

# Royal Bank of Canada

## Investor Presentation

Summer 2011



### Caution regarding forward-looking statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this Summer 2011 Investor Presentation, in filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our vision, aspiration, strategic goals and growth opportunities. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our vision, aspiration, strategic goals and growth opportunities, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our vision, aspiration, and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, operational and liquidity and funding risks, and other risks discussed in the Risk management section of our Q2 2011 Report to Shareholders and our 2010 Annual Report; general business, economic and financial market conditions in Canada, the United States and certain other countries in which we conduct business, including the effects of the European sovereign debt crisis; changes in accounting standards, policies and estimates, including changes in our estimates of provisions, allowances and valuations; the effects of changes in government fiscal, monetary and other policies; the effects of competition in the markets in which we operate; the impact of changes in laws and regulations, including tax laws, changes to and new interpretations of risk-based capital guidelines, and reporting instructions and liquidity regulatory guidance, and the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations to be issued thereunder; judicial or regulatory judgments and legal proceedings; the accuracy and completeness of information concerning our clients and counterparties; our ability to successfully execute our strategies and to complete and integrate strategic acquisitions and joint ventures successfully; and development and integration of our distribution networks.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the Risk management section of our Q2 2011 Report to Shareholders and in our 2010 Annual Report.

Information contained in or otherwise accessible through the websites mentioned does not form part of this Q2 presentation. All references in this Q2 2011 presentation to websites are inactive textual references and are for your information only.

# Contents

## 1 RBC / Investor Relations Overview

## 2 Business Segment Overview

## 3 Shareholder Returns and Financial Profile

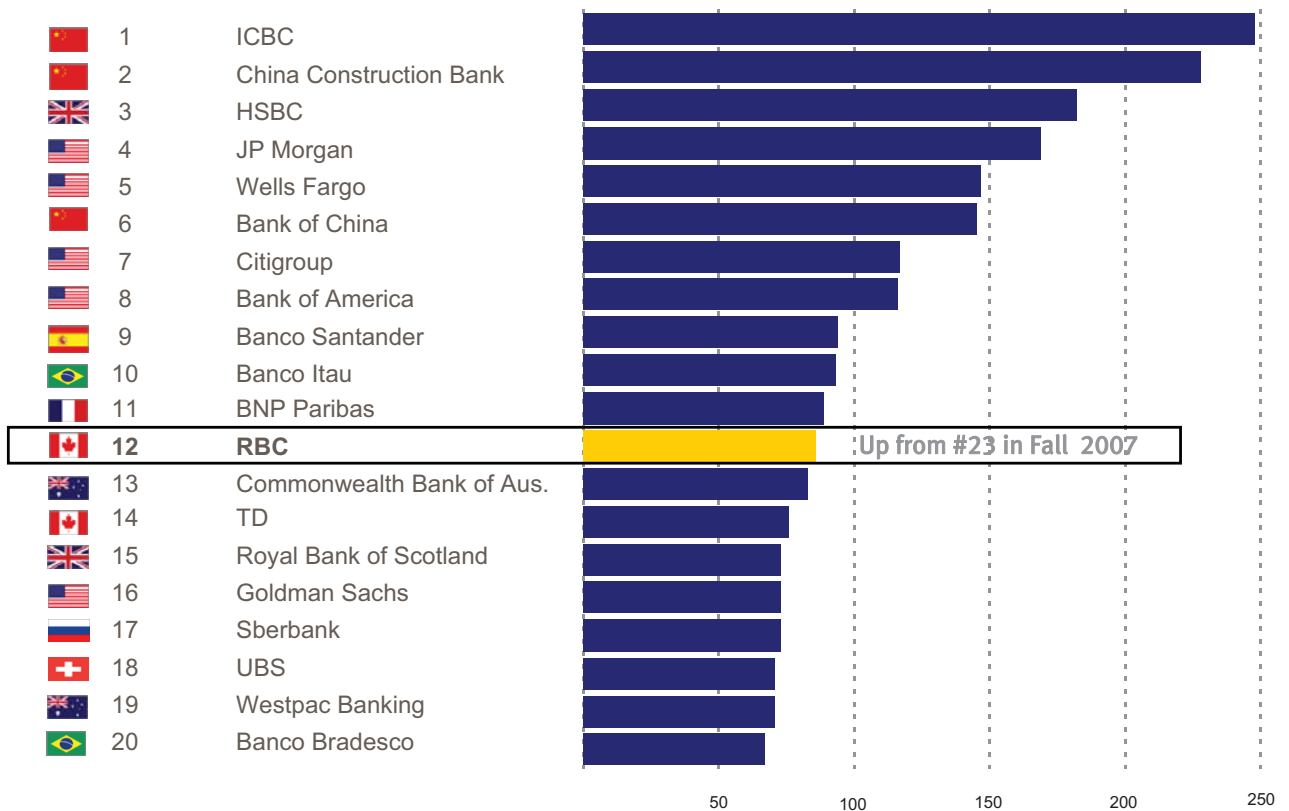


3



### RBC – Among the Top 20 Largest Banks Globally

US\$ billions <sup>(1)</sup>

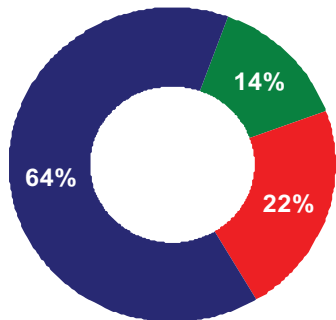




# Who we are – Canadian Leader with Selective Global Focus

## Revenue by Geography <sup>1</sup>

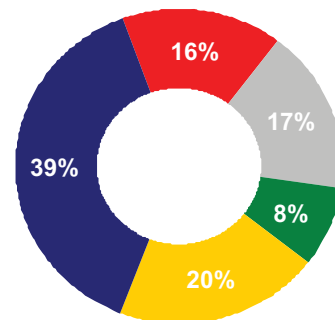
Five Year Average  
(2006-2010)



■ Canada ■ U.S. ■ International

## Revenue by Business Segment <sup>1</sup>

Five Year Average  
(2006-2010)



■ Canadian Banking ■ Wealth Management  
■ International Banking ■ Insurance  
■ Capital Markets

- Diversified model with the right mix of businesses and geographies
- Continuing to invest in our businesses to drive revenue growth

Managing for long-term success

## Contents

### 1 RBC Overview

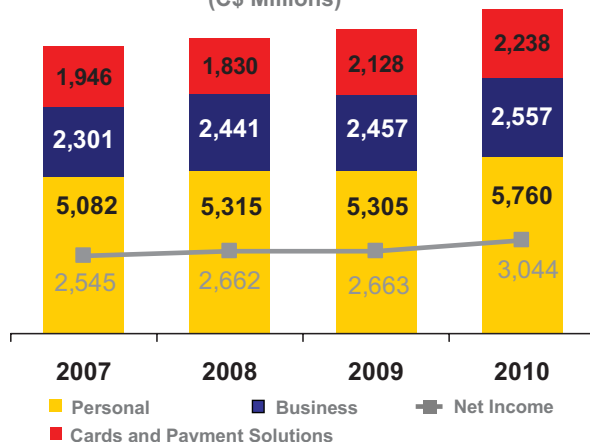
### 2 Business Segment Overview

### 3 Shareholder Returns and Financial Profile

2



## Revenue by Business (C\$ Millions)



## Q2 2011 Domestic Market Share and Rankings<sup>(1)</sup>

| Product                                  | Market Share | Rank |
|--|--------------|------|
| Consumer Lending                         | 21.2%        | 1    |
| Personal Core Deposits                   | 20.9%        | 2    |
| Personal Investments                     | 15.4%        | 1    |
| Business Loans (\$0 - \$250,000)         | 26.1%        | 1    |
| Business Loans (\$250,000 - \$5 million) | 26.5%        | 1    |
| Business Deposits and Investments        | 21.2%        | 1    |

- Building on leading market positions and extending our sales power
- Leveraging our unparalleled distribution network and cross-selling ability
- Simplifying processes and building end-to-end efficiencies

Profitably gaining market share



## Building on leading market positions and extending sales power

- Capturing disproportionate share of industry volume growth – target 25% growth premium.
- Improving client experience in 4 key areas – service, advice, convenience/access and value for money.

## Leveraging our unparalleled distribution network and cross-selling ability

- Largest, most integrated advice-based distribution network with depth and breadth of products.
- Offering superior client access with most branches (1,210) and ATMs (4,236).
- Matching distribution to changing shopping patterns, with new online and mobile banking functionalities and the largest dedicated mobile mortgage specialist network (1,316).
- Effectively cross-selling products and services from Wealth Management and Insurance.

## Investing to drive further efficiencies, enabling growth at lower cost

- Enhancing sales capability by simplifying policies, products and procedures.
- Driving efficiencies by streamlining and automating key processes and reinvesting to drive revenue.
- Introduced new retail store of the future, bringing to life a differentiated service and advice experience using state of the art multimedia technology.
- Q2/11 efficiency ratio is 47.9 percent - one of the lowest levels over the last two years.

## Track record of industry leading performance

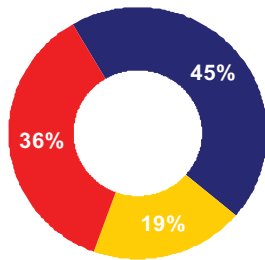
- Mobile banking app reported 4,800,000 sign-ins and over 500,000 downloads since December 2010
- Synovate award winner for Branch and Telephone Banking Service Excellence
- #1 Online Banking (Forrester)
- #1 Private Bank (Euromoney)
- #1 Direct Investing Service (Dalbar)
- #1 Industry Specialist rating in Commercial Markets (Maritz)
- #2 (from 3rd) in Canadian Retail Banking Customer Satisfaction Study and Index (J.D. Powers)



# Wealth Management

## Revenue by Business

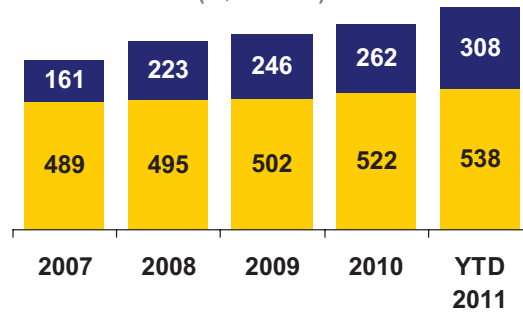
Trailing four quarter average



- Canadian Wealth Management
- U.S. and International Wealth Management
- Global Asset Management

## Growth through Organic and Acquisitions

(C\$ billions)



■ AUA ■ AUM

- Leveraging domestic asset management strength and key acquisitions to build a global franchise
- The most comprehensive wealth manager in Canada with a strong and growing national presence in the U.S.
- Growing our footprint in the U.K. and emerging markets, adding to our leading position of trust solutions globally

**One of the world's largest wealth managers**



# Wealth Management

## Largest and most comprehensive full-service wealth manager in Canada

- Largest and most profitable Wealth Manager in Canada with a 22% High-Net-Worth market share among direct Canadian wealth management peers (Investor Economics, 2010)
- #1 market share in full-service brokerage, discretionary investment management/counselling, estate and trust services and private banking (Investor Economics, 2010)
- RBC Dominion Securities ranked #1 among bank-owned investment dealers in Canada (Investment Executive)
- Ranked #1 for best private banking services overall – Canada (Euromoney, 2011)

## Strong and growing position in the U.S.

- 5th largest U.S. full-service brokerage firm with \$220B AUA and 2,100 financial advisors across 42 states
- Strengthening relationships with RBC Capital Markets to enhance cross-selling opportunities and client solutions

## Growing our footprint in the U.K. and emerging markets (Asia/Latin America/EMEA)

- A global leader in international trust solutions
- Expanding presence in Asia and other emerging markets through organic growth and acquisitions

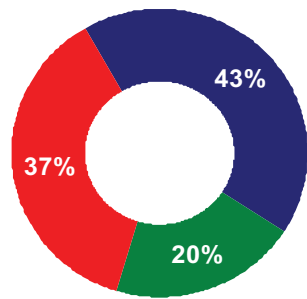
## Leveraging leading domestic asset management with key acquisitions to build a global franchise

- A leading global asset manager with \$253B in AUM
- Largest Canadian retail mutual fund company with \$114B AUM and 15% market share (IFIC)
- PH&N voted Best Overall Fund Group and Best Bond Fund Family (Lipper, 2011)
- Acquired BlueBay Asset Management PLC in December 2010, a leading European fixed income manager with approximately US\$39 billion in AUM. BlueBay is expanding distribution in Asia, providing clients with direct access to investment expertise and broadening global reach of RBC GAM



## Revenue by Geography

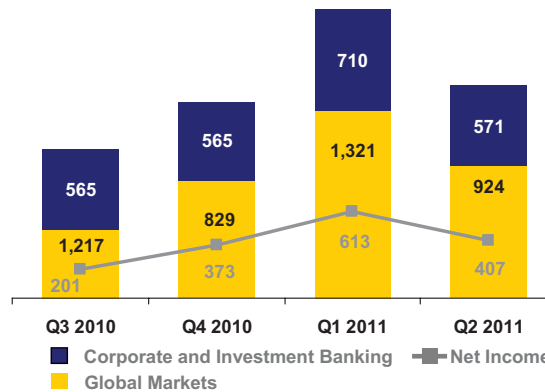
Trailing four quarter average



■ Canada ■ United States  
■ International

## Revenue by Business<sup>1</sup>

(C\$ Millions)



- Undisputed leader in Canada and growing globally
- Significant and broad capabilities in the U.S.
- Building our UK and European platform and expanding our footprint in the Asia-Pacific region

**Global Reach, Focused Expertise**



## Undisputed leader in Canada and growing globally

- Premier capital markets franchise, with top tier market share across all businesses including trading, debt and equity origination, loan syndication and M&A (Mergers and Acquisitions)
- Canada's only global investment bank offering clients the strength of our Canadian leadership and global reach.
- Launched a new equity electronic trading business called THOR to help institutional clients compete with high frequency traders and efficiently fill orders, while reducing costs for our clients.

## Significant presence in the U.S., and growing

- Growing client origination businesses through key hires and focusing on industry sectors, where we have competitive advantages.
- A primary dealer building on our global leadership in fixed income and our investment banking expertise to win key mandates and expand client relationships.
- Investments in talent, technology and brand is translating into results.

## Expanding footprint in Europe and Asia-Pacific, by building on our core strengths

- Primary dealer in U.K., France, Germany, Netherlands and Australia supports our expanding fixed income business.
- Expanding investment banking and equity markets capabilities in the U.K.
- Investing in Asia and expanding our trading desk in Hong Kong.

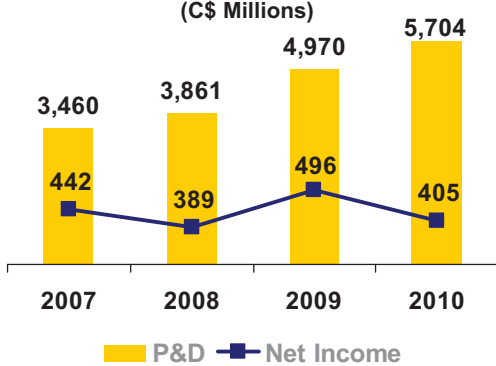
## Track record of industry leading performance

- 11<sup>th</sup> largest investment bank globally by fees in 2010 (Bloomberg), up three spots from 2009
- Joint #1 firm in Electronic Trading Client Service, Product Knowledge & Consultancy (Greenwich, 2010)
- #1 firm for Canadian Equity Research (Greenwich 2010)
- Best FX Research & Strategy (2011 Technical Analyst Awards)
- Transport Financial Adviser of the Year (Infrastructure Journal 2010 Awards)



# Insurance

## Strong earnings with consistent growth in premiums and deposits



- Largest Canadian bank-owned group of insurers
- Diversified business with a superior breadth of products with excellent distribution economics.
- Market leader in living benefits, and travel insurance with a strong complement of products focused on the client

- Increasing sales through lower cost channels leveraging RBC's client, distribution, risk management and brand strength
- Pursuing selected international niche opportunities, focusing on specialty reinsurance businesses within our established risk parameters
- Focusing on extending our leading products to deepen client relationships

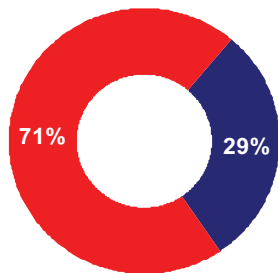
Consistent contributions to our diversified earnings stream



# International Banking

## Revenue by Business

Trailing four quarter average



■ Banking ■ RBC Dexia IS

- Retail banking presence in the southeastern U.S., where we rank 7<sup>th</sup> overall in deposits<sup>(1)</sup>
- 2nd largest bank by assets in the English Caribbean, providing solutions through 125 branches in 17 countries and territories
- RBC Dexia Investor Services is a top 10 Global Custodian with CAD \$2.9 trillion in client AUA

- Refining operations in the U.S. to achieve the appropriate density and competitiveness in our geographic footprint
- Integrating operations and efficiencies while building a strong franchise for future expansion in the Caribbean and Latin America
- RBC Dexia is enhancing and broadening their suite of product offerings to deliver a globally integrated client experience

Building a portfolio of quality franchises



## Where we are going

### Vision

Always earning the right to be our clients' first choice

### Aspiration

To be a top performing diversified financial institution

### Goals

In Canada, to be the undisputed leader in financial services

Globally, to be a leading provider of capital markets and wealth management solutions

In targeted markets, to be a leading provider of select financial services complementary to our core strengths

## Contents

1 RBC Overview

2 Business Segment Overview

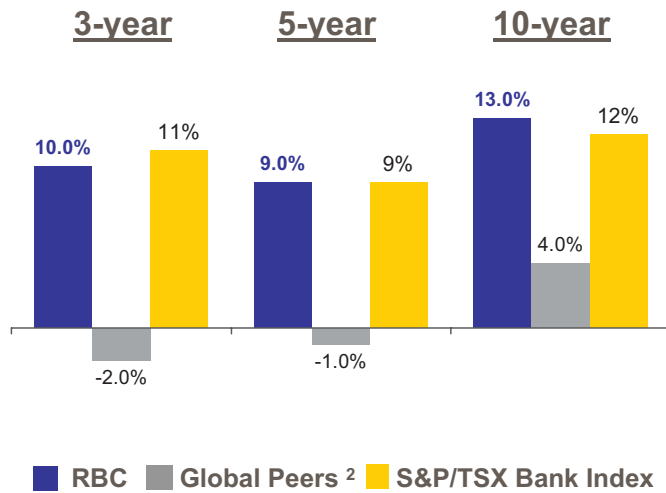
3 Shareholder Returns and Financial Profile



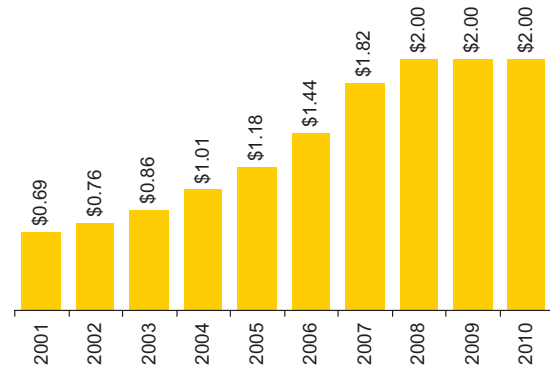


# Strong Shareholder Returns

## Total Shareholder Return <sup>1</sup>



## History of delivering stable and growing dividends



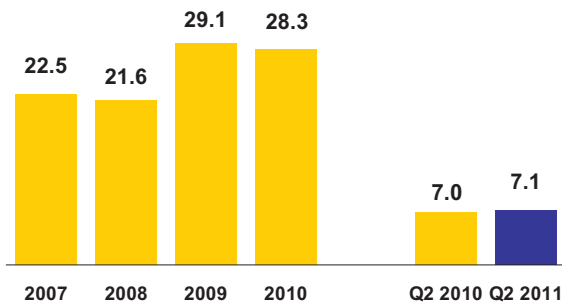
Announced dividend increase in Q2 2011 by 8% to \$0.54 per share (per quarter).

Strong earnings generation and consistent increase in shareholder value

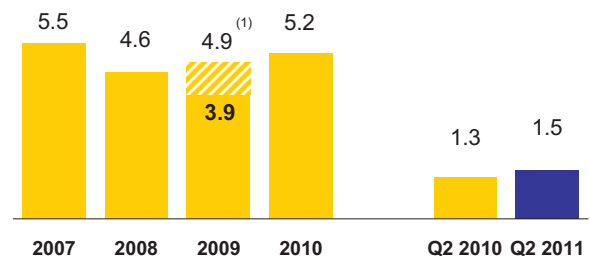


# Strong Financial Profile

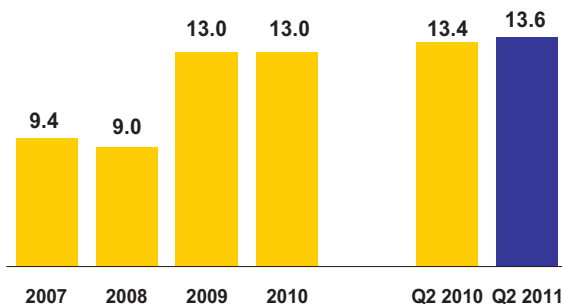
## Revenue (C\$ Billions)



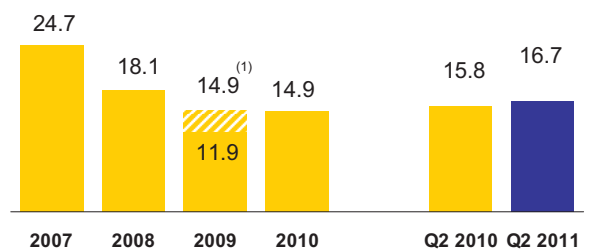
## Net Income (C\$ Billions)



## Tier 1 Capital (%)



## Return on Equity (%)





## Non-GAAP measures

We use a variety of financial measures to evaluate our performance. In addition to GAAP prescribed measures, we use certain non-GAAP measures we believe provide useful information to investors regarding our financial condition and results of operations. Readers are cautioned that non-GAAP measures, such as results excluding the goodwill impairment charge, do not have any standardized meanings prescribed by Canadian GAAP, and therefore, are unlikely to be comparable to similar measures presented by other companies.

Definitions can be found under our “Glossary” section in our 2010 Annual Report to Shareholders and in our Q2 2011 Supplementary Financial Information.

## Investor relations contacts

|  |              |                          |
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