Royal Bank of Canada
Second Quarter Results

May 25, 2017

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 Q2/2017 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 25, 2017 analyst conference call (Q2 presentation), in filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission, in reports to shareholders and in other communications. Forward-looking statements in this Q2 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 2016 Annual Report and the Risk management section of our Q2 2017 Report to Shareholders; global uncertainty; the Brexit vote to have the United Kingdom leave the European Union; weak oil and gas prices; cyber risk; anti-money laundering; exposure to more volatile sectors; technological innovation and new Fintech entrants; increasing complexity of regulation; data management; litigation and administrative penalties; the business and economic conditions in the geographic regions 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 2016 Annual Report, as updated by the Overview and outlook section in our Q2 2017 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 2016 Annual Report and in the Risk management section of our Q2 2017 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

Q2/2017 earnings of $2.8 billion

Strong results across most of our businesses

Strong Q2/2017 earnings	▪ Net income of $2.8 billion, up 9% YoY ▪ Double digit earnings growth in Capital Markets, Wealth Management, and Investor & Treasury Services YoY ▪ Solid results in Personal & Commercial Banking ▪ Demonstrated discipline in managing risks with PCL ratio of 23 bps ▪ ROE of 17.2%, up 100 bps YoY
Strong capital position enabled us to return capital to shareholders	▪ "All-in" Common Equity Tier 1 ratio of 10.6% ▪ Renewed our NCIB program in March 2017 to repurchase up to 30 million common shares ▪ Repurchased 29.2 million common shares or $2.5 billion in Q2/2017(1) ▪ 10.2 million of these common shares accrued in Q1/2017

(1) For more information, refer to the Capital management section of our Q2/2017 Report to Shareholders.

Financial Review

Rod Bolger
Chief Financial Officer

Strong earnings growth on solid revenue growth and lower PCL

($ millions, except for EPS and ROE)	Q2/2017	YoY	QoQ	
		As reported	As reported	Excluding Specified Item(1)
Revenue	$10,310	⬆ 8%	8%	10%
Revenue net of Insurance fair value change(2)	$9,941	⬆ 7%	(1%)	1%
Non-interest expense	$5,229	⬆ 7%	0%	0%
PCL	$302	⬇ (34%)	3%	3%
Income before income taxes	$3,689	⬆ 16%	(4%)	1%
Net income	**$2,809**	⬆ **9%**	**(7%)**	**0%**
Diluted earnings per share (EPS)	**$1.85**	⬆ **11%**	**(6%)**	**1%**
Return on common equity (ROE)(3)	**17.2%**	⬆ **100 bps**	**(80 bps)**	**50 bps**

- YoY Net income up 9% while diluted EPS up 11% reflecting the impact of share buybacks

Revenue

- Favourable equity markets and strong volume growth drove higher YoY revenue in Wealth Management
- Canadian Banking delivered higher YoY revenue from solid volume growth of 7%, partially offset by lower spreads, and solid fee-based revenue growth
- Higher Capital Markets revenue YoY on strong investment banking fees driven by market share gains, partially offset by lower trading revenue

Non-Interest Expense

- YoY increase largely driven by higher variable compensation in Wealth Management and Capital Markets from improved results and continued investments to support business growth and higher regulatory compliance costs

PCL

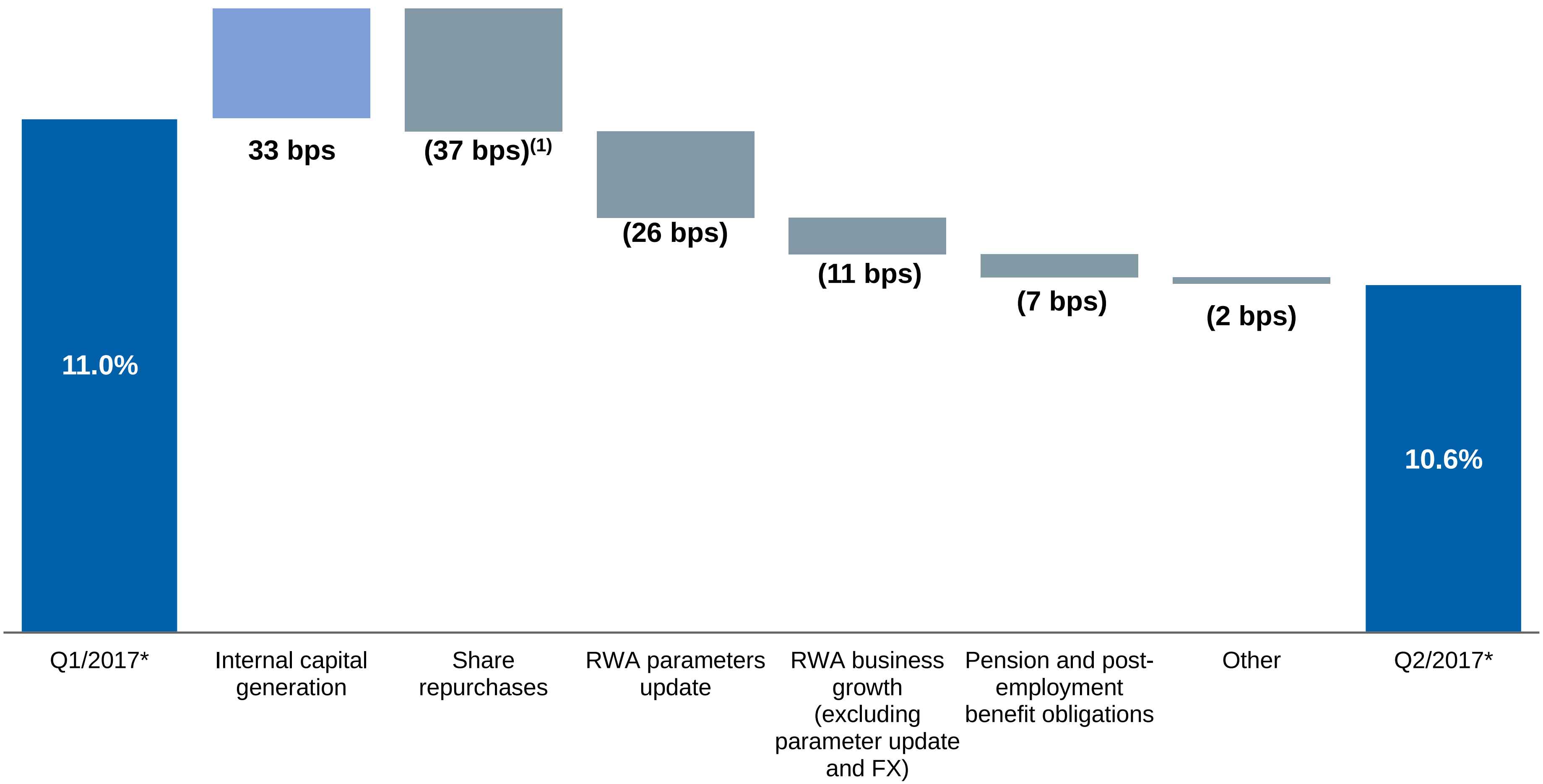
- PCL up marginally QoQ

Taxes

- Higher effective tax rate YoY mainly due to business mix; prior year also included a tax recovery in Insurance

(1) For the three months ended January 31, 2017, our results include our share of a gain of $212MM (before- and after-tax) related to the sale of the U.S. operations of Moneris Solutions Corporation (Moneris gain on sale). Results excluding this gain are non-GAAP measures. For more information and a reconciliation, see slides 30 and 31. (2) Revenue net of Insurance fair value change of investments backing policyholder liabilities of -$369MM is a non-GAAP measure. For more information, see slide 31. (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 31.

Well-capitalized as we continue to return capital to shareholders and invest in organic client growth

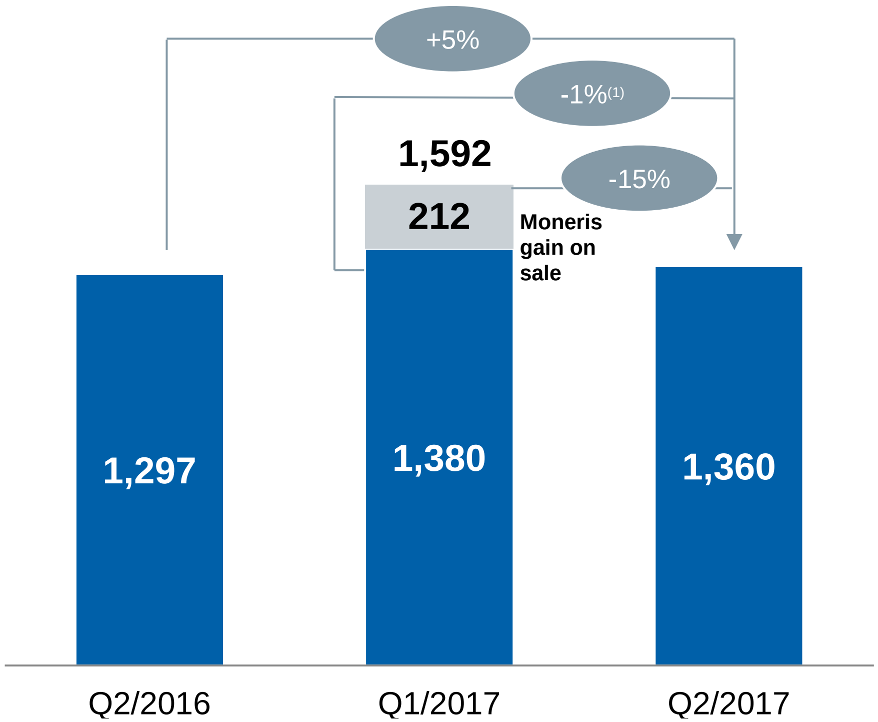


** Represents rounded figures. For more information, refer to the Capital management section of our Q2/2017 Report to Shareholders.*

(1) Reflects impact of 19 million common shares, which represents 29.2 million common shares repurchased in Q2/2017 less 10.2 million common shares accrued in Q1/2017.

Solid results on volume growth in Personal & Commercial Banking

Net Income ($ millions)



Canadian Banking	Q2/2017
Net income growth YoY	**6%**
Non-interest income growth YoY	6%
Efficiency ratio	42.1%
Operating leverage	0.7%

Q2/2017 Highlights

Canadian Banking

- Net income of $1,316 million
- Volume growth of 7% YoY and 1% QoQ (see slide 20)
- NIM of 2.62%, down 2 bps YoY and up 1 bp QoQ
- Non-interest income growth largely due to higher mutual fund distribution fees and higher card service revenue
- Relatively stable PCL ratio of 27 bps, down 3 bps YoY and up 1 bp QoQ
- NIE up 3% YoY, due to higher costs in support of business growth including higher staff-related costs and increased technology spend
- Strong efficiency ratio of 42.1%
  - Adjusted operating leverage of 1.8% YTD[1]

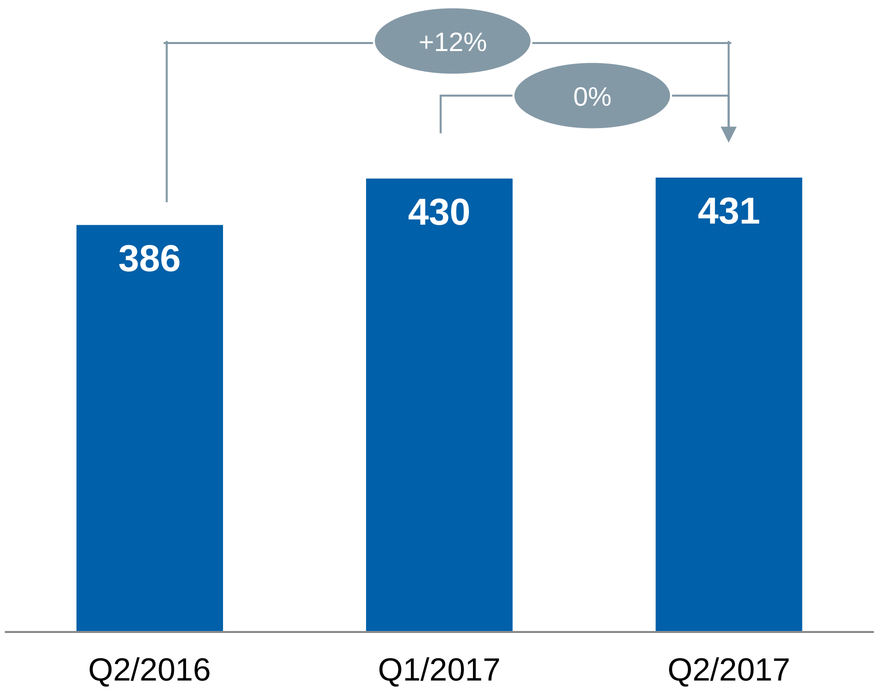
Caribbean & U.S. Banking

- Net income of $44 million
  - YoY: down $12 million or 21% mainly due to lower gains from foreign exchange and lower fee-based revenue
  - QoQ: down $2 million or 4%

(1) For the three months ended Jan 31, 2017, our results include our share of a gain of $212MM (before- and after-tax) related to the sale of the U.S. operations of Moneris Solutions Corporation (Moneris gain on sale). Reported YTD 2017 operating leverage was 4.9% while adjusted operating leverage excludes the gain from Moneris sale. Results excluding this gain are non-GAAP measures. For more information and a reconciliation, see slides 30 and 31.

Strong YoY earnings growth in Wealth Management

Net Income ($ millions)



	YoY	QoQ
Assets under administration	14.8%	5.9%
Assets under management	12.8%	5.2%

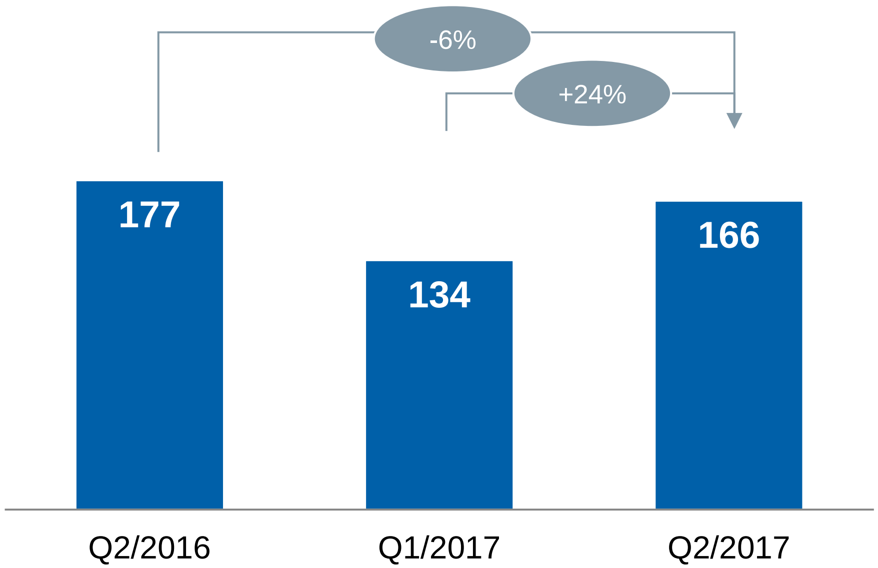
Q2/2017 Highlights

- Net income of $431 million, up 12% YoY
  - Growth in average fee-based client assets benefitting from favourable equity markets
  - Higher net interest income reflecting volume growth and the impact from higher U.S. interest rates
  - Higher costs in support of business growth
- Net income relatively unchanged QoQ
  - Higher fee-based client assets
  - Lower transaction revenue
- CNB contributed $77 million to earnings(1), up 16% YoY (see slide 24 for results in U.S. dollars)
  - Loans up 18% and deposits up 21% YoY

(1) CNB contributed $111MM excluding $34MM after-tax of amortization of intangibles and integration costs. This is a non-GAAP measure. For additional information, see slides 24 and 31.

Insurance results reflect higher investment-related gains and improved claims experience

Net Income ($ millions)



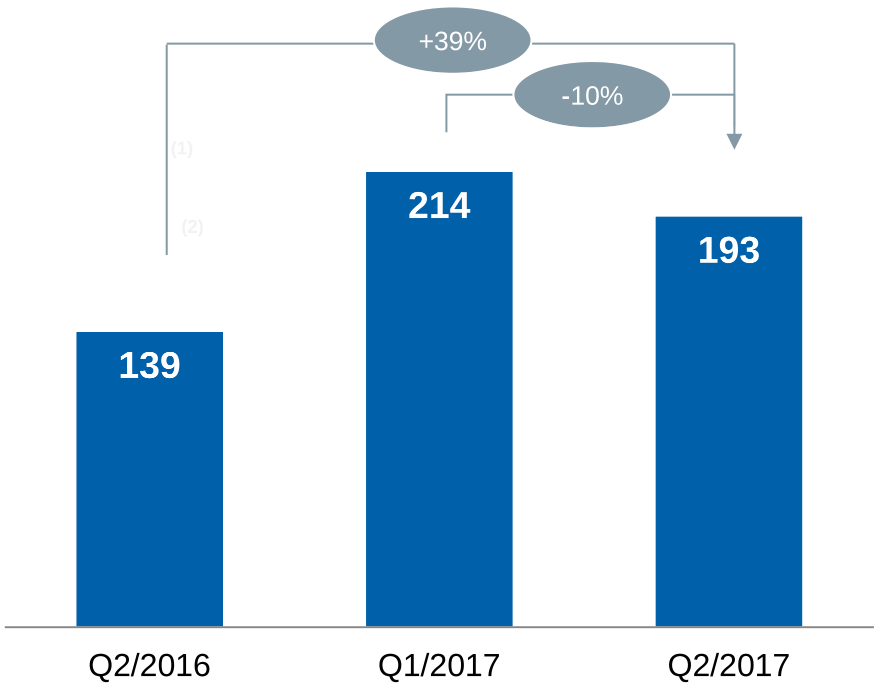
Q2/2017 Highlights

- Net income of $166 million, down 6% YoY
  - Lower results due to the impact of the sale of our home and auto insurance manufacturing business(1)
  - Higher investment-related gains
  - Improved claims experience in Canadian and International Insurance
  - Prior year included a tax recovery
- Net income up 24% QoQ
  - Higher investment-related gains

(1) In Q3/2016, we completed the sale of RBC General Insurance Company to Aviva Canada Inc. The transaction involved the sale of our home and auto insurance manufacturing business and included a 15-year strategic distribution agreement between RBC Insurance and Aviva.

Continued strength in Investor & Treasury Services

Net Income ($ millions)

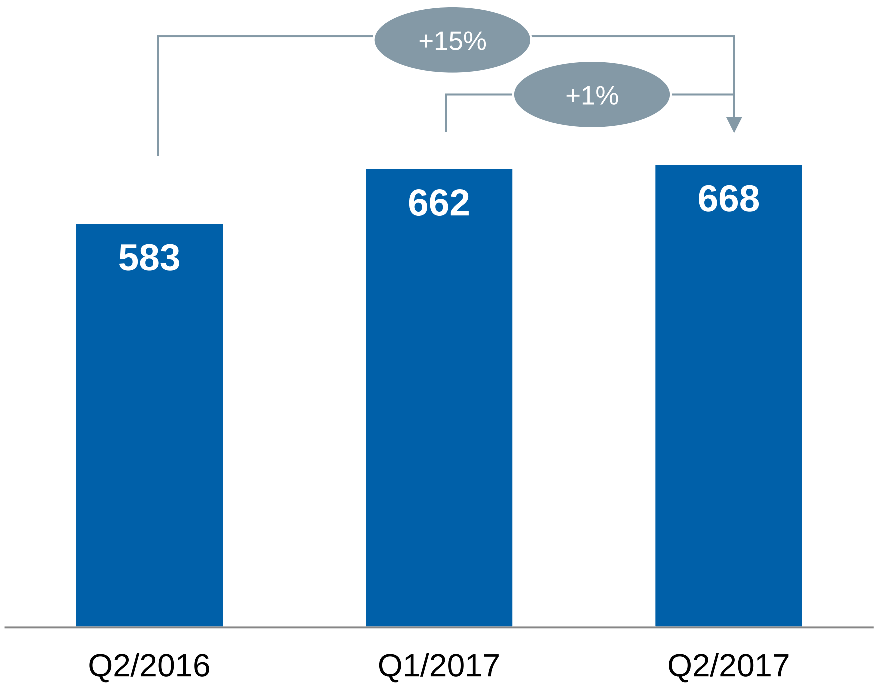


Q2/2017 Highlights

- Net income of $193 million, up 39% YoY
  - Higher funding and liquidity results reflecting volatility in interest and foreign exchange rates and tightening credit spreads
  - Solid expense management with NIE growth of 1% including continued investment in technology
- Net income down 10% QoQ
  - Lower funding and liquidity revenue
  - Lower FX market execution revenue

Capital Markets improves to 9th in global investment banking fees(1)

Net Income ($ millions)



Q2/2017 Highlights

- Net income of $668 million, up 15% YoY
  - Strong earnings driven by market share gains in investment banking led by loan syndication and M&A activity in the U.S.
  - Strong corporate lending, mainly in the U.S.
  - Higher Global Markets revenue
  - Lower PCL ratio mainly due to improved oil & gas sector
- Net income up 1% QoQ
  - Higher debt and equity origination activity
  - Higher FX, equity and commodities trading, mainly in Canada
  - Higher lending largely in the U.S.
  - Higher M&A activity, largely in Europe and Canada
  - Lower fixed income trading

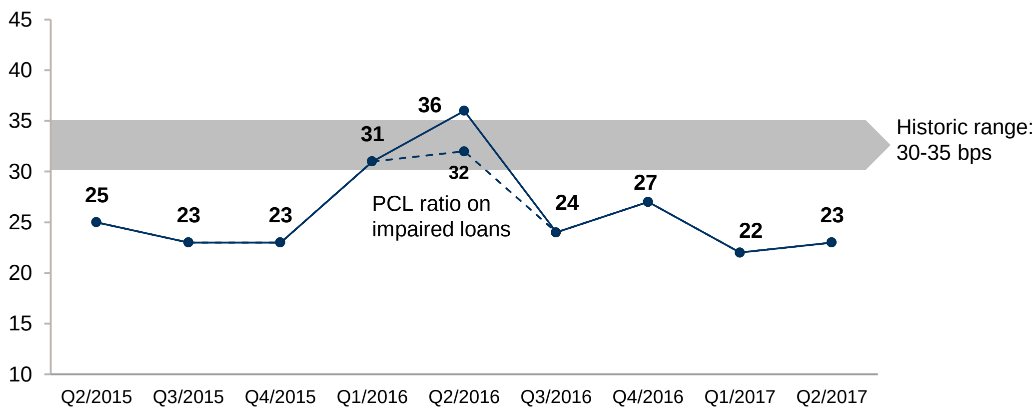
(1) RBC is ranked as the 9th largest global investment banking as per Thomson Reuters for the time period from January 1 to March 31, 2017.

Risk Review

Mark Hughes
Chief Risk Officer

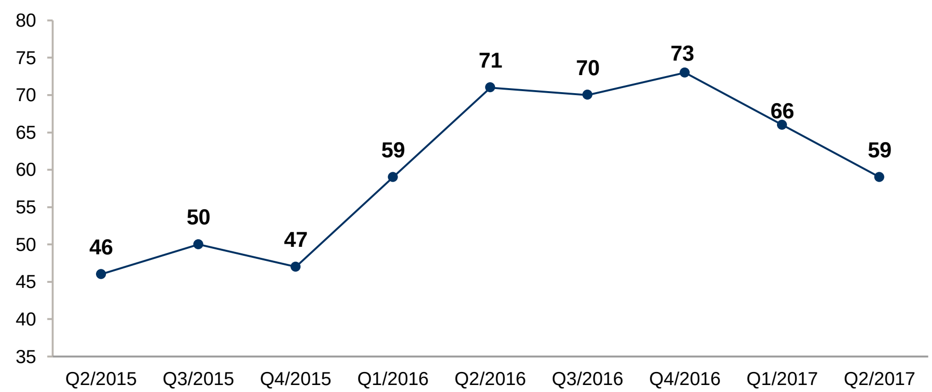
Stable credit performance

PCL Ratio (bps)[1]



- Total Q2/2017 PCL ratio of 23 bps, up 1 bp QoQ
  - Largely due to higher PCL in Personal & Commercial Banking offset by lower PCL in Capital Markets
- Q2/2017 PCL ratio on impaired loans was down 9 bps YoY, largely due to lower PCL in the oil & gas sector
- YTD PCL ratio on impaired loans of 22 bps, down 9 bps YoY

GIL Ratio (bps)[2]

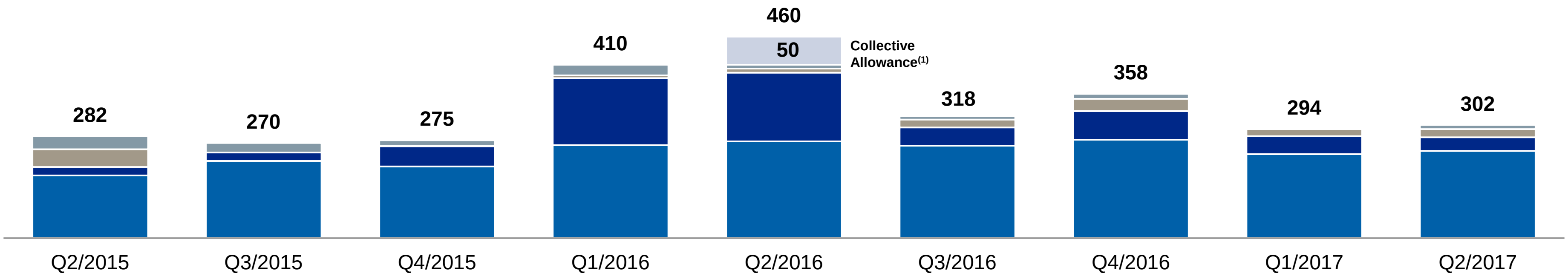


- GIL ratio of 59 bps, down 7 bps QoQ
  - Decrease largely driven by lower impaired loans in Capital Markets, mainly in the oil & gas sector, partially offset by higher impaired loans in Wealth Management
  - GIL ratio of 53 bps excluding acquired credit-impaired loans[3]
- GIL down 12 bps YoY

(1) Provision for Credit Losses (PCL) ratio is PCL as a percentage of average net loans & acceptances (annualized). (2) Gross Impaired Loans (GIL) ratio is GIL as a percentage of loans & acceptances. (3) GIL excluding acquired credit-impaired loans is a non-GAAP measure. For more information see slide 31.

Credit quality remains strong

PCL ($ millions)



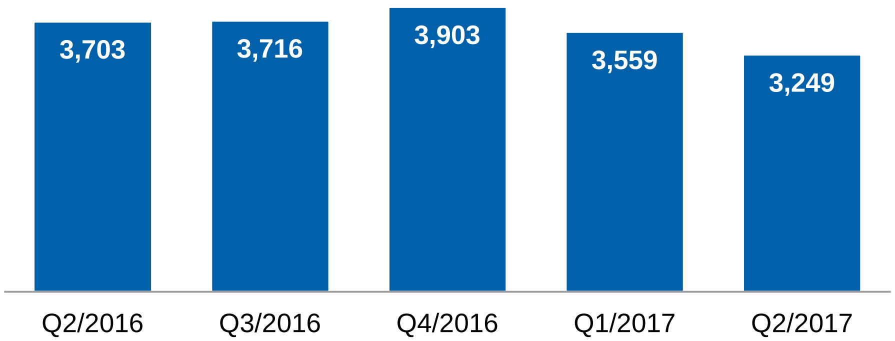
Segments ($ millions)	Q2/2017	QoQ	Key drivers
Canadian Banking	$256	⬆ $6	▪ Higher commercial lending PCL and higher credit card write-offs were partially offset by lower personal lending PCL
Caribbean & U.S. Banking	$6	⬆ $7	▪ Lower recoveries in our Caribbean personal lending portfolio
Wealth Management	$15	⬆ $2	▪ Modestly higher PCL in CNB
Capital Markets	$24	⬇ ($8)	▪ Lower PCL in the real estate sector offset by lower recoveries in the oil & gas sector
Total PCL[3]	**$302**	⬆ **$8**	

Select PCL ratio (bps)	Q2/2015	Q3/2015	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Capital Markets	8	7	17	53	56	15	24	15	12
P&CB	26	28	25	30	30	28	29	25	27
Canadian Banking	25	26	25	29	30	28	29	26	27
Wealth Management	73	1	2	4	6	11	17	10	12

(1) PCL increased by $50 million for loans not yet identified as impaired in Q2/2016. (2) Other includes Caribbean Banking, Investor & Treasury Services, Insurance and Corporate Support. (3) Total PCL includes Insurance and Corporate Support.

Gross Impaired Loans improved largely in Capital Markets

GIL ($ millions)



Q2/2017 Impaired Formations ($ millions)(1)

Segments	New formations		Net formations(2)
	Q2/17	QoQ	
Personal & Commercial Banking	357	37	6
Canadian Banking	319	24	(16)
Caribbean & U.S. Banking	38	13	22
Wealth Management	150	103	96
Capital Markets	94	(188)	(412)
Total	**601**	**(48)**	**(310)**

Personal & Commercial Banking

- Canadian Banking GIL decreased $16 million QoQ due to lower impaired loans in our Canadian personal lending portfolios, partially offset by higher impaired loans in our commercial lending portfolios
- Caribbean & U.S. Banking GIL increased $22 million QoQ mainly due to higher impaired loans in our Caribbean lending portfolios

Wealth Management

- GIL increased $96 million QoQ largely due to higher impaired loans related to one international account and the impact of foreign exchange translation

Capital Markets

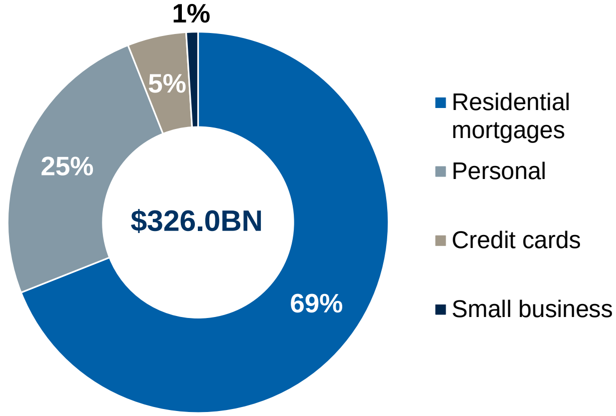
- GIL decreased $412 million QoQ mainly reflecting higher than average accounts returning to performing status in the oil & gas sector

(1) 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. (2) Includes loan write-offs, new impaired loans, loan repayments, loan returning to performing, foreign exchange and other.

Stable credit quality in Canadian Banking retail portfolio

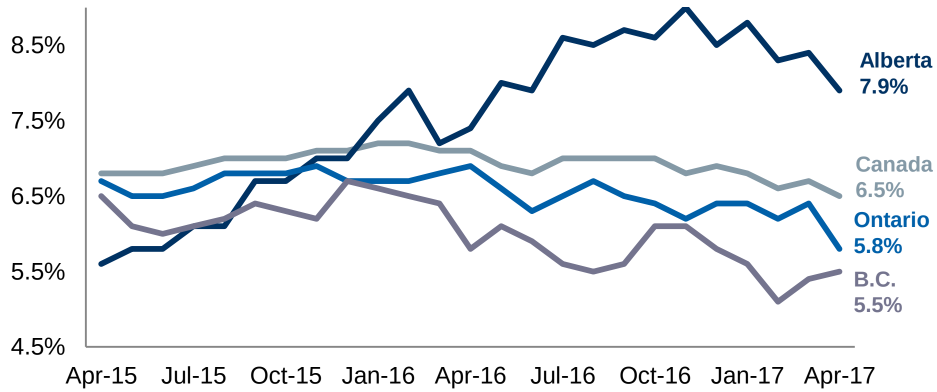
Average Canadian Banking Retail Loans[1]

- 86% of our Canadian retail portfolio is secured
- Alberta represents 16% of our Canadian retail loans of which 87% are secured



Unemployment Rate

- Canada's unemployment rate is down 30 bps QoQ, with noted improvements in Alberta, down 90 bps QoQ
- Ontario and B.C., which represent the largest portion of our retail portfolio, continue to perform well



PCL Ratio[2]

- Seasonally higher PCL QoQ in credit cards, following a seasonal uptick in delinquencies last quarter
- Lower PCL QoQ in personal loans, including auto
- Small business PCL was up $1MM QoQ

PCL ratio by product

	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
Credit cards	2.96%	2.81%	2.56%	2.54%	2.73%
Small business loans	0.99%	0.84%	0.89%	0.72%	0.90%
Personal loans	0.58%	0.54%	0.57%	0.53%	0.50%
Residential mortgages[4]	0.01%	0.01%	0.03%	0.01%	0.02%

Loans 90+ Days Past Due

- Delinquencies largely stable across our retail portfolios
- Mortgage delinquencies were down 1 bp QoQ, as delinquencies in oil-exposed provinces[3] stabilized

Loan 90+ days past due by product[5]

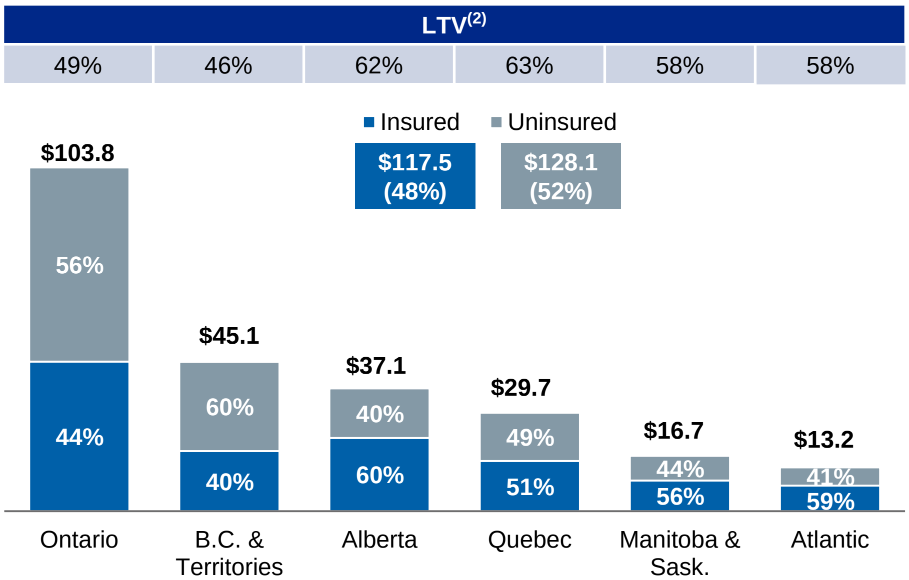
	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17
Credit cards	0.84%	0.77%	0.75%	0.78%	0.79%
Small business loans	1.16%	1.16%	1.19%	1.08%	1.03%
Personal loans	0.31%	0.30%	0.29%	0.31%	0.28%
Residential mortgages[4]	0.24%	0.23%	0.23%	0.23%	0.22%

(1) As at Q2/2017. Excludes Canadian Banking wholesale business loans and acceptances. (2) Provision for Credit Losses (PCL) ratio is PCL as a percentage of average net loans & acceptances (annualized). (3) Oil-exposed provinces include Alberta, Manitoba, Saskatchewan, and Newfoundland & Labrador. (4) Based on $221BN in residential mortgages and $6BN of mortgages with commercial clients ($4BN insured). (5) The 90+ day past due rate includes all accounts that are either 90 days or more past due or are in impaired status.

Canadian residential portfolio has strong underlying credit quality

Canadian Residential Mortgage Portfolio[(1)]

***As at April 30, 2017** ($ billions)*



- Total mortgages of $246BN of which 48% are insured
  - Ontario and B.C. represent 42% and 18% of Canadian residential mortgages[(1)], respectively
  - Ontario and B.C. have lower LTV ratios than the Canadian average of 53%
- Average remaining amortization on mortgages of 18 years
  - 74% of mortgages have an amortization of <25 years
- Condo exposure is 9.8% of residential lending portfolio

Canadian Banking Residential Lending Portfolio[(2)]

As at April 30, 2017

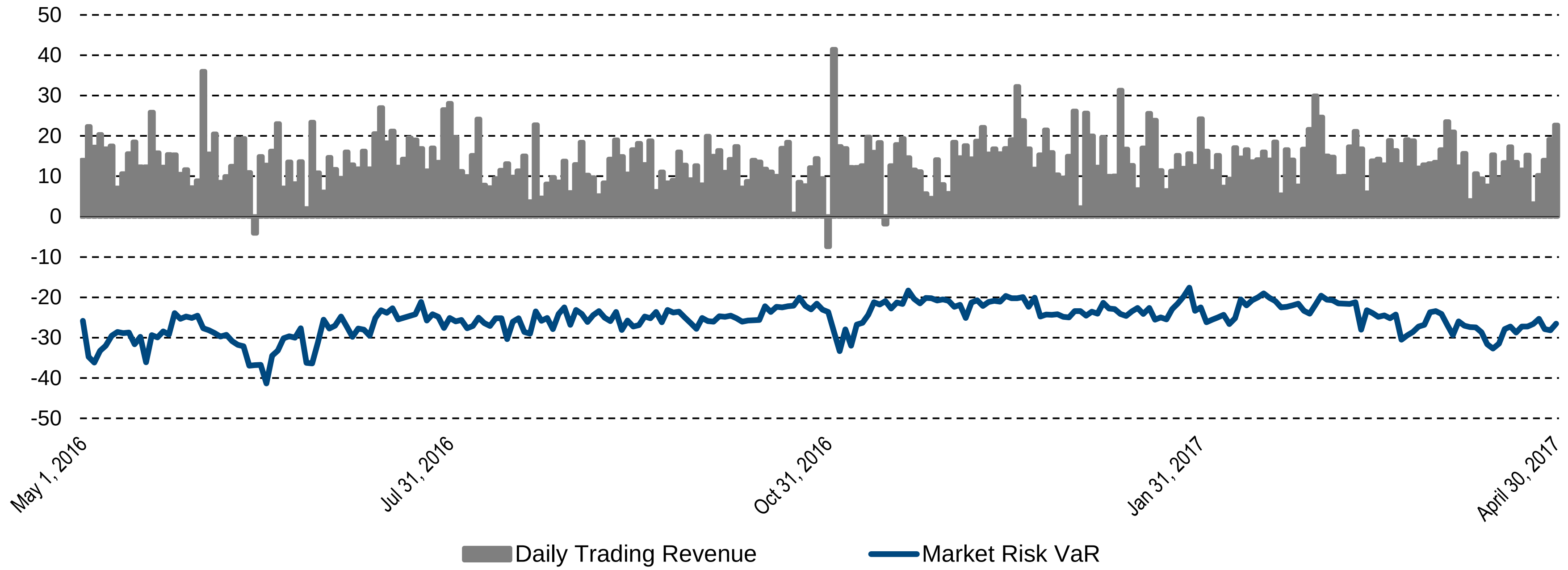
	Total ($262.2BN)	Uninsured ($169.3BN)
Mortgage	**$221.0BN**	**$128.1BN**
HELOC	**$41.2BN**	**$41.2BN**
LTV [(2)]	**53%**	**51%**
GVA	44%	44%
GTA	46%	45%
Average FICO score[(2)]	**785**	**792**
90+ days past due[(2)(3)]	**22 bps**	**20 bps**
GVA	8 bps	8 bps
GTA	6 bps	6 bps

- Strong underlying quality of uninsured portfolio[(2)]:
  - Average LTV of 51%
  - 47% of uninsured portfolio have a FICO score >800
  - <1% of uninsured portfolio have a FICO score of <650 and an LTV ratio of 75%+
- 90+ days past due[(3)] rates of residential lending portfolio remains stable at low levels
- GTA and GVA average FICO scores are above the Canadian average

(1) Canadian residential mortgage portfolio of $246BN comprised of $221BN of residential mortgages, $6BN of mortgages with commercial clients ($3BN insured) and $19BN of residential mortgages in Capital Markets held for securitization purposes. (2) Based on $221BN in residential mortgages and HELOC in Canadian Banking ($41.2BN). Based on spot balances. Totals may not add due to rounding. (3) The 90+ day past due rate includes all accounts that are either 90 days or more past due or are in impaired status.

Market risk trading revenue and VaR

($ millions)



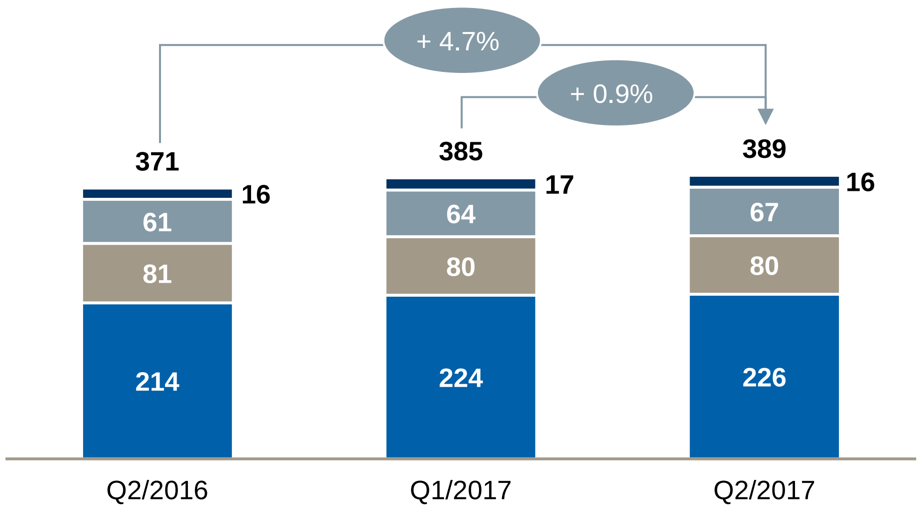
- During the quarter, there were no days with net trading losses
- Average market risk VaR of $25 million in Q2/2017 remained relatively flat compared with $23 million last quarter as we maintained our market risk exposures at a relatively low level

Appendices

Solid Canadian Banking volume growth partially offset by lower NIM

Average Loans & Acceptances[1]

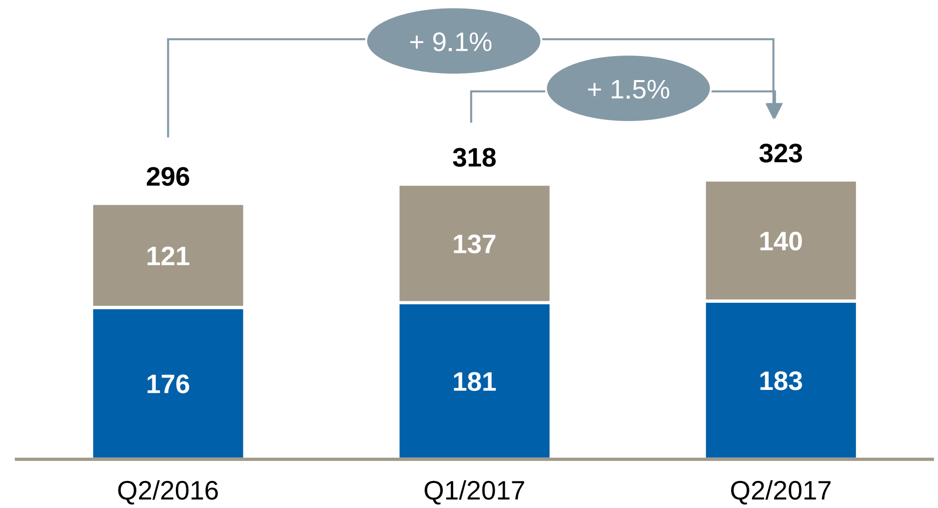
($ billions)



Percentage change[1]		YoY	QoQ
Residential mortgages	■	5.5%	0.7%
Personal lending	■	(1.4%)	(0.1%)
Credit cards	■	5.8%	(1.8%)
Business (Including small business)	■	9.9%	3.7%

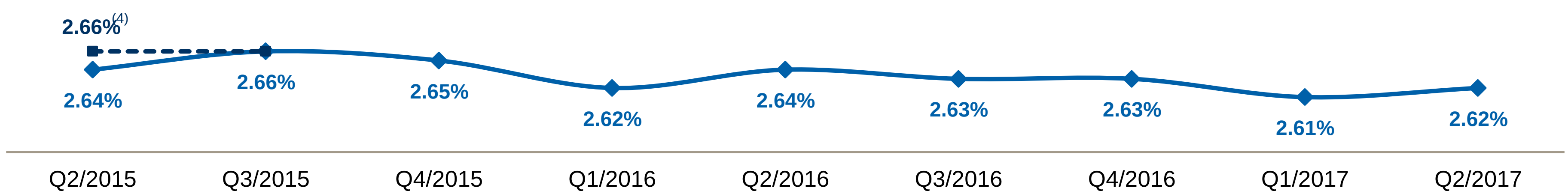
Average Deposits[2]

($ billions)



Percentage change[2]		YoY	QoQ
Personal deposits	■	4.2%	0.9%
Business deposits	■	16.4%	2.3%

Net Interest Margin[3]



(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. (3) Net interest margin: Net interest income as a percentage of average total earning assets (annualized).(4) Net Interest Margin in Q2/2015 excludes the impact of a cumulative accounting adjustment. Net Interest Margin excluding the impact of a cumulative accounting adjustment is a non-GAAP measure. For more information, see slide 31.

Continued leadership in Canadian Banking

Canadian market share	Current period		One year prior	
	Rank	Market share[1]	Rank	Market share[1]
Personal lending[2]	1	23.8%	1	24.2%
Personal core deposits + GICs	2	19.5%	2	20.2%
Credit cards[3]	2	26.7%	2	25.7%
Total mutual funds[4]	1	32.2%	1	32.1%
Long-term mutual funds[5]	1	14.7%	1	14.3%
Business loans[6] ($0 - $25 million)	1	25.6%	1	26.2%
Business deposits[7]	1	26.1%	1	26.2%

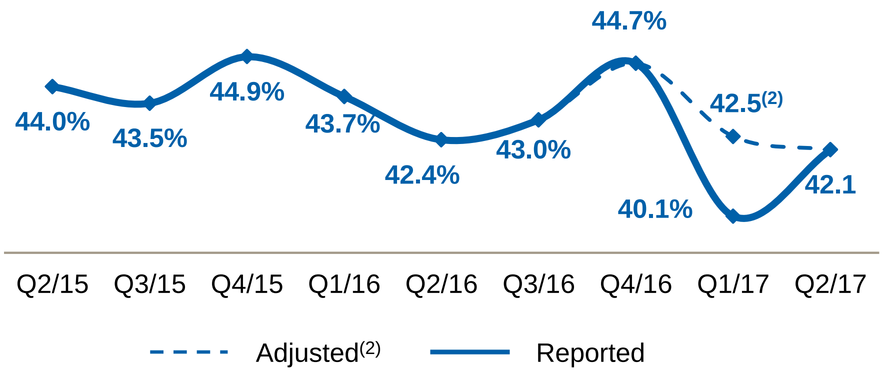
- #1 or #2 position in all key Canadian Retail Banking products and in all business products

(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 as of December 2016 and December 2015 except where noted. Market share is based on total Chartered Banks except where noted. (2) Personal Lending market share is based on 6 banks (RBC, BMO, BNS, CIBC, TD and NA). Personal Lending comprises residential mortgages (excluding acquired portfolios), and personal loans. (3) Credit cards market share is based on 6 banks (RBC, BMO, BNS, CIBC, TD and NA). (4)Total mutual fund market share is based on 7 banks (RBC, BMO, BNS, CIBC, TD, NA and HSBC). (5) Long-term mutual fund market share is compared to total industry. (6) Business Loans market share is based on 6 Chartered Banks (RBC, BMO, BNS, CIBC, TD, and NA) on a quarterly basis and is as of September 2016 and September 2015. (7) Business Deposits market share excludes Fixed Term, Government and Deposit Taking Institution balances.

Leadership in most personal products and in all business products

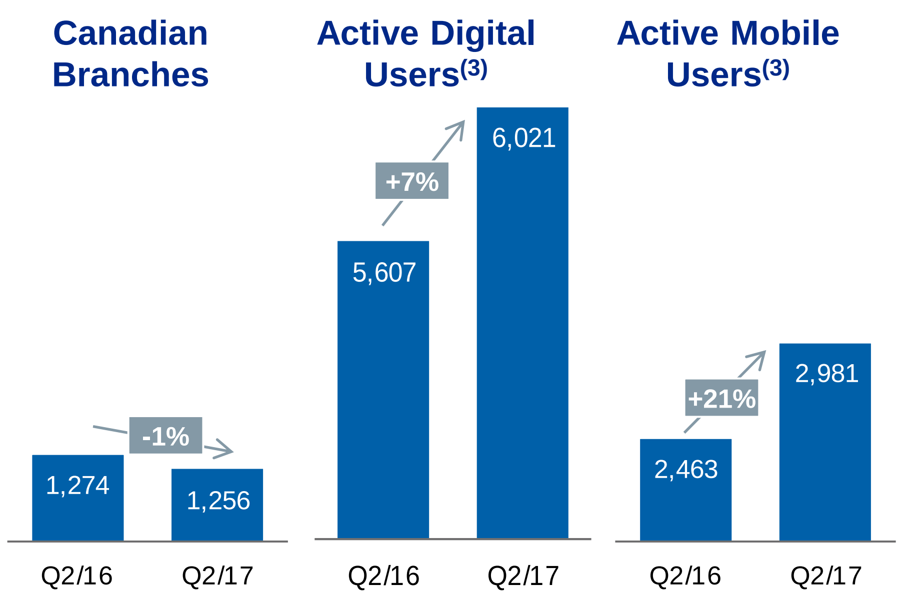
Canadian Banking digitization a driver of cost efficiencies

Efficiency Ratio(1)



- Efficiency ratio of 42.1% remains historically low
- Operating leverage was 0.7% in Q2/2017
- Non-interest expense was up 3% YoY due to higher costs in support of business growth including higher staff-related costs and increased technology spend

Omni Channel Strategy



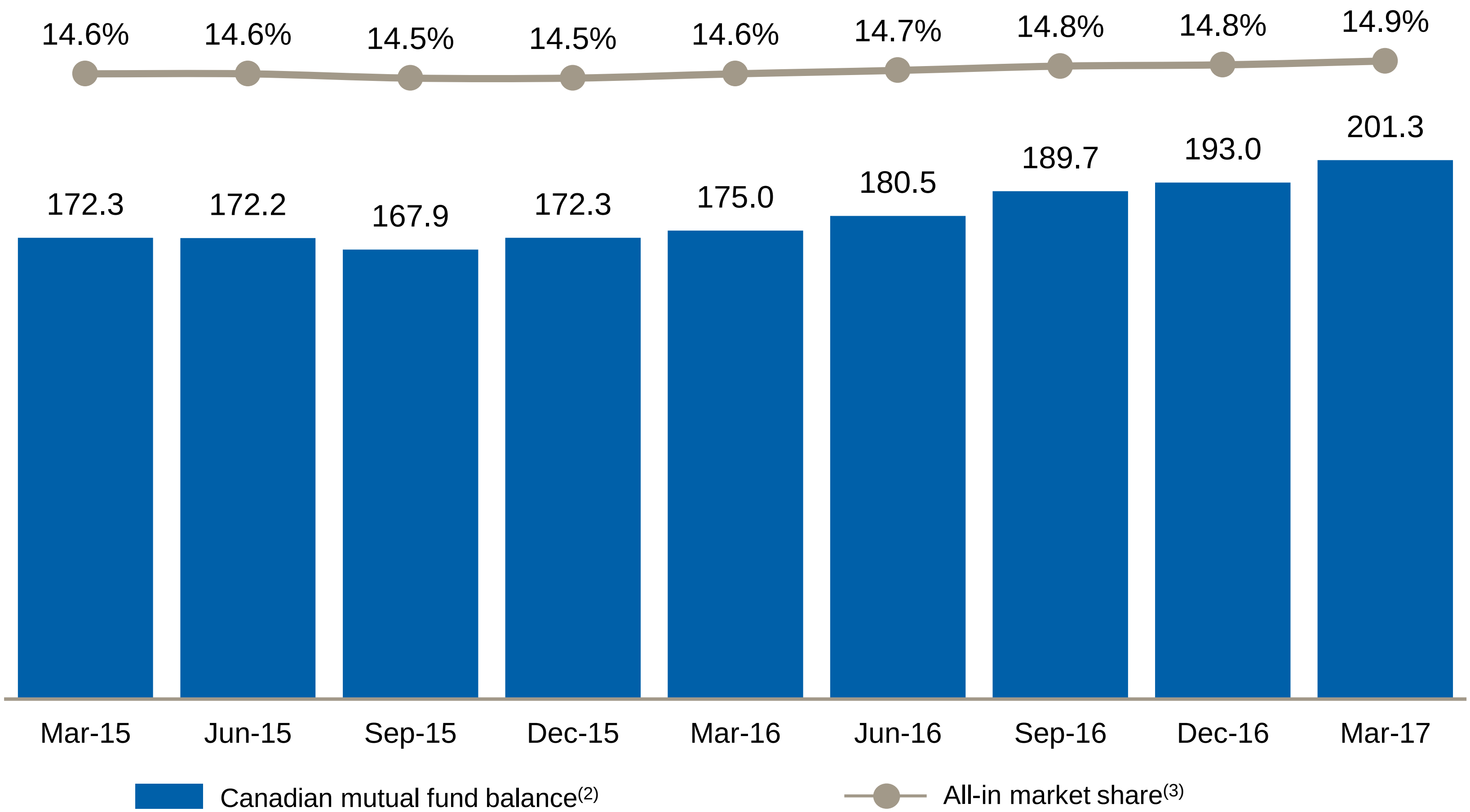
- Net Canadian branch count was down 18 YoY
  - Closures were partially offset by openings of new, smaller and technology-enabled branches
  - 84% of our transactions were performed through self-serve channels, including digital and on mobile
- Sales through our digital channels represent an increasing portion of all Canadian retail sales driven by higher digital adoption by our clients

(1) Efficiency ratio: Non-interest expense as a percentage of total revenue. (2) Adjusted efficiency ratio excludes our share of a gain related to the sale of the U.S. operations of Moneris Solutions Corporation (Moneris gain on sale). Efficiency ratio excluding our share of a gain on the sale of the U.S. operations of Moneris Solutions Corporation is a non-GAAP measure. For more information and a reconciliation, see slides 30 and 31. (3) These figures (in 000s) represent the 90-Day Active customers in Canadian Banking only.

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 32.1% of share amongst banks and 14.9% all-in[1]

(1) Source: IFIC as of March 2017 and RBC reporting. (2) Comprised of long-term funds. (3) Comprised of long-term funds and money market funds.

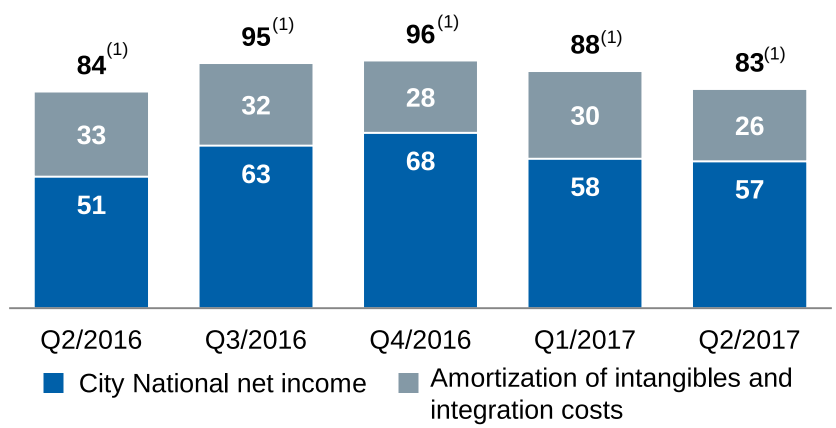
Continued momentum at CNB with solid Q2/2017 results

Select financial items	Q2/2017 *(US$)*	YoY
Revenue	$403MM	12%
Expenses	$332MM	10%
Net Income	$57MM	12%
Loans	$28BN	15%
Deposits	$40BN	17%
Adjusted Deposits[(3)]	*$35BN*	*9%*

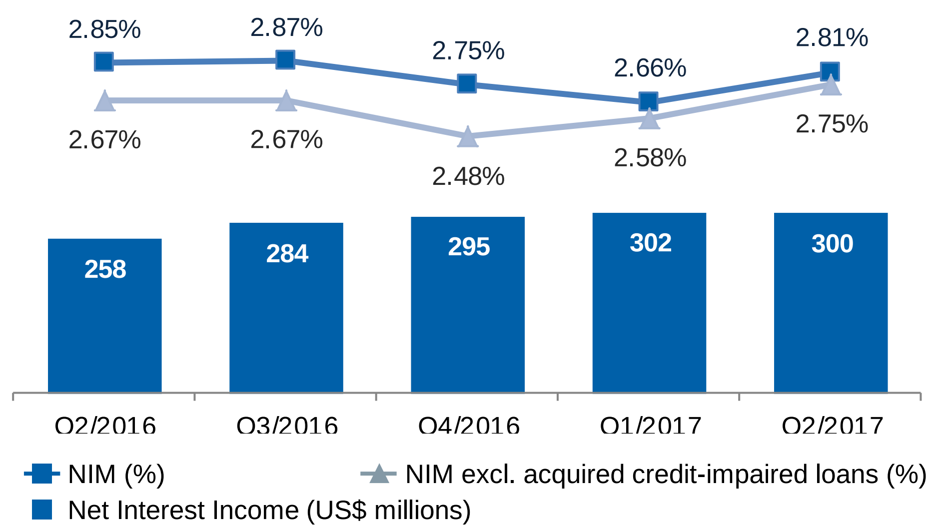
Q2/2017 CNB Highlights (US$)

- Net income of US$57 million, up 12% YoY
  - US$83 million[(1)] excluding amortization of intangibles and integration costs of US$26 million after-tax
  - Expense growth driven by increase in headcount by ~10% YoY and higher regulatory compliance costs
  - NII up 17% YoY mainly due to volume growth
- NIM of 2.81% up 15 bps QoQ; NIM excluding acquired credit-impaired loans of 2.75%[(2)] up 17 bps QoQ
  - Reflecting benefits of asset mix and impact of higher U.S. interest rates

CNB Net Income (US$ millions)



CNB Net Interest Margin (NIM) & Net Interest Income (NII) (US$ millions)



** Balance sheet figures represent average balances.*
(1) Adjusted net income excludes amortization of intangibles and integration costs. These are non-GAAP measures. For more information, see slide 31. (2) NIM excluding acquired credit-impaired loans is a non-GAAP measure. For more information, see slide 31. (3) Adjusted deposits and deposit growth excludes average sweep balances of US$5.0BN from U.S. Wealth Management. These are non-GAAP measures. For more information, see slide 31.

Capital Markets revenue – diversified by business

($ millions)	Q2/2017	Q1/2017	Q2/2016	YoY	QoQ
Investment banking	551	525	458	20%	5%
Lending and other	469	411	434	8%	14%
Corporate & Investment Banking	**$1,020**	**$936**	**$892**	**14%**	**9%**
Fixed income, currencies and commodities (FICC)	576	602	515	12%	(4%)
Global equities (GE)	311	299	338	(8%)	4%
Repo and secured financing	275	293	272	1%	(6%)
Global Markets (teb)[(1)]	**$1,162**	**$1,194**	**$1,125**	**3%**	**(3%)**
Other	**($65)**	**($59)**	**($27)**	**n.m.**	**n.m.**
Capital Markets total revenue (teb)	**$2,117**	**$2,071**	**$1,990**	**6%**	**2%**

Corporate & Investment Banking

- Solid YoY growth largely in the U.S. driven by strong client activity in syndicated finance and M&A, an improved environment for equity and debt origination, increased lending revenue, and the impact of foreign exchange translation.
- QoQ results were driven by higher lending revenue as well as stronger debt and equity origination activity largely in the U.S., reflecting continued improvements in market conditions. Higher foreign exchange, equity and commodities trading revenue in Canada also contributed to the increase. Increased M&A activity and higher loan syndication largely in Europe and Canada further contributed to the increase.

Global Markets[(1)]

- Results were up YoY driven by increased debt and equity origination activity in the U.S., the gain from the disposition of a portion of our shares in a derivatives exchange and the impact of foreign exchange translation. These factors were partially offset by lower fixed income and commodities trading revenue largely in Canada and Europe.
- QoQ trading revenue in fixed income was down largely in Europe and the U.S. as rising geopolitical tension dampened client activity. These factors were largely offset by improved debt and equity origination mainly in the U.S.

(1) Global Markets segment revenue have been restated to align select portfolios previously disclosed in Repo and Secured financing to FICC and Global Equities.

Capital Markets revenue – diversified by geography

($ millions)	Q2/2017	Q1/2017	Q2/2016	YoY	QoQ
Canada	561	547	653	(14%)	3%
U.S.	1,119	1,074	916	22%	4%
Europe	309	342	315	(2%)	(10%)
Asia and Other	109	108	74	47%	1%
Geographic revenue excluding certain items[1]	**$2,098**	**$2,071**	**$1,958**	**7%**	**1%**
Add / (Deduct): Change in CVA & FVA balance, net of hedges[2]	19	0	32	(41%)	n.m.
Capital Markets total revenue (teb)	**$2,117**	**$2,071**	**$1,990**	**6%**	**2%**
Capital Markets non-trading revenue[3]	1,351	1,189	1,178	15%	14%
Capital Markets trading revenue (teb)	**$766**	**$882**	**$812**	**(6%)**	**(13%)**
Capital Markets trading revenue (teb) excl. certain items[1]	**$747**	**$882**	**$780**	**(4%)**	**(15%)**

Canada

- Softer results compared to last year, driven by lower fixed income, equities and commodities trading, as well as weaker equity underwriting activity, partially offset by higher debt origination fees.
- Results were up QoQ as higher equities and FX trading, as well as improved M&A and higher loan syndication fees were partially offset by lower fixed income trading and equity underwriting activity.

U.S.

- Solid YoY increase driven by higher loan syndication and underwriting fees, improved M&A, as well as higher fixed income trading due to challenging credit markets in the prior year quarter. The impact of foreign exchange translation also contributed to the increase. This was partly offset by lower equities and FX trading revenue.
- Results were up QoQ primarily driven by increased equity and debt origination activity, as well as improved lending, partly offset by softer equities trading revenue from increased market volatility.

Europe

- Results were down YoY as improvements in equities trading were more than offset by weaker fixed income trading and lower lending revenue.
- Results were down QoQ primarily due to lower fixed income trading compared to a strong Q1/17, partly offset by higher investment banking activity across all products and stronger equities trading.

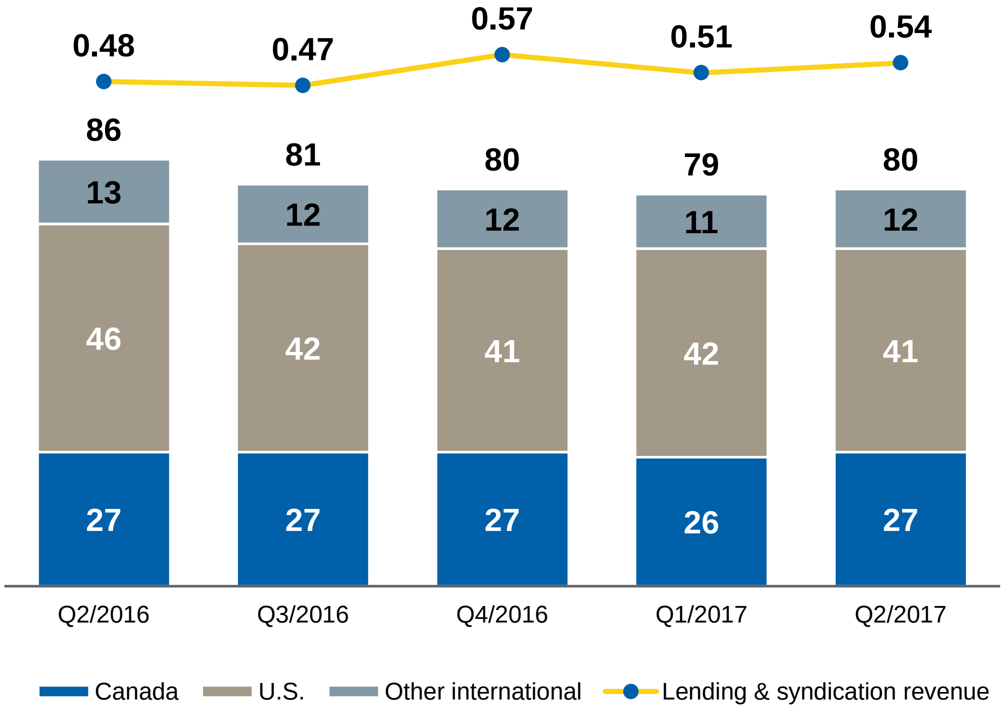
Asia & Other

- Solid YoY results reflecting higher fixed income and equities trading, as well as higher M&A advisory fees.
- Results were up slightly QoQ with improved equities trading and M&A advisory fees largely offset by lower fixed income trading.

(1) This is a non-GAAP measure. For more information, see slide 31. (2) Excluded from all geographies. (3) Non-trading revenue primarily includes Corporate & Investment Banking and Global Markets origination and cash equities businesses.

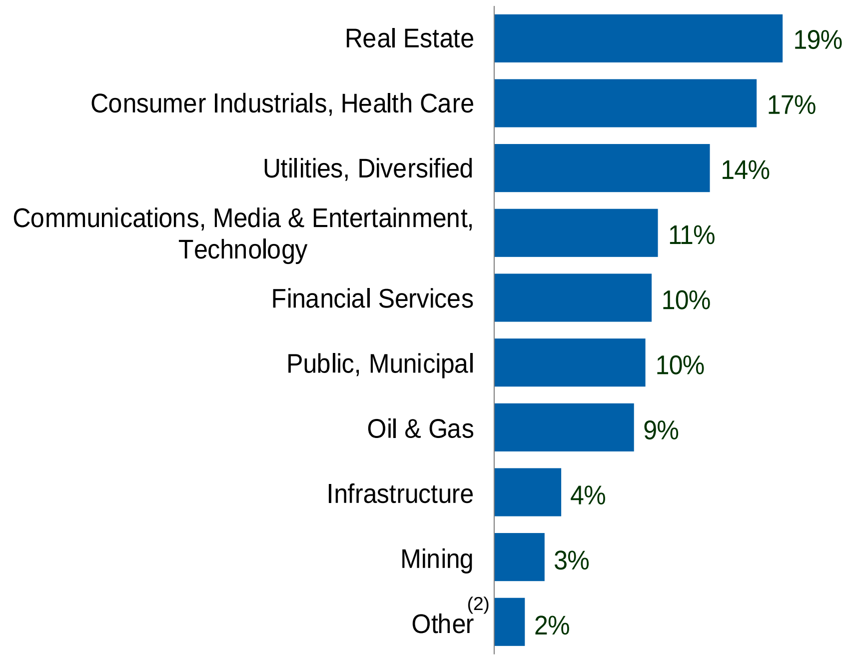
Consistent performance across a diversified loan book portfolio

Capital Markets Lending & Syndication Revenue and Loans & Acceptances Outstanding by Region(1) *($ billions)*



Capital Markets Loans & Acceptances Outstanding by Industry(1)

Q2/2017



- Continue to deepen and optimize client relationships
- 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 62% of our total Capital Markets exposure(3) is investment grade

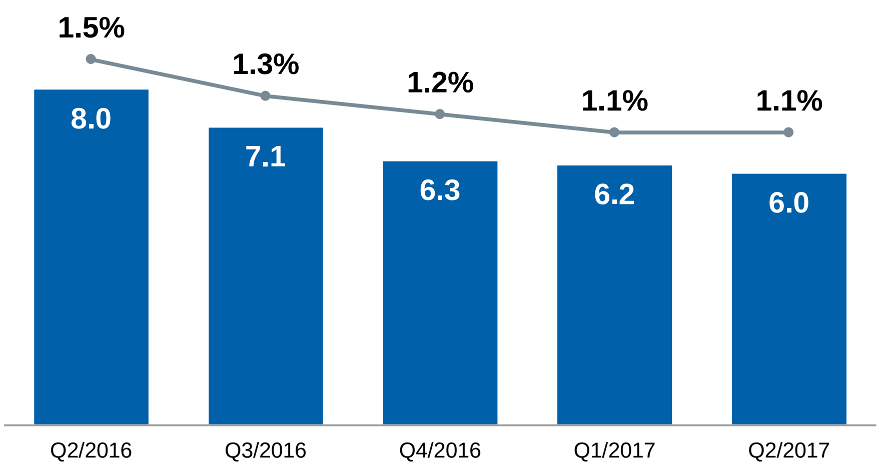
(1) Average loans & acceptances, includes letters of credit and guarantees for our Capital Markets portfolio, on single name basis. Excludes mortgage investments, securitized mortgages and other non-core items. (2) "Other" mainly includes: Aerospace, Transportation and Forestry. (3) Total exposure represents exposure at default (EAD) which is the expected gross exposure upon the default of an obligor.

Exposure to the oil & gas sector within our risk appetite

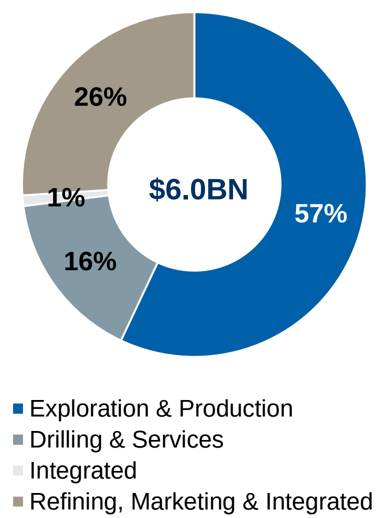
- Our oil & gas portfolio continues to benefit from an improved economic backdrop and increased capital markets activity underpinned by higher average oil prices
- Exposure to oil & gas sector:
  - Drawn of $6.0 billion, decreased 3% QoQ; undrawn[(1)] of $10.8 billion increased 4% QoQ
    - Drawn exposure represents 1.1% of RBC's total drawn loans and acceptances, down from prior quarters
- 19% of our drawn and 54% of undrawn[(1)] oil & gas portfolio is to investment grade clients

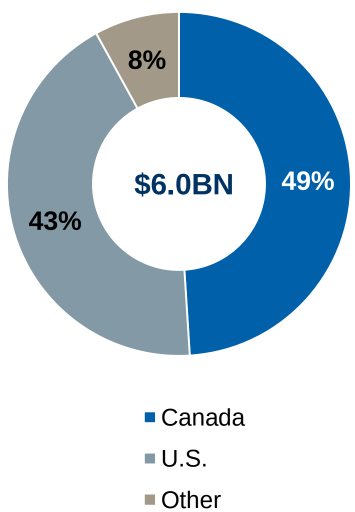
Drawn Oil & Gas Loans and Acceptances

($ billions; % of total drawn loans and acceptances)



Drawn Oil & Gas Exposure by Industry Segment and Geography



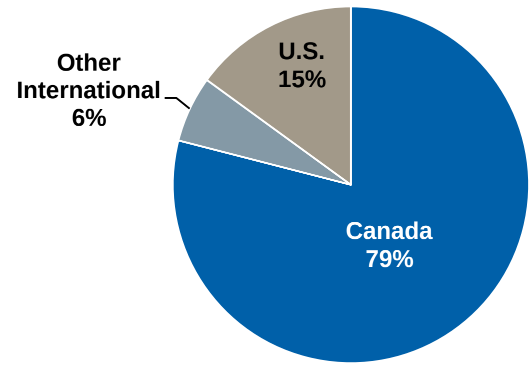


(1) Undrawn commitments represent an estimate of the contractual amount that may be drawn upon at the time of default of an obligor.

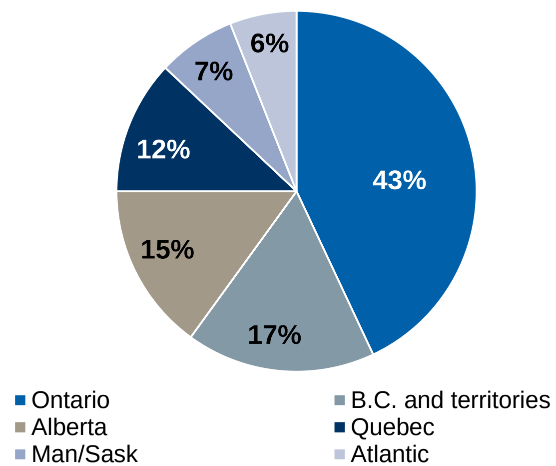
RBC's loans are well diversified by portfolio and industry

Loans and Acceptances[(1)] ($ millions)	Q2/2017	% of Total
Residential mortgages	259,973	47.4%
Personal	92,950	16.9%
Credit cards	17,417	3.2%
Small business	3,828	0.7%
Total Retail	**374,168**	**68.2%**
Real estate and related	42,987	7.8%
Energy		
Oil & gas	5,977	1.1%
Utilities	6,003	1.1%
Sovereign	10,766	2.0%
Consumer goods	10,530	1.9%
Non-bank financial services	10,169	1.9%
Technology and media	9,606	1.7%
Holding and investments	8,533	1.6%
Automotive	8,456	1.5%
Financing products	8,163	1.5%
Health services	7,392	1.3%
Transportation and environment	6,981	1.3%
Agriculture	6,921	1.3%
Industrial products	5,598	1.0%
Bank	4,296	0.8%
Mining and metals	1,404	0.3%
Forest products	1,101	0.2%
Other services	15,557	2.8%
Other	4,411	0.8%
Total Wholesale	**174,851**	**31.8%**
Total Loans and Acceptances	**549,019**	**100.0%**

Breakdown by Region of Total Loans and Acceptances
(Q2/2017)



Breakdown by Region of Canadian Total Loans and Acceptances
(Q2/2017)



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

Specified item impacting Q1/2017 results

($ millions, except for EPS amounts and percentages)	Reported	Moneris gain on sale	Adjusted[1]
Q1/2017			
Consolidated			
Net Income	$3,027	($212)	$2,815
Basic EPS	$1.98	($0.14)	$1.84
Diluted EPS	$1.97	($0.14)	$1.83
ROE	18.0%		16.7%
Personal & Commercial Banking			
Net Income	$1,592	($212)	$1,380
Efficiency Ratio	42.8%	2.3%	45.1%
Operating Leverage	6.6%	(5.7%)	0.9%
Canadian Banking			
Net Income	$1,546	($212)	$1,334
Efficiency Ratio	40.1%	2.4%	42.5%
Operating Leverage	9.1%	(6.2%)	2.9%

(1) These are non-GAAP measures. For more information, see slide 31.

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, including results excluding our share of a gain related to the sale of the U.S. operations of Moneris Solutions Corporation (Moneris gain on sale), our merchant card processing joint venture with the Bank of Montreal, to Vantiv Inc. (Vantiv), revenue net of Insurance fair value change of investments backing our policyholder liabilities, adjusted City National results, Capital Markets trading and geographic revenue excluding certain items, GIL ratio excluding acquired credit-impaired loans, NIM excluding acquired credit-impaired loans and net interest margin excluding the impact of a cumulative accounting adjustment 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” sections of our Q2 2017 Report to Shareholders and our 2016 Annual Report.

Definitions can be found under the “Glossary” sections in our Q2/2017 Supplementary Financial Information and our 2016 Annual Report.

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