



# Royal Bank of Canada Investor Presentation

Spring 2010

## 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 Spring 2010 Investor Presentation, in other filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our vision and strategic goals. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented and our vision 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 vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, operational and liquidity and funding risks, and other risks discussed in the Risk, capital and liquidity management section and in our 2009 Annual Report to Shareholders; general business, economic and financial market conditions in Canada, the United States and certain other countries in which we conduct business; changes in accounting standards, policies and estimates, including changes in our estimates of provisions, allowances and valuations; the effects of changes in government fiscal, monetary and other policies; the effects of competition in the markets in which we operate; the impact of changes in laws and regulations, including tax laws; judicial or regulatory judgments and legal proceedings; the accuracy and completeness of information concerning our clients and counterparties; our ability to successfully execute our strategies and to complete and integrate strategic acquisitions and joint ventures successfully; and development and integration of our distribution networks.

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

Additional information about these and other factors can be found in the Risk, capital and liquidity management section and in our 2009 Annual Report to Shareholders.

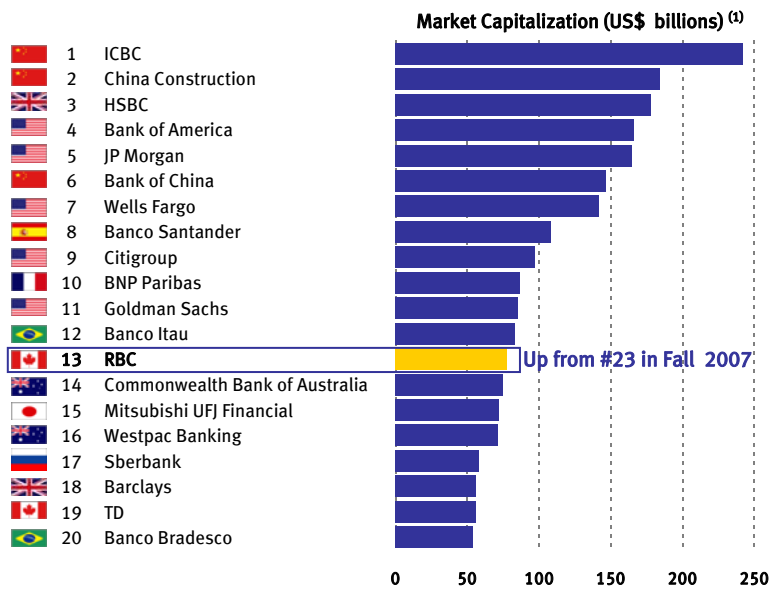
Information contained in or otherwise accessible through the websites mentioned does not form part of this presentation. All references in this presentation to websites are inactive textual references and are for your information only.

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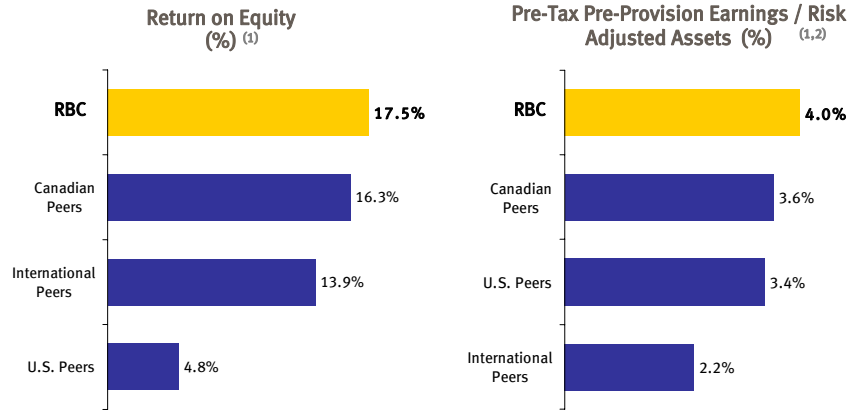
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# 1

## RBC – Among the Top 20 largest banks globally



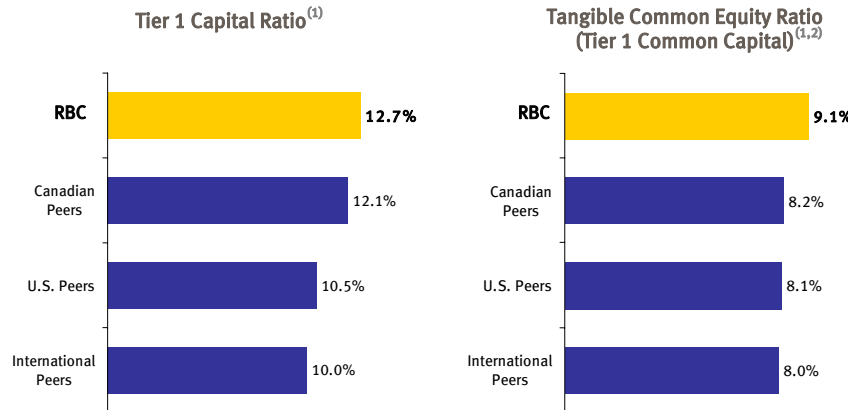
## Strong Earnings Power



Earnings of \$1.5 billion in Q1 2010

(1) Global peer group consists of 19 other financial institutions (7 large Canadian, 5 U.S., 5 European and 2 Australian). For additional information refer to page 9 of our 2009 Annual Report to Shareholders. Canadian peers excludes Manulife Financial Corp. and Power Financial Corp. Data as at Jan 31/10 for all Canadian banks and Q4/09 for all other peers. (Sources: Company reports, Bloomberg, RBC estimates)  
 (2) Non-GAAP. See slide 26 for discussion of non-GAAP measures and slide 25 for reconciliation and definition.

## Strong Capital Ratios



Strong relative position for global capital regulatory reform

(1) Global peer group consists of 19 other financial institutions (7 large Canadian, 5 U.S., 5 European and 2 Australian). For additional information refer to page 9 of our 2009 Annual Report to Shareholders. Canadian peers excludes Manulife Financial Corp. and Power Financial Corp. Data as at Jan 31.10 for all Canadian banks and fiscal Q4/09 for all other peers. (Sources: Company reports, Bloomberg, RBC estimates)  
 (2) For further discussion refer to the Key performance measures section of our Q1 2010 Report to Shareholders.

## Who we are – Universal bank with financial strength



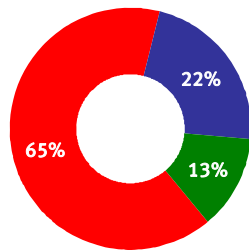
- Universal bank in Canada with selective focus globally
  - Active in all banking areas in Canada with leading market positions
  - Global capabilities in capital markets and wealth management
- Diversified model with the right mix of businesses and geographies
  - Able to generate significant returns throughout the economic cycle
  - Long-term strategic balance
    - 75% retail banking, wealth management and insurance businesses
    - 25% capital markets businesses
  - 2/3 Canada and 1/3 other geographies
- Continuing to invest in our businesses while focusing on cost management
- Senior debt ratings amongst the highest globally:
  - Moody's: Aaa<sup>(1)</sup>                      – DBRS: AA
  - S&P: AA-                                – Fitch: AA

Managing our company for long-term success

## Diversified business with core strength in Canada

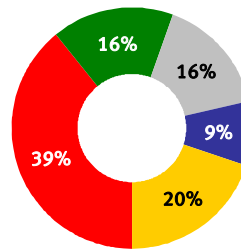


Revenue by Geography  
Five Year Average  
(2005-2009)



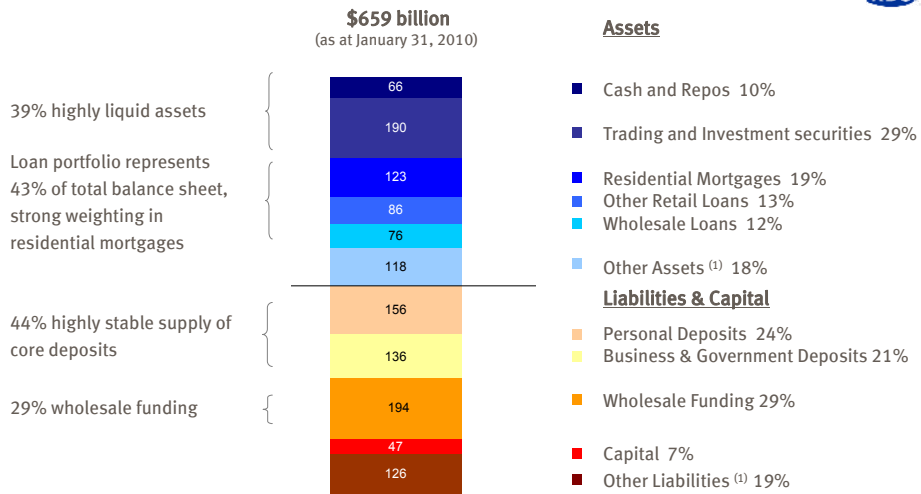
- Canada
- U.S.
- Other International

Revenue by Business Segment <sup>(1)</sup>  
Five Year Average  
(2005-2009)



- Canadian Banking
- Wealth Management
- Insurance
- International Banking
- Capital Markets

## High quality, liquid balance sheet provides significant flexibility



Solid risk management contributes to balance sheet strength

(1) Other assets include \$86B of derivatives related assets, largely offset by derivatives related liabilities in Other liabilities. Under Canadian GAAP derivative amounts with master netting agreements cannot be offset and the gross derivative assets and liabilities are reported on balance sheet.

## Where we are going



### Our Goals

#### Vision

Always earning the right to be our clients' first choice

In Canada, to be the undisputed leader in financial services

In the U.S., to be a leading provider of capital markets, wealth management and banking services by building on and leveraging our considerable capabilities

Outside North America, to be a premier provider of select capital markets, wealth management and banking services in markets of choice



## What we are doing to outpace the competition

- Canadian Banking – Clear leader and building on momentum
  - Profitably growing market share by delivering on client needs better than peers
  - Driving efficiencies and positive operating leverage
- Insurance – Growing the business
  - Leveraging RBC’s distribution and brand strength to expand the business
- Capital Markets – Building global capabilities
  - Leading Canadian position
  - Two-thirds of employees based in U.S. and U.K.; a major growth opportunity
  - Deepening expertise by adding quality teams from competition
- Wealth Management – Seizing opportunities for growth
  - Top performing Canadian asset manager with ability to lead market direction
  - Largest full service brokerage in Canada with industry leading performance
  - Attracting top advisors in North America and globally
- International Banking – Integrating operations and building efficiencies

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## Canadian Banking – Clear leader and widening the gap



### Largest, most integrated advice based distribution network

- Offering superior client access with most branches (1,200) and ATMs (4,228)
- Largest dedicated mobile sales specialists network (1,250)
- Cross-selling products and services from Wealth Management and Insurance

### Improving client experience through 4 key areas of differentiation – service, advice, convenience/access and value for money

- Best Banking Award recipient for “Branch Service”, “Financial Planning and Advice” and “Values My Business” (Synovate, 2009)
- Ranked #1 for a Canadian financial institution public website (Forrester, 2009)
- RBC Direct Investing ranked #1 service provider - discount brokerage (Dalbar, 2010)

### Driving efficiencies and positive operating leverage by streamlining and automating key processes

- 2009 efficiency ratio of 47.8%, improved 180 basis points from 49.6% in 2008
- 2009 operating leverage of 3.8%, up from 2.6% in 2008

## Canadian retail momentum



	Q1/10 <sup>(1)</sup>		Q1/09 <sup>(1)</sup>		
	Rank	Market Share	Rank	Market Share	
<b>Leadership in most personal products</b>	Consumer lending <sup>(2)</sup>	# 1	20.7%	# 1	20.2%
	Personal core deposits	# 2	19.5%	# 2	18.6%
	Personal Investments <sup>(3)</sup>	# 1	16.1%	# 1	16.6%
<b>Leadership in business products</b>	Business loans <sup>(4)</sup>				
	\$0 - \$250m	# 1	26.1%	# 1	25.9%
	\$250m - \$5mm	# 1	27.2%	# 1	26.6%
	Business deposits & investments	#1	23.0%	#1	23.4%

(1) Market share is calculated using most current data available from Bank of Canada (BoC), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA). BoC and IFIC data is at Dec/09 and CBA data is at Sept/09. Market share is of total Chartered Banks unless otherwise noted.

(2) Consumer Lending is comprised of residential mortgages, personal loans and credit cards.

(3) Personal Investments is comprised of GICs and mutual funds. Mutual fund market share is per IFIC.

(4) Market share is of the nine banks that submit Business Loan tiered data to CBA on a quarterly basis.

## Wealth Management – Seizing opportunities for growth



### Top performing Canadian asset manager focused on global growth

- Largest Canadian retail mutual fund company with almost \$100B AUM and 16% market share <sup>(1)</sup>
- Track record of industry leading performance
  - ✓ PH&N voted Best Overall Fund Group and Best Bond Fund Family (Lipper, 2010)
  - ✓ In 2009, RBC captured 31% of the industry net sales of long-term funds
- Leading Canadian institutional asset manager with growing presence in the U.S. market through recent mandate wins
- Actively considering acquisition opportunities outside Canada

### Largest and most comprehensive full-service wealth manager in Canada

- Largest full-service brokerage in Canada with 23% of assets and 15% of advisors <sup>(2)</sup>
- Market leader in estate and trusts with 27% share of industry revenue <sup>(2)</sup>

### Strong and growing position in U.S. Wealth Management

- 6<sup>th</sup> largest U.S. full-service retail brokerage firm with almost 2,300 financial consultants
- Translating recent significant growth in our U.S. Wealth Management business into bottom-line profitability

### Leader in International Wealth Management

- Top 20 global private bank and 2009 Award winner for “Outstanding Private Banking – North America” <sup>(3)</sup>
- Ranked #1 Best private banking services overall – Canada, Caribbean and Jersey (Euromoney, 2010)
- Pursuing acquisition opportunities that have synergies with existing business model

## Insurance – Growing the business



### Largest Canadian bank-owned group of insurers

- Only bank in Canada with a suite of solutions for business and personal clients
- Manufacturer and distributor for both life & health and property & casualty
- Market leader in Canadian travel insurance primarily through third party distribution, with growing authorized bank distribution
- Market leader in Bank Act authorized life and disability insurance products

### Increasing sales through lower-cost channels

- Growing in Canada by leveraging RBC's client, distribution, risk management and brand strength
- Expanded our retail insurance network to 52 branches
  - 17 new locations opened since the beginning of 2009, providing our clients with more convenient access to insurance services

### Pursuing selected international niche opportunities

- Providing life insurance, annuity products and travel insurance in the U.S.
- Internationally, focusing on specialty reinsurance businesses

## International Banking – Building a portfolio of quality assets



### Transforming U.S. banking by enhancing the client experience and improving distribution capabilities

- Over 430 branches focused on retail, small business and commercial clients
- Refining operations and taking out costs to become more competitive in the attractive U.S. Southeast market

### 2<sup>nd</sup> largest bank in the English Caribbean and growing

- Integrating RBTT Financial Group acquisition to expand and deepen Caribbean banking platform
- Strong position for future expansion in the Caribbean and Latin America

### RBC Dexia Investor Services: Top 10 global custodian

- Providing unique offshore and onshore solutions to institutions worldwide in 16 countries on 4 continents
- Delivering a globally integrated suite of products and services, while responding to emerging opportunities through select client and market initiatives
- Responding to emerging opportunities by pursuing select client and market initiatives
- Announced an agreement to acquire UBI Banca's depositary bank business to RBC Dexia - over €19B in assets under custody

## Capital Markets – Building global capabilities



- Canada's "Dealmaker of the Year" for the 7<sup>th</sup> consecutive year <sup>(1)</sup>
- Best Investment Bank in Canada winning all three categories – debt, equities and M&A for 2<sup>nd</sup> consecutive year <sup>(2)</sup>
- Oil and Gas Adviser of the Year <sup>(3)</sup>

Rankings <sup>(4)</sup>	2009				2008	
	Value (US\$ millions)	# of deals	Rank	Market Share	Rank	Market Share
Canada equity and equity-related	6,751	53	1	15.8%	2	15.0%
Canadian loans	12,976	43	1	23.5%	1	25.9%
Canada M&A	46,492	52	1	37.5%	2	33.6%
U.S. M&A	20,292	47	20	2.5%	31	1.0%
Global M&A	56,079	93	16	3.1%	23	2.2%

(1) Financial Post.  
 (2) Euromoney.  
 (3) World Independent & Junior Oil and Gas Awards.  
 (4) Bloomberg.

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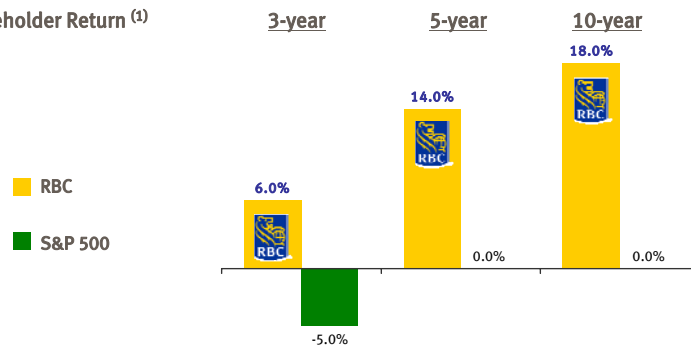
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## Consistently outperforming



Total Shareholder Return <sup>(1)</sup>



### RBC rank versus:

Global peer group <sup>(2)</sup>	#2	#2	#1
Big 6 Canadian Banks	#1	#1	#1

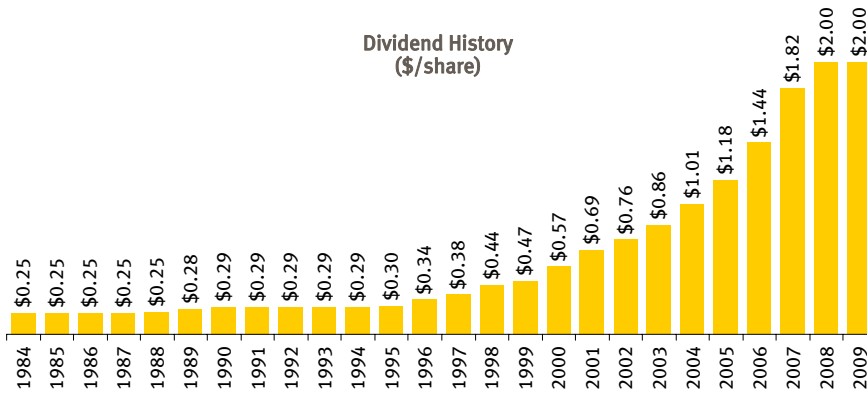
(1) Price appreciation plus dividends reinvested, annualized. As at March 1, 2010.

(2) Global peer group consist of 19 other financial institutions (7 large Canadian, 5 U.S., 5 European and 2 Australian). For additional information refer to page 9 of our 2009 Annual Report to Shareholders.

## History of delivering stable and growing dividends



Dividend History  
(\$/share)

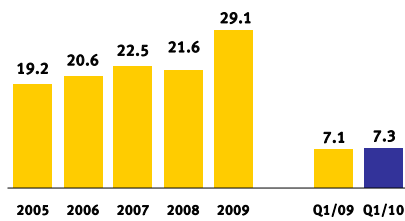


Dividend maintained at \$0.50 in Q1 2010

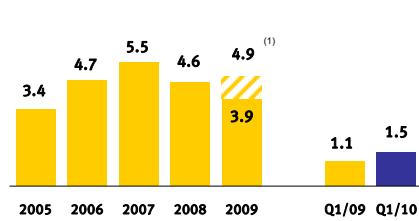
## Strong Financial Profile



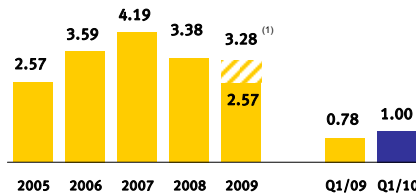
Revenue  
(C\$ billions)



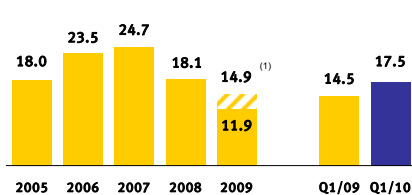
Net Income  
(C\$ billions)



Earnings per share  
(diluted, C\$)

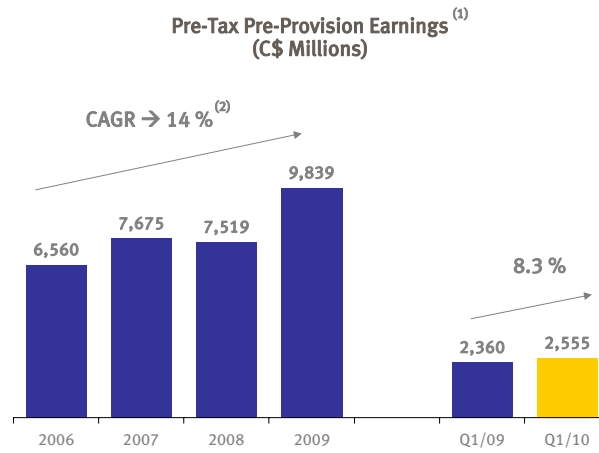


Return on Equity  
(%)



(1) Non-GAAP. Excludes goodwill impairment charge of C\$1 billion, which is a non-cash item and does not affect our business operations or capital strength. See the Key performance and non-GAAP measures section of our 2009 Annual Report to Shareholders.

## Continued growth in earnings power



- Q1 2010 Pre-Tax Pre-Provision Earnings to Risk Adjusted Assets of 4.02%

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## Pre-Tax Pre-Provision Earnings



\$ millions	2006	2007	2008	2009	Q1/09	Q1/10
<b>GAAP Net Income</b>	\$4,728	\$5,492	\$4,555	\$3,858	\$1,110	\$1,497
Add: Goodwill Impairment Charge	-	-	-	1,000	-	-
Add: Provision for credit losses	429	791	1,595	3,413	786	493
Add: Income Tax Expense	1,403	1,392	1,369	1,568	464	565
<b>Pre-Tax Pre-Provision Earnings</b>	<b>\$6,560</b>	<b>\$7,675</b>	<b>\$7,519</b>	<b>\$9,839</b>	<b>\$2,360</b>	<b>\$2,555</b>
<b>Average Risk Adjusted Assets</b>						<b>\$251,927</b>
<b>Pre-Tax Pre-Provision Earnings / Risk Adjusted Assets (annualized)</b>						<b>4.02%</b>

- Pre-provision, pre-tax earnings is a useful supplemental measure of capital adequacy as it is the first line of defence in absorbing higher credit costs and securities write downs.
- Non-GAAP. See slide 26 for a discussion of non-GAAP measures.

## Non-GAAP measures



We use a variety of financial measures to evaluate our performance. In addition to GAAP prescribed measures, we use certain non-GAAP measures we believe provide useful information to investors regarding our financial condition and results of operations. Readers are cautioned that non-GAAP measures, such as cash net income, pre-tax pre-provision earnings and cash ROE do not have any standardized meanings prescribed by Canadian GAAP, and therefore, are unlikely to be comparable to similar measures presented by other companies.

Reconciliation and additional information about our non-GAAP measures can be found under the "Key performance and non-GAAP measures" section in our 2009 Annual Report to Shareholders and our Q1 2010 Supplementary Financial Information.

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