

# Royal Bank of Canada

## Barclays Global Financial Services Conference

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Group Head, Canadian Banking

**September 11, 2012**

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



### Caution regarding forward-looking statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this presentation and in the accompanying management's comments and responses to questions during the September 11, Barclays Global Financial Services Conference (the Barclays presentation), in other filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our vision, aspirations, and strategic goals. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our vision, aspirations, and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "plan" and "project" and similar expressions of future or conditional verbs such as "will", "may", "should", "could" or "would".

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, operational, and liquidity and funding risks, and other risks discussed in the Risk management sections of our Q3 2012 Report to Shareholders and our 2011 Annual Report; general business, economic and financial market conditions in Canada, the United States and certain other countries in which we conduct business, including the effects of the European sovereign debt crisis; changes in accounting standards, policies and estimates, including changes in our estimates of provisions, allowances and valuations; the effects of changes in government fiscal, monetary, economic and other policies; changes to and new interpretations of risk-based capital and liquidity guidelines; the impact of changes in laws and regulations, including relating to the payments system in Canada, consumer protection measures and the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations issued and to be issued there under; the effects of competition in the markets in which we operate; our ability to attract and retain employees; judicial or regulatory judgments and legal proceedings; the accuracy and completeness of information concerning our clients and counterparties; our ability to successfully execute our strategies and to complete and integrate strategic acquisitions and joint ventures successfully; development and integration of our distribution networks; and the impact of environmental issues.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the Risk management and the Overview of other risks sections of our 2011 Annual Report and the Risk management section of our Q3 2012 Report to Shareholders.

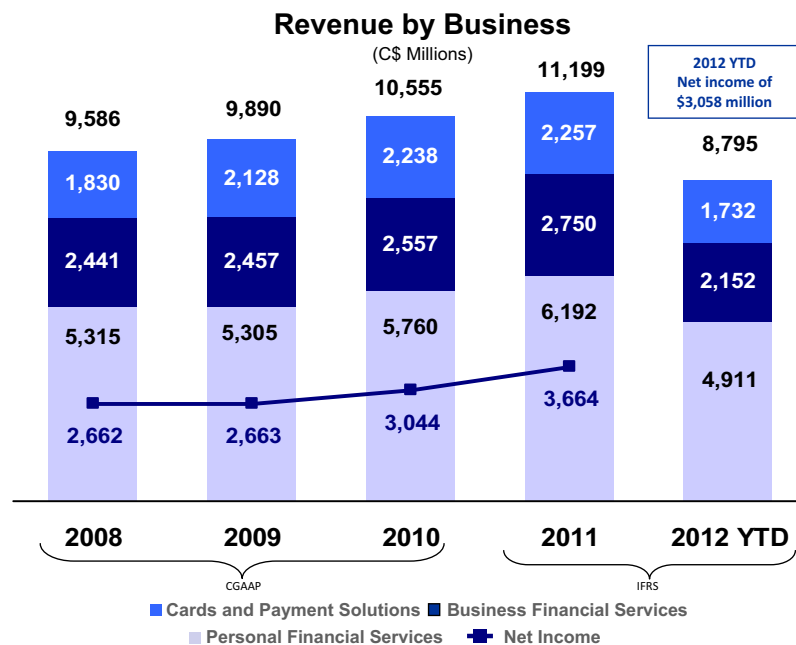
Information contained in or otherwise accessible through the websites mentioned does not form part of this Barclays presentation. All references in this Summit presentation to websites are inactive textual references and are for your information only.

## Canadian Banking

- ✓ **Building on leading market positions**
  - Proven track record of outperformance
- ✓ **Extending sales power**
  - Unparalleled distribution network and superior cross sell ability
- ✓ **Reducing costs and reinvesting for the future**
  - Simplifying processes and building end-to-end efficiencies

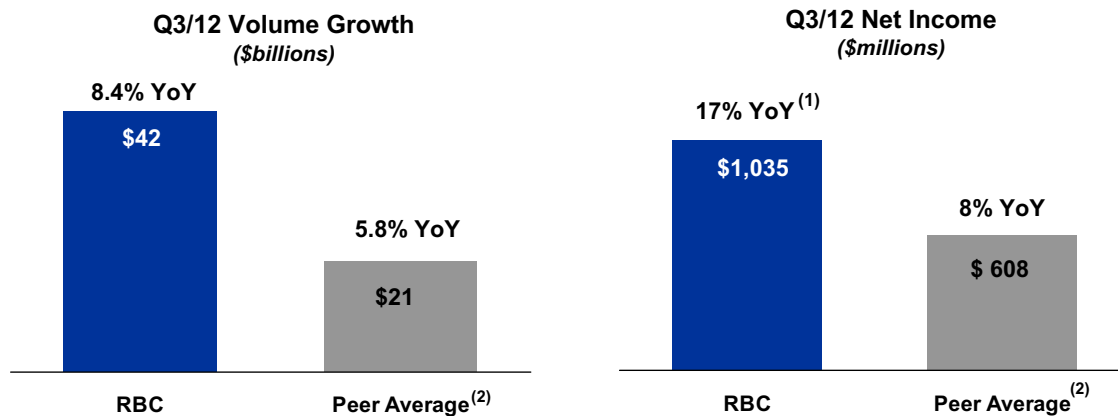
*A proven track record of performance paves the way for the future*

## Canadian Banking – strong financial performance



*Strong track record of growth*

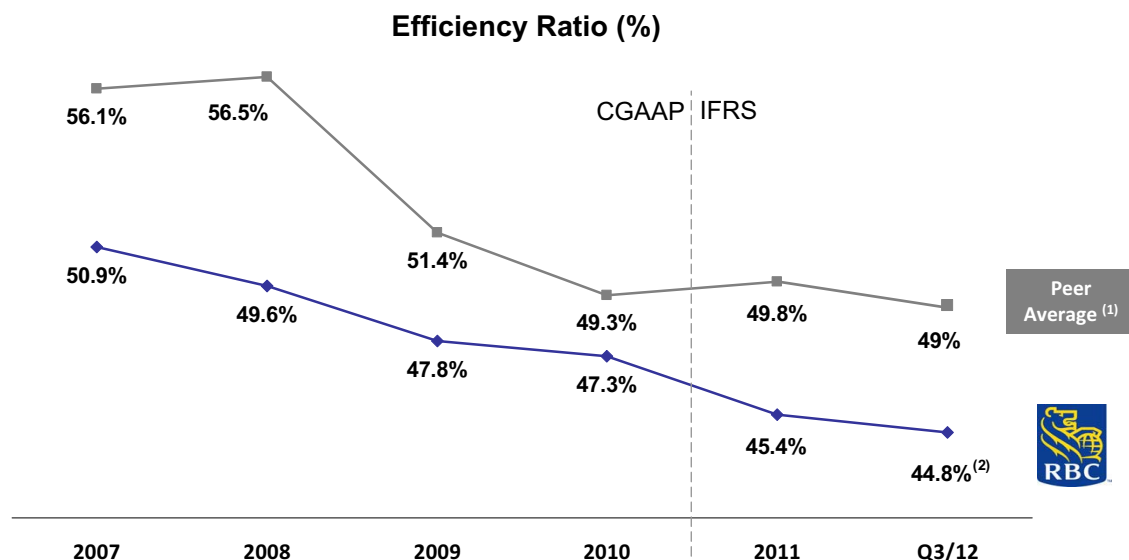
## Continuing to outperform our peers



*Profitably capturing a disproportionate share of market growth*

- (1) Q3 2012 excludes a favourable adjustment related to a change in estimate of mortgage prepayment of \$92 million (\$125 million before tax). This is a non-GAAP measure. For more information see slide 12.
- (2) Peers include: BMO, BNS, CIBC and TD. Based on company reports for Q/12. BNS excludes \$32 million after-tax (\$43 million before-tax) gain on sale of non-strategic leasing business.

## Driving strong operating efficiency

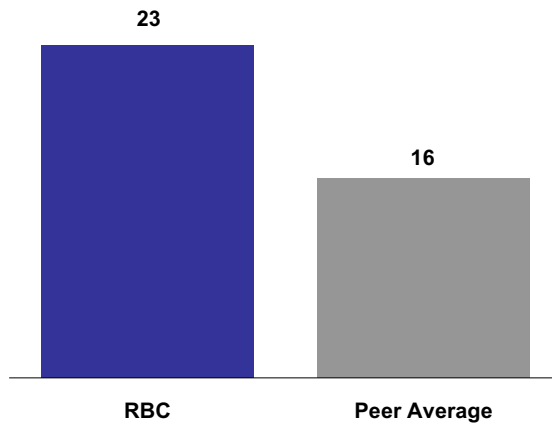


*Investing to drive further efficiencies and transforming our cost base*

- (1) Peers include: BNS, BMO, TD and CIBC. Based on company reports. (2) This is a non-GAAP measure. Non-adjusted efficiency ratio is 43%. For more information see slide 12.

## RBC's superior cross-sell ability

Households with Transaction Accounts, Investments and Borrowing Products (%)



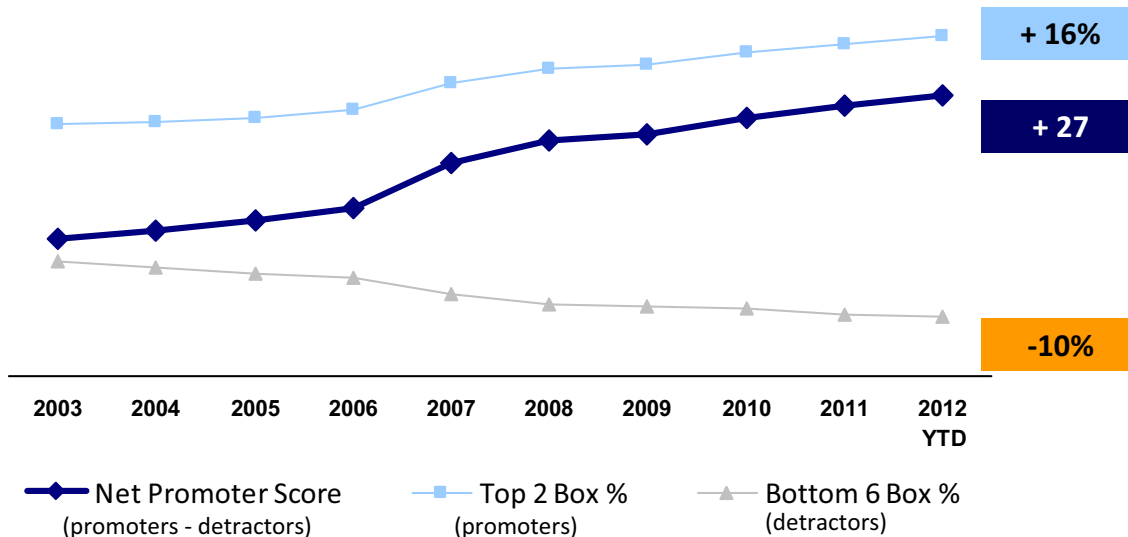
- Strong ability to collaborate
- Award-winning advice capability
- Breadth and quality of products

*Driving long term profitable relationships*

Source: Canadian Financial Monitor Survey by Ipsos Reid - (12,000 Canadian households annually) – June 2012

## Strong customer survey results

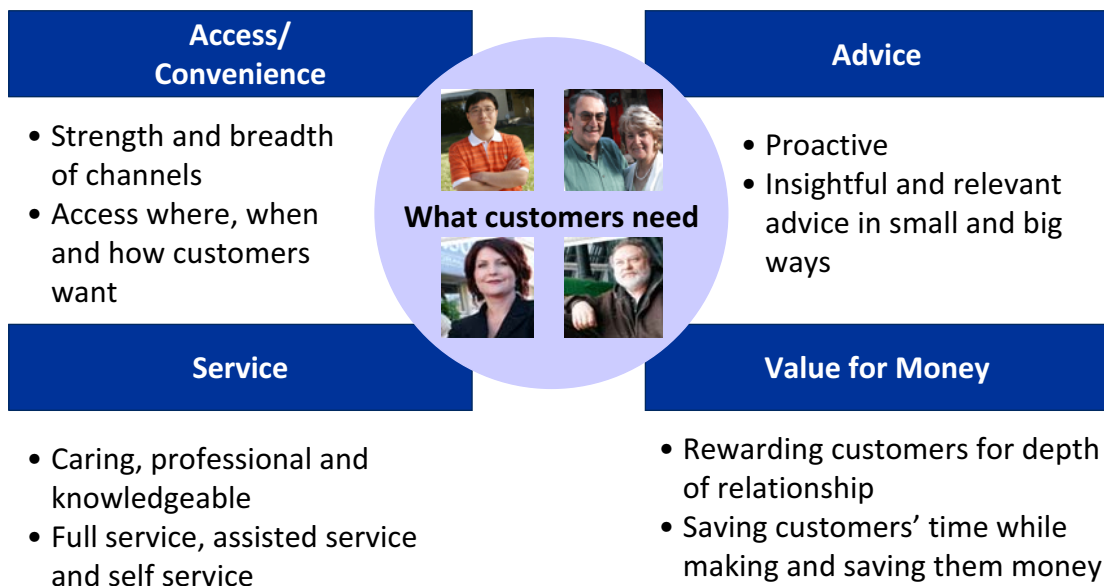
Growth since 2003



*Achieving new highs in customer loyalty measures*

Net promoter score = Top 2 Likelihood to Recommend (LTR) ratings (promoters) – Bottom 6 LTR ratings (detractors). Rating on a 10-point scale where “1” means “Not at all Likely” and “10” means “Extremely Likely”. Source: RBC Branch Post Transaction Survey (Personal).

## Improving the client experience



*Leveraging our brand, people and physical assets*

## Strength in innovation and technology



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



*Deliver a great experience seamlessly and consistently across all distribution channels*

## Winning where it matters



**2012 Best Retail Bank in North America**  
**2012 Retail Banker of the Year**



### Award winning:

- Financial Planning & Advice
- Values My Business
- Recommend to Friends or Family
- Products & Services Excellence
- Branch Service Excellence
- Online Banking Excellence



**Award winning Private Banking Services**



**RBC Direct Investing - # 1 in client service, five years in a row**



**#1 Industry Specialist Rating in Commercial Markets**



**Award winning Canadian Financial Service Website**

**More than 10 million Canadians choose our award-winning banking**

1. Shared recipient of six Synovate Best Banking Awards among the Big 5 Bank, including Financial Planning & Advice. 2. As designated by Global Finance, July 22, 2011, based on competition entries by a world-class panel of judges as Infosys; Forrester Research, Inc.; 2010 Canadian Banking Secure Web Site Rankings (December 2010); and the 3rd edition of Survivor's online banking scorecard, October 14, 2010.

## Note to users

We use a variety of financial measures to evaluate our performance. In addition to GAAP prescribed measures, we use certain non-GAAP measures we believe provide useful information to investors regarding our financial condition and result of operations. Readers are cautioned that non-GAAP measures, such as results excluding items of note, adjusted results and ratios, and Capital Markets geographic revenue excluding certain items do not have any standardized meanings prescribed by GAAP, and therefore are unlikely to be comparable to similar measures disclosed by other companies.

Additional information about our non-GAAP measures can be found under the "Non-GAAP measures" section of our Q3 2012 Report to Shareholders, our Q3 2012 Supplementary Financial Information and the "Key performance and Non-GAAP measures" section in our 2011 Annual Report.

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

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