Royal Bank of Canada Investor Presentation

Q1/2019

All amounts are in Canadian dollars unless otherwise indicated and are based on financial statements prepared in compliance with International Accounting Standards 34 *Interim Financial Reporting*, unless otherwise noted. Our Q1 2019 Report to Shareholders and Q1 2019 Supplementary Financial Information are available on our website at rbc.com/investorrelations.

Caution regarding forward-looking statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. We may make forward-looking statements in this presentation, in other filings with Canadian regulators or the SEC, in reports to shareholders, and in other communications. Forward-looking statements in this document include, but are not limited to, statements relating to our financial performance objectives, vision 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, as well as 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 2018 Annual Report and the Risk management section of our Q1 2019 Report to Shareholder; including global uncertainty, Canadian housing and household indebtedness, information technology and cyber risk, regulatory changes, digital disruption and innovation, data and third party related risks, climate change, 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.

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 Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook headings in our 2018 Annual Report, as updated by the Economic, market and regulatory review and outlook section of our Q1 2019 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 sections of our 2018 Annual Report and the Risk management section of our Q1 2019 Report to Shareholders.

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

About RBC

The RBC story

Diversified business model with leading client franchises	▪ Well-diversified across businesses, geographies and client segments ▪ Able to capitalize on opportunities created by changing market dynamics and economic conditions ▪ Wide breadth of products and capabilities to meet our clients' financial needs and build deep, long-term relationships
Market leader with a focused growth strategy	▪ Market leader in Canada and one of the largest financial institutions globally(1) ▪ Clear strategy for continued long-term growth in Canada, the U.S. and select global markets
Financial strength underpinned by prudent risk and cost management	▪ Track record of earnings and dividend growth while maintaining a disciplined approach to risk and cost management ▪ Credit ratings amongst the highest globally ▪ Strong capital position and a high quality liquid balance sheet
Innovation is in our DNA	▪ Long history of innovation and proven ability to adapt to industry trends ▪ Investments in technology allow us to drive efficiencies and deliver an exceptional client experience ▪ Focused on simplifying, digitizing and personalizing our products to make it easier for clients and employees to do business and lower costs
Leading Corporate Citizen	▪ Listed in the Bloomberg Gender Equality Index for 3rd consecutive year, obtaining the top-rank amongst Canadian peers in 2019 ▪ Through RBC's Employee Giving Campaign during Q1/2019, 23,000 Canadian employees & retirees raised $19.5 million to support over 4,000 community organizations ▪ RBC Capital Markets announced a new Sustainable Finance Group that will work closely with the growing number of clients who value ESG(2) information in their corporate strategy and investment decision-making process ▪ Through RBC Future Launch, we introduced RBC Upskill™, a highly personalized career tool that helps youth take stock of career-relevant skills

(1) Based on market capitalization as of January 31st, 2019. (2) Environmental, Social and Governance

Market leader with a focused strategy for growth

Largest in Canada[1]

A market leader across all key businesses

Top 15 Globally[1]

One of the 15 largest global banks by market capitalization with operations in 35 countries

16 Million+ Clients

Served by 84,000+ employees worldwide

Purpose

Help clients thrive and communities prosper

Vision

To be among the world's most trusted and successful financial institutions

Strategic Goals

In Canada: To be the undisputed leader in financial services

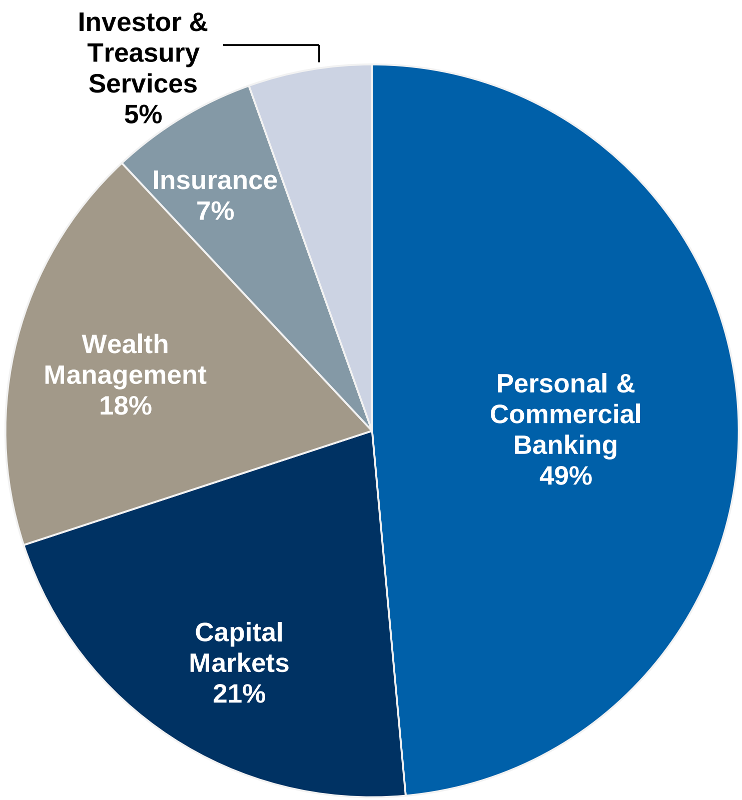
In the United States: To be the preferred partner to corporate, institutional and high net worth clients and their businesses

In Select Global Financial Centres: To be a leading financial services partner valued for our expertise

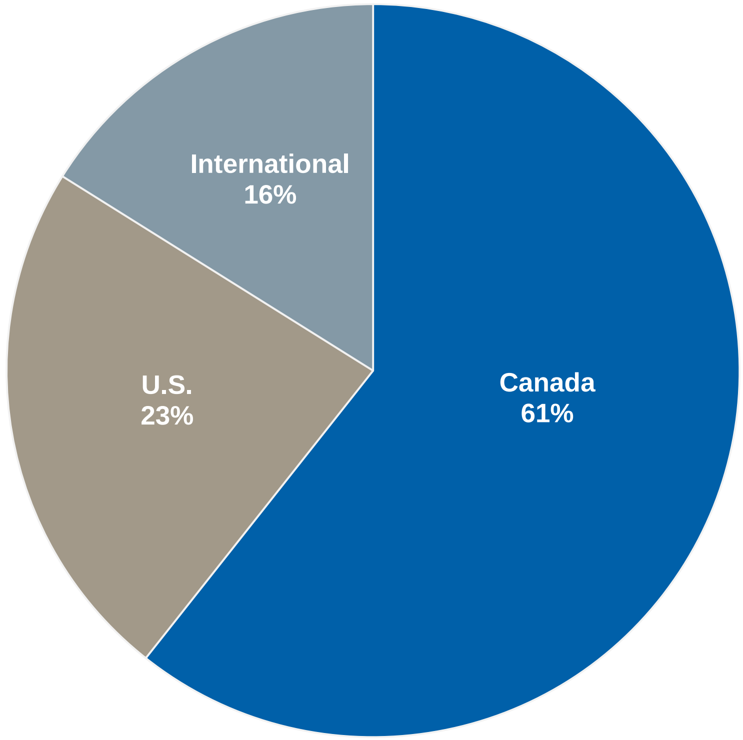
(1) Based on market capitalization as at January 31, 2019.

Diversified business model with client leading franchises

Earnings by Business Segment[1]
Latest twelve months ended January 31, 2019



Revenue by Geography[1]
Latest twelve months ended January 31, 2019



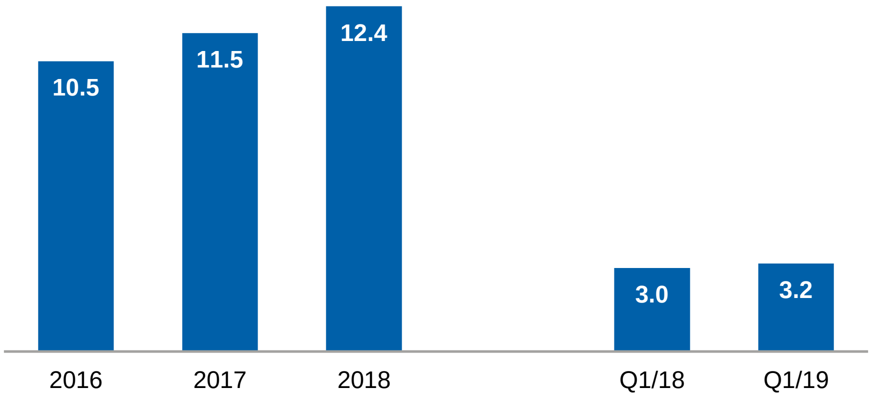
(1) Amounts exclude Corporate Support. These are non-GAAP measures. For more information, refer to Results by business segment section of our 2018 Annual Report.

Strong financial profile

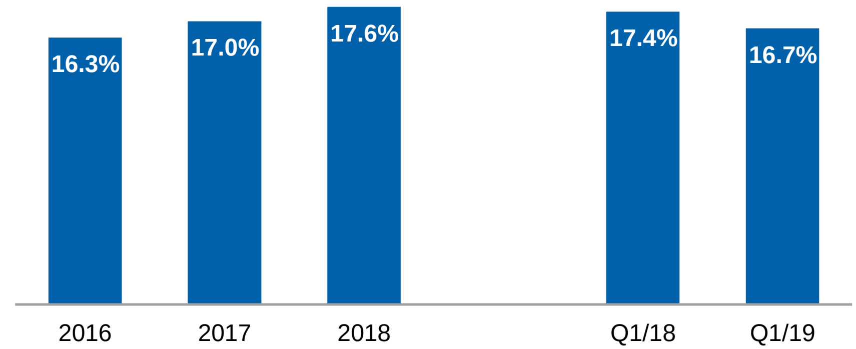
Consistent earnings growth and solid ROE while maintaining a strong capital position with a disciplined approach to risk

Consistent Earnings Growth

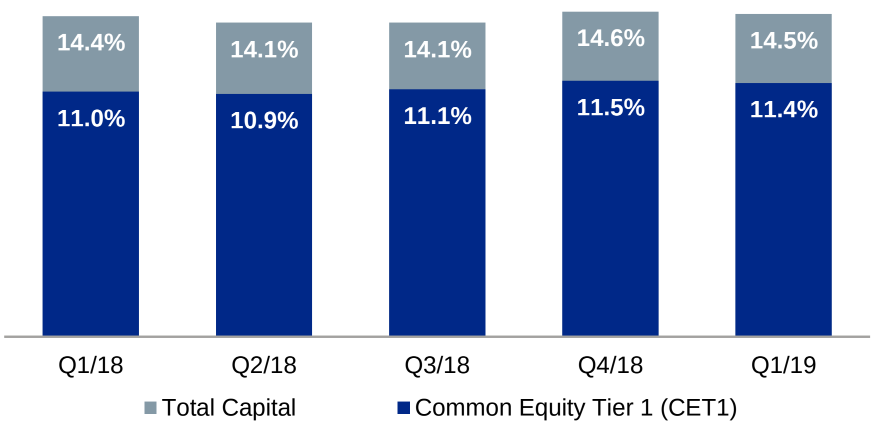
Net income ($ billions)



Strong Return on Equity[1]



Strong Capital Position



Strong Leverage and Liquidity Ratios

- **Leverage Ratio** **4.3%**
- **Liquidity Coverage Ratio** **128%**

Credit Ratings Amongst the Highest Globally

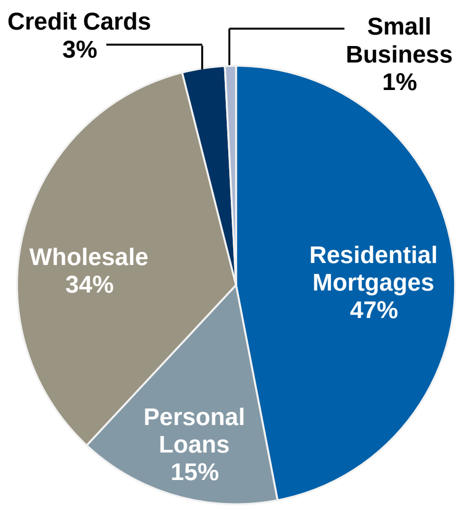
	Moody's	S&P	DBRS	Fitch
Legacy senior long-term debt[2]	**Aa2**	**AA-**	**AA**	**AA**
Senior long-term debt[3]	**A2**	**A**	**AA (low)**	**AA**
Outlook	*Stable*	*Stable*	*Positive*	*Stable*

(1) Return on Equity (ROE). This measure does not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section of Q1 2019 Report to Shareholders.(2) Includes senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018 which is excluded from the Canadian Bank Recapitalization (Bail-in) regime (ratings as of February 21, 2019). (3) Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Bail-in regime (ratings as of February 21, 2019).

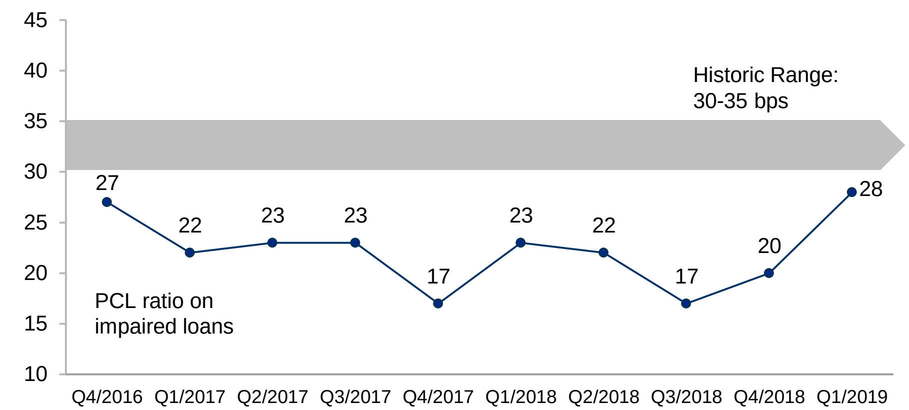
Prudent risk management

A disciplined approach and diversification have driven stable credit trends

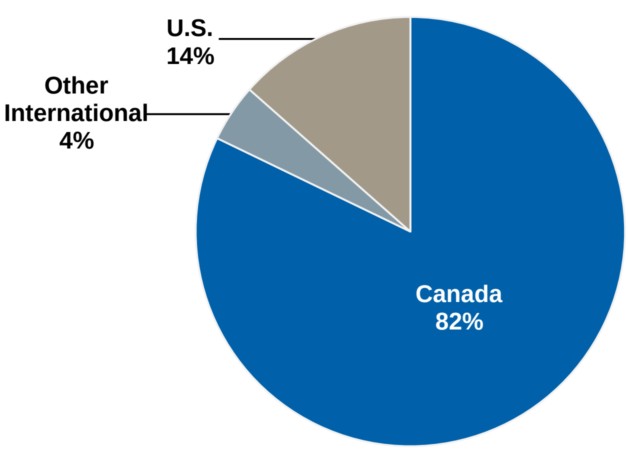
Loan Book Diversified by Portfolio(1)



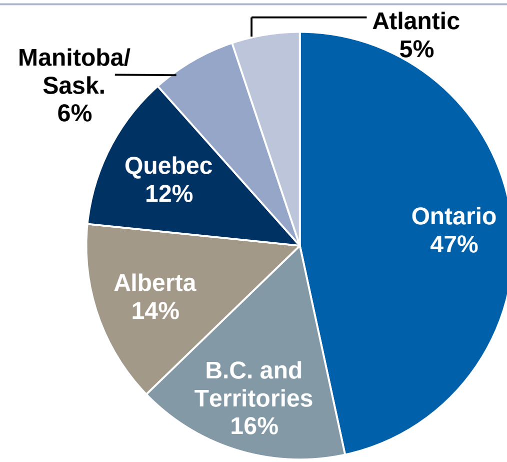
PCL Ratio on Impaired Loans(2) (bps)



Breakdown by Region of Total Loans and Acceptances(1)



Breakdown of Canadian Total Loans and Acceptances(1)



(1) Loans and acceptances outstanding as at January 31, 2019. Does not include letters of credit or guarantees. (2) Effective November 1, 2017, we adopted IFRS 9, which introduced a three-stage expected credit loss impairment model that differs significantly from the incurred loss model under IAS 39. Stage 3 allowances are held against impaired loans and effectively replace the allowance for impaired loans under IAS 39. Provision for Credit Losses (PCL) ratio is PCL as a percentage of average loans & acceptances (annualized).

History of delivering value to our shareholders

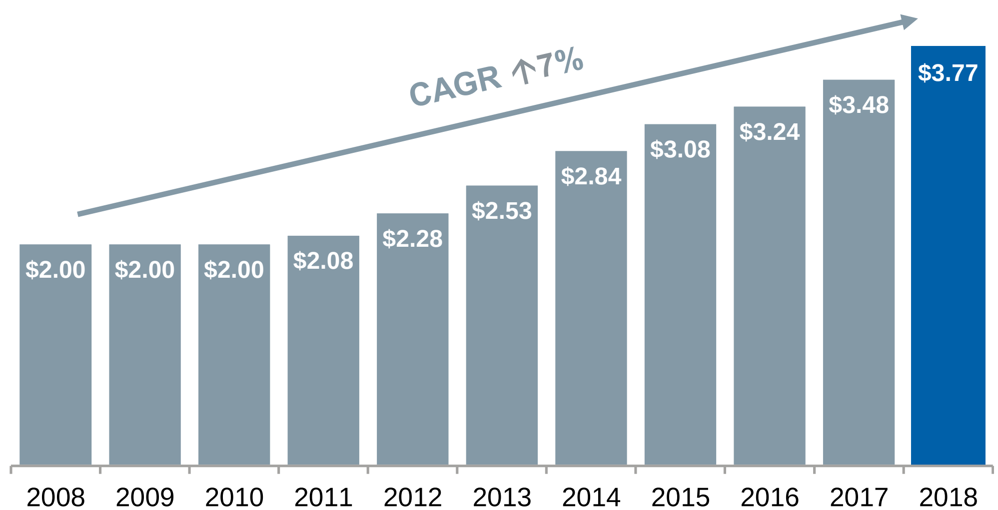
Financial performance objectives measure our progress against our goal of maximizing total shareholder returns

Medium-Term Financial Performance Objectives	
Diluted EPS Growth	7%+
Return on Equity	16%+
Capital Ratios (CET1)	Strong
Dividend Payout Ratio	40% - 50%

Achieved Solid TSR(1) Performance

	RBC	Peer Average
3 Year	16%	11%
5 Year	12%	9%
10 Year	17%	14%

Strong Dividend Growth(2)



(1) Annualized TSR is calculated based on the TSX common share price appreciation plus reinvested dividend income. Source: Bloomberg, as at January 31st, 2019. RBC is compared to our global peer group. The peer group average excludes RBC; for the list of peers, please refer to our 2018 Annual Report. (2) Dividends declared per common share. Our current quarterly dividend is $1.02.

Business Segments

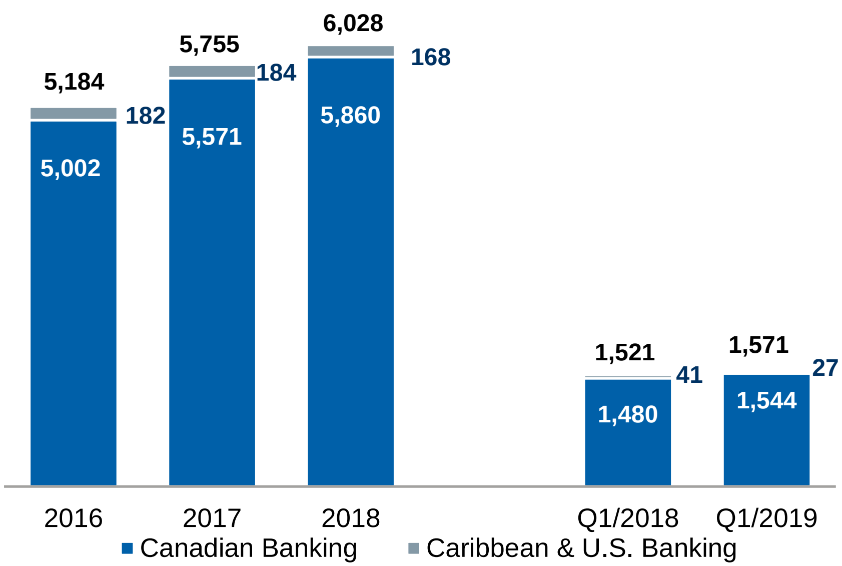
Personal & Commercial Banking

- The financial services leader in Canada
  - #1 or #2 market share in all key product categories
  - Most branches and one of the largest mobile sales network across Canada
  - Superior cross-sell ability
- In 16 countries and territories in the Caribbean
  - 2nd largest bank by assets[1] in English Caribbean
- Innovative direct banking to U.S. cross-border clients
- Ongoing investment to digitize our banking channels

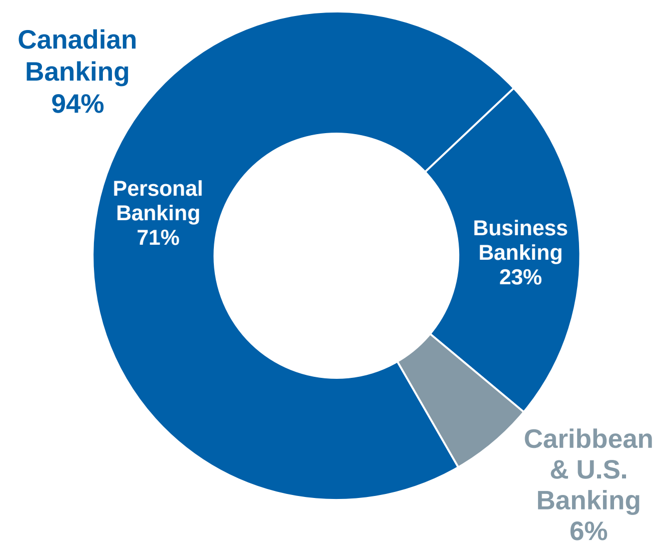
Q1/2019 Highlights

Clients (MM)	13.0+
Branches	1,263
ATMs	4,495
Active Digital (Online and Mobile) Users[2] (MM)	6.8
Employees (FTE)	35,000+
Net Loans & Acceptances[1] ($BN)	438.1
Deposits[1] ($BN)	382.2
AUA[1] ($BN)	264.0

Net Income ($ millions)



Revenue by Business Line[3]



(1) Based on average balances. (2) This figure represents the 90-day active customers in Canadian Banking only. (3) For the quarter ended January 31st, 2019.

Personal & Commercial Banking – Canadian Banking

Strategic Priorities: *Building A Digitally-Enabled Relationship Bank™*

Transform How We Serve Our Clients	▪ Make it easier for clients to access products and services digitally ▪ Create capacity and capability to focus on advice, complex servicing and sales, and problem resolution ▪ Focus on innovating our branch network
Accelerate Client Growth	▪ Grow commercial market share through industry-specific credit strategies ▪ Target high-growth retirement segment and business succession planning ▪ Continue to increase client acquisitions including key segments: high net worth, newcomers and students and young adults while deepening existing client relationships
Rapidly Deliver Digital Solutions	▪ Continue to deliver leading digital capabilities and functionality through our award-winning mobile app ▪ Create partnerships to innovate, making it easier to bank with RBC ▪ Invest in research and development to understand and meet rapidly changing client expectations
Innovate to Become a More Agile and Efficient Bank	▪ Accelerate investments to simplify, digitize and automate for clients and employees ▪ Change or eliminate products and processes that do not add economic or client value ▪ Invest in employees to enhance digital, agile and change capabilities

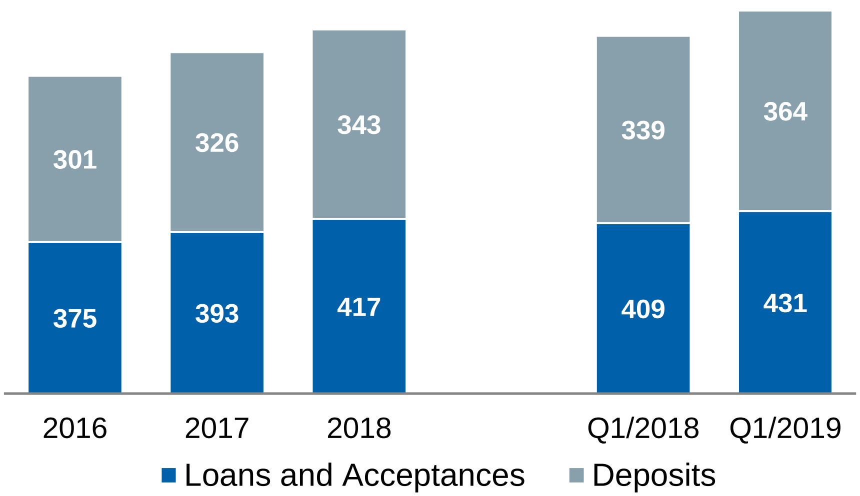
Recent Awards

Highest in Customer Satisfaction Among the Big Five Retail Banks for the 3rd consecutive year(1), Highest in Customer Satisfaction Among Mobile Banking Apps for the 2nd consecutive year(1)	RETAIL BANKER INTERNATIONAL **North American Retail Bank of the year & Best Customer Facing Technology for MyAdvisor(2)**	CELENT MODEL BANK **NOMI Insights and NOMI Find & Save won the Personal Financial Experience category; RBC's digital employee activation strategy won in Employee Productivity category(3)**	DIGITALFINANCE INSTITUTE **Financial Institution of the Year for the 2nd consecutive year(4) at the Canadian FinTech & AI Awards**

(1) J.D. Power, 2018. (2) Retail Banker International, 2018. (3) Celent Model Bank, 2018. (4) Digital Finance Institute, 2018.

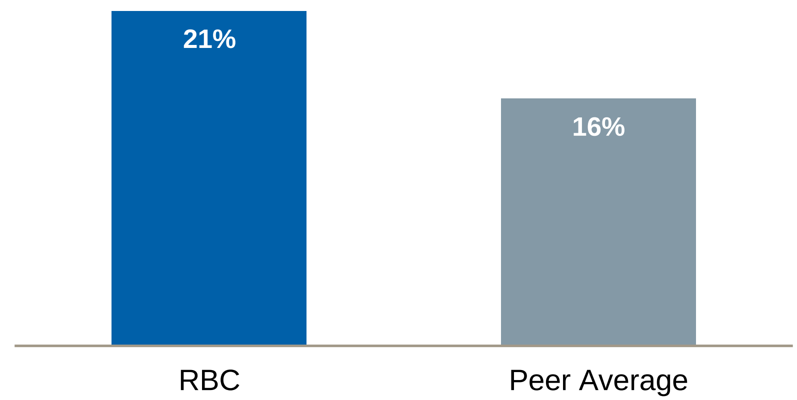
Personal & Commercial Banking – Canadian Banking

Solid Volume Growth ($ millions)[1]



Superior Cross-Sell Ability

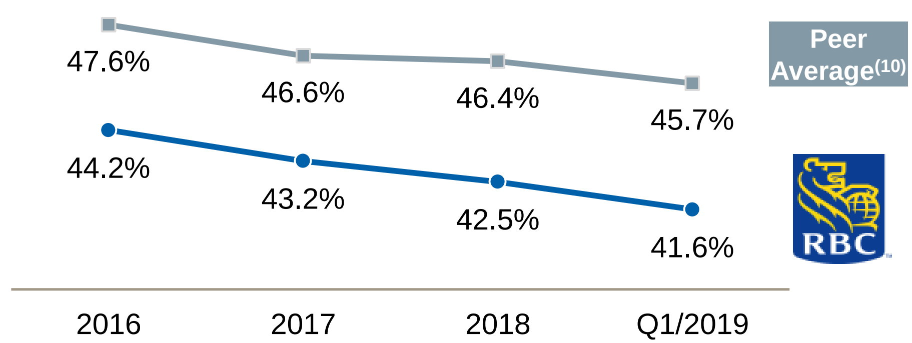
Percent of households with transaction accounts, investments and borrowing products[2]



#1 or #2 Market Share in All Categories[3]

Product	Market share	Rank
Personal Lending[4]	20.5%	2
Personal Core Deposits + GICs	19.7%	2
Credit Cards[5]	28.0%	1
Long-Term Mutual Funds[6]	32.9%	1
Business Loans ($0-$25MM)[7]	26.7%	1
Business Deposits[8]	25.6%	1

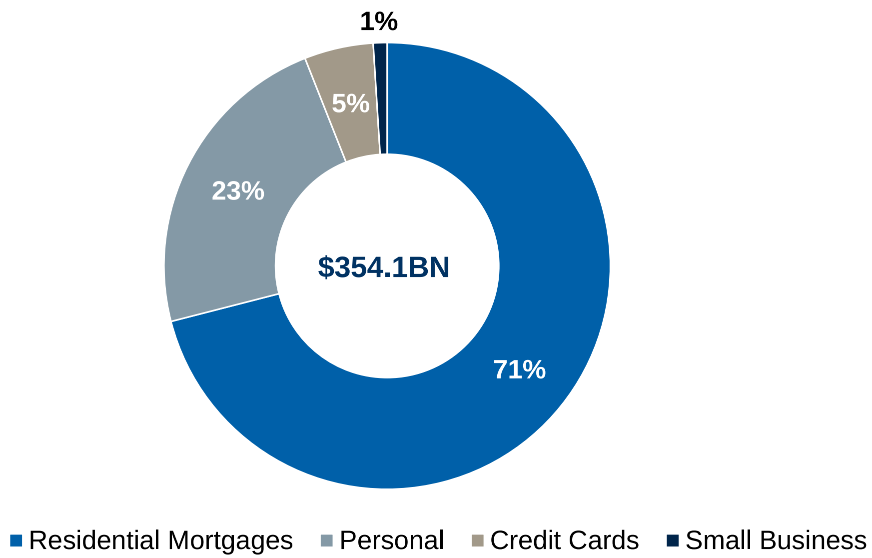
Continue To Improve Our Efficiency Ratio[9]



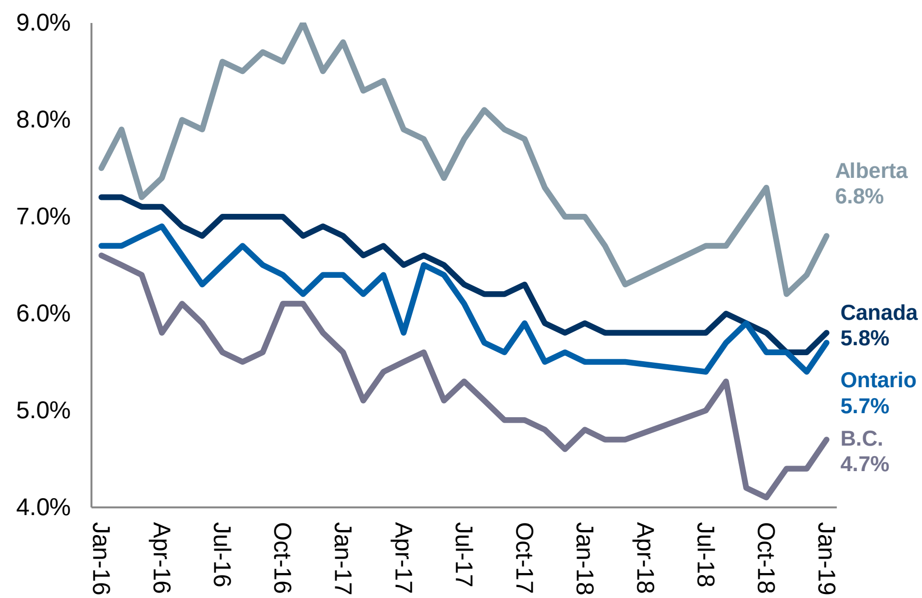
(1) Based on average balances. (2) Canadian Financial Monitor by Ipsos – 10,000 Canadian households – data based on Financial Group results for the 12-month period ending October 2018; TFSA is considered an Investment. Peers include BMO, BNS, CIBC and TD. (3) Market share is calculated using most current data available from OSFI (M4), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA), and is at October 2018 except where noted. Market share is of total Chartered Banks except where noted. (4) Personal Lending market share of 6 banks (RBC, BMO, BNS, CIBC, TD and NA) and includes residential mortgages (excl. acquired portfolios) and personal loans as at August 2018. (5) Credit cards market share is based on 6 banks (RBC, BMO, BNS, CIBC, TD and NA) as at August 2018. (6) Long-term mutual fund market share is compared to total industry and is at October 2018. (7) Business Loans market share is of 6 Chartered Banks (RBC, BMO, BNS, CIBC, TD and NA) on a quarterly basis and is as of June 2018. (8) Business Deposits market share excludes Fixed Term, Government and Deposit Taking Institution balances. (9) Effective Q4/2017, service fees and other costs incurred in association with certain commissions and fees earned are presented on a gross basis in non-interest expense. Comparative amounts have been reclassified to conform with this presentation. (10) Peers include BMO, BNS, CIBC and TD.

Stable credit quality in Canadian Banking retail portfolio

Average Canadian Banking Retail Loans (1)



Unemployment Rate



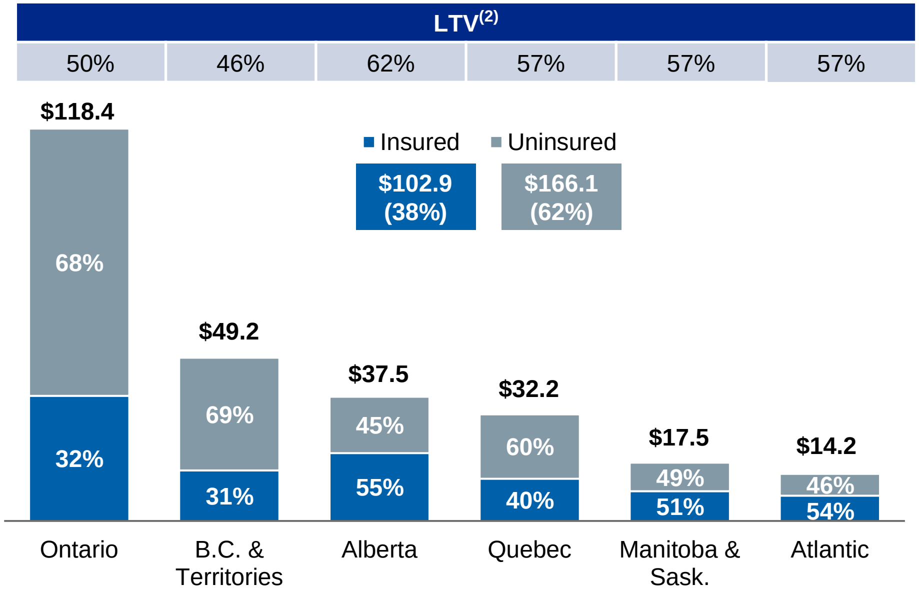
- Canada's unemployment rate improved, down 10 bps YoY to 5.8%
- Ontario and B.C., which represent the largest portion of our retail portfolio, continue to perform well with unemployment rates of 5.7% and 4.7%, respectively

(1) Excludes Canadian Banking wholesale business loans and acceptances.

Strong underlying credit quality in our Canadian residential portfolio

Canadian Residential Mortgage Portfolio[1]

As at January 31, 2019 ($ billions)



Canadian Banking Residential Lending Portfolio[2]

As at January 31, 2019

	Total ($285.6BN)	Uninsured ($205.7BN)
Mortgage	**$246.0BN**	**$166.1BN**
HELOC	**$39.6BN**	**$39.6BN**
LTV [2]	**52%**	**51%**
GVA	43%	43%
GTA	48%	48%
Average FICO Score[2]	**789**	**796**
90+ Days Past Due[2][3]	**21 bps**	**17 bps**
GVA	9 bps	8 bps
GTA	7 bps	7 bps

Canadian Mortgage Portfolio

- Average remaining amortization on mortgages of 18 years
- Strong underlying quality of uninsured portfolio[2]
  - ~49% of uninsured portfolio have a FICO score >800
- Greater Toronto Area and Greater Vancouver Area average FICO scores are above the Canadian average
- Condo exposure is ~10% of residential lending portfolio

(1) Canadian residential mortgage portfolio of $269BN comprised of $246BN of residential mortgages, $7BN of mortgages with commercial clients ($4BN insured) and $16BN of residential mortgages in Capital Markets held for securitization purposes. (2) Based on $246BN in residential mortgages and HELOC in Canadian Banking ($39.6BN). Based on spot balances. Totals may not add due to rounding. (3) The 90+ day past due rate includes all accounts that are either 90 days or more past due or are in impaired status.

Wealth Management

Strategic Priorities

- **Global Asset Management:** Deliver investment performance and extend leadership position in Canada, while continuing to build and grow in the U.S. and other key global markets
- **Canadian Wealth Management:** Continue to deepen client relationships and deliver a differentiated client experience that is increasingly digitally-enabled and supported by data-driven insights
- **U.S. Wealth Management:** Leverage the combined strengths of City National Bank, RBC Wealth Management and Capital Markets to accelerate growth in the U.S.
- **International Wealth Management:** Continue to leverage the strengths and capabilities of RBC to drive growth in HNW and UHNW client segments(1)

Recent Awards

Outstanding Global Private Bank (Overall)
(Private Banker International Global Wealth Awards, 2018)

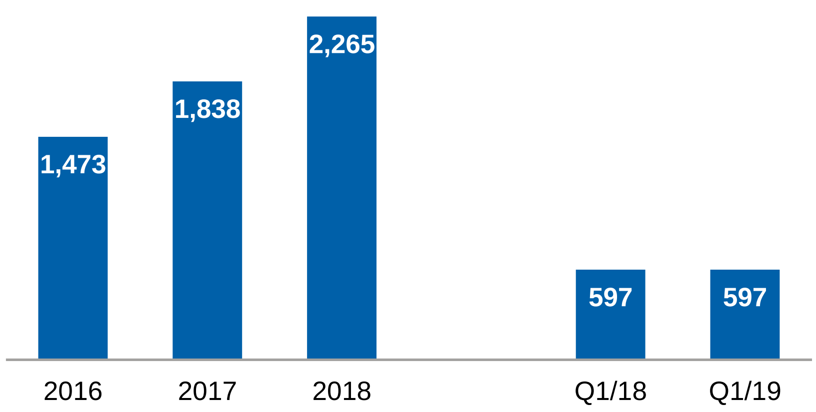
Outstanding Global Private Bank – North America
(Private Banker International Global Wealth Awards, 2018)

Outstanding Wealth Planning and Trust Provider
(Private Banker International Global Wealth Awards, 2018)

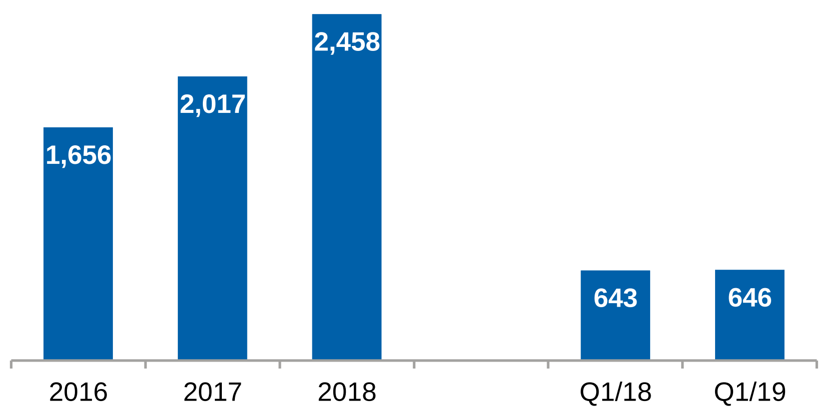
Best Private Bank in Canada
(PWM and The Banker Global Private Banking Awards, 2018)

Best Private Bank for Digital Client Communications – North America
(PWM Global Wealth Tech Awards, 2018)

Net Income ($ millions)



Cash Earnings ($ millions)(2)



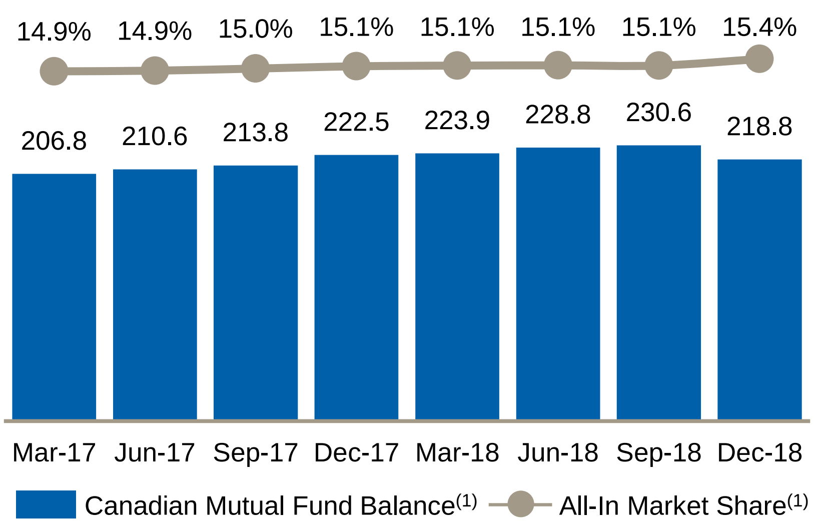
(1) High Net Worth (HNW) and Ultra High Net Worth (UHNW). (2) Cash earnings (refer to adjusted net income) exclude the after-tax effect of amortization of intangibles. This is a non-GAAP measure. For more information see slide 40.

Wealth Management – Global Asset Management

Building a high-performing global asset management business

- **Driving top-tier profitability in our largest Wealth Management business**
  - $429.6BN in client assets
  - Investor asset mix of 52% Retail / 48% Institutional client assets
- **Extending our lead in Canada**
  - Largest retail fund company in Canada, ranked #1 in market share capturing 31.7% amongst banks and 15.4% all-in[(1)]
  - 3rd largest institutional pension asset manager in Canada[(2)]
- **Delivering strong investment capabilities to support growth**
  - Top performing investment firm with ~82% of AUM outperforming the benchmark on a 3-year basis[(3)]
  - Continued growth of investment capabilities and innovative solutions for both institutional clients and retail investors

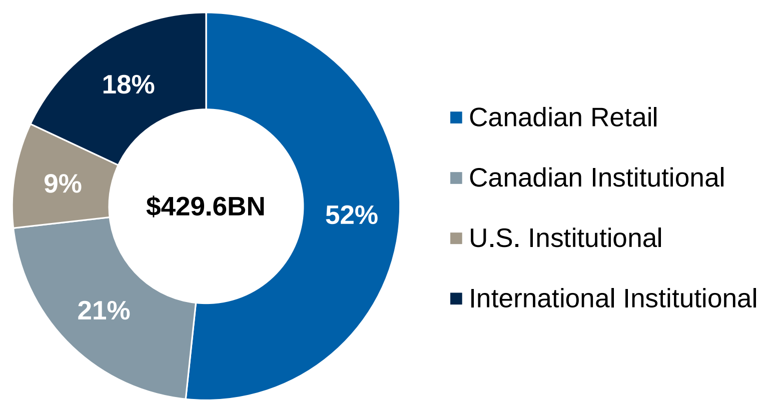
Canadian Retail AUM ($ billions)



January 2019 Canadian retail AUM was $226.9BN, up from $218.8BN the previous month mainly due to market appreciation

Diversified Asset Mix

Q1/2019 AUM by Client Segment ($ billions)[(4)]



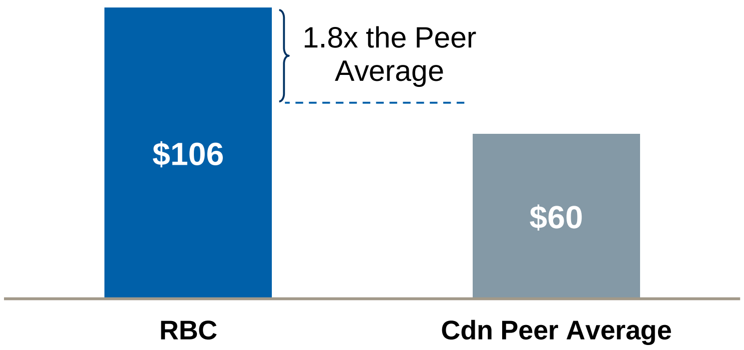
(1) Investment Funds Institute of Canada (IFIC) as at December 2018 and RBC reporting. Comprised of long-term funds and money market funds. (2) Benefits Canada as at November 2018. (3) As at December 2018, gross of fees. (4) RBC GAM, based on period-end spot balances.

Wealth Management

Canadian Wealth Management

- **Maintaining profitable growth**
  - Generating 26.6% of RBC Wealth Management earnings with strong pre-tax margin
  - #1 HNW(1) market share in Canada(2)
- **Driving strong advisor productivity**
  - Canadian leader in fee-based assets per advisor(2)
  - Consistently driving revenue per advisor of over $1.47MM per year, 33% above Canadian industry average(2)
  - Leveraging enterprise linkages to extend market share gains

Fee-based Assets per Advisor(2)
($ millions)



U.S. Wealth Management (including City National)

RBC Wealth Management U.S.

- 7th largest full-service wealth advisory firm in the U.S. as measured by number of financial advisors and 6th largest by assets under administration(3)
- Enhancing the client-advisor experience through a digitally-enabled, goals-based planning approach and strengthening the range of advisory solutions and product offerings
- Continuing to attract and onboard new advisors and clearing relationships while improving advisory productivity and operational efficiency

City National

- A premier U.S. private and commercial bank that creates a platform for long-term growth in the U.S.
- Operates with a high touch, branch light client service model in selected high growth markets, including: Los Angeles, the San Francisco Bay area, Orange County, San Diego, New York, and Washington DC
- Expanding the CNB business model to selected high growth markets

International Wealth Management

- Enhancing advisor and product capabilities to accelerate organic client acquisition
- Continuing to focus on high-priority client segments across HNW and UHNW(1), especially in select target markets where we have scale
- Leveraging RBC's global capabilities to bring the best of RBC to our clients

(1) High Net Worth (HNW) and Ultra High Net Worth (UHNW). (2) Strategic Insight (formerly Investor Economics), October 2018. (3) Source: U.S. wealth advisory firms quarterly earnings releases (10-Q).

Insurance

Strategic Priorities

- **Improve Distribution Effectiveness and Efficiency:** By enhancing our proprietary distribution channels and focusing on the delivery of technology and operational solutions
- **Deepen Client Relationships:** By continuing to be an innovative, client-focused provider of a full suite of insurance solutions for mass underserved, mass affluent and HNW clients
- **Simplify. Agile. Innovate.:** By accelerating our digital initiatives' time-to-market, improving quality and cost effectiveness
- **Pursue Select International Opportunities:** Within our risk appetite, with the aim of continuing to grow our core reinsurance business

Highlights

Among the largest Canadian bank-owned insurance organizations, serving more than four million clients globally

#1 in individual disability sales with 41%(1) market share

#2 in Segregated fund net sales & one of fastest growing segregated fund providers(2)

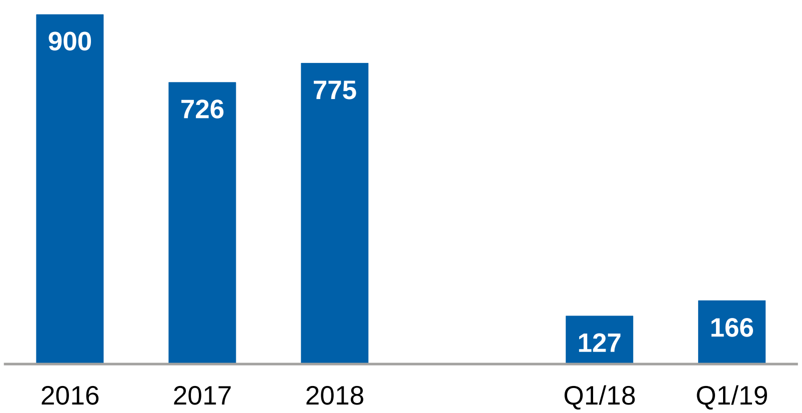
RBC Guaranteed Investment Funds continue to be one of the fastest growing segregated fund providers in Canada with a year over year growth of 21%(2)

Continued to deliver on our goal to affirm our position as a key market player (#4 with a 13% market share YTD, September 30, 2018)(1) in the pension de-risking business in Canada

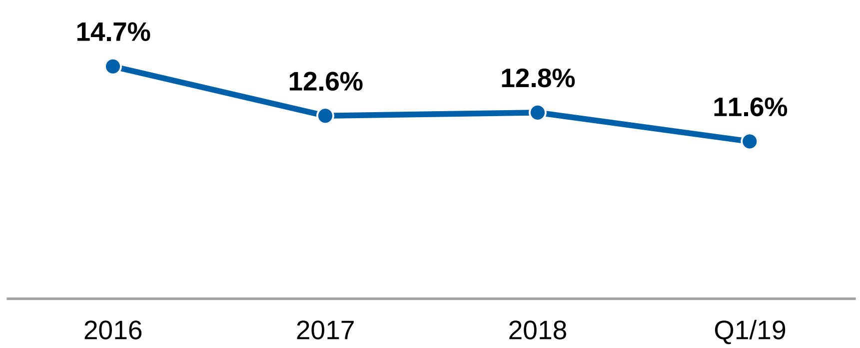
Wellness Program launched to group health clients as a value-added service

Access to new technology and expanded set of insurance solutions for our clients through partnership with Aviva

Net Income ($ millions)(3)



Efficiency Ratio(4)



(1) LIMRA Canadian Insurance Survey, 3rd Quarter, 2018. (2) Strategic Insights, Insurance Advisory Service Report, October 2018. (3) 2016 net income includes the gain on sale of RBC General Insurance Company. (4) Efficiency Ratio calculated by dividing non-interest expense by total revenue (excludes fair value changes on investments backing policyholder liabilities for every year/quarter, and $287MM pre-tax gain on sale of RBC General Insurance Company in 2016).

Investor & Treasury Services

- Specialist provider of asset services, a leader in Canadian cash management and transaction banking services, and a provider of treasury services to institutional clients worldwide
  - Rated by clients as the #1 Global Custodian for the eighth consecutive year(1)
  - Ranked the #1 Fund Administrator overall for the sixth consecutive year(2)
  - Ranked the #1 Fund Administrator in Ireland and Luxembourg(2)
  - Named Best Trade Finance Bank in Canada for the seventh consecutive year(3)
- Short-term funding and liquidity management for RBC

Strategic Priorities

Grow income and market share among Canadian asset managers, investment counsellors, pension funds, insurance companies and transaction banking clients

Develop long-term partnerships with sophisticated and fast-growing asset managers

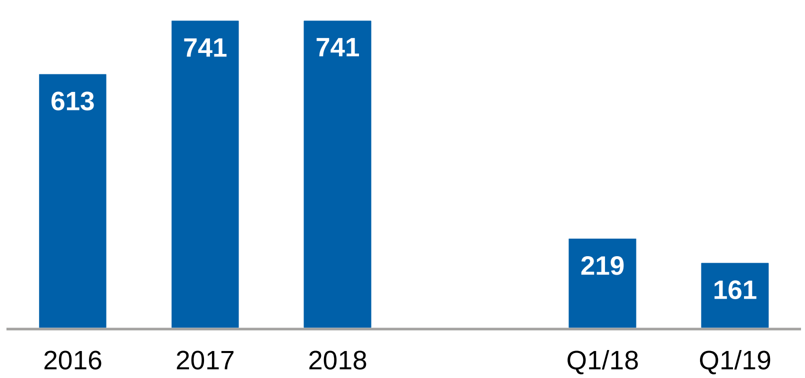
Automate and scale our business to support our clients' growth ambitions

Employ sound risk management practices and commercial insights to mitigate risks in the pursuit of profitable growth

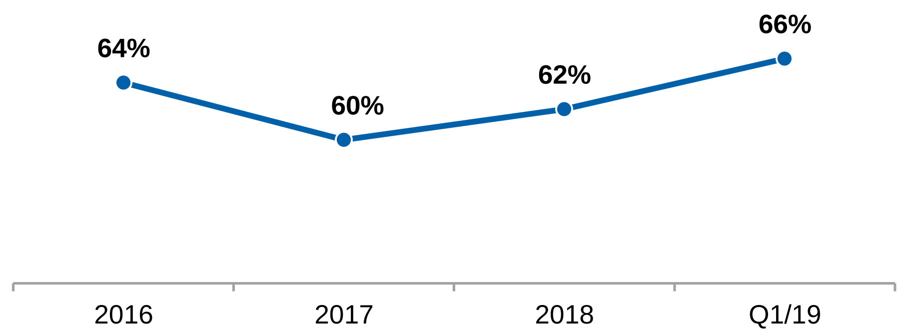
Design and deliver digitally-enabled products and services to transform the way we interact with our clients

Inspire and develop a change-ready workforce

Net Income ($ millions)



Efficiency Ratio

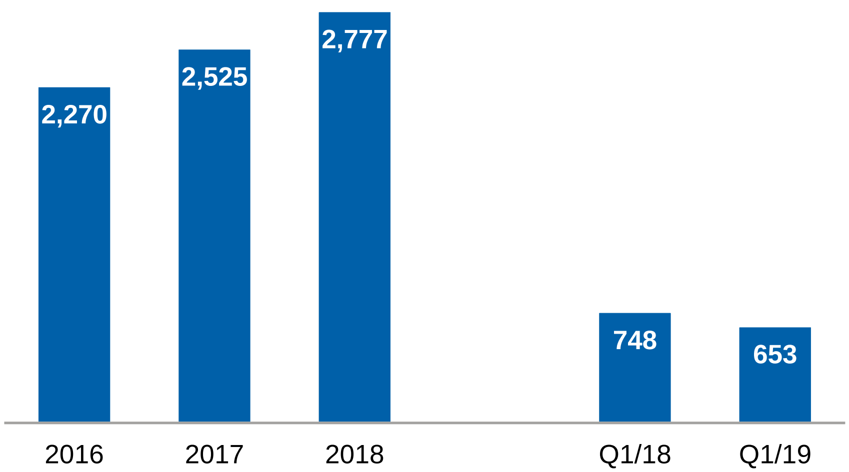


(1) Global Investor/ISF Global Custody Survey, 2018. (2) R&M Fund Accounting and Administration Survey, 2018. (3) Global Finance, 2019.

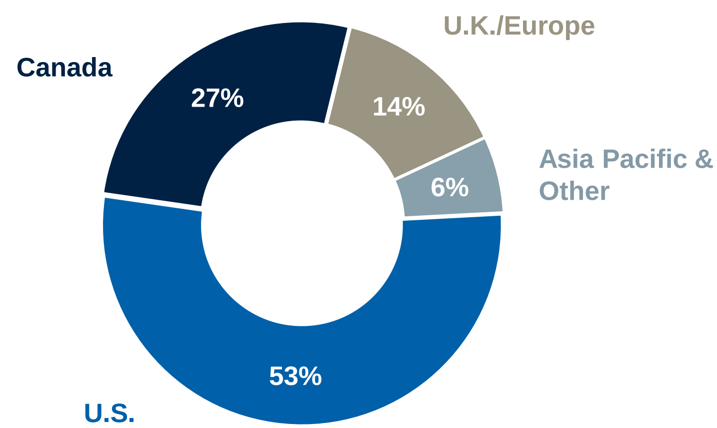
Capital Markets

- A leading North American investment bank with core markets across Canada, the U.S. and the U.K./Europe
  - 10th largest global investment bank by fees(1)
- Strategically positioned in the largest financial centers, focused on the world's largest and most mature capital markets encompassing ~80% of the global investment banking fee pool(2)
- A premier global investment bank providing expertise in banking, finance and capital markets to corporations, institutional investors, asset managers, governments and central banks around the world
- We believe in making a positive impact in the communities we live and work. This is reflected in our long-standing tradition of supporting local charities and our signature global initiatives: RBC Race for the Kids and RBC Trade for the Kids. In 2018, we gave back over USD$20 million to our communities through donations, sponsorships, and direct investments.

Net Income ($ millions)



Revenue by Geography(3)



(1) Dealogic – Fiscal 2019 Q1. (2) Thomson Reuters, Global Investment Banking Review, full year 2018. (3) For the quarter ended January 31, 2019.

Capital Markets

Strategic Priorities

Create valued relationships with our clients by being an innovative and trusted partner	▪ Focus on long-term client relationships aligned with our global capabilities ▪ Support our clients by partnering with them to understand their strategic objectives and delivering solutions to achieve their goals ▪ Collaborate to deliver clients our full suite of global products and services
Continue to grow our Global Investment Banking and Global Markets franchises	▪ Continue to grow and strengthen our senior coverage teams in the U.S., U.K. and Europe ▪ Drive technology innovation in our Global Markets businesses through electronification, algorithmic trading, and other initiatives ▪ Focus capital and coverage to deepen relationships with clients that are the most significant users of Capital Markets ▪ Partner with other enterprise segments to bring clients One RBC solution, specifically, with U.S. Wealth Management
Optimize Capital Use to Earn High Risk-Adjusted Returns on Assets and Equity	▪ Optimize capital use to earn high risk-adjusted returns by maintaining both a balanced approach between investment banking and trading revenue and a disciplined approach to managing the risks and costs of our business

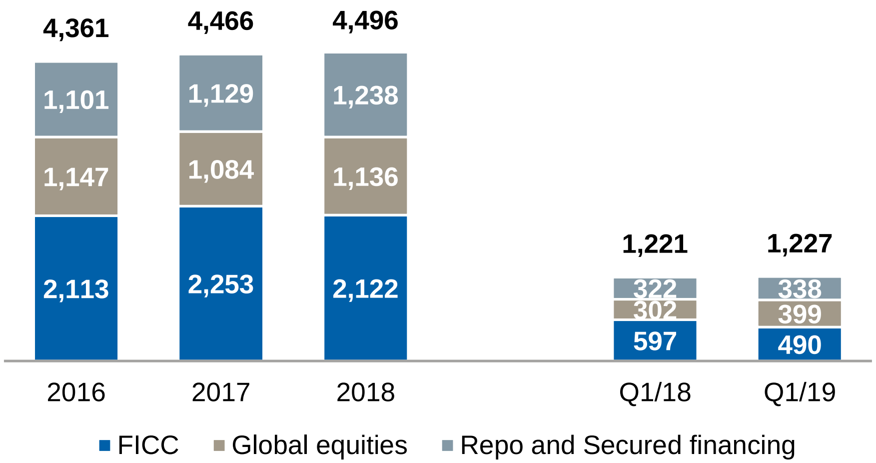
Recent Awards

the technical analyst AWARDS 2018 WINNER	GREENWICH ASSOCIATES Greenwich Excellence	GLOBAL FINANCE	Institutional Investor	PFI AWARDS 2018
Best Bank for Fixed Income Research[(1)]	**#1 for Canadian Equity Trading Market Share[(2)]**	**Best Investment Bank in Canada[(3)]**	**Top 10 All – American Research Team (4th Consecutive Year)[(4)]**	**Transport Deal of the Year (Gordie Howe International Bridge)[(5)]**

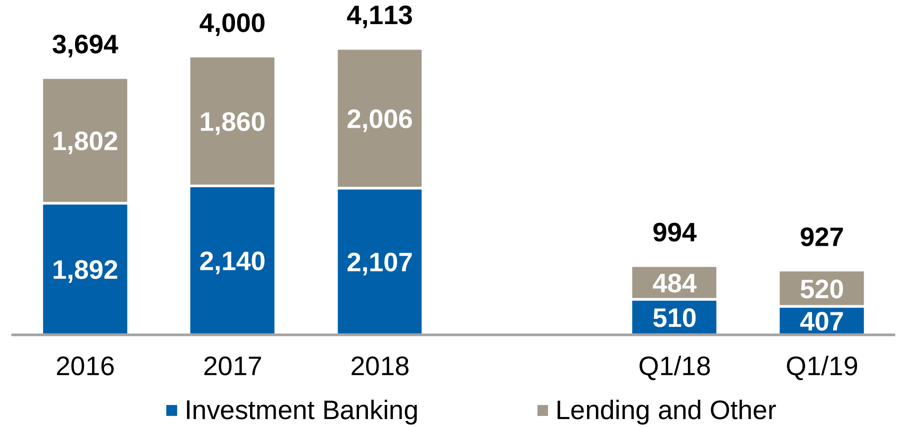
(1) The Technical Analyst Awards, 2018. (2) Greenwich Associates, 2018. (3) Global Finance, 2018. (4) Institutional Investor, 2018. (5) Project Finance International, 2018.

Capital Markets

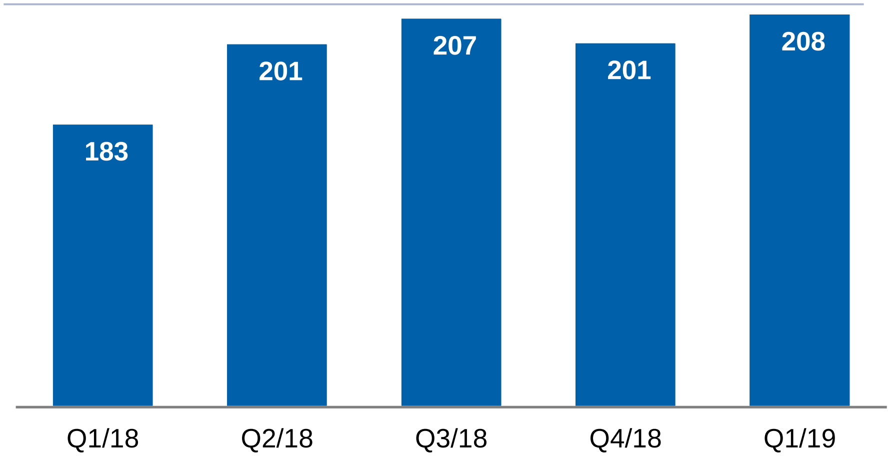
Diversified Global Markets Revenue[1]
($ millions)



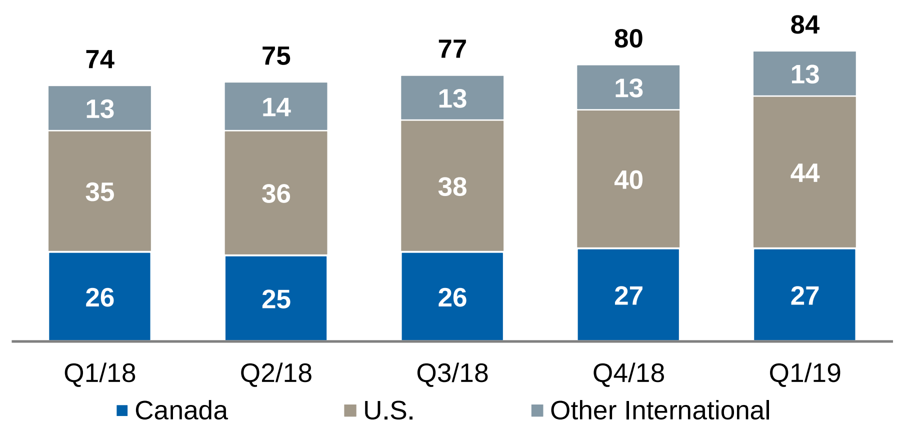
Corporate & Investment Banking Revenue
($ millions)



Risk-Weighted Assets
($ billions)



Geographic Diversification Across Loan Book
Average loans outstanding by region ($ billions)[2]



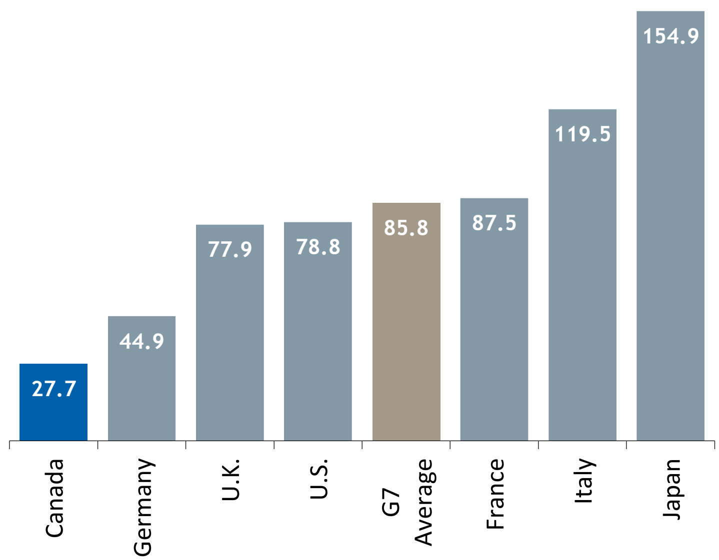
(1) Global Markets segment revenue has been restated to align select portfolios previously disclosed in Repo and Secured Financing to FICC and Global Equities. (2) Average loans outstanding includes wholesale loans, acceptances, and off balance sheet letters of credit and guarantees for our Capital Markets portfolio, on single name basis. Excludes mortgage investments, securitized mortgages and other non-core items. This chart has been restated to exclude certain intergroup exposures that are not part of the corporate lending business. This is a non-GAAP measure. For more information see slide 40.

Economic Backdrop

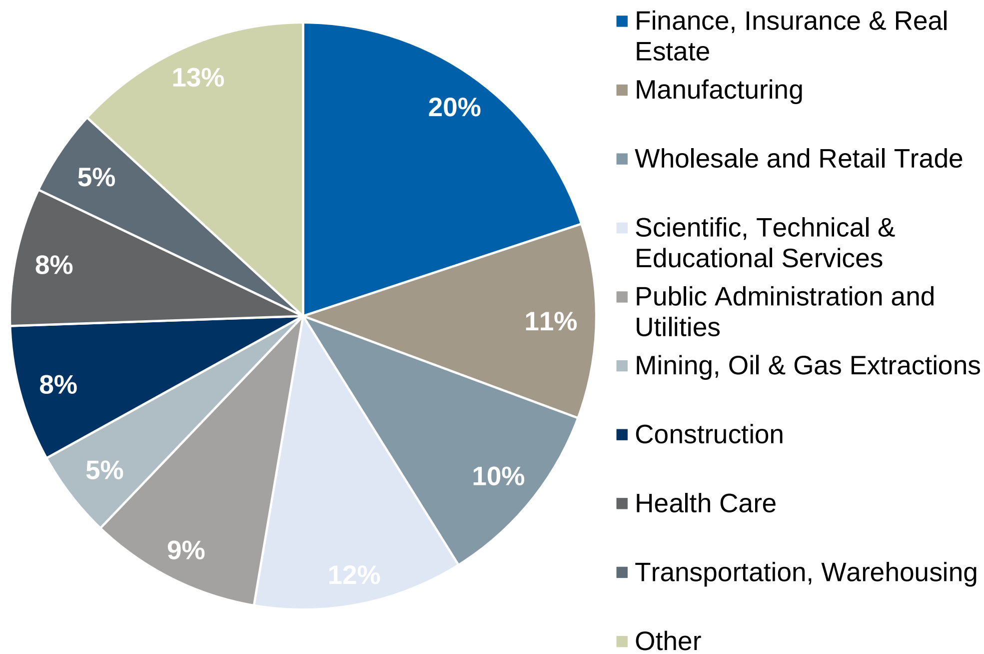
Canada's fiscal position

- 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)]
- Growth in the economy has slowed in part due to transitory disruptions to activity in the energy sector, but also because of rising interest rates and limited remaining slack in the economy. GDP is expected to increase at a more moderate pace in 2019 and 2020.

Net Debt as % of GDP[(1)]
(2017)



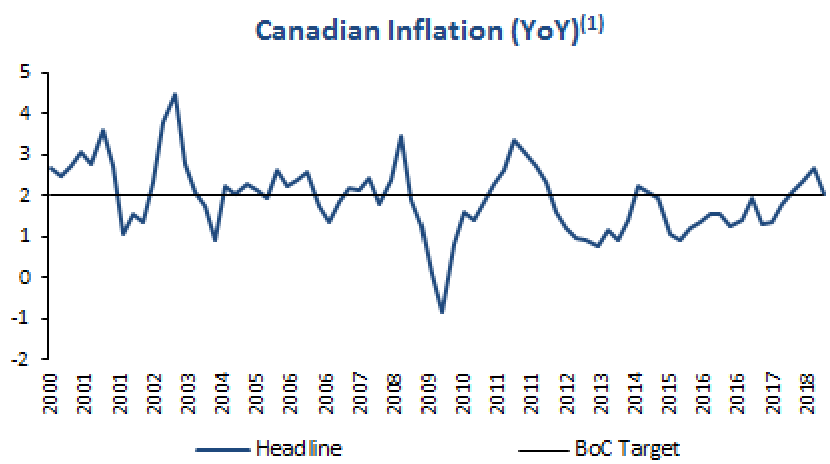
Canadian GDP by Industry[(2)]
(Nov 2018)

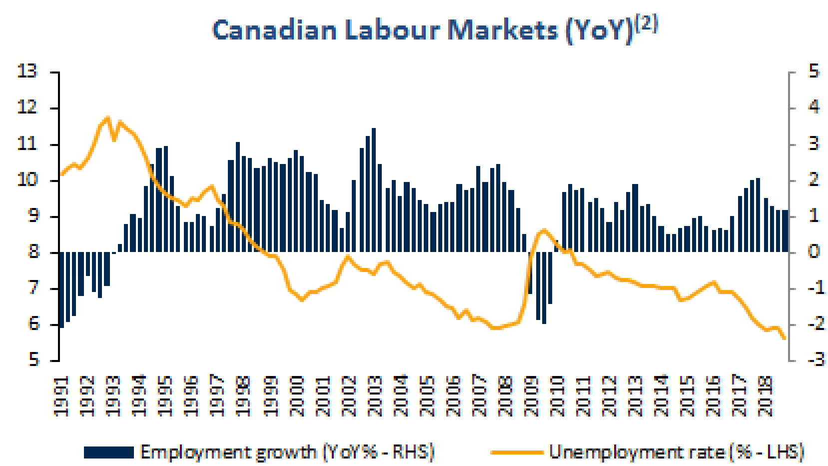


(1) Net debt refers to General Government net debt. International Monetary Fund October 2018 Fiscal Monitor. (2) Statistics Canada, RBC Economics Research.

Growth in economy to slow with economy hitting capacity

- Headline inflation eased to 2.0% on average in Q4 but has slipped below that in early 2019 due to lower energy prices than the previous year. Underlying inflation trends continue to be around the Bank of Canada's 2% midpoint target with limited slack in the economy keeping a floor under prices.
- Labour markets have continued to improve. The unemployment rate fell to a new cycle-low 5.6% on average in calendar Q4 – the lowest in more than 4 decades.
  - The unemployment rate in Alberta dipped to 6.6% on average in Q4. That is still above the national average but is down more than two percentage points from a recent peak of 9.0% in late 2016.
- GDP growth appears to have slowed to 2.0% from the unsustainable 3.0% increase in 2017. We expect trend-like growth of 1.7% in 2019 and 1.8% in 2020.





(1) Statistics Canada, RBC Economics Research. (2) Statistics Canada, Bureau of Labor Statistics, RBC Economics Research.

2019 Economic Outlook

	Projected Economic Indicators for 2019[1]					
	GDP Growth	Inflation	Unemployment Rate[2]	Interest Rate (3 mth T-bills)	Current Account Balance/GDP[2]	Budget Surplus/GDP[3]
Canada	1.7%	1.6%	5.9%	2.20%	(2.9%)	(1.1%)
U.S.	2.4%	1.9%	3.7%	2.9%	(2.3%)	(5.0%)
Euro Area	1.1%	1.8%	8.0%	NA	2.9%	(0.6%)

Canada

- The Canadian economy is forecast to grow by 1.7% in 2019 following a 2.0% increase in 2018 and a 3.0% gain in 2017. This year likely got off to a slow start due to weakness in the energy sector. Housing activity has continued to slow due to the ongoing impact of policy changes and rising interest rates. Consumer spending has also increased at a more moderate pace, though the labour market remains healthy. Rising exports and government spending will provide some offset, keeping growth near its underlying 'trend' rate.
- The Bank of Canada continues to indicate that interest rates are likely to move toward a more neutral level over time. But we expect they will hold monetary policy steady in the near-term to evaluate the impact of lower oil prices, ongoing slowing in housing, and trade policy developments. We expect they will get enough clarity on those issues, and confirmation that the economy is operating close to full capacity, to raise interest rates twice over the second half of 2019. That would leave the overnight rate at 2.25% at the end of the year.

U.S.

- The U.S. economy is forecast to grow by 2.4% in 2019 following a 2.9% gain in 2018. Both are above the economy's longer run trend. Consumer spending is likely to increase at a more moderate rate as the effects of income tax cuts continue to fade, though a strong labour market and rising wages will support spending. Business investment is expected to continue to increase but could be dampened somewhat by market volatility and concerns about trade policy and global growth.
- With interest rates now closer to 'neutral' the U.S. Federal Reserve has signaled a pause in their tightening cycle, giving policymakers time to assess financial market stability, inflation developments, and the global growth environment. Our forecast assumes two rate increases this year in June and December.

Euro Area

- Euro area GDP growth is expected to slow to a 1.1% pace in 2019 following a 1.8% increase in 2018. Some of the recent loss of momentum reflects political uncertainty, as well as slowing global growth on the industrial sector. Growth is expected to remain slightly below-trend early this year before returning to a more trend-like pace over the second half of the year.
- Inflation remains low despite the strengthening economic backdrop, though wage growth picked up in 2018. The European Central Bank ended net asset purchases at the start of the year, and could begin gradually raising interest rates from current, negative levels later this year if activity rebounds as we expect.

(1) RBC Economics Research as of February 8, 2019 and reflect forecasts for calendar 2019. (2) RBC Economics Research. (3) IMF Fiscal Monitor (October 2018), Congressional Budget Office FY2018, European Commission, RBC Economics Research.

Canadian Housing Market

Structural backdrop to the Canadian housing market

	Canada[1]	U.S.[1]
Regulation	▪ Government influences mortgage underwriting policies primarily through control of insurance eligibility rules ▪ Fully insured if loan-to-value (LTV) is over 80% – Must meet 5-year fixed rate mortgage standards – Government-backed, on homes under $1MM – Down-payment over 20% on non-owner occupied properties – CMHC last increased mortgage loan insurance premiums in 2017 by ~15% for new mortgages with LTV over 90% – Minimum down payment for new government-back insured mortgages is 10% for portion of the value of a home being purchased that is between $500,000 – $999,000, and 5% below $500,000 ▪ Re-financing cap of 80% on non-insured	▪ 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	▪ Mortgage interest not tax deductible ▪ Greater incentive to pay off mortgage	▪ Mortgage interest is tax deductible ▪ Less incentive to pay down mortgage
Lender Behaviour	▪ Strong underwriting discipline; extensive documentation ▪ Most mortgages are held on balance sheet ▪ Conservative lending policies have historically led to low delinquency rates	▪ Wide range of underwriting and documentation requirements ▪ Most mortgages securitized
Lenders' Recourse	▪ Ability to foreclose on non-performing mortgages, with no stay periods ▪ Full recourse against borrowers[2]	▪ 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 and Saskatchewan have some limited restrictions on full recourse.

Legislation and policies – promoting a healthy housing market

February 2018 – Government of British Columbia

- The B.C. government's 2018 budget included a 30-point plan to address housing affordability issues in several areas of the province. The most significant changes are a new speculation tax (rising from 0.5% of assessed value in 2018 to 2% in 2019) that will apply to homeowners who do not pay income tax in the province, as well as an increase in the foreign buyer tax to 20% from 15%

January 2018 – OSFI

- Qualifying rate for uninsured mortgages raised to 2 percentage points above the contract rate or the five-year posted rate, whichever is higher

April 2017 – Government of Ontario

- Introduced 16 measures in a 'Fair Housing Plan' to address mounting risks in the housing market including a 15% Non-Resident Speculation Tax on the purchase price of homes in the Greater Golden Horseshoe region

January 2017 – City of Vancouver

- Vancouver introduced a tax of 1% of the assessed value of each home which is vacant (principal residence is exempt)

October 2016 – Department of Finance

- Qualifying rate for high-ratio mortgages with a term of five years or more is changed to the 5-year posted rate
- Portfolio-insured low-ratio mortgage loans must meet the eligibility criteria of high-ratio insured mortgage
- Any sale of a principal residence must be reported in the seller's tax return for the year of sale, even if the entire gain is fully protected by the principal residence exemption

July-August 2016 – OSFI & the Government of British Columbia

- OSFI increased scrutiny on mortgage underwriting standards and indicated it will place a greater emphasis on confirming internal controls and risk management practices are sound, and take into account market developments
- Foreign buyers registering the purchase of residential homes in Metro Vancouver become subject to an additional property transfer tax of 15% under legislation introduced by the British Columbia government

Legislation and policies – promoting a healthy housing market

December 2015 – Department of Finance

- Minimum down payment for new government-backed insured mortgages increased from 5% to 10% for portion of the value of a home being purchased that is between $500,000 and $999,999 (came into effect February 2016)

April 2014 – CMHC

- Discontinued offering mortgage insurance on 2nd homes and to self-employed individuals without 3rd party income validation

July 2012 – CMHC

- Maximum amortization on government-backed insured mortgages reduced to 25 years from 30 years
- Maximum amount that can be borrowed on a mortgage refinancing lowered to 80% from 85%
- CMHC insurance availability is limited to homes with a purchase price of <$1 million lowered from $3.5 million
- Set the borrower's maximum gross debt service ratio at 39% and maximum total debt service ratio at 44%

March 2011 – CMHC

- Maximum amortization on government-backed insured mortgages reduced to 30 years from 35 years
- Maximum amount that can be borrowed on a mortgage refinancing lowered to 85% from 90%

February 2010 – Department of Finance

- Borrowers with insured mortgage terms of less than five years must meet the standards for a five-year fixed rate mortgage
- Maximum amount that can be borrowed on a mortgage refinancing lowered to 90% from 95%
- Minimum 20% down payment is required in order to qualify for government-backed mortgage insurance on non-owner-occupied properties

July 2008 – Department of Finance

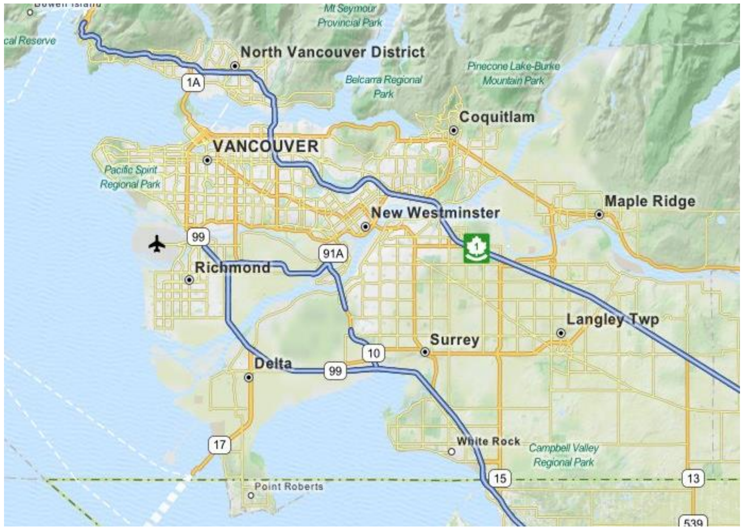
- Maximum amortization on government-backed insured mortgages reduced to 35 years from 40 years
- A minimum 5% down payment is required in order to qualify for government-backed insured mortgages
- Additional – minimum credit score requirements, new loan documentation standards, setting a maximum of 45% on borrowers total debt service ratio

The Toronto and Vancouver downtown condo markets

- Constraints on undeveloped land around Toronto / Vancouver, have contributed to a shift to higher-density condo housing
  - Provincial growth plan, including ‘Green belt’ surrounding Toronto, contains urban sprawl and favours condo development
  - Vancouver is restricted in its ability for urban sprawl due to land constraints away from the city center
- Canada has one of the highest per capita rates of permanent immigration in the world[(1)]
  - 22% of Canada’s population is foreign born (7.5 MM), highest proportion among the G8 nations[(1)]
  - 56% of all new immigrants to Canada move to Toronto, Vancouver or Montreal[(1)]
- RBC’s exposure to condo development is limited – about 3% of our Canadian commercial loan book[(2)]
  - Condo exposure is about 10% of our Canadian residential mortgage portfolio[(2)(3)]

“Green Belt” Surrounding Greater Toronto Area

Vancouver Limited by Mountains, Sea, U.S. Border

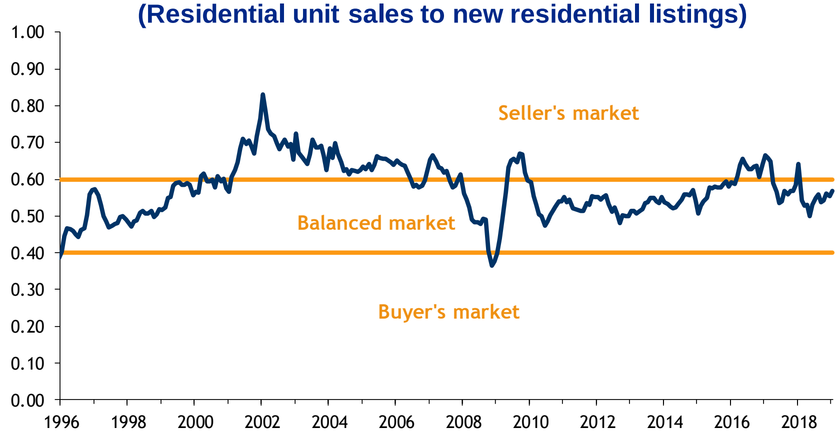


(1) Statistics Canada, 2016 Census. (2) As at October 31, 2018. (3) Based on $243BN in residential mortgages and $40.1BN in HELOC in Canadian Banking.

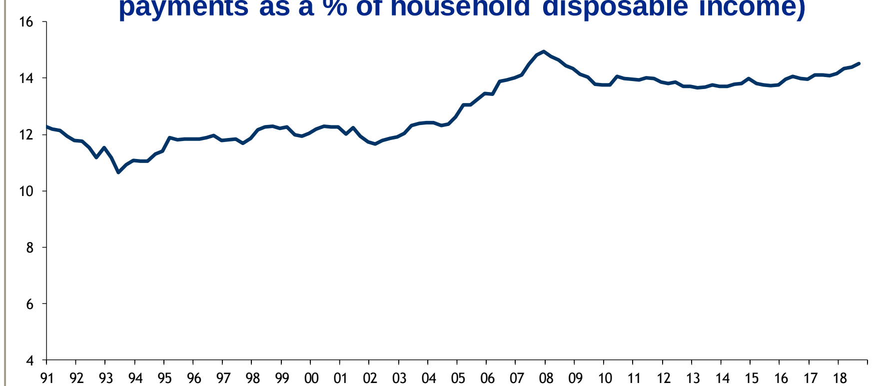
Canadian housing market risks remain localized

- The stress test introduced on January 1st 2018 for uninsured mortgages, had a cooling impact across Canada. The stress test, along with increases in interest rates, caused home resales to decline for a second-straight year by 11% in 2018. In 2017, regulatory changes at the federal and provincial levels in BC and Ontario contributed to a nearly 5% decline in home resales in Canada. To a large extent, this is a 'soft landing' engineered by policy makers
- Demand-supply conditions, however, remain balanced nationally and in most local markets including Toronto where prices have now stabilized after softening in 2017 on the heels of Ontario's Fair Housing Plan. Property values are generally on a modest rise in Canada except in Vancouver and oil producing regions where market conditions are currently weak
- Solid population growth, household income gains and low unemployment rates lower the risk of a downward spiral
- Poor housing affordability is being skewed at the national level by severe conditions in Vancouver and Toronto. Affordability is in line with historical norms in most other markets across Canada, albeit the trend is deteriorating
- Canada's household debt service ratio showed a small uptick in 2018 — and is poised to rise further going forward
- Lenders maintaining strong underwriting discipline and require extensive documentation
  - Most mortgages held on balance sheet and conservative lending policies have led to low delinquency rates

Sales-to-New Listings Ratio[1]
(Residential unit sales to new residential listings)



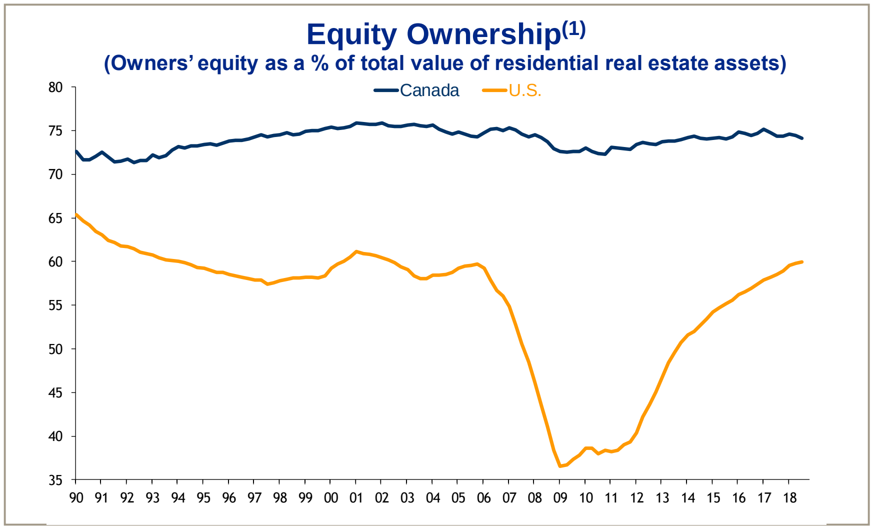
Household Debt Service Costs[2]
(Mortgage & non-mortgage principal & interest payments as a % of household disposable income)

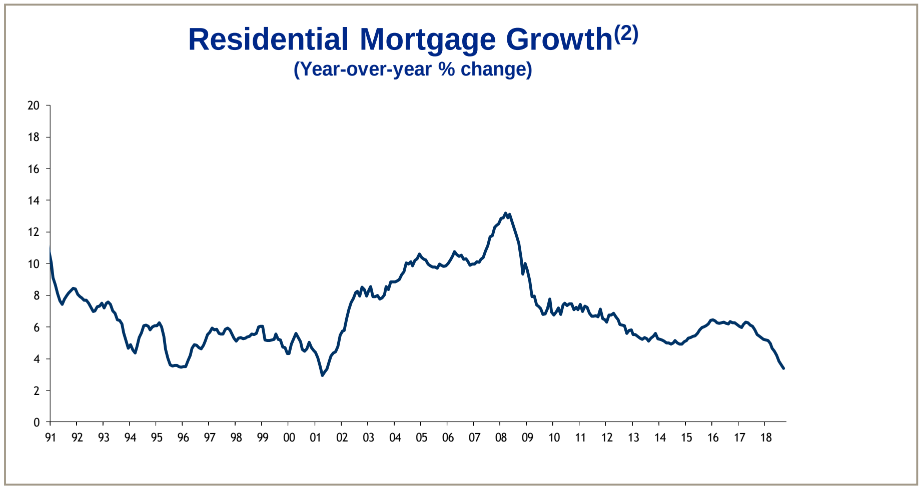


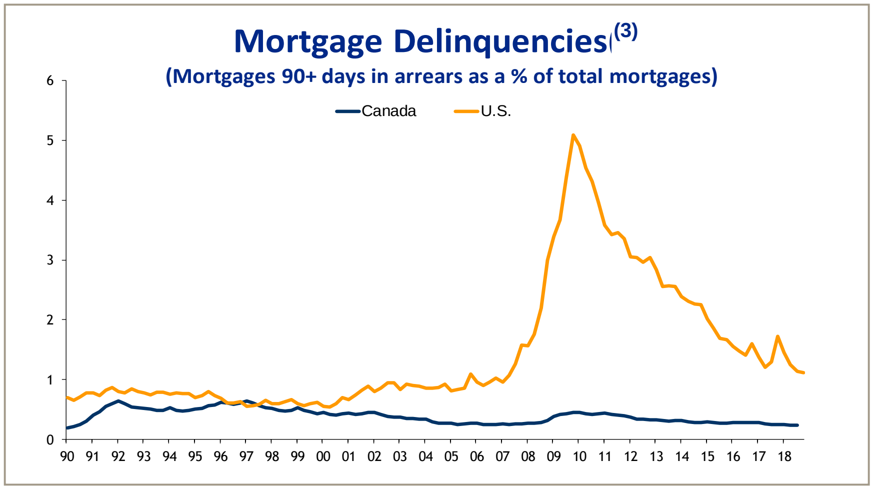
(1) Canadian Real Estate Association, RBC Economics Research. (2) Statistics Canada, RBC Economics Research. PDI: Personal Disposable Income.

Canadians have significant equity ownership in their homes

- Canadians carry a significant and stable amount of equity in their homes
- The pace of residential mortgage accumulation slowed markedly since early-2017 to a 17-year low in 2018
- Mortgage delinquency rates remain very low in Canada and have been stable through 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





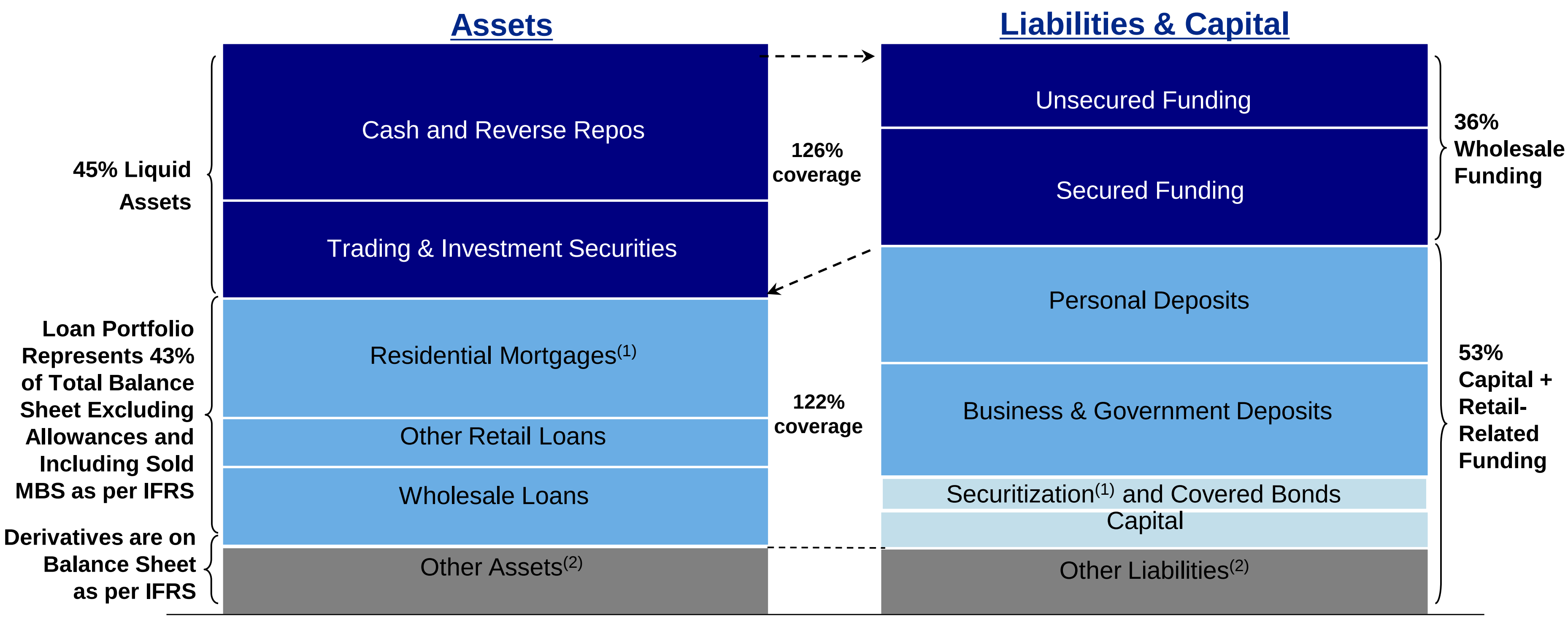


(1) Statistics Canada, Federal Reserve Board, RBC Economics Research. (2) Bank of Canada, RBC Economics Research. (3) Canadian Bankers Association, Mortgage Bankers Association, RBC Economics Research.

Appendix A – Liquidity & Funding

Strength of a high quality liquid balance sheet

$1,366 Billion
(as at January 31, 2019)



(1) Securitized agency mortgaged back securities (MBS) are on balance sheet as per IFRS. (2) Other assets include $85BN 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.

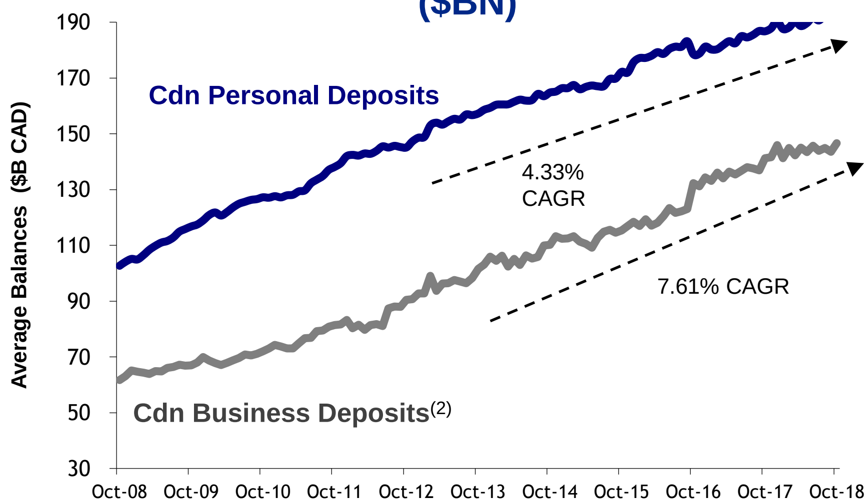
Strong deposit growth

Leveraging the strength of our distribution channels and successful deposit initiatives to drive growth

Canadian relationship deposits

- Initiated successful strategies to grow relationship deposit base
- Canadian relationship deposits continue to grow
- RBC Canadian personal deposit market share is at 19.7% as of Oct 2018
- RBC Canadian commercial demand deposit market share is at 25.6% as of Oct 2018

RBC Canadian Deposits[1] ($BN)



RBC Relationship Deposits ($BN)

	Q1 2019	Q1 2018
HISA[3]	$34	$32
Advisory Channel Deposits[4]	$33	$31
Other Personal Deposits	$198	$184
Business Deposits	$286	$275
Total Deposits	$551	$522

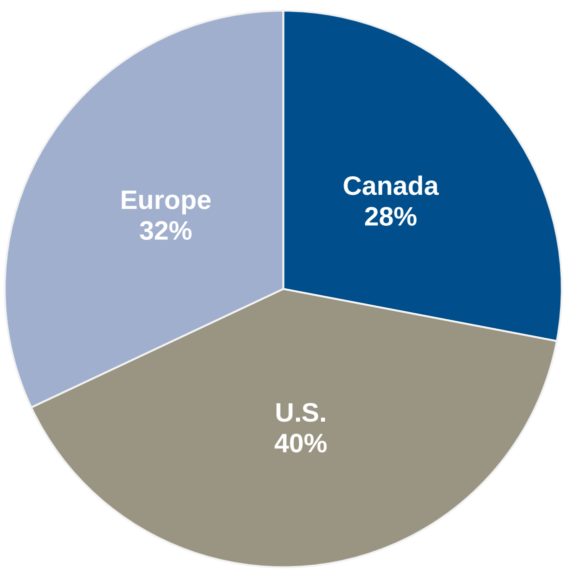
(1) Sourced from Canadian deposit market share, which is based on OSFI (M4 report). (2) Canadian Business deposits reflect all platform demand deposits and Canadian Banking term deposit balances only. (3) High Interest Savings Account; Includes CAD and USD deposits. (4) Sourced largely from RBC Wealth Management network.

Wholesale funding strategy

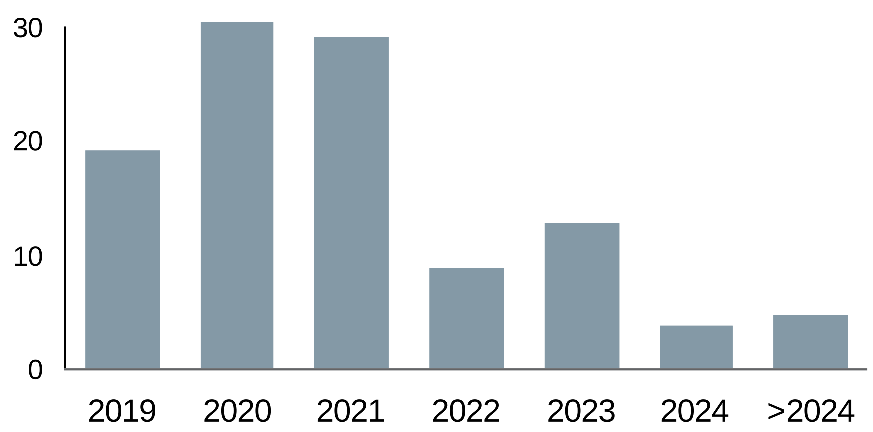
Large retail deposit base complemented by well diversified wholesale funding mix

- 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)]



Well Balanced Maturity Profile ($ billions)[(1)]



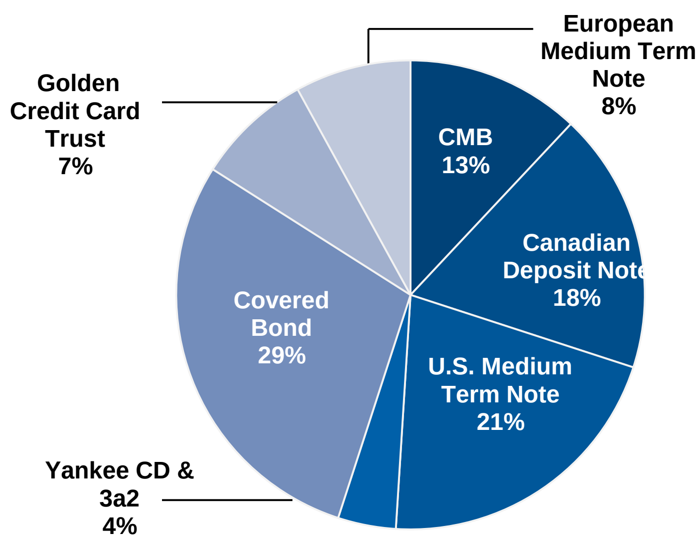
(1) RBC term unsecured and covered bonds, as of January 31, 2019.

Well diversified wholesale funding platform

- Variety of programs allows for greater diversification and cost effectiveness

Canada	U.S.	Europe and Asia
▪ Canadian Shelf (C$25BN) ▪ Securitizations (Canadian mortgage bonds, NHA MBS(1) and credit cards)	▪ SEC Registered Shelf (US$40BN)	▪ European Debt Issuance Program (US$40BN) ▪ Covered Bond Program (EUR 32BN) ▪ Japanese Issuance Programs (JPY 1 trillion)

Well Diversified by Product(2)



Recent Deals

- US$600MM 2-year unsecured (bail-in) at LIBOR + 40bps
- €1.75BN 5-year covered bond at LIBOR + 42bps
- €500MM 2-year unsecured (bail-in) at LIBOR + 52bps
- US$550MM 2-year Golden Credit Card at LIBOR+33bps

(1) National Housing Act Mortgage Backed Securities. (2) As at January 31, 2019.

RBC Covered Bond Program

Globally Active

- Active program in six different currencies: EUR, CAD, USD, CHF, AUD and GBP
  - C$39BN currently outstanding

Strong Issuer

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

Canadian Legislative Changes

- 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. Market

- Active U.S. dollar covered bond issuer
- Several benchmark bonds outstanding
- Broad U.S. investor base
  - Issued US$17.2BN across eight deals since September 2012
  - Trace eligible

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 amounts excluding Corporate Support, average loans and acceptances excluding certain items, and cash earnings excluding the after-tax effect of amortization of intangibles, 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 2018 Annual Report and Q1 2019 Report to Shareholders, as well as in our Q1 2019 Supplementary Financial Information.

Definitions can be found under the "Glossary" sections in our Q1 2019 Supplementary Financial Information and our 2018 Annual Report.

Investor Relations Contacts

Dave Mun, SVP & Head	(416) 974-4924
Asim Imran, Senior Director	(416) 955-7804
Jennifer Nugent, Senior Director	(416) 955-7805

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