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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 speakers' notes from the November 29, 2017 analyst conference call (the speakers' notes), 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 these speakers' notes include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals. The forward-looking information contained in these speakers' 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 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 sections of our 2017 Annual Report; including global uncertainty and volatility, elevated Canadian housing prices and household indebtedness, information technology and cyber risk, regulatory change, technological innovation and new entrants, global environmental policy and climate change, changes in consumer behavior, the end of quantitative easing, 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 and social risk.

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Additional information about these and other factors can be found in the risks sections of our 2017 Annual Report.

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DAVE MCKAY, PRESIDENT & CHIEF EXECUTIVE OFFICER

Good morning, and thanks for joining us.

This morning we reported quarterly earnings of $2.8 billion, capping off a successful year in which we met all of our medium-term financial objectives.

We delivered record revenue of over $40 billion in 2017, and earnings of $11.5 billion, up 10% year-over-year.

We generated a strong ROE of 17% for the year, while maintaining a CET1 capital ratio of 10.9%.

Demonstrating our commitment to drive long-term shareholder value, we delivered on our growth strategies and returned a record $8 billion of capital this year, through dividends and buybacks.

Our results not only reflect our diverse client franchises, but also our commitment to invest for the future. As we reimagine the role we play in our customers' lives, we have been accelerating our investments, and finding new ways beyond traditional banking to add value to our clients and communities.

Each of our Business Segments delivered strong underlying earnings growth in 2017, while making significant investments.

During the year, we spent $3 billion in technology, including digital initiatives and cybersecurity. We even expanded our capabilities in artificial intelligence.

We will open a new A.I. lab in Montreal, building on our existing Borealis A.I. locations in Toronto and Edmonton, allowing us to provide better insights for our clients.

We also invested in our people to drive sustainable growth. I continue to be impressed by our employees who are innovating to generate new solutions for our 16 million customers.

I'm excited about the momentum we built, as we enter 2018 in an environment of strong employment levels, rising interest rates and solid GDP growth.

Before I share my view on our business outlook, I would like to mention that our thoughts remain with our Caribbean employees impacted by the hurricanes, and we will continue to support communities in the region, as they rebuild.

In Canadian Banking, we generated record revenues in each of our businesses in 2017, resulting in Net income of over $5.5 billion.

As the Canadian housing industry digests the changing regulatory landscape, we expect our mortgage growth to slightly moderate to the mid-single digits. Household demand, however, should still be supported by changing demographics, including the large influx of immigrants expected in Canada over the next 3 years.

Increasingly, we are developing innovative tools such as the RBC True House Affordability tool, and Neighbourhood Explorer, to help more of our clients find their perfect home.

In 2017, we captured 23% market share of Canada's credit card purchase volume, and grew at a premium to the market.

Our RBC WestJet co-brand credit card has shown strong growth with new card holders up 32% year-over-year.

I'm proud of our linked-loyalty card with Petro-Canada, which was built through an innovative relationship to drive new accounts to RBC, and deliver material fuel savings to millions of personal and business customers.

In fact, our RBC Rewards program, Canada's largest and most flexible bank-owned proprietary loyalty program, recently received three awards at the Loyalty360 Customer Awards for demonstrating our commitment to client experience, advocacy and innovation.

We also implemented new technologies to simplify customer experience, as we've seen a shift in the way retail clients are interacting with us. For example, self-serve transactions represent 84% of our total activity, and we have seen a growing shift towards mobile usage.

Our mobile community grew 19% over the year to 3.2 million active users, and growth in mobile sessions was up 30%.

Since the recent launch of NOMI, our mobile customers have benefitted from actively reading more than 15 million financial insights, using its predictive analytics to help manage their day-to-day finances.

We are also creating an ecosystem for small business clients to help grow their businesses. For example, we are collaborating with an award-winning software firm called Wave, to provide business owners access to an integrated financial management and accounting platform.

We partnered with a digital health benefits provider called League to help manage small business employees' health care expenses.

And last week, we introduced MyBusiness Dashboard, a tool that brings together a complete picture of these and other online financial metrics into a single view, on any device, for better decision making.

Together with our commercial banking business, where we increased our sales force by 10%, we are investing in capabilities to help clients grow their businesses that support our economy. We have strong momentum with business clients, and intend to grow our 26% share of business loans in Canada.

Our Canadian Banking and Wealth Management teams are also working together to offer a full spectrum of investment solutions ranging from self-serve to full-service advice models.

For example, we will soon launch InvestEase, our new digital investing offering to help client manage their investments at a lower cost. This follows the success of MyAdvisor, where mutual fund clients set up 4,000 appointments with digital financial specialists in the first 4 months of its launch.

In 2017, our Wealth Management businesses generated revenue of over $10 billion, and earnings of over $1.8 billion.

In Canadian Wealth Management, the strong expertise and productivity of our 1,700 advisors were drivers behind RBC being awarded the Best Private Bank in Canada by The Banker.

In Global Asset Management, our strong fund performance and enhanced product suite were drivers that allowed us to capture 23% of industry net sales in 2017, adding to our industry-leading 15% market share of Canadian Retail AUM.

RBC GAM won 10 Lipper Canada Fund awards, and was recognized as the Best Bonds Fund ETF group.
In U.S. Wealth Management, including City National, our growth was driven by client acquisition through our growing sales force and expanding footprint.

We welcomed new teams in Washington D.C., Minneapolis, and New York City to drive an accelerated growth strategy.

This is supporting our above-average loan growth, and we continue to benefit from rising interest rates.
And all of our teams in the U.S., including Capital Markets, have collaborated very well, and generated over $1 billion of referrals in the U.S.

Our Insurance segment generated strong net income of $726 million in the year. Our partnership with Aviva Canada has allowed us to deepen client relationships through a more comprehensive suite of insurance products, while new mobile apps such as MyBenefits and PATH enhanced the customer experience.

As part of our collaboration efforts, Investor & Treasury Services was recently appointed custodian for Aviva Canada – adding to our successful home and auto Insurance relationship.

Investor & Treasury Services posted very strong results for the year, with assets under custody reaching a record $4.3 trillion, and earnings of over $740 million.

We continue to make significant, multi-year investments in data and analytics within our Advanced Client Experience program to provide better customer-driven solutions. This has driven notable client wins and renewals in Canada, Australia, and Ireland. We are also investing heavily in Robotic Process Automation tools to make ourselves more efficient and improve the client experience.

Capital Markets also had another strong year with net income of $2.5 billion, driven by record revenue and disciplined risk management in a year characterized by market uncertainty and lower volatility.

We remain the leader in Canada and are working together across borders to provide financing for deals, such as the acquisition of DigitalGlobe by Maxar Technologies for over $4.5 billion.

We are deepening client relationships within Corporate & Investment Banking in the U.S., and will add managing directors and specialist teams in our U.S. and European locations to develop new relationships, adding to a solid pipeline.

Our fixed income and equities businesses performed well despite market headwinds. And as a testament to the strength of our global equity research team, we received a Top 10 Ranking Overall by Institutional Investor. This positions us well for any changes driven by MiFID II.

I'm proud of the progress we made across our businesses in 2017, and how we are driving strategies forward for our customers.

In conclusion, I remain confident in our growth outlook and ability to meet our medium-term financial objectives.

We are adding client-facing employees to serve more customers and capture market share, in what we see as a solid economy and stable credit environment.

At the same time, we are investing in new technologies for clients, and to be more efficient across our businesses.

Our industry-leading employee engagement, and the trust that clients have given us, position us well for the future.

With that, I'll turn over the call to Rod.

ROD BOLGER, CHIEF FINANCIAL OFFICER

Thanks and good morning everyone. I'll talk about our business performance in the quarter and will add to Dave's outlook comments.

Starting on slide 6, we reported strong earnings growth of 12% in the fourth quarter. Our EPS growth rate of 14% benefitted from 36 million of share repurchases, reducing shares outstanding by 2% from a year ago. We have now repurchased almost all of the shares we issued for the City National acquisition two years ago.

Good revenue growth and lower PCL drove our earnings this quarter, as we supported clients across our businesses, and benefitted from favourable macroeconomic conditions.

Most segments reported strong double-digit earnings growth. And while strong results drove higher variable compensation, we generated positive all-bank operating leverage of 1.5%, net of the Insurance fair value change.

As Dave mentioned, we invested heavily in talent and new capabilities to help us deliver great customer experiences, reduce inefficiencies, and strengthen our risk infrastructure - including cybersecurity and compliance with regulatory requirements, such as CCAR.

Our results this quarter included pre-tax severance costs of $66 million, which brings our full-year severance to about $240 million pre-tax.

Finally, the lower tax rate this quarter was due to changes in earnings mix in Capital Markets, including higher revenue in U.S. Municipal Banking.

Turning to slide 7, our CET 1 ratio remained strong at 10.9%, which is in line with our target range of 10.5-11%.

We generated strong internal capital, repurchased a further half billion dollars of shares, and saw good organic RWA growth in our retail businesses, balanced with improved credit quality and RWA optimization in certain portfolios.

However, a big driver of our capital ratio this quarter was the triggering of the Basel I regulatory floor, which was largely driven by growth in our wholesale and retail businesses, as well as FX rate impacts.

We understand that OSFI is currently reviewing its Basel I floor guidance for Canadian banks in response to a request from the industry to look into revisions to the current floor.

As you know, we are adopting IFRS 9 in the first quarter of 2018. Based on current estimates, the transition to the new accounting standard is not expected to have a significant impact on our capital ratios since we already have a sizeable $1.2 billion capital deduction for our shortfall of allowance to expected loss.

This shortfall is expected to absorb our estimated $600 million reduction in retained earnings for IFRS 9 transition. We would still have room under the shortfall to absorb future PCL impacts from a capital perspective.

Furthermore, the Financial Stability Board recently designated us a G-SIB reflecting the scale of our global operations. Given our status as a D-SIB in Canada, we are already carrying a 100 basis point capital surcharge which meets our G-SIB requirements.

We remain very comfortable with our CET1 ratio, and do not expect the G-SIB designation, IFRS 9 or Basel I floors to impact our business growth, capital management or deployment strategy. Given our competitive position and desire to invest and manage capital carefully for our clients and shareholders, we expect to target the higher end of our 10.5-11% range in 2018.

Let me turn to the performance of our business segments.

Starting on slide 8, Personal & Commercial Banking earned $1.4 billion. Canadian Banking net income of $1.36 billion was up a strong 9% from a year ago.

Revenue growth of 5% was driven by solid volume growth, higher spreads and higher mutual fund distribution fees. This was partially offset by non-recurring items in Cards revenue.

Mortgages were up over 6% as we won new customers and increasingly retained existing ones. Business loan growth was up a strong 11%.

We adapted to changing client preferences in a rising rate environment by growing combined personal deposit and investment product balances 9% this year.

NIM increased 2 bps year over year and 4 bps quarter over quarter, benefitting from Bank of Canada rate hikes in July and September. Given a gradual outlook for rising rates, we expect NIM to increase 4 to 6 basis points in 2018 with some variability quarter to quarter.

Operating leverage in Canadian Banking was 1.5% in Q4. For the full year, adjusted operating leverage[1] was 0.9% including elevated severance costs or 1.3% excluding severance.

We continue to target operating leverage of 1-2% as we expect solid revenue growth to be partially offset by increased investments in technology, including digital initiatives.

[1] Operating leverage adjusting for higher severance costs is a non-GAAP measure and may not be comparable to similar measures disclosed by other financial institutions. For more information, please refer to the Notes to Users on page 11.

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Turning to slide 9. Wealth Management reported record earnings of $491 million, up 24%.

In Canadian Wealth Management, our focus on customer relationships drove higher fee-based revenue year-over-year.

In Global Asset Management, our strong fund performance, broad distribution network and low fee structure helped us win even more new business.

Our U.S. Wealth Management revenue growth was up a strong 14% year over year, as we continued to benefit from recent Fed rate hikes and strong loan growth, which we expect to continue at a double-digit rate.

Our Wealth Management segment had record earnings in the quarter, and in fact each of our 3 key businesses had record quarters, notwithstanding mixed market performance, with North American equities performing favourably, but the opposite in fixed income markets.

While we invest for future growth, we expect to maintain our good efficiency trends in each of our Wealth businesses.

Moving to slide 10, our Insurance business ended the year with strong Q4 earnings of $265 million, reflecting actuarial adjustment updates. The timing of the recognition experience is based on accounting and actuarial standards. We generally see ~$50mm of assumption in experience benefits in the fourth quarter and this year we saw around ~$100mm – which is really indicative of good experience. In many businesses, this would flow through evenly over each quarter, but with current Insurance accounting, it tends to be lumpy.

This was partially offset by our earnings from U.K. annuity contracts, which were lower this year by approximately $33 million given a general slowdown in the U.K. longevity transactions market. We believe a rebound is expected in 2018, though the timing of such contracts will continue to be variable quarter over quarter.

We discuss Investor & Treasury Services results on slide 11. Earnings of $156 million were down 10% year over year as we continued to invest heavily in technology which is an important factor in recent client wins and renewals. Recall last year's funding and liquidity earnings benefitted from tightening credit spreads and FX volatility.

Client deposits were up 11% and assets under administration were up 9% as we benefitted from the strength of our credit ratings, reputation and product offering.

On slide 12, Capital Markets net income of $584 million was up 21% year over year reflecting lower PCL and higher Corporate and Investment Banking activity. We generated more lending revenue in Canada, and saw higher Municipal Banking revenue in the U.S.

Our Global Markets business continued to deliver solid results on what has been a tougher quarter for the industry driven by low volatility, which particularly impacted corporate investment grade and rates products within fixed income trading.

Capital Markets achieved strong returns and record revenue of $8.2 billion in 2017 while reducing our risk weighted assets in the business by 6% over the past two years. Similarly, both Market Risk RWA and the average group VaR is down over 30% since 2015.

We're pleased with our fourth quarter and our record full year results in 2017. All of our businesses delivered strong earnings growth.

We met all our medium-term financial performance objectives, both in 2017 and over the last three years on average. We remain committed to these objectives, and believe our business model with scale franchises will continue to drive long-term value to our shareholders while supporting our clients and communities.

As we look ahead to the first quarter, our year-over-year comparables for our wholesale businesses are expected to be more difficult given the strong first quarter we had earlier this year.

However, all of our businesses are collaborating and innovating to support our clients and win new business. And we are starting to see the benefits from interest rate hikes, which will grow over time.

We expect to see over $180 million benefit from the July and September rate hikes. Another 25 basis point hike in Canada would lift net interest income by $90 million in the first year, and a similar hike in the U.S. would increase revenue by US$50 million in the first year.

And we expect to improve underlying efficiency ratios across all of our businesses.

With that, I will turn it over to Mark.

MARK HUGHES, CHIEF RISK OFFICER

Thank you Rod and good morning.

I am pleased with our credit performance this year with annual provisions for credit losses of 21 bps, similar to the lows that we last experienced in 2005.

This is reflective of our strong underwriting practices, low unemployment levels, and an improving macroeconomic backdrop, particularly in the oil & gas sector.

Turning to slide 16. In the fourth quarter, total provisions for credit losses of $234 million were down $86 million or 27% from last quarter, with provisions down across all business segments.

The PCL ratio of 17 basis points was down 6 bps quarter over quarter.

As I have mentioned in the past, both provisions and recoveries within our Wholesale book could show some degree of variability from quarter to quarter.

Excluding a few outsized recoveries in Capital Markets, our total PCL ratio would have been 20 bps this quarter[2].

In our Canadian Banking business, provisions of $251 million decreased $8 million quarter over quarter, reflecting lower PCL in our Commercial lending portfolio.

Caribbean and U.S. Banking provisions were up $5 million from last quarter reflecting higher provisions in our Caribbean lending portfolios.

Wealth Management had no provisions this quarter.

Capital Markets had a net recovery of $38 million this quarter largely due to recoveries on a few accounts in the oil & gas and real estate & related sectors.

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[2] PCL ratio excluding a few outsized recoveries in Capital Markets is a non-GAAP measure and may not be comparable to similar measures disclosed by other financial institutions. For more information, please refer to the Notes to Users on page 11.

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Turning to slide 17. Gross impaired loans of $2.6 billion were down $320 million or 11% from last quarter largely driven by repayments and accounts returning to performing status in our Capital Markets and Wealth Management portfolios.

Our gross impaired loan ratio of 46 basis points was down 7 basis points from last quarter.

Our gross impaired loans do not yet reflect the impact from the recent hurricanes in the Caribbean, where our exposure of approximately $300 million is limited to St. Maarten and Dominica.

We've had limited access to our clients in these regions and continue to assess the full extent of damages as we regain access to these hardest-hit regions.

Positive trends in internal and economic indicators for certain wholesale and retail portfolios allowed us to absorb an increase in the collective allowance for Caribbean Banking related to the hurricane.

Let's now turn to our Canadian retail exposure on slide 18.

Delinquency rates and PCL ratios trended lower year over year for most retail products, supported by low unemployment levels in key provinces along with steady wage growth.

Slide 19 shows that the credit quality of our Canadian mortgage portfolio continued to be strong with average provisions of just 1 basis point for fiscal 2017.

In this rising rate environment, we remain comfortable with our clients' ability to repay given over 90% of our mortgages have already been stressed at a rate above the contract rate.

At origination, we have not seen any material changes in average FICO scores, LTV or amortization periods over the last twelve months.

And more recently, we have seen an increasing number of fixed-rate mortgage originations, signaling increased conservatism by our clients in a rising rate environment.

Our variable-rate HELOC portfolio continues to perform well with delinquency ratios similar to that of our insured mortgage portfolio.

Furthermore, HELOC utilization rates have remained relatively stable over the past year, with over 90% of our total Homeline clients paying down their principal.

Looking ahead, we remain conservative in our credit adjudication strategies, and we continue to leverage digital capabilities to support credit decisions and predict early warning signs in order to mitigate risks.

For 2018, we are still thinking our PCL ratio could be in the 25 to 30 bps range. Given the current macro environment and the quality of our portfolio we would expect PCL ratio to be in the low end of the range, or possibly lower for at least the start of 2018.

Having said this, as we implement IFRS 9, growth and variability from stage 1 and stage 2, market and economic factors as well as forward-looking considerations could add some quarterly volatility towards the higher end of the range as we move through the year.

Through a full economic cycle, the level of provisions under IFRS 9 should be relatively similar to provisions under the previous accounting standards.

Turning to market risk.

Market risk VaR of $18 million in Q4 was the lowest level observed this year.

In addition, the average VaR for the year was $11 million lower year over year.

During the quarter, we had no days of net trading losses. We incurred only 1 day of net trading losses during 2017 compared to 7 days in 2016.

DAVE MCKAY, PRESIDENT & CHIEF EXECUTIVE OFFICER

Thank you. Just before we finish, I'd like to comment on this morning's announcement that Mark Hughes has decided to retire in April after 37 years at RBC. And there will be many opportunities to recognize him over the coming months, but I'd like to take this moment to thank him for his significant contributions to the bank, to our clients and our shareholders. On a personal note, I want to thank Mark for his incomparable counsel and partnership over the years.

I'm pleased that Graeme Hepworth, currently Executive Vice President of Retail and Commercial Risks, will take on the role of Deputy Chief Risk Officer in February and then assume the role of Chief Risk Officer in April 2018 when Mark retires. Graeme has been with RBC for 20 years and held progressively senior roles in our risk management group. He brings a deep expertise in risks as well as experience working across multiple businesses and regions, so he's well positioned for his new role.

I want to thank everyone for attending our call today. I wish you a happy and healthy holiday season and we'll see you in Q1 in February 2018. Thanks very much, everyone.

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 adjusted operating leverage net of Insurance fair value change of investments backing our policyholder liabilities, operating leverage adjusting for higher severance costs and PCL ratio excluding a few outsized recovers in Capital Markets, 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 2017 Annual Report.

Definitions can be found under the “Glossary” sections in our Q4 2017 Supplementary Financial Information and our 2017 Annual Report.