



CANADIAN BANKING

Extending our Leadership Position

Investor and Analyst Day

October 27, 2010



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 Canadian Banking, 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 presentation include, but are not limited to, statements relating to our vision, 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 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 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, capital and liquidity management section and in our 2009 Annual 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; 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; 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, capital and liquidity management section of our Q3 2010 Report to Shareholders and in our 2009 Annual Report to Shareholders.

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



Today's agenda

9:00 – 10:15	Opening Remarks	<i>Josie Merenda</i>
	Banking Fundamentals	<i>Gord Nixon</i>
	Strategic Overview	<i>Dave McKay</i>
	Sales & Distribution	<i>Wayne Bossert</i>
	Operations & Efficiency	<i>Shauneen Bruder</i>
10:15 – 11:15	Questions and Answers	
11:15 – 11:30	Wrap Up	

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BANKING FUNDAMENTALS

Gord Nixon
President and Chief Executive Officer





STRATEGIC OVERVIEW

Dave McKay
Group Head, Canadian Banking



Today's discussion

- ✓ **Building on leading market positions**
 - Proven track record of outperformance
- ✓ **Extending sales power**
 - Unparalleled distribution network and superior cross sell ability
- ✓ **Eliminating costs and reinvesting for the future**
 - Simplifying process and building end-to-end efficiencies

A proven track record of performance paves the way for the future



Leveraging our deep expertise and capabilities



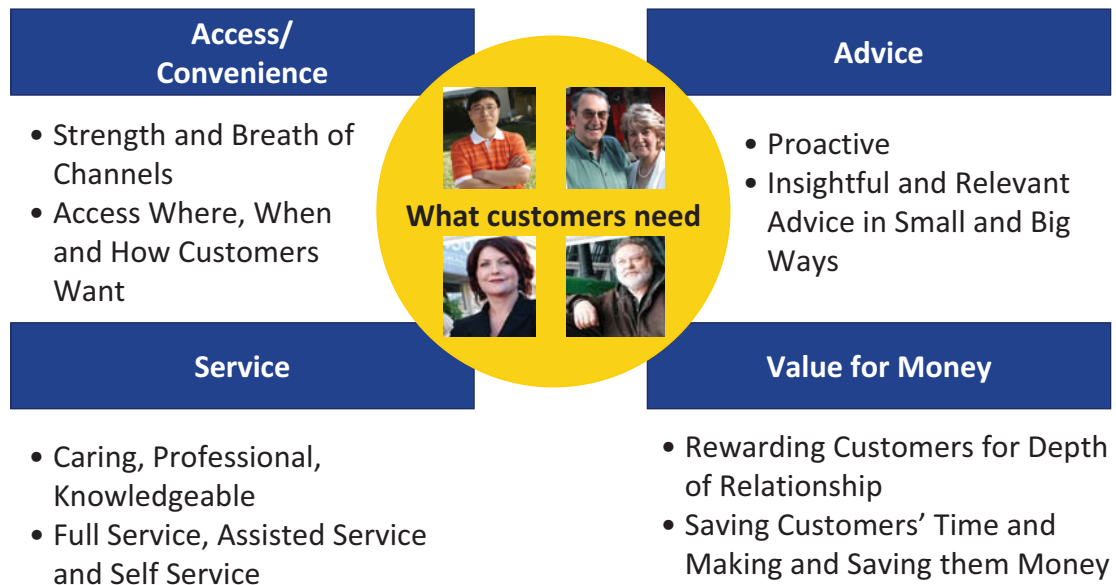
A strong, proven and diverse team empowered to outperform

1. Effective December 6, 2010

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Differentiating the customer experience

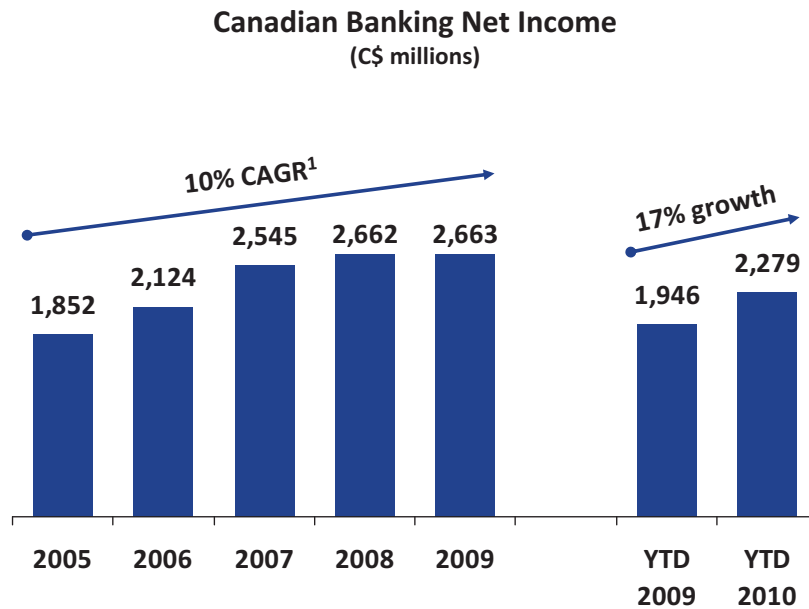


Leveraging our brand, people and physical assets

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Strong track record of sustained growth



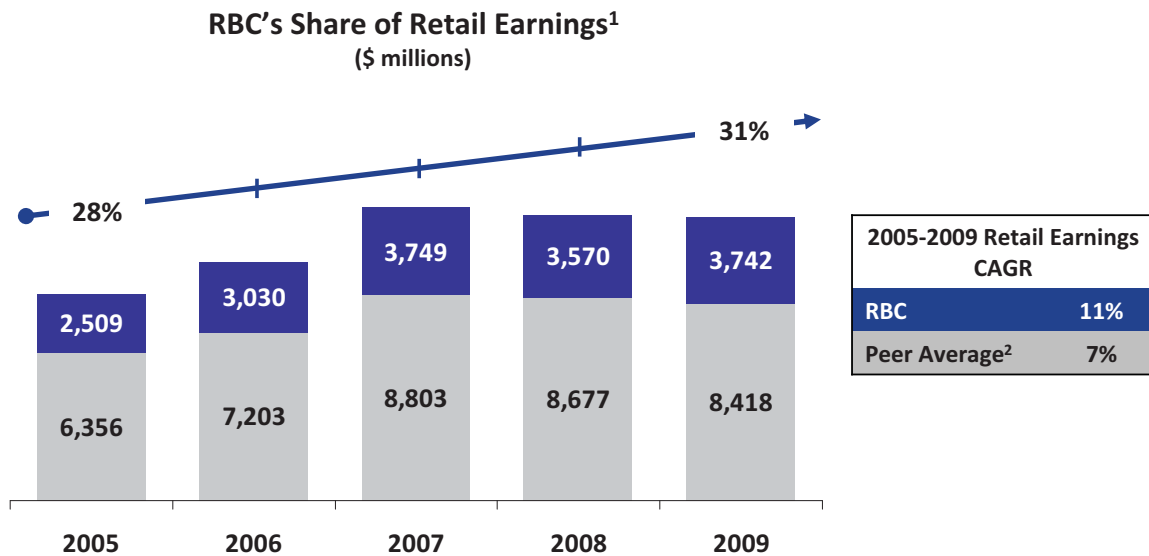
Revenue driving majority of earnings growth

1. CAGR – Compound Annual Growth Rate

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Outpacing the competition



Capturing a greater share of profit pool

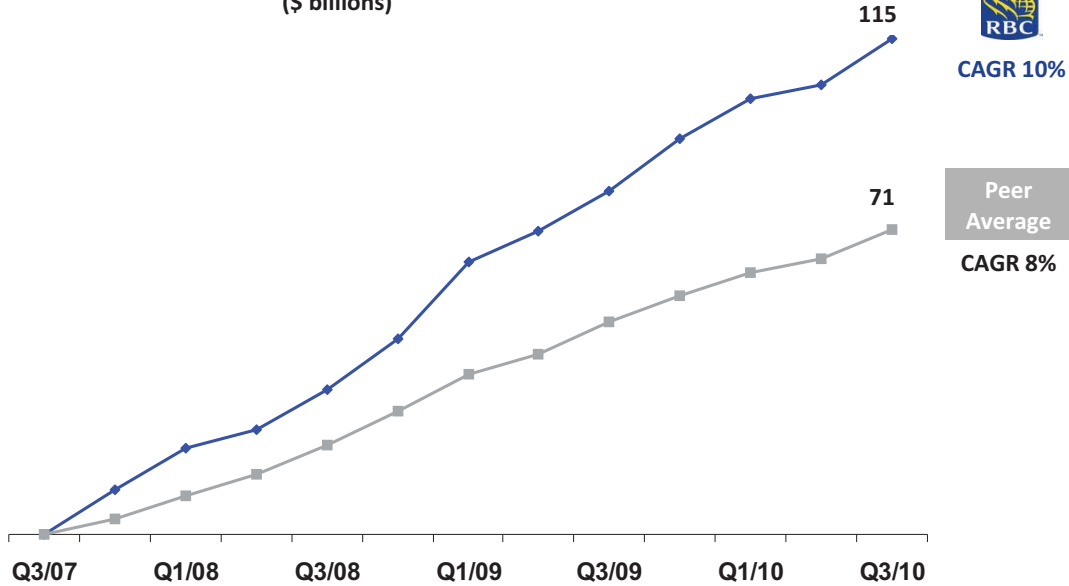
1. Retail earnings represents earnings from insurance, wealth management and Canadian banking.
2. Peers are BMO, BNS, CIBC and TD. Based on company reports.

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Leading volume growth across all products

Cumulative New Volumes¹ Captured
(\$ billions)



Taking disproportionate share of new volumes

1. New volumes comprises total personal and business loans and deposits. Based on company reports.

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Leading market share positions across all major products

	Market Share ¹		3 Year Improvement	Rank
	2010	2007		
Business Loans ²	26.5%	25.7%	+76 bps	#1
Business Deposits & Investments	22.4%	22.1%	+36 bps	#1
Consumer Lending ³	21.1%	20.5%	+60 bps	#1
Personal Core Deposits	20.1%	17.6%	+248 bps	#2
Personal Investments ⁴	15.8%	13.4%	+246 bps	#1

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). Data is as at July 2007 and July 2010, except for Business Loans which is at June 2007 and June 2010, data being on a calendar quarter basis. Market Share is of total Chartered Banks.

2. Business Loans is for \$0 - \$5MM

3. Consumer Lending data is at June 2008 and July 2010. It comprises residential, mortgages, personal loans and credit cards.

4. Personal Investments comprise GICs and mutual funds. Mutual Fund market share is per IFIC.

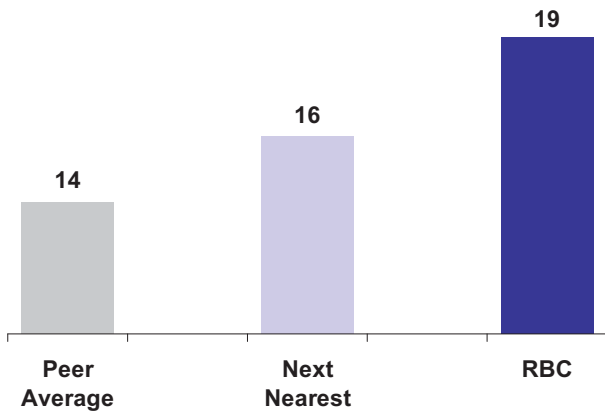
Profitably taking disproportionate share of market

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Superior cross sell ability

Households with Transaction Accounts, Investments and Borrowing Products (%)



- Strong ability to collaborate
- Award winning advice capability
- Breadth and quality of products

Driving longer term profitable relationships

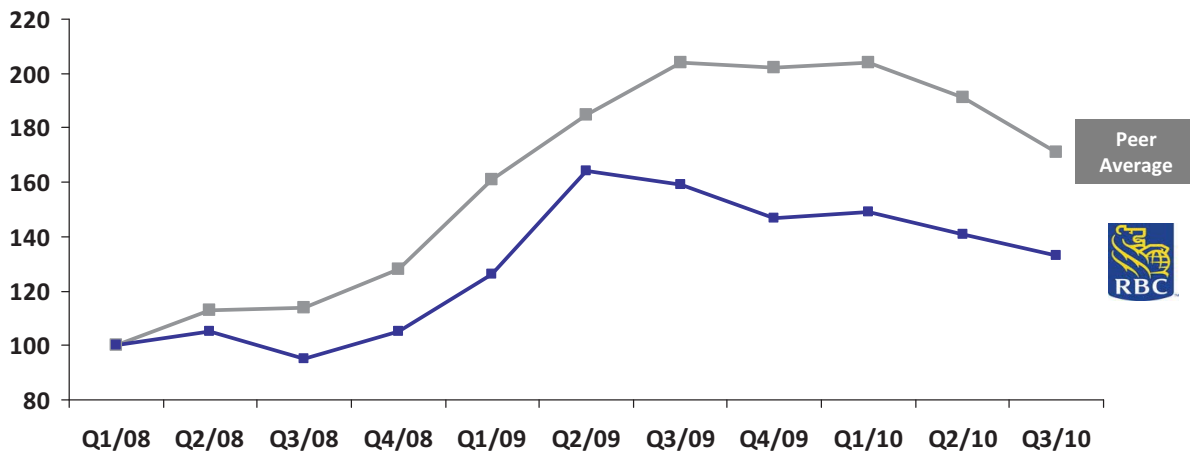
Source: Canadian Financial Monitor Survey by Ipsos Reid - (12,000 Canadian households annually) – June 2010

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Top risk management performance

Total Provision for Credit Losses (PCL)¹ Canadian Banking (Indexed Q1/08=100)



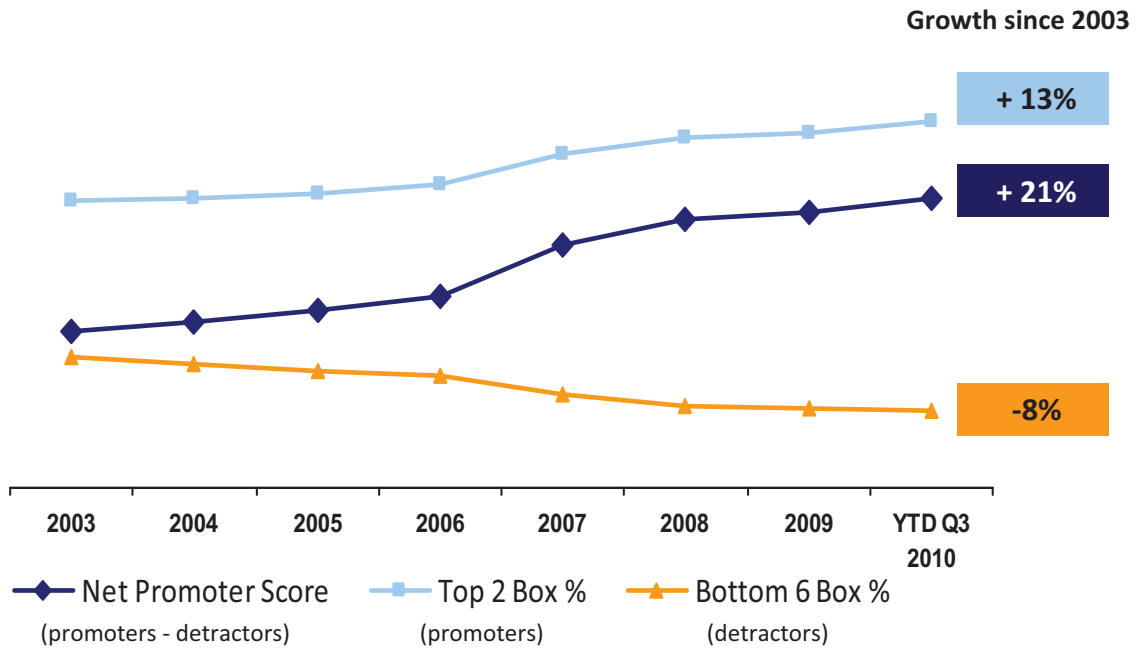
Lowest PCL volatility among peers

1. PCL for RBC Canadian Banking and PCL for Canadian personal and business segments of peers. BMO is based on actuals.

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Strong customer survey results



Achieving new highs on customer loyalty measures

Net promoter score = Top 2 Likelihood to Recommend (LTR) ratings (promoters) – Bottom 6 LTR ratings (detractors)
 Rating on a 10-point scale where “1” means “Not at all Likely” and “10” means “Extremely Likely”
 Source: RBC Branch Post Transaction Survey (Personal)



Winning where it matters

AWARD-WINNING BANKING FOR ALL CANADIANS.

More than 10 million Canadians choose award-winning banking from RBC Royal Bank®.

Award winner in:

- Branch Service
- 24/7 Telephone Banking
- Financial Advice
- 24/7 Online Banking

Advice you can bank on™



Award winning:

- Branch Service Excellence
- Telephone Banking Excellence
- Financial Planning and Advice



Award for Direct Investing



Award winning Canadian Financial Service Website



Award winning Private Banking Services



#1 Industry Specialist Rating in Commercial Markets

More than 10 million Canadians choose RBC's award-winning banking



Canada's most valuable financial institution brand

- Draws new customers into our stores
- Beacon of strength and stability in difficult times
- Solidifies long-term relationships



Top 100 Global Brand Rankings

1	Google
2	IBM
3	Apple
...	
...	
36	RBC
...	
...	
47	Colgate
53	Mercedes
58	Pepsi
59	Nike
67	MasterCard

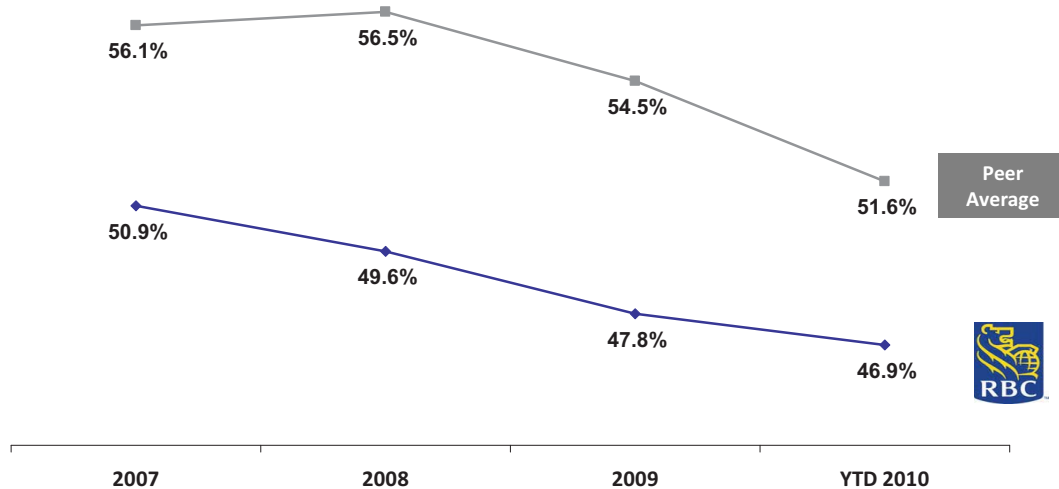
Brand stature determines consumers' first stop

Source: Millward Brown Optimor BrandZ Top 100 Most Valuable Global Brands 2010, 5th annual release April 28, 2010.



Driving strong operating efficiency

Efficiency Ratio



Investing to drive further efficiencies

Source: Based on company reports.



Factors at play in a changing environment





- New and emerging regulation
- Economic conditions
- Competitive landscape
- Consumer use and adoption of technology

RBC is well positioned

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Projected industry growth rate

- Household Credit
(residential mortgages and consumer credit) 
- Total Personal Deposits 
- Total Business Financing 
- Business Deposits 

Shifting growth trends



Expected drivers of retail net interest margin (NIM)

- Absolute level of short-term interest rates
 - Higher short-term rates improve deposit spreads
- Speed at which short-term rates reset
 - Gradual small rate hikes lead to Prime-BA spread compression
- Competitive pressures on industry pricing
 - Increased pressure in a slower growth environment
- Changes in product mix
 - Volume growth in higher spread products (i.e. cards and commercial loans)



Counteracting Factors on NIM

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What does a winning franchise look like...

- ✓ **Building on our leading market positions**
 - Proven track record of outperformance
- ✓ **Extending sales power**
 - Unparalleled distribution network and superior cross sell ability
- ✓ **Eliminating costs and reinvesting for the future**
 - Simplifying process and building end-to-end efficiencies

#1 market share
and growing

25% premium on
volume growth to
market

Efficiency ratio
to low 40s

Premium volume growth at a lower cost

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SALES & DISTRIBUTION

Wayne Bossert
Executive Vice President, Sales



Extending Sales Power

Scale

- Investing to grow our leading distribution network to serve customers when and where they want

Products

- Complementing winning product offering with new customer value propositions

Capability

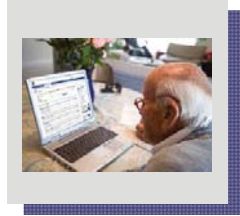
- Differentiating on how and where we deliver convenience, service, value and advice

Market leading growth and cross sell



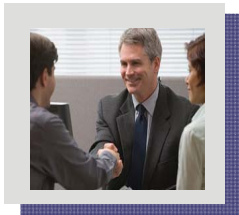
The scale advantage

- Largest active on-line customer base

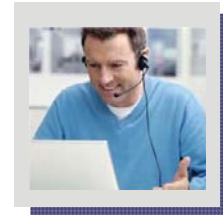


- Largest ATM network with 50% more than our peers

- Twice the number financial advice specialists



Largest most integrated distribution network



- Largest and most integrated call centre



- Most branches in Canada with 17% more than our peers

Reaching 10 million clients on their terms

Data: As at Q3, 2010

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Investing to build greater scale



- 15% increase in hours and days of business



- 20 new branches opening in 2011



- Capitalize on 100MM contacts through Contact Centres



- New online and mobile banking functionality



- 20% increase in mobile specialists

Matching distribution to changing shopping patterns

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Depth and breadth of product lineup

Leading Product Market Share



RBC Homeline Plan®
Save Money and Improve Your Cash Flow —
Let the Equity in Your Home Work for You

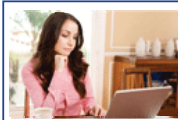


RBC Signature No Limit Banking
➤ Unlimited transactions for a low monthly fee
➤ FREE access to RBC Online Banking
➤ and much more

[Learn More >](#)



New Value Propositions



RBC High Interest eSavings®
An online savings account offering high interest on every dollar. Free online transfers from this account to other RBC accounts in your name — 24/7 with no delay.



\$6 Small Business Account
Pay less. Get more.

Advice you can bank on™



Investing to develop new value propositions

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Reinventing RBC's retail store



- Educating clients on channel options to save them time and money while driving down costs
- Central meeting place for clients and advice specialists to explore and purchase solutions
- Event and presentation centre to generate client acquisition and revenue growth

Winning more business by educating and empowering customers

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Advancing capability within channels



- Click to Chat
- Experts on Demand
- Tele-presence

Innovating new approaches to deliver expertise



Expanding digital banking capabilities



- Doubled our investment to increase access and functionality
- Over the last 5 years:
 - Number of active on-line clients has doubled
 - Sales have tripled
- myFinancetracker and the RBC Advice Centre are delivering advice on-line



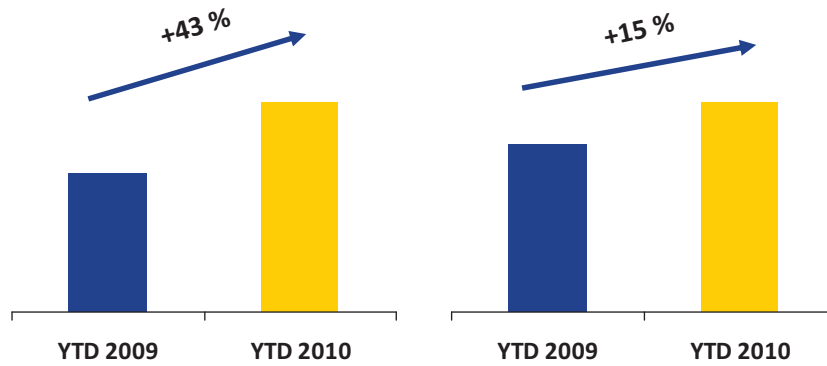
Industry leading on-line advice



Translating sales power to acquire and deepen relationships

Personal Financial Reviews

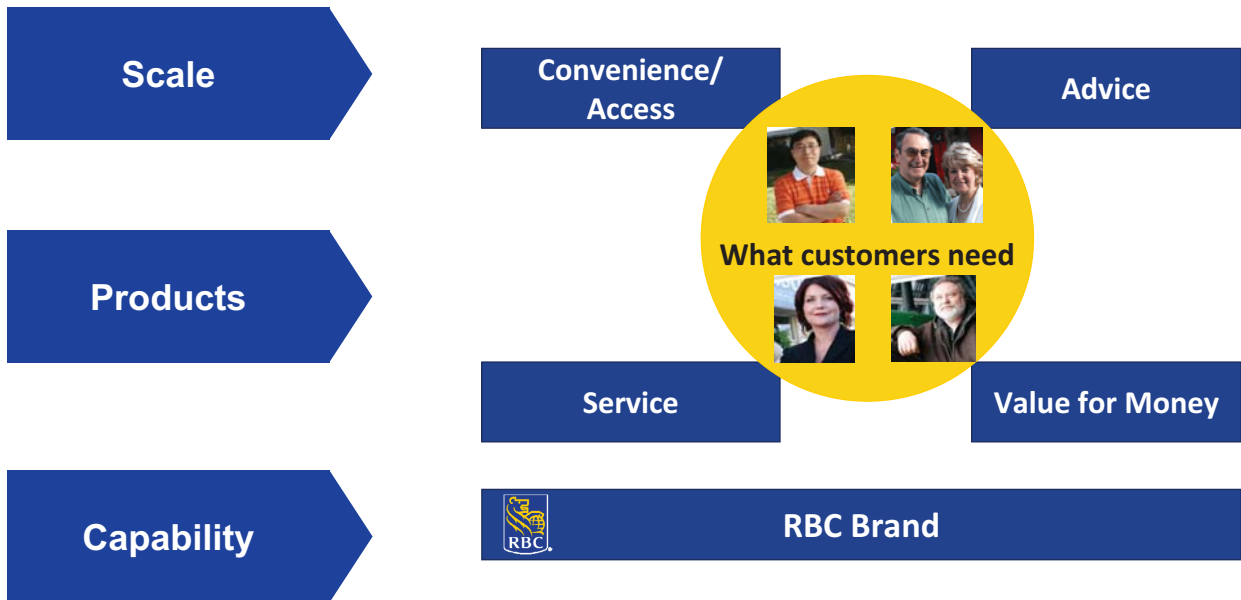
Sales per FTE



Driving top line growth



Extending sales power



Market leading growth and cross sell



Operations & Efficiency

Shauneen Bruder
Executive Vice President, Operations



Achieving best in class efficiency

Simplify **WHAT we do**

- Policy and procedures
- Products
- Eliminate non-value-added work

Streamline **HOW we do it**

- Automating work
- Eliminating paper
- Work flow tools

Optimize **WHERE we do it**

- Middle offices – free up sales time
- Straight-through-processing
- Strategic sourcing

Enabling growth at a lower cost



Simplifying WHAT we do

Change Levers

- Simplifying policies and procedures
- Simplifying products
- Eliminating non-value-added work



Early Progress:

- 2,000 branch procedures simplified
- Credit card product suite optimized with industry-leading value propositions
- 72% of branch reports eliminated

Impacts:

- 400,000 hours of capacity created for the sales force
- More card sales

Enhancing sales capability by making it easier for clients and staff

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Streamlining HOW we do it

Change Levers

- Automating work
- Eliminating paper
- Work flow tools



Early Progress:

- 3.5MM client requests automated
- 25% of all product documents digitized

Impacts:

- 3 day reduction (66%) in cycle time for client requests
- 30MM pages eliminated

Significant opportunity to lower costs

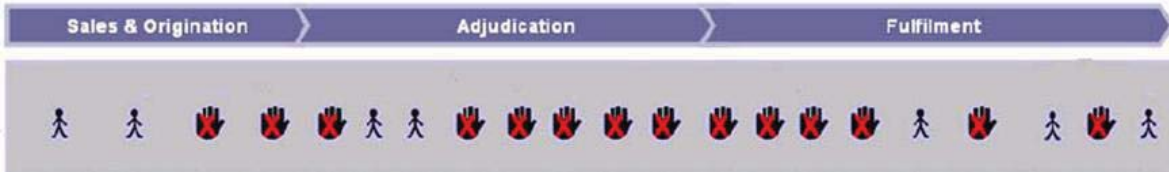
35



Streamlining HOW we do it - Example

Case Study – Personal Credit Process Redesign

End to End Process Redesign will result in ...



- 35% streamlining of policies
- 70% reduction in hand-offs – from 21 to 7 manual ‘touches’
- 40% reduction in time spent processing
- 80% improvement in decision timelines

Getting to “yes” faster

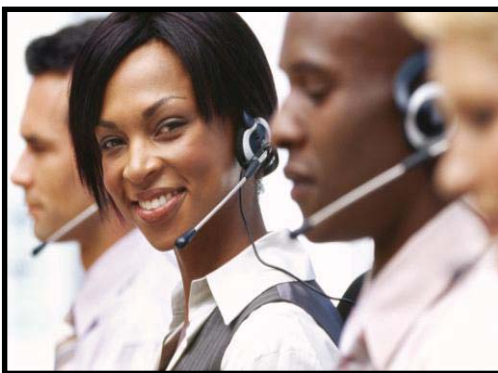
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Optimizing WHERE we do it

Change Levers

- Middle offices centralize expertise and free up sales time
- Straight-through-processing – “once and done” capability
- Strategic sourcing



Early Progress:

- Created Commercial and Mortgage middle offices
- 25% of loan requests fully automated
- Leveraging external capabilities to reduce cost of delivery

Impacts:

- Liberated sales time
- Eliminate back-office processing costs
- 30% reduction in costs from strategic sourcing

Liberating sales time to enhance sales capacity

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Optimizing WHERE we do it - Example

Case Study – Commercial Credit Middle Office

Centralization of annual credit reviews from Account Manager has resulted in...



Additional Time for Sales

- 5 hours per week per Account Manager
- 25% increase in client contacts
- 27% increase in sales pipeline
- 16% increase in new client acquisition

Enhanced Portfolio Management

- Over 50% improvement in timeliness of annual credit reviews
- Reduced expired credits
- Improved consistency of analysis

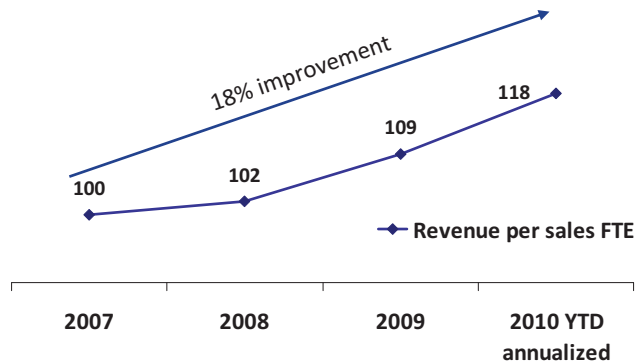
Liberating sales time to enhance sales capacity



Premium market growth at a lower cost

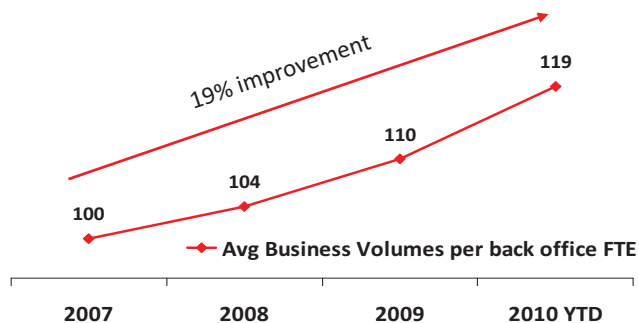
Improved Sales Productivity

(2007 Indexed to 100)



Improved Back Office Efficiency

(2007 Indexed to 100)



Investing to enable growth and enhance efficiency



Scale in operations matters

**Simplify
WHAT we do**

- Driving cost lower

**Streamline
HOW we do it**

- Liberating sales time

**Optimize
WHERE we do it**

- Improving the client experience

Every dollar of revenue generated at a lower cost

40



The undisputed leader in financial services in Canada...

✓ **Building on leading market positions**

- Proven track record of outperformance

**#1 market share
and growing**

✓ **Extending sales power**

- Unparalleled distribution network and superior cross sell ability

**25% premium on
volume growth
to market**

✓ **Eliminating costs and reinvesting for the future**

- Simplifying process and building end-to-end efficiencies

**Efficiency ratio
to low 40s**

A proven track record of success paves the way for the future

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Biographies



Biography – Gordon M. 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.

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 CIJA/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.



Biography – David I. McKay



Group Head RBC Canadian Banking

David McKay is Group Head, Canadian Banking, responsible for RBC's Personal Financial Services, Credit Cards and Business Financial Services businesses, as well as RBC's Canadian sales and branch distribution.

Mr. McKay's previous role was Executive Vice President of Personal Financial Services at RBC, where he was responsible for the personal retail business including Consumer Lending, Home Equity, Deposits, Branch Investments and online investing in Canada. Mr. McKay held this role from October 2005 to April 2008, prior to which he was Senior Vice-President of Financing Products of RBC's domestic retail bank.

Mr. McKay has spent more than 20 years with RBC in many different areas including senior management of retail banking, retail banking field roles, commercial account management, group risk management and corporate banking in Canada and Japan. Mr. McKay is also a Director of Visa Inc., a public global payments company.

Mr. McKay holds an MBA from the Richard Ivey School of Business at University of Western Ontario and a Bachelor of Mathematics from the University of Waterloo. He is a member of the Board of Governors for the University of Waterloo and is on the Board of Trustees for the Hospital for Sick Children (SickKids).

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Biography – Wayne Bossert



Executive Vice President Sales, RBC Canadian Banking President & CEO, Royal Mutual Funds Inc.

As Head of Sales, Wayne Bossert leads RBC's personal and business sales forces across Canada. This includes all client-facing staff in branches, business centres, and private banking offices, acquisition focused commissioned sales people for mortgages and investment retirement planners. He is responsible for ensuring a customer centric delivery model providing leading client satisfaction, revenue growth and operating efficiency.

Mr. Bossert joined RBC in 1987 in Alberta. In August 2001, Mr. Bossert was appointed Regional President, Atlantic Provinces, where he was responsible for RBC's overall business lines in the Region. He returned to Toronto in November 2005 as Senior Vice President, Service Delivery with the responsibility of after-sales servicing and centralized fulfillment operations for Canadian personal and business clients. Most recently, he served as Executive Vice President, Retail Operations, and was a member of the Group Operating Committee charged with day-to-day management of RBC globally.

Born in Edmonton, Alberta, Mr. Bossert graduated from the University of Alberta with a Bachelor of Commerce degree in 1987, and then earned a Fellowship in the Institute of Canadian Bankers in 1998. In 2001, he earned a diploma in the International Masters Program in Practicing Management from France's INSEAD University and then a Masters Degree in Management Studies from McGill University.

Mr. Bossert is a Director of Symcor Inc., Moneris Solutions Inc., and RBC Asset Management Inc. He also chairs the Board of Royal Mutual Funds Inc. and serves on the Audit & Resources Committee for the Trillium Health Centre in Mississauga.

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Biography – Shauneen Bruder



Executive Vice President Operations, RBC Canadian Banking

Shauneen Bruder is Executive Vice President of Operations for Canadian Banking, RBC. In this role, Ms. Bruder is accountable for operations related to all personal and business clients in Canada, including branch operations, after-sales service delivery and contact centre operations. In addition, she is a member of the Group Operating Committee charged with oversight of day-to-day management of RBC globally.

Prior to assuming her current position, Ms. Bruder was Executive Vice President of Business and Commercial Banking (2005 – 2010) and the Chief Operating Officer of RBC Investments, the Wealth Management division of RBC (2003-2005). From 2001 to 2003, Ms. Bruder was President of RBC Centura Bank, Inc., headquartered in Rocky Mount, North Carolina. Joining RBC in 1984, Ms. Bruder has held various positions in commercial banking, account management, risk management, product management, strategic planning and retail sales management.

Ms. Bruder is a director of various RBC subsidiaries including Royal Trust Corporation of Canada. In addition, Ms. Bruder serves as past Chair of the Board of Directors of the Canadian Chamber of Commerce and is a director of Moneris Solutions Corporation and Pine River Institute. During her tenure in North Carolina, she served on the Governor’s Task Force on Innovation for the State of North Carolina and on the Board of Directors of North Carolina Wesleyan College.

She has a BA from the University of Guelph (1980) and an MBA (1984) from Queen’s University. Ms. Bruder is a certified director, as a graduate of the Institute of Corporate Directors (ICD.D certification).

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IR contacts

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