

Royal Bank of Canada Morgan Stanley U.S. Financials Conference

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Chief Administrative Officer & CFO

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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 harbor” 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 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, 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 management and Overview of other risks sections in our 2010 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 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.

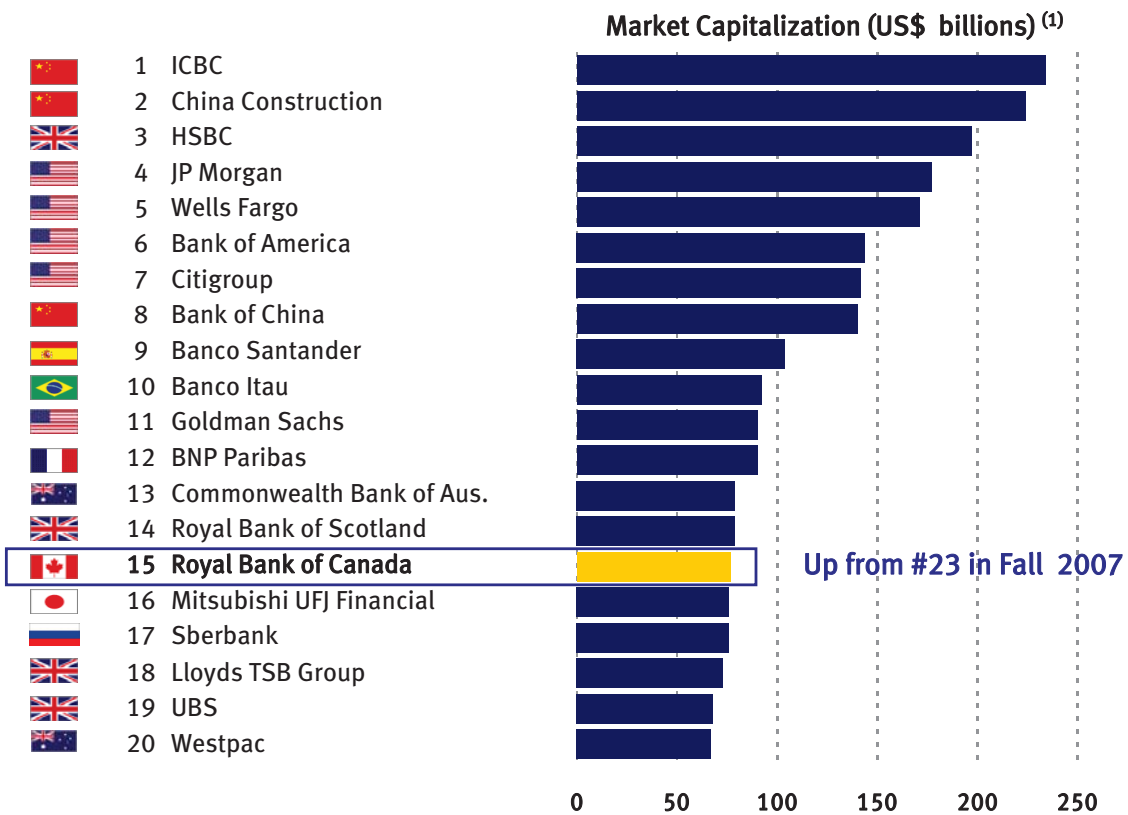
We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties 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 and Overview of other risks sections in our 2010 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.

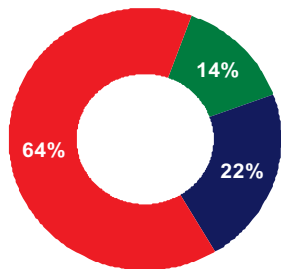


RBC – Among the Top 20 Largest Banks Globally



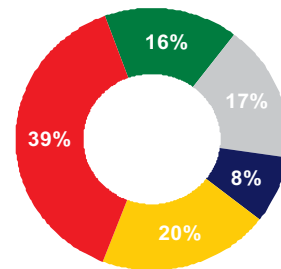
Who We Are – Canadian Leader with a Selective Global Focus

Revenue by Geography ¹



■ Canada ■ U.S. ■ International

Revenue by Business Segment ^{1,2}



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

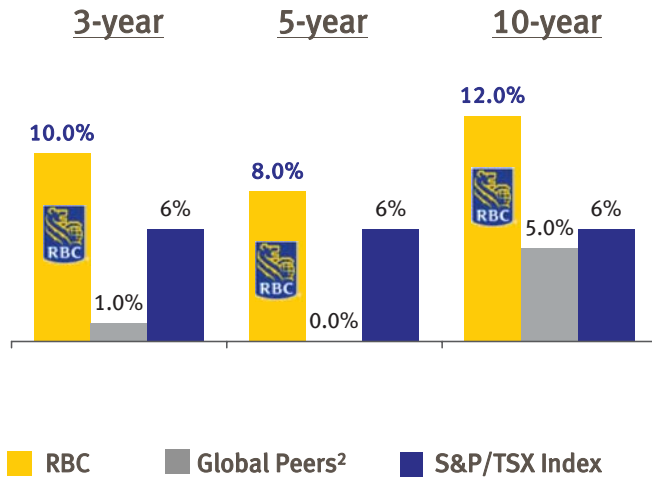
- Diversified model with the right mix of businesses and geographies
- Continuing to invest in our businesses while focusing on cost management
- Senior debt ratings amongst the highest globally

Managing our company for long-term success

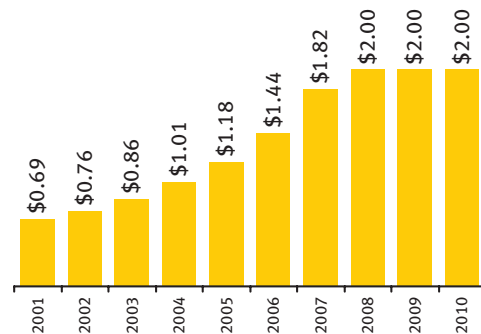


Top Quartile Shareholder Returns

Total Shareholder Return ¹



History of delivering stable and growing dividends



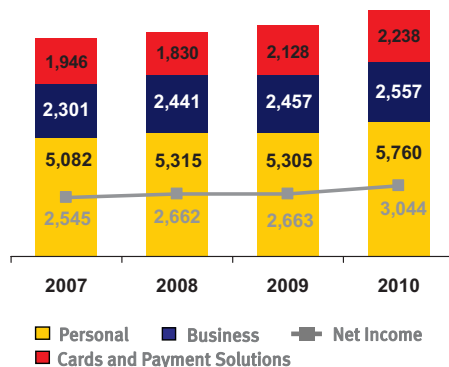
Strong earnings generation and consistent increase in shareholder value

1. Price appreciation plus dividends reinvested, annualized, as at January 21, 2011
2. Global peer group, see 2010 Annual Report for details



Canadian Banking

Revenue by Business (CS Millions)



Domestic Market Share and Rankings⁽¹⁾

Product	Market Share	Rank
Consumer Lending	21.1%	1
Personal Core Deposits	20.0%	2
Personal Investments	15.9%	1
Business Loans (\$0 - \$250M)	26.3%	1
Business Loans (\$250M - \$5MM)	26.6%	1
Business Deposits and Investments	22.4%	1

- Building on leading market positions
- Extending sales power by leveraging our distribution network and cross-selling ability
- Investing to drive further efficiencies, enabling growth at a lower cost

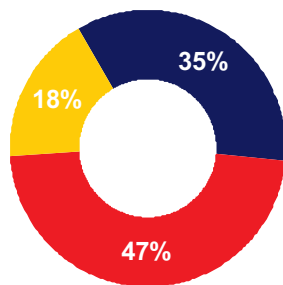
Clear leader and widening the gap

1. See Winter 2010/2011 Investor Presentation for details on market share



Wealth Management

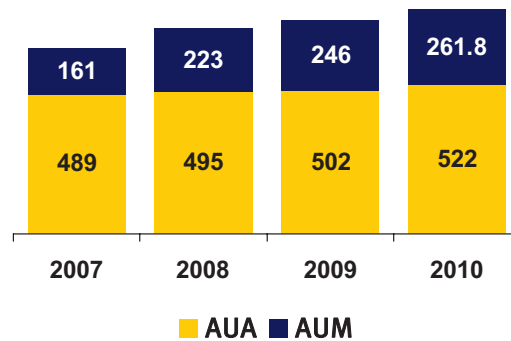
Revenue by Business ¹



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

Consistent Growth in Assets

(C\$ Billions)



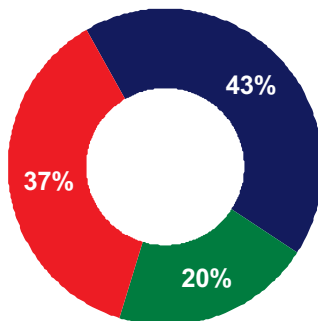
- Largest and most comprehensive full-service wealth manager in Canada
- Strong and growing presence in the U.S. and U.K.
- Expanding our footprint in Asia and emerging markets

Seizing opportunities for growth



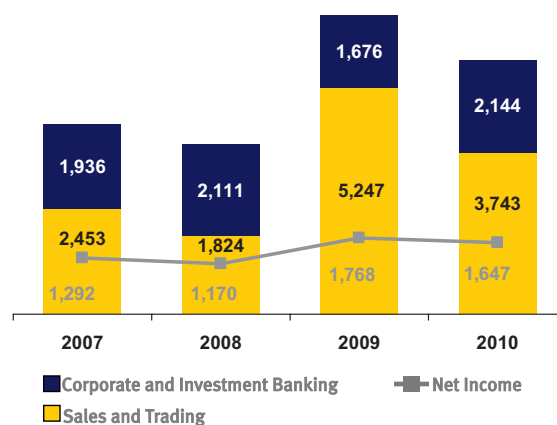
Capital Markets

Revenue by Geography¹



- Canada
- United States
- International

Revenue by Business²



- Leveraging our leadership in Canada to expand globally
- Significant presence in the U.S., and growing client relationships
- Expanding our footprint in Europe and Asia, by building on our core strengths

Global Reach, Focused Expertise



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

Appendix

Canadian Mortgage Market



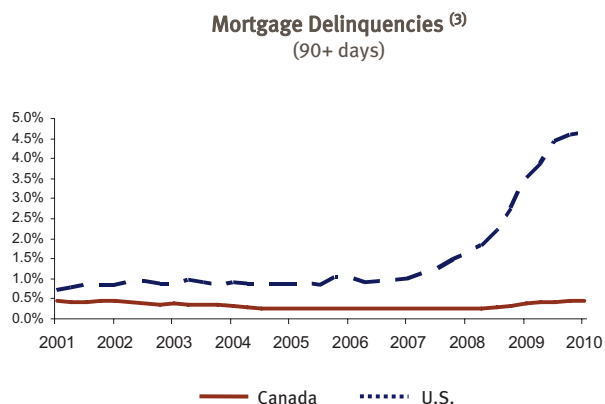
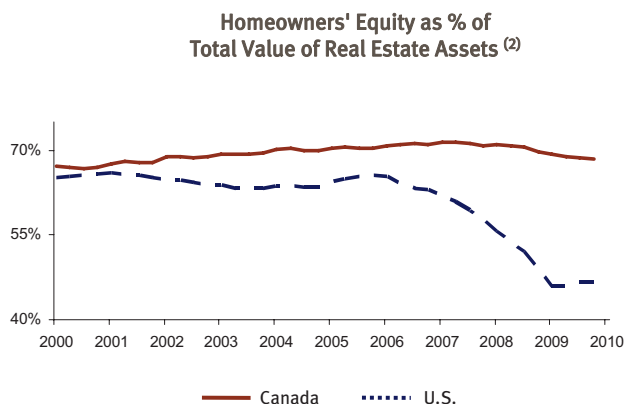
Mortgage Market Comparison

	Canada	U.S.
Regulation	<ul style="list-style-type: none"> Fully insured if LTV <u>over</u> 80% Insurance is government-backed All borrowers must meet standards for a 5-year fixed rate mortgage Down-payment > 20% on non-owner occupied properties 	<ul style="list-style-type: none"> Insured only if conforming and LTV <u>under</u> 80% No regulatory LTV limit – can be over 100% Not gov't-backed if private insurer defaults
Consumer Behaviour	<ul style="list-style-type: none"> Mortgage interest not tax deductible More apt to pay off mortgage 	<ul style="list-style-type: none"> Mortgage interest is tax deductible Less tendency to pay down mortgage Stay period of up to 90 days
Products	<ul style="list-style-type: none"> 1 to 5-year terms typical, with up to 20-30 year amortization. Prepayment penalties. Limited use of “teasers” 	<ul style="list-style-type: none"> Typically 30-year terms with matching amortization “Teasers” (low initial rate, then increases)
Lenders Recourse	<ul style="list-style-type: none"> Easy to foreclose on non-performing mortgages, with no stay periods Full recourse against borrowers 	<ul style="list-style-type: none"> Stay period of up to 90 days to foreclose on non-performing mortgages Limited recourse against borrowers
RBC Portfolio	<ul style="list-style-type: none"> 38% of residential mortgage balances are insured. 	



Conservative Lending Practices Leading to Fewer Delinquencies

- Significant and stable amount of equity investment in Canadian homes
 - Rate of home ownership comparable to U.S. (approximately 68% in both countries)⁽¹⁾
- Mortgage delinquency rates remain low and have been stable through recent credit cycle



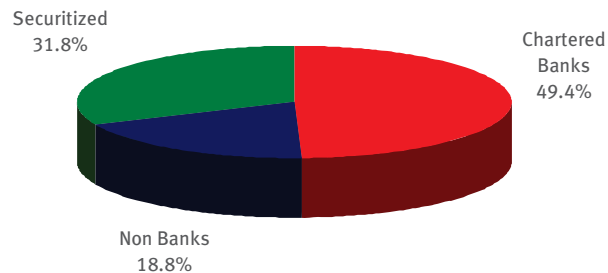
(1) Statistics Canada Census and U.S. Census Bureau
 (2) Statistics Canada and U.S. Federal Research Division as at Sept. 2010.
 (3) Canadian Bankers Association (CBA) and Mortgage Bankers' Association as at Sept. 2010.



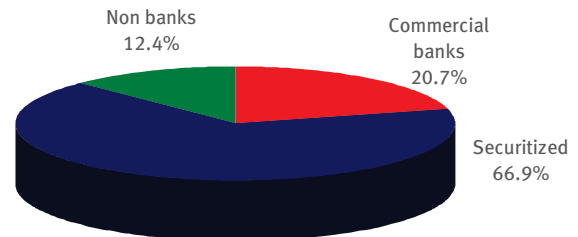
Most Canadian Mortgages Held on Balance Sheet

- Strong underwriting discipline in Canada
 - Deminimus sub-prime origination by major banks
 - Major banks credit score using in-house models and third-party metrics, supported by extensive documentation
- In the US, most mortgages securitized and sold
 - Sub-prime origination up to 20% in 2006 ⁽¹⁾
 - Wide range of underwriting and documentation requirements

Canadian Residential Mortgage Market
(C\$1 trillion) ⁽²⁾



U.S. Residential Mortgage Market
(USD\$10.6 trillion) ⁽³⁾



- (1) Source: DBRS "Comments on the Mortgage Markets in Canada and the United States" and RBC data
 (2) Bank of Canada, Q3 2010, RBC Economics Research
 (3) U.S. Federal Reserve Q3 2010, RBC Economics Research



Policy Measures to Ensure Sustainable House Prices

- Canadian Government's Department of Finance has announced many measures over the past few years to encourage Canadians to build equity in their homes
 - **January 2011:**
 - Maximum amortization on government-backed insured mortgages is reduced to 30 years from 35 years
 - Maximum amount that can be borrowed on mortgage refinancing lowered to 85% from 90%
 - Withdrawing government backing on home equity lines of credit, unless the loan is structured as an amortizing loan
 - **February 2010:**
 - Borrowers must meet the standards for a five-year fixed rate mortgage
 - Maximum amount that can be borrowed on a mortgage refinancing lowered to 90% from 95%
 - Minimum down payment of 20% is required in order to qualify for government-backed mortgage insurance on non-owner-occupied properties
 - **July 2008:**
 - Maximum amortization on government-backed insured mortgages is reduced to 35 years from 40 years
 - A minimum 5% down payment is required in order to qualify for government-backed insured mortgages
 - Additional – minimum credit score requirements, new loan documentation standards, setting a maximum of 45% on borrowers total debt service ratio



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