

Royal Bank of Canada

Investor Presentation

Winter 2011-2012

Financial information is presented in Canadian dollars on a continuing operations basis, and is based on Canadian GAAP, unless otherwise noted.



Caution regarding forward-looking statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this presentation and in the accompanying management's comments and responses to questions during the December 2, 2011 analyst conference call (Q4 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, aspiration, 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, aspiration, 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 objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, operational, and liquidity and funding risks, and other risks discussed in the Risk management section of our 2011 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, including the effects of the European sovereign debt crisis and the lowering of the U.S. long-term sovereign credit rating by Standard & Poor's; 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; changes to and new interpretations of risk-based capital and liquidity guidelines; the impact of changes in laws and regulations including relating to the payments system in Canada, consumer protection measures and the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations to be issued thereunder; the effects of competition in the markets in which we operate; our ability to attract and retain employees; judicial or regulatory judgments and legal proceedings; the accuracy and completeness of information concerning our clients and counterparties; our ability to successfully execute our strategies and to complete and integrate strategic acquisitions and joint ventures successfully; development and integration of our distribution networks; and the impact of environmental issues.

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

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

Information contained in or otherwise accessible through the websites mentioned does not form part of this Q4 presentation. All references in this Q4 presentation to websites are inactive textual references and are for your information only.

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2 Business Segment Overview

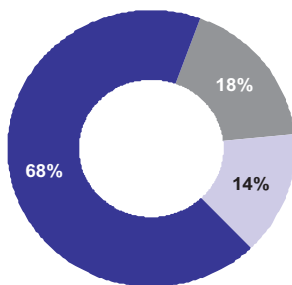
3 Canadian Economy and Mortgage Market



RBC's Key Strengths

Revenue by Geography ⁽¹⁾

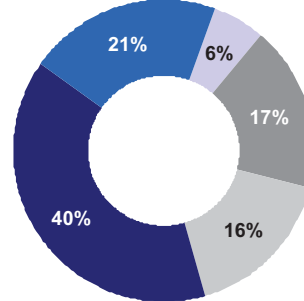
2011



■ Canada ■ U.S. ■ International

Revenue by Business Segment ⁽¹⁾

2011



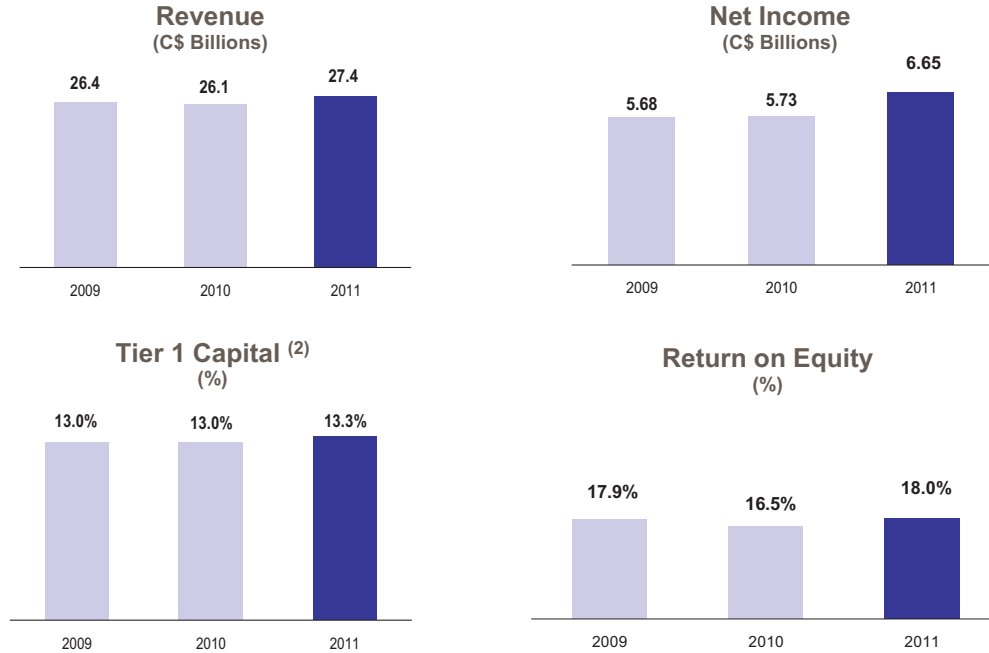
■ Canadian Banking ■ Wealth Management
■ International Banking ■ Insurance
■ Capital Markets

- ✓ Leveraging our leadership in Canada to build globally competitive businesses
- ✓ Diversified model with the right mix of businesses and geographies
- ✓ Strong capital base and highly liquid balance sheet

Canadian leader with a global scope



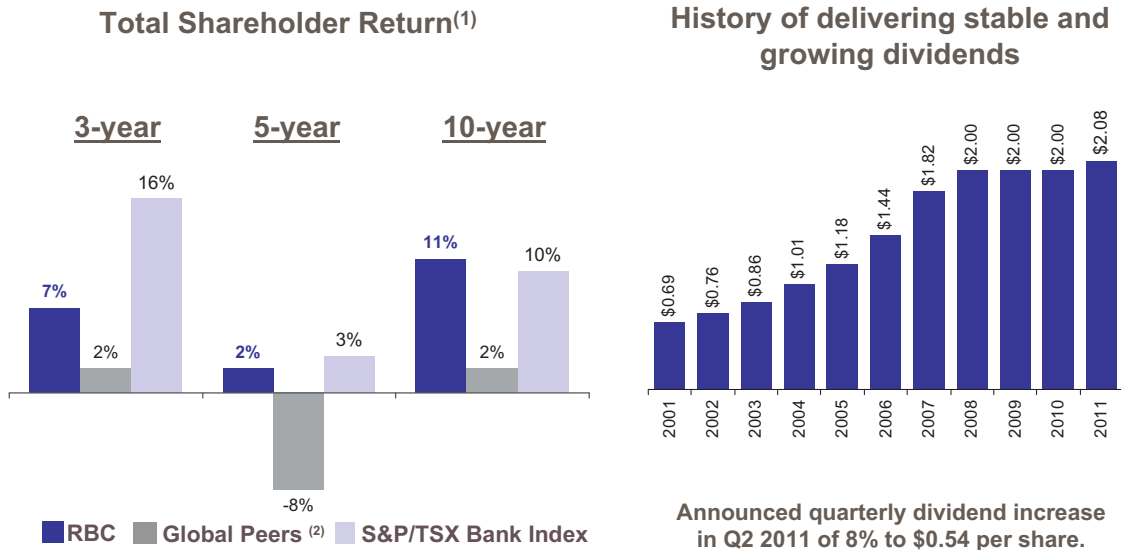
Strong Financial Profile ⁽¹⁾



Well positioned financially and competitively



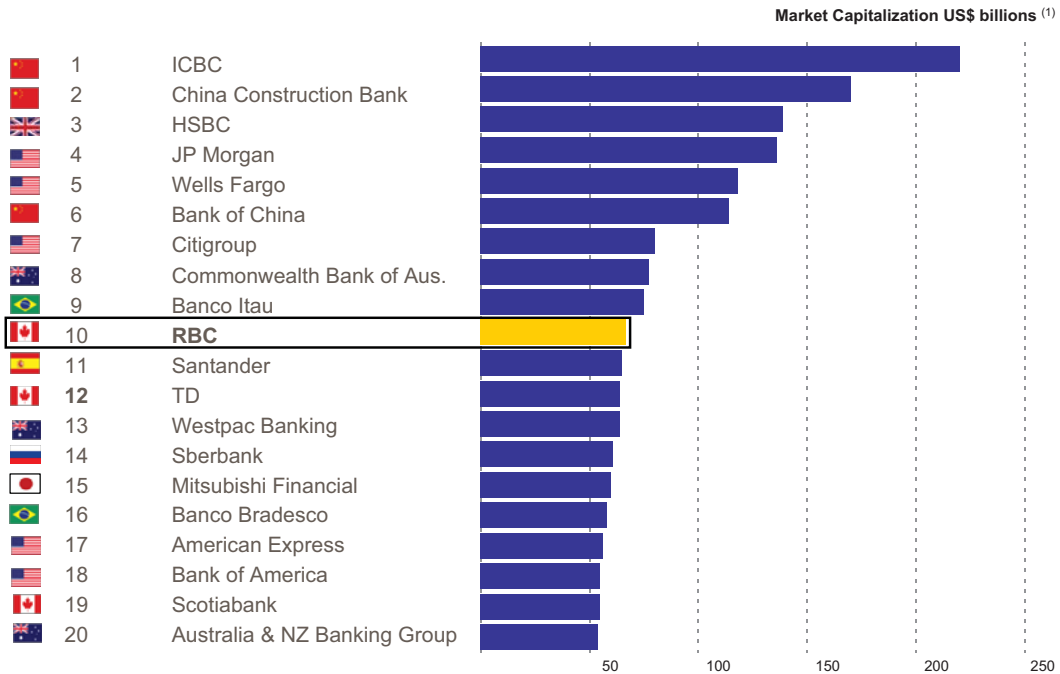
Strong Shareholder Returns



Strong earnings generation and long-term shareholder value



RBC – Among the Top 20 Largest Banks Globally



Well-positioned competitively



Our Strategy



Extending our lead in Canada and growing globally

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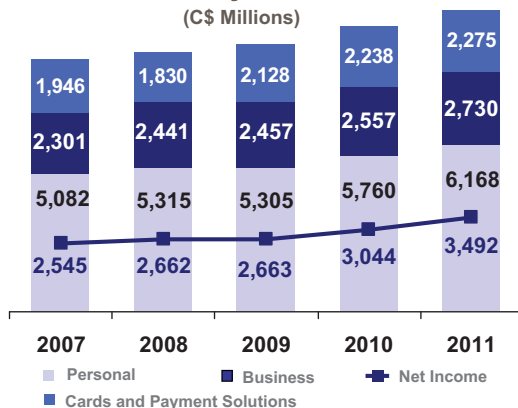
3 Canadian Economy and Mortgage Market

2



Canadian Banking

Results by Business (C\$ Millions)



Q4 2011 Domestic Market Share and Rankings⁽¹⁾

Product	Market Share	Rank
Consumer Lending	23.6%	1
Personal Core Deposits	21.8%	2
Personal Investments	15.8%	1
Business Loans (\$0 - \$250,000)	25.2%	1
Business Loans (\$250,000 - \$5 MM)	25.8%	1
Business Deposits and Investments	25.0%	1

- ✓ Building on leading market positions
- ✓ Extending sales power
- ✓ Eliminating costs and reinvesting for the future

Profitably gaining market share



Canadian Banking

✓ Building on leading market positions and extending sales power

- Targeting 25% volume growth premium
- Providing 4 key areas of superior experience: service, advice, convenience/access and value for money

✓ Extending sales power

- Leveraging our unparalleled distribution network and cross-selling ability
- Capitalizing on the largest and most integrated advice-based distribution network with a wide depth and breadth of products
- Providing superior client access with the most branches (1,214) and ATMs (4,293)
- Effectively cross-selling products and services from Wealth Management and Insurance

✓ Eliminating costs and reinvesting for the future

- Investing to drive further efficiencies, enabling growth at lower cost; 2011 efficiency ratio of 47.8%
- Enhancing sales capability with end-to-end simplification including policies, products and procedures
- Launching a new retail store of the future

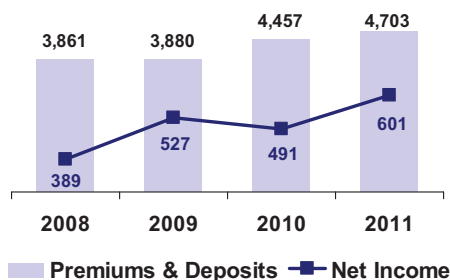
Track record of industry leading performance

- First Canadian bank to reach one million mobile app downloads in under a year setting a new Canadian bank record with three fully integrated apps for Android, Blackberry and Apple
- Synovate awards for Telephone Banking and ATM Banking Excellence
- #1 Online Banking and #1 Canadian Bank Secure Web Site Ranking (Forrester)
- #1 in the 2011 Report Card on Banks and Credit Unions (published by Investment Executive)
- #1 Private Bank (Euromoney); #1 Direct Investing Service (Dalbar)



Insurance

Select Financials (C\$ Millions)



- ✓ Consistent contributions to earnings
- ✓ Diversified business with a superior breadth of products and excellent distribution
- ✓ Delivering solutions through proprietary channels

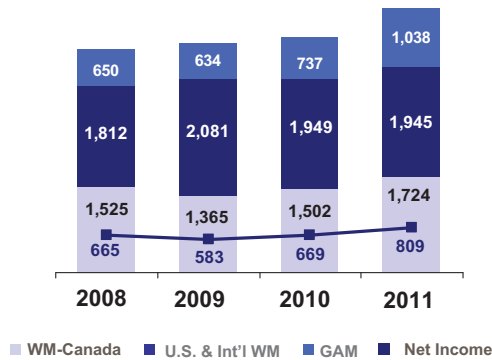
- ✓ Canadian market leader in living benefits and travel insurance
- ✓ Improving distribution efficiency and deepening client relationships
- ✓ Pursuing select international niche opportunities to grow our core reinsurance business

Enhancing our comprehensive suite of products and services

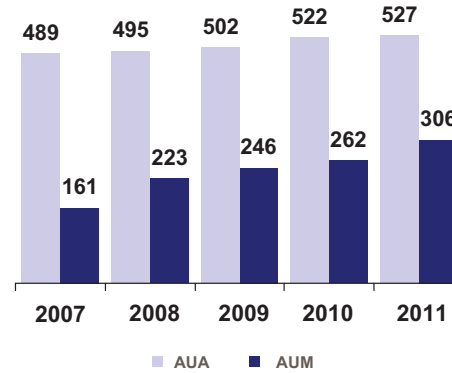


Wealth Management

Results by Business
(C\$ Billions)



Consistent Growth in Assets
(C\$ Billions)



- ✓ Building a global high-performing asset manager
- ✓ Expanding High Net Worth and Ultra High Net Worth market share
- ✓ Leveraging RBC and RBC Wealth Management strengths and capabilities

Building a leading global wealth and asset manager



Wealth Management

✓ Building a global high-performing asset manager

- Over \$247B in AUM serving retail and institutional clients in Canada, U.S., U.K., Europe, Latin America & Asia
- Largest Canadian retail fund company (all-in and long-term funds) with 15% market share, and four consecutive years with over 25% of industry long-term fund sales⁽¹⁾
- Leading Canadian institutional manager and dedicated and growing service to U.S. institutional clients
- Leveraging BlueBay (U.K.) acquisition to strengthen global solutions and capabilities

✓ Expanding High Net Worth and Ultra High Net Worth market share

- Largest and most comprehensive full-service wealth manager in Canada with 22%⁽²⁾ HNW market share
- Increasing penetration in the U.S., U.K. and Emerging Markets

✓ Leveraging RBC and RBC Wealth Management

- Improving productivity and efficiency in the U.S. where we are the 6th largest full-service broker by Financial Advisors, with US\$175B in AUA and over 2,000 Financial Advisors in 42 states⁽³⁾
- Building on our global leadership in international trust solutions to grow the Global Trust business while improving business efficiency
- Expanding U.K. presence by leveraging Global Trust, Global Asset Management and RBC Capital Markets
- Leveraging the strength, stability and brand of RBC

Track record of industry-leading performance

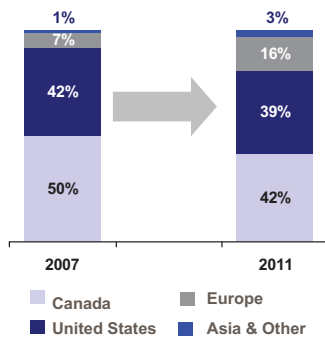
- 6th largest global wealth manager by AUM⁽⁴⁾
- Best Overall Fund Group, Best Bond Fund Family, multiple best equity and fixed income funds⁽⁵⁾
- Best Private Banking Services Overall in Canada and the Caribbean⁽⁶⁾
- #1 Bank-Owned Investment Dealer, #1 Overall Score, #1 Advisor Overall Rating of their Firm in Canada⁽⁷⁾
- Highest in Investor Satisfaction with Full Service Brokerage Firms in the U.S.⁽⁸⁾
- Institutional Trust Team of the Year⁽⁹⁾

1. IFC, Oct 2011; 2. Investor Economics, 2011; 3. Sourced from company websites and excludes Correspondent & Advisor Services and International; 4. Scorpio Partnership, 2011; 5. Lipper, 2011; 6. Euromoney, 2011; 7. Investment Executive 2011 Brokerage Report Card; 8. J.D. Power and Associates, 2011; 9. Society of Trust and Estate Practitioners, 2011. * Reflects published dates.

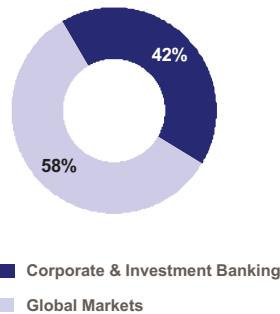


Capital Markets

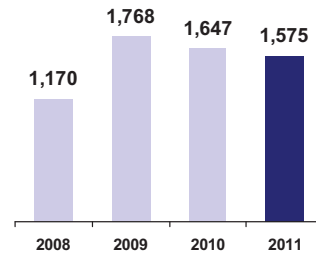
Revenue by Geography⁽¹⁾
2011



Revenue by Business⁽¹⁾
2011



Net Income
(\$ Millions)



- ✓ Leveraging leadership in Canada to expand globally
- ✓ Significant presence in the U.S. with growing client relationships
- ✓ Expanding our footprint in Europe and Asia by building on our core strengths

A premier global investment bank



Capital Markets

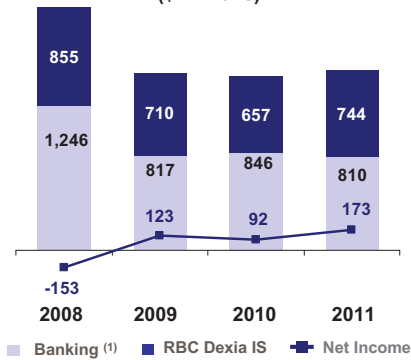
- ✓ **Leveraging leadership in Canada to expand globally**
 - Leading market share in all businesses including trading, debt and equity origination, loan syndication and M&A.
 - Canada's most global investment bank with a significant offering of global product/service capabilities.
- ✓ **Significant presence in the U.S. with growing client relationships**
 - Leveraging key investments to increase industry sector coverage and market share in origination, lending and syndicated finance, M&A, sales and trading and research.
 - A U.S. primary dealer building client relationships and global distribution network.
- ✓ **Expanding our footprint in Europe and Asia by building on our core strengths**
 - Expanding investment banking, including M&A, equity markets and research capabilities in Europe.
 - Selectively growing in Asia by extending our M&A strengths and building local fixed income and currencies trading capabilities.

Track record of industry-leading performance

- 11th largest investment bank globally by fees in 2010 (Bloomberg), up three spots from 2009
- Best Investment Bank in Canada (Euromoney, 2011) across Equity, Debt and M&A for 4th consecutive year
- #1 in Fixed Income e-Trading and #1 in Non-Core Bonds for the 3rd consecutive year⁽¹⁾
- Most Impressive SSA Sterling House and SSA Australian Dollar House, Best SSA non-core Currency House and Best Bank Team in other non-core Currencies⁽²⁾



Results by Business (\$ Millions)



Caribbean Banking

- ✓ 2nd largest bank by assets in the English Caribbean
 - Provide products and solutions through 123 branches in 17 countries and territories

RBC Dexia Investor Services

- ✓ Top 10 global custodian with C\$2.7 trillion in client AUA

- ✓ Integrating operations while building a strong franchise in the Caribbean
- ✓ RBC Dexia is enhancing and broadening their suite of product offerings to deliver a globally integrated client experience

Building a portfolio of quality franchises

1. Effective Q3/11, we classified the results of our U.S. regional retail banking operations as discontinued operations. See the Annual Report for more information.

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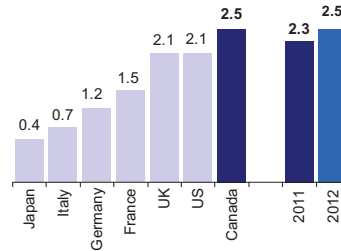


Canadian Economy

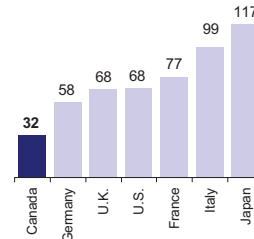
✓ Strong economic fundamentals⁽¹⁾

- ❑ Fiscal surpluses for 11 straight years pre-crisis
- ❑ Stable and declining unemployment with the unemployment rate in line with historical averages
- ❑ Net debt-to-GDP ratio lowest among G-7 nations
- ❑ Proactively responded to financial crisis with strong fiscal stimulus and monetary policy
- ❑ Stable inflation that has remained within the target range of 1-3%
- ❑ #1 for soundness of banks for the 4th consecutive year (World Economic Forum, 2011)

G7 Real GDP Growth⁽²⁾
(% 1999-2010)



Government Net Debt⁽³⁾
(% of nominal GDP, 2010)



Canada has benefited from prudent fiscal policy



Mortgage Market Comparison

	Canada	U.S.
Regulation	<ul style="list-style-type: none"> • Fully insured if LTV <u>over</u> 80%; government-backed • Must meet 5-year fixed rate mortgage standards • Down-payment > 20% on non-owner occupied 	<ul style="list-style-type: none"> • Insured only if conforming and LTV <u>under</u> 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 • More apt to pay off mortgage 	<ul style="list-style-type: none"> • Mortgage interest is tax deductible • Less tendency 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 led to low delinquency rates 	<ul style="list-style-type: none"> • Wide range of underwriting and documentation requirements • Most mortgages securitized and sold • Significant sub-prime origination
Products	<ul style="list-style-type: none"> • 1 - 5yr terms typical, max 30 year amortization • Prepayment penalties; limited use of “teasers” 	<ul style="list-style-type: none"> • Typically 30-year terms with matching amortization • “Teasers” (low initial rate, then increases)
Lender Recourse	<ul style="list-style-type: none"> • Easy to foreclose on non-performing mortgages, with no stay periods • Full recourse against borrowers 	<ul style="list-style-type: none"> • Stay period of up to 90 days to foreclose on non-performing mortgages • Limited recourse against borrowers
RBC Portfolio	<ul style="list-style-type: none"> • Approximately 40% of residential mortgage balances are insured 	



Note to users

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

Definitions can be found under our “Glossary” section in our 2011 Annual Report to Shareholders and in our Q4 2011 Supplementary Financial Information.

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