taxes and non-controlling interest in net income of subsidiaries.

³ These measures are non-GAAP financial measures. Refer to "Notes to Users" for further discussion and page 25 for ROE and RORC reconciliation.

⁴ Defined as the difference between revenue growth rate and non-interest expense growth rate for the segment excluding Global Insurance due to the nature of its business.

N/A: Comparable information not available for 2002.

| RBC U.S. AND INTERNATIONAL PERSONAL AND BUSINESS ^{1, 2, 3} | | | | | | | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|--|--------------|--------------|--------------|--------------|--------------|--------------|
| All amounts are for continuing operations only | | | | | | | | | | | | | | | | |
| (C\$ MM) | | | | | | | | | | | | | | | | |
| | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | | 2006 | 2005 | 2005 | 2004 | 2003 | 2002 |
| | | | | | | | | | | | 6 months | 6 months | | | | |
| Income Statement | | | | | | | | | | | | | | | | |
| Net interest income | 275 | 279 | 278 | 288 | 274 | 268 | 251 | 259 | 243 | | 554 | 542 | 1,108 | 989 | 1,119 | 1,181 |
| Non-interest income | 446 | 431 | 396 | 411 | 394 | 419 | 386 | 417 | 456 | | 877 | 813 | 1,620 | 1,713 | 1,754 | 2,070 |
| Total revenue | 721 | 710 | 674 | 699 | 668 | 687 | 637 | 676 | 699 | | 1,431 | 1,355 | 2,728 | 2,702 | 2,873 | 3,251 |
| Provision for credit losses (PCL) | 6 | 10 | 4 | 18 | 15 | 14 | 19 | 22 | 20 | | 16 | 29 | 51 | 80 | 78 | 84 |
| Non-interest expense | 568 | 567 | 505 | 554 | 547 | 544 | 558 | 566 | 639 | | 1,135 | 1,091 | 2,150 | 2,330 | 2,338 | 2,762 |
| Business re-alignment charges | - | - | (2) | - | - | - | 23 | - | - | | - | - | (2) | 23 | - | - |
| Other ⁴ | 41 | 32 | 35 | 47 | 24 | 36 | 2 | 18 | 8 | | 73 | 60 | 142 | 55 | 127 | 89 |
| Net income | 106 | 101 | 132 | 80 | 82 | 93 | 35 | 70 | 32 | | 207 | 175 | 387 | 214 | 330 | 316 |
| Total Revenue by business lines | | | | | | | | | | | | | | | | |
| Wealth Management | 460 | 446 | 406 | 422 | 402 | 421 | 392 | 397 | 450 | | 906 | 823 | 1,651 | 1,658 | 1,685 | N/A |
| Banking | 261 | 264 | 268 | 277 | 266 | 266 | 245 | 279 | 249 | | 525 | 532 | 1,077 | 1,044 | 1,188 | N/A |
| Total | 721 | 710 | 674 | 699 | 668 | 687 | 637 | 676 | 699 | | 1,431 | 1,355 | 2,728 | 2,702 | 2,873 | 3,251 |
| Financial ratios | | | | | | | | | | | | | | | | |
| Return on equity (ROE) ⁵ | 13.2% | 13.3% | 17.0% | 9.5% | 9.7% | 11.3% | 3.7% | 7.0% | 3.1% | | 13.2% | 10.5% | 11.8% | 5.4% | 9.1% | 8.7% |
| Return on risk capital (RORC) ⁵ | 22.5% | 21.6% | 28.2% | 15.7% | 16.0% | 19.0% | 6.3% | 12.0% | 5.1% | | 22.0% | 17.5% | 19.6% | 9.1% | 16.4% | 15.0% |
| Net interest margin (average assets) | 2.86% | 3.01% | 2.96% | 2.89% | 2.96% | 2.96% | 2.74% | 2.64% | 2.69% | | 2.93% | 2.96% | 2.94% | 2.67% | 2.94% | 3.15% |
| Average Balances | | | | | | | | | | | | | | | | |
| Assets | 39,500 | 36,800 | 37,200 | 39,500 | 38,000 | 35,900 | 36,400 | 39,000 | 36,700 | | 38,100 | 36,900 | 37,700 | 37,100 | 38,000 | 37,500 |
| Loans and acceptances | 20,600 | 20,600 | 20,500 | 21,700 | 20,500 | 19,500 | 19,100 | 20,000 | 19,100 | | 20,600 | 20,000 | 20,500 | 18,800 | 18,800 | 20,400 |
| Deposits | 34,000 | 31,900 | 31,900 | 35,000 | 34,100 | 32,100 | 31,900 | 34,300 | 34,300 | | 32,900 | 33,100 | 33,300 | 33,100 | 32,100 | 29,700 |
| Attributed equity | 3,250 | 3,000 | 3,050 | 3,250 | 3,350 | 3,200 | 3,650 | 3,900 | 3,900 | | 3,100 | 3,300 | 3,250 | 3,800 | 3,550 | 3,550 |
| Risk capital ⁵ | 1,900 | 1,850 | 1,850 | 1,950 | 2,050 | 1,900 | 2,150 | 2,300 | 2,400 | | 1,850 | 2,000 | 1,950 | 2,250 | 1,950 | 2,050 |
| Credit quality | | | | | | | | | | | | | | | | |
| Gross impaired loans / Average loans and acceptances | 0.92% | 0.81% | 0.79% | 0.84% | 0.81% | 0.89% | 1.15% | 1.07% | 1.24% | | 0.92% | 0.84% | 0.79% | 1.17% | 1.14% | 1.24% |
| PCL / Average loans and acceptances | 0.12% | 0.19% | 0.08% | 0.33% | 0.30% | 0.28% | 0.40% | 0.44% | 0.43% | | 0.16% | 0.30% | 0.25% | 0.43% | 0.41% | 0.41% |
| Net write-offs / Average loans and acceptances | 0.13% | 0.24% | 0.24% | 0.23% | 0.11% | 0.24% | 0.29% | 0.26% | 0.37% | | 0.18% | 0.18% | 0.21% | 0.32% | 0.38% | 0.32% |
| Business information | | | | | | | | | | | | | | | | |
| Assets under administration | 292,200 | 287,300 | 234,300 | 246,900 | 252,200 | 248,600 | 233,700 | 251,900 | 263,200 | | 292,200 | 252,200 | 234,300 | 233,700 | 241,200 | N/A |
| Assets under management | 41,300 | 41,800 | 42,300 | 43,000 | 44,200 | 43,600 | 41,300 | 44,400 | 44,300 | | 41,300 | 44,200 | 42,300 | 41,300 | 40,500 | N/A |
| Other earnings measures | | | | | | | | | | | | | | | | |
| Net income | 106 | 101 | 132 | 80 | 82 | 93 | 35 | 70 | 32 | | 207 | 175 | 387 | 214 | 330 | 316 |
| After-tax effect of amortization of other intangibles | 12 | 10 | (5) | 12 | 12 | 15 | 12 | 13 | 17 | | 22 | 27 | 34 | 53 | 51 | 54 |
| Cash Net income ⁵ | 118 | 111 | 127 | 92 | 94 | 108 | 47 | 83 | 49 | | 229 | 202 | 421 | 267 | 381 | 370 |
| Capital charge | (84) | (80) | (83) | (86) | (86) | (86) | (96) | (104) | (102) | | (164) | (172) | (341) | (402) | (385) | (444) |
| Economic Profit ⁵ | 34 | 31 | 44 | 6 | 8 | 22 | (49) | (21) | (53) | | 65 | 30 | 80 | (135) | (4) | (74) |
| (US\$ MM) | | | | | | | | | | | | | | | | |
| Income Statement | | | | | | | | | | | | | | | | |
| Net interest income | 241 | 241 | 236 | 233 | 222 | 221 | 199 | 194 | 181 | | 482 | 443 | 912 | 753 | 779 | N/A |
| Non-interest income | 390 | 374 | 336 | 333 | 320 | 347 | 306 | 311 | 341 | | 764 | 667 | 1,336 | 1,304 | 1,226 | N/A |
| Total revenue | 631 | 615 | 572 | 566 | 542 | 568 | 505 | 505 | 522 | | 1,246 | 1,110 | 2,248 | 2,057 | 2,005 | N/A |
| Provision for credit losses (PCL) | 5 | 9 | 3 | 14 | 12 | 12 | 16 | 16 | 15 | | 14 | 24 | 41 | 61 | 55 | N/A |
| Non-interest expense | 498 | 490 | 429 | 449 | 444 | 449 | 442 | 422 | 476 | | 988 | 893 | 1,771 | 1,774 | 1,631 | N/A |
| Business re-alignment charges | - | - | (2) | - | - | - | 19 | - | - | | - | - | (2) | 19 | - | N/A |
| Other ⁴ | 36 | 28 | 30 | 38 | 20 | 30 | 1 | 14 | 7 | | 64 | 50 | 118 | 41 | 89 | N/A |
| Net income | 92 | 88 | 112 | 65 | 66 | 77 | 27 | 53 | 24 | | 180 | 143 | 320 | 162 | 230 | N/A |
| Total Revenue by business lines | | | | | | | | | | | | | | | | |
| Wealth Management | 402 | 387 | 344 | 342 | 327 | 348 | 310 | 296 | 336 | | 789 | 675 | 1,361 | 1,263 | 1,177 | N/A |
| Banking | 229 | 228 | 228 | 224 | 215 | 220 | 195 | 209 | 186 | | 457 | 435 | 887 | 794 | 828 | N/A |
| Total | 631 | 615 | 572 | 566 | 542 | 568 | 505 | 505 | 522 | | 1,246 | 1,110 | 2,248 | 2,057 | 2,005 | N/A |
| Average Balances | | | | | | | | | | | | | | | | |
| Assets | 34,600 | 31,800 | 31,600 | 32,000 | 30,800 | 29,700 | 28,800 | 29,000 | 27,500 | | 33,200 | 30,200 | 31,000 | 28,300 | 26,600 | N/A |
| Loans and acceptances | 18,100 | 17,800 | 17,400 | 17,600 | 16,800 | 16,100 | 15,100 | 14,900 | 14,200 | | 17,900 | 16,300 | 16,900 | 14,400 | 13,100 | N/A |
| Deposits | 29,800 | 27,600 | 27,100 | 28,300 | 27,600 | 26,500 | 25,200 | 25,500 | 25,700 | | 28,700 | 27,100 | 27,400 | 25,200 | 22,400 | N/A |
| Attributed equity | 2,850 | 2,600 | 2,600 | 2,650 | 2,750 | 2,650 | 2,900 | 2,900 | 2,950 | | 2,700 | 2,700 | 2,650 | 2,900 | 2,500 | N/A |
| Risk capital ⁴ | 1,650 | 1,600 | 1,550 | 1,600 | 1,650 | 1,600 | 1,700 | 1,700 | 1,800 | | 1,600 | 1,600 | 1,600 | 1,750 | 1,350 | N/A |
| Business information | | | | | | | | | | | | | | | | |
| Assets under administration | 261,400 | 252,300 | 198,400 | 201,700 | 200,400 | 200,300 | 191,800 | 189,400 | 191,800 | | 261,400 | 200,400 | 198,400 | 191,800 | 182,900 | N/A |
| Assets under management | 36,900 | 36,700 | 35,800 | 35,100 | 35,100 | 35,200 | 33,800 | 33,400 | 32,300 | | 36,900 | 35,100 | 35,800 | 33,800 | 30,700 | N/A |

¹ In Q1/06, we made changes to our transfer pricing methodologies and have reclassified 2005 and 2004 results. This change impacted the following line items: net interest income, total revenue, other, net income, return on equity, return on risk capital, net interest margin and economic profit. Refer to "Notes to Users" for further discussion on transfer pricing methodologies.

² All amounts have been restated to reflect the transfer of the housing tax credit syndication business to RBC Capital Markets, which was effective February 1, 2006. As well, in Q2/06, we reclassified the mark-to-market changes in the fair value of derivative instruments and our shares designated as economic hedges of our stock-based compensation plan at RBC Dain Rauscher from Non-interest income to Non-interest expense. All amounts have been restated to reflect this reclassification. This reclassification did not apply to other securities used to economically hedge RBC Dain Rauscher's stock-based compensation plan. Refer to "Notes to Users" for further discussions.

³ For 2002, RBC US and International Personal and Business financial results include discontinued operations.

⁴ Includes income taxes and non-controlling interest in net income of subsidiaries.

⁵ These measures are non-GAAP financial measures. Refer to "Notes to Users" for further discussion and page 25 for ROE and RORC reconciliation.

N/A: Comparable information not available for 2002.

| RBC CAPITAL MARKETS ^{1,2,3} (C\$ MM) | | | | | | | | | | | | | | | |
|--|--------------|--------------|-------------|--------------|------------|--------------|------------|------------|--------------|------------------|------------------|--------------|--------------|--------------|--------------|
| | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
| Income Statement | | | | | | | | | | | | | | | |
| Net interest income | (13) | 31 | 113 | 53 | 146 | 186 | 175 | 211 | 196 | 18 | 332 | 498 | 792 | 576 | 603 |
| Non-interest income | 1,270 | 945 | 800 | 935 | 820 | 900 | 791 | 727 | 807 | 2,215 | 1,720 | 3,455 | 3,086 | 3,161 | 2,935 |
| Total revenue | 1,257 | 976 | 913 | 988 | 966 | 1,086 | 966 | 938 | 1,003 | 2,233 | 2,052 | 3,953 | 3,878 | 3,737 | 3,538 |
| Provision for (recovery of) credit losses (PCL) | (23) | (85) | (25) | (18) | (46) | (2) | (28) | 3 | (2) | (108) | (48) | (91) | (108) | 189 | 475 |
| Non-interest expense | 835 | 686 | 1,254 | 698 | 617 | 705 | 666 | 667 | 682 | 1,521 | 1,322 | 3,274 | 2,845 | 2,452 | 2,253 |
| Business realignment charges | - | - | 1 | - | - | - | 27 | - | - | - | - | 1 | 27 | - | - |
| Other ⁴ | 12 | 45 | (260) | 53 | 101 | 115 | 87 | 72 | 90 | 57 | 216 | 9 | 287 | 392 | 222 |
| Net income | 433 | 330 | (57) | 255 | 294 | 268 | 214 | 196 | 233 | 763 | 562 | 760 | 827 | 704 | 588 |
| Total Revenue (teb)⁵ | | | | | | | | | | | | | | | |
| Net interest income | (13) | 31 | 113 | 53 | 146 | 186 | 175 | 211 | 196 | 18 | 332 | 498 | 792 | 576 | 603 |
| Taxable equivalent basis (teb) adjustment ⁵ | 80 | 37 | 33 | 25 | 27 | 24 | 17 | 11 | 13 | 117 | 51 | 109 | 55 | 35 | 34 |
| Net interest income (teb) ⁵ | 67 | 68 | 146 | 78 | 173 | 210 | 192 | 222 | 209 | 135 | 383 | 607 | 847 | 611 | 637 |
| Non-interest income | 1,270 | 945 | 800 | 935 | 820 | 900 | 791 | 727 | 807 | 2,215 | 1,720 | 3,455 | 3,086 | 3,161 | 2,935 |
| Total Revenue (teb)⁵ | 1,337 | 1,013 | 946 | 1,013 | 993 | 1,110 | 983 | 949 | 1,016 | 2,350 | 2,103 | 4,062 | 3,933 | 3,772 | 3,572 |
| Revenue related to consolidated variable interest entities (VIEs) ⁶ | (35) | (8) | (27) | (9) | 6 | 6 | - | - | - | (43) | 12 | (24) | - | - | - |
| Total revenue excluding VIE | 1,372 | 1,021 | 973 | 1,022 | 987 | 1,104 | 983 | 949 | 1,016 | 2,393 | 2,091 | 4,086 | 3,933 | 3,772 | 3,572 |
| Total Revenue (teb) by business line⁵ | | | | | | | | | | | | | | | |
| Global Markets | 754 | 574 | 480 | 560 | 557 | 659 | 560 | 568 | 558 | 1,328 | 1,216 | 2,256 | 2,268 | 2,135 | 1,925 |
| Global Investment Banking and Equity Markets | 351 | 274 | 243 | 246 | 238 | 252 | 224 | 208 | 276 | 625 | 490 | 979 | 941 | 869 | 1,054 |
| RBC Dexia IS ³ | 159 | 84 | 128 | 130 | 127 | 115 | 109 | 120 | 120 | 243 | 242 | 500 | 455 | 418 | 396 |
| Other | 73 | 81 | 95 | 77 | 71 | 84 | 90 | 53 | 62 | 154 | 155 | 327 | 269 | 350 | 197 |
| Total | 1,337 | 1,013 | 946 | 1,013 | 993 | 1,110 | 983 | 949 | 1,016 | 2,350 | 2,103 | 4,062 | 3,933 | 3,772 | 3,572 |
| Financial ratios | | | | | | | | | | | | | | | |
| Return on equity (ROE) ⁵ | 35.0 % | 30.0 % | (5.7)% | 24.6% | 28.9% | 25.2% | 20.3% | 17.7% | 22.0% | 32.6% | 27.0% | 18.1% | 19.5% | 15.9% | 12.8% |
| Return on risk capital (RORC) ⁵ | 45.2 % | 37.8 % | (7.4)% | 32.5% | 38.1% | 33.0% | 27.1% | 23.9% | 30.7% | 41.7% | 35.4% | 23.8% | 26.3% | 21.2% | 16.5% |
| Average Balances | | | | | | | | | | | | | | | |
| Assets | 262,600 | 252,800 | 243,600 | 235,500 | 222,400 | 215,700 | 215,200 | 219,500 | 226,000 | 257,600 | 218,900 | 229,300 | 219,300 | 200,900 | 178,400 |
| Loans and acceptances | 22,600 | 20,500 | 19,300 | 17,500 | 16,700 | 16,800 | 17,400 | 19,300 | 19,000 | 21,500 | 16,800 | 17,600 | 18,600 | 25,000 | 28,100 |
| Deposits | 116,000 | 115,900 | 113,700 | 99,600 | 92,600 | 89,400 | 89,900 | 89,800 | 86,000 | 115,900 | 91,000 | 98,900 | 88,400 | 80,800 | 74,200 |
| Attributed equity ⁵ | 5,050 | 4,300 | 4,200 | 4,100 | 4,200 | 4,250 | 4,150 | 4,400 | 4,300 | 4,700 | 4,150 | 4,100 | 4,200 | 4,400 | 4,500 |
| Risk capital ⁵ | 3,900 | 3,400 | 3,200 | 3,100 | 3,150 | 3,200 | 3,150 | 3,200 | 3,100 | 3,650 | 3,150 | 3,150 | 3,150 | 3,300 | 3,500 |
| Credit quality | | | | | | | | | | | | | | | |
| Gross impaired loans / Average loans and acceptances | 0.35 % | 0.55 % | 0.61 % | 0.90 % | 1.38 % | 2.07 % | 2.33 % | 2.85 % | 3.56 % | 0.37 % | 1.38 % | 0.67 % | 2.18 % | 3.15 % | 4.17 % |
| PCL / Average loans and acceptances | (0.42)% | (1.65)% | (0.51)% | (0.41)% | (1.14)% | (0.04)% | (0.64)% | 0.06 % | (0.04)% | (1.01)% | (0.58)% | (0.52)% | (0.58)% | 0.76 % | 1.69 % |
| Net write-offs / Average loans and acceptances | (0.41)% | (0.55)% | 0.38 % | 0.25 % | (0.01)% | (0.18)% | 1.32 % | 0.77 % | 2.33 % | (0.48)% | (0.10)% | 0.12 % | 1.07 % | 0.78 % | 1.81 % |
| Business information | | | | | | | | | | | | | | | |
| Assets under administration ⁷ - RBC | - | - | 1,361,100 | 1,310,100 | 1,294,500 | 1,265,700 | 1,202,900 | 1,183,400 | 1,186,100 | - | 1,294,500 | 1,361,100 | 1,202,900 | 1,096,200 | N/A |
| - RBC Dexia IS | 1,832,100 | 1,738,100 | - | - | - | - | - | - | - | 1,832,100 | - | - | - | - | - |
| Other earnings measures | | | | | | | | | | | | | | | |
| Net income | 433 | 330 | (57) | 255 | 294 | 268 | 214 | 196 | 233 | 763 | 562 | 760 | 827 | 704 | 588 |
| After-tax effect of amortization of other intangibles | 6 | 1 | - | - | - | 1 | - | (1) | 1 | 7 | 1 | 1 | - | - | 2 |
| Cash Net income ⁵ | 439 | 331 | (57) | 255 | 294 | 269 | 214 | 195 | 234 | 770 | 563 | 761 | 827 | 704 | 590 |
| Capital charge | (129) | (114) | (108) | (107) | (105) | (111) | (110) | (115) | (110) | (243) | (216) | (431) | (442) | (479) | (562) |
| Economic Profit ⁵ | 310 | 217 | (165) | 148 | 189 | 158 | 104 | 80 | 124 | 527 | 347 | 330 | 385 | 225 | 28 |

¹ In Q1/06, we made changes to our transfer pricing methodologies and have reclassified 2005 and 2004 results. This change impacted the following line items: net interest income, net interest income(teb), total revenue, total revenue(teb), other net income, return on equity, return on risk capital and economic profit. Refer to "Notes to Users" for further discussion on transfer pricing methodologies.

² All amounts have been restated to reflect the transfer of the housing tax credit syndication business from RBC U.S. and International Personal and Business, which was effective February 1, 2006. Refer to "Notes to Users" for further discussion.

³ Our Institutional and Investor Services (IIS) business was combined with the institutional investor service business of Dexia Banque Internationale à Luxembourg (Dexia) on January 2, 2006, forming a new company RBC Dexia Investor Services (RBC Dexia IS).

Given the similarity of these businesses, we have disclosed the revenue from our prior business, IIS, and our 50% proportionate ownership of RBC Dexia IS on the same line for comparative purposes. As

RBC Dexia IS reports on a calendar quarter there is one month lag in the reporting of its earnings. For this reason, no earnings for RBC Dexia IS were recorded in Q1/06. Comparative amounts

in prior periods represent earnings for IIS only.

⁴ Includes income taxes and non-controlling interest in net income of subsidiaries.

⁵ These measures are non-GAAP financial measures. Refer to "Notes to Users" for further discussion and page 25 for ROE and RORC reconciliation.

⁶ Starting in Q1/05, we have consolidated certain entities in accordance with Accounting Guideline 15, *Consolidation of Variable Interest Entities* (VIE). Amount represents revenue attributed to other equity investors of consolidated VIEs which is offset

in Non-controlling interest in net income of subsidiaries.

⁷ Assets under administration - RBC Dexia IS represents the total AUA of the joint venture, of which we have a 50% ownership interest. RBC Dexia IS was created on January 2, 2006, and we contributed AUA of \$1,400 billion to the joint venture

at that time. As RBC Dexia IS reports on a one-month lag basis, Assets under administration - RBC Dexia IS reported for the second quarter of 2006 are as at March 31, 2006.

N/A: Comparable information not available for 2002.

| CORPORATE SUPPORT ^{1,2} (C\$ MM) | | | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|-------|------------------|------------------|--------|-------|-------|-------|
| | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
| Income Statement | | | | | | | | | | | | | | | |
| Net interest income | (62) | (63) | (44) | (51) | (26) | (36) | (61) | (55) | (74) | (125) | (62) | (157) | (238) | (143) | 175 |
| Non-interest income | (5) | 39 | 20 | 41 | 50 | 50 | 125 | 60 | 65 | 34 | 100 | 161 | 247 | 164 | (2) |
| Total revenue | (67) | (24) | (24) | (10) | 24 | 14 | 64 | 5 | (9) | (91) | 38 | 4 | 9 | 21 | 173 |
| Provision for (recovery of) credit losses (PCL) | (27) | (20) | (14) | (15) | (11) | (7) | (8) | (8) | (10) | (47) | (18) | (47) | (36) | (28) | (35) |
| Non-interest expense | (8) | (4) | 40 | 26 | 5 | (10) | 22 | 6 | - | (12) | (5) | 61 | 28 | (4) | 14 |
| Business realignment charges | - | - | 35 | 1 | 1 | 2 | 64 | - | - | - | 3 | 39 | 64 | - | - |
| Other ³ | (13) | (72) | (49) | (9) | 13 | 10 | (4) | 25 | 9 | (85) | 23 | (35) | 14 | (24) | 71 |
| Net income (loss) | (19) | 72 | (36) | (13) | 16 | 19 | (10) | (18) | (8) | 53 | 35 | (14) | (61) | 77 | 123 |
| Average Balances | | | | | | | | | | | | | | | |
| Assets | 11,800 | 12,500 | 12,900 | 11,100 | 10,000 | 10,200 | 10,200 | 10,100 | 9,700 | 12,300 | 10,100 | 11,100 | 9,600 | 9,200 | 9,400 |
| Attributed equity ⁴ | 2,650 | 3,250 | 3,400 | 3,200 | 2,500 | 2,050 | 1,650 | 1,450 | 2,000 | 2,950 | 2,350 | 2,800 | 1,600 | 1,400 | 700 |
| Other earnings measures | | | | | | | | | | | | | | | |
| Net income (loss) | (19) | 72 | (36) | (13) | 16 | 19 | (10) | (18) | (8) | 53 | 35 | (14) | (61) | 77 | 123 |
| After-tax effect of amortization of other intangibles | - | - | - | - | - | 1 | 1 | 1 | (2) | - | 1 | 1 | - | - | 1 |
| Cash Net income ⁴ | (19) | 72 | (36) | (13) | 16 | 20 | (9) | (17) | (10) | 53 | 36 | (13) | (61) | 77 | 124 |
| Capital charge | (56) | (70) | (75) | (74) | (55) | (41) | (28) | (24) | (37) | (126) | (96) | (245) | (115) | (99) | (42) |
| Economic Profit ⁴ | (75) | 2 | (111) | (87) | (39) | (21) | (37) | (41) | (47) | (73) | (60) | (258) | (176) | (22) | 82 |
| DISCONTINUED OPERATIONS⁵ (C\$ MM) | | | | | | | | | | | | | | | |
| | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
| Income Statement | | | | | | | | | | | | | | | |
| Net interest income | 1 | 2 | 3 | 6 | 7 | 12 | 17 | 32 | 17 | 3 | 19 | 28 | 93 | 122 | N/A |
| Non-interest income | (1) | 1 | - | 40 | 38 | 43 | 13 | (10) | 49 | - | 81 | 121 | 60 | 148 | N/A |
| Total revenue | - | 3 | 3 | 46 | 45 | 55 | 30 | 22 | 66 | 3 | 100 | 149 | 153 | 270 | N/A |
| Non-interest expense | 17 | 5 | 37 | 64 | 57 | 53 | 78 | 68 | 65 | 22 | 110 | 211 | 276 | 244 | N/A |
| Business realignment charges | - | - | 2 | 9 | 2 | - | 15 | - | - | - | 2 | 13 | 15 | - | N/A |
| Goodwill impairment | - | - | - | 4 | - | - | 130 | - | - | - | - | 4 | 130 | - | N/A |
| Other ³ | (7) | (1) | (15) | (9) | (5) | - | (20) | (18) | - | (8) | (5) | (29) | (48) | 13 | N/A |
| Net income (loss) | (10) | (1) | (21) | (22) | (9) | 2 | (173) | (28) | 1 | (11) | (7) | (50) | (220) | 13 | N/A |
| Average Balances | | | | | | | | | | | | | | | |
| Assets | 200 | 300 | 1,400 | 1,900 | 1,700 | 2,300 | 2,700 | 4,000 | 3,000 | 200 | 2,100 | 1,800 | 3,200 | 3,000 | N/A |
| Loans and acceptances | 100 | 100 | 1,000 | 1,500 | 1,300 | 2,000 | 2,300 | 3,500 | 2,500 | 100 | 1,700 | 1,500 | 2,800 | 2,700 | N/A |
| Other earnings measures | | | | | | | | | | | | | | | |
| Net income (loss) | (10) | (1) | (21) | (22) | (9) | 2 | (173) | (28) | 1 | (11) | (7) | (50) | (220) | 13 | N/A |
| After-tax effect of amortization of other intangibles | - | - | - | 6 | - | (4) | 130 | - | - | - | (4) | 2 | 130 | - | N/A |
| Cash Net income ⁴ | (10) | (1) | (21) | (16) | (9) | (2) | (43) | (28) | 1 | (11) | (11) | (48) | (90) | 13 | N/A |
| Capital charge | - | - | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Economic Profit ⁴ | (10) | (1) | (21) | (16) | (9) | (2) | (43) | (28) | 1 | (11) | (11) | (48) | (90) | 13 | N/A |

¹ In Q1/06, we made changes to our transfer pricing methodologies and have reclassified 2005 and 2004 results. This change impacted the following line items: net interest income, non-interest income, total revenue, other, net income and economic profit. Refer to "Notes to Users" for further discussion on transfer pricing methodologies.

² In Q2/06, we reclassified the mark-to-market changes in the fair value of derivative instruments and our shares designated as economic hedges of our stock-based compensation plan at RBC Dain Rauscher from Non-interest income to Non-interest expense. All related consolidation elimination entries have been adjusted to reflect this reclassification. Refer to "Notes to Users" for further discussion.

³ Includes income taxes and non-controlling interest in net income of subsidiaries.

⁴ These measures are non-GAAP financial measures. Refer to "Notes to Users" for further discussion and page 25 for ROE and RORC reconciliation.

⁵ For 2002, financial results of discontinued operations are included in RBC U.S. and International Personal and Business segment.

| BALANCE SHEET (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2005 | 2004 | 2003 | 2002 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Period-end balances | | | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | | | |
| Cash and due from banks | 5,222 | 4,682 | 5,001 | 5,287 | 4,136 | 4,309 | 3,711 | 6,199 | 4,208 | 5,001 | 3,711 | 2,887 | 2,534 |
| Interest-bearing deposits with banks | 8,878 | 10,913 | 5,237 | 6,476 | 7,043 | 6,814 | 6,267 | 5,339 | 3,311 | 5,237 | 6,267 | 3,126 | 4,125 |
| Securities | | | | | | | | | | | | | |
| Trading account | 127,026 | 131,551 | 125,760 | 117,545 | 101,808 | 99,248 | 89,322 | 90,902 | 92,006 | 125,760 | 89,322 | 87,532 | 75,601 |
| Investment account | 36,301 | 33,433 | 34,060 | 37,462 | 37,102 | 36,837 | 38,923 | 45,376 | 43,222 | 34,060 | 38,923 | 41,074 | 32,469 |
| Loan substitute | 664 | 674 | 675 | 675 | 675 | 675 | 701 | 301 | 304 | 675 | 701 | 325 | 394 |
| Total Securities | 163,991 | 165,658 | 160,495 | 155,682 | 139,585 | 136,760 | 128,946 | 136,579 | 135,532 | 160,495 | 128,946 | 128,931 | 108,464 |
| Assets purchased under reverse repurchase agreements and securities borrowed | 56,301 | 47,564 | 42,973 | 44,471 | 43,581 | 36,932 | 46,949 | 45,884 | 45,786 | 42,973 | 46,949 | 41,182 | 38,929 |
| Loans | | | | | | | | | | | | | |
| Residential mortgage ¹ | 92,506 | 91,776 | 91,043 | 88,029 | 84,552 | 82,654 | 81,998 | 79,725 | 76,905 | 91,043 | 81,998 | 75,790 | 72,840 |
| Personal | 42,441 | 41,337 | 41,045 | 40,628 | 39,275 | 37,753 | 36,848 | 35,843 | 34,503 | 41,045 | 36,848 | 32,186 | 30,588 |
| Credit cards ¹ | 6,051 | 5,468 | 6,200 | 6,013 | 5,791 | 6,817 | 6,456 | 6,307 | 5,917 | 6,200 | 6,456 | 4,816 | 4,914 |
| Business and government | 57,583 | 55,615 | 53,626 | 52,381 | 49,779 | 49,757 | 47,258 | 50,202 | 50,130 | 53,626 | 47,258 | 49,657 | 59,431 |
| Total loans | 198,581 | 194,196 | 191,914 | 187,051 | 179,397 | 176,981 | 172,560 | 172,077 | 167,455 | 191,914 | 172,560 | 162,449 | 167,773 |
| Allowance for loan losses | (1,435) | (1,439) | (1,498) | (1,569) | (1,612) | (1,638) | (1,644) | (1,693) | (1,739) | (1,498) | (1,644) | (2,055) | (2,203) |
| Total loans, net of allowance for loan losses | 197,146 | 192,757 | 190,416 | 185,482 | 177,785 | 175,343 | 170,916 | 170,384 | 165,716 | 190,416 | 170,916 | 160,394 | 165,570 |
| Customers' liability under acceptances | 8,876 | 7,951 | 7,074 | 7,005 | 6,654 | 5,960 | 6,184 | 6,499 | 6,191 | 7,074 | 6,184 | 5,943 | 8,051 |
| Derivative-related amounts | 42,192 | 38,237 | 38,834 | 38,677 | 36,415 | 36,902 | 38,897 | 30,227 | 34,280 | 38,834 | 38,897 | 35,616 | 30,258 |
| Premises and equipment | 1,699 | 1,736 | 1,708 | 1,722 | 1,753 | 1,767 | 1,738 | 1,738 | 1,754 | 1,708 | 1,738 | 1,648 | 1,653 |
| Goodwill | 4,105 | 4,157 | 4,203 | 4,278 | 4,412 | 4,337 | 4,280 | 4,610 | 4,741 | 4,203 | 4,280 | 4,356 | 5,004 |
| Other intangibles | 686 | 704 | 409 | 475 | 511 | 522 | 521 | 568 | 592 | 409 | 521 | 566 | 665 |
| Assets of operations held for sale ² | 172 | 178 | 263 | 1,625 | 1,657 | 1,804 | 2,457 | 2,925 | 3,796 | 263 | 2,457 | 3,688 | - |
| Other assets | 13,625 | 13,337 | 12,908 | 12,145 | 11,341 | 12,579 | 15,356 | 12,660 | 15,340 | 12,908 | 15,356 | 11,510 | 10,221 |
| Total assets | 502,893 | 487,874 | 469,521 | 463,325 | 434,873 | 424,029 | 426,222 | 423,612 | 421,247 | 469,521 | 426,222 | 399,847 | 375,474 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | | | | | |
| Deposits | | | | | | | | | | | | | |
| Personal | 113,437 | 111,880 | 111,618 | 112,370 | 114,308 | 113,097 | 111,256 | 113,298 | 111,758 | 111,618 | 111,256 | 106,709 | 101,892 |
| Business and government | 170,145 | 160,221 | 160,593 | 156,970 | 143,351 | 140,583 | 133,823 | 133,719 | 131,793 | 160,593 | 133,823 | 129,860 | 119,581 |
| Bank | 39,205 | 42,771 | 34,649 | 35,157 | 25,833 | 26,340 | 25,880 | 30,475 | 28,034 | 34,649 | 25,880 | 22,576 | 22,003 |
| Total deposits | 322,787 | 314,872 | 306,860 | 304,497 | 283,492 | 280,020 | 270,959 | 277,492 | 271,585 | 306,860 | 270,959 | 259,145 | 243,476 |
| Acceptances | 8,876 | 7,951 | 7,074 | 7,005 | 6,654 | 5,960 | 6,184 | 6,499 | 6,191 | 7,074 | 6,184 | 5,943 | 8,051 |
| Obligations related to securities sold short | 36,014 | 35,856 | 32,391 | 34,202 | 32,181 | 28,854 | 25,005 | 24,915 | 20,776 | 32,391 | 25,005 | 22,855 | 19,110 |
| Obligations related to assets sold under repurchase agreements and securities loaned | 28,315 | 28,841 | 23,381 | 20,998 | 19,572 | 16,802 | 26,473 | 22,530 | 28,464 | 23,381 | 26,473 | 24,496 | 24,056 |
| Derivative-related amounts | 47,072 | 42,668 | 42,592 | 42,391 | 41,229 | 41,248 | 42,201 | 32,845 | 37,512 | 42,592 | 42,201 | 37,775 | 32,137 |
| Insurance claims and policy benefit liabilities | 7,182 | 7,150 | 7,117 | 6,914 | 6,860 | 6,728 | 6,488 | 6,258 | 5,031 | 7,117 | 6,488 | 4,775 | 2,407 |
| Liabilities of operations held for sale ² | 32 | 37 | 40 | 50 | 47 | 59 | 62 | 51 | 57 | 40 | 62 | 50 | - |
| Other liabilities | 20,388 | 18,533 | 18,408 | 15,680 | 14,557 | 15,390 | 20,172 | 23,155 | 21,634 | 18,408 | 20,172 | 17,850 | 19,405 |
| Subordinated debentures | 7,839 | 8,116 | 8,167 | 8,839 | 8,101 | 8,190 | 8,116 | 8,440 | 8,423 | 8,167 | 8,116 | 6,243 | 6,614 |
| Trust capital securities | 1,390 | 1,399 | 1,400 | 1,392 | 1,400 | 1,400 | 2,300 | 2,290 | 2,297 | 1,400 | 2,300 | 2,300 | 1,400 |
| Preferred share liabilities | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 989 |
| Non-controlling interest in subsidiaries | 1,947 | 1,916 | 1,944 | 815 | 674 | 125 | 58 | 113 | 121 | 1,944 | 58 | 40 | 35 |
| Shareholders' equity | | | | | | | | | | | | | |
| Preferred shares | 1,000 | 700 | 700 | 832 | 832 | 832 | 532 | 532 | 532 | 700 | 532 | 532 | 556 |
| Common shares | 7,191 | 7,189 | 7,170 | 7,126 | 7,091 | 7,021 | 6,988 | 7,023 | 7,058 | 7,170 | 6,988 | 7,018 | 6,979 |
| Contributed surplus ³ | 278 | 299 | 265 | 254 | 242 | 210 | 169 | 167 | 140 | 265 | 169 | 85 | 78 |
| Retained earnings | 14,649 | 14,284 | 13,704 | 13,748 | 13,173 | 12,628 | 12,065 | 12,128 | 11,953 | 13,704 | 12,065 | 11,333 | 10,235 |
| Treasury shares - preferred | (5) | (3) | (2) | - | - | - | - | - | - | (2) | - | - | - |
| - common | (178) | (199) | (216) | (215) | (227) | (312) | (294) | (284) | (257) | (216) | (294) | - | - |
| Net foreign currency translation adjustments | (2,184) | (2,035) | (1,774) | (1,503) | (1,305) | (1,426) | (1,556) | (842) | (570) | (1,774) | (1,556) | (893) | (54) |
| Total shareholders' equity | 20,751 | 20,235 | 19,847 | 20,242 | 19,806 | 18,953 | 17,904 | 18,724 | 18,856 | 19,847 | 17,904 | 18,075 | 17,794 |
| Total liabilities and shareholders' equity | 502,893 | 487,874 | 469,521 | 463,325 | 434,873 | 424,029 | 426,222 | 423,612 | 421,247 | 469,521 | 426,222 | 399,847 | 375,474 |

¹Reflects amounts that have been securitized. Refer to the Loan securitization information on page 14.

²Relates to assets and liabilities of discontinued operations (RBC Mortgage Company)

³Previously referred to as Additional paid in capital. Reflects amounts pertaining to renounced Stock Appreciation Rights, options granted on acquisitions, certain stock-based compensation awards and other treasury shares transactions.

| SELECTED ON AND OFF BALANCE SHEET ITEMS (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
|--|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|------------------|-----------|-----------|-----------|-----------|
| | SELECTED AVERAGE BALANCE SHEET ITEMS^{1,4} | | | | | | | | | | | | | | |
| Securities | 171,100 | 172,000 | 157,000 | 152,400 | 143,200 | 140,100 | 134,200 | 141,400 | 140,400 | 171,600 | 141,600 | 148,200 | 137,700 | 113,400 | 101,600 |
| Assets purchased under reverse repurchase agreements and securities borrowed | 53,000 | 47,100 | 47,400 | 47,500 | 41,500 | 41,100 | 48,200 | 45,600 | 41,800 | 50,000 | 41,300 | 44,400 | 43,900 | 42,400 | 37,000 |
| Total loans ² | 193,300 | 190,500 | 187,500 | 181,300 | 176,300 | 173,400 | 170,200 | 168,600 | 164,100 | 191,900 | 174,800 | 179,700 | 165,900 | 159,900 | 162,700 |
| Residential mortgage ² | 91,500 | 91,100 | 89,400 | 86,000 | 83,200 | 82,100 | 80,500 | 77,900 | 75,900 | 91,300 | 82,600 | 85,200 | 77,600 | 72,200 | 69,700 |
| Personal ² | 43,200 | 42,400 | 42,000 | 41,600 | 40,000 | 38,600 | 37,700 | 36,300 | 34,200 | 42,800 | 39,300 | 40,600 | 34,900 | 31,000 | 29,800 |
| Credit cards ² | 5,600 | 6,500 | 6,200 | 5,900 | 6,700 | 6,800 | 6,400 | 6,100 | 5,600 | 6,100 | 6,800 | 6,400 | 5,800 | 5,400 | 4,500 |
| Business and government ² | 54,500 | 52,000 | 51,400 | 49,300 | 48,000 | 47,700 | 47,300 | 50,000 | 50,300 | 53,200 | 47,800 | 49,100 | 49,400 | 53,600 | 61,000 |
| Customers' liability under acceptances | 8,600 | 8,200 | 7,000 | 6,500 | 6,200 | 6,000 | 6,300 | 6,200 | 5,900 | 8,400 | 6,100 | 6,400 | 6,000 | 6,900 | 8,500 |
| Earning assets ³ | 428,200 | 414,800 | 398,800 | 387,900 | 368,200 | 360,200 | 358,700 | 359,900 | 351,600 | 421,400 | 364,100 | 378,900 | 353,000 | 323,100 | 306,400 |
| Total assets | 493,800 | 480,000 | 469,600 | 456,600 | 436,300 | 425,500 | 422,600 | 427,400 | 424,200 | 486,800 | 430,800 | 447,100 | 421,400 | 390,700 | 364,000 |
| Deposits | 318,700 | 310,500 | 304,100 | 291,900 | 281,300 | 275,300 | 273,000 | 272,000 | 266,600 | 314,500 | 278,300 | 288,200 | 268,200 | 250,800 | 240,400 |
| Common equity | 19,700 | 19,300 | 19,350 | 19,150 | 18,400 | 17,600 | 17,900 | 18,200 | 18,150 | 19,500 | 18,000 | 18,600 | 17,800 | 17,550 | 16,800 |
| Total equity | 20,400 | 19,900 | 20,200 | 19,900 | 19,200 | 18,500 | 18,700 | 19,000 | 19,000 | 20,200 | 18,800 | 19,500 | 18,600 | 18,800 | 18,500 |
| NET FOREIGN CURRENCY TRANSLATION ADJUSTMENTS | | | | | | | | | | | | | | | |
| Balance at beginning of period | (2,035) | (1,774) | (1,503) | (1,305) | (1,426) | (1,556) | (842) | (570) | (849) | (1,774) | (1,556) | (1,556) | (893) | (54) | (38) |
| Unrealized foreign currency translation gain (loss) | (253) | (613) | (650) | (713) | 325 | 419 | (1,643) | (586) | 623 | (866) | 744 | (619) | (1,341) | (2,988) | (59) |
| Foreign currency gain (loss) from hedging activities | 104 | 352 | 379 | 515 | (204) | (289) | 929 | 314 | (344) | 456 | (493) | 401 | 678 | 2,149 | 43 |
| Balance at end of period | (2,184) | (2,035) | (1,774) | (1,503) | (1,305) | (1,426) | (1,556) | (842) | (570) | (2,184) | (1,305) | (1,774) | (1,556) | (893) | (54) |
| RETAINED EARNINGS | | | | | | | | | | | | | | | |
| Balance at beginning of period | 14,284 | 13,704 | 13,748 | 13,173 | 12,628 | 12,065 | 12,128 | 11,953 | 11,734 | 13,704 | 12,065 | 12,065 | 11,333 | 10,235 | 9,206 |
| Net income | 1,118 | 1,171 | 522 | 979 | 907 | 979 | 514 | 743 | 760 | 2,289 | 1,886 | 3,387 | 2,803 | 2,968 | 2,702 |
| Preferred share dividends | (11) | (10) | (11) | (11) | (12) | (8) | (7) | (9) | (8) | (21) | (20) | (42) | (31) | (31) | (38) |
| Common share dividends | (463) | (412) | (414) | (393) | (353) | (352) | (333) | (336) | (336) | (875) | (705) | (1,512) | (1,303) | (1,137) | (1,022) |
| Premium paid on common shares purchased for cancellation | (272) | (169) | (141) | - | - | (53) | (237) | (223) | (197) | (441) | (53) | (194) | (735) | (698) | (612) |
| Issuance costs | (7) | - | - | - | 3 | (3) | - | - | - | (7) | - | - | - | (4) | (1) |
| Cumulative effect of adopting AcG 17, Equity-linked Deposit Contracts | - | - | - | - | - | - | - | - | - | - | - | - | (2) | - | - |
| Balance at end of period | 14,649 | 14,284 | 13,704 | 13,748 | 13,173 | 12,628 | 12,065 | 12,128 | 11,953 | 14,649 | 13,173 | 13,704 | 12,065 | 11,333 | 10,235 |
| Assets Under Administration⁵ - RBC | | | | | | | | | | | | | | | |
| Institutional | 94,900 | 92,800 | 1,371,300 | 1,329,400 | 1,321,200 | 1,286,200 | 1,217,500 | 1,205,000 | 1,212,400 | 94,900 | 1,321,200 | 1,371,300 | 1,217,500 | 1,133,400 | 1,005,000 |
| Personal | 393,000 | 383,500 | 344,200 | 347,300 | 343,300 | 342,300 | 328,200 | 341,500 | 350,300 | 393,000 | 343,300 | 344,200 | 328,200 | 309,300 | 326,700 |
| Retail mutual funds | - | - | 54,000 | 50,300 | 48,200 | 45,500 | 43,400 | 42,600 | 40,500 | - | 48,200 | 54,000 | 43,400 | 35,800 | 34,200 |
| Total assets under administration | 487,900 | 476,300 | 1,769,500 | 1,727,000 | 1,712,700 | 1,674,000 | 1,589,100 | 1,589,100 | 1,603,200 | 487,900 | 1,712,700 | 1,769,500 | 1,589,100 | 1,478,500 | 1,365,900 |
| Assets Under Administration⁵ - RBC Dexia IS | 1,832,100 | 1,738,100 | - | - | - | - | - | - | - | 1,832,100 | - | - | - | - | - |
| Assets Under Management | | | | | | | | | | | | | | | |
| Institutional | 22,600 | 24,000 | 23,300 | 23,300 | 22,800 | 22,200 | 20,600 | 21,900 | 20,600 | 22,600 | 22,800 | 23,300 | 20,600 | 20,100 | 19,100 |
| Personal | 16,700 | 15,600 | 16,300 | 16,100 | 16,400 | 15,800 | 15,400 | 15,900 | 16,900 | 16,700 | 16,400 | 16,300 | 15,400 | 17,700 | 20,300 |
| Retail mutual funds | 74,400 | 71,600 | 66,100 | 65,500 | 62,700 | 60,500 | 57,600 | 57,800 | 57,700 | 74,400 | 62,700 | 66,100 | 57,600 | 51,000 | 51,400 |
| Total assets under management | 113,700 | 111,200 | 105,700 | 104,900 | 101,900 | 98,500 | 93,600 | 95,600 | 95,200 | 113,700 | 101,900 | 105,700 | 93,600 | 88,800 | 90,800 |

¹Calculated using methods intended to approximate the average of the daily balances for the period. Average common equity is calculated as the average of the month-end balances for the period.

²Average total loans are reported net of allowance for loan losses. Average residential mortgage, personal, credit cards and business and government balances are reported on a gross basis (before deducting allowance for loan losses).

³Average earning assets are defined in the Glossary.

⁴All amounts are for continued operations except Total assets which includes assets of discontinued operations shown on page 11.

⁵Assets under administration - RBC Dexia IS represents the total AUA of the joint venture, of which we have a 50% ownership interest. RBC Dexia IS was created on January 2, 2006, and we contributed AUA of \$1,400 billion to the joint venture at that time. As RBC Dexia IS reports on a one-month lag basis, Assets under administration - RBC Dexia IS reported for the second quarter of 2006 are as at March 31, 2006.

| LOAN SECURITIZATION (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
|--|--------------------------|---------|---------|-------|-------|---------|-------|-------|---------|------------------|------------------|---------|---------|---------|---------|
| | Credit card loans | | | | | | | | | | | | | | |
| Opening balance | 4,300 | 3,100 | 3,100 | 3,100 | 1,900 | 1,900 | 1,900 | 2,158 | 2,546 | 3,100 | 1,900 | 1,900 | 2,675 | 1,675 | 2,100 |
| Securitized | - | 1,200 | - | - | 1,200 | - | - | - | - | 1,200 | 1,200 | 1,200 | - | 1,000 | - |
| Reversal of prior securitizations | - | - | - | - | - | - | - | (258) | (388) | - | - | - | (775) | - | (425) |
| Closing balance | 4,300 | 4,300 | 3,100 | 3,100 | 3,100 | 1,900 | 1,900 | 1,900 | 2,158 | 4,300 | 3,100 | 3,100 | 1,900 | 2,675 | 1,675 |
| Commercial mortgages | | | | | | | | | | | | | | | |
| Opening balance | 1,228 | 1,237 | 765 | 770 | 599 | 603 | 366 | 258 | 260 | 1,237 | 603 | 603 | 129 | - | - |
| Created | 396 | - | 479 | - | 176 | - | 242 | 111 | - | 396 | 176 | 655 | 486 | 131 | - |
| Amortization | (13) | (9) | (7) | (5) | (5) | (4) | (5) | (3) | (2) | (22) | (9) | (21) | (12) | (2) | - |
| Closing balance | 1,611 | 1,228 | 1,237 | 765 | 770 | 599 | 603 | 366 | 258 | 1,611 | 770 | 1,237 | 603 | 129 | - |
| Mortgage-backed securities - sold | | | | | | | | | | | | | | | |
| Opening balance | 10,872 | 9,561 | 7,820 | 7,255 | 7,315 | 5,983 | 5,470 | 4,697 | 3,756 | 9,561 | 5,983 | 5,983 | 2,936 | 2,416 | 1,361 |
| Sold | 1,295 | 1,533 | 1,814 | 638 | - | 1,300 | 500 | 799 | 1,000 | 2,828 | 1,300 | 3,752 | 3,074 | 610 | 1,708 |
| Proceeds reinvested in revolving securitizations | 500 | 707 | 700 | 530 | 335 | 374 | 395 | 370 | 209 | 1,207 | 709 | 1,939 | 1,202 | 1,268 | 301 |
| Amortization | (1,104) | (929) | (773) | (603) | (395) | (342) | (382) | (396) | (268) | (2,033) | (737) | (2,113) | (1,229) | (1,358) | (954) |
| Closing balance | 11,563 | 10,872 | 9,561 | 7,820 | 7,255 | 7,315 | 5,983 | 5,470 | 4,697 | 11,563 | 7,255 | 9,561 | 5,983 | 2,936 | 2,416 |
| Mortgage-backed securities - retained¹ | | | | | | | | | | | | | | | |
| Opening balance | 3,109 | 2,654 | 3,057 | 3,491 | 3,033 | 3,068 | 3,186 | 3,550 | 3,180 | 2,654 | 3,068 | 3,068 | 3,276 | 3,065 | 3,079 |
| Created | 3,221 | 3,169 | 2,567 | 1,036 | 1,008 | 1,847 | 1,026 | 1,079 | 1,795 | 6,390 | 2,855 | 6,458 | 4,977 | 4,084 | 3,734 |
| Sold | (1,295) | (1,533) | (1,814) | (638) | - | (1,300) | (500) | (799) | (1,000) | (2,828) | (1,300) | (3,752) | (3,074) | (610) | (1,708) |
| Proceeds reinvested in revolving securitizations | (500) | (707) | (700) | (530) | (335) | (374) | (395) | (370) | (209) | (1,207) | (709) | (1,939) | (1,202) | (1,268) | (301) |
| Amortization | (302) | (474) | (456) | (302) | (215) | (208) | (249) | (274) | (216) | (776) | (423) | (1,181) | (909) | (1,995) | (1,739) |
| Closing balance | 4,233 | 3,109 | 2,654 | 3,057 | 3,491 | 3,033 | 3,068 | 3,186 | 3,550 | 4,233 | 3,491 | 2,654 | 3,068 | 3,276 | 3,065 |
| Impact of securitizations on net income before income taxes | | | | | | | | | | | | | | | |
| Net interest income | (104) | (86) | (75) | (68) | (53) | (43) | (43) | (38) | (50) | (190) | (96) | (239) | (178) | (133) | (124) |
| Non-interest income ² | 59 | 41 | 78 | 61 | 41 | 75 | 41 | 16 | 58 | 100 | 116 | 255 | 156 | 106 | 132 |
| Provision for credit losses | 28 | 20 | 14 | 14 | 11 | 7 | 8 | 8 | 10 | 48 | 18 | 46 | 36 | 29 | 33 |
| Net income | (17) | (25) | 17 | 7 | (1) | 39 | 6 | (14) | 18 | (42) | 38 | 62 | 14 | 2 | 41 |

¹Mortgage-backed securities - retained are reported as securities on the Balance Sheet.

²Excludes the impact of liquidity, credit and administration fees earned on the securitization of client or third-party assets that are recorded in securitization revenue.

| CAPITAL (C\$ MM) | | | | | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|------------------|---------|---------|---------|------|
| | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
| Tier 1 capital¹ | | | | | | | | | | | | | | | | |
| Common shareholders' equity | 19,658 | 19,496 | 19,115 | 19,368 | 18,962 | 18,112 | 17,349 | 18,192 | 18,324 | 19,658 | 18,962 | 19,115 | 17,349 | 17,543 | 17,238 | |
| Non-cumulative preferred shares | 1,290 | 994 | 997 | 1,132 | 1,132 | 1,132 | 832 | 832 | 832 | 1,290 | 1,132 | 997 | 832 | 832 | 1,545 | |
| Innovative capital instruments | 2,998 | 2,907 | 2,835 | 2,292 | 2,299 | 2,285 | 2,300 | 2,291 | 2,297 | 2,998 | 2,299 | 2,835 | 2,300 | 2,300 | 1,400 | |
| Other Non-controlling interests in subsidiaries | 27 | 27 | 28 | 28 | 28 | 28 | 27 | 29 | 29 | 27 | 28 | 28 | 27 | 27 | 29 | |
| Goodwill | (3,983) | (4,033) | (4,074) | (4,230) | (4,366) | (4,293) | (4,236) | (4,705) | (4,836) | (3,983) | (4,366) | (4,074) | (4,236) | (4,443) | (4,832) | |
| Total Tier 1 capital | 19,990 | 19,391 | 18,901 | 18,590 | 18,055 | 17,264 | 16,272 | 16,639 | 16,646 | 19,990 | 18,055 | 18,901 | 16,272 | 16,259 | 15,380 | |
| Tier 2 capital¹ | | | | | | | | | | | | | | | | |
| Permanent subordinated debentures | 838 | 864 | 874 | 868 | 908 | 972 | 954 | 999 | 412 | 838 | 908 | 874 | 954 | 396 | 467 | |
| Non-permanent subordinated debentures | 6,945 | 7,195 | 7,234 | 7,909 | 7,161 | 7,187 | 7,131 | 7,407 | 7,978 | 6,945 | 7,161 | 7,234 | 7,131 | 5,847 | 6,147 | |
| General allowances | 1,219 | 1,224 | 1,286 | 1,287 | 1,299 | 1,284 | 1,227 | 1,264 | 1,269 | 1,219 | 1,299 | 1,286 | 1,227 | 1,407 | 1,420 | |
| Innovative capital instruments (excess over 15% Tier 1) | 482 | 581 | 567 | - | - | - | - | - | - | 482 | - | 567 | - | - | - | |
| Total Tier 2 capital | 9,484 | 9,864 | 9,961 | 10,064 | 9,368 | 9,443 | 9,312 | 9,670 | 9,659 | 9,484 | 9,368 | 9,961 | 9,312 | 7,650 | 8,034 | |
| Total regulatory capital¹ | | | | | | | | | | | | | | | | |
| Total Tier 1 and Tier 2 capital | 29,474 | 29,255 | 28,862 | 28,654 | 27,423 | 26,707 | 25,584 | 26,309 | 26,305 | 29,474 | 27,423 | 28,862 | 25,584 | 23,909 | 23,414 | |
| Substantial investments/investments in insurance subsidiaries/other ¹ | (3,194) | (3,152) | (3,049) | (3,145) | (3,033) | (2,913) | (2,851) | (3,117) | (3,132) | (3,194) | (3,033) | (3,049) | (2,851) | (2,535) | (2,402) | |
| Total regulatory capital | 26,280 | 26,103 | 25,813 | 25,509 | 24,390 | 23,794 | 22,733 | 23,192 | 23,173 | 26,280 | 24,390 | 25,813 | 22,733 | 21,374 | 21,012 | |
| Capital ratios¹ | | | | | | | | | | | | | | | | |
| Tier 1 capital ratio | 9.5% | 9.5% | 9.6% | 9.7% | 9.5% | 9.2% | 8.9% | 9.1% | 9.3% | 9.5% | 9.5% | 9.6% | 8.9% | 9.7% | 9.3% | |
| Total capital ratio | 12.5% | 12.8% | 13.1% | 13.4% | 12.8% | 12.7% | 12.4% | 12.7% | 12.9% | 12.5% | 12.8% | 13.1% | 12.4% | 12.8% | 12.7% | |
| Capital generation | | | | | | | | | | | | | | | | |
| Internal capital generation ² | 644 | 749 | 97 | 575 | 542 | 619 | 174 | 398 | 416 | 1,393 | 1,161 | 1,833 | 1,469 | 1,801 | 1,643 | |
| External capital generation: | | | | | | | | | | | | | | | | |
| - common shares | (277) | (150) | (97) | 35 | 70 | (19) | (272) | (258) | (194) | (427) | 51 | (11) | (765) | (659) | (602) | |
| - contributed surplus | (21) | 34 | 11 | 12 | 32 | 41 | 2 | 27 | 10 | 13 | 73 | 96 | 84 | 7 | 45 | |
| - preferred shares | 300 | - | (132) | - | - | 300 | - | - | - | 300 | 300 | 168 | - | (645) | (468) | |
| - treasury shares | 19 | 16 | (3) | 12 | 85 | (18) | (10) | (27) | 174 | 35 | 67 | 76 | (294) | - | - | |
| - subordinated debentures | (255) | (6) | (627) | 773 | (106) | 50 | (199) | 63 | 730 | (261) | (56) | 90 | 1,982 | (100) | 133 | |
| Total external capital generation before TruCS | (234) | (106) | (848) | 832 | 81 | 354 | (479) | (195) | 720 | (340) | 435 | 419 | 1,007 | (1,397) | (892) | |
| RBC TruCS issued ³ | - | - | 1,104 | - | - | - | - | - | - | - | - | 1,104 | - | 900 | - | |
| Total external capital generation | (234) | (106) | 256 | 832 | 81 | 354 | (479) | (195) | 720 | (340) | 435 | 1,523 | 1,007 | (497) | (892) | |
| Total capital generation | 410 | 643 | 353 | 1,407 | 623 | 973 | (305) | 203 | 1,136 | 1,053 | 1,596 | 3,356 | 2,476 | 1,304 | 751 | |
| Average common equity (allocated by risk type) | | | | | | | | | | | | | | | | |
| Credit risk | 5,700 | 5,500 | 5,300 | 5,000 | 5,000 | 4,950 | 5,300 | 5,200 | 5,100 | 5,600 | 4,950 | 5,100 | 5,200 | 5,500 | 5,900 | |
| Market risk (trading and non-trading) | 2,400 | 2,400 | 2,350 | 2,300 | 2,200 | 2,000 | 2,150 | 2,200 | 2,000 | 2,400 | 2,100 | 2,200 | 2,100 | 1,600 | 1,500 | |
| Operational risk | 2,500 | 2,300 | 2,400 | 2,350 | 2,350 | 2,400 | 2,200 | 2,250 | 2,250 | 2,400 | 2,400 | 2,350 | 2,200 | 2,150 | 1,600 | |
| Business and fixed assets risk | 1,850 | 1,700 | 1,550 | 1,600 | 1,600 | 1,600 | 1,650 | 1,650 | 1,700 | 1,750 | 1,600 | 1,600 | 1,650 | 1,750 | 1,850 | |
| Insurance risk | 250 | 250 | 200 | 250 | 200 | 200 | 150 | 200 | 150 | 250 | 200 | 200 | 150 | 600 | 600 | |
| Risk capital | 12,700 | 12,150 | 11,800 | 11,500 | 11,350 | 11,150 | 11,450 | 11,500 | 11,200 | 12,400 | 11,250 | 11,450 | 11,300 | 11,600 | 11,450 | |
| Goodwill and intangibles | 4,900 | 4,450 | 4,650 | 4,950 | 5,000 | 4,950 | 5,250 | 5,800 | 5,400 | 4,700 | 4,900 | 4,850 | 5,400 | 5,550 | 5,250 | |
| Total economic capital | 17,600 | 16,600 | 16,450 | 16,450 | 16,350 | 16,100 | 16,700 | 17,300 | 16,600 | 17,100 | 16,150 | 16,300 | 16,700 | 17,150 | 16,700 | |
| Unattributed equity ⁴ | 2,100 | 2,700 | 2,900 | 2,700 | 2,050 | 1,500 | 1,200 | 900 | 1,550 | 2,400 | 1,850 | 2,300 | 1,100 | 400 | 100 | |
| Total average common equity | 19,700 | 19,300 | 19,350 | 19,150 | 18,400 | 17,600 | 17,900 | 18,200 | 18,150 | 19,500 | 18,000 | 18,600 | 17,800 | 17,550 | 16,800 | |

¹Calculated using guidelines issued by OSFI.

²Internal capital generation is net income available to common shareholders less preferred and common dividends.

³In Q4/05, we issued \$1.2 billion of RBC TruCS, of which \$96 million was not initially recognized as regulatory capital due to OSFI constraints.

⁴Unattributed equity is reported in the Corporate Support segment.

| RISK ADJUSTED ASSETS ¹ (C\$ MM) | Q2/06 | | | Risk Adjusted Balance | | | | | | | | | |
|--|----------------|--------------------|---------|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Balance Sheet | Contract/ Notional | Current | Credit Equivalent | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 |
| On-balance sheet assets | | | | | | | | | | | | | |
| Cash resources | 14,100 | | | | 2,193 | 2,544 | 1,830 | 1,909 | 1,720 | 2,128 | 1,833 | 3,149 | 2,341 |
| Securities | 163,991 | | | | 6,297 | 6,150 | 5,326 | 4,254 | 4,646 | 3,759 | 7,092 | 5,420 | 5,627 |
| Residential mortgages ² | | | | | | | | | | | | | |
| Insured | 32,328 | | | | 353 | 375 | 385 | 386 | 384 | 369 | 390 | 399 | 384 |
| Conventional | 60,218 | | | | 24,538 | 26,562 | 25,592 | 24,020 | 26,078 | 25,150 | 24,561 | 23,759 | 22,929 |
| Other loans and acceptances ² | | | | | | | | | | | | | |
| Issued or guaranteed by Canadian or other OECD governments | 22,629 | | | | 4,470 | 3,151 | 2,991 | 2,110 | 1,199 | 3,364 | 2,828 | 2,926 | 3,657 |
| Other | 147,114 | | | | 101,231 | 97,266 | 95,639 | 94,512 | 93,032 | 91,874 | 88,412 | 90,595 | 88,309 |
| Other assets | 62,513 | | | | 9,598 | 9,786 | 7,014 | 7,222 | 7,123 | 6,753 | 7,852 | 6,976 | 7,846 |
| Total | 502,893 | | | | 148,680 | 145,834 | 138,777 | 134,413 | 134,182 | 133,397 | 132,968 | 133,224 | 131,093 |
| Off-balance sheet credit instruments | | | | | | | | | | | | | |
| Guarantees and standby letters of credit | | | | | | | | | | | | | |
| Financial (excluding securities lending) ³ | | 15,796 | | 15,796 | 10,934 | 10,861 | 10,329 | 9,526 | 11,909 | 12,620 | 12,627 | 12,744 | 14,601 |
| Non-financial | | 3,961 | | 1,981 | 1,716 | 1,779 | 1,825 | 1,551 | 1,515 | 1,481 | 1,503 | 1,677 | 1,595 |
| Documentary and commercial letters of credit | | 725 | | 145 | 52 | 50 | 56 | 61 | 49 | 34 | 46 | 148 | 141 |
| Securities lending | | 41,883 | | 41,883 | 4,332 | 2,787 | 2,299 | 2,099 | 1,570 | 629 | 2,158 | 1,943 | 1,287 |
| Commitments to extend credit: | | | | | | | | | | | | | |
| Less than/equal to 1 year | | 18,109 | | - | - | - | - | - | - | - | - | - | - |
| Greater than 1 year | | 35,020 | | 17,510 | 15,385 | 14,595 | 14,968 | 15,207 | 13,564 | 14,819 | 13,828 | 14,371 | 13,158 |
| Uncommitted amounts | | 44,262 | | - | - | - | - | - | - | - | - | - | - |
| Liquidity facilities: | | | | | | | | | | | | | |
| Less than/equal to one year with general market disruption clause | | - | | - | - | - | - | - | - | - | - | - | - |
| Less than/equal to one year without general market disruption clause | | 31,153 | | 3,115 | 3,115 | 2,953 | 2,727 | 2,632 | 2,332 | 2,438 | - | - | - |
| Greater than one year without general market disruption clause | | 3,467 | | 1,733 | 1,733 | 1,336 | 786 | 1,074 | 1,694 | 845 | - | - | - |
| Note issuance/Revolving underwriting facilities | | 7 | | 3 | 3 | 3 | 3 | 4 | 4 | 14 | 12 | 14 | 15 |
| Total | | 194,383 | | 82,166 | 37,270 | 34,364 | 32,993 | 32,154 | 32,637 | 32,880 | 30,174 | 30,897 | 30,797 |
| Derivative financial instruments | | | | | | | | | | | | | |
| Interest rate agreements | | 2,617,365 | | 3,360 | 6,034 | 1,225 | 1,228 | 1,205 | 1,308 | 1,240 | 1,310 | 1,089 | 1,225 |
| Foreign exchange rate contracts | | 1,036,197 | | 10,111 | 21,919 | 4,872 | 4,252 | 4,152 | 4,001 | 4,072 | 4,286 | 4,485 | 3,889 |
| Precious metals, commodities, equity linked contracts and credit derivatives | | 335,978 | | 5,875 | 12,810 | 4,375 | 3,947 | 4,339 | 3,548 | 3,318 | 2,456 | 1,886 | 1,669 |
| Total | | 3,989,540 | | 19,346 | 40,763 | 10,472 | 9,427 | 9,696 | 8,857 | 8,630 | 8,312 | 7,000 | 7,036 |
| Market risk | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Total specific and general market risk | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| Total risk adjusted assets | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

¹Calculated using guidelines issued by OSFI.

²Amounts are shown net of the allowance for loan losses.

³Includes non-trading credit derivatives given guarantee treatment for credit risk capital purposes.

| INTEREST RATE SENSITIVITY POSITION ¹ | | | | | | | | | | Q2/06 | | Q1/06 | | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----|
| | (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | CAD | FGN | CAD | FGN |
| Total assets | | | | | | | | | | | | | | |
| 0-3 months | 239,127 | 209,405 | 216,027 | 204,707 | 199,469 | 187,895 | 192,138 | 173,805 | 182,822 | 124,001 | 115,126 | 117,371 | 92,034 | |
| 4-6 months | 14,758 | 17,042 | 15,921 | 16,802 | 13,424 | 13,300 | 11,954 | 28,772 | 16,294 | 8,928 | 5,830 | 10,041 | 7,001 | |
| 7-12 months | 21,603 | 17,806 | 19,314 | 20,144 | 23,849 | 21,620 | 17,858 | 17,855 | 18,781 | 14,255 | 7,348 | 11,767 | 6,039 | |
| 1-5 years | 106,879 | 107,579 | 103,987 | 103,701 | 99,092 | 97,473 | 96,218 | 96,952 | 94,902 | 84,679 | 22,200 | 84,286 | 23,293 | |
| over 5 years | 33,812 | 34,736 | 31,433 | 32,931 | 33,241 | 33,032 | 30,296 | 34,550 | 28,173 | 13,193 | 20,619 | 13,209 | 21,527 | |
| non-interest rate sensitive | 86,714 | 101,306 | 82,839 | 85,040 | 65,798 | 70,709 | 77,758 | 71,678 | 80,275 | 15,509 | 71,205 | 16,151 | 85,155 | |
| Total | 502,893 | 487,874 | 469,521 | 463,325 | 434,873 | 424,029 | 426,222 | 423,612 | 421,247 | 260,565 | 242,328 | 252,825 | 235,049 | |
| Total liabilities and shareholders' equity | | | | | | | | | | | | | | |
| 0-3 months | 242,791 | 237,758 | 235,327 | 227,327 | 203,776 | 205,440 | 198,261 | 188,682 | 189,826 | 117,492 | 125,299 | 108,143 | 129,615 | |
| 4-6 months | 18,585 | 20,006 | 17,809 | 20,130 | 17,400 | 14,631 | 18,262 | 28,252 | 22,164 | 12,595 | 5,990 | 12,412 | 7,594 | |
| 7-12 months | 35,532 | 34,818 | 27,569 | 25,004 | 29,167 | 28,344 | 25,087 | 26,415 | 32,298 | 23,245 | 12,287 | 23,925 | 10,893 | |
| 1-5 years | 85,724 | 84,184 | 80,779 | 83,097 | 80,687 | 77,316 | 71,482 | 71,055 | 69,604 | 57,919 | 27,805 | 57,811 | 26,373 | |
| over 5 years | 21,820 | 22,563 | 22,798 | 21,210 | 22,012 | 22,556 | 19,989 | 21,362 | 16,357 | 10,810 | 11,010 | 11,172 | 11,391 | |
| non-interest rate sensitive | 98,441 | 88,545 | 85,239 | 86,557 | 81,831 | 75,742 | 93,141 | 87,846 | 90,998 | 38,502 | 59,939 | 39,360 | 49,185 | |
| Total | 502,893 | 487,874 | 469,521 | 463,325 | 434,873 | 424,029 | 426,222 | 423,612 | 421,247 | 260,563 | 242,330 | 252,823 | 235,051 | |
| Off balance sheet | | | | | | | | | | | | | | |
| 0-3 months | (20,392) | 13,293 | (1,146) | (3,471) | (15,725) | (18,498) | 2,262 | (12,507) | 2,879 | (11,574) | (8,818) | (11,867) | 25,160 | |
| 4-6 months | (8,719) | (26,598) | (17,003) | (15,280) | (5,203) | (2,561) | (8,658) | (10,218) | (2,354) | 4,560 | (13,279) | 3,948 | (30,546) | |
| 7-12 months | 12,153 | 11,409 | 7,917 | 8,667 | 9,577 | 12,879 | 6,999 | 28,363 | 8,210 | 7,801 | 4,352 | 3,605 | 7,804 | |
| 1-5 years | 16,947 | 24,742 | 19,862 | 20,557 | 12,812 | 14,787 | 7,146 | (5,009) | (1,604) | (3,034) | 19,981 | 174 | 24,568 | |
| over 5 years | 18,052 | 13,865 | 12,904 | 11,701 | 7,926 | 9,100 | 13,865 | 9,232 | 5,411 | 3,105 | 14,947 | 4,685 | 9,180 | |
| non-interest rate sensitive | (18,041) | (36,711) | (22,534) | (22,174) | (9,387) | (15,707) | (14,012) | (9,861) | (12,542) | (858) | (17,183) | (545) | (36,166) | |
| Net off-balance sheet | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total interest rate sensitivity gap (on and off-balance sheet) | | | | | | | | | | | | | | |
| 0-3 months | (24,056) | (15,060) | (20,446) | (26,091) | (20,032) | (36,043) | (3,861) | (27,384) | (4,125) | (5,065) | (18,991) | (2,639) | (12,421) | |
| 4-6 months | (12,546) | (29,562) | (18,891) | (18,608) | (9,179) | (3,892) | (14,966) | (9,698) | (8,224) | 893 | (13,439) | 1,577 | (31,139) | |
| 7-12 months | (1,776) | (5,603) | (338) | 3,807 | 4,259 | 6,155 | (230) | 19,803 | (5,307) | (1,189) | (587) | (8,553) | 2,950 | |
| 1-5 years | 38,102 | 48,137 | 43,070 | 41,161 | 31,217 | 34,944 | 31,882 | 20,888 | 23,694 | 23,726 | 14,376 | 26,649 | 21,488 | |
| over 5 years | 30,044 | 26,038 | 21,539 | 23,422 | 19,155 | 19,576 | 16,570 | 22,420 | 17,227 | 5,488 | 24,556 | 6,722 | 19,316 | |
| non-interest rate sensitive | (29,768) | (23,950) | (24,934) | (23,691) | (25,420) | (20,740) | (29,395) | (26,029) | (23,265) | (23,851) | (5,917) | (23,754) | (196) | |
| Net gaps | - | - | - | - | - | - | - | - | - | 2 | (2) | 2 | (2) | |
| Before tax impact of 1% increase in rates on: | | | | | | | | | | | | | | |
| Net interest income using simulation | 103 | 107 | 106 | 62 | 87 | 68 | 70 | 85 | 114 | | | | | |
| Economic value of equity | (415) | (376) | (435) | (493) | (390) | (402) | (412) | (439) | (434) | | | | | |
| Before tax impact of 1% decrease in rates on: | | | | | | | | | | | | | | |
| Net interest income using simulation | (183) | (188) | (181) | (137) | (161) | (144) | (150) | (94) | (101) | | | | | |
| Economic value of equity | 273 | 240 | 291 | 348 | 239 | 318 | 215 | 272 | 260 | | | | | |

¹Incorporates management assumptions based on empirical research on consumer behaviour relating to the exercise of embedded options and on the rate paid on liabilities not linked to market rates. All interest rate measures are based upon our current exposures at a specific time. The exposures change continually as a result of day-to-day business activities and our risk management initiatives.

| LOANS AND ACCEPTANCES¹ | | | | | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2005 | 2004 | 2003 | 2002 |
| By Product | | | | | | | | | | | | | |
| Consumer | | | | | | | | | | | | | |
| Residential mortgage | 92,506 | 91,776 | 91,043 | 88,029 | 84,552 | 82,654 | 81,998 | 79,725 | 76,905 | 91,043 | 81,998 | 75,790 | 72,840 |
| Personal | 42,441 | 41,337 | 41,045 | 40,628 | 39,275 | 37,753 | 36,848 | 35,843 | 34,503 | 41,045 | 36,848 | 32,186 | 30,588 |
| Credit cards | 6,051 | 5,468 | 6,200 | 6,013 | 5,791 | 6,817 | 6,456 | 6,307 | 5,917 | 6,200 | 6,456 | 4,816 | 4,914 |
| Total consumer | 140,998 | 138,581 | 138,288 | 134,670 | 129,618 | 127,224 | 125,302 | 121,875 | 117,325 | 138,288 | 125,302 | 112,792 | 108,342 |
| Business and government | | | | | | | | | | | | | |
| Agriculture | 5,737 | 5,685 | 5,509 | 5,373 | 5,315 | 5,355 | 5,207 | 5,167 | 5,235 | 5,509 | 5,207 | 4,955 | 5,039 |
| Automotive | 3,082 | 2,854 | 2,637 | 2,705 | 2,591 | 2,476 | 2,451 | 2,765 | 2,531 | 2,637 | 2,451 | 2,427 | 2,164 |
| Consumer goods | 4,814 | 4,621 | 4,731 | 4,801 | 4,629 | 4,437 | 4,821 | 4,836 | 4,843 | 4,731 | 4,821 | 5,180 | 5,246 |
| Energy | 5,479 | 5,794 | 5,648 | 4,188 | 3,658 | 3,561 | 3,493 | 4,217 | 3,541 | 5,648 | 3,493 | 3,711 | 6,775 |
| Financial services | 5,102 | 3,336 | 2,661 | 3,107 | 2,676 | 2,577 | 1,609 | 2,068 | 2,505 | 2,661 | 1,609 | 2,315 | 5,518 |
| Forest products | 1,402 | 1,421 | 1,249 | 1,271 | 1,300 | 1,255 | 1,181 | 1,453 | 1,495 | 1,249 | 1,181 | 1,554 | 1,670 |
| Government | 2,725 | 2,833 | 2,444 | 3,482 | 2,450 | 2,248 | 2,319 | 2,485 | 2,311 | 2,444 | 2,319 | 2,096 | 1,323 |
| Industrial products | 3,738 | 3,490 | 3,229 | 3,206 | 3,214 | 2,984 | 2,887 | 2,968 | 2,958 | 3,229 | 2,887 | 3,012 | 3,728 |
| Mining and metals | 1,268 | 1,232 | 553 | 785 | 779 | 730 | 671 | 777 | 922 | 553 | 671 | 1,056 | 1,630 |
| Real estate and related | 14,671 | 14,742 | 13,977 | 13,772 | 13,285 | 13,177 | 12,420 | 12,961 | 12,835 | 13,977 | 12,420 | 12,463 | 11,673 |
| Technology and media | 2,747 | 2,597 | 2,310 | 2,002 | 1,962 | 1,814 | 2,192 | 2,271 | 2,136 | 2,310 | 2,192 | 2,782 | 4,630 |
| Transportation and environment | 2,243 | 2,460 | 2,062 | 2,286 | 2,154 | 2,592 | 2,749 | 2,386 | 2,474 | 2,062 | 2,749 | 3,290 | 4,518 |
| Other | 13,451 | 12,501 | 13,690 | 12,408 | 12,420 | 12,511 | 11,442 | 12,347 | 12,535 | 13,690 | 11,442 | 10,759 | 13,568 |
| Total business and government | 66,459 | 63,566 | 60,700 | 59,386 | 56,433 | 55,717 | 53,442 | 56,701 | 56,321 | 60,700 | 53,442 | 55,600 | 67,482 |
| Total Loans and Acceptances | 207,457 | 202,147 | 198,988 | 194,056 | 186,051 | 182,941 | 178,744 | 178,576 | 173,646 | 198,988 | 178,744 | 168,392 | 175,824 |
| Allowance for loan losses | (1,435) | (1,439) | (1,498) | (1,569) | (1,612) | (1,638) | (1,644) | (1,693) | (1,739) | (1,498) | (1,644) | (2,055) | (2,203) |
| Total Loans and Acceptances, net of allowance for loan losses | 206,022 | 200,708 | 197,490 | 192,487 | 184,439 | 181,303 | 177,100 | 176,883 | 171,907 | 197,490 | 177,100 | 166,337 | 173,621 |
| Loans and acceptances by credit portfolio and geographic area | | | | | | | | | | | | | |
| Canada | | | | | | | | | | | | | |
| Residential mortgage | 90,266 | 89,537 | 88,808 | 85,890 | 82,586 | 80,799 | 80,168 | 77,787 | 74,948 | 88,808 | 80,168 | 73,978 | 67,700 |
| Personal | 35,614 | 34,398 | 33,986 | 33,369 | 32,016 | 30,955 | 30,415 | 29,645 | 28,115 | 33,986 | 30,415 | 26,445 | 24,550 |
| Credit cards | 5,875 | 5,289 | 6,024 | 5,838 | 5,614 | 6,648 | 6,298 | 6,142 | 5,753 | 6,024 | 6,298 | 4,663 | 4,740 |
| Business and government | 48,144 | 45,681 | 44,929 | 41,159 | 39,753 | 38,469 | 37,783 | 39,327 | 37,804 | 44,929 | 37,783 | 36,576 | 41,585 |
| Total Canada | 179,899 | 174,905 | 173,747 | 166,256 | 159,969 | 156,871 | 154,664 | 152,901 | 146,620 | 173,747 | 154,664 | 141,662 | 138,575 |
| United States | | | | | | | | | | | | | |
| Consumer | 7,440 | 7,616 | 7,741 | 7,851 | 7,671 | 7,190 | 7,010 | 6,884 | 6,786 | 7,741 | 7,010 | 6,189 | 9,745 |
| Business and government | 12,817 | 12,736 | 12,317 | 13,122 | 12,680 | 12,318 | 11,698 | 12,650 | 12,623 | 12,317 | 11,698 | 13,213 | 16,537 |
| Total United States | 20,257 | 20,352 | 20,058 | 20,973 | 20,351 | 19,508 | 18,708 | 19,534 | 19,409 | 20,058 | 18,708 | 19,402 | 26,282 |
| Other International | | | | | | | | | | | | | |
| Consumer | 1,803 | 1,741 | 1,729 | 1,722 | 1,731 | 1,632 | 1,411 | 1,417 | 1,723 | 1,729 | 1,411 | 1,517 | 1,607 |
| Business and government | 5,498 | 5,149 | 3,454 | 5,105 | 4,000 | 4,930 | 3,961 | 4,724 | 5,894 | 3,454 | 3,961 | 5,811 | 9,360 |
| Total Other International | 7,301 | 6,890 | 5,183 | 6,827 | 5,731 | 6,562 | 5,372 | 6,141 | 7,617 | 5,183 | 5,372 | 7,328 | 10,967 |
| Total | | | | | | | | | | | | | |
| Consumer | 140,998 | 138,581 | 138,288 | 134,670 | 129,618 | 127,224 | 125,302 | 121,875 | 117,325 | 138,288 | 125,302 | 112,792 | 108,342 |
| Business and government | 66,459 | 63,566 | 60,700 | 59,386 | 56,433 | 55,717 | 53,442 | 56,701 | 56,321 | 60,700 | 53,442 | 55,600 | 67,482 |
| Total Loans and Acceptances | 207,457 | 202,147 | 198,988 | 194,056 | 186,051 | 182,941 | 178,744 | 178,576 | 173,646 | 198,988 | 178,744 | 168,392 | 175,824 |

¹Based on residence of borrower.

| GROSS IMPAIRED LOANS | | | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|
| (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2005 | 2004 | 2003 | 2002 |
| Gross Impaired Loans (by credit portfolio and sector) | | | | | | | | | | | | | |
| Consumer | | | | | | | | | | | | | |
| Residential mortgage | 145 | 145 | 136 | 123 | 126 | 114 | 146 | 135 | 147 | 136 | 146 | 131 | 131 |
| Personal | 210 | 209 | 169 | 167 | 179 | 178 | 189 | 198 | 225 | 169 | 189 | 235 | 306 |
| Total consumer | 355 | 354 | 305 | 290 | 305 | 292 | 335 | 333 | 372 | 305 | 335 | 366 | 437 |
| Business and government | | | | | | | | | | | | | |
| Agriculture | 31 | 34 | 48 | 52 | 73 | 68 | 89 | 102 | 126 | 48 | 89 | 146 | 159 |
| Automotive | 3 | 3 | 2 | 2 | 3 | 4 | 4 | 5 | 5 | 2 | 4 | 7 | 39 |
| Consumer goods | 67 | 54 | 53 | 55 | 11 | 13 | 36 | 32 | 48 | 53 | 36 | 48 | 57 |
| Energy | 34 | 53 | 46 | 70 | 105 | 105 | 162 | 244 | 259 | 46 | 162 | 240 | 243 |
| Financial services | 12 | 16 | 16 | 16 | 17 | 16 | 14 | 16 | 22 | 16 | 14 | 45 | 77 |
| Forest products | 5 | 9 | 10 | 19 | 35 | 155 | 151 | 167 | 174 | 10 | 151 | 169 | 199 |
| Industrial products | 7 | 6 | 2 | 6 | 6 | 22 | 38 | 40 | 56 | 2 | 38 | 25 | 53 |
| Mining and metals | 4 | 3 | 3 | 4 | 4 | 5 | 8 | 5 | 24 | 3 | 8 | 57 | 128 |
| Real estate and related | 46 | 51 | 54 | 84 | 62 | 64 | 84 | 83 | 87 | 54 | 84 | 97 | 115 |
| Small business | 101 | 95 | 108 | 126 | 129 | 130 | 142 | 143 | 159 | 108 | 142 | 169 | 205 |
| Technology and media | 34 | 45 | 48 | 53 | 76 | 76 | 86 | 97 | 102 | 48 | 86 | 122 | 225 |
| Transportation and environment | 8 | 7 | 8 | 13 | 12 | 12 | 12 | 35 | 60 | 8 | 12 | 136 | 206 |
| Other | 86 | 70 | 71 | 76 | 82 | 91 | 98 | 120 | 144 | 71 | 98 | 118 | 145 |
| Total business and government | 438 | 446 | 469 | 576 | 615 | 761 | 924 | 1,089 | 1,266 | 469 | 924 | 1,379 | 1,851 |
| Total Gross Impaired Loans | 793 | 800 | 774 | 866 | 920 | 1,053 | 1,259 | 1,422 | 1,638 | 774 | 1,259 | 1,745 | 2,288 |
| Gross Impaired Loans by credit portfolio and geographical area¹ | | | | | | | | | | | | | |
| Canada | | | | | | | | | | | | | |
| Residential mortgage | 118 | 116 | 106 | 93 | 93 | 89 | 96 | 90 | 105 | 106 | 96 | 110 | 102 |
| Personal | 199 | 198 | 161 | 158 | 166 | 166 | 178 | 182 | 205 | 161 | 178 | 213 | 275 |
| Business and government | 210 | 214 | 236 | 294 | 297 | 430 | 509 | 570 | 664 | 236 | 509 | 741 | 895 |
| United States | 527 | 528 | 503 | 545 | 556 | 685 | 783 | 842 | 974 | 503 | 783 | 1,064 | 1,272 |
| Consumer | 18 | 20 | 16 | 18 | 25 | 22 | 44 | 46 | 51 | 16 | 44 | 29 | 47 |
| Business and government | 168 | 172 | 173 | 223 | 255 | 269 | 332 | 420 | 435 | 173 | 332 | 332 | 537 |
| Other International | 186 | 192 | 189 | 241 | 280 | 291 | 376 | 466 | 486 | 189 | 376 | 361 | 584 |
| Consumer | 20 | 20 | 22 | 21 | 21 | 15 | 17 | 15 | 11 | 22 | 17 | 14 | 13 |
| Business and government | 60 | 60 | 60 | 59 | 63 | 62 | 83 | 99 | 167 | 60 | 83 | 306 | 419 |
| Total | 80 | 80 | 82 | 80 | 84 | 77 | 100 | 114 | 178 | 82 | 100 | 320 | 432 |
| Total Gross Impaired Loans | 355 | 354 | 305 | 290 | 305 | 292 | 335 | 333 | 372 | 305 | 335 | 366 | 437 |
| Total Gross Impaired Loans | 438 | 446 | 469 | 576 | 615 | 761 | 924 | 1,089 | 1,266 | 469 | 924 | 1,379 | 1,851 |
| Total Gross Impaired Loans | 793 | 800 | 774 | 866 | 920 | 1,053 | 1,259 | 1,422 | 1,638 | 774 | 1,259 | 1,745 | 2,288 |

¹Based on residence of borrower.

| GROSS IMPAIRED LOANS <i>continued</i> | | | | | | | | | | | | | | |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|--------------|
| (C\$ MM) | | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2005 | 2004 | 2003 | 2002 |
| Changes in Gross Impaired Loans | | | | | | | | | | | | | | |
| Balance at beginning of period | | | | | | | | | | | | | | |
| Consumer | | 354 | 305 | 290 | 305 | 292 | 335 | 333 | 372 | 359 | 335 | 366 | 437 | 504 |
| Business and government | | 446 | 469 | 576 | 615 | 761 | 924 | 1,089 | 1,266 | 1,437 | 924 | 1,379 | 1,851 | 1,961 |
| | | 800 | 774 | 866 | 920 | 1,053 | 1,259 | 1,422 | 1,638 | 1,796 | 1,259 | 1,745 | 2,288 | 2,465 |
| New impaired ¹ | | | | | | | | | | | | | | |
| Consumer | | 165 | 220 | 272 | 170 | 256 | 214 | 220 | 264 | 267 | 912 | 949 | 850 | |
| Business and government | | 97 | 50 | 46 | 125 | 84 | 36 | 124 | 106 | 144 | 291 | 616 | 1,019 | |
| | | 262 | 270 | 318 | 295 | 340 | 250 | 344 | 370 | 411 | 1,203 | 1,565 | 1,869 | N/A |
| Repayments, return to performing status, sold and other ¹ | | | | | | | | | | | | | | |
| Consumer | | (5) | (37) | (106) | (39) | (90) | (117) | (91) | (163) | (103) | (352) | (440) | (347) | |
| Business and government | | (77) | (43) | (76) | (122) | (197) | (171) | (156) | (192) | (150) | (566) | (610) | (1,083) | |
| | | (82) | (80) | (182) | (161) | (287) | (288) | (247) | (355) | (253) | (918) | (1,050) | (1,430) | N/A |
| Net impaired loan formation | | | | | | | | | | | | | | |
| Consumer | | 160 | 183 | 166 | 131 | 166 | 97 | 129 | 101 | 164 | 560 | 509 | 503 | 521 |
| Business and government | | 20 | 7 | (30) | 3 | (113) | (135) | (32) | (86) | (6) | (275) | 6 | (64) | 759 |
| | | 180 | 190 | 136 | 134 | 53 | (38) | 97 | 15 | 158 | 285 | 515 | 439 | 1,280 |
| Write-offs | | | | | | | | | | | | | | |
| Consumer | | (159) | (134) | (151) | (146) | (153) | (140) | (127) | (140) | (151) | (590) | (540) | (574) | (588) |
| Business and government | | (28) | (30) | (77) | (42) | (33) | (28) | (133) | (91) | (165) | (180) | (461) | (408) | (869) |
| | | (187) | (164) | (228) | (188) | (186) | (168) | (260) | (231) | (316) | (770) | (1,001) | (982) | (1,457) |
| Balance at end of period | | | | | | | | | | | | | | |
| Consumer | | 355 | 354 | 305 | 290 | 305 | 292 | 335 | 333 | 372 | 305 | 335 | 366 | 437 |
| Business and government | | 438 | 446 | 469 | 576 | 615 | 761 | 924 | 1,089 | 1,266 | 469 | 924 | 1,379 | 1,851 |
| | | 793 | 800 | 774 | 866 | 920 | 1,053 | 1,259 | 1,422 | 1,638 | 774 | 1,259 | 1,745 | 2,288 |
| Net Impaired Loans by credit portfolio and geographical area ² | | | | | | | | | | | | | | |
| Canada | | | | | | | | | | | | | | |
| Residential mortgage | | 107 | 106 | 97 | 84 | 83 | 79 | 85 | 80 | 93 | 97 | 85 | 98 | 87 |
| Personal | | 97 | 96 | 60 | 66 | 68 | 65 | 70 | 71 | 85 | 60 | 70 | 84 | 112 |
| Business and government | | 90 | 93 | 116 | 133 | 131 | 229 | 301 | 321 | 389 | 116 | 301 | 444 | 567 |
| | | 294 | 295 | 273 | 283 | 282 | 373 | 456 | 472 | 567 | 273 | 456 | 626 | 766 |
| United States | | | | | | | | | | | | | | |
| Consumer | | 15 | 16 | 13 | 15 | 21 | 18 | 39 | 38 | 40 | 13 | 39 | 18 | 30 |
| Business and government | | 148 | 154 | 155 | 169 | 184 | 195 | 214 | 242 | 274 | 155 | 214 | 201 | 325 |
| | | 163 | 170 | 168 | 184 | 205 | 213 | 253 | 280 | 314 | 168 | 253 | 219 | 355 |
| Other International | | | | | | | | | | | | | | |
| Consumer | | 19 | 19 | 22 | 21 | 20 | 14 | 17 | 15 | 11 | 22 | 17 | 14 | 13 |
| Business and government | | 31 | 31 | 29 | 26 | 29 | 29 | 46 | 53 | 86 | 29 | 46 | 129 | 260 |
| | | 50 | 50 | 51 | 47 | 49 | 43 | 63 | 68 | 97 | 51 | 63 | 143 | 273 |
| Total | | | | | | | | | | | | | | |
| Consumer | | 238 | 237 | 192 | 186 | 192 | 176 | 211 | 204 | 229 | 192 | 211 | 214 | 242 |
| Business and government | | 269 | 278 | 300 | 328 | 344 | 453 | 561 | 616 | 749 | 300 | 561 | 774 | 1,152 |
| Total Net Impaired Loans | | 507 | 515 | 492 | 514 | 536 | 629 | 772 | 820 | 978 | 492 | 772 | 988 | 1,394 |
| Net Write-offs by credit portfolio and geographic area ² | | | | | | | | | | | | | | |
| Canada | | | | | | | | | | | | | | |
| Residential mortgage | | 2 | 1 | 1 | 1 | - | 1 | 3 | 1 | 1 | 3 | 6 | 6 | 11 |
| Personal | | 81 | 60 | 68 | 63 | 74 | 62 | 46 | 61 | 76 | 267 | 240 | 279 | 313 |
| Credit card | | 42 | 43 | 49 | 47 | 49 | 47 | 44 | 44 | 42 | 192 | 166 | 152 | 135 |
| Business and government | | 14 | 13 | 28 | 13 | 18 | 9 | 44 | 43 | 39 | 68 | 113 | 171 | 258 |
| | | 139 | 117 | 146 | 124 | 141 | 119 | 137 | 149 | 158 | 530 | 525 | 608 | 717 |
| United States | | | | | | | | | | | | | | |
| Consumer | | 5 | 5 | 3 | 6 | 4 | 2 | 4 | 5 | 6 | 15 | 19 | 33 | 21 |
| Business and government | | (20) | (19) | 28 | 15 | - | 1 | 64 | 6 | 10 | 44 | 109 | 121 | 460 |
| | | (15) | (14) | 31 | 21 | 4 | 3 | 68 | 11 | 16 | 59 | 128 | 154 | 481 |
| Other International | | | | | | | | | | | | | | |
| Consumer | | - | - | - | 1 | - | - | - | - | - | 1 | - | - | - |
| Business and government | | 1 | - | 2 | 2 | 1 | 1 | 5 | 23 | 97 | 6 | 132 | 50 | 61 |
| | | 1 | - | 2 | 3 | 1 | 1 | 5 | 23 | 97 | 7 | 132 | 50 | 61 |
| Total | | | | | | | | | | | | | | |
| Consumer | | 130 | 109 | 121 | 118 | 127 | 112 | 97 | 111 | 125 | 478 | 431 | 470 | 480 |
| Business and government | | (5) | (6) | 58 | 30 | 19 | 11 | 113 | 72 | 146 | 118 | 354 | 342 | 779 |
| Total Net Write-offs | | 125 | 103 | 179 | 148 | 146 | 123 | 210 | 183 | 271 | 596 | 785 | 812 | 1,259 |

¹N/A: comparable information not available for 2002

²Based on residence of borrower.

| PROVISION FOR CREDIT LOSSES (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
|---|---|-------------|------------|------------|------------|------------|-------------|------------|------------|------------------|------------------|------------|--------------|------------|--------------|
| | Provision for Credit Losses Specific | | | | | | | | | | | | | | |
| Consumer | | | | | | | | | | | | | | | |
| Residential mortgage | 2 | 2 | 1 | 1 | 1 | (1) | 5 | - | 1 | 4 | - | 2 | 7 | 8 | 2 |
| Personal | 85 | 75 | 70 | 59 | 74 | 56 | 42 | 53 | 73 | 160 | 130 | 259 | 222 | 254 | 289 |
| Credit cards | 43 | 44 | 50 | 48 | 49 | 47 | 44 | 44 | 42 | 87 | 96 | 194 | 167 | 155 | 140 |
| Total consumer | 130 | 121 | 121 | 108 | 124 | 102 | 91 | 97 | 116 | 251 | 226 | 455 | 396 | 417 | 431 |
| Business and government | | | | | | | | | | | | | | | |
| Agriculture | (1) | (1) | (13) | (2) | 3 | - | (2) | 4 | (1) | (2) | 3 | (12) | 7 | - | 22 |
| Automotive | - | - | (1) | 2 | (1) | - | - | 1 | (6) | - | (1) | - | 1 | (1) | 1 |
| Consumer goods | - | - | 4 | 20 | (5) | 2 | 1 | (2) | (18) | - | (3) | 21 | (19) | 10 | 17 |
| Energy | (17) | (27) | - | (15) | (4) | (1) | 5 | 10 | (1) | (44) | (5) | (20) | 50 | 78 | 145 |
| Financial services | - | 2 | - | - | - | 10 | 3 | - | (3) | 2 | 10 | 10 | - | (1) | (6) |
| Forest products | (1) | - | (8) | - | (43) | (2) | (1) | 6 | (1) | (1) | (45) | (53) | 3 | 13 | 4 |
| Industrial products | - | - | 2 | (1) | (7) | (3) | 1 | (2) | 6 | - | (10) | (9) | 5 | 1 | (2) |
| Mining and metals | - | - | - | - | - | (1) | - | (11) | 14 | - | (1) | (1) | (4) | 5 | 27 |
| Real estate and related | (2) | 1 | (5) | 2 | (13) | 1 | (1) | (2) | (1) | (1) | (12) | (15) | (7) | (12) | (16) |
| Small business | 14 | 11 | 13 | 9 | 18 | 4 | 19 | 13 | 27 | 25 | 22 | 44 | 75 | 77 | 110 |
| Technology and media | (5) | (1) | (1) | (2) | - | (4) | (1) | 6 | (3) | (6) | (4) | (7) | 1 | 30 | 298 |
| Transportation and environment | 3 | (7) | (7) | - | 16 | (2) | (1) | (1) | 1 | (4) | 14 | 7 | (35) | 77 | 2 |
| Other | 5 | 3 | (8) | 13 | 17 | (53) | 8 | 6 | 19 | 8 | (36) | (31) | 48 | 27 | 32 |
| Total business and government | (4) | (19) | (24) | 26 | (19) | (49) | 31 | 28 | 33 | (23) | (68) | (66) | 125 | 304 | 634 |
| Total specific provision for credit losses | 126 | 102 | 97 | 134 | 105 | 53 | 122 | 125 | 149 | 228 | 158 | 389 | 521 | 721 | 1,065 |
| Total general provision | (2) | (55) | 6 | (6) | 11 | 55 | (25) | - | - | (57) | 66 | 66 | (175) | - | - |
| Total provision for credit losses | 124 | 47 | 103 | 128 | 116 | 108 | 97 | 125 | 149 | 171 | 224 | 455 | 346 | 721 | 1,065 |
| Specific provision for credit loss by credit portfolio and geographic areas ¹ | | | | | | | | | | | | | | | |
| Canada | | | | | | | | | | | | | | | |
| Residential mortgage | 2 | 2 | 1 | - | 1 | (1) | 5 | - | - | 4 | - | 1 | 6 | 4 | 2 |
| Personal | 81 | 70 | 68 | 55 | 71 | 53 | 42 | 50 | 68 | 151 | 124 | 247 | 211 | 230 | 267 |
| Credit cards | 43 | 43 | 50 | 47 | 49 | 46 | 44 | 43 | 43 | 86 | 95 | 192 | 166 | 152 | 135 |
| Business and government | 13 | - | (17) | 25 | (17) | 4 | 13 | 12 | 12 | 13 | (13) | (5) | 30 | 141 | 125 |
| Total Canada | 139 | 115 | 102 | 127 | 104 | 102 | 104 | 105 | 123 | 254 | 206 | 435 | 413 | 527 | 529 |
| United States | | | | | | | | | | | | | | | |
| Consumer | 4 | 6 | 2 | 6 | 3 | 4 | - | 4 | 5 | 10 | 7 | 15 | 13 | 30 | 27 |
| Business and government | (18) | (18) | (7) | - | (4) | (49) | 19 | 25 | 16 | (36) | (53) | (60) | 106 | 78 | 413 |
| Total United States | (14) | (12) | (5) | 6 | (1) | (45) | 19 | 29 | 21 | (26) | (46) | (45) | 119 | 108 | 440 |
| Other International | | | | | | | | | | | | | | | |
| Consumer | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | - |
| Business and government | 1 | (1) | - | 1 | 2 | (4) | (1) | (9) | 5 | - | (2) | (1) | (11) | 85 | 96 |
| Total Other International | 1 | (1) | - | 1 | 2 | (4) | (1) | (9) | 5 | - | (2) | (1) | (11) | 86 | 96 |
| Total | | | | | | | | | | | | | | | |
| Consumer | 130 | 121 | 121 | 108 | 124 | 102 | 91 | 97 | 116 | 251 | 226 | 455 | 396 | 417 | 431 |
| Business and government | (4) | (19) | (24) | 26 | (19) | (49) | 31 | 28 | 33 | (23) | (68) | (66) | 125 | 304 | 634 |
| Total | 126 | 102 | 97 | 134 | 105 | 53 | 122 | 125 | 149 | 228 | 158 | 389 | 521 | 721 | 1,065 |

¹Based on residence of borrower

| ALLOWANCE FOR CREDIT LOSSES (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
|---|--|-------|-------|-------|-------|-------|-------|-------|-------|------------------|------------------|-------|---------|-------|---------|
| | Allowance for credit losses by risk (ACL) | | | | | | | | | | | | | | |
| Specific | | | | | | | | | | | | | | | |
| Consumer | | | | | | | | | | | | | | | |
| Residential mortgage | 13 | 12 | 10 | 10 | 12 | 12 | 13 | 11 | 14 | 13 | 12 | 10 | 13 | 13 | 17 |
| Personal | 104 | 105 | 103 | 94 | 101 | 104 | 111 | 118 | 129 | 104 | 101 | 103 | 111 | 139 | 177 |
| Total consumer | 117 | 117 | 113 | 104 | 113 | 116 | 124 | 129 | 143 | 117 | 113 | 113 | 124 | 152 | 194 |
| Business and government | | | | | | | | | | | | | | | |
| Agriculture | 10 | 10 | 15 | 32 | 32 | 28 | 28 | 45 | 46 | 10 | 32 | 15 | 28 | 43 | 50 |
| Automotive | 2 | 2 | 2 | 2 | 1 | - | 2 | 2 | 1 | 2 | 1 | 2 | 2 | 1 | 14 |
| Consumer goods | 26 | 25 | 25 | 22 | 2 | 3 | 5 | 5 | 7 | 26 | 2 | 25 | 5 | 19 | 24 |
| Energy | 8 | 9 | 9 | 26 | 54 | 55 | 53 | 113 | 106 | 8 | 54 | 9 | 53 | 143 | 103 |
| Financial services | 24 | 25 | 24 | 24 | 25 | 25 | 14 | 19 | 21 | 24 | 25 | 24 | 14 | 31 | 32 |
| Forest products | 3 | 3 | 3 | 12 | 12 | 55 | 57 | 58 | 52 | 3 | 12 | 3 | 57 | 54 | 43 |
| Industrial products | 2 | 2 | 2 | 4 | 4 | 12 | 15 | 17 | 18 | 2 | 4 | 2 | 15 | 18 | 28 |
| Mining and metals | - | - | - | 1 | - | - | 2 | 3 | 15 | - | - | - | 2 | 32 | 38 |
| Real estate and related | 4 | 5 | 7 | 9 | 9 | 11 | 18 | 20 | 22 | 4 | 9 | 7 | 18 | 22 | 34 |
| Small business | 60 | 61 | 53 | 72 | 75 | 76 | 80 | 81 | 93 | 60 | 75 | 53 | 80 | 89 | 101 |
| Technology and media | 5 | 6 | 6 | 7 | 11 | 11 | 13 | 18 | 30 | 5 | 11 | 6 | 13 | 35 | 103 |
| Transportation and environment | 3 | 1 | 2 | 4 | 19 | 5 | 11 | 26 | 45 | 3 | 19 | 2 | 11 | 67 | 59 |
| Other | 22 | 19 | 21 | 33 | 27 | 27 | 65 | 66 | 61 | 22 | 27 | 21 | 65 | 51 | 71 |
| Total business and government | 169 | 168 | 169 | 248 | 271 | 308 | 363 | 473 | 517 | 169 | 271 | 169 | 363 | 605 | 700 |
| General | 1,219 | 1,224 | 1,286 | 1,287 | 1,298 | 1,284 | 1,227 | 1,264 | 1,269 | 1,219 | 1,298 | 1,286 | 1,227 | 1,407 | 1,420 |
| Total | 1,505 | 1,509 | 1,568 | 1,639 | 1,682 | 1,708 | 1,714 | 1,866 | 1,929 | 1,505 | 1,682 | 1,568 | 1,714 | 2,164 | 2,314 |
| Allowance for credit loss by credit portfolio and geographic area ¹ | | | | | | | | | | | | | | | |
| Canada | | | | | | | | | | | | | | | |
| Residential mortgage | 11 | 10 | 9 | 9 | 10 | 10 | 11 | 10 | 12 | 11 | 10 | 9 | 11 | 12 | 14 |
| Personal | 102 | 102 | 101 | 92 | 98 | 101 | 108 | 111 | 120 | 102 | 98 | 101 | 108 | 129 | 163 |
| Business and government | 120 | 121 | 120 | 161 | 166 | 201 | 208 | 249 | 275 | 120 | 166 | 120 | 208 | 297 | 329 |
| Total Canada | 233 | 233 | 230 | 262 | 274 | 312 | 327 | 370 | 407 | 233 | 274 | 230 | 327 | 438 | 506 |
| United States | | | | | | | | | | | | | | | |
| Consumer | 3 | 4 | 3 | 3 | 4 | 4 | 5 | 8 | 11 | 3 | 4 | 3 | 5 | 11 | 17 |
| Business and government | 20 | 18 | 18 | 54 | 71 | 74 | 118 | 178 | 161 | 20 | 71 | 18 | 118 | 131 | 212 |
| Total United States | 23 | 22 | 21 | 57 | 75 | 78 | 123 | 186 | 172 | 23 | 75 | 21 | 123 | 142 | 229 |
| Other International | | | | | | | | | | | | | | | |
| Consumer | 1 | 1 | - | - | 1 | 1 | - | - | - | 1 | 1 | - | - | - | - |
| Business and government | 29 | 29 | 31 | 33 | 34 | 33 | 37 | 46 | 81 | 29 | 34 | 31 | 37 | 177 | 159 |
| Total Other International | 30 | 30 | 31 | 33 | 35 | 34 | 37 | 46 | 81 | 30 | 35 | 31 | 37 | 177 | 159 |
| Total | | | | | | | | | | | | | | | |
| Consumer | 117 | 117 | 113 | 104 | 113 | 116 | 124 | 129 | 143 | 117 | 113 | 113 | 124 | 152 | 194 |
| Business and government | 169 | 168 | 169 | 248 | 271 | 308 | 363 | 473 | 517 | 169 | 271 | 169 | 363 | 605 | 700 |
| General | 1,219 | 1,224 | 1,286 | 1,287 | 1,298 | 1,284 | 1,227 | 1,264 | 1,269 | 1,219 | 1,298 | 1,286 | 1,227 | 1,407 | 1,420 |
| Total Allowance for Credit Loss by Geographies | 1,505 | 1,509 | 1,568 | 1,639 | 1,682 | 1,708 | 1,714 | 1,866 | 1,929 | 1,505 | 1,682 | 1,568 | 1,714 | 2,164 | 2,314 |
| Allowance for credit losses by type | | | | | | | | | | | | | | | |
| Allowance for loan losses | 1,435 | 1,439 | 1,498 | 1,569 | 1,612 | 1,638 | 1,644 | 1,693 | 1,739 | 1,435 | 1,612 | 1,498 | 1,644 | 2,055 | 2,203 |
| Allowance for off-balance sheet items | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 173 | 190 | 70 | 70 | 70 | 70 | 109 | 109 |
| Allowance for loan substitute securities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 |
| Total | 1,505 | 1,509 | 1,568 | 1,639 | 1,682 | 1,708 | 1,714 | 1,866 | 1,929 | 1,505 | 1,682 | 1,568 | 1,714 | 2,164 | 2,314 |
| Changes in the allowance for credit losses | | | | | | | | | | | | | | | |
| Balance at beginning of period | 1,509 | 1,568 | 1,639 | 1,682 | 1,708 | 1,714 | 1,866 | 1,929 | 2,036 | 1,568 | 1,714 | 1,714 | 2,164 | 2,314 | 2,392 |
| Provision for credit losses | 124 | 47 | 103 | 128 | 116 | 108 | 97 | 125 | 149 | 171 | 224 | 455 | 346 | 721 | 1,065 |
| Write-offs | (188) | (164) | (228) | (188) | (186) | (168) | (260) | (231) | (316) | (352) | (354) | (770) | (1,001) | (982) | (1,457) |
| Recoveries | 63 | 61 | 49 | 40 | 40 | 45 | 50 | 48 | 45 | 124 | 85 | 174 | 216 | 170 | 198 |
| Adjustments on acquisition ² | - | - | - | - | - | - | - | - | - | - | - | - | 6 | 8 | 18 |
| Other adjustments ³ | (3) | (3) | 5 | (23) | 4 | 9 | (39) | (5) | 15 | (6) | 13 | (5) | (17) | (67) | 98 |
| Balance at end of period | 1,505 | 1,509 | 1,568 | 1,639 | 1,682 | 1,708 | 1,714 | 1,866 | 1,929 | 1,505 | 1,682 | 1,568 | 1,714 | 2,164 | 2,314 |

¹Based on residence of borrower.

²Adjustment amounts include: Provident Financial Group Inc. \$6 million in Q1/04; Admiralty Bancorp, Inc. \$8 million in Q1/03 and Eagle Bancshares, Inc. \$18 million in Q3/02.

³Other adjustments include primarily foreign exchange translations on non-Canadian dollar denominated ACL.

| CREDIT QUALITY RATIOS (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
|---|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|------------------|---------|---------|---------|---------|
| | Diversification ratios | | | | | | | | | | | | | | |
| as a % of Total loans and acceptances | | | | | | | | | | | | | | | |
| Consumer | 68% | 69% | 69% | 69% | 70% | 70% | 70% | 68% | 68% | 68% | 70% | 69% | 70% | 67% | 62% |
| Business and government | 32% | 31% | 31% | 31% | 30% | 30% | 30% | 32% | 32% | 32% | 30% | 31% | 30% | 33% | 38% |
| Canada | 87% | 87% | 87% | 86% | 86% | 86% | 87% | 86% | 85% | 87% | 86% | 87% | 87% | 84% | 79% |
| U.S. | 10% | 10% | 10% | 11% | 11% | 11% | 10% | 11% | 11% | 10% | 11% | 10% | 10% | 12% | 15% |
| Other International | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 4% | 3% | 3% | 3% | 3% | 4% | 6% |
| Condition ratios | | | | | | | | | | | | | | | |
| Gross Impaired Loans (GILs) as a % of related loans and acceptances | 0.38% | 0.40% | 0.39% | 0.45% | 0.49% | 0.58% | 0.70% | 0.80% | 0.94% | 0.38% | 0.49% | 0.39% | 0.70% | 1.04% | 1.30% |
| Consumer | 0.25% | 0.26% | 0.22% | 0.22% | 0.24% | 0.23% | 0.27% | 0.27% | 0.32% | 0.25% | 0.24% | 0.22% | 0.27% | 0.32% | 0.40% |
| Business and government | 0.66% | 0.70% | 0.77% | 0.97% | 1.09% | 1.37% | 1.73% | 1.92% | 2.25% | 0.66% | 1.09% | 0.77% | 1.73% | 2.48% | 2.74% |
| Canada | 0.29% | 0.30% | 0.29% | 0.33% | 0.35% | 0.44% | 0.51% | 0.55% | 0.66% | 0.29% | 0.35% | 0.29% | 0.51% | 0.75% | 0.92% |
| U.S. | 0.92% | 0.94% | 0.94% | 1.15% | 1.38% | 1.49% | 2.01% | 2.39% | 2.50% | 0.92% | 1.38% | 0.94% | 2.01% | 1.86% | 2.22% |
| Other International | 1.10% | 1.16% | 1.58% | 1.17% | 1.47% | 1.17% | 1.86% | 1.86% | 2.34% | 1.10% | 1.47% | 1.58% | 1.86% | 4.37% | 3.94% |
| Net Impaired Loans (NILs) as a % of related loans and acceptances | 0.24% | 0.25% | 0.25% | 0.26% | 0.29% | 0.34% | 0.43% | 0.46% | 0.56% | 0.24% | 0.29% | 0.25% | 0.43% | 0.59% | 0.79% |
| Consumer | 0.17% | 0.17% | 0.14% | 0.14% | 0.15% | 0.14% | 0.17% | 0.17% | 0.20% | 0.17% | 0.15% | 0.14% | 0.17% | 0.19% | 0.22% |
| Business and government and acceptances | 0.40% | 0.44% | 0.49% | 0.55% | 0.61% | 0.81% | 1.05% | 1.09% | 1.33% | 0.40% | 0.61% | 0.49% | 1.05% | 1.39% | 1.71% |
| Canada | 0.16% | 0.17% | 0.16% | 0.17% | 0.18% | 0.24% | 0.29% | 0.31% | 0.39% | 0.16% | 0.18% | 0.16% | 0.29% | 0.44% | 0.55% |
| U.S. | 0.80% | 0.84% | 0.84% | 0.88% | 1.01% | 1.09% | 1.35% | 1.43% | 1.62% | 0.80% | 1.01% | 0.84% | 1.35% | 1.13% | 1.35% |
| Other International | 0.68% | 0.73% | 0.98% | 0.69% | 0.85% | 0.66% | 1.17% | 1.11% | 1.27% | 0.68% | 0.85% | 0.98% | 1.71% | 1.95% | 2.49% |
| PCL as a % of Average loans and acceptances | 0.25% | 0.09% | 0.21% | 0.27% | 0.26% | 0.24% | 0.22% | 0.28% | 0.36% | 0.17% | 0.25% | 0.24% | 0.20% | 0.43% | 0.62% |
| Specific PCL as a % of Average related loans and acceptances ¹ | 0.26% | 0.20% | 0.20% | 0.28% | 0.24% | 0.12% | 0.27% | 0.28% | 0.36% | 0.23% | 0.18% | 0.21% | 0.30% | 0.43% | 0.62% |
| Consumer | 0.38% | 0.34% | 0.35% | 0.32% | 0.39% | 0.32% | 0.29% | 0.32% | 0.41% | 0.36% | 0.36% | 0.35% | 0.34% | 0.39% | 0.42% |
| Business and government | (0.03)% | (0.13)% | (0.17)% | 0.19% | (0.15)% | (0.37)% | 0.23% | 0.20% | 0.24% | (0.08)% | (0.26)% | (0.12)% | 0.23% | 0.52% | 0.93% |
| Coverage ratios | | | | | | | | | | | | | | | |
| ACL as a % of Total loans and acceptances | 0.73% | 0.75% | 0.79% | 0.85% | 0.91% | 0.94% | 0.97% | 1.05% | 1.12% | 0.73% | 0.91% | 0.79% | 0.97% | 1.30% | 1.33% |
| Specific ACL as a % of Total loans and acceptances | | | | | | | | | | | | | | | |
| Consumer | 0.06% | 0.06% | 0.06% | 0.05% | 0.06% | 0.06% | 0.07% | 0.07% | 0.08% | 0.06% | 0.06% | 0.06% | 0.07% | 0.09% | 0.11% |
| Business and government | 0.08% | 0.08% | 0.09% | 0.13% | 0.15% | 0.17% | 0.20% | 0.27% | 0.30% | 0.08% | 0.15% | 0.09% | 0.20% | 0.36% | 0.40% |
| ACL as a % of GIL | 189.70% | 188.52% | 202.49% | 189.35% | 182.86% | 162.19% | 136.14% | 131.22% | 117.77% | 189.70% | 182.86% | 202.49% | 136.14% | 124.01% | 101.14% |
| Allowance for loan losses as a % of GIL | 180.87% | 179.77% | 193.45% | 181.26% | 175.25% | 155.54% | 130.58% | 119.05% | 106.17% | 180.87% | 175.25% | 193.45% | 130.58% | 117.78% | 96.37% |
| Specific ACL as a % of GIL | | | | | | | | | | | | | | | |
| Consumer | 14.75% | 14.63% | 14.60% | 12.01% | 12.28% | 11.02% | 9.85% | 9.07% | 8.73% | 14.75% | 12.28% | 14.60% | 9.85% | 8.71% | 8.48% |
| Business and government | 21.31% | 21.00% | 21.83% | 28.64% | 29.46% | 29.25% | 28.83% | 33.26% | 31.56% | 21.31% | 29.46% | 21.83% | 28.83% | 34.67% | 30.59% |
| Total Net Write-offs as a % of Average loans and acceptances | 0.25% | 0.21% | 0.37% | 0.31% | 0.33% | 0.27% | 0.47% | 0.42% | 0.65% | 0.23% | 0.30% | 0.32% | 0.46% | 0.49% | 0.74% |
| Consumer | 0.26% | 0.22% | 0.25% | 0.25% | 0.29% | 0.25% | 0.22% | 0.25% | 0.30% | 0.24% | 0.27% | 0.26% | 0.25% | 0.28% | 0.28% |
| Business and government and acceptances | (0.01)% | (0.01)% | 0.12% | 0.06% | 0.04% | 0.02% | 0.25% | 0.16% | 0.35% | (0.01)% | 0.03% | 0.06% | 0.21% | 0.21% | 0.46% |
| Canada | 0.28% | 0.23% | 0.30% | 0.26% | 0.32% | 0.26% | 0.31% | 0.34% | 0.38% | 0.26% | 0.29% | 0.28% | 0.31% | 0.36% | 0.42% |
| U.S. | (0.03)% | (0.03)% | 0.06% | 0.04% | 0.01% | 0.01% | 0.15% | 0.03% | 0.04% | (0.03)% | 0.01% | 0.03% | 0.07% | 0.09% | 0.28% |
| Other International | 0.00% | 0.00% | 0.00% | 0.01% | 0.00% | 0.00% | 0.01% | 0.05% | 0.23% | 0.00% | 0.00% | 0.00% | 0.08% | 0.03% | 0.04% |

¹ A \$52 million transfer of the allocated specific allowance to the allocated general allowance during Q1/05 decreased this ratio by 0.11% or 0.03% for fiscal 2005.

| GOODWILL (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
|---|---|-------|-------|-------|-------|-------|-------|-------|-------|------------------|------------------|-------|-------|-------|-------|
| | Opening Balance - continuing operations | 4,157 | 4,203 | 4,278 | 4,412 | 4,337 | 4,280 | 4,610 | 4,741 | 4,518 | 4,203 | 4,280 | 4,280 | 4,356 | 5,004 |
| Net goodwill acquired | 10 | 77 | 4 | - | 3 | 3 | 14 | 3 | 76 | 87 | 6 | 10 | 232 | 188 | 181 |
| Other adjustments ¹ | (62) | (123) | (79) | (134) | 72 | 54 | (344) | (134) | 147 | (185) | 126 | (87) | (308) | (836) | (96) |
| Closing Balance - continuing operations | 4,105 | 4,157 | 4,203 | 4,278 | 4,412 | 4,337 | 4,280 | 4,610 | 4,741 | 4,105 | 4,412 | 4,203 | 4,280 | 4,356 | 5,004 |

| BUSINESS REALIGNMENT CHARGES (C\$ MM) | Q2/06 | | | Q1/06 | | | Q4/05 | | | | Q2/05 | | | |
|---|--------------------------|--------------------------|---------------|--------------------------|--------------------------|---------------|--------------------------|--------------------------|---------------|---------------|--------------------------|--------------------------|---------------|---------------|
| | Employee-related charges | Premises-related charges | Total charges | Employee-related charges | Premises-related charges | Total charges | Employee-related charges | Premises-related charges | Other charges | Total charges | Employee-related charges | Premises-related charges | Other charges | Total charges |
| Opening liability balance - continuing operations | 90 | - | 90 | 118 | - | 118 | 109 | - | 1 | 110 | 155 | - | 11 | 166 |
| Adjustments | - | - | - | - | - | - | 40 | - | (1) | 39 | (5) | - | - | (5) |
| Cash payments | (16) | - | (16) | (27) | - | (27) | (30) | - | - | (30) | (20) | - | (10) | (30) |
| Foreign exchange translation | - | - | - | (1) | - | (1) | (1) | - | - | (1) | - | - | - | - |
| Closing liability balance - continuing operations | 74 | - | 74 | 90 | - | 90 | 118 | - | - | 118 | 130 | - | 1 | 131 |
| Opening liability balance - discontinued operations | - | 11 | 11 | 1 | 12 | 13 | 1 | 16 | - | 17 | 1 | 11 | - | 12 |
| Adjustments | - | 6 | 6 | - | - | - | 1 | 1 | - | 2 | - | 2 | - | 2 |
| Cash payments | - | (2) | (2) | (1) | (1) | (2) | (1) | (5) | - | (6) | - | (2) | - | (2) |
| Closing liability balance - discontinued operations | - | 15 | 15 | - | 11 | 11 | 1 | 12 | - | 13 | 1 | 11 | - | 12 |
| Closing liability balance - total | 74 | 15 | 89 | 90 | 11 | 101 | 119 | 12 | - | 131 | 131 | 11 | 1 | 143 |

| SECURITIES MARKET VALUE SURPLUS ² (C\$ MM) | Q2/06 | | | | | Q1/06 | | | | | Q4/05 | Q3/05 | Q2/05 |
|--|------------|------------|------------------------------------|-----------------------------------|--|------------|------------|------------------------------------|-----------------------------------|--|--|-------|-------|
| | Book Value | Fair Value | Fair Value over (under) Book Value | Fair Value of Hedging Derivatives | Unrealized gains (losses) net of Fair Value of Hedging Derivatives | Book Value | Fair Value | Fair Value over (under) Book Value | Fair Value of Hedging Derivatives | Unrealized gains (losses) net of Fair Value of Hedging Derivatives | Unrealized gains (losses) net of Fair Value of Hedging Derivatives | | |
| Government Debt | 9,843 | 9,859 | 16 | (43) | (27) | 10,377 | 10,495 | 118 | (85) | 33 | 26 | 142 | 104 |
| Mortgage-backed securities | 10,423 | 10,235 | (188) | - | (188) | 9,135 | 9,050 | (85) | - | (85) | (71) | 2 | 22 |
| Other Debt | 15,090 | 15,176 | 86 | 1 | 87 | 13,497 | 13,640 | 143 | - | 143 | 165 | 260 | 202 |
| Equity | 1,609 | 1,577 | (32) | (6) | (38) | 1,098 | 1,078 | (20) | (9) | (29) | (50) | (41) | (7) |
| Total | 36,965 | 36,847 | (118) | (48) | (166) | 34,107 | 34,263 | 156 | (94) | 62 | 70 | 363 | 321 |

¹Other adjustments include primarily foreign exchange translations on non-Canadian dollar denominated goodwill.

²Includes investment account and loan substitute securities.

| ROE AND RORC RECONCILIATION ^{1,2} | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|----------|--|----------|--|--------|--|--------|--|--------|--|--------|--|--------|--|--------|--|--------|--|--------|--|-------|--|
| (C\$ MM) | | | | | | | | | | | 2006 | | 2005 | | 2005 | | 2004 | | 2003 | | 2002 | | | | | | | | | | | |
| | | | | | | | | | | | 6 months | | 6 months | | 2005 | | 2004 | | 2003 | | 2002 | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RBC Canadian Personal and Commercial | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Income | | | | | | | | | | | 608 | | 669 | | 504 | | 679 | | 524 | | 597 | | 448 | | 523 | | 502 | | | | | |
| less: Preferred dividends ⁷ | | | | | | | | | | | 5 | | 4 | | 3 | | 5 | | 6 | | 4 | | 4 | | 4 | | 3 | | | | | |
| Net Income available to common shareholders ³ | | | | | | | | | | | 603 | | 665 | | 501 | | 674 | | 518 | | 593 | | 444 | | 519 | | 499 | | 1,277 | | | |
| Average risk capital ⁴ | | | | | | | | | | | 6,350 | | 6,350 | | 6,250 | | 5,950 | | 5,700 | | 5,500 | | 5,700 | | 5,450 | | 5,250 | | 6,350 | | | |
| Return on risk capital (RORC) ⁵ | | | | | | | | | | | 39.1% | | 41.5% | | 31.7% | | 44.8% | | 37.3% | | 43.0% | | 31.0% | | 37.8% | | 38.6% | | 40.3% | | | |
| ROE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add: Average goodwill and other intangibles | | | | | | | | | | | 2,400 | | 2,400 | | 2,450 | | 2,650 | | 2,650 | | 2,600 | | 2,750 | | 3,000 | | 2,700 | | 2,400 | | | |
| Average attributed equity ⁴ | | | | | | | | | | | 8,750 | | 8,750 | | 8,700 | | 8,600 | | 8,350 | | 8,100 | | 8,450 | | 8,450 | | 8,450 | | 7,950 | | 8,750 | |
| ROE ⁵ | | | | | | | | | | | 28.3% | | 30.0% | | 22.8% | | 31.1% | | 25.5% | | 29.1% | | 20.9% | | 24.4% | | 25.6% | | 29.2% | | | |
| RBC US and International Personal and Business | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Income | | | | | | | | | | | 106 | | 101 | | 132 | | 80 | | 82 | | 93 | | 35 | | 70 | | 32 | | 207 | | | |
| less: Preferred dividends ⁷ | | | | | | | | | | | 2 | | 1 | | 1 | | 2 | | 2 | | 1 | | 2 | | 2 | | 2 | | 3 | | | |
| Net Income available to common shareholders ³ | | | | | | | | | | | 104 | | 100 | | 131 | | 78 | | 80 | | 92 | | 33 | | 68 | | 30 | | 204 | | | |
| Average risk capital ⁴ | | | | | | | | | | | 1,900 | | 1,850 | | 1,850 | | 1,950 | | 2,050 | | 1,900 | | 2,150 | | 2,300 | | 2,400 | | 1,850 | | | |
| Return on risk capital (RORC) ⁵ | | | | | | | | | | | 22.5% | | 21.6% | | 28.2% | | 15.7% | | 16.0% | | 19.0% | | 6.3% | | 12.0% | | 5.1% | | 22.0% | | | |
| ROE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add: Average goodwill and other intangibles | | | | | | | | | | | 1,350 | | 1,150 | | 1,200 | | 1,300 | | 1,300 | | 1,300 | | 1,500 | | 1,600 | | 1,500 | | 1,250 | | | |
| Average attributed equity ⁴ | | | | | | | | | | | 3,250 | | 3,000 | | 3,050 | | 3,250 | | 3,350 | | 3,200 | | 3,650 | | 3,900 | | 3,900 | | 3,100 | | | |
| ROE ⁵ | | | | | | | | | | | 13.2% | | 13.3% | | 17.0% | | 9.5% | | 9.7% | | 11.3% | | 3.7% | | 7.0% | | 3.1% | | 13.2% | | | |
| RBC Capital Markets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Income (loss) | | | | | | | | | | | 433 | | 330 | | (57) | | 255 | | 294 | | 268 | | 214 | | 196 | | 233 | | 763 | | | |
| less: Preferred dividends ⁷ | | | | | | | | | | | 3 | | 2 | | 2 | | 2 | | 3 | | 2 | | 2 | | 2 | | 2 | | 5 | | | |
| Net Income (loss) available to common shareholders ³ | | | | | | | | | | | 430 | | 328 | | (59) | | 253 | | 291 | | 266 | | 212 | | 194 | | 231 | | 758 | | | |
| Average risk capital ⁴ | | | | | | | | | | | 3,900 | | 3,400 | | 3,200 | | 3,100 | | 3,150 | | 3,200 | | 3,150 | | 3,200 | | 3,100 | | 3,650 | | | |
| Return on risk capital (RORC) ⁵ | | | | | | | | | | | 45.2% | | 37.8% | | (7.4%) | | 32.5% | | 38.1% | | 33.0% | | 27.1% | | 23.9% | | 30.7% | | 41.7% | | | |
| ROE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add: Average goodwill and other intangibles | | | | | | | | | | | 1,150 | | 900 | | 1,000 | | 1,000 | | 1,050 | | 1,050 | | 1,000 | | 1,200 | | 1,200 | | 1,050 | | | |
| Average attributed equity ⁴ | | | | | | | | | | | 5,050 | | 4,300 | | 4,200 | | 4,100 | | 4,200 | | 4,250 | | 4,150 | | 4,400 | | 4,300 | | 4,700 | | | |
| ROE ⁵ | | | | | | | | | | | 35.0% | | 30.0% | | (5.7%) | | 24.6% | | 28.9% | | 25.2% | | 20.3% | | 17.7% | | 22.0% | | 32.6% | | | |
| Corporate Support | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Income (loss) | | | | | | | | | | | (19) | | 72 | | (36) | | (13) | | 16 | | 19 | | (10) | | (18) | | (8) | | 53 | | | |
| less: Preferred dividends ⁷ | | | | | | | | | | | 1 | | 3 | | 1 | | 2 | | 1 | | 1 | | (1) | | 1 | | 1 | | 4 | | | |
| Net Income (loss) available to common shareholders ³ | | | | | | | | | | | (20) | | 69 | | (37) | | (15) | | 15 | | 18 | | (9) | | (19) | | (9) | | 49 | | | |
| Average risk capital ⁴ | | | | | | | | | | | 550 | | 550 | | 500 | | 500 | | 450 | | 550 | | 450 | | 550 | | 450 | | 550 | | | |
| ROE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add: Average unattributed equity ⁶ | | | | | | | | | | | 2,100 | | 2,700 | | 2,900 | | 2,700 | | 2,050 | | 1,500 | | 1,200 | | 900 | | 1,550 | | 2,400 | | | |
| Average attributed equity ⁴ | | | | | | | | | | | 2,650 | | 3,250 | | 3,400 | | 3,200 | | 2,500 | | 2,050 | | 1,650 | | 1,450 | | 2,000 | | 2,950 | | | |
| ROE ⁵ | | | | | | | | | | | (3.1%) | | 8.7% | | (4.1%) | | (1.9%) | | 2.3% | | 3.2% | | (2.8%) | | (5.1%) | | (1.6%) | | 3.4% | | | |
| RBC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net income from continuing operations | | | | | | | | | | | 1,128 | | 1,172 | | 543 | | 1,001 | | 916 | | 977 | | 687 | | 771 | | 759 | | 2,300 | | | |
| Net income (loss) from discontinued operations | | | | | | | | | | | (10) | | (1) | | (21) | | (22) | | (9) | | 2 | | (173) | | (28) | | 1 | | (11) | | | |
| Net income | | | | | | | | | | | 1,118 | | 1,171 | | 522 | | 979 | | 907 | | 979 | | 514 | | 743 | | 760 | | 2,289 | | | |
| less: Preferred dividends ⁷ | | | | | | | | | | | 11 | | 10 | | 7 | | 11 | | 12 | | 8 | | 7 | | 9 | | 8 | | 21 | | | |
| Net Income available to common shareholders ³ | | | | | | | | | | | 1,107 | | 1,161 | | 515 | | 968 | | 895 | | 971 | | 507 | | 734 | | 752 | | 2,268 | | | |
| Average risk capital ⁴ | | | | | | | | | | | 12,700 | | 12,150 | | 11,800 | | 11,500 | | 11,350 | | 11,150 | | 11,450 | | 11,500 | | 11,200 | | 12,400 | | | |
| Return on risk capital (RORC) - Continuing Operations ⁵ | | | | | | | | | | | 36.1% | | 38.0% | | 18.1% | | 34.1% | | 32.7% | | 34.5% | | 23.6% | | 26.4% | | 27.3% | | 37.0% | | | |
| RORC ⁵ | | | | | | | | | | | 35.7% | | 37.9% | | 17.3% | | 33.4% | | 32.4% | | 34.6% | | 17.6% | | 25.4% | | 27.3% | | 36.8% | | | |
| ROE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Average common equity | | | | | | | | | | | 19,700 | | 19,300 | | 19,350 | | 19,150 | | 18,400 | | 17,600 | | 17,900 | | 18,200 | | 18,150 | | 19,500 | | | |
| ROE - Continuing Operations ⁶ | | | | | | | | | | | 22.9% | | 23.6% | | 10.9% | | 20.2% | | 19.9% | | 21.6% | | 15.1% | | 16.6% | | 17.1% | | 23.3% | | | |
| ROE ⁵ | | | | | | | | | | | 23.0% | | 23.9% | | 10.6% | | 20.0% | | 19.9% | | 21.9% | | 11.3% | | 16.1% | | 16.8% | | 23.5% | | | |

¹ The average risk capital, goodwill and intangible capital, average attributed equity and average common equity figures shown above and throughout this document represent rounded figures. The ROE and RORC measures shown above and throughout this document are based on actual balances before rounding.

² In Q1/06, we made changes to our transfer pricing methodologies and have reclassified 2005 and 2004 results. This change impacted the following line items: net income, net income available to common shareholders, RORC and ROE in each of our segments.

³ Segment return calculations are based on segment net income less an allocation of preferred dividends (based on each segment's common equity).

⁴ Average risk capital includes credit, market (trading and non-trading), insurance, operational, business and fixed assets risk capital. Average attributed equity includes risk capital plus the net amounts of goodwill and intangibles capital.

⁵ RORC is based on average risk capital only. Segment ROE is based on average attributed equity. We do not report RORC for Corporate Support as it is not considered meaningful.

⁶ Unattributed equity is reported in our Corporate Support segment and included in its calculation of ROE.

⁷ Preferred dividends include a net gain on redemption of preferred shares.

| U.S. GAAP RECONCILIATION (C\$ MM) | Q2/06 | Q1/06 | Q4/05 | Q3/05 | Q2/05 | Q1/05 | Q4/04 | Q3/04 | Q2/04 | 2006 6 months | 2005 6 months | 2005 | 2004 | 2003 | 2002 |
|--|---|---------|-----------|-----------|-----------|---------|-----------|-----------|---------|------------------|------------------|-----------|-----------|---------|---------|
| | Net income from continuing operations, Canadian GAAP | 1,128 | 1,172 | 543 | 1,001 | 916 | 977 | 687 | 771 | 759 | 2,300 | 1,893 | 3,437 | 3,023 | 2,955 |
| Differences: | | | | | | | | | | | | | | | |
| Net interest income | | | | | | | | | | | | | | | |
| Derivatives instruments and hedging activities | 13 | 7 | 8 | 12 | 12 | 4 | 5 | 2 | 5 | 20 | 16 | 36 | 10 | (1) | (65) |
| Variable interest entities | - | - | - | - | - | - | (3) | 2 | (4) | - | - | - | (19) | (15) | - |
| Joint ventures | (20) | - | - | - | - | - | - | - | - | (20) | - | - | - | (2) | (1) |
| Liabilities and equity | 30 | 28 | 29 | 29 | 29 | 28 | 42 | 42 | 40 | 58 | 57 | 115 | 166 | 152 | 163 |
| Non-interest income | | | | | | | | | | | | | | | |
| Insurance accounting | (142) | (140) | (145) | (157) | (138) | (166) | (169) | (160) | (159) | (282) | (304) | (606) | (603) | (311) | (133) |
| Derivatives instruments and hedging activities | 6 | (33) | 4 | 10 | (7) | 4 | (34) | 23 | 6 | (27) | (3) | 11 | (1) | 29 | 156 |
| Reclassification of securities | 58 | 3 | 27 | - | - | - | - | - | 4 | 61 | - | 27 | 7 | (12) | - |
| Variable interest entities | - | - | - | - | - | - | - | (2) | 1 | - | - | - | - | 1 | - |
| Limited partnerships | 3 | (1) | (3) | (2) | (2) | (2) | 4 | 5 | (5) | 2 | (4) | (9) | (11) | - | - |
| Joint ventures | (128) | (40) | (47) | (39) | (48) | (37) | (39) | (40) | (34) | (168) | (85) | (171) | (146) | (147) | (150) |
| Other | (7) | (12) | - | - | - | (4) | - | 3 | (3) | (19) | (4) | (4) | - | 5 | (2) |
| Provision for (recovery of) credit losses | | | | | | | | | | | | | | | |
| Reclassification of securities | - | - | - | - | - | - | - | - | (4) | - | - | - | (1) | 6 | - |
| Joint ventures | 1 | (1) | - | 1 | 17 | - | - | - | - | - | 17 | 18 | - | - | - |
| Insurance policyholder benefits, claims and acquisition expense | | | | | | | | | | | | | | | |
| Insurance accounting | 147 | 102 | 51 | 155 | 144 | 234 | 166 | 145 | 157 | 249 | 378 | 584 | 582 | 270 | 205 |
| Non-interest expense | | | | | | | | | | | | | | | |
| Stock appreciation rights | 7 | 6 | 7 | 3 | 15 | - | 2 | - | (4) | 13 | 15 | 25 | (3) | 16 | 17 |
| Insurance accounting | 19 | 16 | 19 | 20 | 16 | 17 | 10 | 15 | 13 | 35 | 33 | 72 | 47 | 58 | 38 |
| Joint ventures | 127 | 30 | 33 | 27 | 29 | 29 | 30 | 31 | 27 | 157 | 58 | 118 | 114 | 122 | 122 |
| Variable interest entities | - | - | - | - | - | - | (10) | (15) | (10) | - | - | - | (35) | - | - |
| Other | 7 | 8 | - | - | - | - | (1) | - | - | 15 | - | - | (1) | (1) | (1) |
| Income taxes and net difference in income taxes due to the above items | (14) | 22 | 26 | (4) | (12) | (23) | 17 | (2) | 9 | 8 | (35) | (13) | 35 | 9 | (50) |
| Non-controlling interest in net income of subsidiaries | | | | | | | | | | | | | | | |
| Variable interest entities | - | - | - | - | - | - | 13 | 15 | 12 | - | - | - | 52 | 14 | - |
| Liabilities and equity | (26) | (25) | (25) | (26) | (25) | (25) | (38) | (39) | (37) | (51) | (50) | (101) | (152) | (115) | (103) |
| Net income from continuing operations, U.S. GAAP | 1,209 | 1,142 | 527 | 1,030 | 946 | 1,036 | 682 | 796 | 773 | 2,351 | 1,982 | 3,539 | 3,064 | 3,033 | 2,898 |
| Net income (loss) from discontinued operations, Canadian GAAP | (10) | (1) | (21) | (22) | (9) | 2 | (173) | (28) | 1 | (11) | (7) | (50) | (220) | 13 | N/A |
| Differences - Other | - | - | 3 | - | (1) | 3 | (5) | - | - | - | 2 | 5 | (5) | (10) | N/A |
| Net income (loss) from discontinued operations, U.S. GAAP | (10) | (1) | (18) | (22) | (10) | 5 | (178) | (28) | 1 | (11) | (5) | (45) | (225) | 3 | N/A |
| Net income, U.S. GAAP | 1,199 | 1,141 | 509 | 1,008 | 936 | 1,041 | 504 | 768 | 774 | 2,340 | 1,977 | 3,494 | 2,839 | 3,036 | 2,898 |
| U.S. GAAP: | | | | | | | | | | | | | | | |
| Basic earnings per share | \$ 0.92 | \$ 0.87 | \$ 0.39 | \$ 0.77 | \$ 0.71 | \$ 0.80 | \$ 0.38 | \$ 0.58 | \$ 0.59 | \$ 1.79 | \$ 1.51 | \$ 2.67 | \$ 2.16 | \$ 2.24 | \$ 2.08 |
| Basic earnings per share from continuing operations | \$ 0.93 | \$ 0.87 | \$ 0.40 | \$ 0.79 | \$ 0.72 | \$ 0.80 | \$ 0.52 | \$ 0.60 | \$ 0.59 | \$ 1.80 | \$ 1.52 | \$ 2.71 | \$ 2.33 | \$ 2.24 | \$ 2.08 |
| Basic earnings (loss) per share from discontinued operations | \$ (0.01) | \$ - | \$ (0.01) | \$ (0.02) | \$ (0.01) | \$ - | \$ (0.14) | \$ (0.02) | \$ - | \$ (0.01) | \$ (0.01) | \$ (0.04) | \$ (0.17) | \$ - | N/A |
| Diluted earnings per share | \$ 0.91 | \$ 0.86 | \$ 0.38 | \$ 0.76 | \$ 0.70 | \$ 0.79 | \$ 0.38 | \$ 0.58 | \$ 0.58 | \$ 1.77 | \$ 1.49 | \$ 2.63 | \$ 2.13 | \$ 2.21 | \$ 2.06 |
| Diluted earnings per share from continuing operations | \$ 0.92 | \$ 0.86 | \$ 0.39 | \$ 0.78 | \$ 0.71 | \$ 0.79 | \$ 0.52 | \$ 0.60 | \$ 0.58 | \$ 1.78 | \$ 1.50 | \$ 2.67 | \$ 2.30 | \$ 2.21 | \$ 2.06 |
| Diluted earnings (loss) per share from discontinued operations | \$ (0.01) | \$ - | \$ (0.01) | \$ (0.02) | \$ (0.01) | \$ - | \$ (0.14) | \$ (0.02) | \$ - | \$ (0.01) | \$ (0.01) | \$ (0.04) | \$ (0.17) | \$ - | N/A |