

Royal Bank of Canada Investor Presentation

Q2/2015

All amounts are in Canadian dollars and are based on financial statements prepared in compliance with International Accounting Standards 34 Interim Financial Reporting, unless otherwise noted. Our Q2/2015 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 RBC Investor 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 RBC Investor 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, regulatory compliance, operational, 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 2014 Annual Report and the Risk Management section of our Q2/2015 Report to Shareholders; anti-money laundering; growth in wholesale credit; the high levels of Canadian household debt; cybersecurity; 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; our ability to attract and retain employees; the accuracy and completeness of information concerning our clients and counterparties; the development and integration of our distribution networks; model, information technology, information management, social media, environmental and third party and outsourcing 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 RBC Investor Presentation are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2014 Annual Report, as updated by the Overview and Outlook Section in our Q2/2015 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 2014 Annual Report and in the Risk Management section of our Q2/2015 Report to Shareholders.

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

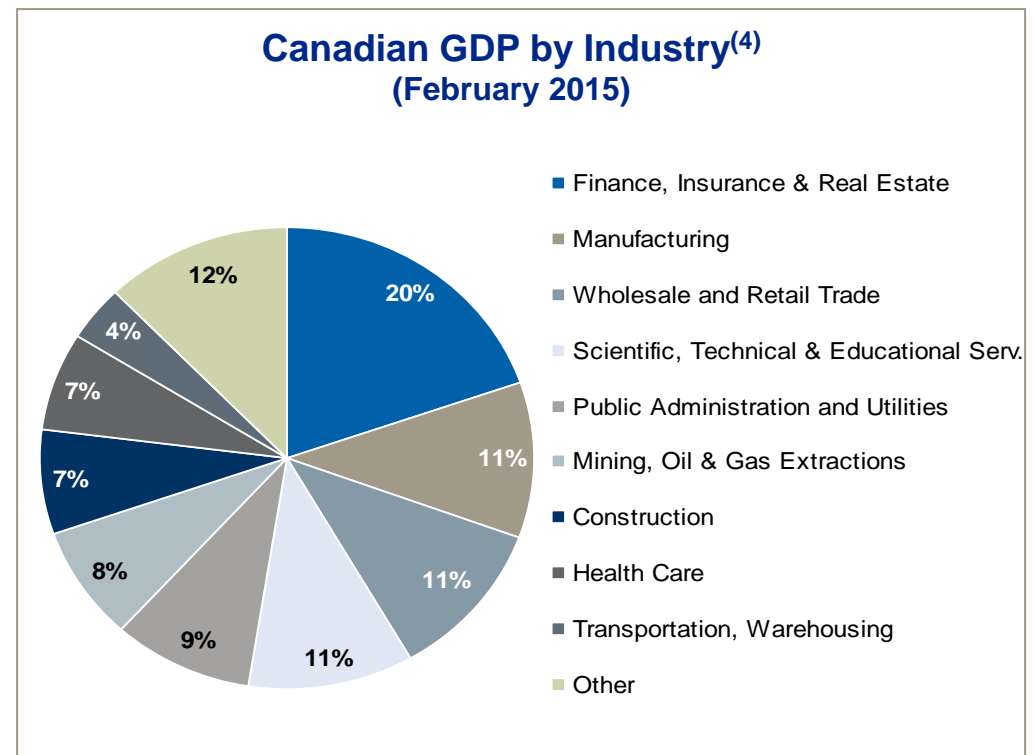
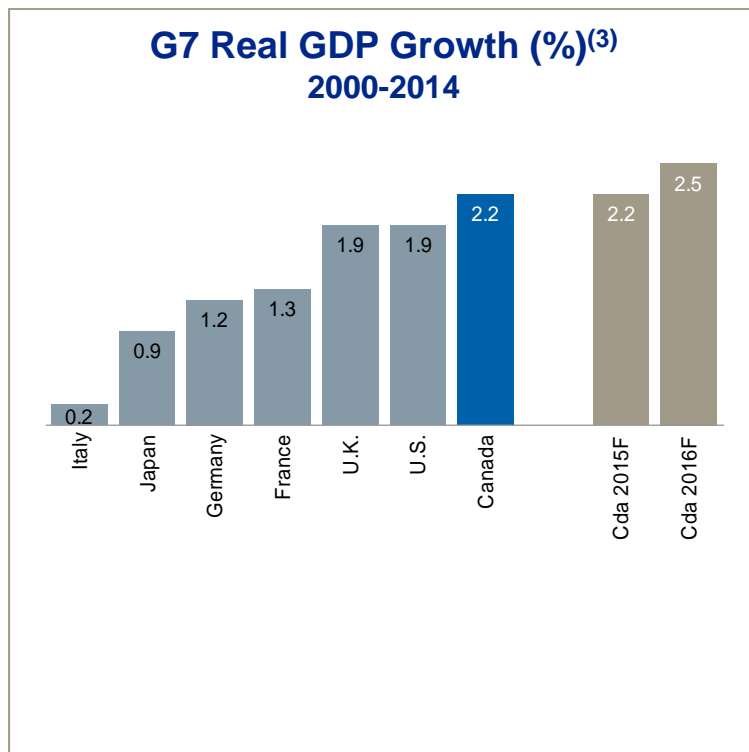
Canadian Economy

SECTION I



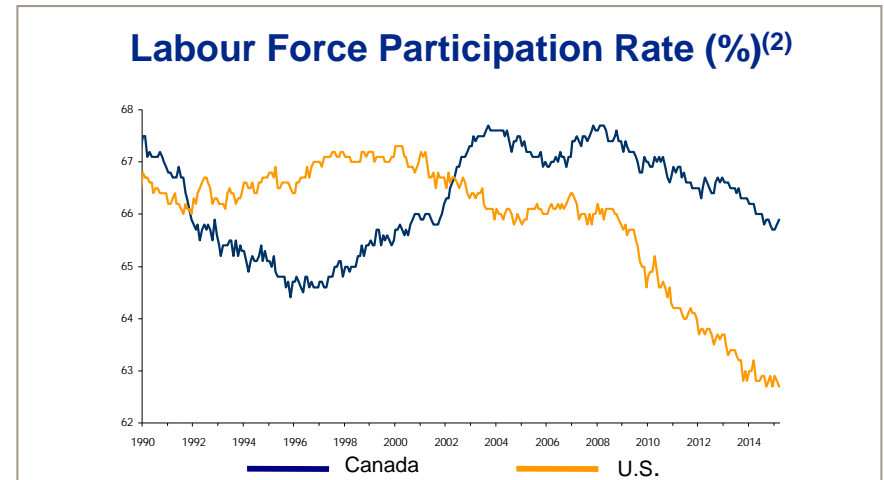
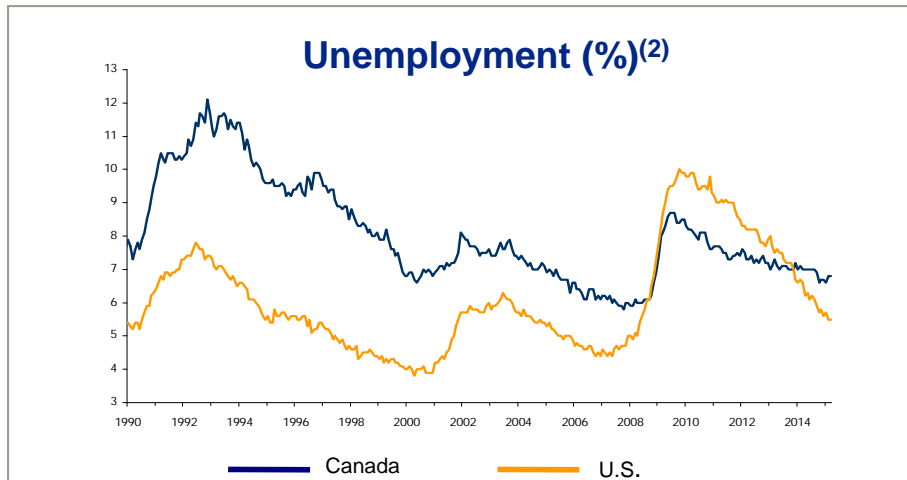
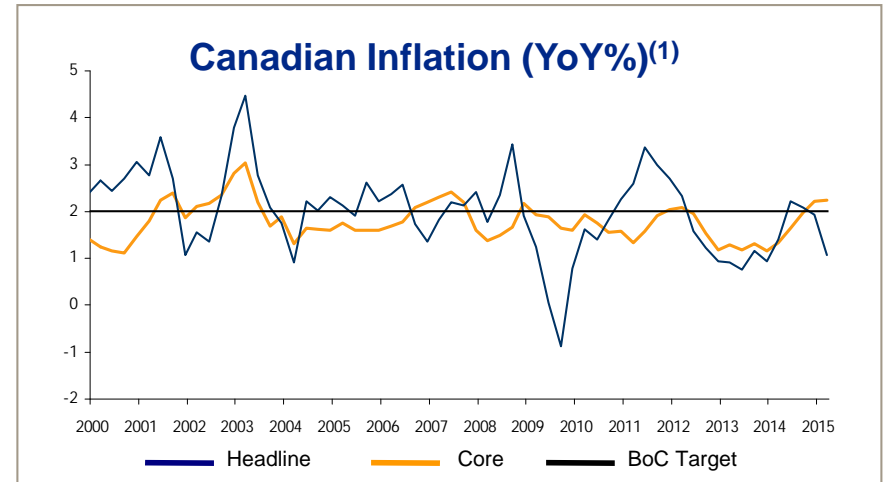
Canada's strong fiscal position

- Strong rating as a result of fiscal prudence, conservative bank lending practices and solid economy
- Lowest net debt to GDP ratio among G7 peers⁽¹⁾
- #1 for soundness of banks for the 7th consecutive year⁽²⁾
- A diversified economy supporting balanced economic growth



Attractive economic fundamentals

- Low oil prices expected to continue to weigh on headline inflation for the remainder of 2015; Core inflation likely to remain stable around mid-point of 1-3% target range
- Unemployment rates are trending favourably and are indicative of underlying conditions improving
- Labour force participation trend predominantly reflects an aging population rather than workers' voluntary exit of the labour market



2015 Economic Outlook



	Projected Economic Indicators for 2015 ⁽¹⁾					
	GDP Growth	Inflation	Unemployment Rate	Interest Rate (3 mth T-bills)	Current Account Balance/GDP ⁽²⁾	Budget Surplus/GDP ⁽³⁾
Canada	2.2%	1.1%	6.6%	0.75%	-2.8%	0.1%
U.S.	2.6%	0.3%	5.4%	0.5%	-2.4%	-2.7%
Euro Area	1.5%	0.0%	11.0%	NA	3.5%	-2.5%

Canada

- Economic growth in Canada is expected to bounce back in H2/15 to an above-potential pace following weak performance in the early stages of 2015 as supportive factors emanating from lower oil prices materialize and temper an energy-price related decline in business investment
- In H2/15, stronger performance in net oil-consuming provinces will be offset in part by the potential weakness in oil-producing provinces, such as Alberta
- Consumer spending is expected to remain firm while housing market activity is anticipated to be stable supported by highly accommodative borrowing conditions

U.S.

- Economic growth in the U.S. is poised to accelerate in 2015 as a transitory slowdown in the first quarter reverses and gives way for improving labour market conditions to support stronger consumer spending and housing market gains
- The U.S. Federal Reserve is expected to begin to raise the Fed funds rate in September as ongoing momentum in the labour markets, set against a backdrop of stable inflation, should support continued progress towards achieving full employment

Euro area

- A recovery in the Euro area economy is being supported by a confluence of factors, namely lower oil prices, currency depreciation and less drag from fiscal consolidation in 2015
- Significant monetary stimulus by the European Central Bank will curb downside risks to inflation and a lower exchange rate is expected to support positive economic growth
- Structural reforms are expected to keep growth subdued in parts of the Euro zone

Royal Bank of Canada

SECTION II

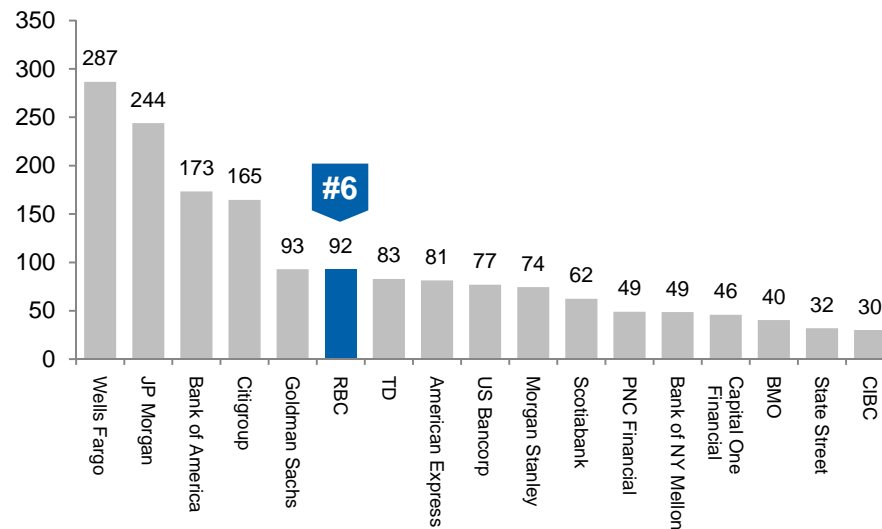




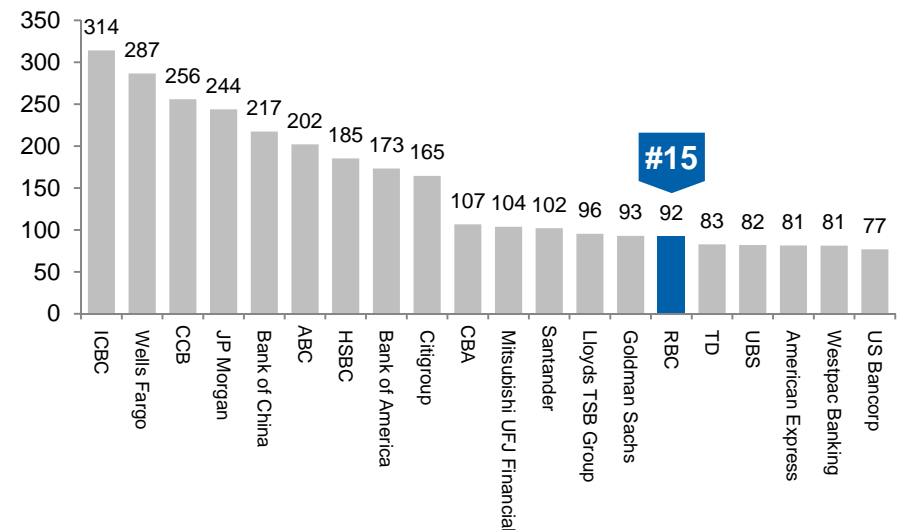
RBC is one of the largest banks globally

- Canada's largest bank by market capitalization, with broad leadership in financial services⁽¹⁾
- Offices in Canada, United States and 39 other countries
- ~78,000 full- and part-time employees who serve more than 16 million clients worldwide

North American ranking⁽¹⁾ (Market capitalization, US\$BN)



Global ranking^(1,2) (Market capitalization, US\$BN)



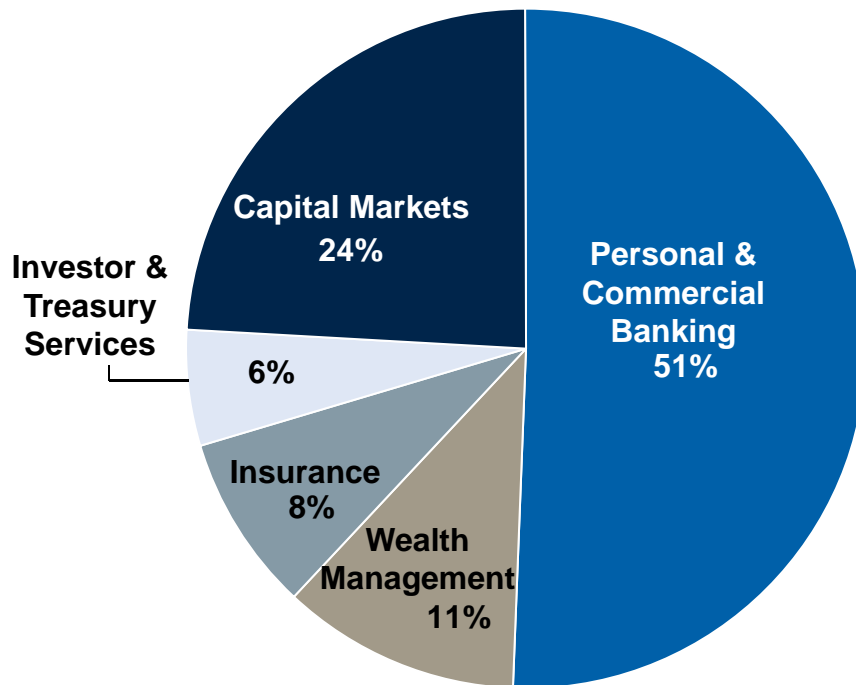
Extending our lead in Canada and selectively growing globally

⁽¹⁾ Market data from Bloomberg as of May 26, 2015. ⁽²⁾ ICBC: Industrial and Commercial Bank of China; ABC: Agriculture Bank of China; CBA: Commonwealth Bank of Australia; Santander: Banco Santander, S.A.; ANZ: The Australia and New Zealand Banking Group; CCB: China Construction Bank

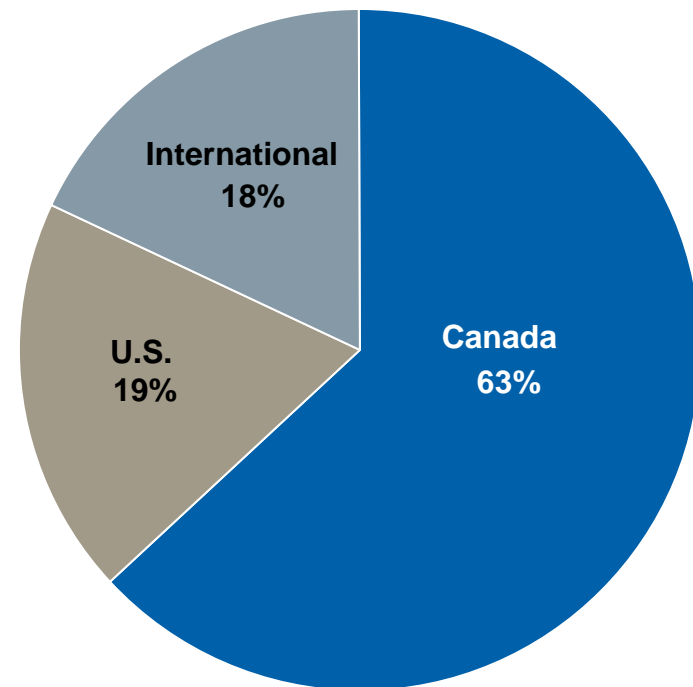
RBC's key strengths

- Diversified business mix, with the right balance of retail and wholesale
- Almost two-thirds of revenue from Canada
- Strategic approach in key businesses in the U.S. and select international markets
 - In January 2015, RBC announced the acquisition of City National Corp (NYSE: CYN), which will expand our presence in the U.S.; Expected closing in Q4 of calendar 2015
 - On May 27, 2015, City National shareholders voted in favour of the deal

Earnings by business segment⁽¹⁾
Latest twelve months ended April 30, 2015

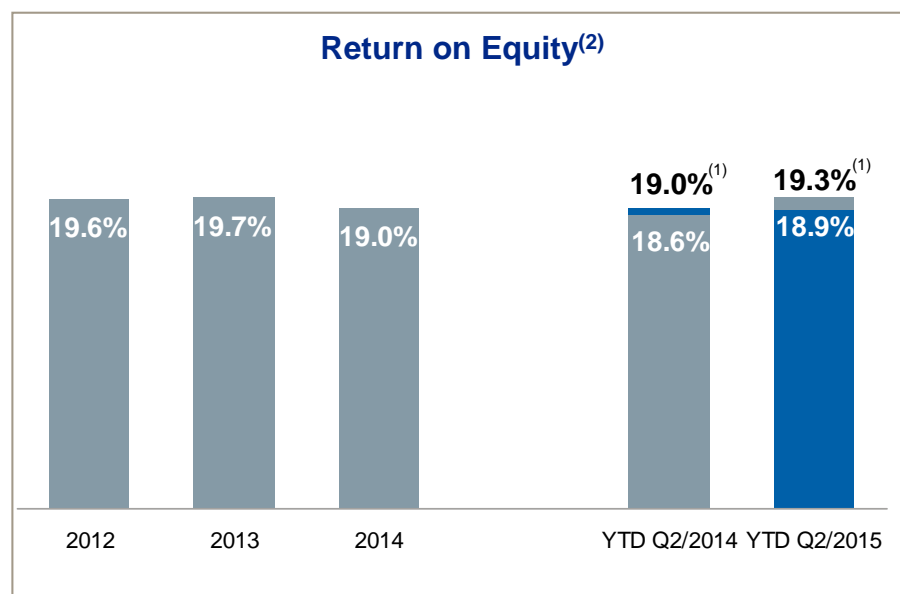
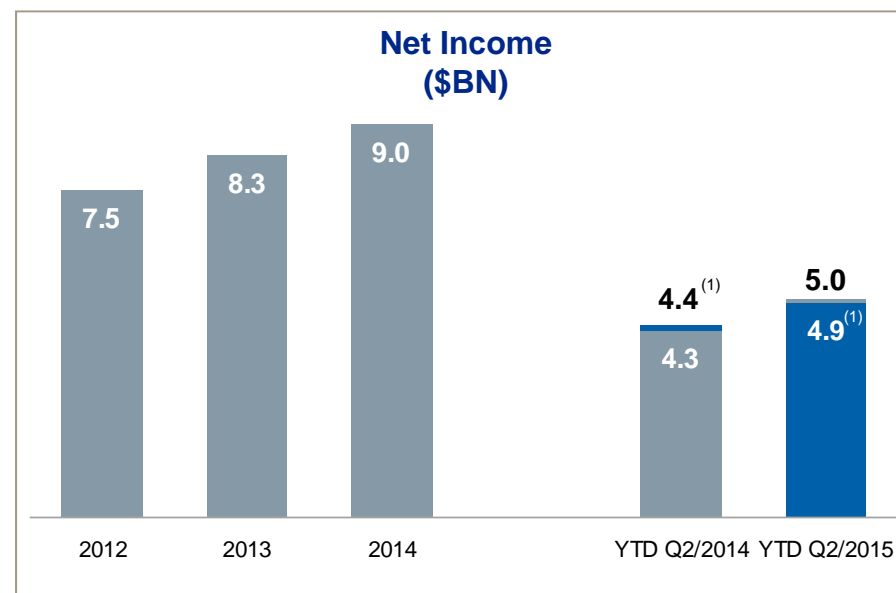
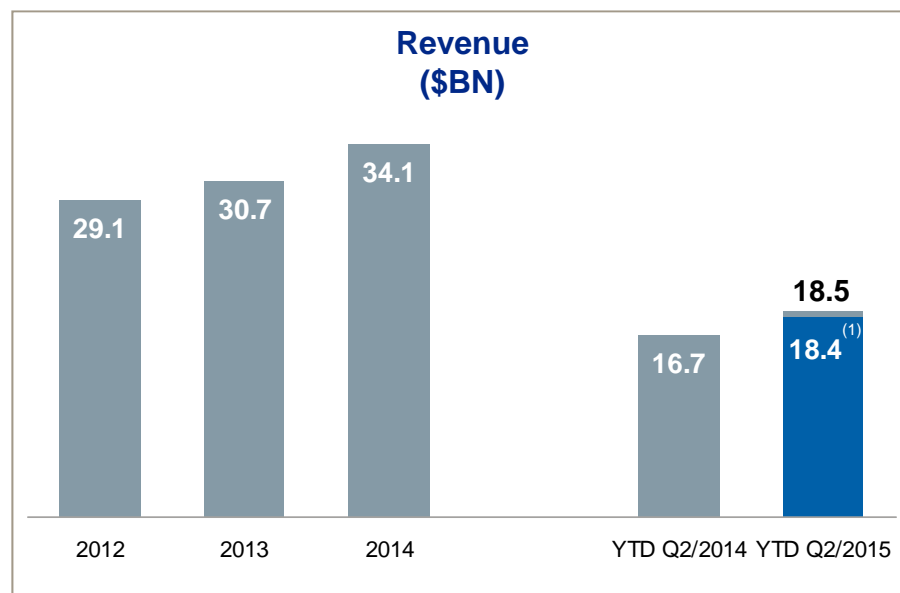


Revenue by geography⁽¹⁾
Latest twelve months ended April 30, 2015



(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 2015 Report to Shareholders.

Strong financial profile



Q2/2015 Basel III Capital and Leverage ratios “All-in” basis⁽³⁾

Common Equity Tier 1	10.0%
Tier 1 Capital	11.6%
Total Capital	13.5%
Leverage Ratio	4.0%
Liquidity Coverage Ratio	111%

Credit ratings⁽⁴⁾

Moody's	S&P	Fitch	DBRS
Aa3	AA-	AA	AA
Negative	Negative	Stable	Negative

(1) Adjusted for specified items which include a Q2/2015 gain of \$108 MM (before- and after-tax) from the wind-up of a U.S.-based funding subsidiary that resulted in the release of foreign currency translation adjustment (CTA) that was previously booked in other components of equity as well as Q1/2014 loss of \$60 MM (before- and after-tax) related to the sale of RBC Jamaica and a Q1/2014 provision of \$40 MM (\$32 MM after-tax) related to post-employment benefits and restructuring charges in the Caribbean. (2) ROE may not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. For additional information, see slide 38. (3) Capital calculated to include all regulatory adjustments that will be required by 2019 but retaining the phase-out rules for non-qualifying capital. Refer to the Capital Management section of our 2014 Annual Report and the Capital Management section of our Q2/2015 Report to Shareholders for details on Basel III requirements. (4) Based on long-term senior debt ratings as of May 26, 2015.



History of delivering value to our shareholders

Total shareholder return (TSR)⁽¹⁾

	RBC	Peer Avg.
3 Year	21%	21%
5 Year	10%	13%
10 Year	12%	9%

Price to Book Value

- Compelling price to book valuation of approximately 2.2x

Dividend

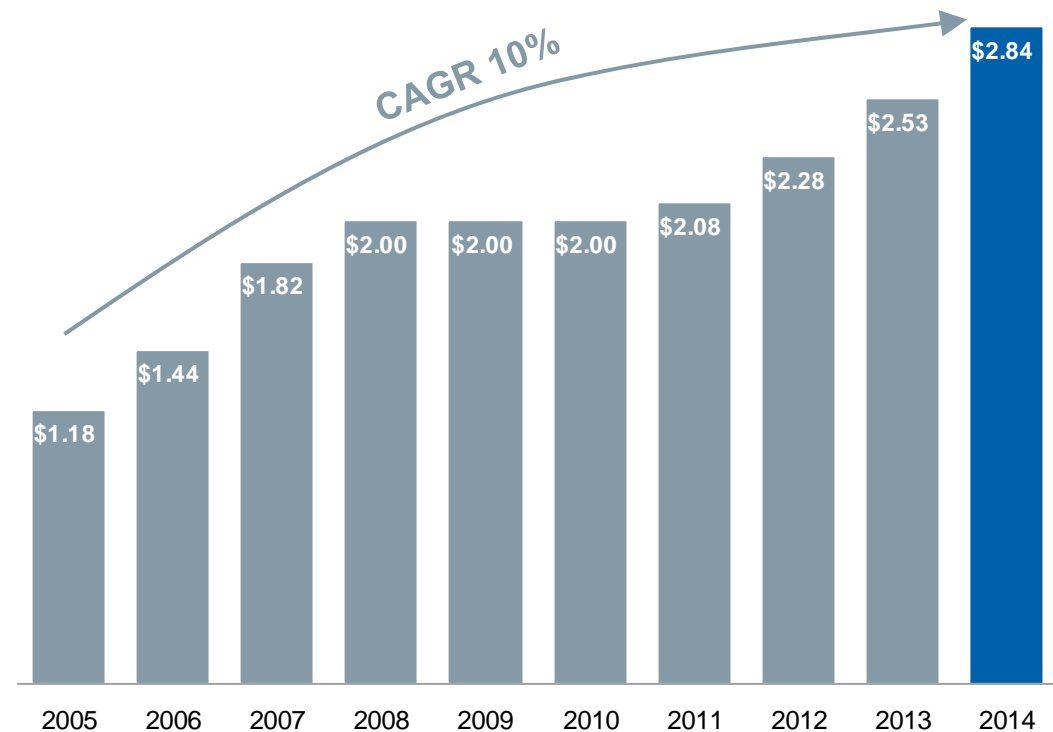
- Current quarterly dividend: \$0.77
- Q2/2015 payout ratio of 46%, in line with our target of 40-50%

Share buybacks

- 2015 normal course issuer bid to repurchase up to 12 million common shares

Annual dividend history* (\$ per share)

- RBC has increased the dividend 6 times since May 2012, for a total increase of 35%



* Dividends declared per common share.

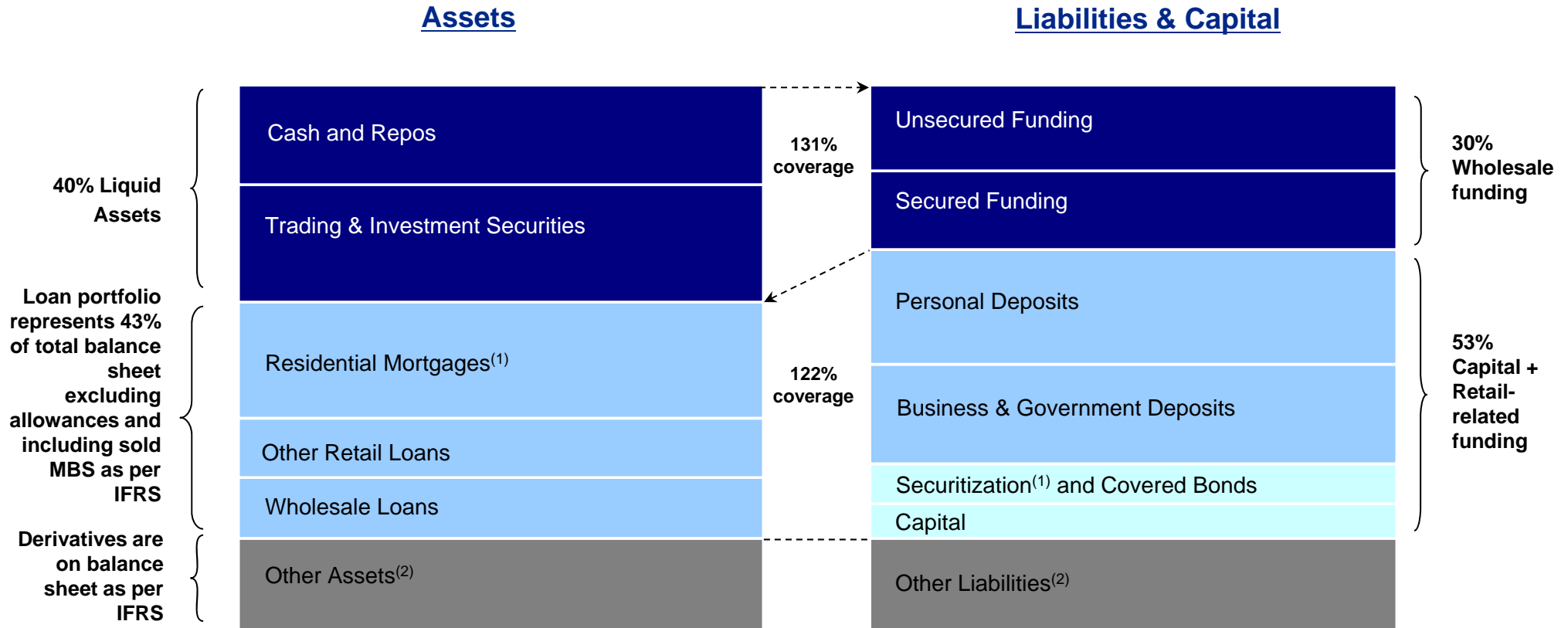
Our goal is to maximize shareholder returns by achieving TSR above our peer average

(1) Annualized TSR is calculated based on common share price appreciation plus reinvested dividend income. Source: Bloomberg, as at May 26, 2015. RBC is compared to our global peer group. The peer group average excludes RBC; for the list of peers, please refer to our 2014 Annual Report.



Strength of a high quality liquid balance sheet

\$1,032BN
(as at April 30, 2015)



(1) Securitized agency MBS are on balance sheet as per IFRS. (2) Other assets include \$107BN of derivatives related assets, largely offset by derivatives related liabilities in Other liabilities. Under IFRS derivative amounts with master netting agreements cannot be offset and the gross derivative assets and liabilities are reported on balance sheet.



Key strategic priorities aligned to our long-term goals

Strategic goals

- In Canada, to be the undisputed leader in financial services
- Globally, to be a leading provider of capital markets, investor and wealth management solutions
- In targeted markets, to be a leading provider of select financial services complementary to our core strengths

Strategic priorities

Personal & Commercial Banking	Wealth Management	Insurance	Investor & Treasury Services (I&TS)	Capital Markets
<ul style="list-style-type: none"> ▪ Offering a differentiated experience: value for money, advice, access and service ▪ Making it easier to do business with us and be a low cost producer ▪ Converging into an integrated multi-channel network ▪ Enhancing client experience and improving efficiency in the Caribbean and U.S. 	<ul style="list-style-type: none"> ▪ Building a high-performing global asset management business ▪ Focusing on high net worth and ultra-high net worth clients to build global leadership ▪ Leveraging RBC and RBC Wealth Management strengths and capabilities 	<ul style="list-style-type: none"> ▪ Improving distribution efficiency and deepening client relationships through cross-sell ▪ Making it easier for clients to do business with us ▪ Pursuing select international opportunities to grow our reinsurance business 	<ul style="list-style-type: none"> ▪ Providing excellence in custody and asset servicing, with an integrated funding and liquidity management business ▪ Focusing on organic growth through client relationships, cross-selling and promoting the RBC brand ▪ Leveraging I&TS as a driver of enterprise growth strategies 	<ul style="list-style-type: none"> ▪ Maintaining our leadership position in Canada ▪ Expanding and strengthening client relationships in the U.S. ▪ Building on core strengths and capabilities in U.K./Europe and Asia Pacific ▪ Optimizing capital use to earn high risk-adjusted returns on assets and equity

Business Segments

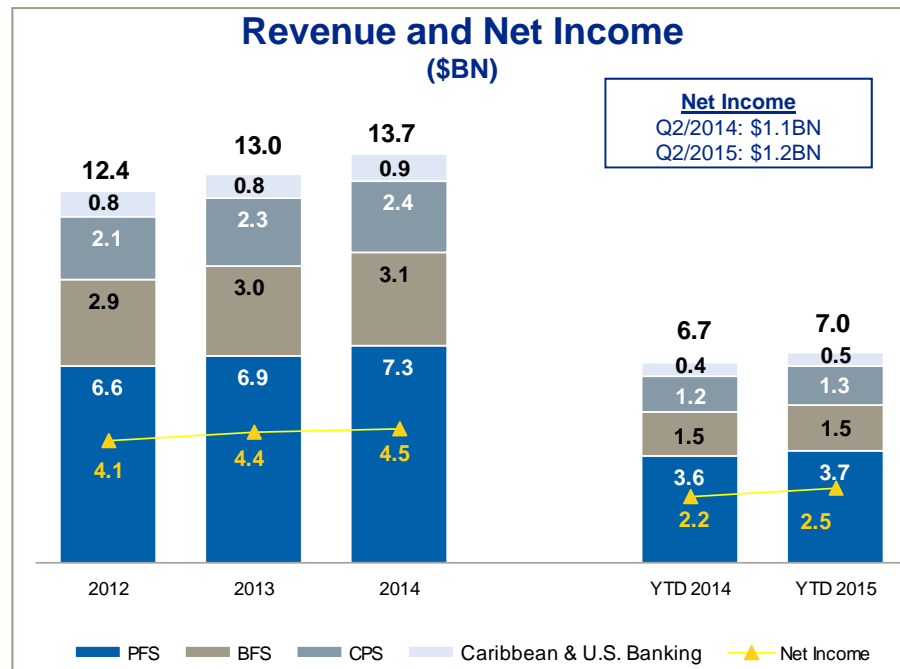
SECTION III



Personal & Commercial Banking

Overview

- RBC continues to be the undisputed leader in financial services in Canada
 - Personal & Commercial Banking accounts for over 50% of total RBC earnings
 - #1 or #2 market share in all product categories
 - Most branches and largest sales force in Canada while maintaining an industry leading efficiency ratio vs. our peer average⁽¹⁾
- Second largest bank by assets⁽²⁾ in English Caribbean, with branches in 18 countries and territories
 - Offering a broad range of financial products and services
- In the U.S., our cross-border banking business serves the needs of Canadian clients, through online channels as well as U.S. Wealth Management clients



Business metrics – Q2/2015

	Canada	Caribbean & U.S.
Clients (MM)	12.3	1.2
Branches	1,274	87
ATMs	4,608	305
Employees (FTE)	31,117	4,480
Loans & acceptances ⁽²⁾ (\$BN)	354.7	9.1
Deposits ⁽²⁾ (\$BN)	277.0	17.4

(1) Peers include TD, CIBC, BMO and BNS. (2) Based on average balances.

PFS: Personal Financial Services; BFS: Business Financial Services; CPS: Cards and Payment Solutions, and; FTE: Full-time equivalent.



Personal & Commercial Banking – Canada

Offering a differentiated experience

- Be the undisputed leader in Canada and continue to grow volume at a premium to peers
- Demonstrate the value for money that sets RBC apart through quality of advice and service, and industry-leading convenience and access

Making it easier to do business with us

- Maintain focus on digitizing the bank and simplifying our end-to-end processes
- Make it simpler and easier for clients to do business with us through self, assisted and full-serve options
- Invest in skills, accreditation and engagement of our employees to enable us to compete more effectively

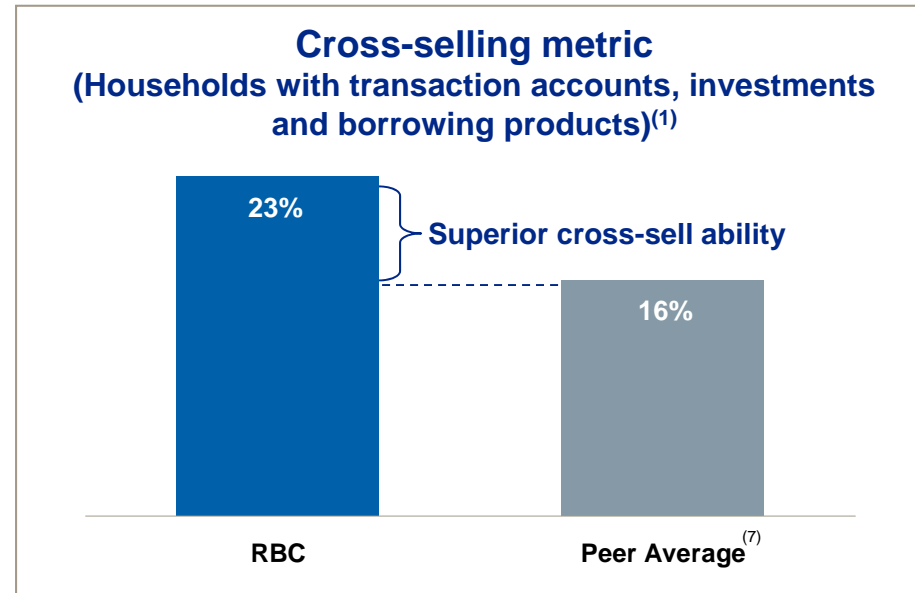
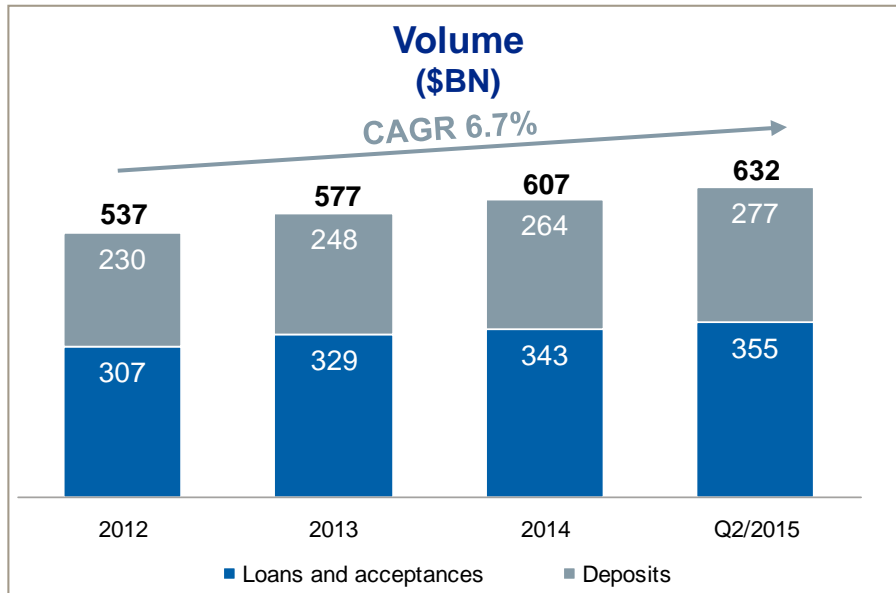
Converging into an integrated multi-channel network

- Leveraging our unparalleled distribution breadth (e.g. most branches and ATMs in Canada), internal capabilities and strategic external partnerships to maintain our market leadership and extend our sales power
- Adapting our distribution network to ongoing changes in client preferences, including designing applications, processes and products for online and mobile channels

Recent awards

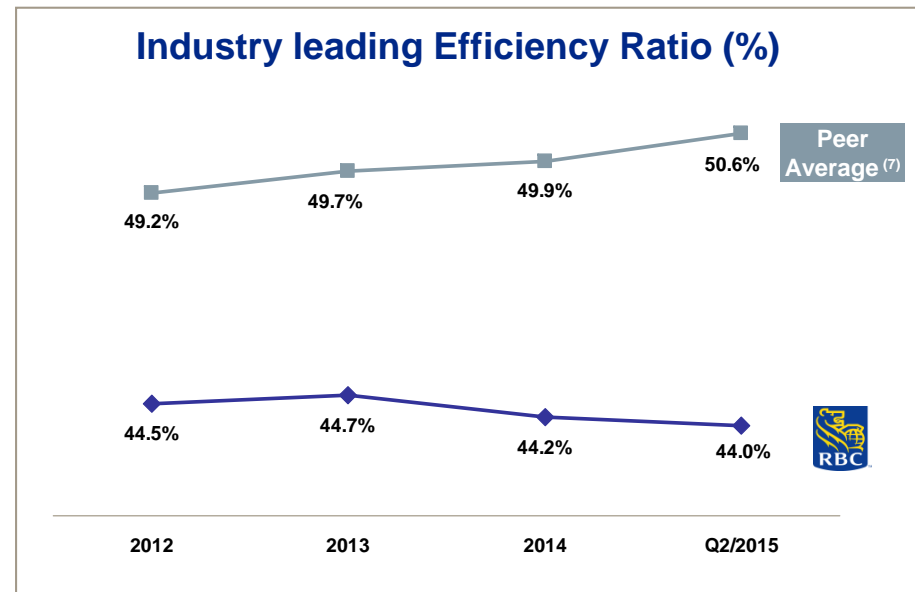
- **Global Retail Bank of the Year (2014, 2015)** (*Retail Banker International*)
- **Bank of the Year in Canada 2014** (*The Banker*)
- **Best Trade Finance Bank in Canada 2015** for the third consecutive year (*Global Finance*)
- **Best Private Banking Services Overall in Canada** for eight years in a row (*Euromoney*)
- **Recognized as #1 most valuable brand in Canada** (*Brand Finance*)
- **Recognized as one of the Best Workplaces in Canada for 2015** (*Great Place to Work® Institute*)
- **Best Private Bank in Canada and the Caribbean 2014** (Professional Wealth Management)

Personal & Commercial Banking – Canada



Market share⁽²⁾

Product	Market share	Rank
Consumer lending ⁽³⁾	23.6%	1
Personal core deposits + GICs	20.1%	2
Long-Term Mutual Funds ⁽⁴⁾	14.4%	1
Business loans (\$0-\$25MM) ⁽⁵⁾	25.4%	1
Business deposits ⁽⁶⁾	26.9%	1



(1) Canadian Financial Monitor by Ipsos Reid – 12,000 Canadian households annually – data based on Financial Group results for the 12-month period ending December 2014; TFSA is considered an Investment. (2) Market share is calculated using most current data available from OSFI (M4), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA). OSFI, IFIC and Consumer Lending CBA data is at January 2015 and January 2014, Business Loans CBA data is at December 2014 and December 2013. Market share is of total Chartered Banks except for Business Loans which is of total 7 Banks (RBC, BMO, BNS, CIBC, TD, NBC, CWB). (3) Consumer Lending market share is of 6 banks (RBC, TD, CIBC, BMO, BNS and NA). Consumer Lending comprises residential mortgages (excluding acquired portfolios), personal loans and credit cards. (4) Mutual fund market share is per IFIC and is compared to total industry. (5) Business Loans market share is of the 7 Chartered Banks that submit to CBA on a quarterly basis. (6) Business Deposits market share excludes Fixed Term, Government and Deposit Taking Institution balances. (7) Peers include BMO, BNS, CIBC & TD; 2012 through 2014 reflects annual results while the peer average efficiency ratio for Q2/2015 represents the latest available period, Q1/2015.



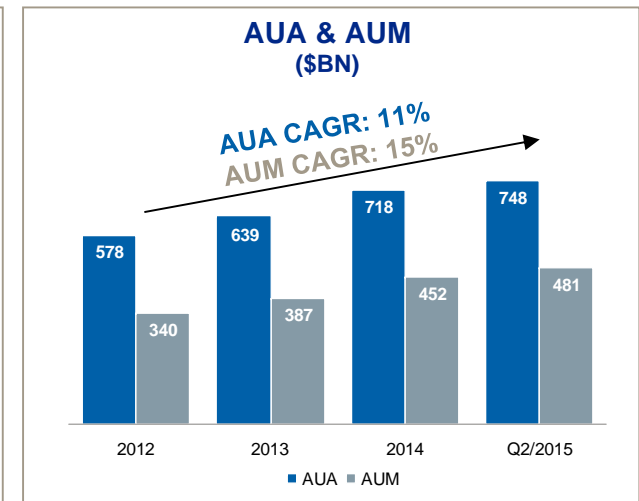
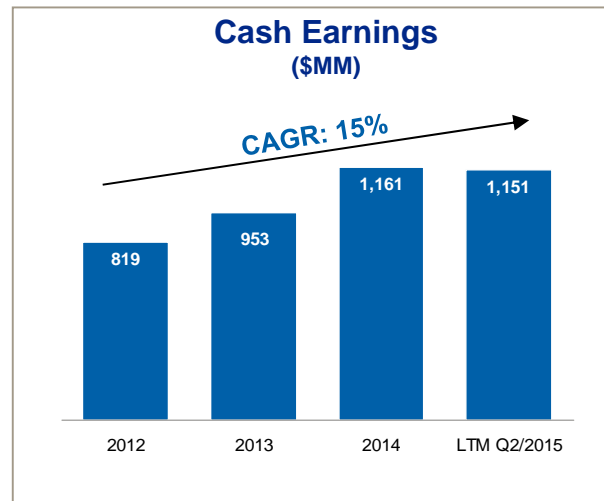
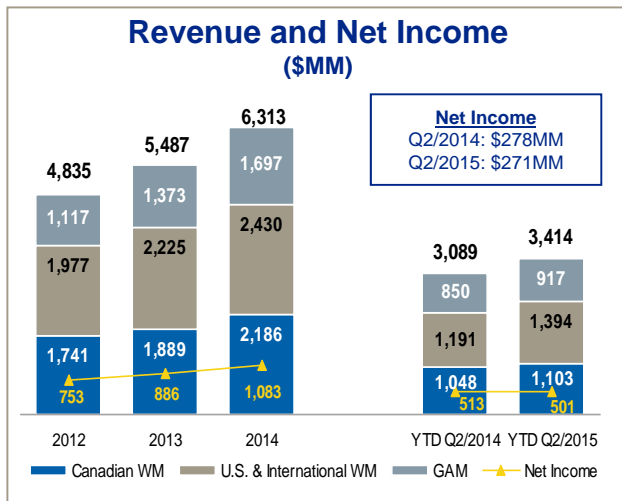
Wealth Management

Leveraging Canadian strengths to build global leadership

- Building a high performing global asset management business
- Focusing on HNW and UHNW client segments to extend our industry-leading share of HNW client assets in Canada and expand share globally
 - Driving strong advisor productivity as a leader in fee-based assets per advisor⁽¹⁾
 - Client assets at \$1.2 trillion in Q2/2015, a 10% YoY increase
 - Grew AUA by 11% and AUM by 15% since 2012 (CAGR)
 - Currently realigning our International Wealth businesses

Recent awards / rankings

- Top 5 Global Wealth Manager by assets (*Scorpio*)
- Best Private Banking Services Overall – Canada, Caribbean, Cayman Islands, Jersey (*Euromoney*)
- Outstanding Wealth Manager – Customer Relationship Service and Engagement (*Private Banker International*)
- Private Bank of the Year, Caribbean (*Citywealth International Financial Centre Awards*)
- Leading Canadian Private Bank; Best Wealth Structuring Offering (*Family Wealth Report Awards*)
- Wealth Planning Team of the Year (*Wealth Briefing European Awards*)
- Top 25 Most Admired Companies (*Private Client Practitioner*)
- Best Bank-owned Brokerage Firm in Canada (*International Executive Brokerage Report Card*)



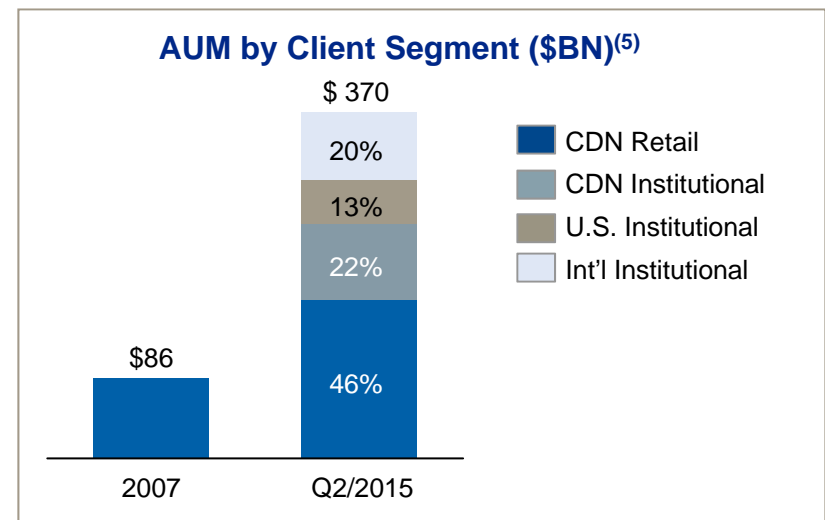
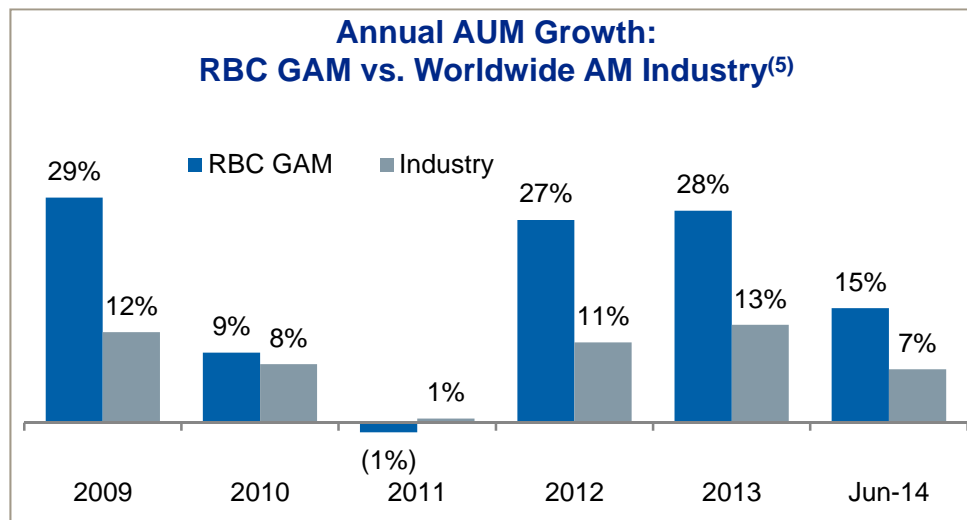
(1) Investor Economics Report published in April 2015.

HNW: High net worth; UHNW: Ultra-high net worth; AUA: Assets under administration; and, AUM: Assets under management.

Wealth Management – Global Asset Management

Building a high-performing global asset management business

- **Driving top-tier profitability in our largest Wealth Management business**
 - Over \$375BN in client assets, generating ~60% of RBC Wealth Management earnings on a full year basis
 - Investor asset mix of 45% Individual / 55% Institutional client assets
 - Top 5 global asset manager by assets⁽¹⁾
- **Extending our lead in Canada**
 - Largest fund company in Canada with 14.6% market share; leader in last twelve months of asset inflows⁽²⁾
 - Top quartile retail mutual fund performance, with 86% of AUM in 1st or 2nd quartile⁽³⁾
 - Third largest institutional pension asset manager in Canada⁽⁴⁾
- **Expanding our global solutions and capabilities**
 - Distribution strength in North America meeting with continued success offering differentiated international capabilities to our institutional clients
 - Bringing to market capability of global equities team hired in 2014

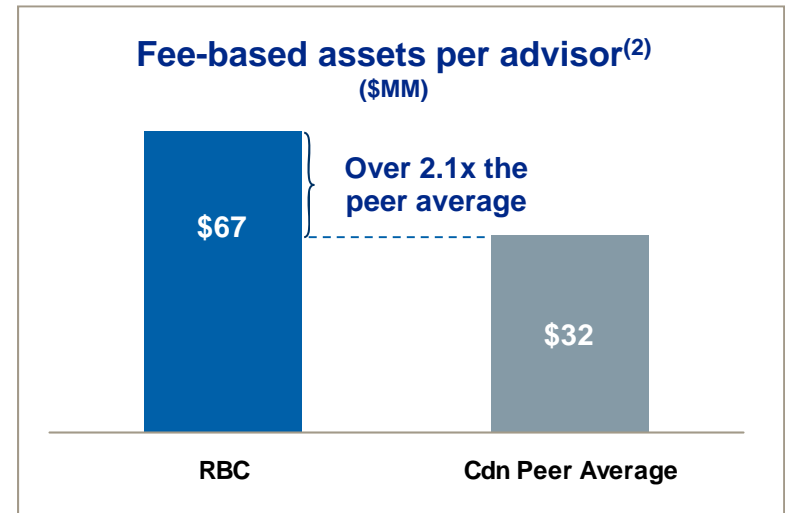


(1) 2014 Retail Banker International and Global Finance. (2) Investment Funds Institute of Canada (IFIC) as at March 2015 and RBC reporting. (3) As at April 2015. Based on a blended 1/3/5 year basis, gross of fees, against RBC Global Asset Management peer group. (4) Benefits Canada as at December 31, 2014. (5) Boston Consulting Group, McKinsey. AUM of RBC GAM acquisitions deducted in year of acquisition, and thereafter.

Wealth Management

Canada – Extending our industry leadership

- **Extending our #1 position**
 - Grew HNW market share by ~400 bps to 19% in the last four years⁽¹⁾ with momentum and anticipate reaching 20% market share by 2016
- **Maintaining profitable growth in a challenging market**
 - Generating ~30% of RBC Wealth Management earnings with strong pre-tax margin, highest among North American peers⁽³⁾
- **Driving strong advisor productivity**
 - Canadian leader in fee-based assets per advisor⁽¹⁾
 - Consistently driving revenue per advisor of over \$1.2MM per year, 42% above Canadian industry average⁽¹⁾
 - Competitive hires delivering strong new asset growth
 - Leveraging Enterprise linkages to continue to extend market share gains

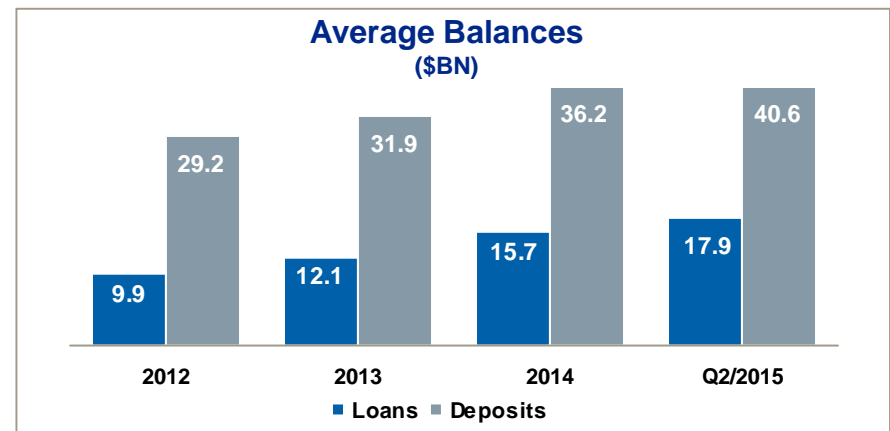


U.S. & International

- **United States**
 - Steadily increasing advisor productivity
 - Growing complementary distribution through successfully recruiting revenue producers and establishing new clearing relationships
 - Improving operational efficiencies and leveraging RBC's global capabilities to broaden our product offering
- **Outside North America**
 - Refocusing on UHNW and HNW client acquisitions from select markets where we have scale
 - Leveraging RBC's global capabilities (Global Asset Management and Capital Markets)
 - Optimizing our operating model to drive long-term performance

Loans⁽⁴⁾ & Deposits

- Strong growth in our credit and deposit taking businesses



(1) Investor Economics report on RBC's full wealth and investment offering in Canada, April 2015. (2) Investor Economics report, April 2015. (3) As per BCG Global Wealth Manager Benchmarking 2014, based on 2013 results. (4) Total average loans & acceptances.



Insurance

We provide a wide range of life, health, home, auto, travel and wealth accumulation solutions to individual and group clients across Canada and offer reinsurance solutions for clients globally

Improving distribution efficiency

- Delivering multi-line “insurance advice for your life” through an integrated product portfolio
- Strengthen profitability in all channels by increasing sales and managing expenses

Deepening client relationships

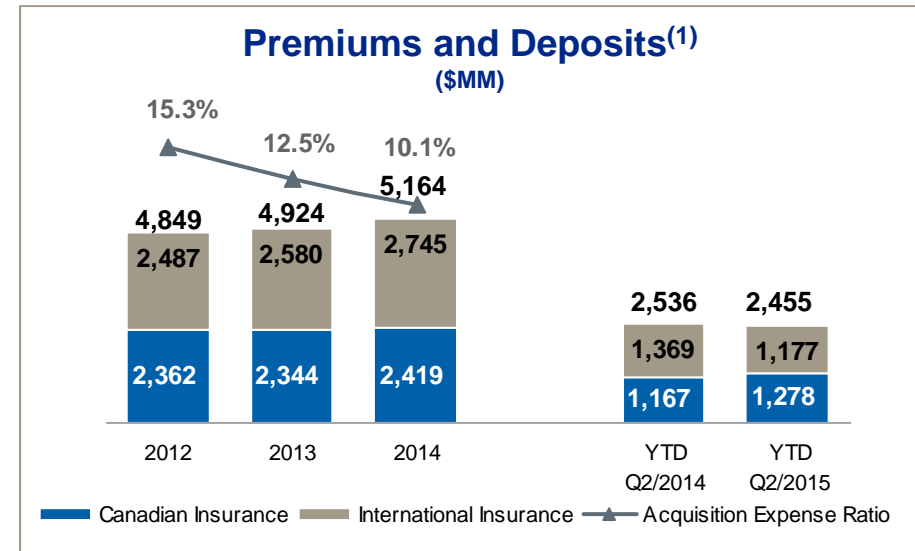
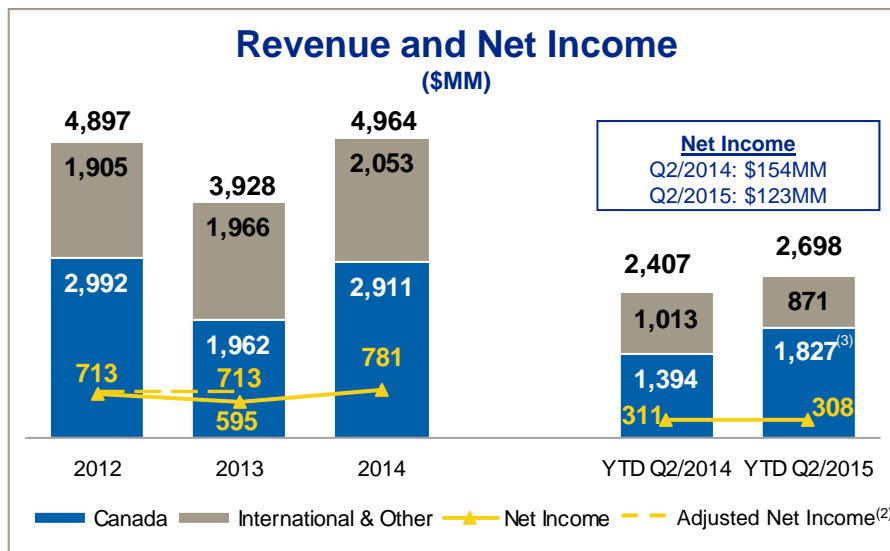
- Providing a comprehensive suite of RBC Insurance products and services through cross-sell strategies to continue to meet our clients’ unique insurance needs

Simplifying the way we do business

- Enhancing and streamlining all processes to ensure that clients find it easy to do business with us

Pursuing select international opportunities to grow our reinsurance business

- Pursuing niche opportunities, diversifying risks and growing our reinsurance business to generate stable and diversified earnings



(1) Acquisition Expense Ratio calculated as Total Acquisition Expense/Net Premiums. (2) Adjusted net income excludes a Q4/2013 charge of \$160MM (\$118MM after-tax) as a result of new tax legislation in Canada. This is a non-GAAP measure. For additional information, see slide 38. (3) YTD Q2/15 revenue included the net impact of the FV change (\$475MM) due to the decline in interest rates.

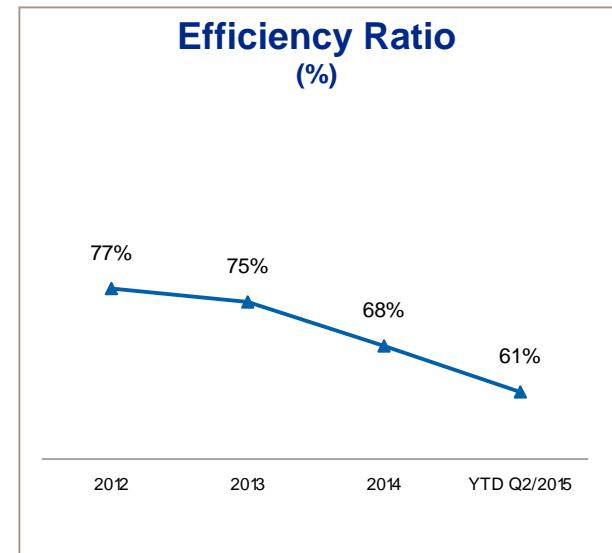
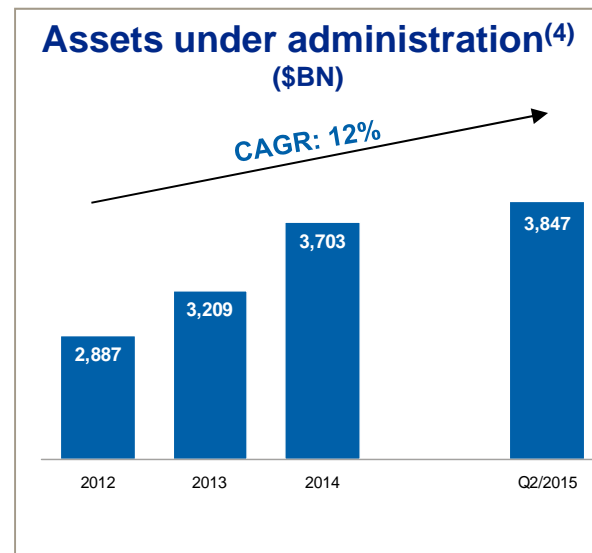
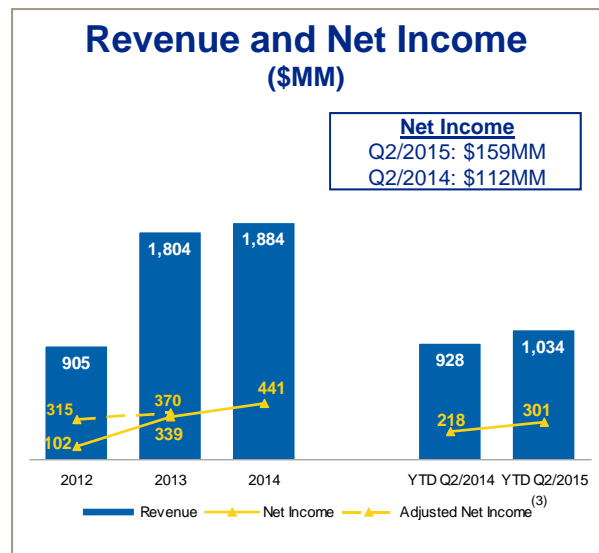
Investor & Treasury Services

Key businesses

- Specialist provider of asset services, custody, payments and treasury services for financial and other institutional investors worldwide
 - Top 10 global custodian by AUA
 - Awarded Best Custodian Overall, #1 Custodian in North America⁽¹⁾, #1 Custodian in Europe, and Transfer Agent of the Year⁽²⁾
- Canadian leader in cash management, correspondent banking and trade finance for financial institutions (processing >50% of all payments into Canada)
- Funding and liquidity management for RBC

Business objectives

- In Canada, to be the #1 provider of domestic custody, asset servicing and cash management services
- Compete in offshore domicile markets, as a leading provider of fund services from centers of excellence in Luxembourg and Ireland
- Maintain a selective presence in global markets, in support of Investor & Treasury Services' global offshore strategy
- Deliver operational excellence globally; providing best in class solutions with a continued focus on operating efficiency



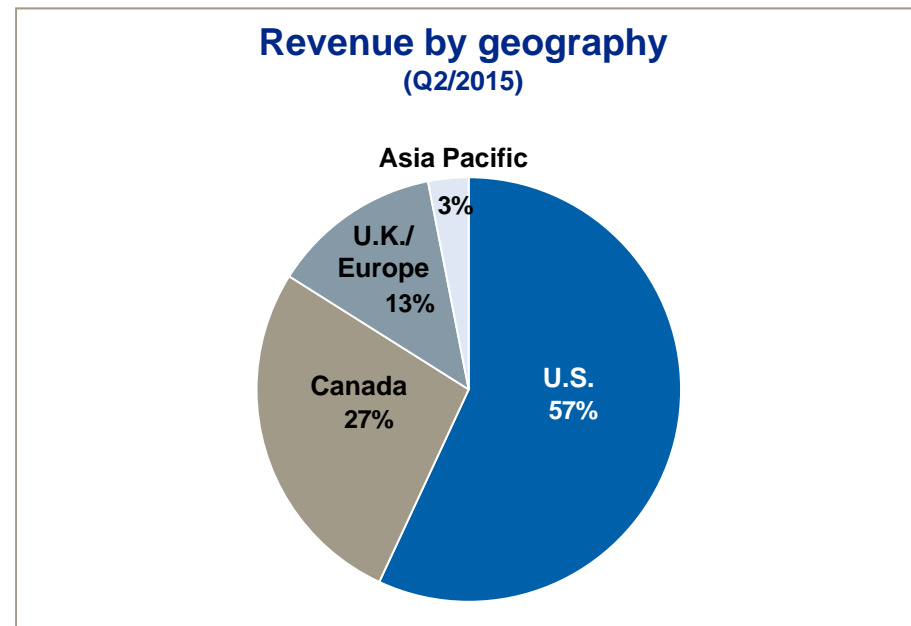
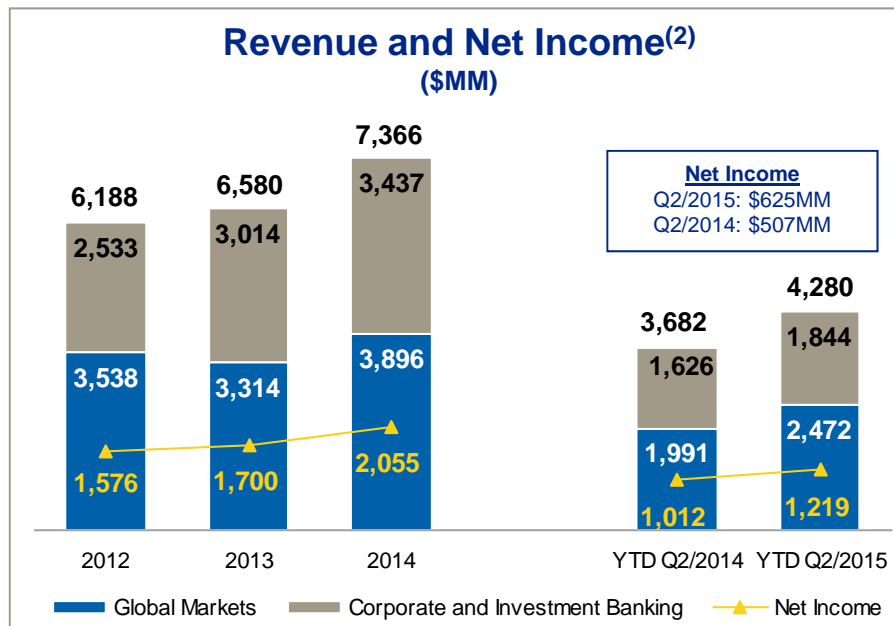
(1) Custody Risk European Awards 2014. (2) Global Investor/ISF magazine's Global Custody Survey 2014. (3) Adjusted net income excludes a loss of \$224MM (\$213MM after-tax) related to our acquisition of the remaining 50% stake of RBC Dexia in Q3/2012 and \$44 MM (\$31MM after-tax) related to the integration of Investor Services in Q2/2013. These are non-GAAP measures. For additional information, see slide 38. (4) Spot balances, as at April 30, 2015.

Capital Markets

A premier North American investment bank with select global reach

- Full suite of integrated Corporate and Investment Banking and Global Markets services
- Strategically positioned in the largest financial centers, covering 90% of global investment banking fee pool⁽¹⁾
- Top talent with expertise and track record of excellence

Canada	United States	U.K./Europe	Asia Pacific
Full suite of products and services across all sectors	Full service investment bank with equity and fixed income sales & trading	M&A advisory and origination in key sectors with fixed income, equity and FX sales & trading	Primarily distribution with select M&A advisory and origination



(1) Thomson Reuters Global Banking Review 2014. (2) Other Revenue not depicted on the graph, but included in Total Revenue and Net Income.

Capital Markets

Maintaining our leadership position in Canada

- Focus on long-term client relationships and leverage our strong cross-border capabilities
- Increase focus on cross-selling products and services, and winning through collaborative efforts

Expanding and strengthening client relationships in the U.S.

- Build on our momentum and leverage broader relationships and client investments to expand origination, advisory, and distribution
- Increase focus on deepening relationships with existing clients to drive cross-sell

Building on core strengths and capabilities in U.K./Europe and Asia Pacific

- Grow prudently by developing strong client relationships and selectively expanding geographic and sector coverage

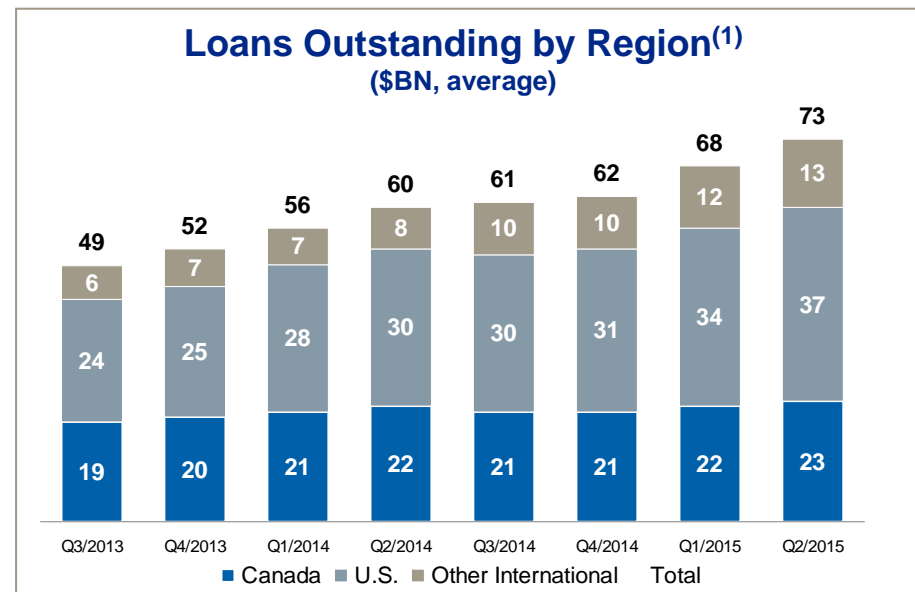
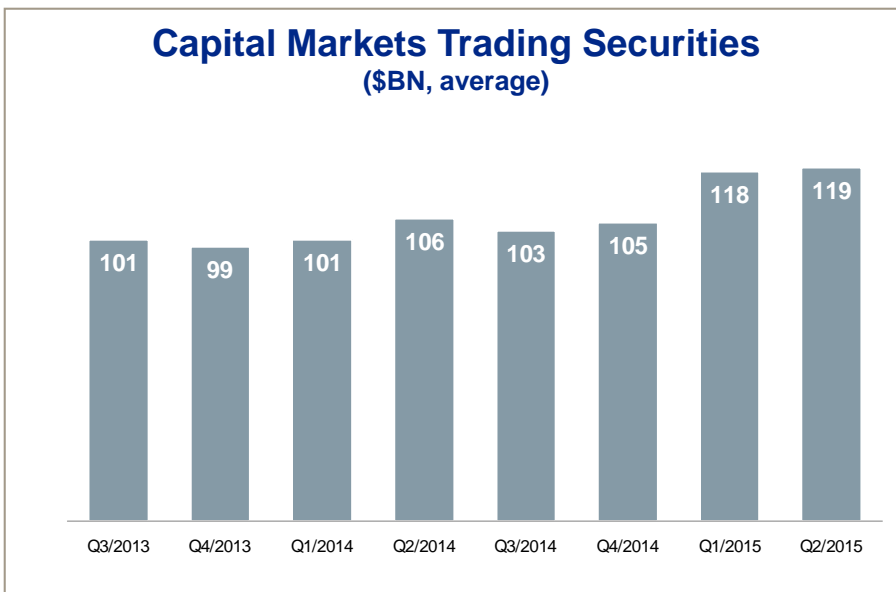
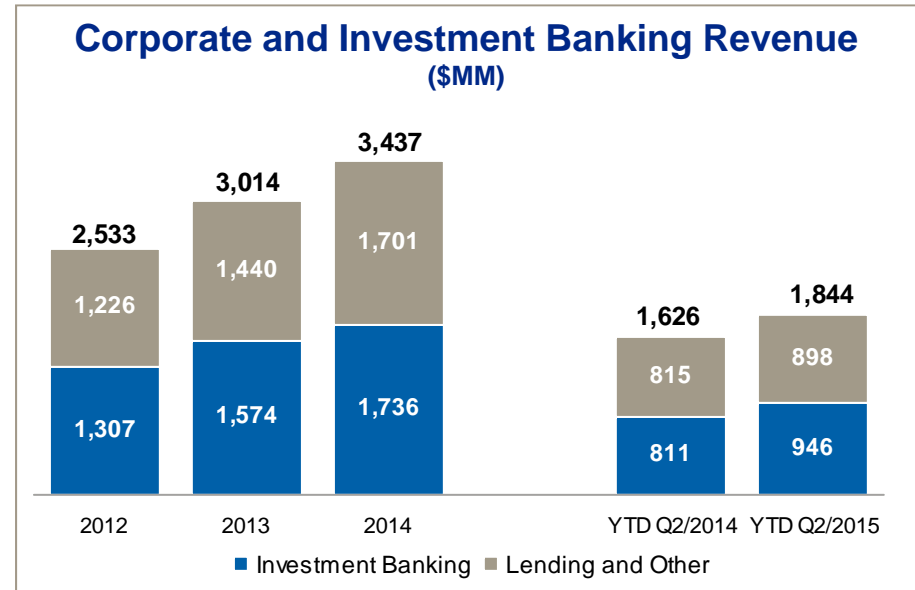
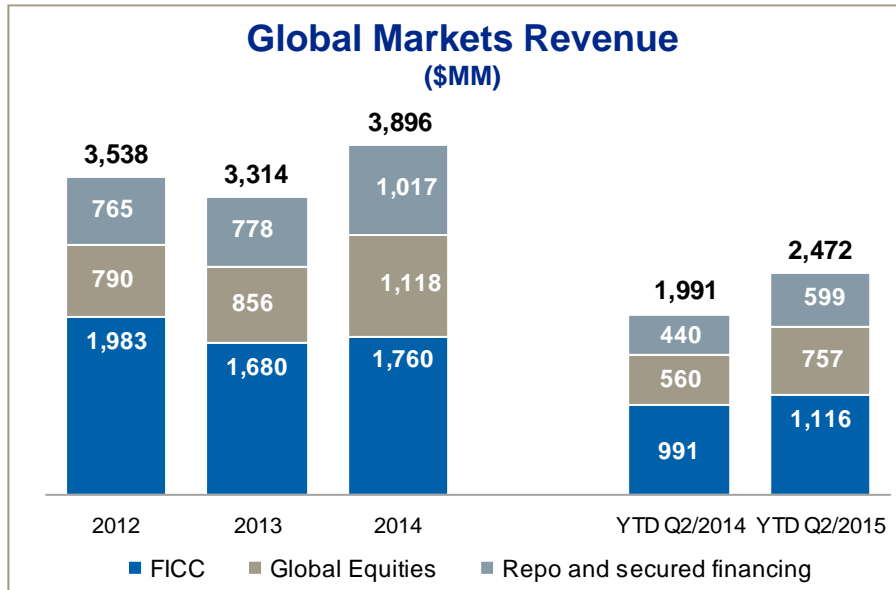
Optimizing capital use to earn high risk-adjusted returns on assets and equity

- Maintain mix between investment banking and lending revenue and trading revenue
- Maintain disciplined diligence on the risks and costs of our business

Recent awards / Rankings

- **11th largest by global investment bank fees** (*Thomson Reuters, 2014*)
- **Global #1 Trusted Investment Bank and #2 for Expertise and Skills** (*The Economist, 2014*)
- **Best Investment Bank in Canada across Equity, Debt and M&A** for 7th consecutive year (*Euromoney, 2014*)
- **Best Global Issuer, Covered Bonds** (*GlobalCapital – The Cover, 2014*)
- **Canadian Fixed Income Sales & Trading Quality Leader, Canadian Fixed Income Market Share Leader** (*Greenwich Associates, 2014*)
- **Leading Canadian Equities platform – ranked #1 in 2014 for Overall Trading Quality and #1 for Sales Quality** (*Greenwich Associates, 2015*)
- **Top Equity Research franchise in Canada – ranked #1 for five consecutive years** (*Brendan Wood International, 2014*)
- **Best Bank for Fixed Income Research and Strategy** (*Technical Analyst Awards, 2015*)

Capital Markets



(1) Average loans & acceptances, and 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.

Announced Acquisition of City National

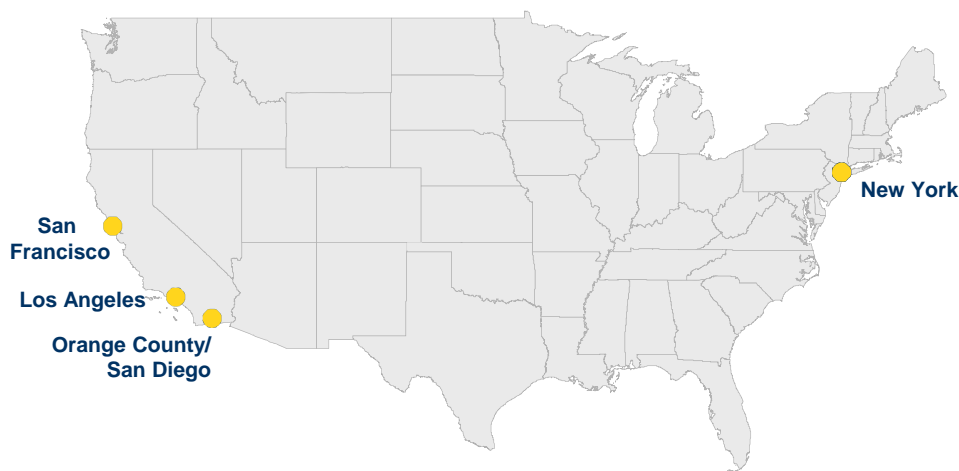
SECTION IV



City National enhances RBC's U.S. presence & accelerates growth



Branch-light footprint in key markets⁽¹⁾



Highlights

Assets	\$32BN ⁽²⁾
Purchase Price	Total transaction value of ~U.S.\$5.4BN at announcement ⁽³⁾ (C\$6.6BN) ⁽⁴⁾
Consideration	Approximately 50% cash / 50% share mix at announcement
City National Shareholder Vote	On May 27, 2015 common shareholders voted in favour of the deal

Aligns with RBC's strategic goals

- City National Corporation ("City National") enhances and complements RBC's presence in the U.S., our second home market
- Deep client relationships and sharp strategic focus on two highly attractive client segments:
 - *High net worth*: Combination of City National's private banking franchise and RBC's U.S. Wealth Management business creates a comprehensive platform to provide complete financial solutions to high net worth clients
 - *Commercial*: City National is a premier U.S. commercial bank with deep industry expertise and a natural strategic fit with RBC Capital Markets' top 10 investment bank ⁽⁵⁾

Premier U.S. private and commercial bank with wealth capabilities

- High-touch and branch-light client service model in key high growth markets
- Strong track record of growth with well diversified and high quality loan portfolio
- High-Attractive deposit franchise, well positioned for rising rates
- Fast growing wealth and asset management business
- Outstanding management and strong cultural fit

(1) Only core markets depicted; City National also has offices in Boston, Atlanta, Nashville, Las Vegas and Reno. (2) Company filings; As at September 30, 2014; Financials prepared in accordance with U.S. GAAP. (3) Based on RBC's closing price on January 21, 2015 (NYSE: \$62.16). (4) Based on an exchange rate of C\$1.23 per U.S. dollar (5) Thomson Reuters, 2014.

City National acquisition creates a powerful & scalable engine for growth in the U.S.



Expanding into U.S. private & commercial banking	<ul style="list-style-type: none">▪ Introducing City National's full suite of U.S. private and commercial banking products and services to RBC clients<ul style="list-style-type: none">– ~340,000 RBC U.S. Wealth Management households– ~204,000 RBC Canadian cross-border clients– ~88,000 RBC Canadian commercial clients
Enhancing U.S. wealth & asset management platform	<ul style="list-style-type: none">▪ Adding scale in wealth and asset management – Combined U.S.-based client assets of ~\$350BN<ul style="list-style-type: none">– Brings RBC's Wealth Management segment to over \$1.2 trillion in client assets globally▪ Expanding the distribution channels for RBC and City National wealth management products<ul style="list-style-type: none">– ~2,100 combined advisors▪ Accessing RBC Capital Markets' advisory, capital raising and risk management capabilities
Extending full commercial & corporate capabilities	<ul style="list-style-type: none">▪ Extending full commercial and corporate capabilities to City National's key industry verticals (entertainment, real estate, technology and healthcare)<ul style="list-style-type: none">– Vertical alignment allowing for greater depth▪ Leveraging RBC Capital Markets' market-leading platform into additional industry verticals for City National▪ Replicate RBC's successful Canadian referral model between Commercial Banking and Capital Markets with City National and RBC Capital Markets
Expense synergies	<ul style="list-style-type: none">▪ Consolidation of non-client facing infrastructure across City National, RBC Wealth Management and other RBC businesses▪ Achieving scale benefits in procurement, technology and other functional areas▪ Improving productivity via cross-sell and referrals
Deposit synergies	<ul style="list-style-type: none">▪ Ability to attract additional deposits from RBC Wealth Management and Capital Markets clients▪ Utilize low cost sweep balances from RBC U.S. Wealth Management as an additional competitive funding advantage to support future loan growth
Growth initiatives	<ul style="list-style-type: none">▪ Introducing City National's private and commercial banking solutions through RBC's U.S. Wealth Management advisor and client base▪ Leveraging RBC's platform and financial strength to increase City National's market penetration▪ Accelerating expansion into other new high-growth markets through an expanded network

Global Funding Strategy

SECTION V

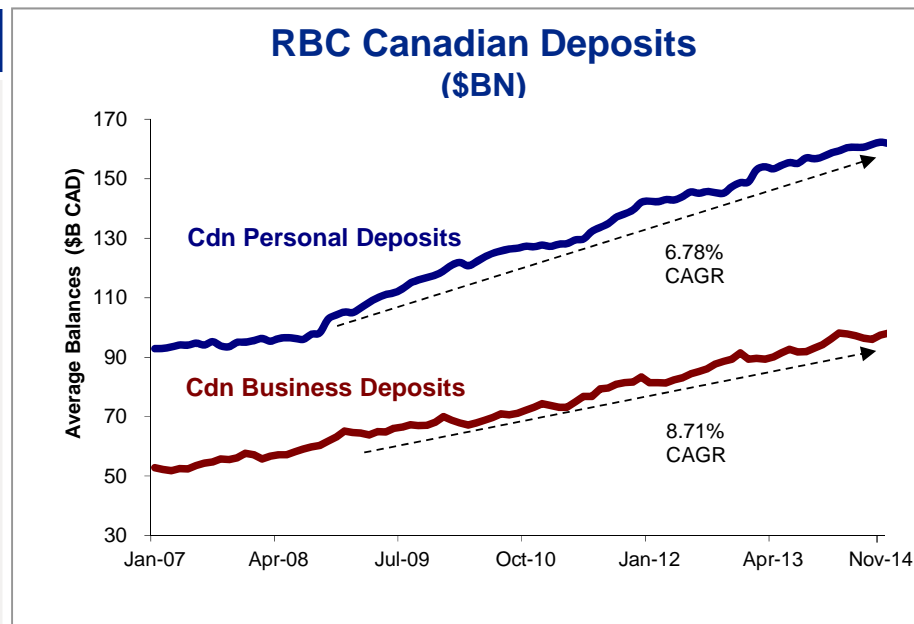


Strong deposit growth is a result of successful initiatives & strong distribution network



Gaining Canadian market share

- Initiated successful strategies to grow relationship deposit base
- Leveraging our Wealth Management network with targeted strategies and product development
- Canadian relationship deposits continue to grow at a faster pace than the market
- Between October 2010 and January 2015, our share of the Canadian personal deposit market has grown from 18.7% to 20.1%⁽¹⁾



Leveraging our international reach

- Strong deposit growth in our International Wealth Management and Investor Services platforms

RBC Relationship Deposits (\$BN)

	Oct 2010	Apr 2015
HISA ⁽²⁾	\$18	\$28
Advisory Channel Deposits ⁽³⁾	\$13	\$32
Other Personal Deposits	\$131	\$156
Business Deposits	\$131	\$190
Total Deposits	\$293	\$406

Leveraging the strength of our distribution channels

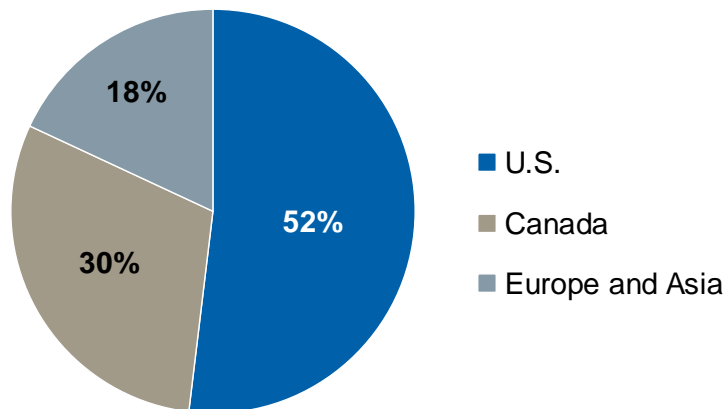
(1) Canadian deposit market is based on Canadian Banking personal deposits and Wealth Management advisory channel deposits. Source: OSFI (M4 report). (2) High Interest Savings Account; Includes CAD and USD deposits. (3) Sourced largely from RBC Wealth Management network.

Wholesale funding strategy

- Well diversified across products, currencies, investor segments and geographic regions
- Raise majority of funding in international markets to preserve significant domestic capacity which can be tapped in stressed market conditions
- Regular issuance in all major markets to promote investor engagement and secondary market liquidity
- Well balanced maturity profile that is reflective of the maturity profile of our asset base

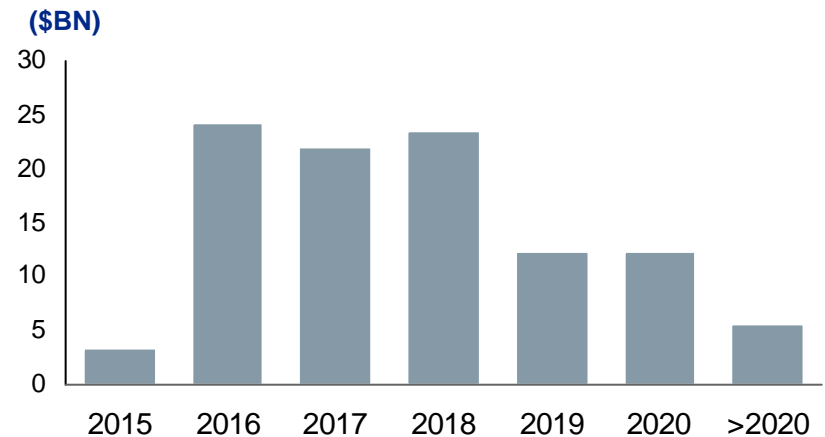
Diversified by Geography⁽¹⁾

April 30, 2015



Well Balanced Maturity Profile⁽¹⁾

April 30, 2015



Large retail deposit base complemented by well diversified wholesale funding mix

(1) RBC term unsecured and covered bonds.

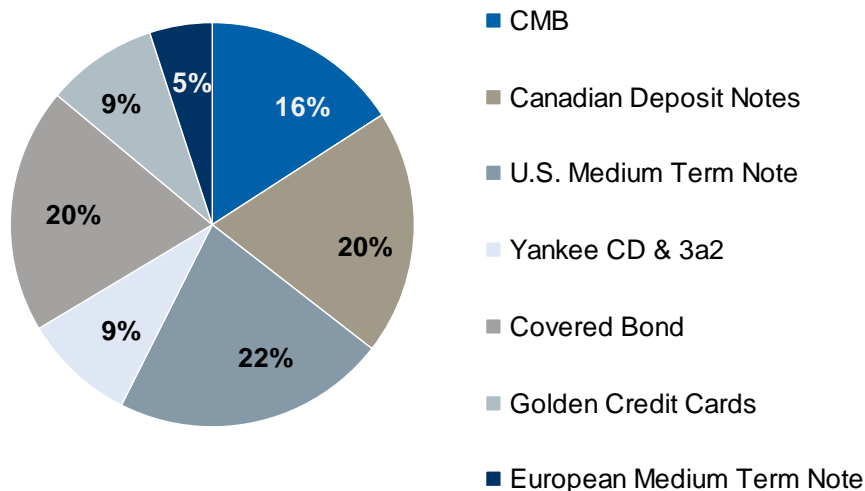
Well diversified wholesale funding platform

- Variety of programs allows for greater diversification and cost effectiveness

Canada	U.S.	Europe and Asia
<ul style="list-style-type: none"> Canadian Shelf (C\$15BN) Securitizations (Canadian mortgage bonds, NHA MBS⁽¹⁾ and credit cards) 	<ul style="list-style-type: none"> SEC Registered Shelf (US\$40BN) SEC Registered Covered Bonds (US\$12BN) 	<ul style="list-style-type: none"> European Debt Issuance Program (US\$40BN) Covered Bond Program (EUR 23BN) Japanese Issuance Programs (JPY 1 trillion)

Well Diversified by Product

April 30, 2015



Recent deals

- C\$2.2BN 5-year covered bond at Libor+36bps
- US\$500MM 2-year unsecured notes at Libor+20bps
- US\$1.4BN 5-year unsecured at Libor+52bps
- C\$2.25BN 7-year unsecured at Libor+52bps
- US\$2BN 5-year covered bond at Libor+44bps
- A\$1.2BN 5-year unsecured bond at Libor+65bps
- A\$750MM 5-year covered bond at Libor+24bps

(1) National Housing Act Mortgage Backed Securities.

RBC Covered Bond Program

Globally Active

- Active program in five different currencies: EUR, CAD, USD, CHF and AUD
 - C\$28BN currently outstanding

- Six benchmark transactions since January 2014

C\$2.2BN 5-year	EUR 1.0BN 5-year
US\$2.0BN 5-year	US\$2.0BN 5-year
US\$1.75BN 5-year	A\$750MM 5-year

Strong Issuer

- Largest Canadian bank by market capitalization
- Strong credit ratings
- Well capitalized and consistent historical profitability
- Well diversified business mix

Canadian Legislative Changes



- New Canadian legislation protects claims of covered bond investors and overrides any other conflicting law related to bankruptcy and insolvency
 - Extensive regulatory oversight and pool audit requirements
 - Mandatory property value indexation

U.S. Registration



- U.S. covered bond program is SEC registered
 - Issued US\$11.5BN across six deals since September 2012
 - Index eligible and Trace eligible

Canadian Housing Market

SECTION VI





Structural backdrop to the Canadian housing market

	Canada ⁽¹⁾	U.S. ⁽¹⁾
Regulation	<ul style="list-style-type: none"> Government influences mortgage underwriting policies through control of insurance eligibility rules Fully insured if loan-to-value (LTV) is over 80% <ul style="list-style-type: none"> Must meet 5-year fixed rate mortgage standards Government-backed, on homes under \$1MM Down-payment over 20% on non-owner occupied properties CMHC recently announced mortgage loan insurance premiums will rise by ~15% for new mortgages with LTV over 90% Re-financing cap of 80% on non-insured 	<ul style="list-style-type: none"> Agency insured only if conforming and LTV under 80% No regulatory LTV limit – can be over 100% Not government-backed if private insurer defaults
Consumer Behaviour	<ul style="list-style-type: none"> Mortgage interest not tax deductible Greater incentive to pay off mortgage 	<ul style="list-style-type: none"> Mortgage interest is tax deductible Less incentive to pay down mortgage
Lender Behaviour	<ul style="list-style-type: none"> Strong underwriting discipline; extensive documentation Most mortgages are held on balance sheet Conservative lending policies have historically led to low delinquency rates 	<ul style="list-style-type: none"> Wide range of underwriting and documentation requirements Most mortgages securitized
Lenders Recourse	<ul style="list-style-type: none"> Ability to foreclose on non-performing mortgages, with no stay periods Full recourse against borrowers⁽²⁾ 	<ul style="list-style-type: none"> Stay period from 90 days to one year to foreclose on non-performing mortgages Limited recourse against borrowers in key states

(1) Current regulation and lenders recourse. (2) Alberta has some limited restrictions on full recourse.

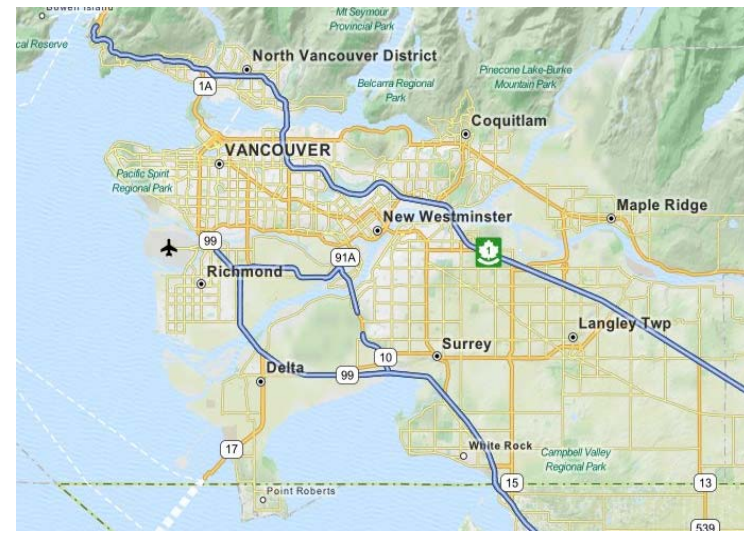
The Toronto and Vancouver downtown condo markets

- Undeveloped land around Toronto / Vancouver is limited, causing shift to centralized condo housing
 - ‘Green belt’ surrounding Toronto has limited urban sprawl and increased demand for condos in the core
 - Vancouver is restricted in its ability for urban sprawl due to land constraints away from the city centre
- Canada has one of the highest per capita rates of permanent immigration in the world⁽¹⁾
 - 20.6% of Canada’s population is foreign born (6.8 million), highest proportion among the G8 nations⁽¹⁾
 - 60% of all new immigrants to Canada move to Toronto, Vancouver or Montreal⁽¹⁾
- RBC’s exposure to condo development is limited – about 2% of our total commercial loan book⁽²⁾
 - Condo exposure is 9.7% of our Canadian residential mortgage portfolio⁽³⁾

“Green belt” surrounding Greater Toronto area

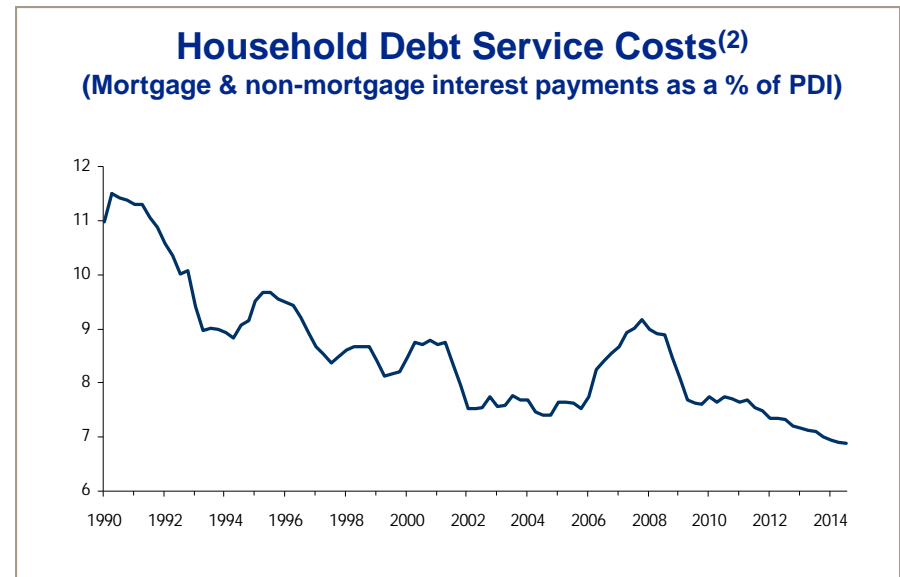
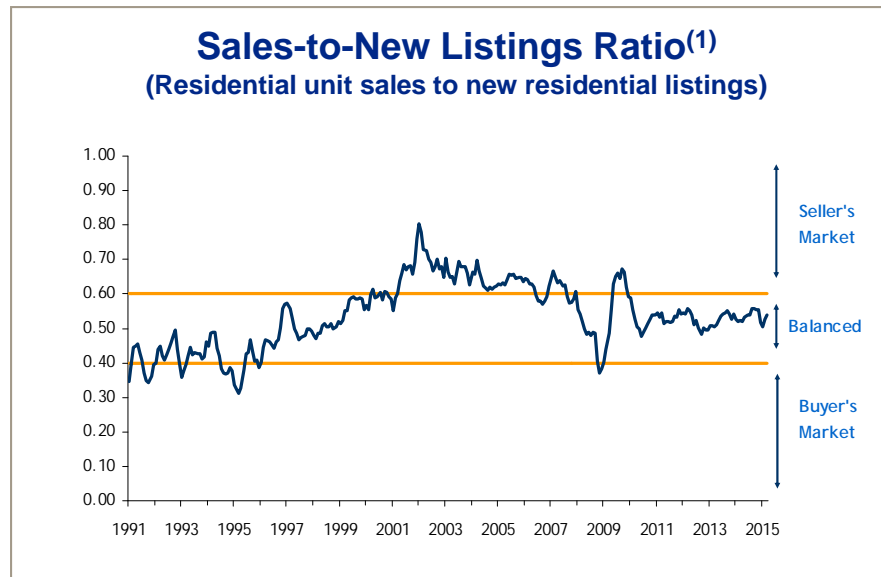


Vancouver limited by mountains, sea, U.S. border



Canadian housing market fundamentals remain sound

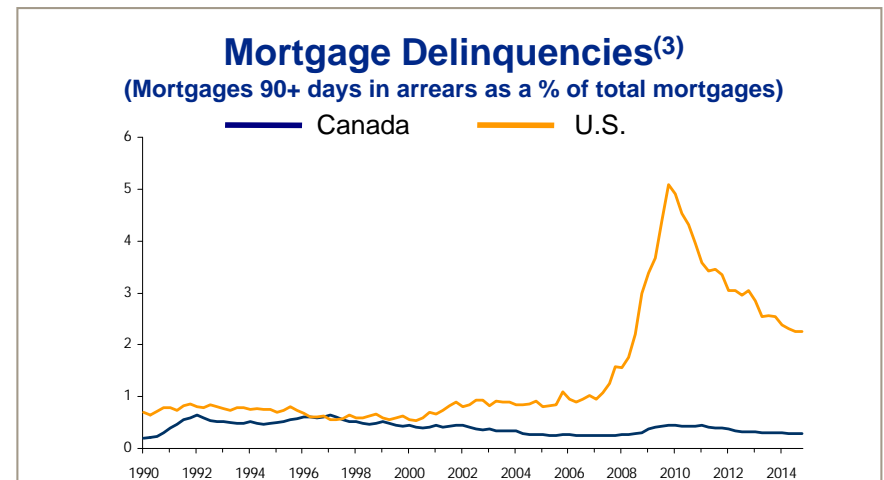
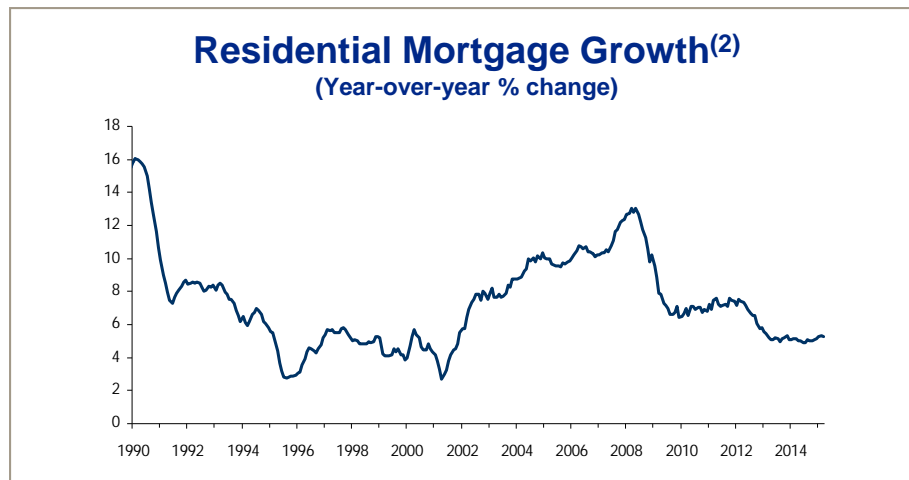
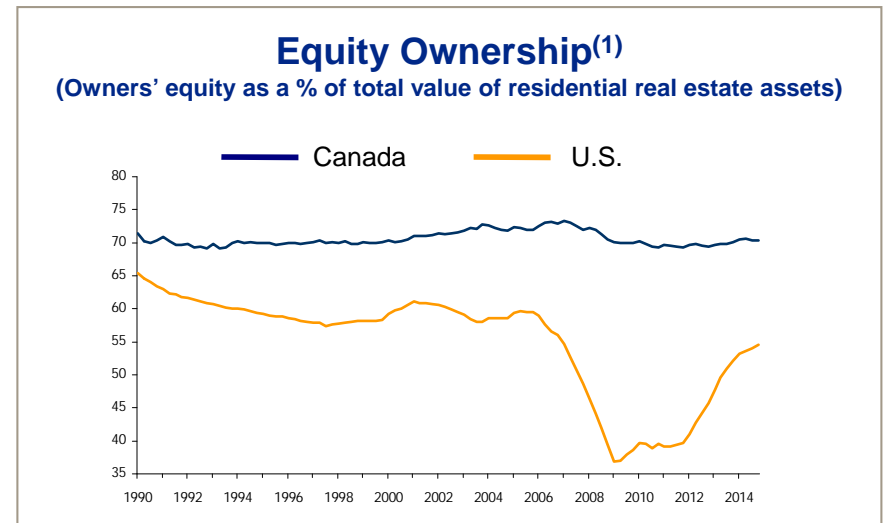
- Balanced demand-supply conditions continue to prevail in the vast majority of markets in Canada
- Housing affordability is at reasonable levels across Canada with pressure concentrated in a few local markets
- Steady population growth, household income gains and low interest rates are supporting balanced conditions
 - Policy measures promote a healthy housing market
- A slowdown in housing market activity in oil-producing provinces (Alberta, Saskatchewan) should be offset by strength in other regions of the country (net oil consumers)
- Over the forecast horizon, we remain of the view that an erosion of housing affordability on account of rising interest rates will weigh on overall housing activity, which is expected to gradually ease to lower, more sustainable levels
- Household debt service cost ratios remain historically low, with little movement towards higher risk
- Lenders maintaining strong underwriting discipline and require extensive documentation
 - Most mortgages being held on balance sheet and conservative lending policies have led to low delinquency rates



(1) Canadian Real Estate Association, RBC Economics Research. (2) Statistics Canada, RBC Economics Research. PDI: Personal Disposable Income.

Canadians have significant equity ownership in their homes

- Canadians carry a significant and stable amount of equity in their homes
- The pace of mortgage accumulation has stabilized to a more sustainable range of growth
- Mortgage delinquency rates remain low in Canada and have been stable throughout recent credit cycles
- RBC monitors its residential mortgage and broader retail portfolios closely and performs stress tests for dramatic movements in house prices, GDP, interest rates and unemployment rates





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, earnings in Q2/2015 excluding a specified item related to the release of foreign currency translation adjustment (CTA) that was previously booked in other components of equity, as well as specified items related to sale of RBC Jamaica as previously announced in Q1/2014, and provisions related to post-employment benefits and restructuring charges in the Caribbean, 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 Q2/2015 Report to Shareholders and 2014 Annual Report.

Definitions can be found under the “Glossary” sections in our Q2/2015 Supplementary Financial Information and our 2014 Annual Report.

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