

# Royal Bank of Canada

## UBS Best of Americas Conference

**Gord Nixon**  
President and Chief Executive Officer

**September 6, 2012**

Financial information is presented in Canadian dollars on a continuing operations basis, and is based on International Financial Reporting Standards (IFRS), unless otherwise noted. All financials prior to 2011 are based on Canadian GAAP.

### 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 September 6, UBS Best of Americas Conference (the UBS presentation), in other filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our vision, aspiration, and strategic goals. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our vision, aspiration, and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "plan" and "project" and similar expressions of future or conditional verbs such as "will", "may", "should", "could" or "would".

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our 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 sections of our Q3 2012 Report to Shareholders and our 2011 Annual Report; general business, economic and financial market conditions in Canada, the United States and certain other countries in which we conduct business, including the effects of the European sovereign debt crisis; changes in accounting standards, policies and estimates, including changes in our estimates of provisions, allowances and valuations; the effects of changes in government fiscal, monetary, economic 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 there under; 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.

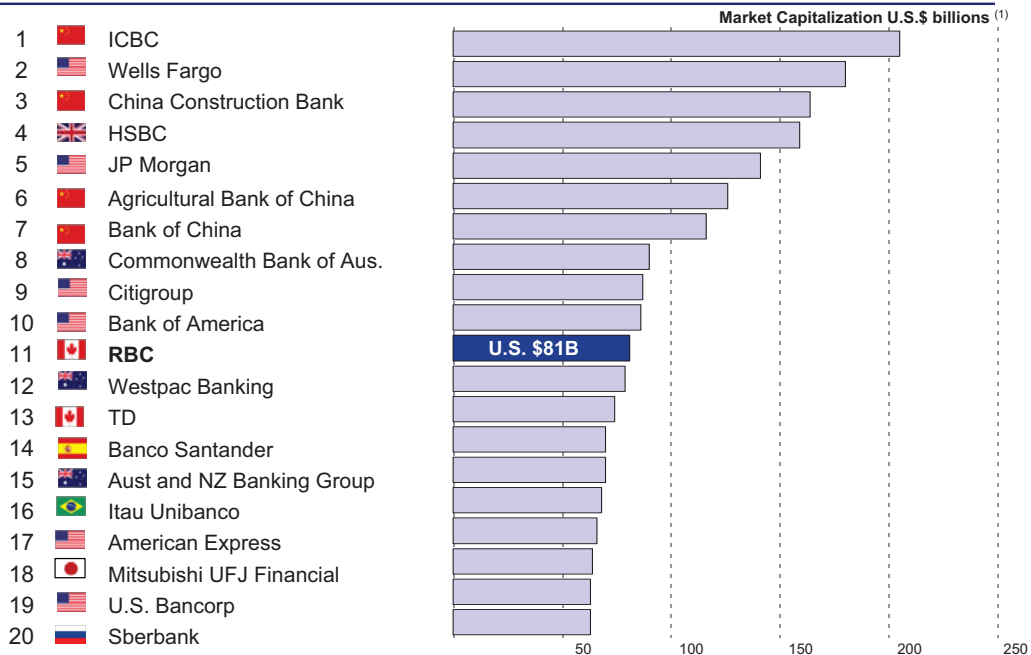
We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties 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 the Overview of other risks sections of our 2011 Annual Report and the Risk management section of our Q3 2012 Report to Shareholders.

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



## RBC – Among the Top 20 largest banks globally



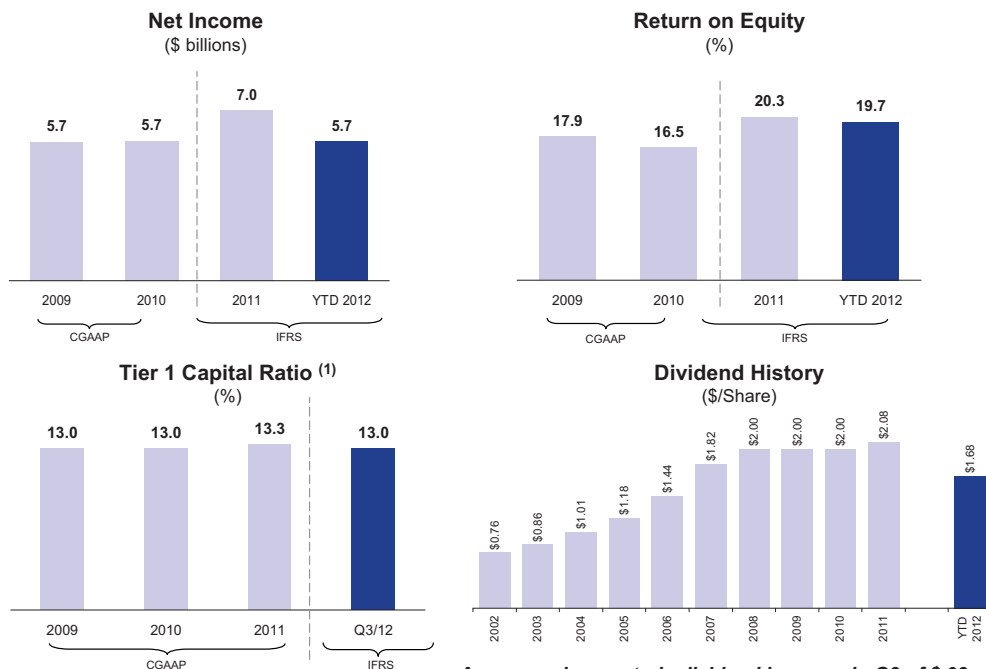
## Our strategy

### Strategic 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

*Extending our lead in Canada and growing globally*

## RBC – Strong financial profile



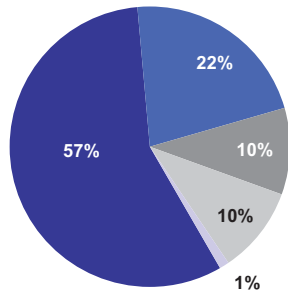
**Announced a quarterly dividend increase in Q3 of \$0.03 or 5%, to \$.60 per share, our third increase in the past 15 months**

(1) Presented on a consolidated operations basis; 2009 through 2011 calculated under Basel II; Q1/12 onward calculated under Basel 2.5.

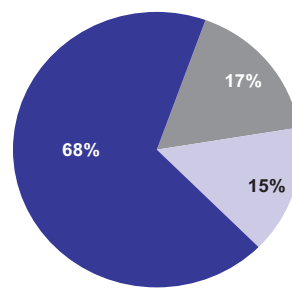


## RBC's key strengths

**Earnings by business segment<sup>(1)(2)</sup>**  
Average Q4 2011 to Q3 2012



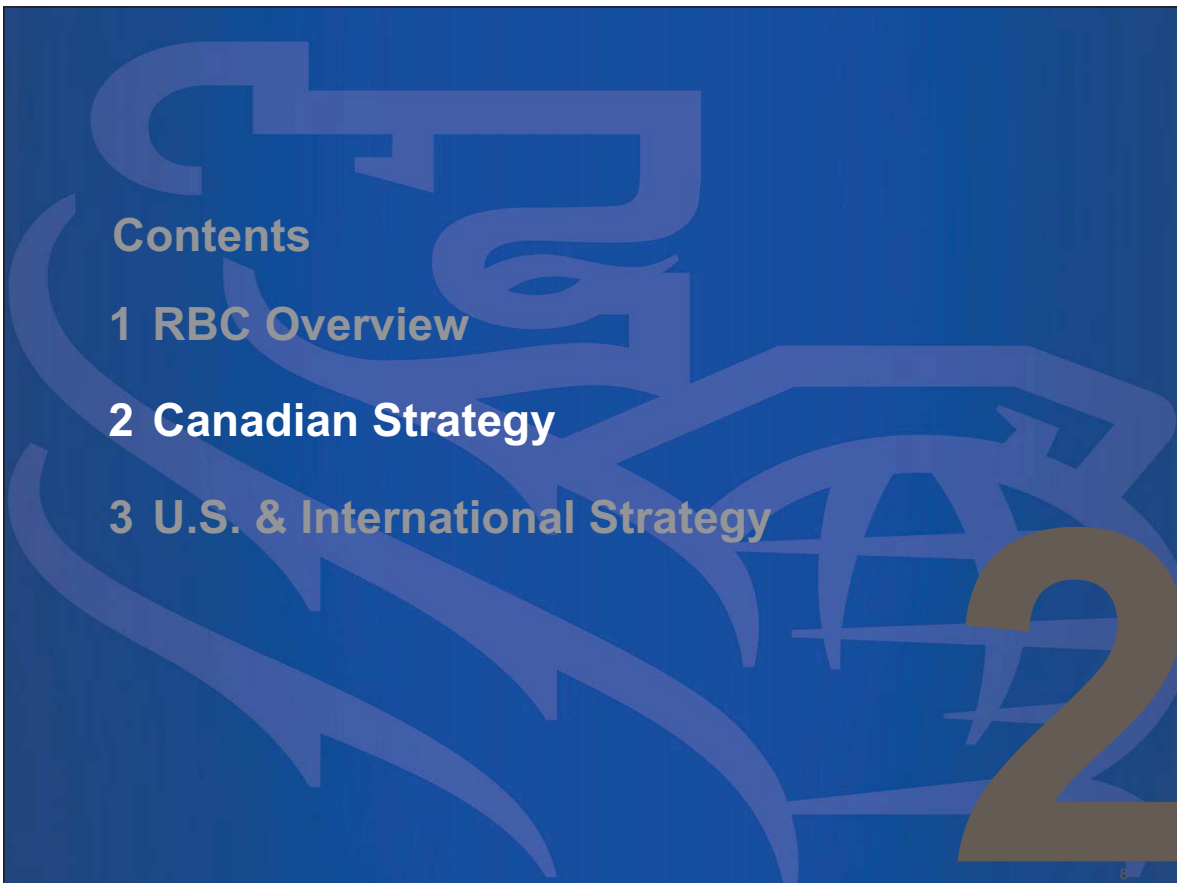
**Revenue by geography<sup>(1)</sup>**  
Average Q4 2011 to Q3 2012



■ Canadian Banking  
 ■ Capital Markets  
 ■ Wealth Management  
 ■ Canada  
 ■ U.S.  
 ■ International  
■ Insurance  
 ■ International Banking

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

(1) Amounts represent continuing operations and exclude Corporate Support. For further information, see our Q3 2012 Report to Shareholders.  
 (2) Results exclude the \$213 million after-tax loss related to our acquisition of the other 50% interest in RBC Dexia. For further information, refer to the Key corporate events section of the Q3 2012 Report to Shareholders. These are non-GAAP measures, for further details refer to slide 29.

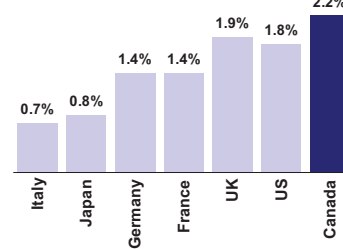


## Canadian economy

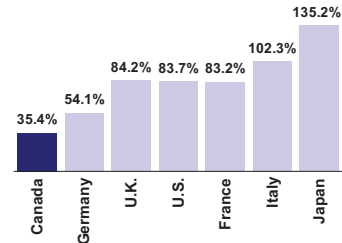
### Strong economic fundamentals <sup>(1)</sup>

- Fiscal surpluses for 11 straight years, pre-crisis
- Highest annual GDP growth rate from 1999 to 2011 among G7 peers
- Lowest net debt-to-GDP ratio among the G-7
- Proactively responded to financial crisis with strong fiscal stimulus and monetary policy
- Stable inflation that has remained within the target range of 1-3%
- #1 for soundness of banks for the 5th consecutive year (World Economic Forum, 2012)

**G7 Real GDP Growth <sup>(2)</sup>**  
(% 1999 – 2011)



**Government Net Debt <sup>(2)</sup>**  
(% of nominal GDP, 2012)



*Canada has benefited from prudent fiscal policy*

## Canadian Banking

### ✓ Building on leading market positions

- Proven track record of outperformance

### ✓ Extending sales power

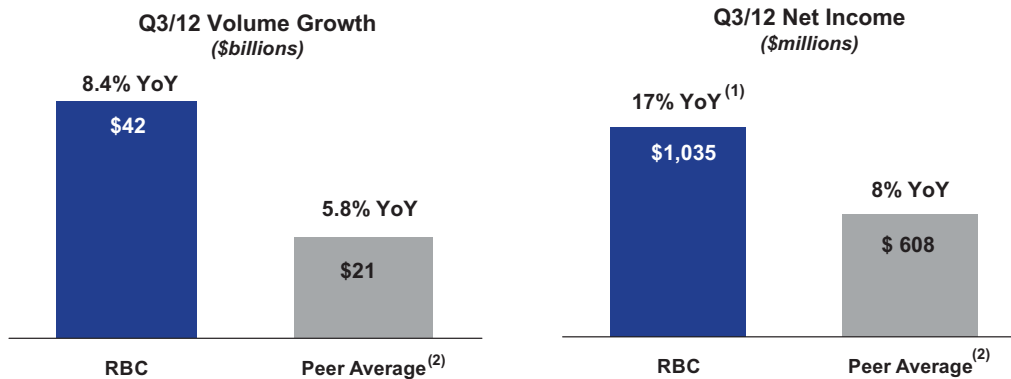
- Unparalleled distribution network and superior cross sell ability

### ✓ Reducing costs and reinvesting for the future

- Simplifying processes and building end-to-end efficiencies

*Driving growth and extending our lead while improving efficiencies*

## Continuing to outperform our peers



### Capturing a disproportionate share of market growth

- (1) Q3 2012 excludes a favourable adjustment related to a change in estimate of mortgage prepayment of \$92 million (\$125 million before tax). This is a non-GAAP measure. For more information see slide 29.  
 (2) Peers include: BMO, BNS, CIBC and TD. Based on company reports for Q3 2012. BNS excludes \$32 million (after-tax) gain on sale of non-strategic leasing business.

## Strength in innovation and technology



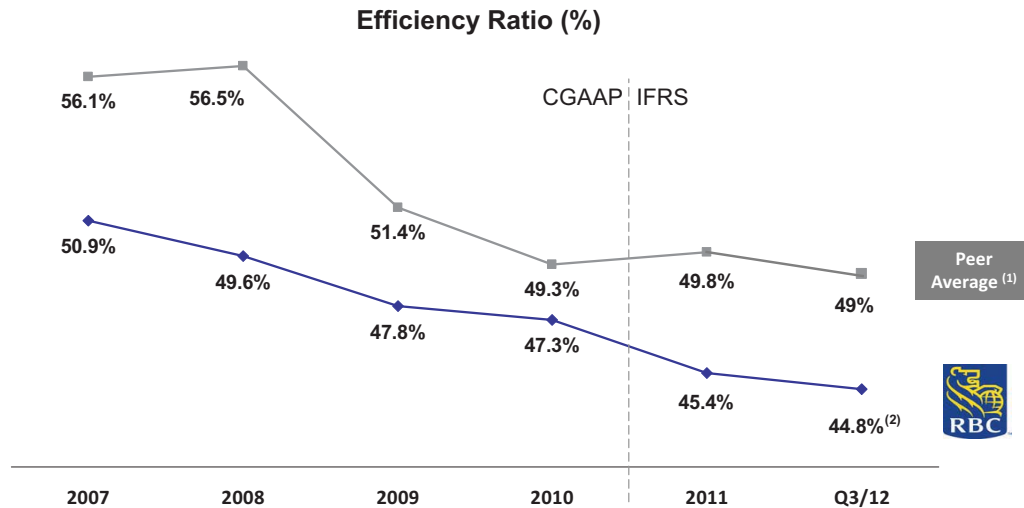
- Retail bank is transforming banking to a multichannel advice centre
- Innovative alliances with strong partners
- Industry-leading mobile app and digital solutions
- Coming soon: “virtual wallet” for mobile phones



### Differentiating the client experience



## Driving strong operating efficiency



**Investing to drive further efficiencies and transforming our cost base**

(1) Peers include: BNS, BMO, TD and CIBC. Based on company reports.  
 (2) This is a non-GAAP measure. Non-adjusted efficiency ratio is 43%. For more information see slide 29.



## Insurance – Canada

### ✓ Deepening client relationships

- Meeting customers' unique needs with a broad suite of products and services

### ✓ Simplifying the way we do business

- Recently achieved highest ever marks for *Likelihood to Recommend* and *Ease of Doing Business*<sup>(1)</sup>
- Automated our underwriting department to improve speed, accuracy and consistency

### ✓ Driving efficiencies and strengthening distribution

- Increasing sales through our retail Insurance stores with over 50 stores across Canada
- Leveraging our relationships with brokers, travel agents and our banking partners to expand our reach



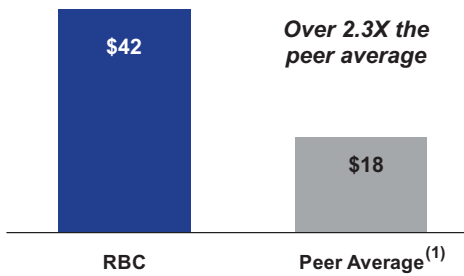
**One of the largest Canadian bank owned insurance companies**

(1) Customer satisfaction survey - as per internal tracking.



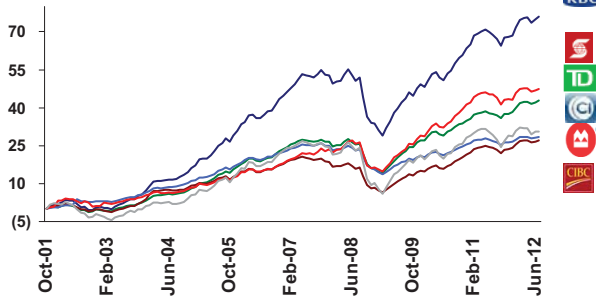
## Wealth Management – Canada

**Fee Based Assets per Advisor**  
(\$millions)



Over 2.3X the peer average

**Growth in Long Term Fund Assets**  
(%)



✓ Ranked # 1 among bank-owned brokerage firms  
6<sup>th</sup> year in a row



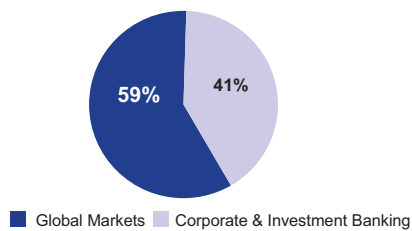
✓ Top Lipper Award winner  
5 of the last 6 years

*The leading wealth and asset manager in Canada*

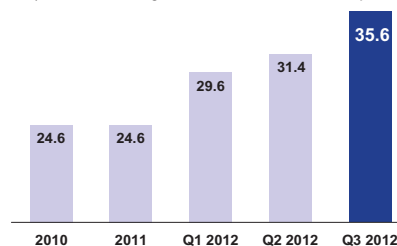


## Capital Markets – Successfully repositioning the business

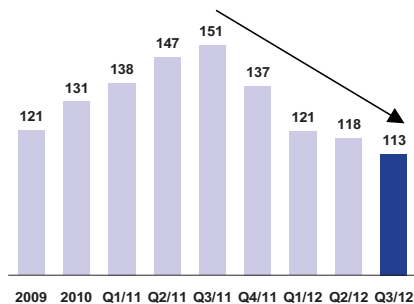
**Capital Markets Revenue by Business** <sup>(1)</sup>  
(Average Q4 2011 – Q3 2012)



**Capital Markets Loan Book** <sup>(2)</sup>  
(\$ billions, average wholesale loans and acceptances)



**Capital Markets Inventory of Trading Securities**  
(\$ billions, average)



**RBC Value at Risk (VaR)**  
(C\$ millions)



(1) Excludes Other.





## Capital Markets – Canada

### Top Investment Banks – Canadian Market<sup>(1)</sup>

1H12 Rank	Investment Bank	Share (%)
1	RBC Capital Markets	14.4
2	Scotiabank	11.7
3	TD Securities	10.3
4	BMO Capital Markets	8.9
5	CIBC World Markets	8.0
6	National Bank Financial	6.7
7	Bank of America	3.1
8	GMP Capital Inc	2.9
9	Canaccord Genuity	2.3
10	Citi	2.0

**EUROMONEY**

**Best Canadian Investment Bank<sup>(2)</sup>**  
5<sup>th</sup> year in a row

**GREENWICH ASSOCIATES**

**Top Ranking in Greenwich Quality Index<sup>(2)</sup>**  
**Canadian Fixed Income**  
#1 for overall franchise quality across sales, trading and research

*Focused on extending our lead in Canada*

(1) Data from Dealogic. Investment Banking includes Debt Capital Markets, Equity Capital Markets, Loans and M&A transactions; Dealogic Revenue Analytics employed where fees are undisclosed.

RBC | UBS BEST OF AMERICAS CONFERENCE (2) Euromoney - July 2012, Greenwich Associates - August 2012.

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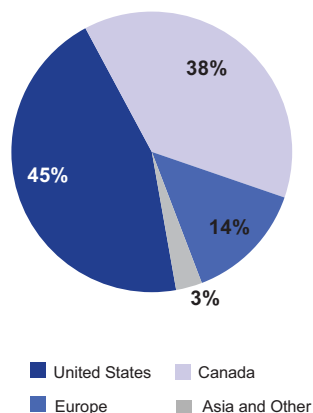
### 1 RBC Overview

### 2 Canadian Strategy

### 3 U.S. & International Strategy

## Capital Markets – U.S.

**RBC Capital Markets  
Geographic Revenue Mix<sup>(1)</sup>**  
(Average Q4 2011 – Q3 2012)



**Top Global Investment Banks<sup>(2)</sup>**

1H 2012 Rank	Bank	Share (%)
1	JPMorgan	7.6
2	BoA	6.2
3	Goldman Sachs	5.7
4	Morgan Stanley	5.5
5	Deutsche Bank	5.2
6	Credit Suisse	5.2
7	Citi	5.1
8	Barclays	4.6
9	UBS	3.0
10	<b>RBC Capital Markets</b>	<b>2.5</b>
11	Wells Fargo	2.1
12	HSBC	1.6
13	RBS	1.5
14	BNP Paribas	1.3
15	Nomura	1.5

**Up 2 spots from 1H 2011**

**Gaining momentum in the world's largest market**

(1) Excludes certain market and credit related items. For further information see slide 30 of our Q3 2012 results presentation.  
(2) Data from Dealogic. Investment Banking includes Debt Capital Markets, Equity Capital Markets, Loans and M&A transaction; Dealogic Revenue Analytics employed where fees are undisclosed.

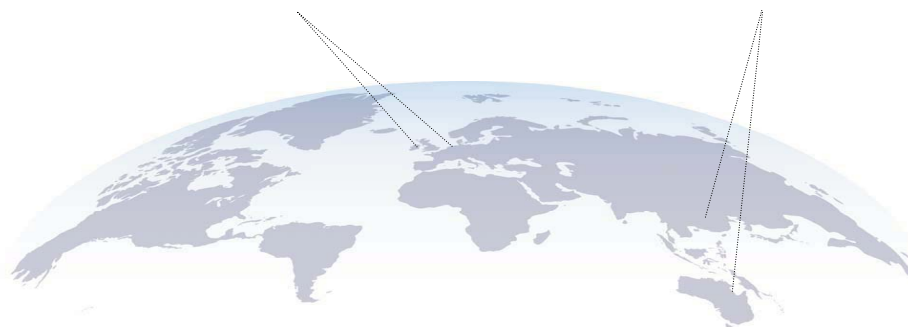
## Capital Markets – International

**U.K. / Europe**

- Equity and debt origination, M&A and research with fixed income and FX sales & trading capabilities
- Covering key sectors including, energy, mining, infrastructure, industrials, financials, and business services

**Asia Pacific**

- Hong Kong-based fixed income distribution and FX sales & trading
- Investment bank in Sydney with M&A, debt and equity, supported by our loan book in mining, energy and infrastructure



**North American focus with select global reach**

## Wealth Management – U.S.

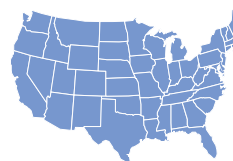
**2001-2010**

### Meaningful U.S. presence

- Built our U.S. business through acquisitions and recruitment
- 7th largest full service advisory firm <sup>(1)</sup>
  - Over \$185 billion in AUA
- Meeting clients' international needs with offices in NYC, Houston and Miami
- Correspondent and advisor services to over 200 broker dealers and independent RIAs <sup>(2)</sup>

### Improving performance though 2015

- Growing “share of wallet” and increasing revenue per advisor
- Improving operational efficiencies
- Moving from transaction based to a more fee-based revenue model



*Driving advisor productivity and business efficiency*

(1) 7th largest by financial advisors (~2,000) in over 42 states.  
 (2) Registered Investment Advisor

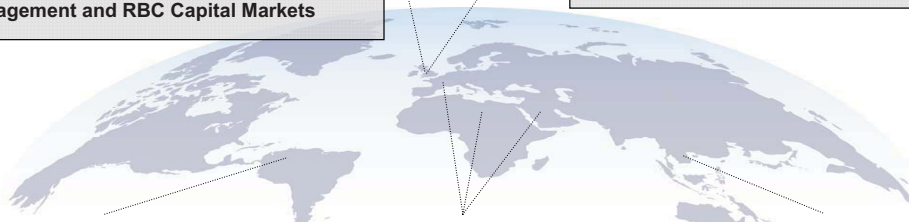
## Wealth Management – International

### U.K. , Chanel Islands and Caribbean

- Building on our leadership in international trust solutions to grow our Global Trust business
- Expanding our U.K. wealth management by leveraging Global Trust, Global Asset Management and RBC Capital Markets

### Global Asset Management

- Leveraging BlueBay to build a global asset manager
- Looking for similar strategic acquisitions to further expand asset management capabilities



### Latin America

- Offices in Brazil, Chile and Uruguay
- High growth potential in a competitive market place

### EMEA

- Strong offshore business based in Switzerland, with offices in Madrid and Dubai
- Expanding distribution strength and market footprint

### Asia

- Offices in Hong Kong, Singapore, Beijing, Brunei
- Building scalable infrastructure to support future growth

*Building a U.K. presence and laying the groundwork in emerging markets*



## Investor Services – a top 10 global custodian

1H12 Rank	Global Custodian	AUC USD\$B (As of Q2/12)	
1	BNY Mellon	27,064	✓ Broad base of global institutional clients
2	JP Morgan	17,665	
3	State Street	16,387	
4	Citi	12,200	✓ Globally integrated suite of products
5	BNP Paribas	6,379	
6	HSBC	5,400	✓ Award-winning customer service
7	Northern Trust <sup>(1)</sup>	4,564	
8	SocGen	4,241	✓ Backed by the strength and stability of RBC
9	CACEIS	3,029	
10	<b>RBC Investor Services</b>	<b>2,746</b>	



✓ Custodian of the year – Canada



✓ Fund Administrator of the Year



✓ # 1 Overall global custodian in the world



✓ 'Top Ratings' for Europe, North America and Global

*Highly complementary to our wealth management and capital markets businesses*



## Canadian leader with select global reach

- ✓ **Strong financial position to invest for future growth and return capital to our shareholders**
- ✓ **Leveraging our leadership in Canada to build competitive businesses in select geographies**
- ✓ **Diversified model with the right mix of retail and wholesale businesses**

*Well positioned to continue delivering long term value to our shareholders*



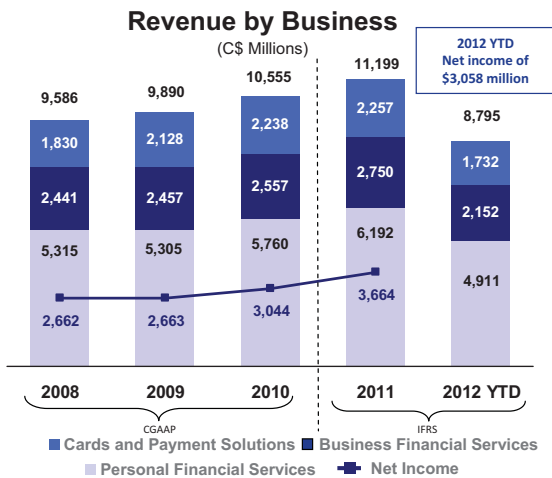
# Q&A



# Appendix



# Canadian Banking



### Q3 2012 Domestic Market Share and Rankings (2)

Product	Market Share	Rank
Consumer Lending	23.7%	# 2
Personal Core Deposits	19.7%	# 2
Personal Investments	14.1%	# 1
Business Loans (average)	26.0%	# 1
Business Deposits & Investments	24.1%	# 1

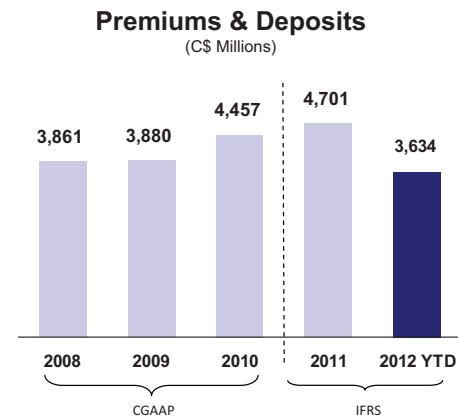
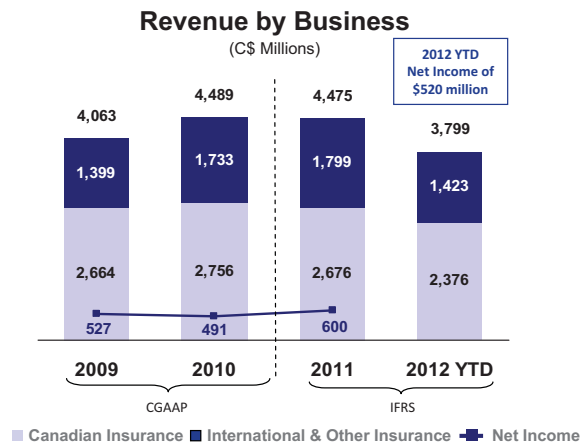
- ✓ Building on leading market positions
- ✓ Extending sales power
- ✓ Eliminating costs and reinvesting for the future

**Profitably gaining market share**

(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 June 2012 and June 2011, Business Loans CBA data is at March 2012 and March 2011. For more information see our Q3 2012 presentation.



# Insurance



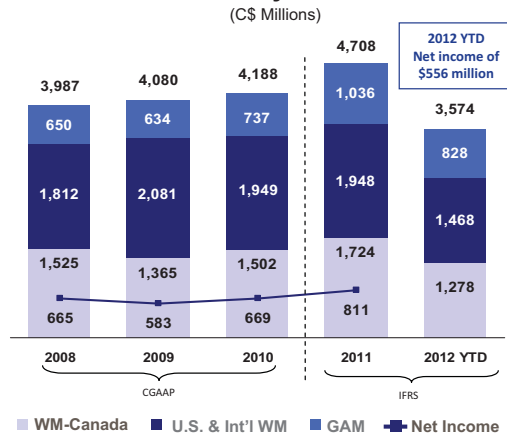
- ✓ Canadian market leader in living benefits and travel insurance with a superior breadth of products
- ✓ Excellent distribution channels and deepening client relationships
- ✓ Pursuing select international growth opportunities in reinsurance

**Enhancing our comprehensive suite of products and services**

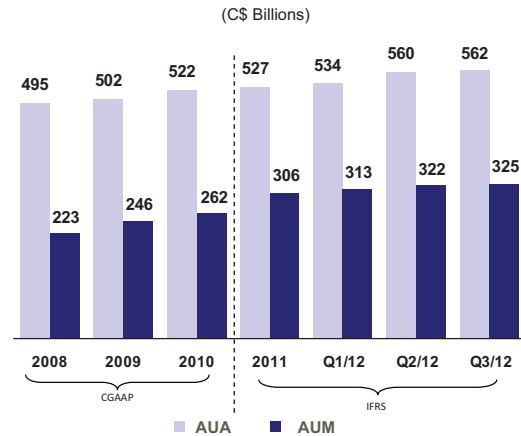


# Wealth Management

## Revenue by Business



## Consistent Growth in Assets



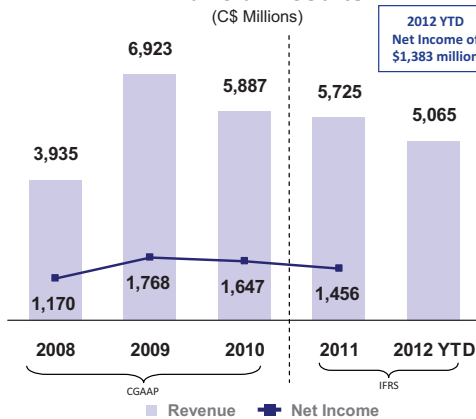
- ✓ Building a global high-performing asset manager
- ✓ Expanding High Net Worth and Ultra High Net Worth market share
- ✓ Leveraging RBC and RBC Wealth Management strengths and capabilities

*Building a leading global wealth and asset manager*

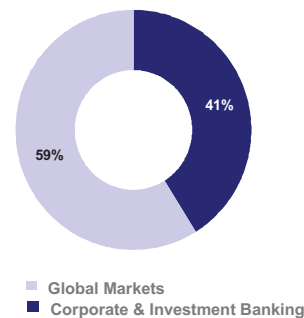


# Capital Markets

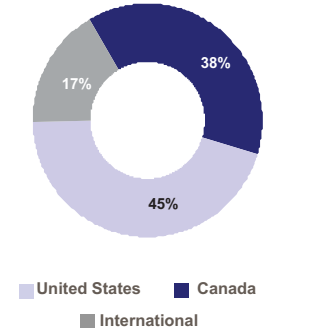
## Financial Results



## Revenue by Business<sup>(1)</sup>



## Revenue by Geography<sup>(1)</sup>

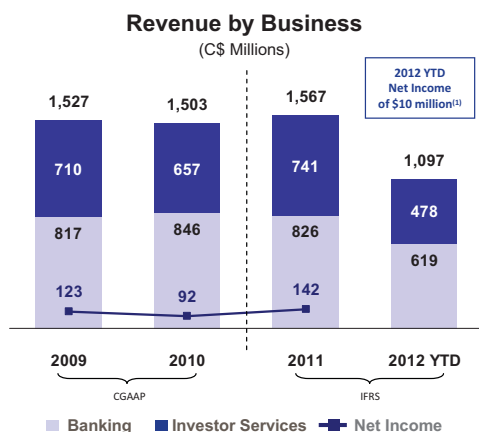


- ✓ Extending our leadership position in Canada
- ✓ Expanding and strengthening client relationships in the U.S.
- ✓ Building on our core strengths and capabilities in Europe and Asia-Pacific

*The premier Canadian investment bank with select global reach*



## International Banking



### RBC Investor Services

- ✓ Completed the acquisition of the remaining 50% ownership of RBC Dexia on July 27
- ✓ Rebranded as RBC Investor Services

### RBC Caribbean

- ✓ 2<sup>nd</sup> largest bank by assets in the English Caribbean
  - Providing products and solutions through 123 branches in 19 countries and territories

### U.S. Cross-border banking

- ✓ Launched in March 2012 to serve 160,000 cross-border clients in the U.S.

- ✓ **RBC Investor Services: Broadening suite of product offerings to further cement a high-touch approach while delivering a globally integrated client experience**
- ✓ **RBC Caribbean: Integrating operations while building a strong franchise**
- ✓ **U.S. Cross-border: Developing multiple products to serve targeted market segments**

*A diverse, global portfolio serving clients in over 100 countries*



## 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 results excluding the loss on RBC Dexia, Canadian Banking adjusted results and ratios, 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 “Financial Performance and Non-GAAP measures” sections of our Q3 2012 Report to Shareholders, our Q3 2012 Supplementary Financial Information and the “Key performance and Non-GAAP measures” sections in our 2011 Annual Report.

Definitions can be found under our “Glossary” sections in our Q3 2012 Supplementary Financial Information and our 2011 Annual Report.

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[www.rbc.com/investorrelations](http://www.rbc.com/investorrelations)