



**ROYAL BANK OF CANADA  
BARCLAYS CAPITAL  
GLOBAL FINANCIAL SERVICE CONFERENCE  
MONDAY, SEPTEMBER 13, 2010**

**DISCLAIMER**

---

THE FOLLOWING SPEAKERS' NOTES, IN ADDITION TO THE WEBCAST AND THE ACCOMPANYING PRESENTATION MATERIALS, HAVE BEEN FURNISHED FOR YOUR INFORMATION ONLY, ARE CURRENT ONLY AS OF THE DATE OF THE WEBCAST, AND MAY BE SUPERSEDED BY MORE CURRENT INFORMATION. EXCEPT AS REQUIRED BY LAW, WE DO NOT UNDERTAKE ANY OBLIGATION TO UPDATE THE INFORMATION, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

THESE SPEAKERS' NOTES ARE NOT A TRANSCRIPT OF THE WEBCAST AND MAY NOT BE IDENTICAL TO THE COMMENTS MADE DURING THE WEBCAST. YOU CAN REPLAY THE ENTIRE WEBCAST UP TO DECEMBER 13, 2010, WHICH INCLUDES A QUESTION AND ANSWER SESSION, BY VISITING THE ROYAL BANK OF CANADA ("RBC", "WE" OR "OUR") WEBSITE AT [RBC.COM/INVESTORRELATIONS](http://RBC.COM/INVESTORRELATIONS).

IN NO WAY DO WE ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON OUR WEBSITE OR IN THESE SPEAKERS' NOTES. USERS ARE ADVISED TO REVIEW THE WEBCAST ITSELF AND OUR FILINGS WITH THE CANADIAN SECURITIES REGULATORS AND THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

**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 these speaker's notes, in other filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in these speaker's notes include, but are not limited to, statements relating to RBC and our business segment outlooks and the market and regulatory environment. The forward-looking information contained in these speaker's notes 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 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 and that our assumptions may not be correct. 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 of our Q3 2010 Report to Shareholders and in our 2009 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 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.

Information contained in or otherwise accessible through the websites mentioned does not form part of these speaker's notes. All references in these speaker's notes to websites are inactive textual references and are for your information only.

**JANICE FUKAKUSA, CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER**

---

Thank you and good morning everyone. I'm very pleased to be here today to speak to you about the Royal Bank of Canada. As noted on Slide 2, all remarks, including those during the question and answer session, may contain forward-looking statements which have inherent risks and uncertainties. Actual results could differ materially from these statements.

Turning to Slide 4, RBC is a diversified financial company with five business segments and operations in 53 countries, employing approximately 78,000 people and serving close to 18 million customers. We are Canada's largest company and among the top 20 global banks, by market capitalization.

In terms of geography, Canada is our core market where we generate approximately two-thirds of our revenue. We are a leader in all of our key domestic businesses – banking, wealth management and capital markets, and we are continuing to extend that leadership.

Outside Canada, we have growing global capabilities in both capital markets and wealth management. Our business model comprises a 75% / 25% split between our retail and wholesale businesses. We have the right blend of businesses and geographies to provide earnings stability as well as the potential for growth through all points in the cycle and this has set us apart from our peers.

Successful execution against our long-term strategy, our financial strength and our earnings power make us one of the better positioned financial services companies.

As shown on slide 7, we deliver attractive shareholder returns and have consistently outperformed both the Canadian bank and S&P 500 indices, while maintaining strong capital levels.

As you know we recently reported our third quarter earnings, and we were able to generate strong earnings despite a slower economic recovery in a lot of the markets we operate in and challenging global capital market conditions.

We generated net income of over 4 billion dollars on a year to date basis, up 14% from the same period last year equating to a return on equity of close to 16%. We've ended the third quarter with a Tier 1 ratio of approximately 13%, amongst the strongest globally, and our Tier 1 common ratio was 9.6%.

Prior to moving on to our business segments, I wanted to comment on last night's announcement by the Group of Governors and Heads of Supervision on global minimum capital standards.

The global minimum capital standards have been outlined as well as details on phase in periods. Total common equity requirements will increase to 7% comprised of a minimum common equity requirement of 4.5% and a 2.5% capital conservation buffer. The minimum Tier 1 capital ratio moves from 4% to 6% with the minimum Total Capital requirement at 8%.

Transitional periods vary based on the capital metric, however all the requirements must be met by January 1, 2019. Based on our first read of these rules we are encouraged by the announcement and feel very comfortable in meeting these standards well within the established timelines given where our capital levels stand today. Our strong capital ratios and low leverage make us well positioned to comply with these requirements. Understanding the adoption timeline also allows us ample time to make the optimal decisions necessary to continue to proactively plan our transition to these standards.

While the announcement provides much needed clarity, however some of the aspects of the rules have yet to be determined and we look forward to having a clearer line of sight following the November G20 meetings. In the meantime, we think we can say that generally the announcements were positive from where we sit and we will continue to prudently manage our capital base. However we still need more clarity around some of the nuances in terms of adoption timelines and metrics.

Now, let me tell you more about each of our five business segments, how they contribute to RBC's overall strategy and how we are advancing our leadership position.

Starting with slide 11, Canadian Banking, remains the cornerstone of our diversified business model contributing more than half of RBC's total earnings, and continues to underpin our solid results. We provide personal, business and card solutions to over 10 million individuals and business clients across Canada, ranking number 1 or 2 in all major personal and business products. Our strong brand, client centric culture and the size and span of our distribution network allows us to expand our client base and grow volumes.

We are advancing our lead in selling anchor products like mortgages and deposits, and by cross-selling our full product offering and increasing the number of products sold per customer. Together, we sell more mutual funds in our branches, creditor insurance through our mobile mortgage specialists, and credit cards to our mortgage and deposit customers, than any of our peers.

On slide 12, you see our leading domestic retail franchise has the country's largest and most integrated advice-based distribution network and we are also growing our network of dedicated mobile sales people, which is already the largest in Canada. We continue to push innovation and invest in our digital strategy, and we have been recognized for our efforts, ranking first for the best Canadian financial institution public website, by Forrester for the second year in a row.

Our leading market position and this focus on execution has translated into strong volume growth across the businesses. While we do expect volume growth to slow reflecting industry trends, we are proactively pursuing opportunities to combat this slow down. We are making a lot of strategic investments and have a number of initiatives underway which are focusing on enhancing sales and service productivity, improving efficiency through streamlining and the automation of processes.

We believe that given the scale of our network, and our continuous focus on cost management, we can drive further efficiencies and bring the efficiency ratio of our Canadian bank down to the low 40's over the medium term. Our leadership position and the strength and scale of our distribution capability fuels our business growth and allows us to achieve profitable market share gains and positions us well to benefit as the economy recovers.

Turning to slide 13, Wealth Management is a leader in Canada. We are the largest full service brokerage firm in the country with approximately 23% market share, and the largest mutual fund company in Canada, with 15% of the market.

Our Canadian market leadership is complemented by a sizeable presence globally. We have been recognized as the 7th largest global wealth manager in an independent survey by Scorpio, reflecting both our comprehensive offering of investment management solutions and our global reach.

Also, in an exciting validation of our focus on providing superior service to our clients, J.D. Power and Associates recently announced that RBC U.S. Wealth Management has achieved the number two spot on its U.S. Full Service Investor Satisfaction list. With this solid foundation, we believe we are in a good position to capitalize on improving U.S. market conditions and deliver strong organic growth.

Internationally, we serve the cross-border wealth management needs of over 35,000 high net worth clients around the world. We are a top 20 global private bank as measured by client assets, and number one provider of trust services in the United Kingdom.

Overall, we believe that Wealth Management will continue to grow at a faster pace than other parts of the global financial services industry, reflecting demographic trends, driven by an aging population in developed markets, and a significant growth in high-net worth investors, especially in emerging markets. So that is what our strategy looks like going forward.

And, we continue to look at acquisition opportunities that have synergies with our existing business model, particularly in Global Asset Management with a focus on European and U.S. based firms.

Moving to slide 14, we are the largest bank-owned insurer in Canada and our Insurance business continues to make solid contributions to our diversified earnings stream in 2010. We are unique in that we offer a full suite of solutions for both business and personal clients that complements our retail product offering, and we are the only Canadian insurer with integrated manufacturing and distribution capabilities.

Our International Banking segment includes our U.S. and Caribbean banking businesses, as well as global custody and investor services.

In U.S. banking, while we continue to be affected by weak economic conditions, we are making progress towards restructuring our operations. We remain focused on simplifying our business and improving the end-to-end client experience by improving the productivity in our U.S. branch network. We have taken significant steps to reduce management layers throughout the business and we're focused on right-sizing our branch network, ensuring we have the appropriate density and concentration to enhance our competitive position and improve client service.

In the English speaking Caribbean, we are the second largest banking group with operations in 17 countries and territories. We provide banking solutions to individuals and businesses through our network of 125 branches.

RBC Dexia Investor Services, our Global Custody and Investor Services joint venture has offices in 16 countries on four continents and has over 2.5 trillion dollars in assets under administration. As a top 10 global custody player by assets under administration, we serve a diverse client base, with close to 8 million shareholder accounts and over 5,000 funds administered.

Turning to slide 17, Capital Markets, We have been successful over the past several years in building a diverse global platform centered around client relationships, that provides us with consistent and solid earnings for RBC. We have strengthened our competitive position, deepened existing relationships and expanded our client base.

The story starts in Canada, where we are the largest capital markets firm with top tier market share across all of our businesses. For the third consecutive year we have been recognized as the Best Investment Bank in Canada by Euromoney.

While Canada remains our core market -- we have made significant strides to expand our Capital Markets franchise. We are a leading player in select businesses globally where we have key strengths. Our cross-border reach and global capabilities are key differentiators from our Canadian peers. We are Canada's only truly global investment bank.

Our growth and success outside of Canada is the result of a concerted, multi-year strategy. We have been highly selective about where we compete, focusing on core capabilities where we have demonstrated strength and success.

In the U.S. we have a strong advisory and origination capabilities and have built a significant U.S. fixed income business and our designation as a U.S. primary dealer last year highlights the strength of this franchise.

We are seeing good momentum and we are winning significant mandates such as the joint bookrunner for the General Motors IPO.

Our fixed income, energy and mining businesses are global leaders and we are gaining ground in a number of our trading businesses in Europe.

Our corporate and investment banking businesses are expanding, with a focus on growing our debt and equity origination and lending businesses to meet our clients' global needs and to support a lot of our trading platforms.

Our global expansion, and the building of this franchise over the past several years, provides us with the foundation to diversify our revenue streams and grow our earnings base.

As I look ahead, we're confident that our longstanding strategy, diversified business model, strong balance sheet, and leading market positions will continue to drive our performance as we extend our leadership position in Canada and build our global platform. We see tremendous opportunities to invest and grow our businesses which positions us well as the global economy recovers.