



Second Quarter 2011 Results

May 27th, 2011

Financial information is in Canadian dollars and is based on Canadian GAAP, unless otherwise indicated.

Caution regarding forward-looking statements



From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this presentation and in the accompanying management’s comments and responses to questions during the May 27th, 2011 analyst conference call (Q2 presentation), in other 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, and strategic goals. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our vision, aspiration, and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our 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 presentation to websites are inactive textual references and are for your information only.

Overview

Gordon M. Nixon
President and Chief Executive Officer

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Earnings review



	Q2 2011	Q1 2011	Q2 2010
Net income (\$ millions)	\$ 1,506	\$ 1,839	\$ 1,329
Diluted earnings per share (EPS)	\$ 1.00	\$ 1.24	\$ 0.88
Return on common equity (ROE)	16.7%	20.3%	15.8%

- Net income of \$1.51 billion driven by:
 - Solid business growth in Canadian Banking, Wealth Management and Insurance.
 - Solid performance in Capital Markets and improved credit quality in International Banking.
- Strong capital position: Tier 1 capital ratio of 13.6% and Tier 1 common ratio of 10.3%.
- Raising quarterly dividend by \$0.04 or 8% to \$0.54 per share.

Items impacting results (After-tax)



\$ millions	Q2 2011	Q1 2011	Q2 2010
Wealth Management			
Foreign currency translation on AFS securities (Non-interest income)	-	-	\$ (61)
Accounting adjustment related to deferred compensation liability (NIE)	\$ 22 ⁽¹⁾	\$ 11	-
Tax accounting adjustment	13	-	-
International Banking			
Partial reversal of litigation provisions (NIE)	-	11	-
Foreign currency translation on AFS securities (Non-interest income)	-	-	16
Tax accounting adjustments	3	9	15
Capital Markets			
CVA – MBIA (Non-interest income) ⁽²⁾	-	49 ⁽³⁾	84
Impairment of U.S. student loan ARS (Non-interest income)	-	(21)	-
Total of items impacting results	\$ 38	\$ 59	\$ 54

(1) Included a \$3 million non-interest income impact.

(2) After-tax and compensation adjustments.

(3) Included a gain related to MBIA settlement.

* See slide 23 for items impacting results on a pre-tax basis.

Capital Markets trading revenue



\$ millions	Q2 2011	Q1 2011	Q2 2010
Global Markets revenue (teb)	\$ 924	\$ 1,321	\$ 1,217
<i>Excluding: Commission and non-trading related⁽¹⁾</i>	216	227	173
Capital Markets trading revenue (teb)	708	1,094	1,044
<i>Excluding certain items:</i>			
CVA – MBIA	-	102 ⁽²⁾	182
BOLI	(16)	3	28
CVA - other	32	5	(23)
Fair value adjustment on RBC debt	(9)	25	22
Capital Markets trading revenue excl. certain items (teb)⁽³⁾	\$ 701	\$ 959	\$ 835

- Commission and non-trading related revenue grew significantly YoY driven by strong origination, particularly debt, and growth in our daily cash equities business, while the decrease QoQ reflected lower origination activity compared to strong levels in Q1/11.

- Trading revenue excluding certain items YoY and QoQ, was negatively impacted by challenging fixed income trading conditions in the latter part of Q2/11 with lower client volumes and narrower spreads, particularly in Europe.

(1) Non-trading revenue primarily includes origination and daily cash equities. (2) Included a gain related to MBIA settlement.

(3) Non-GAAP measure, which we believe better reflects our trading revenue. See slide 24 for discussion of non-GAAP measures.

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

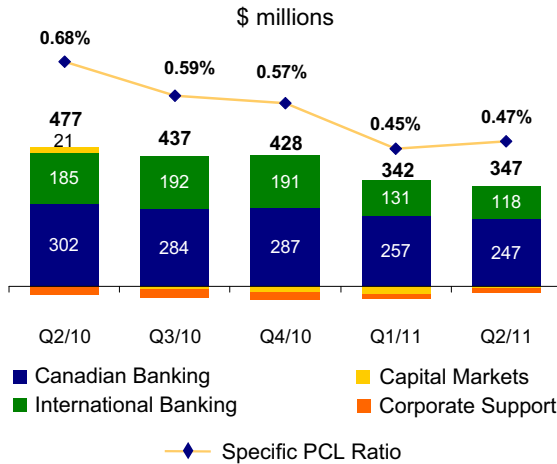
Risk Review

Morten Friis
Chief Risk Officer

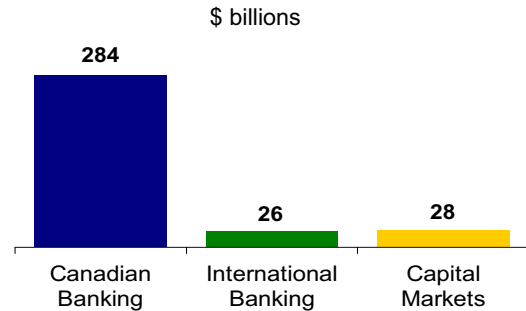
Specific provision for credit losses (PCL)



Specific PCL of \$347 million



Average Balances of Loans and Acceptances



- Canadian Banking**
Down \$10 million QoQ mainly reflecting lower provisions in residential mortgage and secured personal lending portfolios.
- International Banking**
Down \$13 million QoQ largely due to lower provisions in our U.S. commercial portfolio.
- Capital Markets**
A recovery of \$5 million, comprised of a few accounts, compared to a recovery of \$27 million in the prior quarter.

Specific PCL Ratio ⁽¹⁾

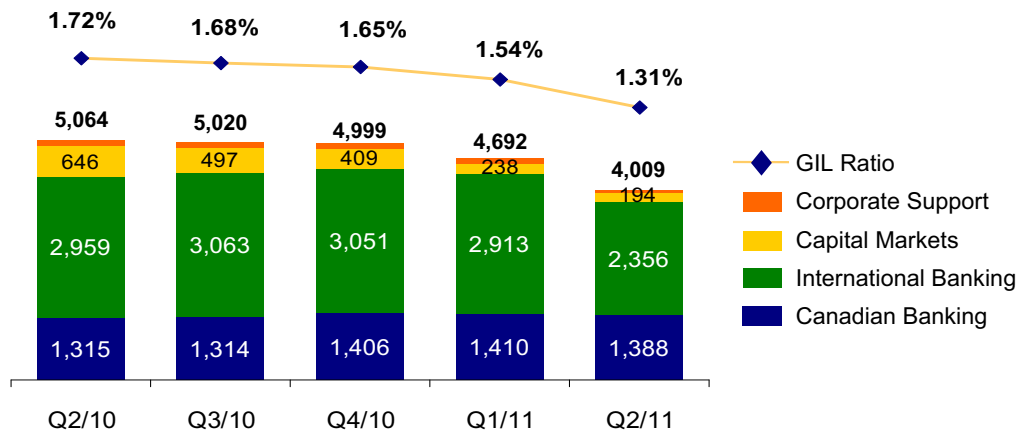
	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Canadian Banking	0.47%	0.41%	0.41%	0.36%	0.36%
International Banking	2.58%	2.59%	2.63%	1.90%	1.88%
Capital Markets	0.29%	(0.12)%	(0.31)%	(0.37)%	(0.06)%

(1) Specific PCL Ratio: specific PCL as a percentage of average net loans and acceptances, annualized.

Gross impaired loans (GIL)



\$ millions



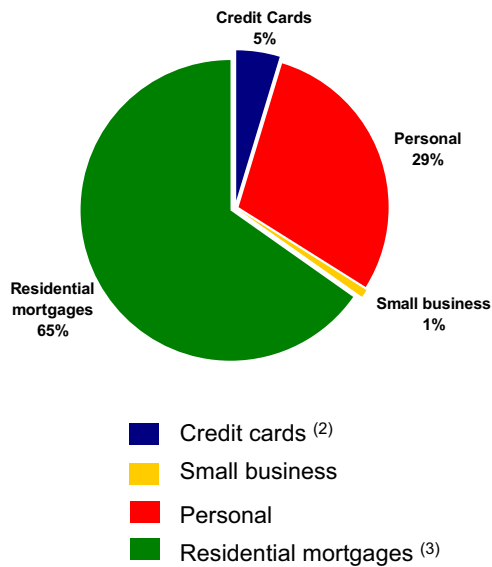
GIL Ratio ⁽¹⁾

	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Canadian Banking	0.49%	0.48%	0.51%	0.50%	0.49%
International Banking	10.08%	10.44%	10.56%	10.63%	9.12%
Capital Markets	2.23%	1.70%	1.41%	0.82%	0.70%

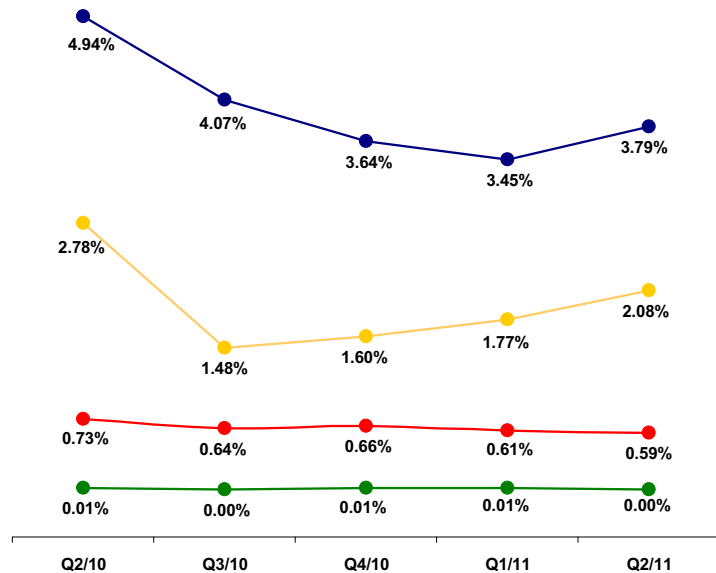
(1) GIL Ratio: gross impaired loans as a percentage of related average net loans and acceptances, annualized.



Average Retail Loans of \$243 billion



Specific PCL Ratio by Product (1)



(1) Specific PCL Ratio: specific PCL as a percentage of average net loans and acceptances, annualized.
 (2) Includes securitized credit cards.
 (3) Includes securitized residential mortgages.

Financial Review

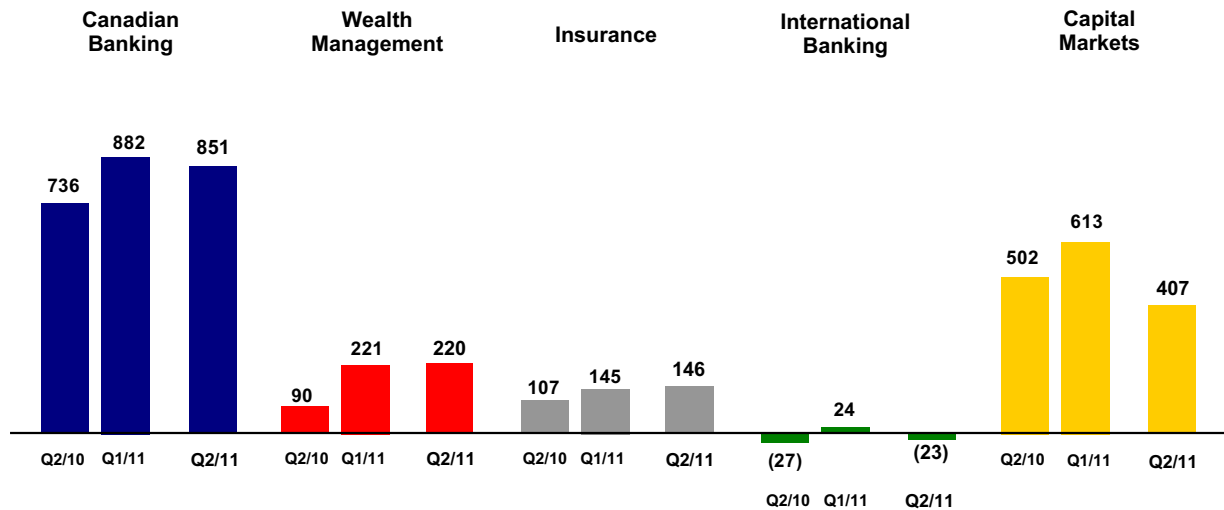
Janice Fukakusa
 Chief Administrative Officer
 and Chief Financial Officer

Q2 2011 business segment highlights



Q2 2011 net income of \$1.51 billion, up 13% YoY and down 18% QoQ

\$ millions



* Corporate Support not included.

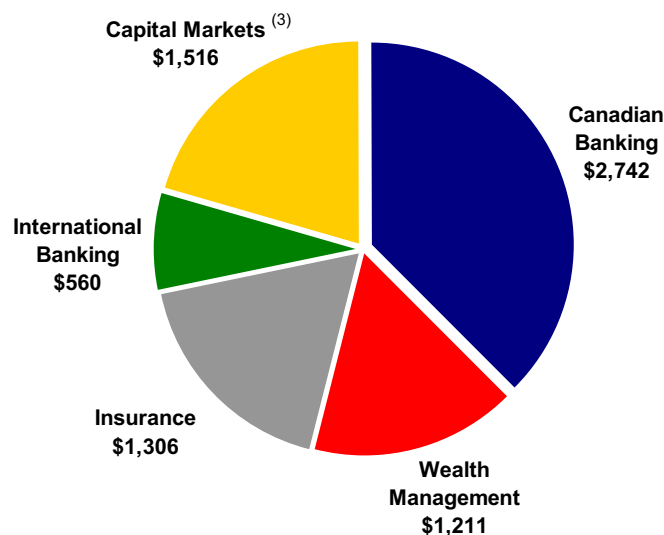
Financial highlights



Total revenue of \$7.13 billion

Revenue by Business Segment ⁽¹⁾

(\$ millions)



\$ millions	Change	
	YoY	QoQ
Canadian Banking	\$ 151	\$ (36)
Wealth Management	236	26
Insurance	(21)	377 ⁽²⁾
International Banking	(43)	(52)
Capital Markets	(84)	(512)
Total ⁽¹⁾	\$ 239	\$ (197)

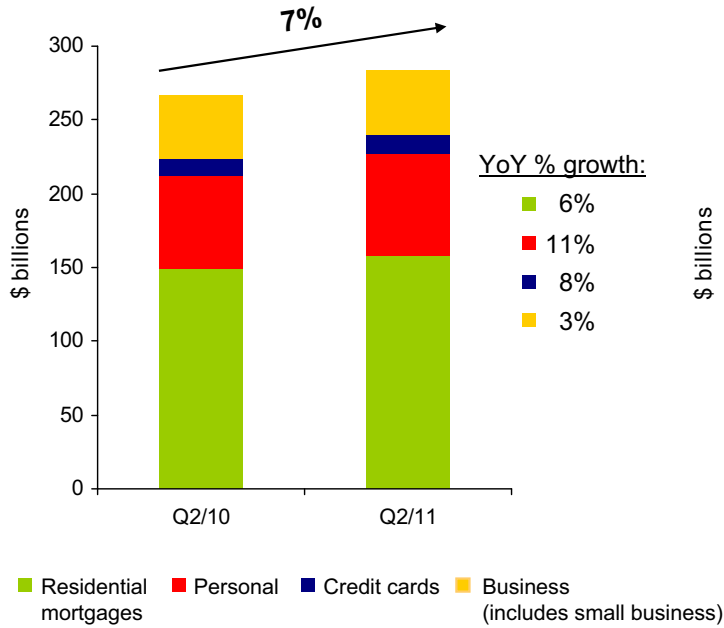
(1) Corporate Support not included.

(2) Q2/11 revenue includes \$118 million in fair value changes on investments backing our life, health and annuity liabilities, an increase of \$88 million YoY and \$485 million QoQ, which was largely offset in PBCAE.

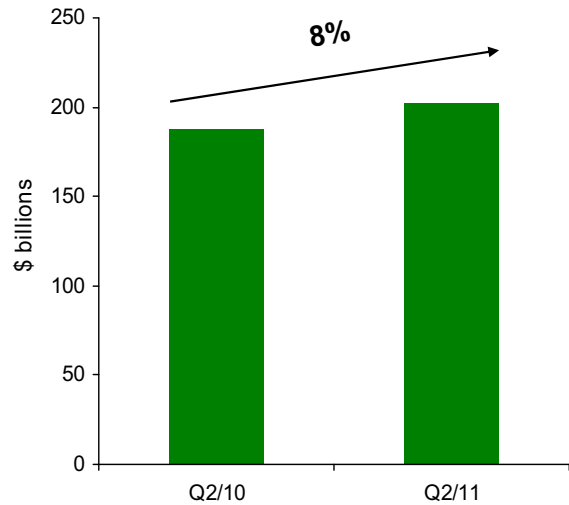
(3) teb: tax equivalent basis.

Combined full year-over-year loan and deposit growth of 7%

Average Loans and Acceptances

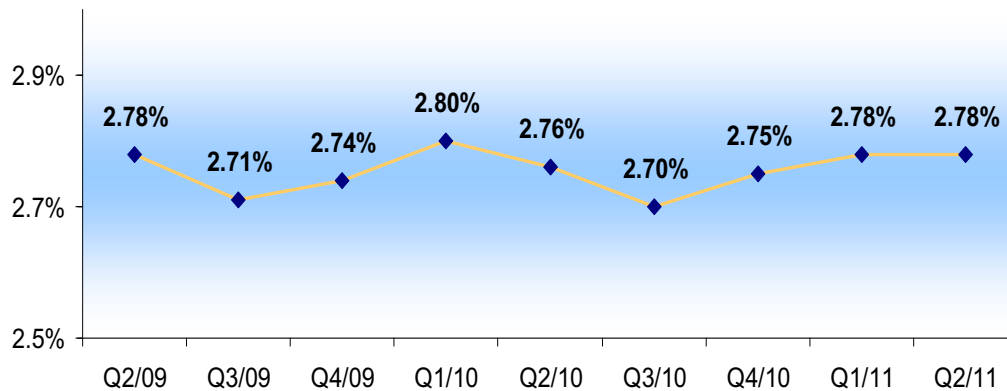


Average Deposits



Appendix

Canadian Banking net interest margin



Net interest margin was up 2 bps YoY primarily reflecting higher spreads on deposits, offset partly by Prime/BA spread compression and lower credit card spreads.

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

Canadian retail momentum



Leadership in most personal products and in all business products

	Q2 2011		Q2 2010	
	Rank	Market Share ⁽¹⁾	Rank	Market Share ⁽¹⁾
Consumer lending ⁽²⁾	1	21.2%	1	21.1%
Personal core deposits	2	20.9%	2	19.9%
Personal investments ⁽³⁾	1	15.4%	1	15.8%
Business loans ⁽⁴⁾				
\$0 - \$250,000	1	26.1%	1	26.1%
\$250,000 - \$5,000,000	1	26.5%	1	27.0%
Business deposits and investments	1	21.2%	1	22.4%

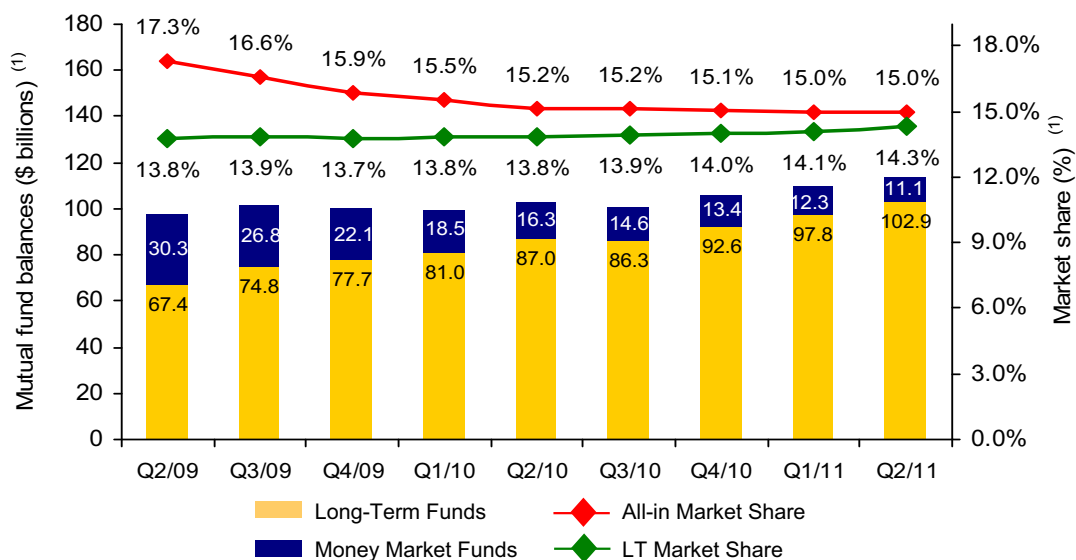
(1) Market share is calculated using most current data available from Bank of Canada (BoC), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA). BoC and IFIC data is at March 2011 and CBA data is at December 2010. Market share is of total Chartered Banks unless otherwise noted.

(2) Comprises residential mortgages, personal loans and credit cards.

(3) Comprises GICs and mutual funds. Mutual fund market share is per IFIC.

(4) Market share is of the nine Chartered Banks that submit business loan tiered data to CBA on a quarterly basis.

Canadian mutual fund balances and market share



- Mutual fund assets under management continued to lead the industry in Q2/11 at \$114 billion.
- Long-term fund assets increased 53% since Q2 2009, driven by strong long-term sales. RBC captured over 25% of industry long-term sales over the period.

(1) Source: IFIC and RBC reporting.

Capital Markets revenue by product



\$ millions	Q2 2011	Q1 2011	Q2 2010
Fixed income and currencies	\$ 454	\$ 791	\$ 762
Treasury and funding	204	216	183
Equity markets	266	314	272
Global Markets (teb)	924	1,321	1,217
Investment banking and lending	506	640	358
Commercial and corresponding banking	65	70	65
Corporate and Investment Banking (teb)	571	710	423
Other	21	(3)	(40)
Capital Markets total revenue (teb)	\$1,516	\$ 2,028	\$ 1,600

- Global Markets declined YoY and QoQ primarily due to lower fixed income trading largely reflecting gains recorded in the prior periods relating to MBIA and from challenging fixed income trading conditions in the latter part of Q2/11, particularly in Europe.
- Issuance activity in Corporate and Investment Banking increased significantly YoY driven by strong origination, M&A and lending. Origination activity and lending declined QoQ from the robust levels in Q1/11.

Capital Markets revenue by geography



\$ millions	Q2 2011	Q1 2011	Q2 2010
Geographic revenue ⁽¹⁾			
Canada	\$ 633	\$ 766	\$ 603
U.S.	598	822	531
Europe	219	257	195
Asia and Other	59	48	62
Geographic revenue excluding certain items ⁽²⁾	1,509	1,893	1,391
CVA – MBIA ⁽³⁾	-	102 ⁽⁴⁾	182
BOLI ⁽⁵⁾	(16)	3	28
CVA – other ⁽⁶⁾	32	5	(23)
Fair value adjustment on RBC debt ⁽⁶⁾	(9)	25	22
Capital Markets total revenue (teb)	\$ 1,516	\$ 2,028	\$ 1,600

- Revenue excluding certain items increased YoY in the U.S. driven by strong equity origination and higher lending, and in Canada from strong origination and higher M&A. Lower results QoQ in both the U.S. and Canada reflected weaker fixed income trading and origination compared to robust levels in Q1/11.
- In Europe, revenue excluding certain items increased YoY due to solid growth in origination and lending. The decrease QoQ was largely due to lower fixed income trading and weaker M&A compared to strong levels in Q1/11.

(1) Prior periods restated to exclude fair value adjustment on RBC debt. (2) Non-GAAP measure: see slide 24 for discussion of non-GAAP measures. (3) Excluded from Europe.
 (4) Included a gain related to MBIA settlement. (5) Excluded from U.S. (6) Excluded from all geographies.

Other-other income



\$ millions	Q2 2011	Q1 2011	Q2 2010	Change	
				YoY	QoQ
Other income - segments	\$ 107	\$ 134	\$ 189	\$ (82)	\$ (27)
Fair value adjustment of RBC debt ⁽¹⁾	(11)	(3)	10	(21)	(8)
CDS on corporate loans in CM	(8)	(16)	(39)	31	8
Accounting impact – FX translation on certain AFS securities in WM	-	-	(68)	68	0
Funding related items	(42)	(30)	(48)	6	(12)
Other misc. items	26	33	13	13	(7)
Other-other income	\$ 72	\$ 118	\$ 57	\$ 15	\$ (46)

(1) Effective Q1 2011, we reclassified certain amounts in Capital Markets to Trading revenue. Refer to the Q2 2011 Report to Shareholders.

Items impacting results (Pre-tax)



\$ millions	Q2 2011	Q1 2011	Q2 2010
Wealth Management			
Foreign currency translation on AFS securities (Non-interest income)	-	-	\$ (68)
Accounting adjustment related to deferred compensation liability (NIE)	\$ 31 ⁽¹⁾	\$ 15	-
International Banking			
Partial reversal of litigation provisions (NIE)	-	15	-
Foreign currency translation on AFS securities (Non-interest income)	-	-	21
Capital Markets			
CVA – MBIA (Non-interest income)	-	102 ⁽²⁾	182
Impairment of U.S. student loan ARS (Non-interest income)	-	(50)	-
Total of items impacting results	\$ 31	\$ 82	\$ 135

(1) Included a \$4 million non-interest income impact.

(2) Included a gain related to MBIA settlement.

Note to users



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 result of operations. Readers are cautioned that non-GAAP measures, such as Capital Markets trading revenue excluding certain items and Capital Markets geographic revenue excluding certain items do not have any standardized meaning prescribed by Canadian GAAP, and therefore are unlikely to be comparable to similar measures disclosed by other companies.

Additional information about our non-GAAP measures can be found under the "Key performance and non-GAAP measures" section in our Q2 2011 Report to Shareholders and our Q2 2011 Supplementary Financial Information.

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

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