# Composition ofbusiness segments

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Personal & Commercial Banking provides a broad suite of financial products and services to individuals and businesses for their day-to-day banking,investing and financing needs through two businesses:Canadian Banking and Caribbean & U.S.Banking.In Canada,we provide a broad suite offinancial products and services through our large branch network, automated teller machines, and mobile sales network.In the Caribbean and the U.S.,we offer a broad range of financial products and services in targeted markets.Non-interest income in Personal & Commercial Banking mainly comprises Service charges, Mutual fund revenue and Card service revenue.

ealth Management serves high net worth and ultra-high net worth individua and institutiona clients with aco ite of advice-based solutions and strategies to help them achieve their financial goals through our lines of bu nada,the U.S., the U.K., Europe and Asia,including Canadian Wealth Management,U.S.Wealth Management tional),Global Asset Management, and International Wealth Management.Non-interestincome in Wealth Mo mprises Investment management and custodial fees, Mutual fund revenue and Securities brokerage commiss

Insurance has operations in Canada and globally,operating under two business lines:Canadian Insurance and International Insurance, providing a wide range of advice and solutions for individual and business clients including life,health wealth,home,auto,travel, annuities and reinsurance.In Canada, we offer our products and services through a wide variety of channels,comprised of mobile advisors, advice centres,RBc Insurance stores, and digital platforms as well as through independent brokers and partners.Outside Canada,we operate in reinsurance and retrocession markets globally offering life disability and longevity reinsurance products.Non-interest income in Insurance comprises Insurance premiums,investment and fee income.

Investor & Treasury Services offers custody,fund administration,shareholder services,private capitalservices,middle office transaction banking (including trade finance,insourced solutions and services to broker dealers),and treasury and market services (including cash/liquidity management,foreign exchange and securities finance).Non-interest income in Investor & Treasury Services mainly comprises Investment management and custodial fees, and Foreign exchange revenue,other than trading.

Capital Markets provides expertise in advisory & origination,sales & trading, and lending & financing to corporations, institutional clients,asset managers,private equity firms and governments globally in our two main business lines:Corporate & Investment Banking and Global Markets.In North America, we offer a full suite of products and services which include equity and debt origination and distribution, advisory services, and sales & trading.Outside North America, we have a targeted strategic presence in the U.K.& Europe,Australia,Asia & other markets aligned to our globa expertise.In the U.K.& Europe,we offer a diversified set of capabilities in key industry sectors of focus.In Australia and Asia, we compete with global and regional investment banks in targeted areas aligned to our global expertise,including fixed income distribution and currencies trading, secured financing,as well as corporate and investment banking.Non-interest income in Capital Markets mainly includes Trading revenue,Underwriting and other advisory fees andCredit fees.

All other enterprise level activities that are not allocated to these five business segments,such as certain treasury and liquidity management activities,including amounts associated with unattributed capital, and consolidation adjustments,including the elimination of the Taxable equivalent basis (Teb gross-up amounts, are included in Corporate Support.Teb adjustments gross up income from certain tax-advantaged sources from Canadian taxable corporate dividends and U.s.tax credit investments recorded in Capital Markets to their effective tax equivalent value with the corresponding offset recorded in the provision for income taxes.Management believes that these Teb adjustments are necessary for Capital Markets to reflect how it is managed and enhances the comparability of revenue across our taxable and tax-advantaged sources.Our use of Teb adjustments may nol be comparable to similarly adjusted amounts at other financial institutions.The Teb adjustment for the year ended October31, 2022 was$572 million October 31,2021-$518 million).Gains losses on economic hedges of our U.S.Wealth Management (including City National) share-based compensation plans,which are reflected in revenue,and related variability in share-based compensation expense driven by changes in the fair value of liabilities relating to these plans are also included in Corporate Support as this presentation more closely aligns with how we view business performance and manage the underlying risks

# Geographic segments

oorting,our segments are grouped into Canada, the U.S.and Other International.Transactions are primarily cation that best reflects the risk due to negative changes in economic conditions and prospects for growth du mic changes.This location frequently corresponds with the location of the legal entity through which the cted and the location of our clients.Transactions are recorded in the local currency and are subject to foreigr tuations with respect to the movement in the Canadian dollar.

# Management reporting framework

Our management reporting framework is intended to measure the performance of each business segment as if it were a stand alone business and reflects the way that the business segment is managed.This approach is intended to ensure that our business segments'results include all applicable revenue and expenses associated with the conduct of their business and depicts how management views those results.We regularly monitor these segment results for the purpose of making decisions about resource allocation and performance assessment.These items do not impact our consolidated results.

The expenses in each business segment may include costs or services directly incurred or provided on thei terprise level.For other costs not directly attributable to one of our business segments, we use a managemer mework that uses assumptions and methodologies for allocating overhead costs and indirect expenses to ou