



ROYAL BANK OF CANADA BARCLAYS GLOBAL FINANCIAL SERVICES CONFERENCE SPEECH TUESDAY, SEPTEMBER 10, 2013

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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, operational, legal and regulatory compliance, insurance, reputation and strategic risks and other risks discussed in the Risk management and Overview of other risks sections of our 2012 Annual Report and in the Risk management section of our Q3 2013 Report to Shareholders; the impact of changes in laws and regulations, including relating to the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations issued and to be issued thereunder, the Basel Committee on Banking Supervision's global standards for capital and liquidity reform, over-the-counter derivatives reform, the payments system in Canada, consumer protection measures and regulatory reforms in the U.K. and Europe; general business and economic market conditions in Canada, the United States and certain other countries in which we operate, including the effects of the European sovereign debt crisis, and the high levels of Canadian household debt; cybersecurity; the effects of changes in government fiscal, monetary and other policies; the effects of competition in the markets in which we operate; our ability to attract and retain employees; the accuracy and completeness of information concerning our clients and counterparties; judicial or regulatory judgments and legal proceedings; 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. Material economic assumptions underlying the forward looking-statements contained in this presentation are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2012 Annual Report, as updated by the Overview section in our Q3 2013 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 2012 Annual Report and in the Risk management section of our Q3 2013 Report to Shareholders.

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JANICE FUKAKUSA, CHIEF ADMINISTRATIVE OFFICER AND CFO

Great, and thanks, John, and good morning, everyone. Thanks for the opportunity to present.

Before we get started, I want to make a note that all of my remarks, including those made during the Q&A session may contain forward-looking statements which involve applying assumptions, have inherent risks and uncertainties, and may differ materially from actual results.

So to begin, two weeks ago, we reported record third quarter earnings of \$2.3 billion and year to date earnings of \$6.3 billion. Our third quarter results were underpinned by strong fundamentals with record earnings and personal and commercial banking and wealth management.

We also announced a \$0.04 or 6% increase to our quarterly dividend bringing our payout to \$0.67 a share; our fifth dividend increase in nine quarters representing a 34% jump. The increase in the quarterly dividends and higher than most recent increases clearly demonstrates the confidence we have in our ability to grow earnings.

In Canada, we're the largest bank and leading market share. Outside of Canada, we're leveraging our domestic strength and expertise to successfully grow our businesses globally. In doing so, we're focused on the largest markets and serving the complex needs of our global client segments, institutional, corporates, and high ultra net worth individuals.

Let me now briefly discuss our five business segments starting with personal and commercial banking. Canadian banking remains the cornerstone of our business, representing more than half of our total earnings. We're number one or number two in market share across all key product categories. And we continue to extend this lead.

We also continue to lead the industry in volume growth and take a disproportionate share of the industry growth with profitably growing our market shares. While growing volumes is a priority, we're committed to controlling costs and improving efficiency and productivity. And we remain focused in driving our efficiency ratio to the low 40s.

Moving on to insurance, this business is a strong complement to our retail franchise. Our focused product and distribution strategy serves to differentiate [ourselves] and our performance. In Wealth Management we've built the number one franchise in Canada with leading high net worth market shares. Our Asset Management business is the largest retail fund company and a significant institutional asset manager.

In the US we're the 7th largest full service brokerage firm by advisors. Outside North America we're building our UK Wealth Management presence and establishing international wealth centers in Singapore, Hong Kong, and Switzerland.

With investor and Treasury services, we're focused on creating a specialty custody bank that provides excellence in asset servicing with an integrated funding and liquidity business for financial and other institutional investors worldwide.

Since acquiring 100% of the investor services last year, we've been operating to improve our efficiency, streamline our operations; while leveraging our strong reputation brand and financial strength to cross sell a lot of the products and services.

In capital markets, we believe our strategic business mix, targeted geographies, and our strong, stable earnings is a real competitive advantage, a distinguishing feature with respect to other Canadian banks' wholesale operations. In Canada, we're the clear market leader and in the US we're becoming a significant player and growing. The US provides both diversification and attractive growth opportunities for RBC as the economy recovers.

In the UK and Europe we're selectively building our investment bank in core areas where we have key strengths with primary focus on clients in the UK, Germany, and France. We're also rebalancing our capital markets business more towards corporate lending and traditional banking businesses on an originate to distribute model to reduce our reliance on secondary trading activities.

So, in closing our financial strength, diversified business model, and leading market positions remain a clear competitive advantage in today's environment. They give us the flexibility to find the right balance between investing in our businesses for longer term growth and returning capital to our shareholders.

Our Canadian leadership and global strategy combined with our focus on delivering high quality and sustainable earnings positions us well going forward. So, thank you all for your time today. I'm happy to take your questions. I will move over there, John.