Royal Bank of Canada
Second Quarter Results

May 26, 2016

All amounts are in Canadian dollars and are based on financial statements prepared in compliance with International Accounting Standard 34 *Interim Financial Reporting* unless otherwise noted. Our Q2/2016 Report to Shareholders and Supplementary Financial Information are available on our website at rbc.com/investorrelations.

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 May 26, 2016 analyst conference call (Q2 presentation), in filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (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 Q2 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, insurance, operational, regulatory compliance, strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the Risk management and Overview of other risks sections of our 2015 Annual Report and the Risk management section of our Q2/2016 Report to Shareholders; weak oil and gas prices; the high levels of Canadian household debt; exposure to more volatile sectors, such as lending related to commercial real estate and leveraged finance; cybersecurity; anti-money laundering; the business and economic conditions in Canada, the U.S. and certain other countries in which we operate; the effects of changes in government fiscal, monetary and other policies; tax risk and transparency; and environmental risk.

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 Q2 presentation are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2015 Annual Report, as updated by the Overview and outlook section in our Q2/2016 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 2015 Annual Report and in the Risk management section of our Q2/2016 Report to Shareholders.

Information contained in or otherwise accessible through the websites mentioned does not form part of this Q2 presentation. All references in this Q2 presentation to websites are inactive textual references and are for your information only.

Overview

Dave McKay

President and Chief Executive Officer

Solid Q2 earnings

Solid underlying results across our businesses particularly in the context of a challenging operating environment

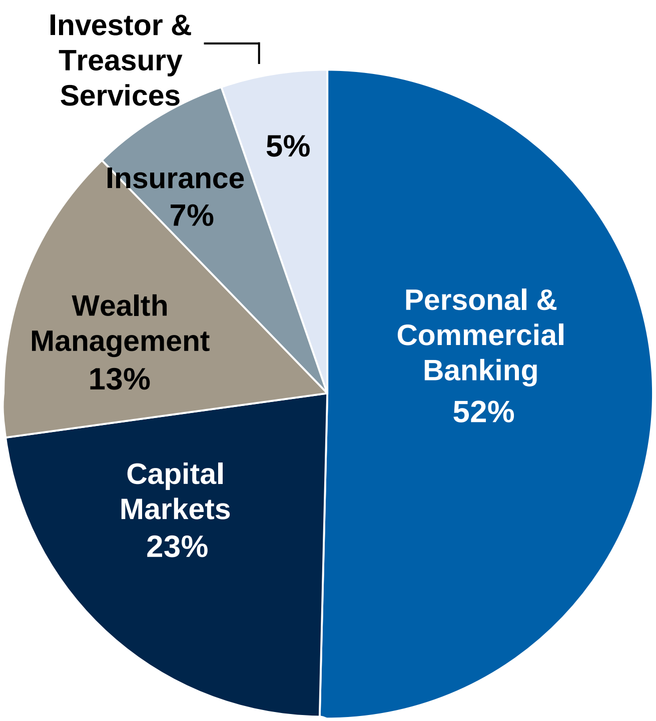
Solid Q2 earnings	▪ Net income of over $2.5 billion, up 3% YoY – Up 7% YoY on an adjusted basis[1] ▪ Higher earnings in Wealth Management – Includes strong performance from City National Bank (CNB) ▪ Record earnings in Personal & Commercial Banking and higher earnings in Insurance ▪ Lower earnings in Capital Markets and Investor & Treasury Services ▪ Demonstrated disciplined cost management
Record YTD results	▪ YTD net income of over $5.0 billion
Strong capital position	▪ “All-in” Common Equity Tier 1 ratio of 10.3%

(1) Excludes a gain of $108 million (before and after tax) in Q2/2015 from the wind-up of a U.S. based subsidiary that resulted in the release of foreign currency translation adjustment (CTA) that was previously booked in other components of equity (OCE). This is a non-GAAP measure. For more information and a reconciliation see slides 33 and 34.

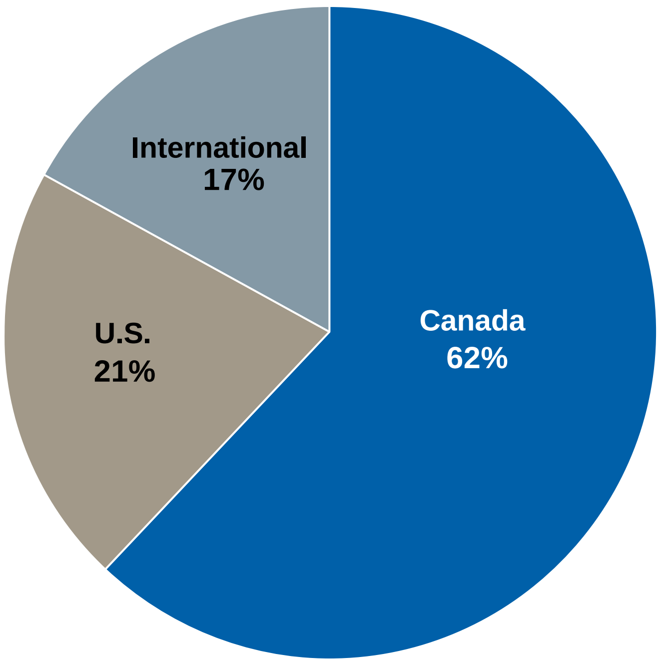
Market leader with a focused strategy for growth

- Diversified business model with leading client franchises
- In Canada, to be the undisputed leader in financial services
- In the U.S., to be the preferred partner to corporate, institutional and high net worth clients and their businesses
- In select global financial centers, to be a leading financial services partner valued for our expertise

Earnings by business segment[(1)]
Latest twelve months ended April 30, 2016



Revenue by geography[(1)]
Latest twelve months ended April 30, 2016



(1) Amounts exclude Corporate Support. These are non-GAAP measures. For further information see the Business segment results and Results by geographic segment sections of our Q2/2016 Report to Shareholders and slide 34.

Financial Review

Janice Fukakusa

Chief Administrative Officer and Chief Financial Officer

Solid earnings in Q2/2016 despite challenging environment

Results reflect solid earnings across most businesses benefitting from cost discipline, partially offset by higher PCL

($ millions, except for EPS and ROE)	Q2/2016	QoQ	YoY	
			As Reported	Excluding Specified Item(1)
Revenue	**$9,526**	2%	8%	9%
Revenue net of Insurance fair value change(2)	**$9,301**	-	2%	3%
Non-interest expense	**$4,887**	(1%)	3%	3%
PCL	**$460**	12%	63%	63%
Income before income taxes	**$3,191**	1%	(4%)	(1%)
Net income	**$2,573**	5%	3%	7%
Diluted earnings per share (EPS)	**$1.66**	5%	(1%)	3%
Return on common equity (ROE)(3)	**16.2%**	90 bps	(310 bps)	(230 bps)

Revenue (net of Insurance fair value change)

- 2% YoY increase reflects higher revenue from CNB acquisition; CNB revenue of $468 million
- Solid volume growth (6% YoY) and relatively stable margin in Canadian Banking; solid performance in Caribbean Banking
- Lower Capital Markets revenue largely reflecting lower client activity

Non-Interest Expense

- 3% YoY increase mainly attributable to CNB acquisition; excluding CNB, NIE was down 5%(4) YoY driven by lower variable compensation and ongoing efficiency management activities

PCL

- Higher PCL resulting from the sustained low oil price environment; includes a $50 million increase in provisions for loans not yet identified as impaired (Collective Allowance)

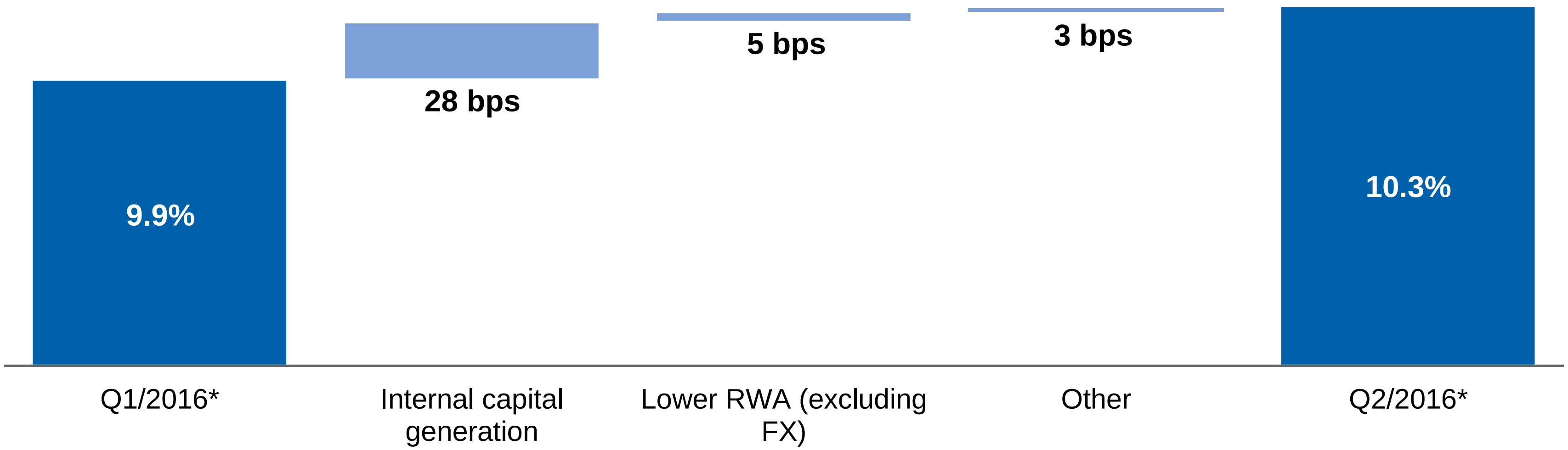
Taxes

- Lower tax rate mainly due to business mix; modest tax recovery in Insurance
  - Effective tax rate for 2016 expected to be at the low end of our 22 to 24% range

(1) Results excluding a gain of $108 million (before and after tax) in Q2/2015 from the wind-up of a U.S. based subsidiary that resulted in the release of foreign currency translation adjustment (CTA) that was previously booked in other components of equity (OCE) are non-GAAP measures. For more information and a reconciliation see slides 33 and 34. (2) Revenue net of Insurance fair value change of investments backing policyholder liabilities of $225MM is a non-GAAP measure. For more information see slide 34. (3) ROE does not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. For more information see slide 34. (4) Results excluding CNB is a non-GAAP measure. For more information see slides 27 and 34.

Strengthened capital position

10.3% Basel III Common Equity Tier 1 (CET1) ratio(1)



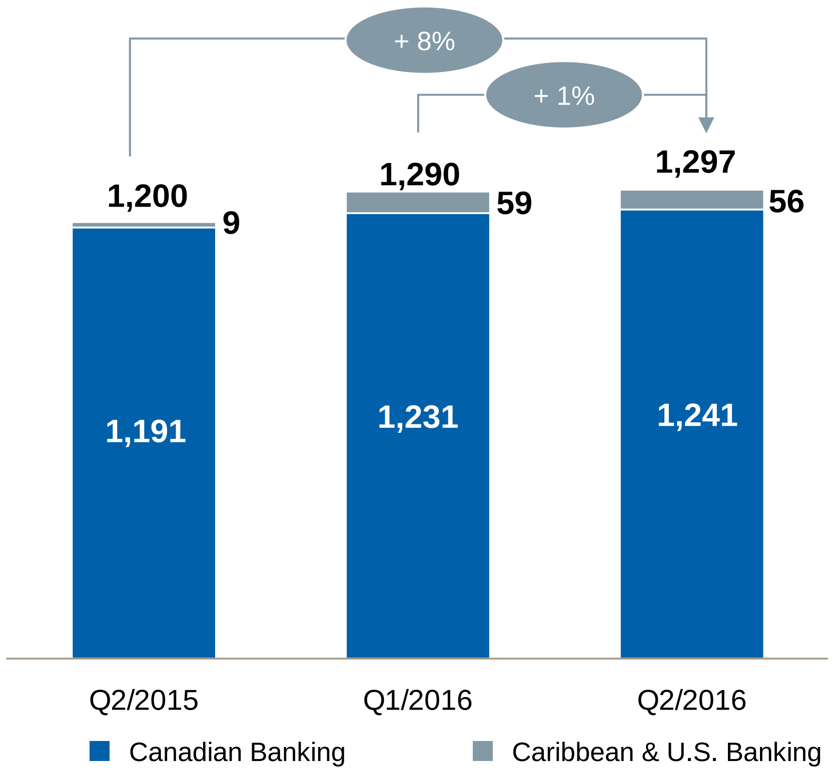
- CET1 ratio up 40 bps QoQ, mainly reflecting internal capital generation and lower RWA (excluding the impact of foreign exchange translation) in our market risk portfolios due to continued balance sheet optimization

* *Represents rounded figures.*

(1) *For more information refer to the Capital management section of our Q2/2016 Report to Shareholders.*

Record earnings in Personal & Commercial Banking

Net Income
($ millions)

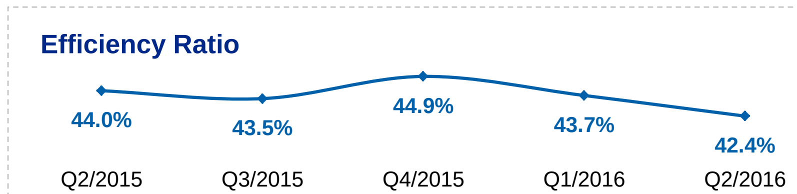


Canadian Banking Volumes[1]	Q2/16 Amount *($ billions)*	YoY	QoQ
Loans	$371	**4.7%**	**0.2%**
Deposits	$296	**6.9%**	**0.2%**

Q2/2016 Highlights

Canadian Banking

- Net income of $1,241 million, up 4% YoY and 1% QoQ
- Solid volume growth, up 6% YoY (see slide 22)
- NIM of 2.64%, up 2 bps QoQ (see slide 24)
- Fee-based revenue growth YoY
- Higher PCL in personal and business lending and credit cards YoY
- Continued focus on efficiency management drove positive operating leverage (+3.6%) and a strong efficiency ratio (42.4%)
  - YTD operating leverage of 1.9%



Caribbean & U.S. Banking

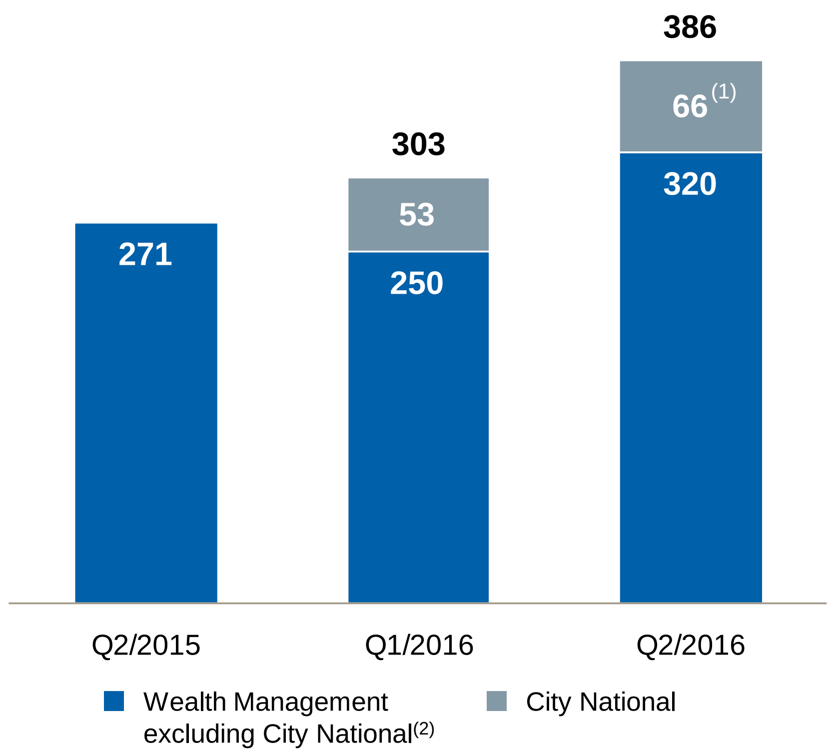
- Net income of $56 million
  - Results reflect fee-based revenue growth and lower PCL YoY
  - Q2/2015 included a $23 million loss (before- and after-tax) related to the sale of RBC Suriname

(1) Average balances.

Strong Wealth Management results

Net Income

($ millions)



	YoY	QoQ
Net Income	**42%**	**27%**
Net Income excluding CNB(2)	**18%**	**28%**

Q2/2016 Highlights

- Net income of $386 million, up 42% YoY and up 27% QoQ
- CNB contributed $66 million to earnings
  - $108 million(3) excluding $42 million after-tax of amortization of intangibles and integration costs ($0.03 impact to EPS)(4)
- Reflects benefits from our efficiency management activities
- Lower PCL YoY
- Lower restructuring costs of $4 million (before- and after-tax) in International Wealth Management

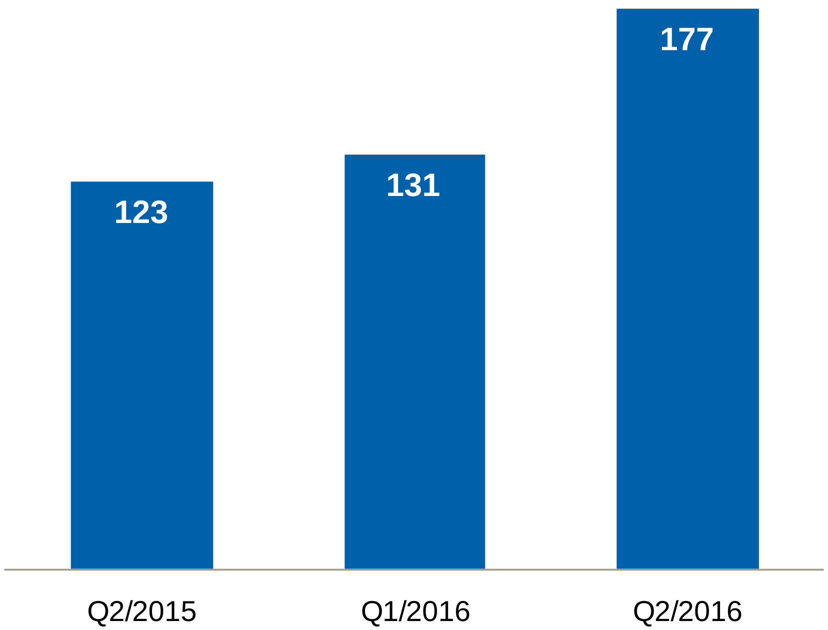
Select Items	Reported		Excluding CNB(2)	
	YoY	QoQ	YoY	QoQ
AUA	(1%)	(5%)	**(4%)**	**(5%)**
AUM	12%	(3%)	**1%**	**(2%)**
Loans(5)	n.m.	(3%)	**(10%)**	**(6%)**
Deposits(5)	n.m.	(1%)	**(7%)**	**(3%)**

AUM: Assets under management; AUA: Assets under administration. (1) CNB results reflect revenue of $468MM, non-interest expenses of $392MM, and PCL of $7MM. For additional information see slide 27. (2) Financial measures excluding the impact of our acquisition of CNB are non-GAAP measures. For additional information, see slides 27 and 34. (3) CNB contribution excluding amortization of intangibles and integration costs is a non-GAAP measure. For additional information, see slides 27 and 34. (4) Includes $48MM ($29MM after-tax) of amortization of intangibles and $21MM ($13MM after-tax) of integration costs. (5) Average balances.

Insurance results reflect investment gains and lower claims costs

Net Income

($ millions)



	YoY	QoQ
Net Income	**44%**	**35%**

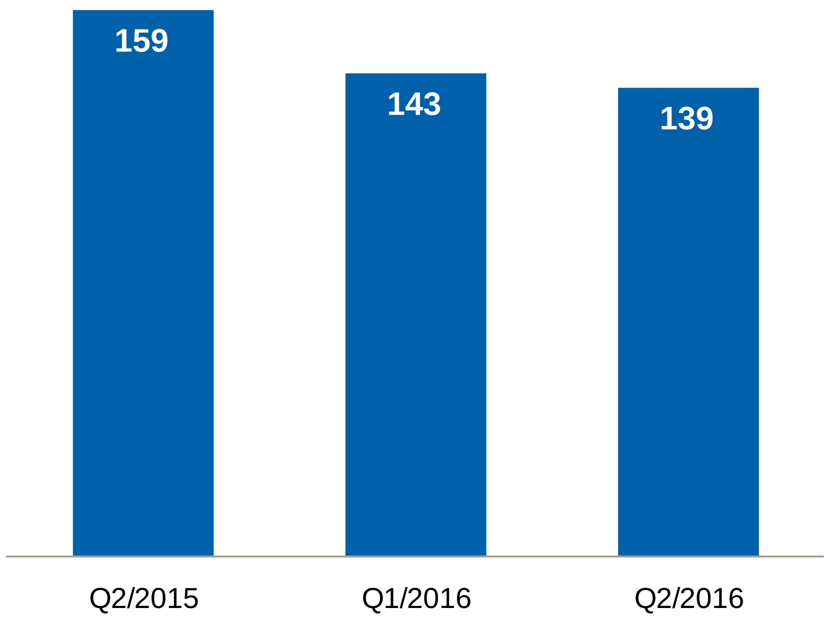
Q2/2016 Highlights

- Net income of $177 million, up 44% YoY
  - Favourable impact of investment-related gains on our Canadian Life business
  - Lower net claims costs in both Canadian and International Insurance
- Net income up 35% QoQ
  - Reflects a tax recovery
  - Lower net claims costs in Canadian Insurance
- In Q3/2016, we expect to close the sale of our home and auto insurance manufacturing business (announced Q1/2016)
  - Net after-tax gain estimated at $200 million

Investor & Treasury Services results reflect technology investment

Net Income

($ millions)



	YoY	QoQ
Net Income	**(13%)**	**(3%)**

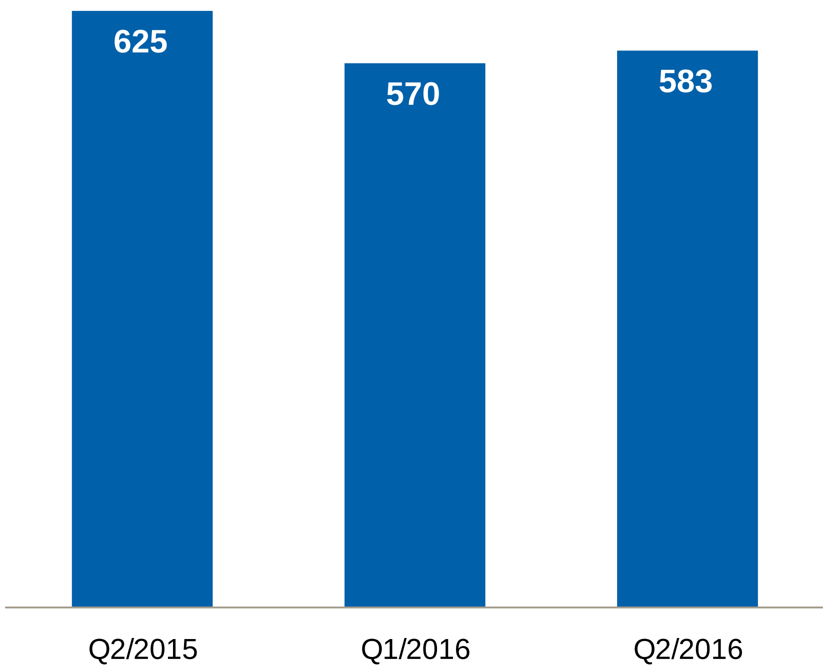
Q2/2016 Highlights

- Net income of $139 million, down 13% YoY
  - Continued investments in technology to improve the client experience
  - Lower results in FX market execution, reflecting lower client activity
  - Higher earnings from growth in client deposits
- Net income down 3% QoQ
  - Lower funding and liquidity revenue from lower market volatility
  - Higher custodial fees
  - Higher client deposit spreads

Solid Capital Markets results

Net Income

($ millions)



	YoY	QoQ
Net Income	**(7%)**	**2%**

Q2/2016 Highlights

- Net income of $583 million, down 7% YoY
  - Lower results in Global Markets and Corporate & Investment Banking driven by lower client activity
  - Higher PCL mainly related to a sustained low oil price environment
  - Lower variable compensation
  - Lower taxes
  - Positive impact from FX translation
- Net income up 2% QoQ
  - Higher debt and equity origination
  - Higher loan syndication results
  - Lower FX translation, and lower M&A activity

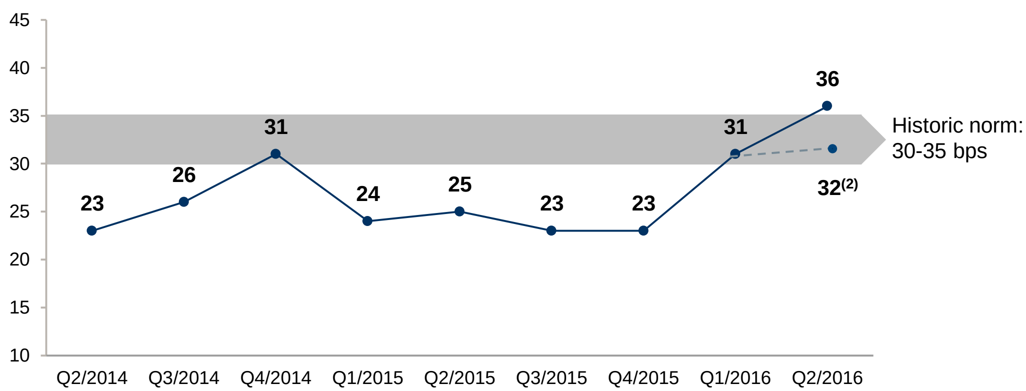
Risk Review

Mark Hughes

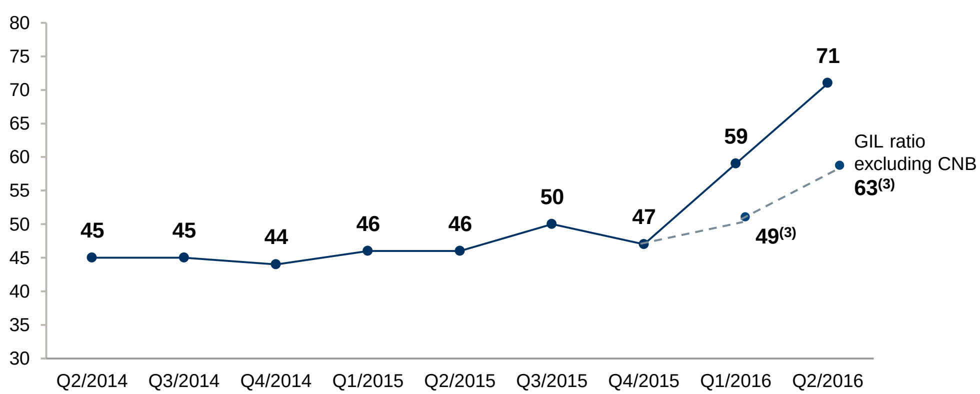
Chief Risk Officer

Credit impacted by sustained low oil price environment

PCL Ratio (bps)(1)



GIL Ratio (bps)(4)



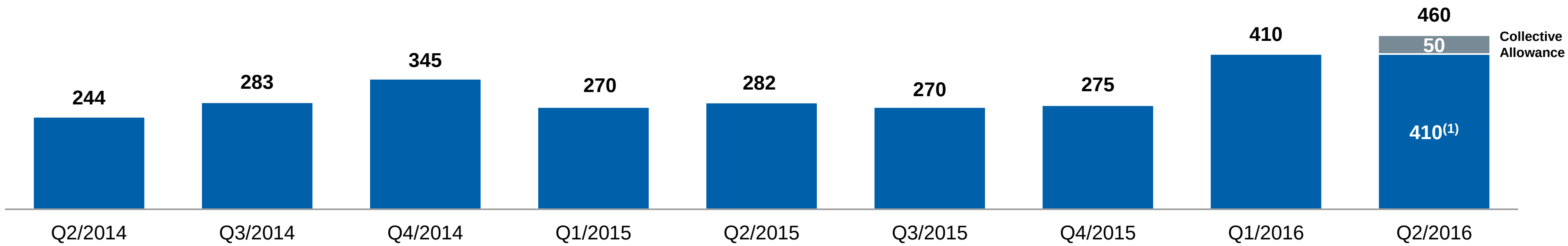
- Total PCL ratio of 36 bps, up 5 bps QoQ
  - Includes $50 million or 4 bps increase in our Collective Allowance
  - PCL on impaired loans of 32 bps, 1 bp QoQ
- As expected, PCL continues to be impacted by sustained low oil prices, particularly in Capital Markets

- GIL ratio of 71 bps, up 12 bps QoQ
- Excluding CNB, GIL ratio of 63 bps, up 14 bps QoQ(3)
  - New impaired loans in Capital Markets related to oil & gas, considers bottom-up analysis and external factors
  - Partially offset by lower impaired loans in Caribbean & U.S. Banking and Wealth Management

(1) Provision for Credit Losses (PCL) ratio is PCL on impaired loans as a percentage of average net loans & acceptances (annualized). (2) PCL on impaired loans which excludes an increase to our Collective Allowance of $50MM. (3) GIL excluding CNB is a non-GAAP measure. For more information see slide 34. (4) Gross Impaired Loans (GIL) ratio is GIL as a percentage of related net loans & acceptances.

PCL excluding the collective allowance remained stable QoQ

PCL ($ millions)



Segments	Q2/16	QoQ Change	Key Drivers
Canadian Banking	$273MM	+7MM	▪ Higher write-offs in our credit card portfolio
Caribbean & U.S. Banking	$6MM	-$12MM	▪ Recovery of a large facility
Wealth Management	$7MM	+$2MM	▪ Higher PCL in CNB
Capital Markets	$123MM	+$3MM	▪ Continued low oil price environment
Total PCL on impaired loans[(2)]	**$410MM**	**–**	

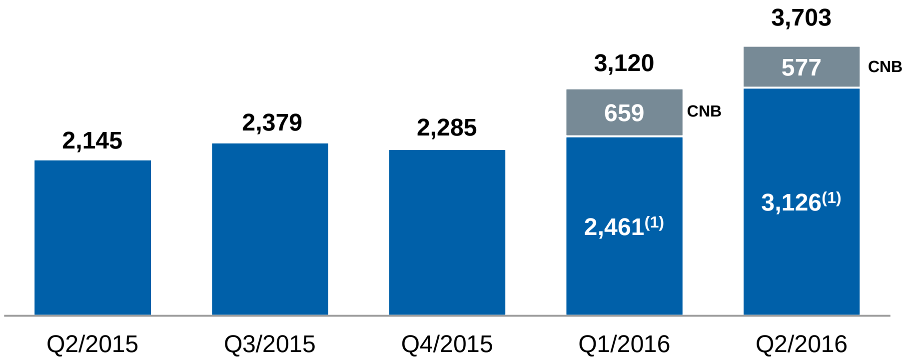
- Corporate Support PCL increased by $50 million, reflecting an increase in provisions for loans not yet identified as impaired (Collective Allowance)

Select PCL ratio (bps)	Q2/2014	Q3/2014	Q4/2014	Q1/2015	Q2/2015	Q3/2015	Q4/2015	Q1/2016	Q2/2016
Capital Markets	8	1	19	3	8	7	17	53	56
P&CB	27	32	35	28	26	28	25	30	30
Canadian Banking	25	26	27	26	25	26	25	29	30
Wealth Management	0	(2)	0	29	73	1	2	4	6

(1) Excludes an increase to our collective allowance of $50MM. This is a non-GAAP measure. For more information see slide 34. (2) Total PCL on impaired loans include $1 million in Corporate Support.

Oil & gas impairments drove GIL formations

GIL ($ millions)



Q2/2016 Impaired formations ($ millions)[2]

	New Formations	Net Formations[3]
Personal & Commercial Banking	381	(86)
Canadian Banking	362	30
Caribbean & U.S. Banking	19	(116)
Wealth Management	34	(99)
Capital Markets	963	768
Total	**1,378**	**583**

Capital Markets

- GIL increased $768 million QoQ due to impairments in the oil & gas sector; considers bottom-up analysis and external factors, which did not warrant a proportionate increase in PCL given seniority of our loans and the value of our collateral

Personal & Commercial Banking

- Canadian Banking GIL increased $30 million QoQ, largely due to higher impaired loans in our residential mortgages and personal loans portfolios
- Caribbean & U.S. Banking GIL decreased $116 million QoQ mainly reflecting the impact of FX translation

Wealth Management

- GIL was down $99 million QoQ due to FX translation impact and repayments
- Excluding CNB, GIL was down $17 million QoQ[1]

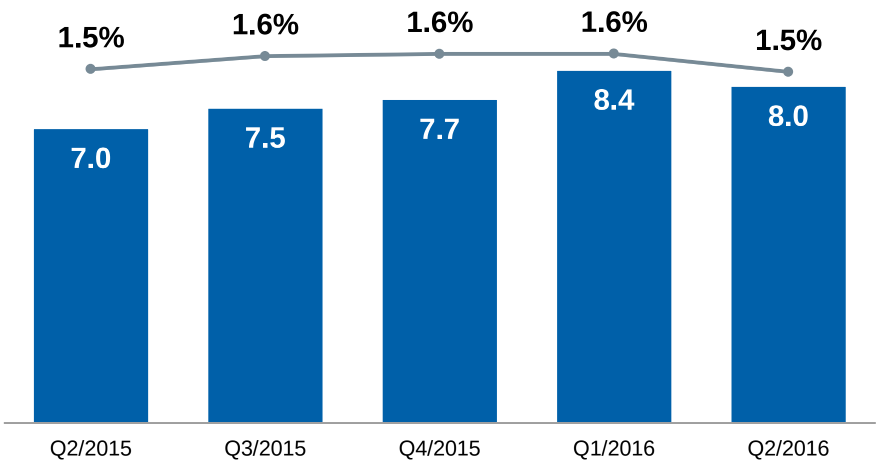
(1) GIL excluding CNB is a non-GAAP measure. For more information see slide 34. (2) Certain GIL movements for Canadian Banking retail and wholesale portfolios are generally allocated to New Impaired Loan Formation, as Return to performing status, Net repayments, Sold, and Exchange and other movements amounts are not reasonably determinable. Certain GIL movements for Caribbean Banking retail and wholesale portfolios are generally allocated to Net repayments and New Impaired, as Return to performing status, Sold, and Exchange and other movements amounts are not reasonably determinable. (3) Includes loan write-offs, new impaired loans, loan repayments, loan returning to performing, foreign exchange and other.

Exposure to the oil & gas sector within our risk appetite

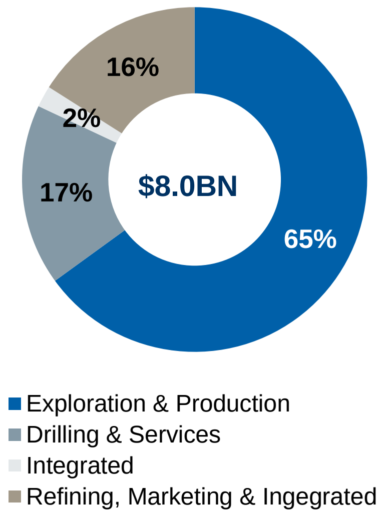
- RBC has a long history in the energy sector and we continue to work closely with our clients through this difficult environment
- Exposure to oil & gas sector:
  - Drawn of $8BN, decreased 5% QoQ; undrawn[(1)] of $11BN decreased 19% QoQ
    - Largely due to the impact of foreign exchange translation and reductions in borrowing bases
    - Drawn exposure represents 1.5% of RBC's total loans and acceptances, down slightly from previous quarters
- 19% of our drawn and 58% of undrawn[(1)] oil & gas portfolio is to investment grade clients

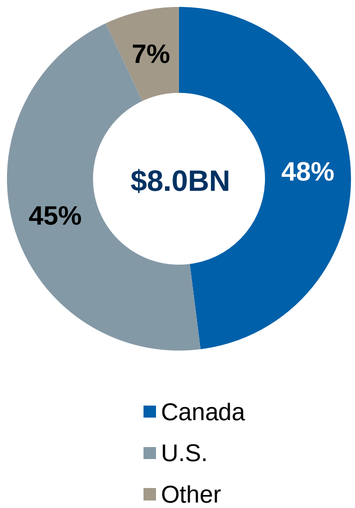
Drawn oil & gas loans and acceptances

($ billions; % of total loans)



Drawn oil & gas exposure by industry segment and geography



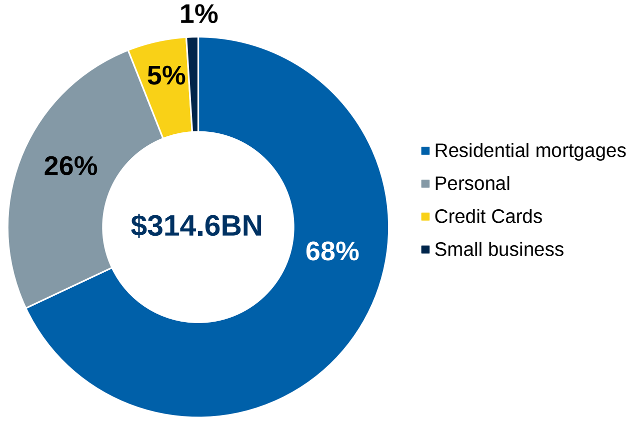


(1) Undrawn commitments represent an estimate of the contractual amount that may be drawn upon at the time of default of an obligor.

Stable credit quality in Canadian Banking retail portfolio

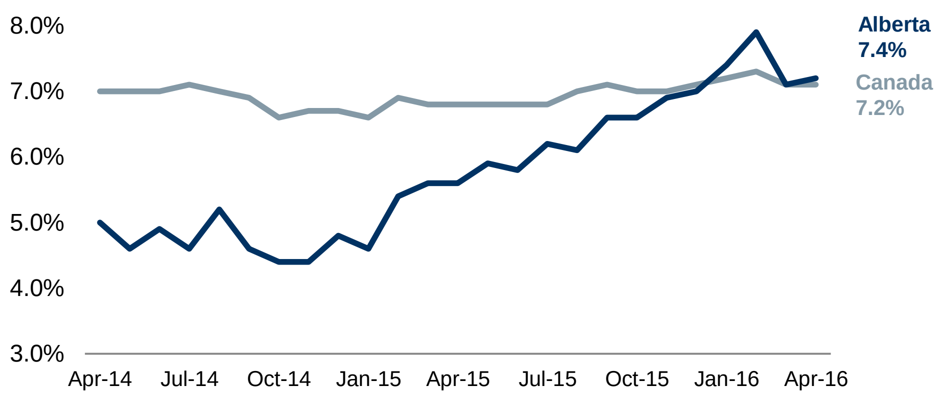
Average Canadian Banking retail loans(1)

- 87% of our retail portfolio is secured
- Alberta represents 16% of our retail loans of which 88% is secured



Unemployment rate (Canada & Alberta)

- While Alberta's unemployment rate has increased over the past year, Canada's unemployment rate remains stable



PCL ratio by product

- Uptick in PCL mainly reflecting higher provisions largely in Alberta

PCL ratio by product	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16
Credit cards	2.62%	2.43%	2.34%	2.60%	2.96%
Small business loans	0.85%	0.68%	0.77%	0.76%	0.99%
Personal loans	0.48%	0.47%	0.48%	0.56%	0.58%
Residential mortgages	0.01%	0.01%	0.02%	0.02%	0.01%

30+ day delinquencies by product

- Increase in delinquencies in oil-exposed provinces, remainder of Canada was stable(2)

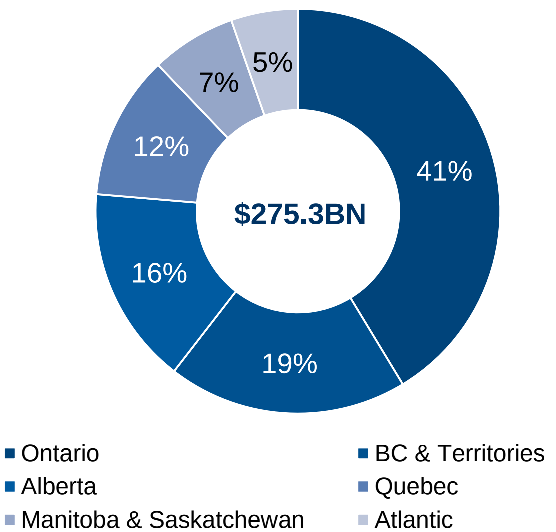
30+ day delinquencies by product	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16
Credit cards	2.21%	2.00%	2.16%	2.27%	2.32%
Small business loans	0.56%	0.53%	0.42%	0.53%	0.53%
Personal loans	0.34%	0.31%	0.31%	0.35%	0.37%
Residential mortgages	0.23%	0.21%	0.22%	0.23%	0.23%

(1) As at April 30, 2016. Excludes Canadian Banking wholesale business loans and acceptances. (2) Oil-exposed provinces include Alberta, Manitoba, Saskatchewan, and Newfoundland & Labrador.

Broad geographic diversification across Canadian retail portfolio

Canadian mortgage portfolio[(1)(2)]

As at April 30, 2016



Maintaining strong consumer quality

As at April 30, 2016

Region	Residential Mortgages				HELOC	Other Retail	Total
($billions)	**Insured**		**Uninsured**				
Ontario	$40	41%	$57	59%	$16	$24[(3)]	$137
Alberta	$21	57%	$16	43%	$7	$9	$53
BC & Territories	$17	38%	$27	62%	$9	$9	$62
Quebec	$14	49%	$14	51%	$4	$9	$41
Manitoba & Sask.	$8	52%	$8	48%	$3	$6	$25
Atlantic	$7	57%	$5	43%	$2	$5	$19
Total Canada	**$107**	**46%**	**$127**	**54%**	**$41**	**$62**	**$337**

- National average LTV on uninsured mortgages 54%[(2)] and 59% in Alberta[(2)]
- Average FICO scores of 781[(2)] on uninsured mortgages remain high indicating strong customer credit quality
- Alberta's average FICO scores consistent with the national average
- Average remaining amortization on mortgages of 17 years

RBC's Total Condo Exposure

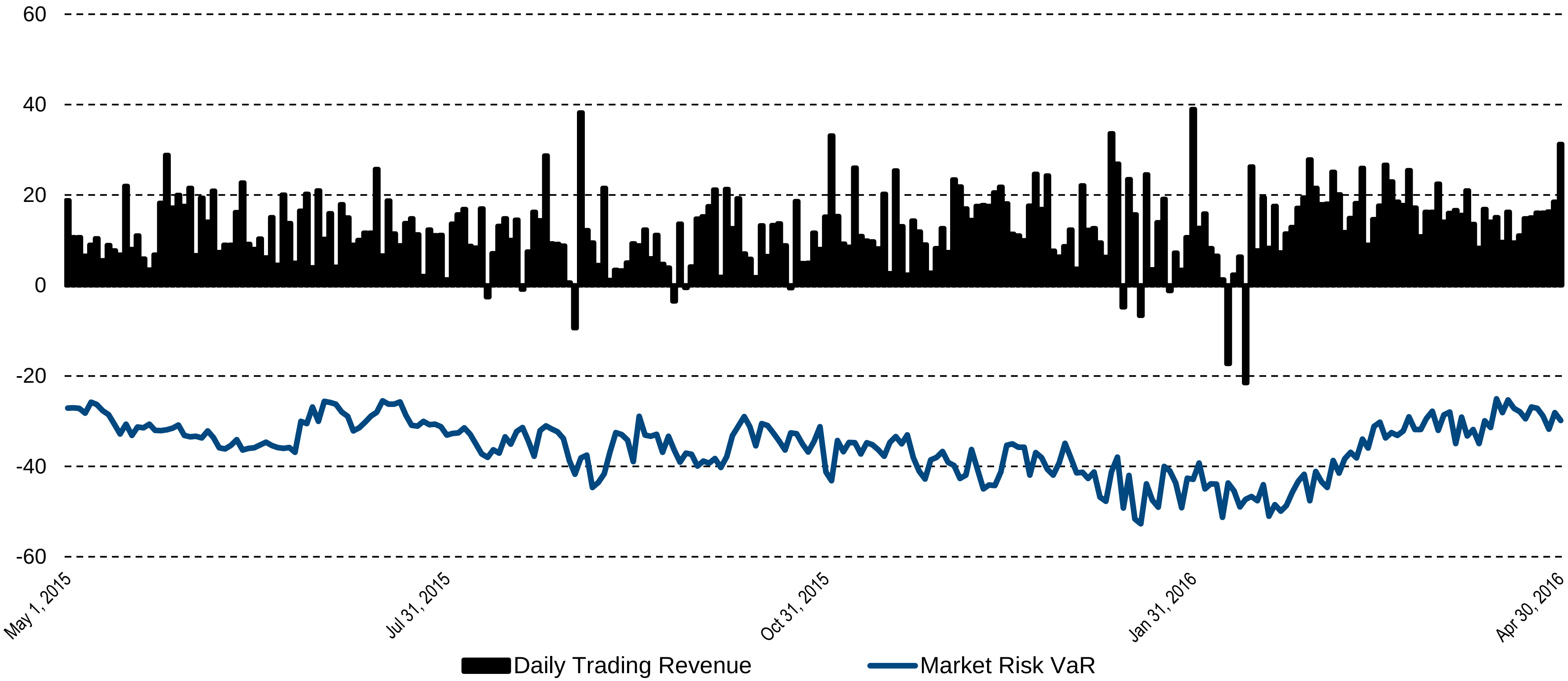
As at April 30, 2016

- Condo exposure is 9.9%[(2)] of Canadian residential mortgage portfolio
- Total exposure to condo developers of:
  - Drawn exposure of $1.7 billion, representing 2.7% of our commercial loan book, and undrawn exposure of $2.2 billion
  - ~85% to high rise

(1) Total consolidated residential mortgages in Canada of $275BN is largely comprised of $209BN of residential mortgages, $6BN of mortgages with commercial clients ($3BN insured), and $41BN in Home Equity Line of Credit (HELOC) in Canadian Banking, and $19BN of residential mortgages in Capital Markets held for securitization purposes. Based on spot balances. Totals may not add due to rounding. (2) Based on $250BN in residential mortgages and HELOC in Canadian Banking.(3) Includes $405MM of third party mortgage-backed securities.

Market risk trading revenue and VaR

(in millions)



- Trading revenue is down from Q1/2016 reflecting the impact of FX translation
- There were two days with net trading losses in Q2/2016
- Average market risk VaR of $37 million, down $3 million QoQ mainly due to the impact of a stronger Canadian dollar and reduced equity derivatives activity

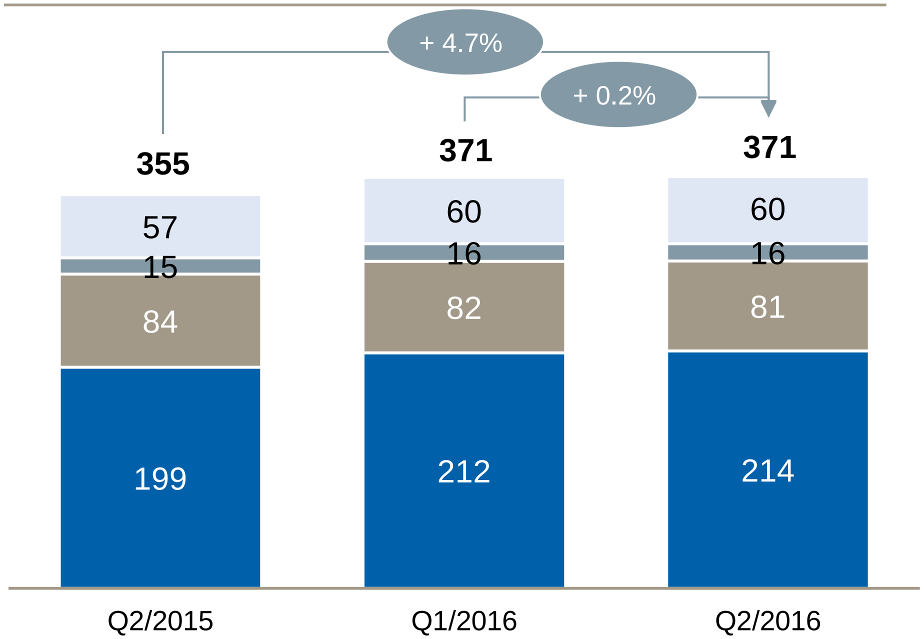
Appendices

Solid volume growth in Canadian Banking

Combined loan and deposit volume growth of 6% YoY

Average loans & acceptances(1)

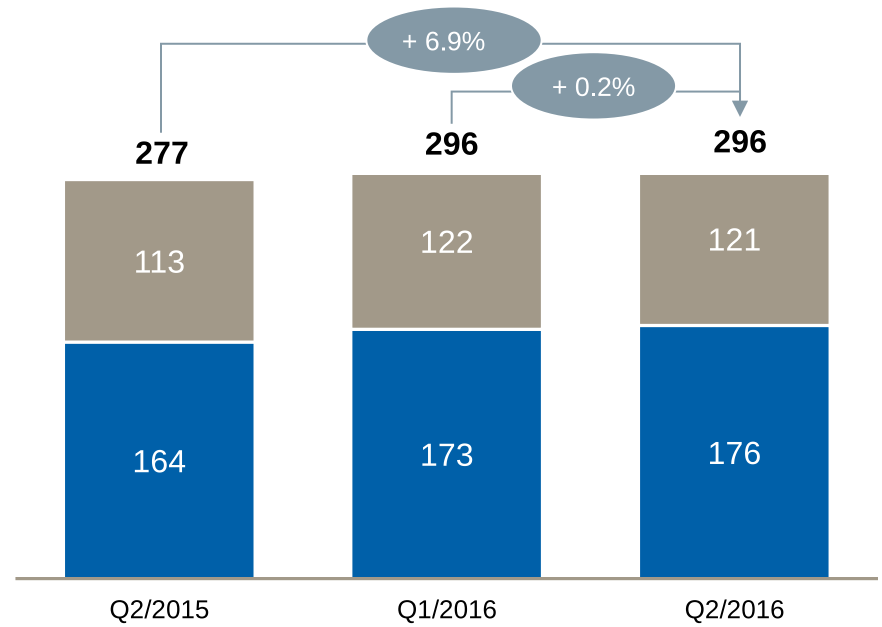
($ billions)



Percentage Change(1)		YoY	QoQ
Business (inc. small business)		6.7%	1.2%
Credit Cards		5.4%	(1.9%)
Personal Lending		(3.2%)	(1.3%)
Residential Mortgages		7.4%	0.7%

Average deposits

($ billions)



Percentage Change(2)		YoY	QoQ
Business Deposits		6.8%	(1.5%)
Personal Deposits		7.0%	1.4%

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

Continued leadership in Canadian Banking

Canadian Market Share	Current period		One year prior	
	Rank	Market Share[1]	Rank	Market Share[1]
Consumer Lending[2]	1	23.5%	1	23.7%
Personal Core Deposits + GICs	2	20.2%	2	20.3%
Total Mutual Funds[3]	1	32.1%	1	32.7%
Long-Term Mutual Funds[4]	1	14.3%	1	14.4%
Business Loans[5] ($0 - $25 million)	1	24.4%	1	25.1%
Business Deposits[6]	1	26.2%	1	26.5%

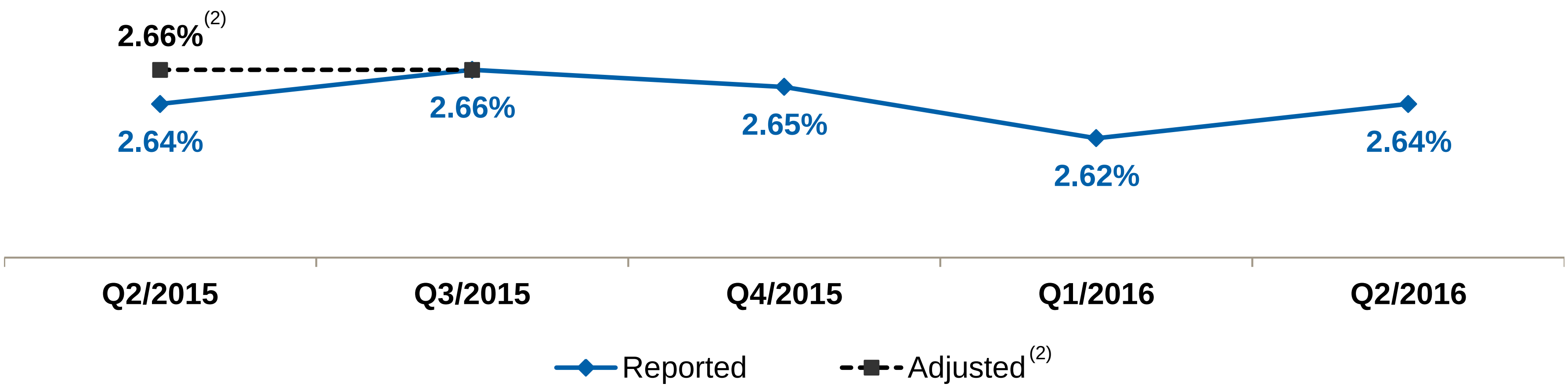
- #1 or #2 position in all key Canadian Retail Banking products and in all business products

(1) Market share is calculated using most current data available from OSFI (M4), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA), and is at December 2015 and December 2014. Market share is of total Chartered Banks except where noted. (2) Consumer Lending market share is of 6 banks (RBC, BMO, BNS, CIBC, TD and NA). Consumer Lending comprises residential mortgages (excluding acquired portfolios), personal loans and credit cards. (3) Total mutual fund market share is of 7 banks (RBC, BMO, BNS, CIBC, TD, NA and HSBC). (4) Long-term mutual fund market share is compared to total industry. (5) Business Loans market share is of 7 Chartered Banks (RBC, BMO, BNS, CIBC, TD, NA and CWB). (6) 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]

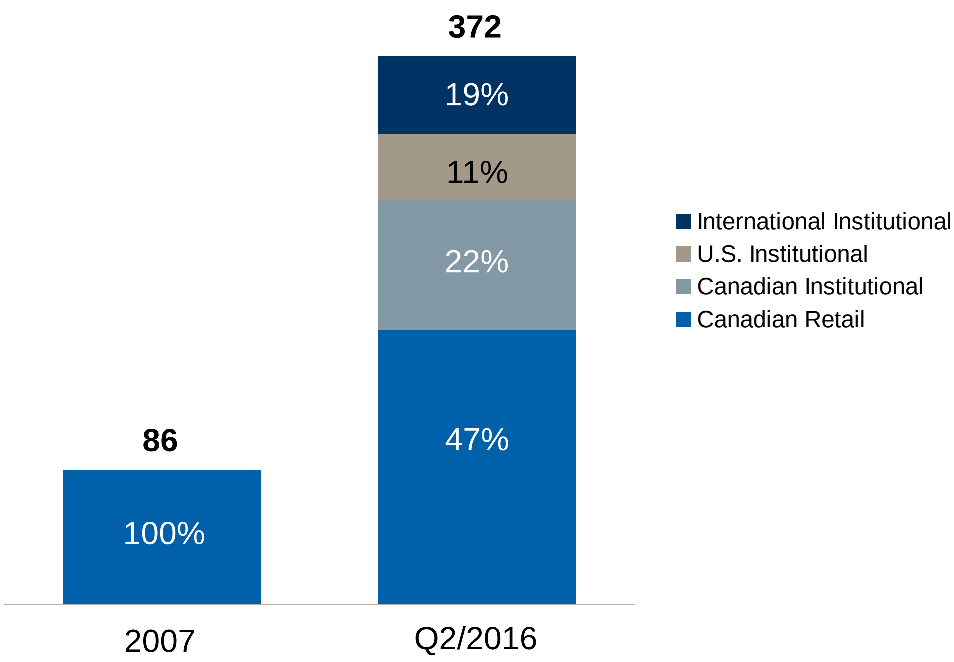
- NIM was up 2 bps QoQ primarily reflecting higher credit card spreads and product mix
- NIM was flat YoY. Excluding a cumulative accounting adjustment[2] in Q2/2015, NIM was down 2 bps YoY largely due to the continued low interest rate environment and competitive pressures



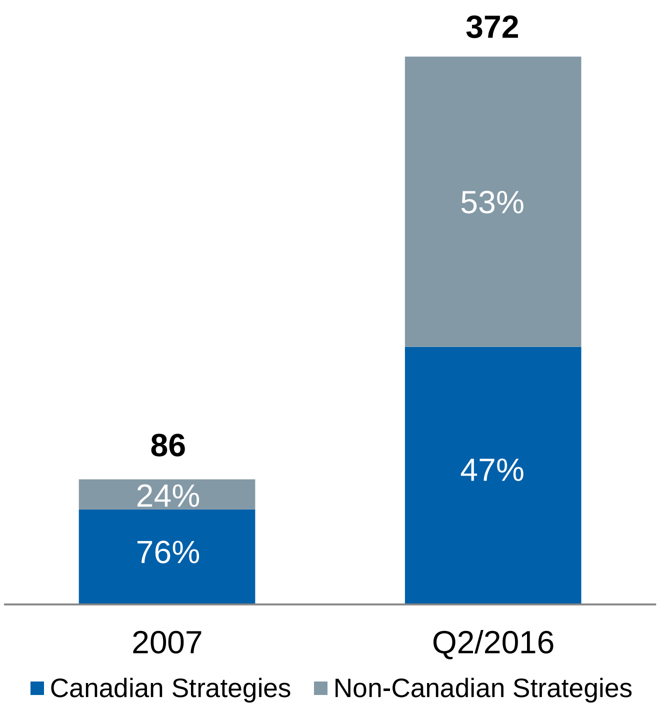
(1) Net interest margin: Net interest income as a percentage of average total earning assets (annualized). (2) Excludes the impact of a cumulative accounting adjustment. This is a non-GAAP measure. For more information see slide 34.

Continuing to diversify our Global Asset Management business

AUM by Client Segment
($ billions)



AUM by Investment Strategy(1)
($ billions)



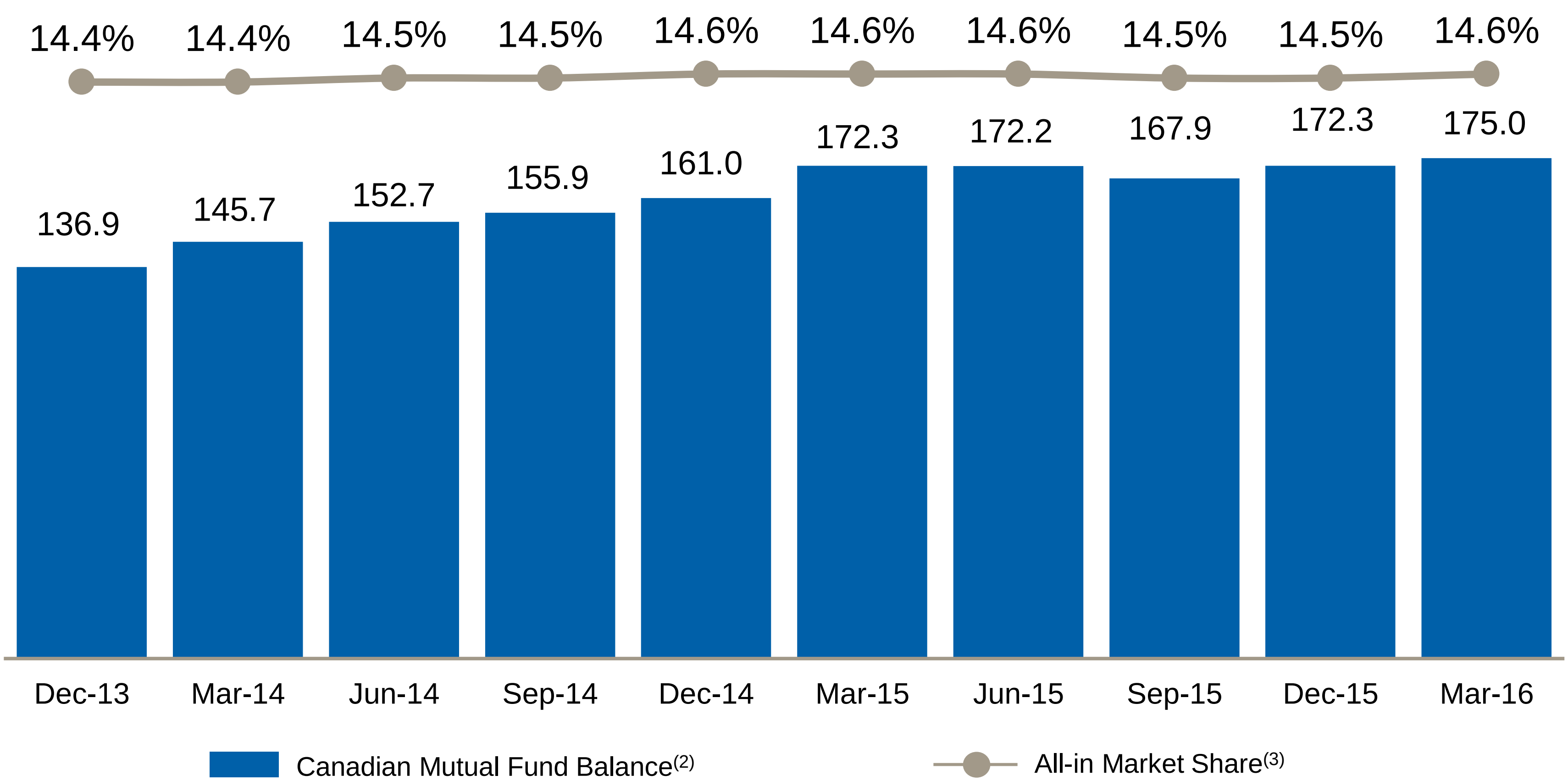
- Extending our leadership position in Canada in both retail and institutional asset management
- Continuing momentum in our U.S. and international institutional businesses driven by market share gains in higher fee-based solutions such as equities and credit strategies

(1) As at April 30th, 2016.

Stable growth in Canadian retail assets under management

Canadian mutual fund balances and market share(1)

($ billions, except percentage amounts)



- RBC Global Asset Management (GAM), ranked #1 in market share, has captured 31.7% of share amongst banks and 14.6% all-in(1)

(1) Source: IFIC (as of March 2016) and RBC reporting.
(2) Comprised of long-term funds.
(3) Comprised of long-term funds and money market funds.

Continued momentum with strong Q2 CNB results

US$

Select income statement items	Q2/2016 *(US$ millions)*	QoQ
Revenue	$360	6%
Expenses	$302	2%
PCL	$5	$1
Net income	$51	34%

Other select items	Q2/2016 *(US$ billions)*	QoQ
AUA	$14.2	4%
AUM	$41.4	3%
Loans	$24.3	4%
Deposits	$34.2	6%
Adjusted Deposits(1)	*$32.1*	*0%*

Q2/2016 CNB highlights

- Net income of US$51 million;
  - US$84 million(1) excluding US$22 million after-tax of amortization of intangibles and US$11 million after-tax of integration costs
- Strong credit quality
  - PCL ratio of 9 bps, up 3 bps QoQ
- NIM of 2.85%, flat QoQ
  - Adjusted NIM of 2.67%(1), up 5 bps QoQ
- YoY loan growth of 15%
- YoY deposit growth of 22%
  - Adjusted YoY deposit growth of 15%(1)

* *Balance sheet figures represent average balances*

(1) Adjusted net income excludes amortization of intangibles and integration costs. Adjusted NIM excludes covered loans .Adjusted deposits and deposit growth excludes sweep balances from U.S. Wealth Management. These are non-GAAP measures. For more information see slide 34.

Capital Markets revenue – diversified by business

($ millions)	Q2/2016	Q1/2016	Q2/2015	YoY	QoQ
Investment banking	458	390	506	(10%)	17%
Lending and other	434	480	452	(4%)	(10%)
Corporate & Investment Banking	**$892**	**$870**	**$958**	**(7%)**	**3%**
Fixed income, currencies and commodities (FICC)	514	488	628	(18%)	5%
Global equities (GE)	316	293	408	(23%)	8%
Repo and secured financing	295	329	287	3%	(10%)
Global Markets (teb)	**$1,125**	**$1,110**	**$1,323**	**(15%)**	**1%**
Other	**($27)**	**-**	**($34)**	**(21%)**	**-**
Capital Markets total revenue (teb)	**$1,990**	**$1,980**	**$2,247**	**(11%)**	**1%**

Corporate & Investment Banking

- YoY decrease driven by lower equity and debt origination activity largely in the U.S. and lower loan syndication revenue, partly offset by higher M&A activity in Canada, the U.S., and Europe, and the positive impact of FX translation
- QoQ increase driven by higher investment banking fees in Canada primarily in equity origination and syndicated finance, as well as higher debt origination in the U.S., partly offset by the negative impact from FX translation as well as losses on credit default swaps hedging the corporate loan book in the current quarter compared to gains in the prior quarter

Global Markets

- YoY decrease was due to lower equity trading revenue as compared to the strong levels last year, lower fixed income trading revenue as improved performance in our rates trading business was more than offset by lower results across other asset classes, and decreased debt and equity origination activity across most regions. This was partly offset by the positive impact of FX translation
- QoQ increase driven by improved debt underwriting in the U.S. and improved fixed income trading, partly offset by the negative impact of FX translation and lower equities trading

Capital Markets revenue – diversified by geography

($ millions)	Q2/2016	Q1/2016	Q2/2015	YoY	QoQ
Canada	653	589	588	11%	11%
U.S.[1]	916	987	1,222	(25%)	(7%)
Europe	315	276	298	6%	14%
Asia and Other[1]	74	119	110	(33%)	(38%)
Geographic revenue excluding certain items[1] [4]	**$1,958**	**$1,971**	**$2,218**	**(12%)**	**(1%)**
Add / (Deduct): Change in CVA & FVA balance, net of hedges[2]	32	9	29	n.m.	n.m.
Capital Markets total revenue (teb)	**$1,990**	**$1,980**	**$2,247**	**(11%)**	**1%**
Capital Markets non-trading revenue[3]	1,178	1,155	1,282	(8%)	2%
Capital Markets trading revenue (teb)	**$812**	**$825**	**$965**	**(16%)**	**(2%)**
Capital Markets trading revenue (teb) excl. certain items[4]	**$780**	**$816**	**$936**	**(17%)**	**(4%)**

Canada

- YoY increase driven by higher trading revenue in fixed income, equities, and FX, as well as stronger M&A fees, partially offset by lower debt and equity origination fees
- QoQ increase driven by higher investment banking fees, as well as stronger fixed income and FX trading, partly offset by lower private equity gains

U.S.

- YoY decrease due to lower fixed income and equities trading revenue compared to the strong levels last year, lower equity and debt origination, and lower loan syndications. This was partly offset by the positive impact from FX translation
- QoQ decrease reflecting a negative impact from FX translation, lower equities and fixed income trading, and lower M&A activity, partly offset by higher debt origination

Europe

- YoY increase due to stronger fixed income trading and M&A fees, partly offset by lower loan syndications and lending revenue
- QoQ increase primarily reflects higher fixed income and equities trading and higher M&A fees, partly offset by lower FX trading and a negative impact from FX translation

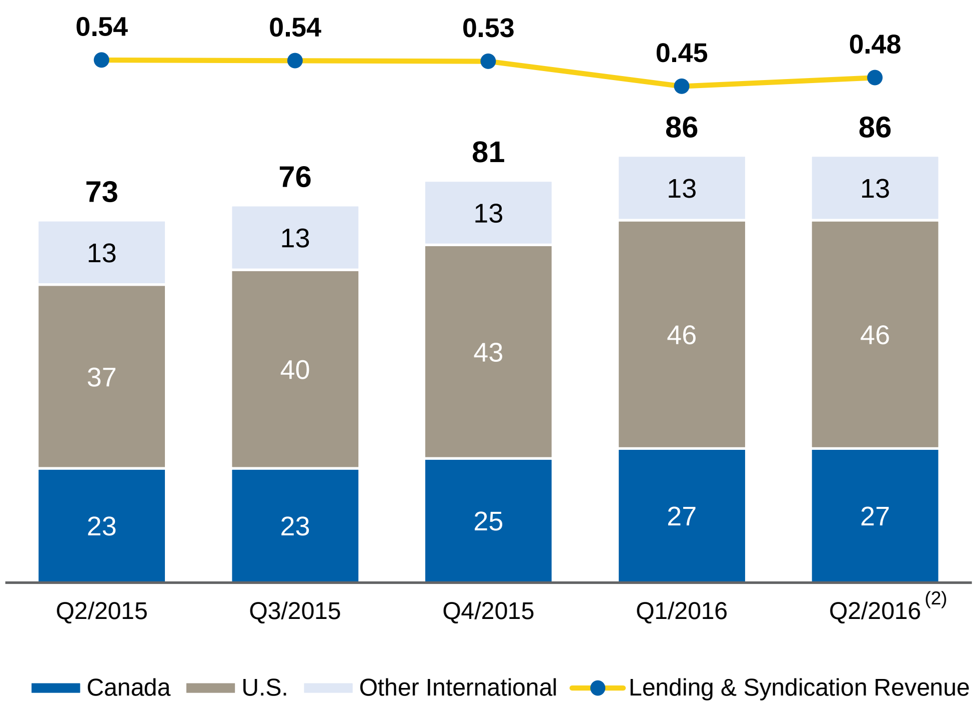
Asia & Other

- YoY decrease driven by lower fixed income and equities trading
- QoQ decrease driven by lower fixed income and equities trading, and lower M&A fees

(1) Effective Q3/2015, Caribbean operations previously reported in the U.S. are now reported in Asia & Other. Prior periods have been restated. (2) Excluded from all geographies. (3) Non-trading revenue primarily includes Corporate & Investment Banking and Global Markets origination and cash equities businesses. (4) This is a non-GAAP measure. For more information see slide 34.

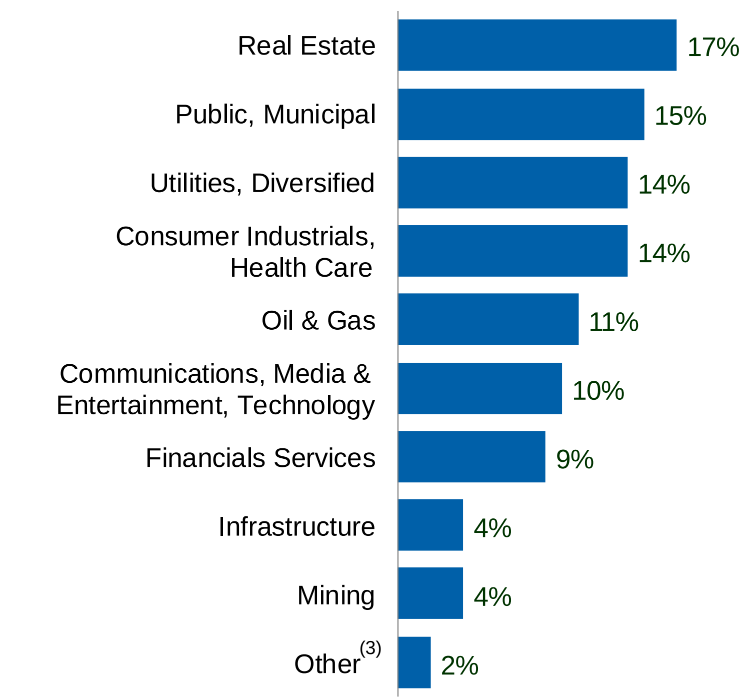
Prudently growing Capital Markets' loan book

Lending and Syndication Revenue and Loans Outstanding by Region[1] *($ billions)*



Loans Outstanding by Industry[1]

Q2/2016



- Diversification driven by strict limits on single name, country, industry and product levels across all businesses, portfolios, transactions and products
- Consistent lending standards throughout the cycle
- Approximately 66% of our authorized Capital Markets loan portfolio is investment grade

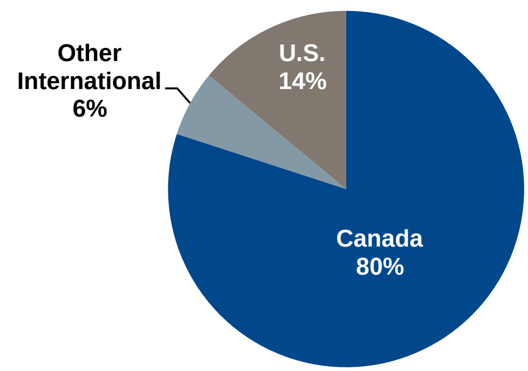
(1) Average loans & acceptances, and includes letters of credit and guarantees for our Capital Markets portfolio, on single name basis. It excludes mortgage investments, securitized mortgages and other non-core items. (2) Q2/2016 includes an estimated YoY increase of $5.5BN related to FX, and a QoQ decrease of $3.5BN. (3) "Other" mainly includes: Aerospace, Transportation and Forestry.

RBC's loans are well diversified by portfolio and industry

Loans and Acceptances [1] ($ millions)	Q2/2016	% of Total
Residential mortgages	246,029	46.9
Personal	93,679	17.9
Credit cards	16,269	3.1
Small business	3,886	0.7
Total Retail	**359,863**	**68.6**
Real estate and related	39,196	7.5
Energy		
Oil & gas	7,991	1.5
Utilities	6,863	1.3
Financing products	10,582	2.0
Sovereign	10,561	2.0
Non-bank financial services	9,315	1.8
Technology and media	9,521	1.8
Consumer goods	8,994	1.7
Health services	7,111	1.4
Holding and investments	7,508	1.4
Automotive	7,318	1.4
Transportation and environment	6,288	1.2
Agriculture	6,399	1.2
Industrial products	5,142	1.0
Bank	1,921	0.4
Mining and metals	1,514	0.3
Forest products	1,233	0.2
Other services	10,954	2.1
Other	6,035	1.2
Total Wholesale	**164,446**	**31.4**
Total Loans and Acceptances	**524,309**	**100.0**

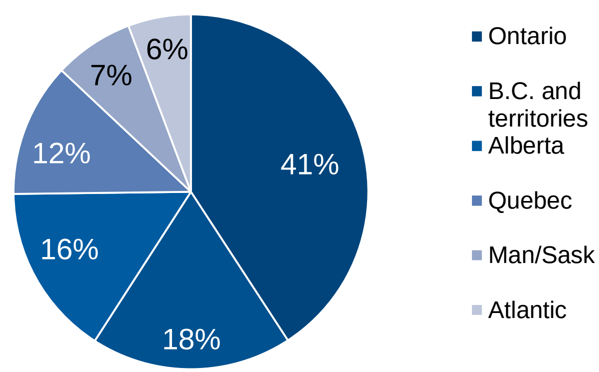
Breakdown by region of total loans and acceptances

(Q2/2016)



Breakdown by region of Canadian total loans and acceptances

(Q2/2016)



(1) Does not include letters of credit or guarantees.

Other – other income

($ millions)	Q2/2016	Q1/2016	Q2/2015	YoY	QoQ
Other income – segments	134	143	252	n.m.	n.m.
CTA Release	-	-	108	n.m.	n.m.
Other hedging and mark-to-market items	(120)	66	1	n.m.	n.m.
Total Other – other income[(1)]	**$14**	**$209**	**$253**	**(94%)**	**(93%)**

(1) Excludes a gain of $108 million (before and after tax) in Q2/2015 from the wind-up of a U.S. based subsidiary that resulted in the release of foreign currency translation adjustment (CTA) that was previously booked in other components of equity (OCE). This is a non-GAAP measure. For more information and a reconciliation see slides 33 and 34.

Specified item impacting Q2/2015 results

($ millions, except for EPS amounts and percentages)	Reported	Gain from the wind-up of a U.S.-based subsidiary resulting in release of CTA	Adjusted[(1)]
Q2/2015			
Consolidated			
Net Income	$2,502	($108)	$2,394
Basic EPS	$1.68	($0.07)	$1.61
Diluted EPS	$1.68	($0.07)	$1.61
ROE	19.3%		18.5%

(1) These are non-GAAP measures. For more information see slide 34.

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 key performance and non-GAAP measures we believe provide useful information to investors regarding our financial condition and result of operations. Readers are cautioned that key performance measures, such as ROE and non-GAAP measures such as earnings and revenue excluding Corporate Support, revenue net of the change in fair value of investments backing our policyholder liabilities, net income excluding a gain of $108MM (before and after tax) in Q2/2015 from the wind-up of a U.S. based subsidiary that resulted in release of CTA, adjusted Wealth Management measures reflecting the acquisition of City National, City National earnings excluding amortization of intangibles and acquisition and integration costs, GIL excluding City National, adjusted net interest margin, and Capital Markets trading and geographic revenue excluding specified items do not have any standardized meanings prescribed by GAAP, and therefore are unlikely to be comparable to similar measures disclosed by other financial institutions.

Additional information about our ROE and non-GAAP measures can be found under the "Key performance and non-GAAP measures" section of our Q2/2016 Report to Shareholders and 2015 Annual Report.

Definitions can be found under the "Glossary" sections in our Q2/2016 Supplementary Financial Information and our 2015 Annual Report.

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