

Royal Bank of Canada First Quarter Results

February 28, 2013

Financial information is in Canadian dollars and is based on International Financial Reporting Standards (IFRS), 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 February 28, 2013 analyst conference call (Q1 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 financial performance objectives, vision 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 financial performance objectives, 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 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, liquidity and funding, operational, legal and regulatory compliance, insurance, reputation and strategic risks and other risks discussed in the Risk management and Overview of other risks sections of our 2012 Annual Report and in the Risk management section of our Q1 2013 Report to Shareholders; the impact of changes in laws and regulations, including relating to the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations issued and to be issued thereunder, the Basel Committee on Banking Supervision's global standards for capital and liquidity reform, over-the-counter derivatives reform, the payments system in Canada, consumer protection measures and regulatory reforms in the U.K. and Europe; general business and economic market conditions in Canada, the United States and certain other countries in which we operate, including the effects of the European sovereign debt crisis, and the high levels of Canadian household debt; cybersecurity; the effects of changes in government fiscal, monetary and other policies; the effects of competition in the markets in which we operate; our ability to attract and retain employees; the accuracy and completeness of information concerning our clients and counterparties; judicial or regulatory judgments and legal proceedings; 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. Material economic assumptions underlying the forward looking-statements contained in this Q1 presentation are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2012 Annual Report, as updated by the Overview section in our Q1 2013 Report to Shareholders. 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 the Overview of other risks sections in our 2012 Annual Report and in the Risk management section of our Q1 2013 Report to Shareholders.

Information contained in or otherwise accessible through the websites mentioned does not form part of this Q1 presentation. All references in this Q1 presentation to websites are inactive textual references and are for your information only.

Overview

Gordon M. Nixon
President and Chief Executive Officer



Q1/2013 Performance Highlights



Strong Q1 results

- Net income of over \$2 billion, up 12% YoY and 8% QoQ
- Diluted EPS \$1.36 and ROE of 19.6%
- Record performance in Personal & Commercial Banking and Wealth Management
- Strong performance in Capital Markets

Solid capital position

- Basel III "all-in" Common Equity Tier 1 ratio of 9.3%
- Announced a quarterly dividend increase of \$0.03 or 5% to \$0.63 per share

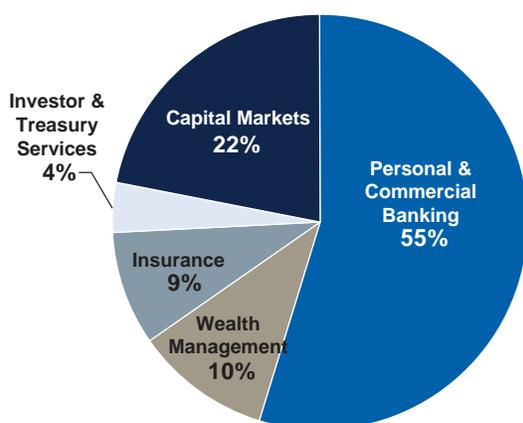
Diversified business model with a disciplined growth strategy

RBC's key strengths

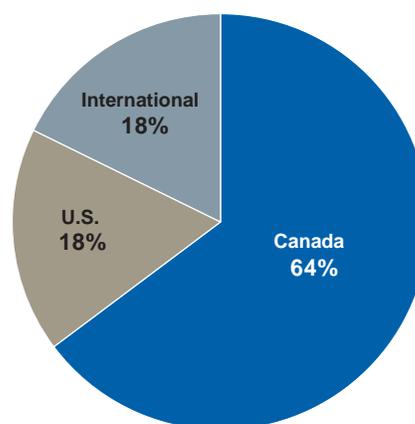


- Diversified business mix, with the right balance of retail and wholesale
- Almost two-thirds of revenue from Canada
- Strategic approach in key businesses in the U.S. and select international markets

Earnings by business segment ⁽¹⁾⁽²⁾
Average Q2/2012 to Q1/2013



Revenue by geography ⁽¹⁾
Average Q2/2012 to Q1/2013



First Quarter 2013 Results

(1) Amounts exclude Corporate Support. For further information, see the Business segment results and Results by geographic segment sections of our Q1 2013 Report to Shareholders.

(2) Excludes loss in Q3/2012 on the acquisition of the remaining 50% stake in RBC Dexia. This is a non-GAAP measure. For additional information see slide 29.

Strategic priorities



Personal & Commercial Banking	<ul style="list-style-type: none"> ▪ Building on leading market positions in Canada ▪ Extending our Canadian sales power ▪ Managing costs and reinvesting for the future in Canada ▪ Building on strengths in innovation and technology to differentiate the client experience in the Caribbean and U.S.
Wealth Management	<ul style="list-style-type: none"> ▪ Building a high-performing global asset management business ▪ Focusing on high net worth and ultra-high net worth clients to build global leadership ▪ Leveraging RBC and RBC Wealth Management strengths and capabilities
Insurance	<ul style="list-style-type: none"> ▪ Improving distribution efficiency and deepening client relationships ▪ Making it easier for clients to do business with us ▪ Pursuing select international opportunities to grow our reinsurance business
Investor & Treasury Services	<ul style="list-style-type: none"> ▪ Establishing a specialist custody bank with an integrated funding and liquidity business ▪ Focusing on organic growth by leveraging client relationships, cross-selling and promoting the RBC brand ▪ Building out a deposit gathering strategy to support the asset strategy of RBC
Capital Markets	<ul style="list-style-type: none"> ▪ Extending our leadership position in Canada ▪ Expanding and strengthening client relationships in the U.S. ▪ Building on core strengths and capabilities in the U.K., Europe and Asia ▪ Optimizing capital use to earn high risk-adjusted returns on assets and equity

First Quarter 2013 Results

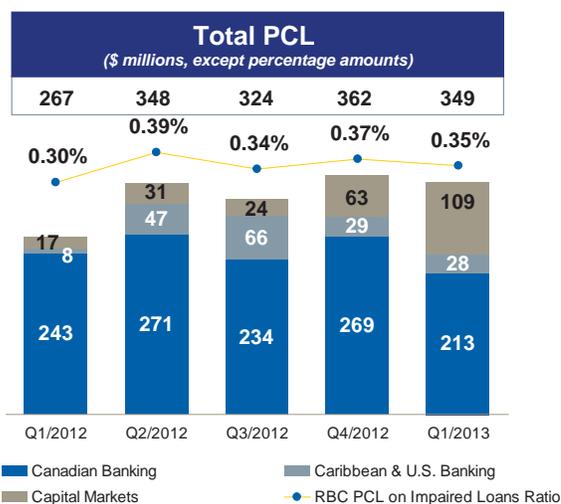
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Risk Review

Morten Friis
Chief Risk Officer



Provision for credit losses (PCL)



Personal & Commercial Banking

- PCL decreased \$57 million, or 19% QoQ
 - Lower provisions in our Canadian business lending and retail portfolios
 - Caribbean PCL was relatively flat

Capital Markets

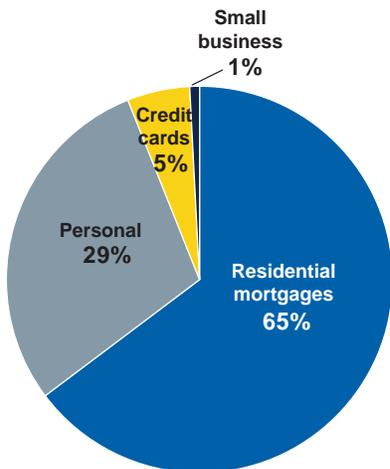
- PCL increased \$46 million QoQ due to a couple of accounts

PCL Ratio by Segment	Q1/2012	Q2/2012	Q3/2012	Q4/2012	Q1/2013
Personal & Commercial Banking	0.32%	0.41%	0.38%	0.37%	0.29%
Canadian Banking	0.32%	0.36%	0.30%	0.34%	0.26%
Capital Markets	0.16%	0.27%	0.20%	0.49%	0.82%

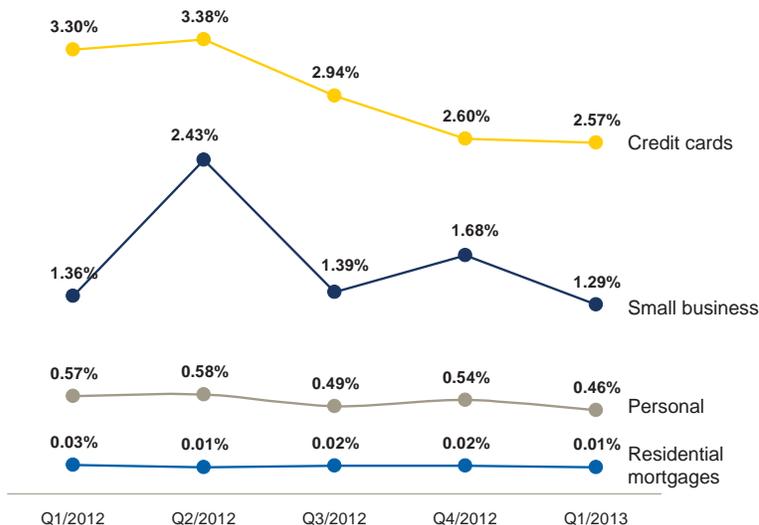
Canadian Banking retail portfolio credit quality



Average Retail Loans (\$271 billion)



PCL Ratio by Product



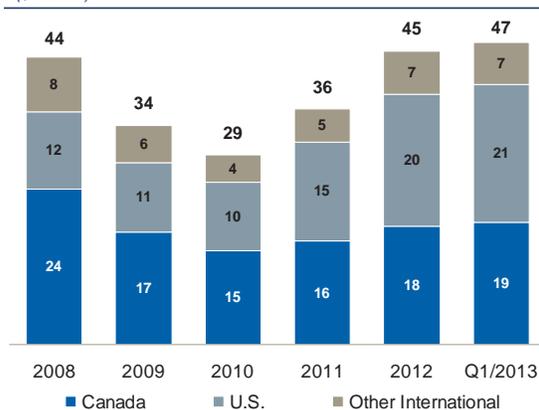
Overall credit quality remains stable

Capital Markets loan portfolio



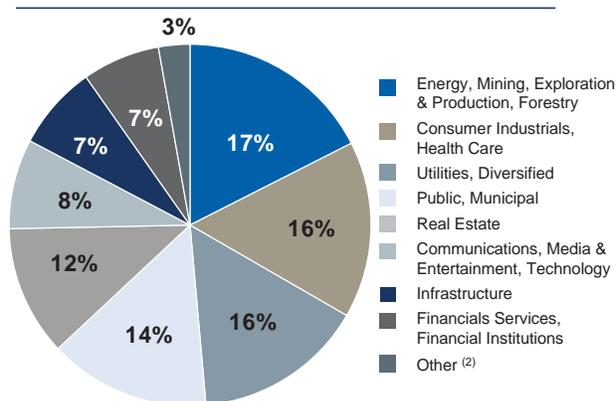
Loans Outstanding by Region (1)

(\$ billions)



Loans Outstanding by Industry (1)

Q1/2013



- Diversification driven by strict limits on 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⁽³⁾ taking into account liquidity, funding and capital requirements
- Consistent lending standards throughout the cycle, with PCL levels in line with our risk parameters
- Approximately 70% of our authorized Capital Markets loan portfolio is investment grade

Financial Review

Janice Fukakusa

Chief Administrative Officer and Chief Financial Officer



Q1/2013 financial highlights



	Q1/2013	Q4/2012	Q1/2012
<i>(\$ millions, except per share amounts and ratios)</i>			
Revenue	\$7,910	\$7,518	\$7,574
Net income	\$2,070	\$1,911	\$1,855
Diluted earnings per share (EPS)	\$1.36	\$1.25	\$1.22
Return on common equity (ROE) ⁽¹⁾	19.6%	18.7%	19.7%

Earnings up \$215 million, 12% YoY

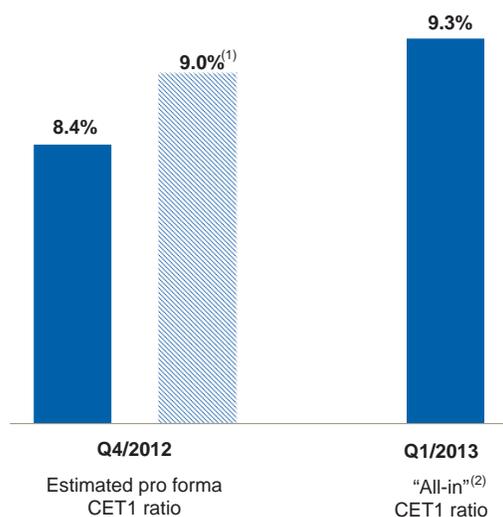
- Solid volume growth across all Canadian Banking businesses
- Strong lending, loan syndication, advisory and debt origination in Capital Markets
- Higher average fee-based client assets in Wealth Management
- Higher effective tax rate and higher PCL

Earnings up \$159 million, 8% QoQ

- Lower PCL and volume growth in Canadian Banking
- Solid fixed income trading and advisory in Capital Markets
- Semi-annual performance fees, higher average fee-based client assets and increased transaction volumes in Wealth Management
- Higher effective tax rate and higher Insurance claims costs

Strong business growth while maintaining effective cost discipline

Basel III Common Equity Tier 1 (CET1) ratio



Q1/2013 reflects

- Lower risk-weighted assets due to delayed regulatory implementation of the CVA capital requirement
- Strong internal capital generation
- The final quarter of IFRS phase-in

Excluding the CVA impact of approximately 60 basis points last quarter

- Our estimated pro forma CET1 ratio would have been approximately 9.0% in Q4/2012

Strong capital position, ahead of regulatory and internal targets

First Quarter 2013 Results

(1) Excludes the credit valuation adjustment (CVA) capital charge rules as per OSFI's final version of the "Capital Adequacy Requirements Guideline" issued in December 2012.

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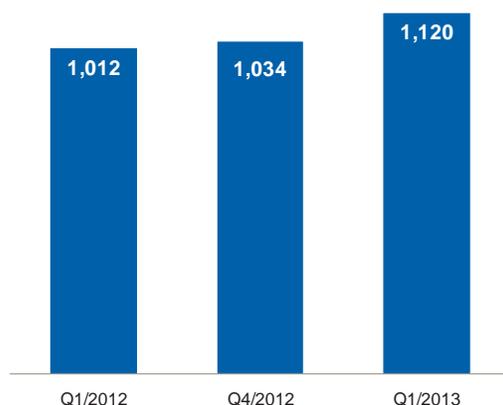
(2) Capital calculated to include all the regulatory adjustments that will be required by 2019 but retaining the phase-out rules of non-qualifying capital. Please refer to the Capital Management section of our Q1 2013 Report to Shareholders for details on Basel III requirements.

Personal & Commercial Banking



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
NIAT	8%	11%

Q1/2013 Highlights

Canadian Banking (Net Income: \$1,106 million)

- Solid volume growth
 - Loan growth: 6% YoY and 1% QoQ
 - Deposit growth: 7% YoY and 2% QoQ
- Stable margins with NIM of 2.73%, down 1 bp QoQ
- Continued focus on expense reduction
 - Operating leverage of 2.6%
 - Efficiency ratio of 43.7%, an improvement of 120 bps YoY
- Completed acquisition of Ally Financial Inc.'s Canadian auto finance and deposit business on February 1, 2013

Caribbean & U.S. Banking

- Stable credit quality QoQ notwithstanding ongoing challenges in the Caribbean

First Quarter 2013 Results

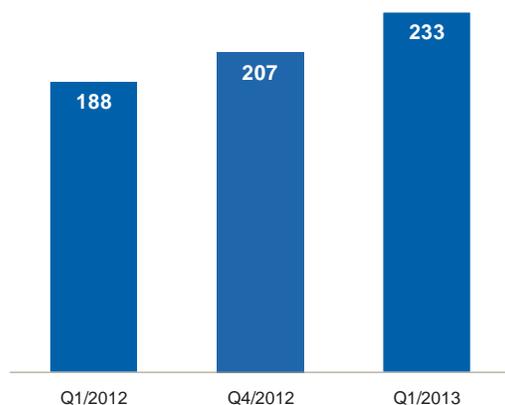
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Wealth Management



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
NIAT	13%	24%

Q1/2013 Highlights

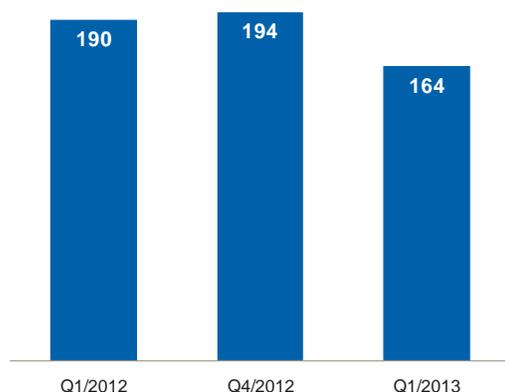
- Strong revenue of \$1,340 million, up 13% YoY and 6% QoQ
- Higher average client assets due to improved market conditions and net sales
 - AUM of \$353 billion, up 4% QoQ; up 13% YoY
 - AUA of \$593 billion, up 3% QoQ; up 11% YoY
- Improved transaction volumes
- Higher semi-annual performance fees compared to Q1/2012

Insurance



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
NIAT	(15)%	(14)%

Q1/2013 Highlights

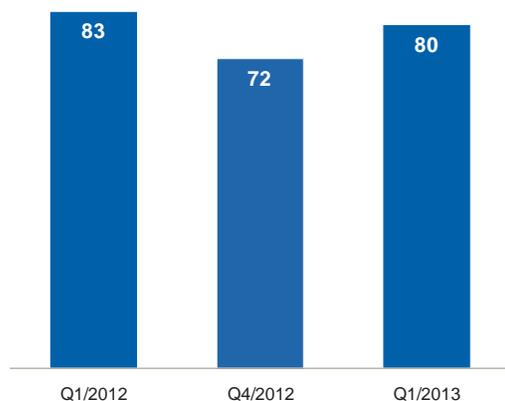
- Prior year favorably impacted by net investment gains and a new U.K. annuity contract
- Solid performance in Canadian insurance YoY and QoQ
 - Favourable impact of interest rates and investment activities on policyholder liabilities
 - Solid claims performance reflecting lower claims costs in home and auto
- QoQ decrease driven by higher reinsurance and disability claims costs

Investor & Treasury Services



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
NIAT	11%	(4)%

Q1/2013 Highlights

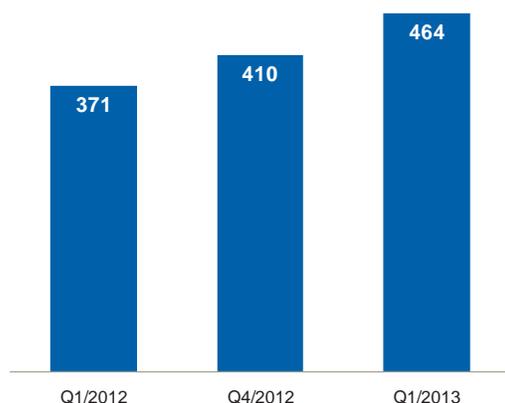
- Net income decreased 4% YoY
 - Incremental earnings related to our additional 50% ownership of RBC Investor Services
 - Offset by lower funding and liquidity revenue as Q1/2012 benefited from tightening credit spreads
 - Higher infrastructure costs
- Net income increased 11% QoQ
 - Increased foreign exchange revenue driven by higher transaction volumes
 - Improved performance in our custodial services business

Capital Markets



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
NIAT	13%	25%

Q1/2013 Highlights

Corporate & Investment Banking

- Revenue of \$840 million, up 62% YoY
- Robust YoY growth in lending and loan syndication in the U.S.
- Higher North American advisory and origination activity YoY
- Revenue up 22% QoQ driven by higher M&A, loan syndication, and debt origination activities

Global Markets

- Revenue of \$1,035 million, up 5% YoY and up 23% QoQ
 - Higher fixed income trading QoQ
 - Higher debt origination YoY and QoQ

- PCL was up \$92 million YoY and \$46 million QoQ due to a couple of accounts

Appendices



Canadian Banking – retail momentum



Canadian Banking <i>Retail Market Share</i>	Q1/2013		Q1/2012	
	Rank	Market Share ⁽¹⁾	Rank	Market Share ⁽¹⁾
Consumer Lending ⁽²⁾	1	23.2%	2	22.9%
Personal Core Deposits + GICs	2	19.7%	2	19.5%
Long-Term Mutual Funds ⁽³⁾	1	14.2%	1	13.8%
Business Loans ⁽⁴⁾				
\$0 - \$250M	1	26.6%	1	25.7%
\$250M - \$25MM	1	25.3%	1	24.1%
Business Deposits ⁽⁵⁾	1	25.7%	1	25.2%

- Long-term mutual fund market share up 40 bps YoY
- Personal core deposits and GICs market share up 20 bps YoY

(1) Market share is calculated using most current data available from OSFI (M4), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA). OSFI, IFIC and Consumer Lending CBA data is at December 2012 and December 2011, Business Loans CBA data is at September 2012 and September 2011. Market share is of total Chartered Banks except for Business Loans which is of total 7 Banks (RBC, BMO, BNS, CIBC, TD, NBC, CWB).

(2) Consumer Lending market share is of 6 banks (RBC, TD, CIBC, BMO, BNS and National). Consumer Lending comprises residential mortgages excluding acquired portfolios, personal loans and credit cards.

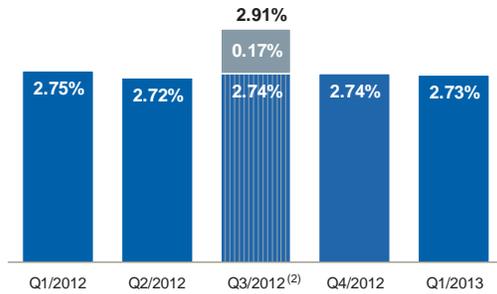
(3) Mutual fund market share is per IFIC.

(4) Business Loans market share is of the nine Chartered Banks that submit tiered data to CBA on a quarterly basis.

(5) Business Deposits market share excludes Fixed Term, Government and Deposit Taking Institution balances.

Leadership in most personal products and in all business products

Canadian Banking – net interest margin (NIM)⁽¹⁾



- Relatively stable margin performance
 - Down 1 bp QoQ due to the impact of competitive pricing and the low interest rate environment
- Margin performance reflects our strict pricing discipline as well as our ability to profitably gain market share through premium volume growth to the market

First Quarter 2013 Results

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

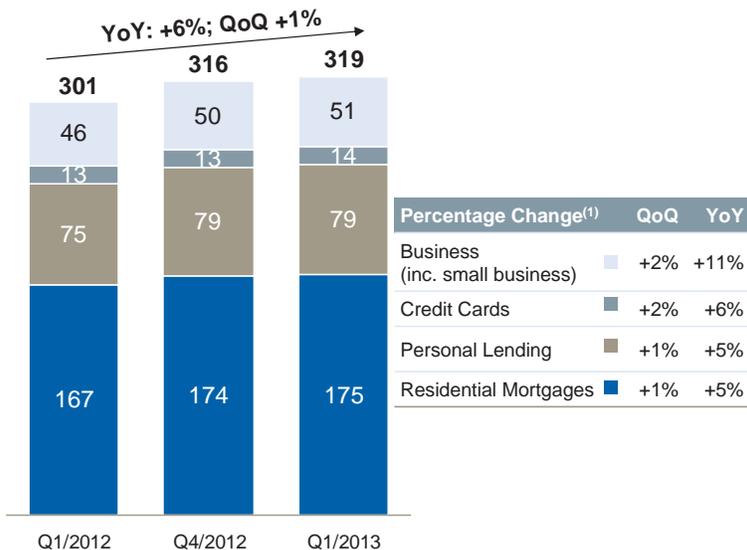
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(2) Q3/2012 results were favourably impacted by a mortgage prepayment interest adjustment of \$92 million (\$125 million before-tax). Q3/2012 NIM was 2.91%. Q3/2012 NIM excluding this adjustment was 2.74%. NIM excluding this adjustment is a non-GAAP measure. For reconciliation, see our Q3 2012 Report to Shareholders. For additional information see slide 29.

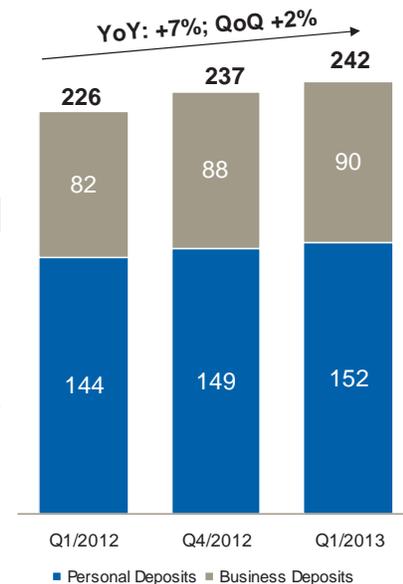
Canadian Banking – volume growth



Average Loans & Acceptances⁽¹⁾ (\$ billions)



Average Deposits⁽¹⁾ (\$ billions)



Combined loan and deposit YoY growth of 7%

First Quarter 2013 Results

(1) Total loans and acceptances and percentage change may not reflect the average loans and acceptances balances for each loan type shown due to rounding.

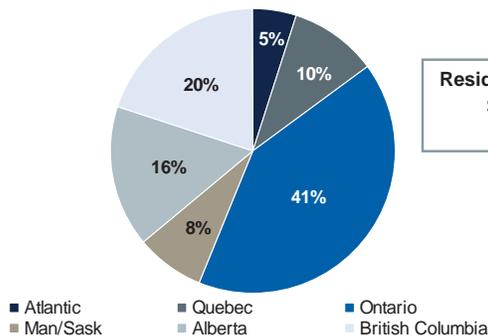
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Canadian Banking – residential mortgage portfolio



Geographic Diversification

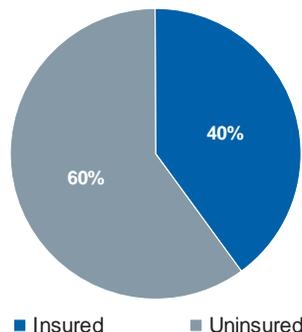
(as at January 31st 2013)



Residential Mortgages:
\$175 billion⁽¹⁾
LTV: 47%⁽²⁾

Insured vs. Uninsured mortgages

(as at January 31st 2013)



- Well diversified mortgage portfolio across Canada
- Ongoing stress testing for numerous scenarios including unemployment, interest rates, housing prices
- Strong underwriting practices with all mortgages originated through our proprietary channels

First Quarter 2013 Results

(1) Excludes commercial mortgages of \$5 billion related to multi-unit buildings which are reported as business loans.

(2) Represents loan-to-value (LTV) ratio for uninsured mortgages adjusted for property values based on provincial housing price index and outstanding balance (including Homeline product).

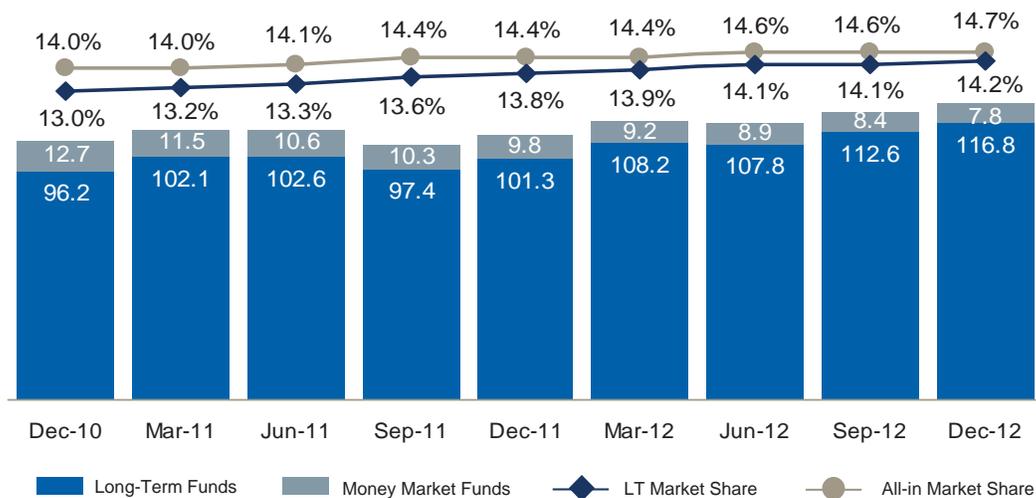
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Wealth Management – asset management growth



Canadian mutual fund balances and market share⁽¹⁾

(\$ billions, except percentage amounts)



- As at December 31, 2012, RBC GAM is ranked #1 in market share for both all-in and long-term fund assets ⁽¹⁾
- Long-term fund assets increased 21% since December 2010, with RBC GAM capturing over 24% of industry long-term sales

First Quarter 2013 Results

(1) Source: IFIC (as of December 2012) and RBC reporting.

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Capital Markets – revenue by business



(\$ millions)	Q1/2013	Q4/2012	Q1/2012	QoQ	YoY
Fixed income, currencies and commodities	644	471	587	37%	10%
Global equities	222	209	228	6%	(3)%
Repo and secured financing	169	162	168	4%	1%
Global Markets (teb)	1,035	842	983	23%	5%
Investment banking	475	357	279	33%	70%
Lending and other	365	330	241	11%	51%
Corporate & Investment Banking	840	687	520	22%	62%
Other	32	27	(40)	19%	180%
Capital Markets total revenue (teb)	1,907	1,556	1,463	23%	30%

Global Markets

- YoY results driven by higher debt origination activity in the U.S., a gain from the disposition of our LME shares and higher fixed income trading revenue
- QoQ results reflect higher debt origination activity in the U.S. and higher fixed income trading

Corporate & Investment Banking

- YoY results reflect robust growth in lending and loan syndication mainly in the U.S., higher M&A activity mainly across North America, and higher debt and equity origination
- QoQ results reflect higher M&A activity mainly across North America, robust growth in lending and loan syndication mainly in the U.S., and higher debt origination across most geographies

First Quarter 2013 Results

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Capital Markets – revenue by geography



(\$ millions)	Q1/2013	Q4/2012	Q1/2012	QoQ	YoY
Canada	426	485	509	(12)%	(16)%
U.S.	1,061	850	697	25%	52%
Europe	295	209	186	41%	59%
Asia and Other	54	16	40	238%	35%
Geographic revenue excluding certain items ⁽¹⁾	1,836	1,560	1,432	18%	28%
<i>Add / (Deduct):</i>					
BOLI ⁽²⁾	11	19	(35)	(8)	46
CVA ⁽³⁾	68	16	58	52	10
Fair value adjustment on RBC debt ⁽³⁾	(8)	(39)	9	31	(17)
Consolidated SPE	-	-	(1)	n.m.	n.m.
Capital Markets total revenue (teb)	1,907	1,556	1,463	23%	30%

- Revenue increased YoY and QoQ in the U.S., largely driven by strong growth in lending and loan syndication, and M&A and origination activities
- YoY decrease in Canada largely driven by lower trading results and lower equity origination, partially offset by growth in M&A activity
- Revenue in Europe was up YoY and QoQ reflecting higher transactions in lending and loan syndication fees and debt origination as we continue to grow our client base and markets stabilize in the region

First Quarter 2013 Results

⁽¹⁾ These are non-GAAP measures. For additional information see slide 29.

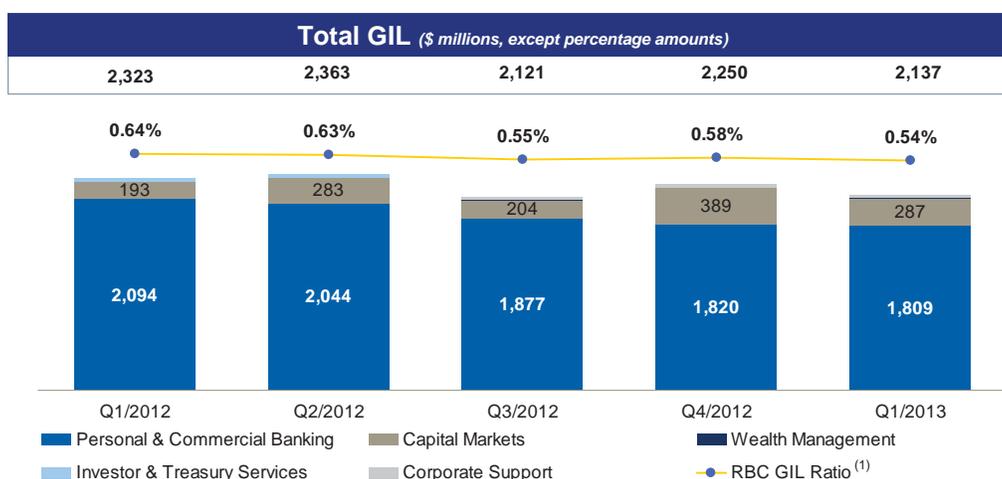
⁽²⁾ Excluded from U.S.

⁽³⁾ Excluded from all geographies.

n.m. – not meaningful

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Gross impaired loans



GIL Ratio by Segment ⁽¹⁾	Q1/2012	Q2/2012	Q3/2012	Q4/2012	Q1/2013
Personal & Commercial Banking	0.68%	0.66%	0.59%	0.56%	0.55%
Canadian Banking	0.43%	0.42%	0.37%	0.36%	0.35%
Capital Markets	0.46%	0.63%	0.41%	0.76%	0.54%

First Quarter 2013 Results

(1) GIL Ratio for Corporate Support is not meaningful.

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Exposure to Europe



European Exposure (\$ millions)	Loans Outstanding	Securities ⁽¹⁾	Repo-style transactions	OTC Derivatives ⁽²⁾	Q1/2013 Total Exposure	Q4/2012 Total Exposure
Gross drawn exposure to Europe ⁽³⁾	10,921	19,104	2,085	9,669	41,779	40,807
Less: Collateral held against derivatives	-	-	-	6,789	6,789	6,495
Add: Trading securities	-	13,179	-	-	13,179	11,742
Net exposure to Europe ⁽⁴⁾	10,921	32,283	2,085	2,880	48,169	46,054

- Net exposure up approximately \$2 billion from the prior quarter, primarily due to an increase in trading securities reflecting increased business activities
- European exposures reflect our client-driven businesses in Capital Markets, Wealth Management and Investor & Treasury Services
- Exposures are manageable and we remain committed to serving our global clients in these markets

(1) Securities include \$13.2 billion of trading securities (October 31, 2012 – \$11.7 billion), \$12.3 billion of deposits (October 31, 2012 – \$12.5 billion) and \$6.8 billion of AFS securities (October 31, 2012 – \$6.8 billion).

(2) Derivative exposures are measured at fair value.

(3) Based on our interpretation of gross funded exposures as reported by certain U.S. banks, which excludes undrawn commitments, potential future credit exposure amount and collateral.

(4) Excludes \$1.1 billion (October 31, 2012 – \$0.6 billion) of exposures to supra-national agencies and \$2.2 billion (October 31, 2012 – \$1.9 billion) of exposures to trade credit reinsurance.

We continue to transact in a prudent manner with well-rated counterparties

First Quarter 2013 Results

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Other – other income



(\$ millions)	Q1/2013	Q4/2012	Q1/2012	QoQ	YoY
Other income – segments	\$113	\$103	\$104	\$10	\$ 9
FV adjustments on RBC debt	(7)	(12)	(1)	5	(6)
CDS on corporate loans	(13)	(23)	(25)	10	12
Funding related items	(5)	1	26	(6)	(31)
Other misc. items	26	(20)	15	46	(11)
Total Other – other income	\$ 114	\$ 49	\$ 119	\$ 65	\$(5)

Note to users



We use a variety of financial measures to evaluate our performance. In addition to generally accepted accounting principles (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 earnings excluding certain items and Capital Markets geographic revenue excluding certain items 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 “Key performance and non-GAAP measures” section of our Q1 2013 Report to Shareholders and our 2012 Annual Report.

Definitions can be found under the “Glossary” sections in our Q1 2013 Supplementary Financial Information and our 2012 Annual Report.

Investor Relations Contacts

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Lynda Gauthier, Director	(416) 955-7808
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