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 RBC Capital Markets Investor and Analyst Day presentation, in other filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in this document include, but are not limited to, statements relating to RBC Capital Markets’ vision and strategic priorities, cyclical and structural factors impacting global markets, our risk management activities and financial performance objectives. The forward-looking information contained in this document is presented for the purpose of assisting the holders of our securities and financial analysts in understanding RBC Capital Markets’ financial position and results of operations as at and for the periods ended on the dates presented and our vision and strategic goals and financial performance objectives, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, operational, and liquidity and funding risks, and other risks discussed in the Risk management section of our 2011 Annual Report and in our Q2 2012 Report to Shareholders; 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; changes to and new interpretations of risk-based capital and liquidity guidelines; the impact of changes in laws and regulations, including relating to the payments system in Canada, consumer protection measures and the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations issued and to be issued thereunder; the effects of competition in the markets in which we operate; our ability to attract and retain employees; 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; development and integration of our distribution networks; and the impact of environmental issues.

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

Additional information about these and other factors can be found in the Risk management and Overview of other risks sections of our 2011 Annual Report and in the Risk management section of our Q2 2012 Report to Shareholders.

Information contained in or otherwise accessible through the websites mentioned does not form part of this report. All references in this report to websites are inactive textual references and are for your information only.
## Today’s agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:00 – 11:00</td>
<td><strong>Gord Nixon</strong> Welcome and Opening Remarks</td>
</tr>
<tr>
<td></td>
<td><strong>Doug McGregor</strong> RBC Capital Markets Overview</td>
</tr>
<tr>
<td></td>
<td><strong>Mark Standish</strong> RBC Capital Markets Strategy</td>
</tr>
<tr>
<td></td>
<td><strong>Doug Guzman</strong> Corporate &amp; Investment Banking</td>
</tr>
<tr>
<td></td>
<td><strong>Jonathan Hunter</strong> Fixed Income &amp; Currencies</td>
</tr>
<tr>
<td></td>
<td><strong>Mark Standish</strong> Wrap-Up</td>
</tr>
<tr>
<td>11:00 – 12:00</td>
<td>Questions and Answers</td>
</tr>
</tbody>
</table>

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### Welcome and Opening Remarks

**Gord Nixon**  
President and Chief Executive Officer
RBC – Strong financial profile

**Revenue ($ billions)**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>YTD 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGAAP</td>
<td>26.4</td>
<td>26.1</td>
<td>27.6</td>
<td>14.5</td>
</tr>
<tr>
<td>IFRS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Net Income ($ billions)**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>YTD 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGAAP</td>
<td>5.7</td>
<td>5.7</td>
<td>7.0</td>
<td>3.6</td>
</tr>
<tr>
<td>IFRS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Tier 1 Capital Ratio (2)**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Q1/12</th>
<th>Q2/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGAAP</td>
<td>13.0</td>
<td>13.0</td>
<td>13.3</td>
<td>12.2</td>
<td>13.2</td>
</tr>
<tr>
<td>IFRS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Return on Equity (%)**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Q1/12</th>
<th>Q2/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGAAP</td>
<td>17.9</td>
<td>16.5</td>
<td>20.3</td>
<td>19.3</td>
<td></td>
</tr>
<tr>
<td>IFRS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

(1) Non-GAAP measure: excludes the $202 million loss on acquisition of the remaining 50% of RBC Dexia.
(2) Presented on a consolidated operations basis; 2008 through 2011 calculated under Basel II; Q1/12 onward calculated under Basel 2.5.

---

RBC – Strength in diversification

**RBC Earnings by Business Segment (1)(2)**

(Average Q3 2011 - Q2 2012)

- Capital Markets: 58%
- Canadian Banking: 19%
- Wealth Management: 12%
- Insurance: 10%
- International Banking: 1%

**RBC Revenue by Geography (1)**

(Average Q3 2011 - Q2 2012)

- Canada: 69%
- U.S.: 17%
- International: 14%

- Diversified business mix, with the right balance of retail and wholesale
- Leveraging our leadership in Canada to build competitive businesses in select geographies
- Strong capital base and highly liquid balance sheet

---

(1) Excludes Corporate Support
(2) Excludes the $202 million after-tax loss on acquisition of the remaining 50% of RBC Dexia. Non-GAAP measure, see slide 54 for more information.

Note: Revenue, Net Income and ROE are based on a continuing operations basis.
RBC Capital Markets – A key component to RBC’s long-term strategy

- Diversifies our business mix
  - Provides the right balance of earnings and risk diversification through the cycle
  - A competitive advantage that differentiates our performance

- Aligned with our strategic objectives
  - Consistent profitability contributes to earnings growth and stability
  - Attractive risk-adjusted returns over the long-term
  - Leader in Canada with select global reach

- Clients’ first choice
  - Provides valued advice and focused product and sector expertise
  - Serves the growing needs of our corporate clients in Canada and globally
  - Supports institutional and high net worth clients across businesses and geographies

RBC Capital Markets Overview

Doug McGregor
Chairman and Co-CEO, RBC Capital Markets
Key takeaways

Continuing our track record of consistent earnings built on our diversified model and strong risk management culture

- Deepen client relationships with a focused strategy in key geographic regions
- Optimize capital and effectively manage risk within new regulatory environment
- Focus on efficiencies as we leverage our recent investments

The premier Canadian investment bank with select global reach

A strong and experienced leadership team

Average tenure of Operating Committee members is 17 years
Successfully evolving our business model

Prior to 2008
Leveraged domestic strength to expand in the U.S. and internationally

2008 to 2011
Built full capabilities in the U.S.
Expanded in Europe and enhanced distribution capabilities in Asia
Acquired market share and top talent with the shift in competitive landscape

Going Forward
Deepen client relationships, optimize capital and drive efficiencies

A highly integrated, client-focused business

Meeting all of our clients’ needs

Issuing Clients
Corporations
Private Equity Sponsors
Financial Institutions
Governments
Government Agencies

Investing Clients
Institutional Investors
Corporations
Central Banks
Financial Institutions
Asset Managers
Insurance Companies
Broker Dealers
Hedge Funds

How we assist clients
Acquire / Dispose of Assets
Provide Advice
Generate Yield
Mitigate Risk
Corporate or Event Driven Financing

Rates
Credit
Foreign Exchange
Asset Backed Securities
U.S. Municipal Markets
Equities
Commodities
Derivatives
Corporate Access
Electronic & Algorithmic Trading
Securities Lending / Repo
Prime Brokerage
Research
M&A
Corporate Banking
Equity Capital Markets
Debt Capital Markets
Securitization
Leveraged Finance
Convertible Debt
Private Placements
High Yield Capital Markets
Syndicated Finance
U.S. Municipal Finance
Research
Focused strategy in each geography…

Our offices cover 85% of the global investment banking fee pool

Canada
Full suite of products and services across all sectors
1,085 front-office and 1,260 back-office employees

United States
Full service investment bank with equity and fixed income sales & trading
1,705 front-office and 897 back-office employees

U.K. & Europe
Origination in key sectors with fixed income and FX sales & trading
600 front-office and 610 back-office employees

Asia Pacific
Primarily distribution with select M&A advisory and origination
205 front-office and 167 back-office employees

Primary trading centres in our key regions

North American focus with select global reach

Note: Employee numbers as of Q2/12.

…serving a diversified client base

Issuing Client Mix by Revenue (YTD 2012)

- Energy, Mining, Exploration & Production, Forestry: 28%
- Financial Services, Financial Institutions: 10%
- Consumer Industrials, Health Care: 9%
- Infrastructure, Real Estate: 5%
- Governments, Municipal Finance: 2%
- Communications, Media & Entertainment, Technology: 26%
- Other (1):

Investing Client Mix by Revenue (YTD 2012)

- Fund Managers: 31%
- Corporations: 25%
- Financial Institutions: 9%
- Insurance Companies: 8%
- Central Banks: 5%
- Other (2): 10%

An advisor of choice to a broad client base

(1) Includes: Agriculture, Conglomerates, Transportation, Aerospace and Defense.
(2) Includes: Broker Dealers and Hedge Funds.
Our success is underscored by our league table rankings

### Top Americas Investment Banks

<table>
<thead>
<tr>
<th>Rank</th>
<th>Investment Bank</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>JPMorgan</td>
<td>9.8%</td>
</tr>
<tr>
<td>2</td>
<td>Bank of America Merrill Lynch</td>
<td>9.4%</td>
</tr>
<tr>
<td>3</td>
<td>Citi</td>
<td>6.7%</td>
</tr>
<tr>
<td>4</td>
<td>Morgan Stanley</td>
<td>6.0%</td>
</tr>
<tr>
<td>5</td>
<td>Credit Suisse</td>
<td>5.8%</td>
</tr>
<tr>
<td>6</td>
<td>Goldman Sachs</td>
<td>5.7%</td>
</tr>
<tr>
<td>7</td>
<td>Barclays Capital</td>
<td>5.1%</td>
</tr>
<tr>
<td>8</td>
<td>Wells Fargo Securities</td>
<td>4.8%</td>
</tr>
<tr>
<td>9</td>
<td>Deutsche Bank</td>
<td>4.3%</td>
</tr>
<tr>
<td>10</td>
<td>RBC Capital Markets</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

### Top Global Investment Banks

<table>
<thead>
<tr>
<th>Rank</th>
<th>Investment Bank</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>JPMorgan</td>
<td>7.9%</td>
</tr>
<tr>
<td>2</td>
<td>Bank of America Merrill Lynch</td>
<td>6.2%</td>
</tr>
<tr>
<td>3</td>
<td>Deutsche Bank</td>
<td>5.6%</td>
</tr>
<tr>
<td>4</td>
<td>Morgan Stanley</td>
<td>5.4%</td>
</tr>
<tr>
<td>5</td>
<td>Citi</td>
<td>5.3%</td>
</tr>
<tr>
<td>6</td>
<td>Credit Suisse</td>
<td>5.3%</td>
</tr>
<tr>
<td>7</td>
<td>Goldman Sachs</td>
<td>5.3%</td>
</tr>
<tr>
<td>8</td>
<td>Barclays Capital</td>
<td>4.4%</td>
</tr>
<tr>
<td>9</td>
<td>UBS</td>
<td>3.4%</td>
</tr>
<tr>
<td>10</td>
<td>RBC Capital Markets</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

### A relevant North American player with an international presence

- Strength, stability and brand of RBC and RBC Capital Markets
- Full suite of integrated Corporate & Investment Banking and Global Markets services with global reach
- Strategically positioned in the largest financial centres where our clients transact
- Extending our strong balance sheet and lending to our clients
- Top talent with expertise and track record of excellence in execution

### Always earning the right to be our clients' first choice

- Note: Awards reflect published dates.
Strong track record of financial performance driven by diversification

RBC Capital Markets Revenue and Earnings
($ millions)

2008 2009 2010 2011 YTD 2012
3,935 1,170 1,647 1,456 3,326
6,923 1,768 5,887 5,725 897

Revenue by Business (1)
(Average Q3 2011 - Q2 2012)

- Global Markets: 43%
- Corporate & Investment Banking: 57%

Revenue by Geography (1)
(Average Q3 2011 - Q2 2012)

- United States: 44%
- Canada: 39%
- U.K. & Europe: 14%
- Asia Pacific: 3%

(1) Excludes Other. Note: Revenue is on a taxable equivalent basis (teb).

Low-complexity, client driven businesses...

RBC Capital Markets Revenue (teb)
(Q3/11 to Q2/12) ($ millions)

<table>
<thead>
<tr>
<th>Business Description</th>
<th>Revenue (teb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt origination and trading businesses including rates,</td>
<td>$ 3,317</td>
</tr>
<tr>
<td>credit and foreign exchange</td>
<td></td>
</tr>
<tr>
<td>Provides hedging and financing activities for clients</td>
<td>1,551</td>
</tr>
<tr>
<td>Equities origination, agency and principal trading, equity-</td>
<td></td>
</tr>
<tr>
<td>linked products and research</td>
<td>1,337</td>
</tr>
<tr>
<td>Secured funding for internal businesses and external</td>
<td>214</td>
</tr>
<tr>
<td>clients</td>
<td></td>
</tr>
<tr>
<td>Short-term unsecured funding and liquidity management</td>
<td>959</td>
</tr>
<tr>
<td></td>
<td>807</td>
</tr>
<tr>
<td></td>
<td>577</td>
</tr>
<tr>
<td></td>
<td>230</td>
</tr>
</tbody>
</table>

$ 5,501

Corporate and Investment Banking

$ 2,458

<table>
<thead>
<tr>
<th>Business Description</th>
<th>Revenue (teb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity and debt origination, syndication and advisory</td>
<td>$ 1,212</td>
</tr>
<tr>
<td>services such as M&amp;A</td>
<td></td>
</tr>
<tr>
<td>Corporate lending, loan portfolio management and client</td>
<td>1,071</td>
</tr>
<tr>
<td>securitization</td>
<td></td>
</tr>
<tr>
<td>Cash management, correspondent banking and trade</td>
<td>175</td>
</tr>
<tr>
<td>finance for financial institutions</td>
<td></td>
</tr>
</tbody>
</table>

$ (274)

Comprises our legacy businesses and portfolios

(1) Excludes Other. Note: Revenue is on a taxable equivalent basis (teb).
...supported by a high quality balance sheet

Client driven balance sheet of highly liquid assets

Delivering stable wholesale earnings relative to peers

Driven by our conservative balance sheet and strong Canadian franchise
Our vision and strategic priorities

Our Vision

The Premier Canadian Investment Bank with Select Global Reach

Strategic Priorities

- Extend our leadership position in Canada
- Expand and deepen client relationships in the U.S.
- Build on core strengths and capabilities in the U.K., Europe and Asia
- Earn high risk-adjusted returns on assets and equity
Cyclical and structural factors impacting global markets

**Cyclical**
- Uncertain Market Conditions
  - Volatility reducing client activity and volumes
  - Low interest rates putting pressure on spreads
- Macroeconomic Instability
  - Reducing corporate and government investment
  - Decreasing momentum in the IPO market
  - European sovereign debt crisis reducing appetite for European assets
- Changing Competitive Landscape
  - European banks reducing lending due to balance sheet and liquidity restraints
  - American banks re-entering the market to reclaim market share
  - Favourable labour markets

**Structural**
- Regulatory Reform
  - Increasing capital and liquidity requirements
  - Asymmetric implementation resulting in competitive disadvantages
  - Fundamentally changing the economics of some businesses
- Increasing Standardization and Automation
  - E-trading generating lower margins
  - Maximizing client flows and E-commerce is increasingly important
- Globalization of Capital Flows and Client Base
  - Increasing need for global product distribution capabilities
  - Servicing clients across multiple jurisdictions will be a key differentiator

How we are going to meet our strategic priorities

**Deepen Client Relationships**
- Extend our leading market position in Canada
- Grow investment banking in the U.S. primarily through enhanced coverage and lending
- Strengthen U.K. business within the current market and economic environment
- Focus on distribution in Asia

**Optimize Capital and Managing Risk**
- Shifting our balance sheet from trading to lending and traditional investment banking to expand client business
- Narrowing our focus and breadth of trading products to optimize capital, namely in fixed income
- Effectively managing risk and reduce complexity

**Focus on Efficiencies**
- Driving efficiencies as we leverage our investments in business growth and the control environment
- Managing costs while selectively investing in technology and infrastructure
Strategically extending our loan book to deepen client relationships

- Modest sized loan book representing 13% of RBC’s total outstanding loans and acceptances
- Since 2009, increased the number of lending clients by 30% to over 1,200

RBC Capital Markets Loan Book
($ billions, average wholesale loans and acceptances)

Loans Outstanding (1) by Geography
(Q2 2012)

A lending client typically uses 3.4 products by the third year of the relationship and generates on average $2.2 million of annual revenue across the firm

High quality diversified loan book

- Diversification driven by strict limits at the single name, country, industry and product levels across all businesses, portfolios, transactions and products
- In addition to review by Group Risk Management, all loans are evaluated by the Loan Commitments Committee (1) taking into account liquidity, funding and capital requirements
- Consistent lending standards throughout the cycle, with PCL levels in line with our risk parameters

Loans Outstanding (2) by Industry
(Q2 2012)

Loans Outstanding (2) by Grade
(Q2 2012)

(1) Includes RBC Capital Markets Co-CEOs.
(2) Reflects average wholesale loans and acceptances and letters of credit guarantees.
(3) Mainly includes Aerospace and Transportation
Focusing on origination and managing risk

- Narrowing our focus and breadth of trading products while maintaining relevance to clients
- Quickly reduced trading inventory in the second half of 2011 in response to global uncertainty
- Steady downward trend in VaR reflecting reductions in underlying risk positions

Inventory of Trading Securities
($ billions, average)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>Q1/11</th>
<th>Q2/11</th>
<th>Q3/11</th>
<th>Q4/11</th>
<th>Q1/12</th>
<th>Q2/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value at Risk ($ millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Moved aggressively to reduce risks

- Ring fenced our legacy asset portfolio and plan to economically run-off the portfolio by 2016
- As of Q2 2012, legacy assets represent only 1% of RBC’s total assets

RBC Capital Markets Legacy Asset Portfolio\(^{(1)}\) Forecast
($ millions)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>16,166</td>
<td>13,371</td>
<td>10,705</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forecast</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As at Q2/12, Legacy Asset Portfolio balance was $8,524 million

Eliminating complex assets from the balance sheet

\(^{(1)}\) Legacy assets included correlation trading and a special purpose entity (consolidated upon transition to IFRS), and primarily includes remaining auction rate securities, asset backed securities and collateralized debt obligations.
Well positioned to capitalize on our investments

- Significantly invested in and upgraded our control environment
  - Back office grew by more than 50% since 2008 to over 2,900 employees

- Invested strategically to grow the business
  - Grew Corporate & Investment Banking by 300 employees
  - Grew Global Markets by 125 employees

Driving our efficiency ratio lower

- Significant influence on our investments
- Capitalize on our efficiency ratio

RBC Capital Markets Efficiency Ratio
($ millions / percent)

Revenue Non-interest expense Efficiency Ratio

2008 2009 2010 2011(1) Q1/12 Q2/12

3,935 6,923 5,887 5,725 1,616 1,710

2,121 3,028 3,420 3,659 978 1,014

54% 52% 58% 64% 61% 59%

(1) Non-interest expense includes the reversal of the Enron Corp. related litigation provision of $542MM in 2008 and $53MM in 2010.

Driving higher long-term ROE

- Already managing our businesses under the Basel III framework
- Focus on deepening client relationships, managing risks and driving efficiencies

Mid-to-high teens


16.5% 14.9% Mid-to-low teens

14.9% Mid-to-low teens

Delivering long-term shareholder value
Corporate & Investment Banking
Doug Guzman
Head, Global Investment Banking

Generating strong results in our primary geographies

- Leveraging our domestic strength to build profitable market share in the U.S. and in key global regions
- Extending our product coverage in investment banking and growing our loan book

Corporate & Investment Banking Revenue
($ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment Banking</th>
<th>Lending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,097</td>
<td>1,097</td>
</tr>
<tr>
<td>2009</td>
<td>1,024</td>
<td>673</td>
</tr>
<tr>
<td>2010</td>
<td>1,301</td>
<td>807</td>
</tr>
<tr>
<td>2011</td>
<td>1,568</td>
<td>972</td>
</tr>
<tr>
<td>YTD 2012</td>
<td>1,204</td>
<td>533</td>
</tr>
</tbody>
</table>

Geographic Revenue Mix
(Average Q3 2011 - Q2 2012)

- United States: 51%
- Canada: 36%
- U.K. & Europe: 11%
- Asia Pacific: 2%

Strong performance and business growth in challenging markets

(1) Includes Correspondent Banking
Following our proven path to success

The leader in investment banking
- Leading market share with top tier corporate relationships
- Full range of advisory services and products
- Top corporate and investment banker talent in Canada
- Recognized for depth of knowledge, experience and performance in industry rankings and awards

Gaining momentum in the world's largest market
- Full industry sector coverage and product range
- Client base extending to large cap corporates
- Bulge-bracket trained, senior corporate and investment bankers
- Rapid revenue growth and profitable market share gains

Building capabilities in areas of strength
- Expanded from a niche resource focus to broader sector coverage
- Top tier client relationships and activity
- Cross border focus to client coverage
- Leverage RBC’s strengths in financial institutions, resources and infrastructure sectors

Focused on execution and gaining profitable market share

Maintain our lead by continuing to focus on client needs
- Increase market share in mid-market energy and mining
- Cross-border integration

Leverage broader relationships and client investment
- Selectively add senior bankers in key products and sectors
- Strategically deploy our loan book
- Manage balance of “sticky” corporate relationships with issuing clients

Build client base, add capabilities and extend strengths in key sectors
- Leverage the strength and brand of RBC and RBC Capital Markets
- Preserve capacity to benefit from eventual European recovery

Comprehensive strategy to drive success
**Trusted advisor of choice**

**Canada**

- Canadian strength driven by long-term relationships
  - Financial Advisor to Barrick in connection with its agreement to acquire Equinox Minerals for ~$7.3BN
  - Joint Lead Left Bookrunner on a $4BN senior notes offering to support the transaction

**United States**

- One of the largest energy leveraged buyouts ever
  - Joint Lead Arranger and Joint Bookrunning Mgr. on a $2BN revolving credit facility and a $3.5BN senior unsecured bridge loan
  - Joint Book Mgr. of $3.5BN of senior unsecured bonds

**Canada**

- Largest Canadian M&A deal since 2010 and second largest global M&A deal in 2012
  - Financial Advisor to Switzerland-based Glencore in connection with its agreement to acquire Canadian-based Viterra Inc. for ~$7.5BN
  - RBC also provided US$2BN in debt financing

**U.K. & Europe**

- U.K.’s second largest public takeover in 2011 and European M&A Deal of the Year
  - Lead Financial Advisor to the Cheung Kong Infrastructure Group £4.7BN acquisition of Northumbrian Water Group
  - Joint Lead Underwriter of £1.25BN of financing

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**Fixed Income & Currencies**

Jonathan Hunter
Global Head, Fixed Income & Currencies
Leveraging the Canadian franchise to strategically expand

- Acquisition of Hambros in 1998 a catalyst for creation of a global fixed income business
- Fully expanded in the U.S. and completing expansion of distribution capabilities in Asia Pacific
- Since 2008, measured growth within our risk footprint; headcount up less than 5%

Serving the needs of issuing and investing clients

- Full service provider in Canada and a leading global Canadian dollar specialist
- Focused on origination by highly rated issuers\(^{(1)}\) worldwide
- Global distribution in the U.S., U.K., Europe and Asia Pacific with focused manufacturing capabilities

FIC Revenue by Geography
(Average Q3 2011 - Q2 2012)

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>48%</td>
</tr>
<tr>
<td>United States</td>
<td>25%</td>
</tr>
<tr>
<td>U.K. &amp; Europe</td>
<td>23%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>4%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Corporates, Financial Institutions, Governments.
Repositioning the business within our existing footprint and risk appetite

- **Transform the business for growth**
  - Focus on core products and key clients aligned with Corporate & Investment Banking
  - Optimize capital and reduce risk in response to market dynamics and regulatory reform

- **Deepen client relationships**
  - Leverage our expanded fixed income loan book and global Debt Capital Markets
  - Facilitate deal flow to increase “relevance” with clients and drive ancillary business

- **Cross-sell clients globally**
  - Focus on Top 5% of clients and enhance distribution
  - Increase client “share of wallet” through improved client targeting
  - Grow Asia Pacific distribution to support our products world-wide

- **Scale our commoditized businesses**
  - Increase ability to “scale” our commoditized businesses outside Canada
  - Invest in infrastructure to retain market share and reduce costs
  - Automate processes to drive efficiencies between front and back office

---

Trusted advisor of choice

**Canada**
- Canada Bond House of the Year (2011)
- #1 FX Franchise in Canada (2012)

**United States**
- #3 by Fees and Market Share from Government Sector (2011)
- #14 U.S. Bonds New Issuance (2011)

**U.K. & Europe**
- #1 Best Bank for Fixed Income E-trading (2011)
- #2 in Sterling Bonds (2011)

**Asia Pacific**
- #1 Best Lead Manager of Australian and New Zealand Dollar Bonds (2011)
- #1 Kangaroo Primary House of the Year – 3rd Year (2011)
Wrap-Up

Mark Standish
President and Co-CEO, RBC Capital Markets

Meeting all of our clients’ needs
Key takeaways

*Continuing our track record of consistent earnings built on our diversified model and strong risk management culture*

- Deepen client relationships with a focused strategy in key geographic regions
- Optimize capital and effectively manage risk within new regulatory environment
- Focus on efficiencies as we leverage our recent investments

*The premier Canadian investment bank with select global reach*
Sector coverage in each geography

- Canada
  - Energy
  - Financial Institutions
  - Infrastructure Finance
  - Leveraged Finance
  - Mining & Metals
  - Communications, Media & Entertainment
  - Consumer & Industrial Products
  - Financial Sponsors
  - Forest Products
  - Real Estate
  - Technology
  - Commercial Real Estate Brokerage

- United States
  - Energy
  - Financial Institutions
  - Infrastructure Finance
  - Leveraged Finance
  - Mining & Metals
  - Aerospace & Defense
  - Automotive
  - Communications, Media & Entertainment
  - Consumer & Retail
  - Financial Sponsors
  - Healthcare
  - Industrials
  - Power & Utilities
  - Real Estate
  - Technology
  - Transportation
  - Municipal Finance

- UK & Europe
  - Energy
  - Financial Institutions
  - Infrastructure Finance
  - Leveraged Finance
  - Mining & Metals
  - Business Services, Paper & Packaging
  - Industrials
  - Transportation & Logistics
  - Utilities & Renewables

- Asia Pacific
  - Energy
  - Financial Institutions
  - Infrastructure Finance
  - Mining & Metals

Note: Slide updated on June 7th, 2012, to reflect global sector coverage across each geography.

Employees by business and geographic region

- Significantly invested in and upgraded our control environment

<table>
<thead>
<tr>
<th>Back Office* Employees</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Q2/12</th>
<th>Difference (Q2/12 vs 2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,920</td>
<td>2,181</td>
<td>2,783</td>
<td>3,001</td>
<td>2,934</td>
<td>1,014</td>
</tr>
<tr>
<td>Canada</td>
<td>926</td>
<td>998</td>
<td>1,229</td>
<td>1,249</td>
<td>1,209</td>
<td>333</td>
</tr>
<tr>
<td>US</td>
<td>540</td>
<td>670</td>
<td>871</td>
<td>932</td>
<td>896</td>
<td>366</td>
</tr>
<tr>
<td>Europe</td>
<td>354</td>
<td>403</td>
<td>540</td>
<td>650</td>
<td>610</td>
<td>257</td>
</tr>
<tr>
<td>Asia/Other</td>
<td>99</td>
<td>110</td>
<td>142</td>
<td>171</td>
<td>167</td>
<td>66</td>
</tr>
</tbody>
</table>

* Full-time Technology & Operations, Finance, Risk, Human Resources, Legal, Internal Audit and Compliance

- Grew Corporate & Investment Banking at a faster pace than Global Markets

<table>
<thead>
<tr>
<th>Front Office Employees</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Q2/12</th>
<th>Difference (Q2/12 vs 2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Front Office</td>
<td>3,296</td>
<td>3,092</td>
<td>3,399</td>
<td>3,623</td>
<td>3,595</td>
<td>300</td>
</tr>
<tr>
<td>Global Markets</td>
<td>1,396</td>
<td>1,380</td>
<td>1,510</td>
<td>1,537</td>
<td>1,523</td>
<td>126</td>
</tr>
<tr>
<td>Canada</td>
<td>388</td>
<td>393</td>
<td>433</td>
<td>407</td>
<td>395</td>
<td>7</td>
</tr>
<tr>
<td>US</td>
<td>635</td>
<td>619</td>
<td>640</td>
<td>655</td>
<td>652</td>
<td>17</td>
</tr>
<tr>
<td>Europe</td>
<td>268</td>
<td>256</td>
<td>315</td>
<td>352</td>
<td>342</td>
<td>75</td>
</tr>
<tr>
<td>Asia/Other</td>
<td>106</td>
<td>113</td>
<td>122</td>
<td>123</td>
<td>133</td>
<td>27</td>
</tr>
<tr>
<td>Corporate &amp; Investment Banking</td>
<td>1,563</td>
<td>1,494</td>
<td>1,660</td>
<td>1,866</td>
<td>1,881</td>
<td>298</td>
</tr>
<tr>
<td>Canada</td>
<td>581</td>
<td>578</td>
<td>624</td>
<td>626</td>
<td>628</td>
<td>47</td>
</tr>
<tr>
<td>US</td>
<td>794</td>
<td>733</td>
<td>842</td>
<td>968</td>
<td>959</td>
<td>165</td>
</tr>
<tr>
<td>Europe</td>
<td>161</td>
<td>139</td>
<td>164</td>
<td>228</td>
<td>221</td>
<td>60</td>
</tr>
<tr>
<td>Asia/Other</td>
<td>28</td>
<td>33</td>
<td>34</td>
<td>44</td>
<td>53</td>
<td>25</td>
</tr>
<tr>
<td>Other</td>
<td>336</td>
<td>228</td>
<td>225</td>
<td>219</td>
<td>211</td>
<td>(125)</td>
</tr>
</tbody>
</table>
Establishing a deep relationship with a U.S. oil & gas company

**Issuing Client**

<table>
<thead>
<tr>
<th>Primary Client Needs</th>
<th>Additional Client Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Capital Markets</td>
<td>Equities</td>
</tr>
<tr>
<td>Debt Capital Markets</td>
<td>Commodities</td>
</tr>
<tr>
<td>Leveraged Finance</td>
<td></td>
</tr>
</tbody>
</table>

**Leveraging our strength in cross-selling**
Establishing a deep relationship with a global asset manager

Leveraging our strength in cross-selling

Investing Client

Primary Client Needs
- Generate Yield
- Credit
- Debt
- Foreign Exchange

Trading Credit
Mitigate Risks

Additional Client Needs
- M&A Advisory
- Equity Financing

Lending
Acquire Assets

Building a global brand in target markets

Advertising Campaign

Community Events

Golf Sponsorships
Executive Profiles

Executive biographies

Gord Nixon
President and Chief Executive Officer

Gordon Nixon is President and Chief Executive Officer of RBC, the brand name for Royal Bank of Canada and its subsidiaries. He is also a director of Royal Bank of Canada and chairman of RBC’s Group Executive.

Mr. Nixon began his career in 1979 at Dominion Securities in Toronto where he worked in Global Markets and subsequently the Investment Banking division. In 1986, he transferred to Tokyo to assume responsibility for the firm’s operations in Japan. Dominion Securities was acquired by Royal Bank of Canada in 1987 and Mr. Nixon returned to Toronto in 1989 as a Managing Director of Investment Banking.

In 1995, Mr. Nixon was appointed Head of Global Investment Banking and in 1999 became Chief Executive Officer of RBC Capital Markets and a member of Royal Bank's Executive Committee. He was appointed President of Royal Bank of Canada on April 1, 2001 and Chief Executive Officer on August 1, 2001.

Mr. Nixon is Chairman of MaRS, a not-for-profit organization that connects science, business and capital and co-chairs The Toronto Region Immigrant Employment Council. He is a Director and past Chairman of the Canadian Council of Chief Executives and is on the Board of Directors of The Hospital for Sick Children and The International Monetary Conference.

Mr. Nixon has served as a Director of a number of organizations in the arts, health care and education and has chaired numerous events and fundraising campaigns including the United Way of Greater Toronto and is currently chairing the Queen's University Capital Campaign.

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Mr. Nixon has been awarded the Order of Canada and the Order of Ontario. He is a recipient of Canada's Outstanding CEO of the Year Award, the Canadian Business Leader Award and is included in Barron's list of the World's Best CEO's. He has an Honorary Doctor of Laws from both Queen's University and Dalhousie University and is a recipient of the CJJA/UJA Words and Deeds Leadership Award, the Rotary Foundation's Paul Harris Fellowship, a Queen's Golden Jubilee Medal, a Learning Partnership Champion of Public Education Tribute and an American Banker Innovator of the Year Award. Born in Montreal in 1957, Mr. Nixon attended Queen's University where he received an Honours Bachelor of Commerce degree. He and his wife live in Toronto and have three children.
Executive biographies

Doug McGregor
Chairman and Co-CEO, RBC Capital Markets
Doug McGregor is Chairman and Co-CEO of RBC Capital Markets; Co-Group Head, Capital Markets and is a member of the Group Executive of RBC.

Mr. McGregor began his career in corporate finance and then institutional equity sales at Pitfield Mackay Ross Ltd in 1979. In 1983, he became a real estate investment banker with Marcll Trust which was later acquired by RBC Capital Markets in 1990.

As Chairman and Co-CEO of RBC Capital Markets, Mr. McGregor’s responsibilities are focused on managing the firm’s investment banking, lending, research and equity trading divisions. He also heads the firm’s real estate and investment banking business.

Mr. McGregor holds an Honours BA (Business) and an MBA from the University of Western Ontario. He is a member of the University Health Network Board of Trustees and the former Chairman of the Board of Directors of the Investment Industry Regulatory Organization of Canada.

Mark Standish
President and Co-CEO, RBC Capital Markets
Mark Standish is President and Co-CEO of RBC Capital Markets; Co-Group Head, Capital Markets and is a member of the Group Executive of RBC. As President and Co-CEO of RBC Capital Markets, Mr. Standish is responsible for sales and trading, financing and balance sheet management. Mr. Standish’s tenure with RBC began in 1995 as head of proprietary and structured trading within the Global Equity Derivatives group of RBC Dominion Securities.

From 1993 until 1995, Mr. Standish was a managing director at Kidder Peabody & Company. Preceding Kidder Peabody, Mr. Standish was with Lehman Brothers in New York responsible for equity derivatives, commodity derivatives and commodity financing. During the 1980’s, he was with Bankers Trust in London involved with fixed income derivatives and proprietary arbitrage trading. He started his career in retail banking with National Westminster Bank in 1977.

He studied banking and finance at Croydon College in England, being an Associate member, Chartered Institute of Bankers (1983). He is also actively involved with numerous charities in both New York and New Jersey, including being on the board of The Bachmann-Strauss Dystonia and Parkinson Foundation, Inc., a Trustee of the Board of Big Brothers Big Sisters of New York City, and Board member of The Queen Elizabeth II, September 11 Garden.

Doug Guzman
Head, Global Investment Banking
Doug Guzman is Head, Global Investment Banking of RBC Capital Markets. He is responsible for the firm’s Investment Banking and Equity Capital Markets teams globally, as well as U.S. Municipal Finance. In addition, Doug has senior client coverage responsibility for a number of RBC Capital Markets’ most important clients.

Doug is a member of the firm’s Operating Committee and Loan Commitments Committee. Doug has led client transactions involving mergers and acquisitions, debt and equity financings and restructurings in the U.S., Canada and Europe. Before joining RBC in 2005, Doug was a Managing Director at Goldman Sachs in New York and Toronto, where he had co-head responsibility for each of the Global Metals and Mining and the Canadian Investment Banking businesses.

Doug is a member of the Board of Directors of the St. Michael’s Hospital Foundation and the Advisory Board of the Richard Ivey School of Business Administration at The University of Western Ontario. Doug has an Honours BA (Business Administration) from the University of Western Ontario and an MBA with high distinction (Baker Scholar) from Harvard Business School.

Jonathan Hunter
Global Head, Fixed Income and Currencies

He is a member of the Capital Markets Operating Committee and is on the Board of the International Swaps and Derivatives Association, Inc. He earned an Honours Bachelor of Commerce Degree (Finance) from Queen’s University, Canada in 1991 and is a Chartered Financial Analyst.
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 net income and return on equity, excluding the loss on the RBC Dexia Acquisition, do not have any standardized meanings prescribed by 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 “Non-GAAP measures” section of our Q2 2012 Report to Shareholders and the “Key performance and Non-GAAP measures” sections in our 2011 Annual Report, and our Q2 2012 Supplementary Financial Information.

Definitions can be found under our “Glossary” sections in our 2011 Annual Report and our Q2 2012 Supplementary Financial Information.

Investor Relations Contacts

Amy Cairncross, VP & Head (416) 955-7803
Karen McCarthy, Director (416) 955-7809
Robert Colangelo, Associate Director (416) 955-2049

www.rbc.com/investorrelations