

# Royal Bank of Canada Investor Presentation

Q4/2014

Financial information is presented on a consolidated basis in Canadian dollars and is based on International Financial Reporting Standards (IFRS), unless otherwise noted. Our 2014 Annual Report and Q4/2014 Supplementary Financial Information are available on our website at [rbc.com/investorrelations](http://rbc.com/investorrelations).



Investor Relations





## Caution regarding forward-looking statements

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From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this RBC Investor Presentation, in filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (SEC), in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals. The forward-looking information contained in this RBC Investor Presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, insurance, regulatory compliance, operational, strategic, reputation, competitive and systematic risks and other risks discussed in the Risk management and Overview of other risks sections of our 2014 Annual Report; anti-money laundering; growth in wholesale credit; the high levels of Canadian household debt; cybersecurity; the business and economic conditions in Canada, the U.S. and certain other countries in which we operate; the effects of changes in government fiscal, monetary and other policies; tax risk and transparency; our ability to attract and retain employees; the accuracy and completeness of information concerning our clients and counterparties; the development and integration of our distribution networks; model, information technology, information management, social media, environmental and third party and outsourcing risk.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward looking-statements contained in this RBC Investor Presentation are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2014 Annual Report. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the Risk management and the Overview of other risks sections in our 2014 Annual Report.

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

# Royal Bank of Canada

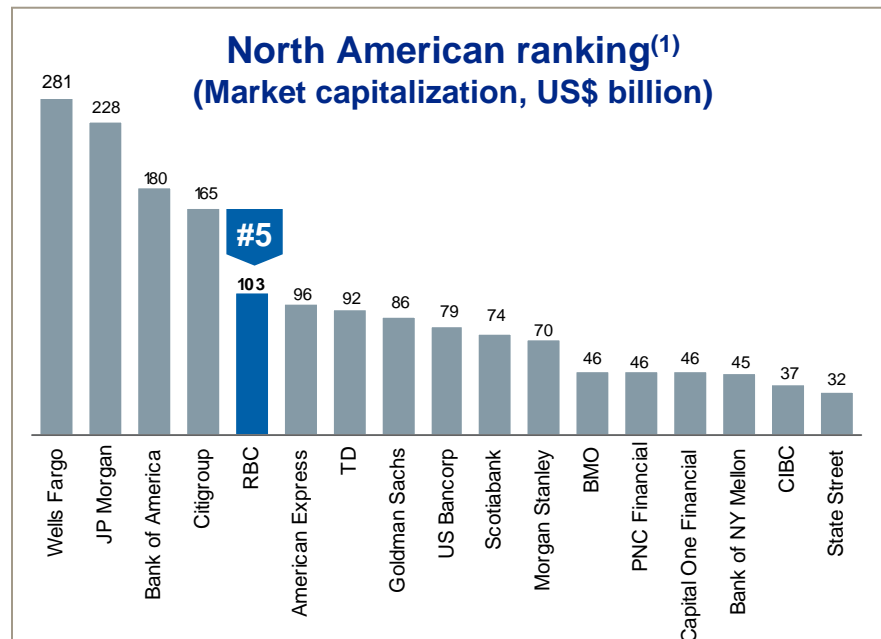
## SECTION I





# RBC is one of the largest banks globally

- Canada's largest bank by market capitalization, with broad leadership in financial services
- Offices in Canada, United States and 38 other countries
- ~78,000 full- and part-time employees who serve more than 16 million clients worldwide



**Extending our lead in Canada and selectively growing globally**

## Investor Relations

(1) Market data from Bloomberg as of December 2, 2014.

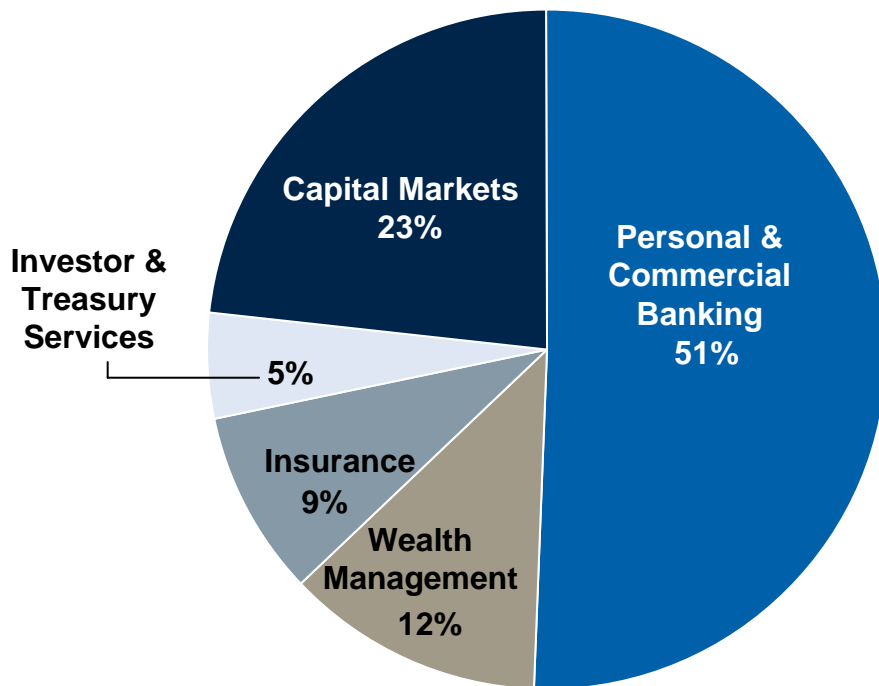
(2) ICBC: Industrial and Commercial Bank of China; CCB: China Construction Bank Corporation; ABC: Agriculture Bank of China; CBA: Commonwealth Bank of Australia; Santander: Banco Santander, S.A.

## A diversified business model – RBC’s key strength

- Diversified business mix, with the right balance of retail and wholesale
- Almost two-thirds of revenue from Canada
- Strategic approach in key businesses in the U.S. and select international markets

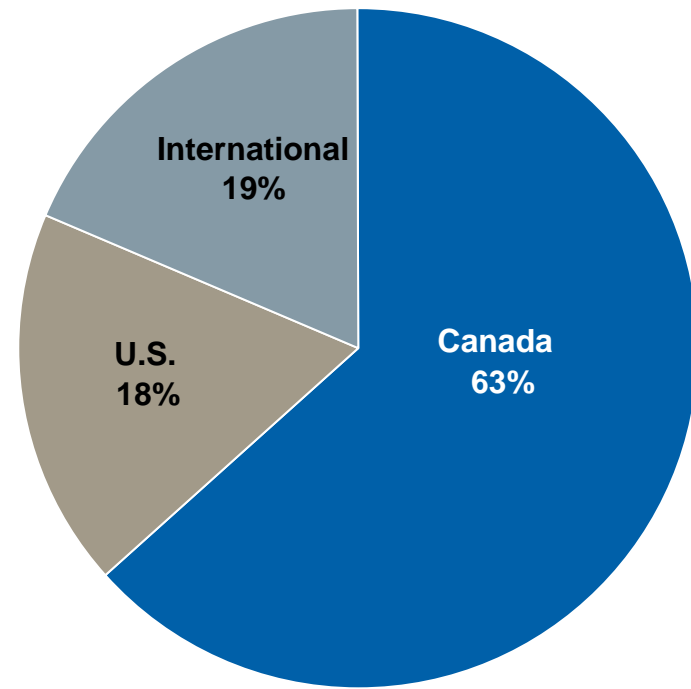
### Earnings by business segment<sup>(1)</sup>

For the year ended October 31, 2014



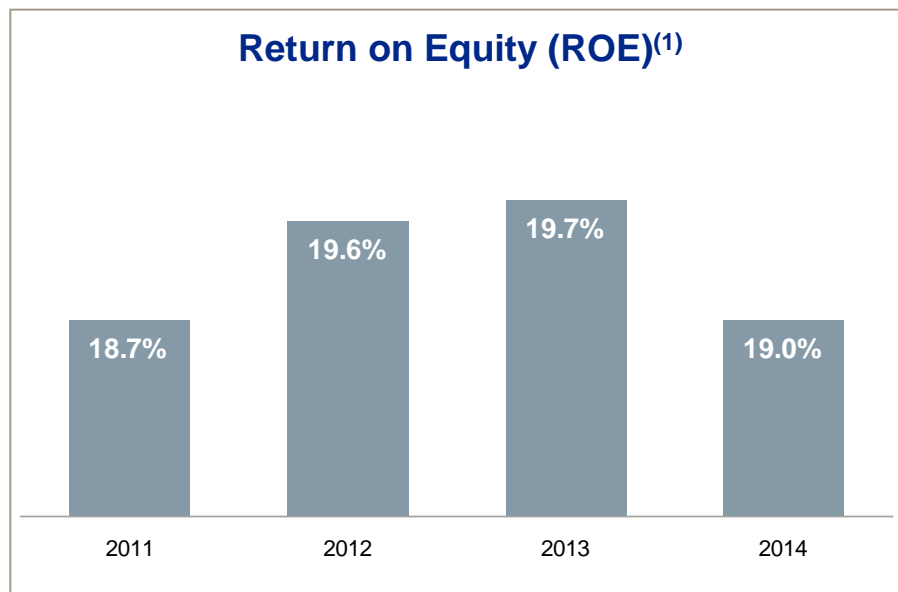
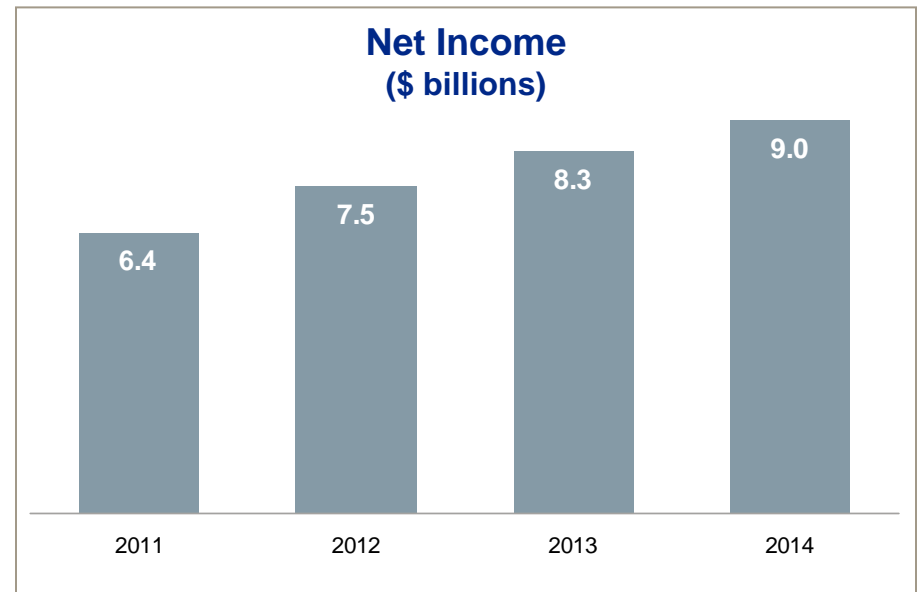
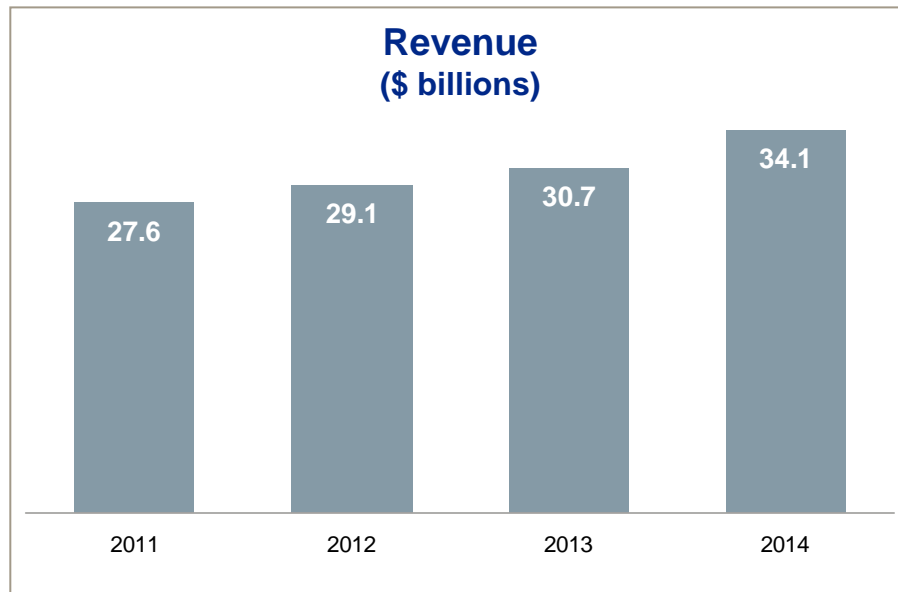
### Revenue by geography<sup>(1)</sup>

For the year ended October 31, 2014





# Strong financial profile



### 2014 Basel III Capital ratios – “All-in” basis<sup>(2)</sup>

▪ Common Equity Tier 1	9.9%
▪ Tier 1 Capital	11.4%
▪ Total Capital	13.4%

### Credit ratings<sup>(3)</sup>

Moody's	S&P	Fitch	DBRS
<b>Aa3</b>	<b>AA-</b>	<b>AA</b>	<b>AA</b>
<i>Negative</i>	<i>Negative</i>	<i>Stable</i>	<i>Stable</i>

#### Investor Relations

(1) ROE may not have a standardized meaning under GAAP principles and may not be comparable to similar measures disclosed by other financial institutions. For additional information, see slide 23. (2) Capital calculated to include all regulatory adjustments that will be required by 2019 but retaining the phase-out rules for non-qualifying capital. Refer to the Capital Management section of our 2014 Annual Report for details on Basel III requirements. (3) Based on long-term senior debt ratings.



# History of delivering value to our shareholders

## Total shareholder return (TSR)<sup>(1)</sup>

	RBC	Peer Avg.
3 Year	23%	19%
5 Year	12%	8%
10 Year	14%	5%

## Dividend

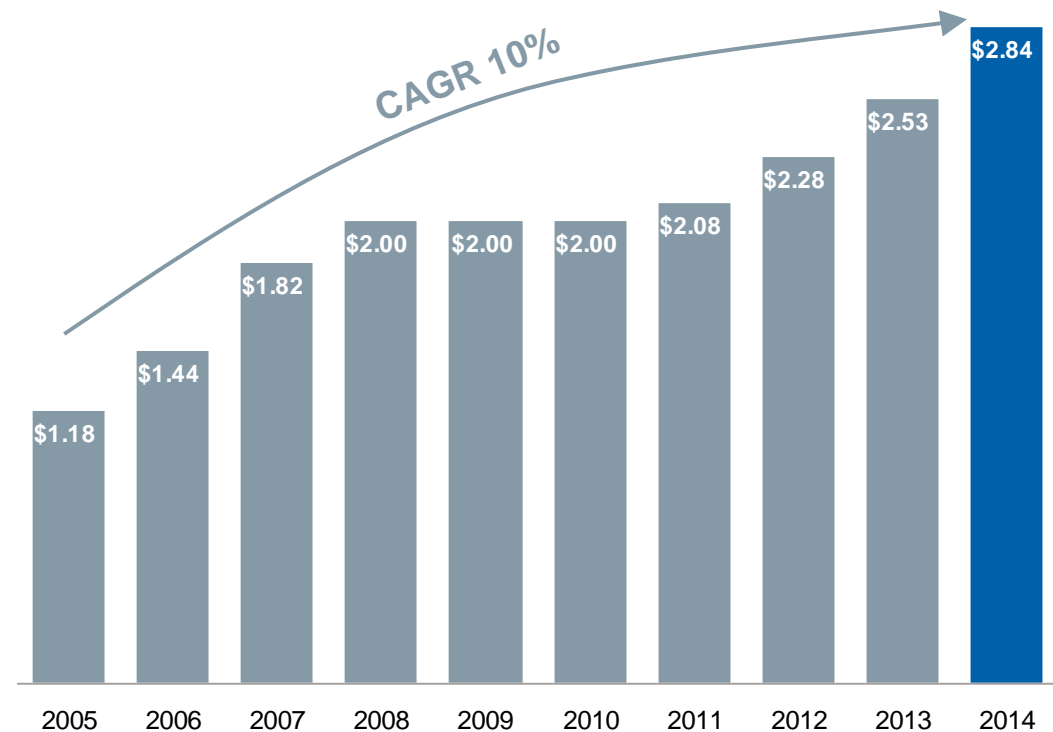
- Current quarterly dividend: \$0.75
- FY2014 payout ratio of 47%, in line with our target of 40-50%

## Share buybacks

- Announced normal course issuer bid on October 27, 2014 to repurchase up to 12 million common shares

## Annual dividend history\* (\$ per share)

- RBC increased its dividend 2 times in 2014, a total increase of 12%



\* Dividends declared per common share.

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

### Investor Relations

(1) Annualized TSR is calculated based on common share price appreciation plus reinvested dividend income. Source: Bloomberg, as at October 31, 2014. RBC is compared to our global peer group. The peer group average excludes RBC; for the list of peers, please refer to our 2014 Annual Report.



# Key strategic priorities aligned to our long-term goals

## Strategic goals

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

## Strategic priorities

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



# Business Segments

## SECTION II

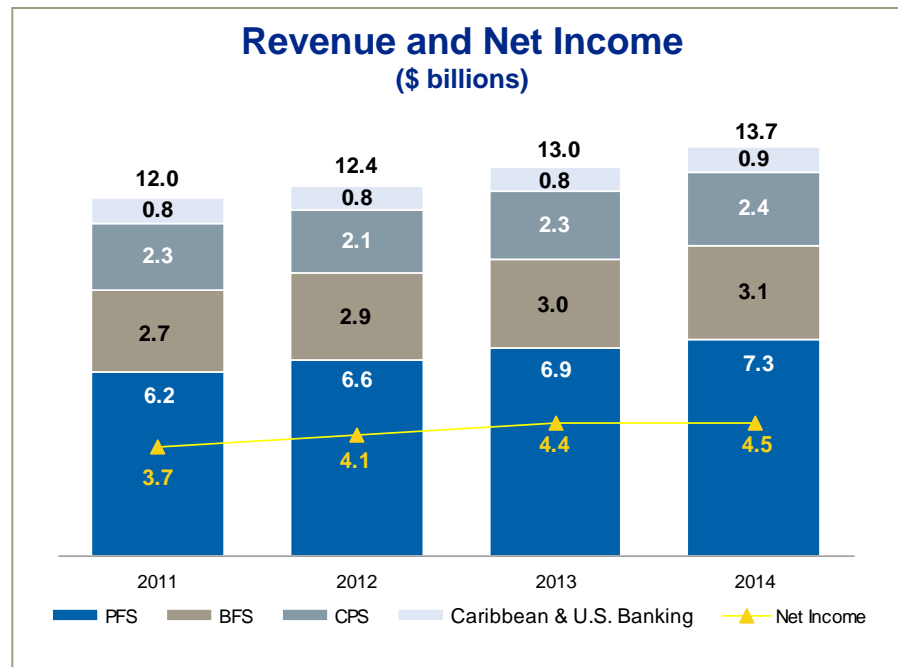




# Personal & Commercial Banking

## Overview

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



**Business metrics<sup>(3)</sup>**

	Canada	Caribbean & U.S.
Clients (million)	12.2	1.4
Branches	1,272	93
ATMs	4,620	309
Employees (FTE)	31,442	4,732
Loans & acceptances (\$ billion)	350	8
Deposits (\$ billion)	270	16

### Investor Relations

(1) Peers include TD, CIBC, BMO and BNS as of Q3/2014. (2) Based on average balances. (3) For the quarter ended October 31, 2014. Loans & Acceptances and Deposits are average balances over the quarter. Note: PFS: Personal Financial Services; BFS: Business Financial Services; CPS: Cards and Payment Solutions, and; FTE: Full-time equivalent.



# Personal & Commercial Banking – Canada

## Offering a differentiated experience

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

## Making it easier to do business with us

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

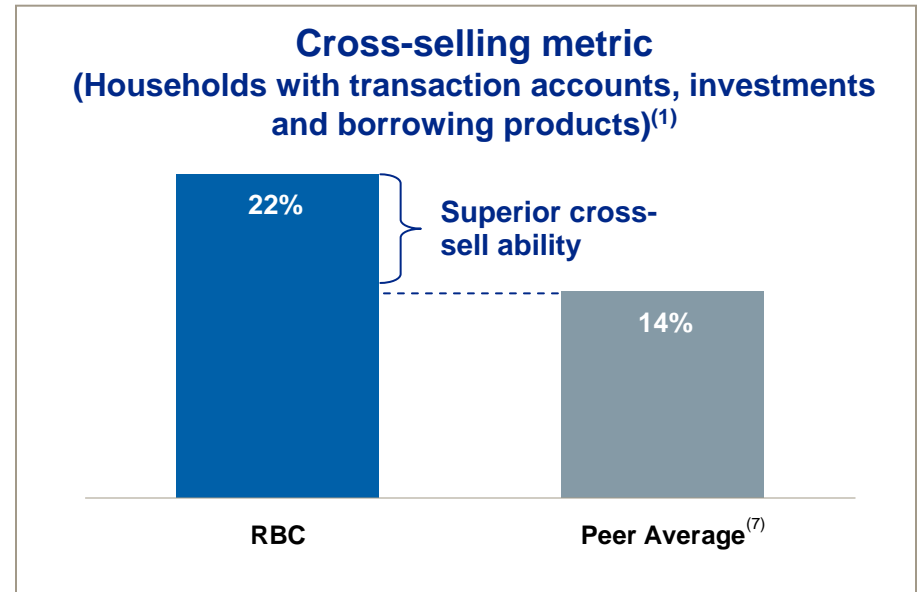
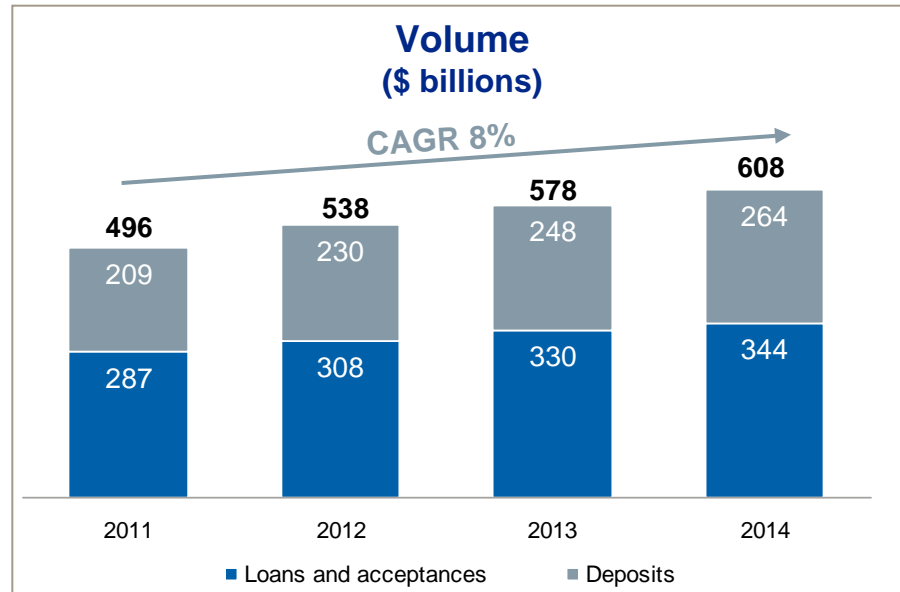
## Converging into an integrated multi-channel network

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

## Recent awards

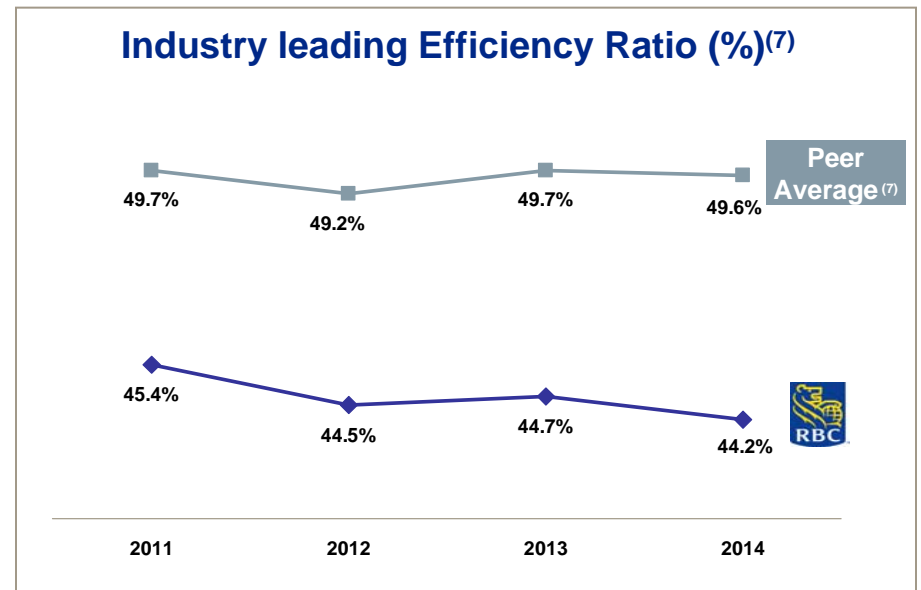
- **Best Global Retail Bank of the Year 2014**, following two consecutive years as being named Best Retail Bank in North America (*Retail Banker International*)
- **Bank of the Year in Canada 2014** (*The Banker*)
- **Best Trade Finance Bank in Canada 2014** for the second consecutive year (*Global Finance*)
- **Best Private Banking Services in Canada, the Caribbean, Cayman Islands and Jersey 2014** (*Euromoney*)
- **Best Private Bank in Canada and the Caribbean 2014** (*Professional Wealth Management*)
- **Innovation in Customer Service 2013** (*Retail Banker International*)
- **Best Commercial Bank in Canada 2013** (*World's Finance*)
- **#1 RBC Visa Infinite Avion in overall satisfaction 2013** (*MLM and Maritz*)

# Personal & Commercial Banking – Canada



### Market share<sup>(2)</sup>

Product	Market share	Rank
Consumer lending <sup>(3)</sup>	1	23.7%
Personal core deposits + GICs	2	20.2%
Long-Term Mutual Funds <sup>(4)</sup>	1	14.2%
Business loans (\$0-\$25MM) <sup>(5)</sup>	1	25.3%
Business deposits <sup>(6)</sup>	1	26.0%



## Investor Relations

<sup>(1)</sup> Canadian Financial Monitor by Ipsos Reid – 12,000 Canadian households annually – data based on Financial Group for the 12-month period ending Oct. 2013. <sup>(2)</sup> Market share is calculated using most current data available from OSFI (M4), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA). OSFI, IFIC and Consumer Lending CBA data is at July 2013 and 2014, Business Loans CBA data is at June 2013 and 2014. Market share is of total Chartered Banks except for Business Loans which is of total 7 Banks (RBC, BMO, BNS, CIBC, TD, NBC, CWB). <sup>(3)</sup> Consumer Lending market share is of 6 banks (RBC, TD, CIBC, BMO, BNS and National). Consumer Lending comprises residential mortgages (excluding acquired portfolios), personal loans and credit cards. <sup>(4)</sup> Mutual fund market share is per IFIC and is compared to total industry. <sup>(5)</sup> Business Deposits market share is of total Chartered Banks and excludes Fixed Term, Government and Deposit Taking Institution balances. <sup>(6)</sup> Business Loans market share is of the 9 Chartered Banks that submit tiered data to CBA on a quarterly basis. <sup>(7)</sup> Peer average is based on annual results for BMO, BNS, CIBC & TD. 2014 reflects average reported Q3 2014 results for peers.

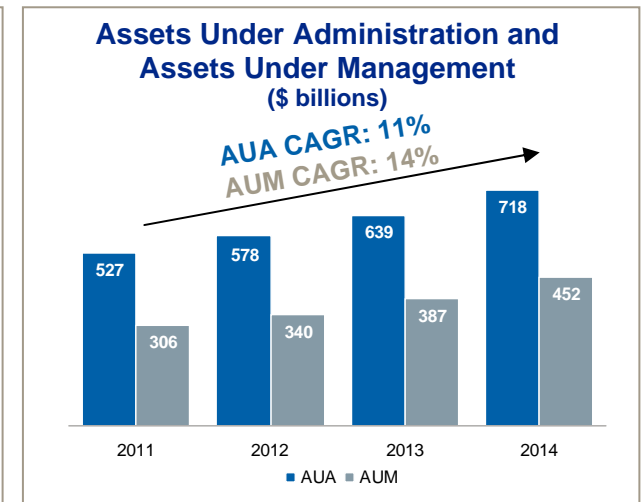
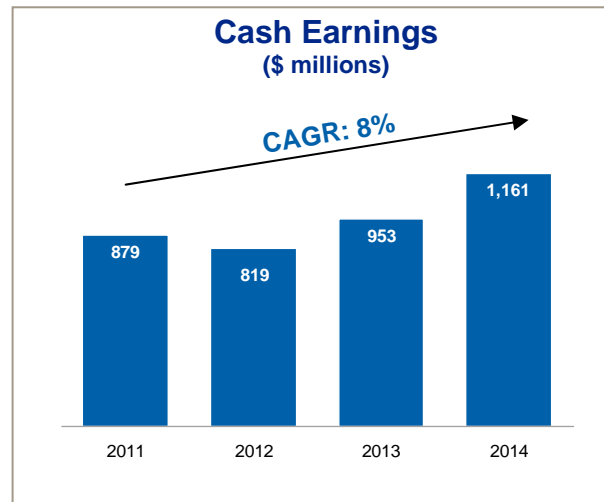
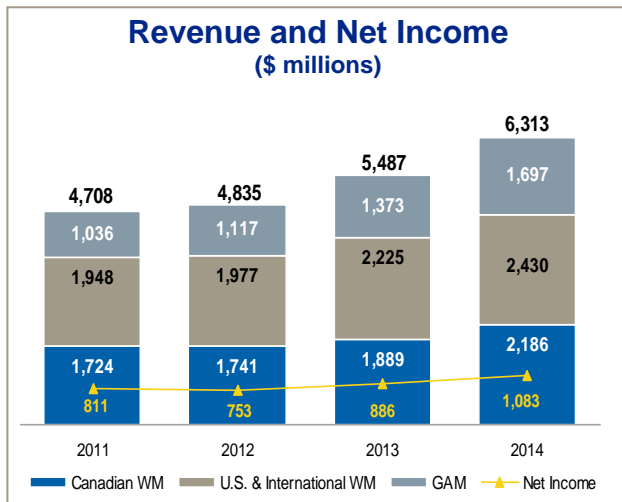
# Wealth Management

## Leveraging Canadian strengths to build global leadership

- Building a high performing global asset management business
  - Top quartile in terms of industry profitability<sup>(1)</sup>
  - Top 50 global asset manager<sup>(2)</sup>
- Focusing on HNW and UHNW client segments to extend our industry-leading share of HNW client assets in Canada and expand share globally
  - Driving strong advisor productivity as a leader in fee-based assets per advisor<sup>(3)</sup>
- Client assets at \$1.17 trillion in Q4/2014, a 14% YoY increase
- Grew AUA by 11% and AUM by 14% CAGR since Q4/2011

## Recent awards / rankings

- Top 5 Global Wealth Manager by client assets (*Scorpio*)
- Outstanding Wealth Manager – Customer Relationship Service and Engagement (*Private Banker International*)
- Best Overall Fund Group (*Lipper, Canada*)
- Fixed Income Manager of the Year PH&N (*Morningstar*)
- Top 50 Global Asset Manager (*Pensions & Investments / Towers Watson*)
- Best Bank-owned Brokerage Firm in Canada (*International Executive Brokerage Report Card*)
- Best Private Banking Services Overall – Canada, Caribbean, Cayman Islands, Jersey (*Euromoney*)
- Best Private Bank in Canada and the Caribbean (*PWM/The Banker Global Private Banking Awards*)
- Trust Company of the Year (*Society of Trust and Estate Practitioners (STEP)*)
- Editor's Award for Institutional Trust Co, Women in Wealth Management (*Wealth Briefing Asia Awards*)
- Diversity/Gender Program of the Year (*City Wealth Magic Circle*)



## Investor Relations

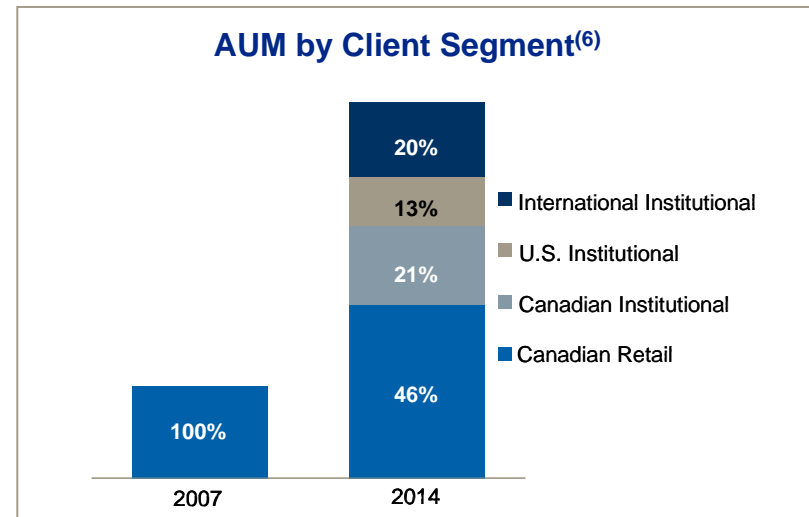
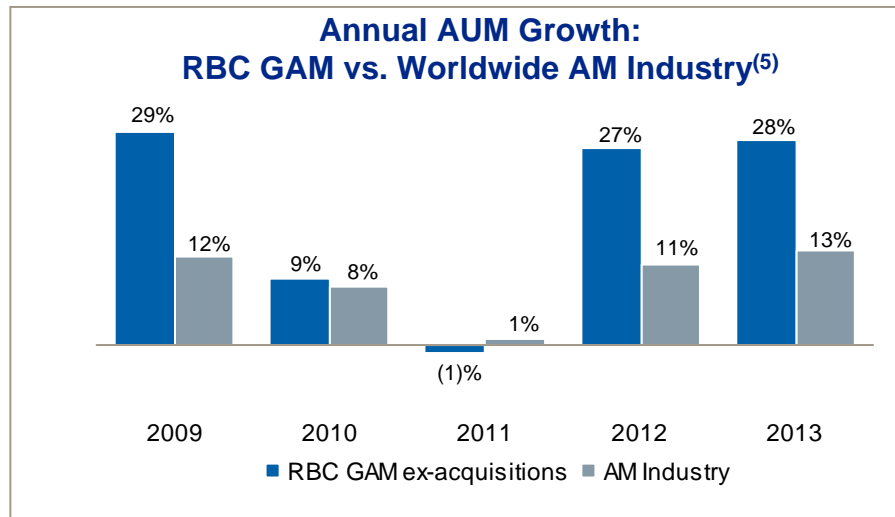
HNW: High net worth; UHNW: Ultra-high net worth; AUA: Assets under administration; and, AUM: Assets under management.

(1) BCG Asset Management Benchmarking Survey 2013. (2) Pensions & Investments and Towers Watson 2014 Global Asset Manager Ranking Report. (3) Investor Economics Report published in December 2013.

# Wealth Management – Global Asset Management

## Building a high-performing global asset management business

- **Driving top-tier profitability in our largest Wealth Management business**
  - Over \$350 billion in client assets, generating ~60% of RBC Wealth Management earnings on a full year basis
  - Investor asset mix of 45% Individual / 55% Institutional client assets
  - Second fastest growing asset manager, between 2007-2012, by AUM; ranked 48<sup>th</sup> largest asset manager worldwide<sup>(1)</sup>
- **Extending our lead in Canada**
  - Largest fund company in Canada with 14.5% market share; leader in last twelve months net flows (18% share)<sup>(2)</sup>
  - Top quartile fund performance, with 81% of AUM in 1<sup>st</sup> or 2<sup>nd</sup> quartile<sup>(3)</sup>
  - Third largest institutional pension asset manager in Canada<sup>(4)</sup>
- **Expanding our global solutions and capabilities**
  - Continuing to see momentum in our international institutional business, including BlueBay, driven by market share gains in higher fee-based solutions such as equities and credit strategies
  - Strengthening our distribution capabilities while further enhancing our global product suite to meet the needs of our clients
  - Hired teams in London and Canada to build out our global equities team in 2014



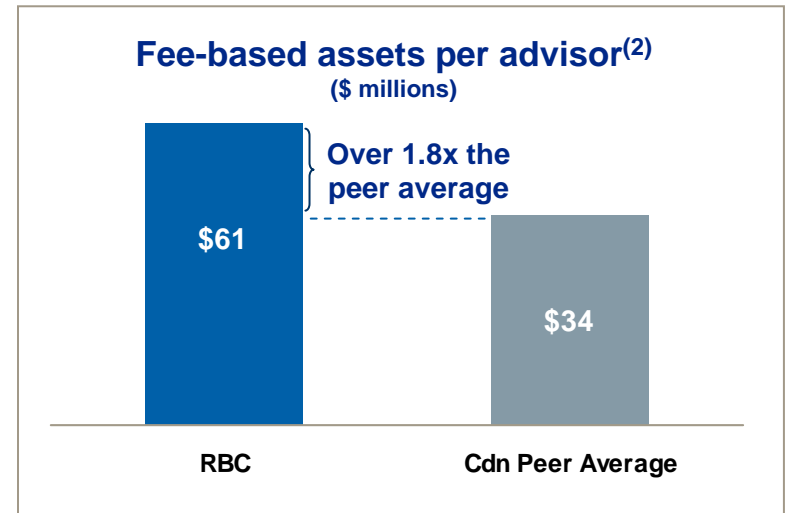
### Investor Relations

(1) From 2007 to 2012 RBC moved up from 98<sup>th</sup> to 48<sup>th</sup> largest Asset Manager worldwide. Based on Towers Watson P&I Largest 500 Worldwide Asset Managers, Year End 2012. The Towers Watson / P&I survey includes AUM for RBC which is not managed by GAM. A calculation of GAM's AUM growth over the above period would not result in a material difference to the percentage growth shown above. (2) Investment Funds Institute of Canada (IFIC) as at September 30, 2014 and RBC reporting. (3) As at September 30, 2014. Based on a blended 1/3/5 year basis, gross of fees, against RBC Global Asset Management peer group. (4) Benefits Canada as at December 31, 2013. (5) Boston Consulting Group, 2013. (6) Data as of October 31, 2014.

# Wealth Management

## Canada – Extending our industry leadership

- **Extending our #1 position**
  - Grew HNW market share by ~400 bps to 19% in the last four years<sup>(1)</sup> with momentum and anticipate reaching 20% market share by 2015
- **Maintaining profitable growth in a challenging market**
  - Generating 33% of RBC Wealth Management earnings with strong pre-tax margin, highest among North American peers<sup>(3)</sup>
- **Driving strong advisor productivity**
  - Canadian leader in fee-based assets per advisor<sup>(1)</sup>
  - Consistently driving revenue per advisor of over \$1 million per year, 48% above Canadian industry average<sup>(1)</sup>
    - Competitive hires delivering strong new asset growth
  - Leveraging Enterprise linkages to continue to extend market share gains

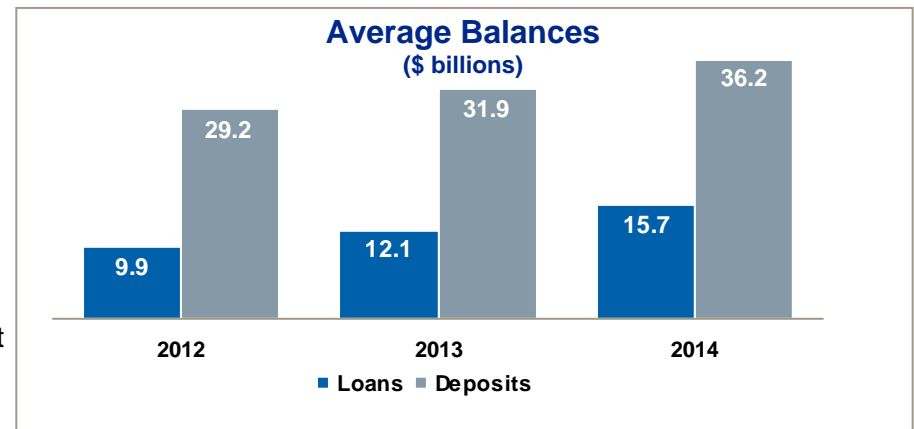


## U.S. & International

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

## Loans<sup>(4)</sup> & Deposits

- Strong growth in our credit and deposit taking businesses, with loans growing at a CAGR of 17% and deposits at a CAGR of 7% since 2012



### Investor Relations

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



# Insurance

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

## Improving distribution efficiency

- Delivering multi-line “insurance advice for your life” through integrated product cross-sell strategies
- Focusing on developing efficient and effective proprietary channels that deliver strong results and strengthening our position in profitable third-party distribution channels

## Deepening client relationships

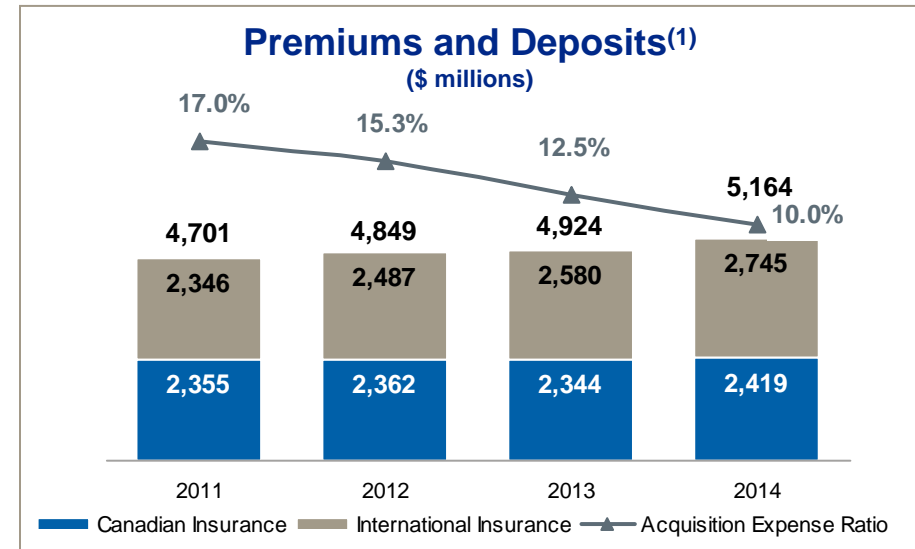
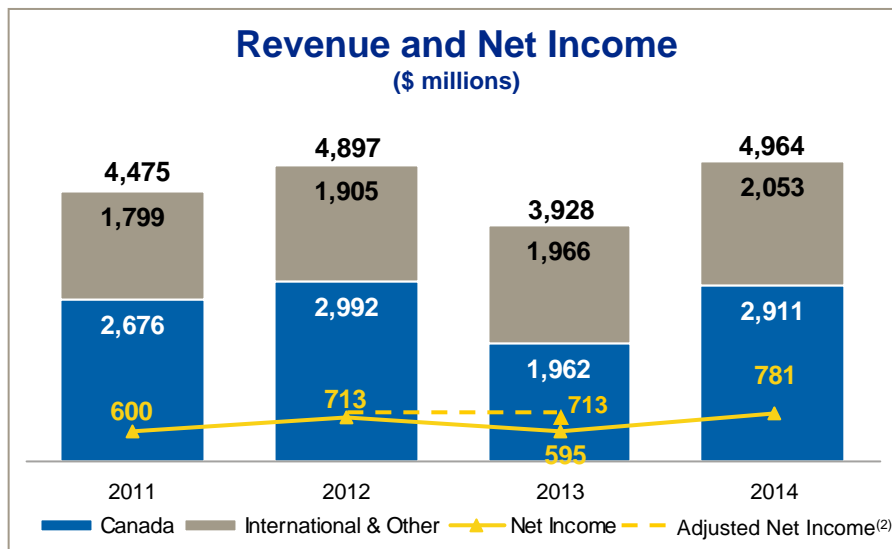
- Providing a comprehensive suite of RBC Insurance products and services to continue to meet our clients’ unique needs

## Simplifying the way we do business

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

## Pursuing select international opportunities to grow our reinsurance business

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



### Investor Relations

(1) Acquisition Expense Ratio calculated as Total Acquisition Expense/Net Premiums.

(2) Adjusted net income excludes a charge of \$160MM (\$118MM after-tax) as a result of new tax legislation in Canada in Q4/2013. This is a non-GAAP measure. For additional information, see slide 23.



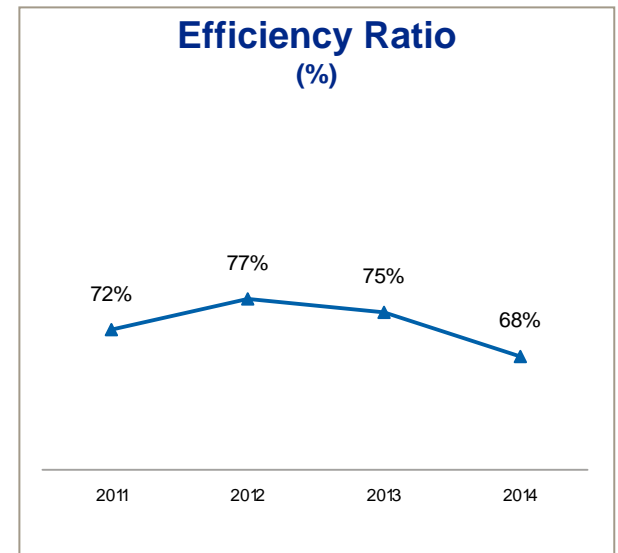
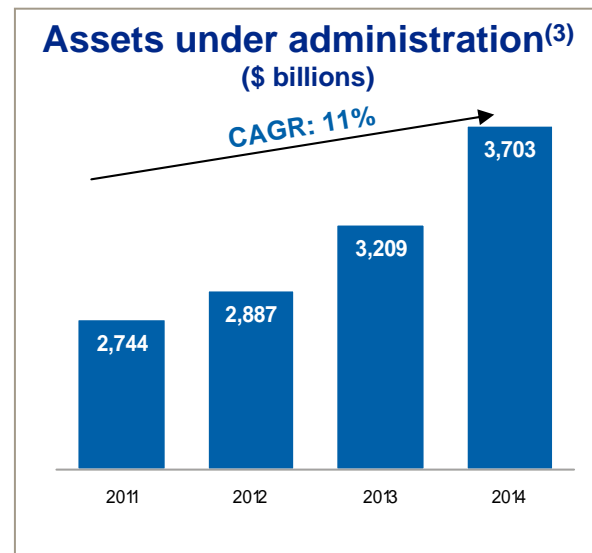
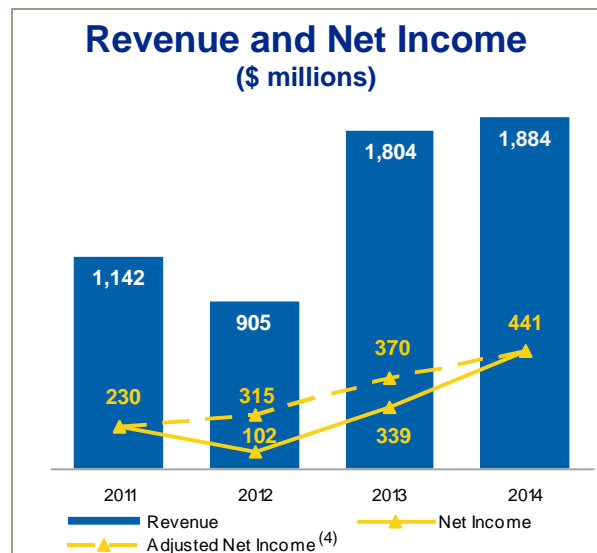
# Investor & Treasury Services

## Key businesses

- Specialist provider of asset servicing, custody and payments services, with an integrated funding and liquidity business
  - Top 10 global custodian by AUA
    - Best Custodian Overall, #1 Custodian in Europe and #1 Custodian in North America<sup>(1)</sup>, Real Estate Fund Administrator of the Year<sup>(2)</sup>
  - Canadian leader in cash management, correspondent banking and trade finance for financial institutions (processing >50% of all payments into Canada)
  - Funding and liquidity management for RBC

## Business objectives

- In Canada, be the top provider of domestic custody, asset servicing and transaction banking services
- Compete in offshore domicile markets, as a leading provider of fund services from centers of excellence in Luxembourg and Ireland
- Maintain a selective presence in global markets, in support of Investor & Treasury Services' global offshore strategy



## Investor Relations

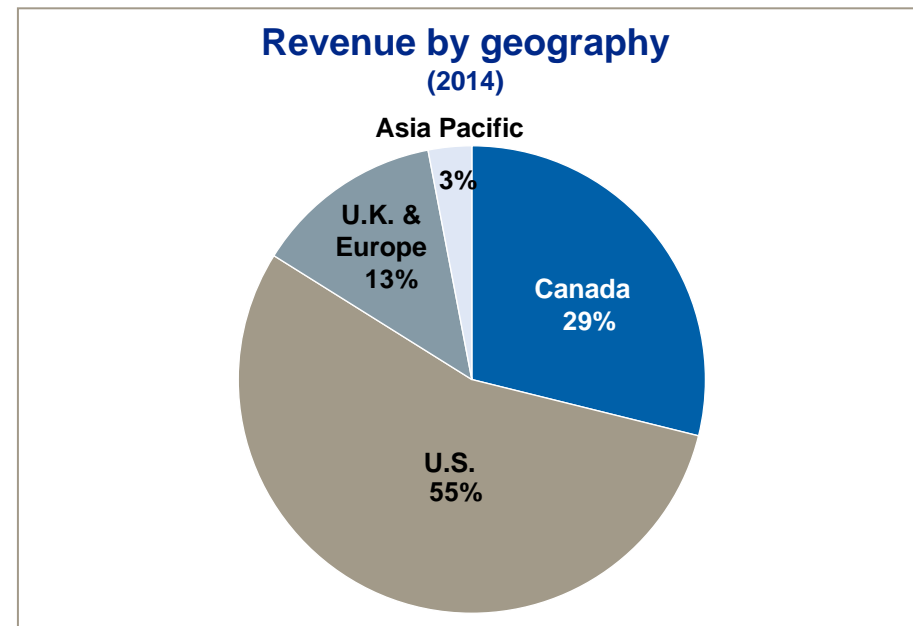
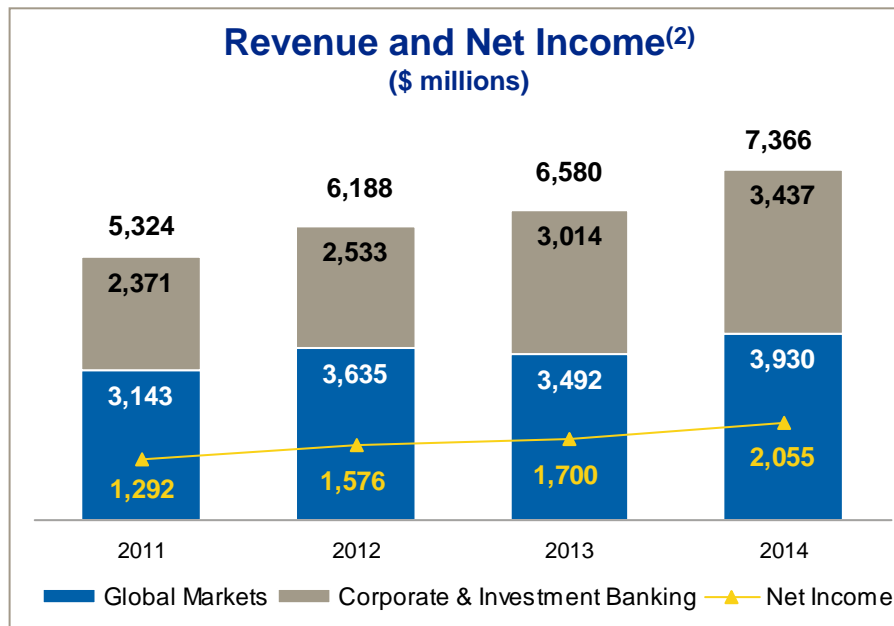
(1) Global Investor/ISF magazine's Global Custody Survey 2014. (2) Custody Risk European Awards 2014. (3) Spot balances, as at October 31, 2014 (4) Adjusted net income excludes a loss of \$224 million (\$213 million after-tax) related to our acquisition of the remaining 50% stake of RBC Dexia in Q3/2012 and \$44 million (\$31 million after-tax) related to the integration of Investor Services in Q2/2013. These are non-GAAP measures. For additional information, see slide 23.

# Capital Markets

## A premier North American investment bank with select global reach

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

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



### Investor Relations

(1) Thomson Reuters Global Banking Review – First nine months 2014

(2) Other revenue not depicted on the graph, but included in Total revenue and Net Income.

# Capital Markets

## Maintaining our leadership position in Canada

- Focus on long-term client relationships and leverage our strong cross-border capabilities
- Improve collaboration with Wealth Management to drive operational efficiencies

## Expanding and strengthening client relationships in the U.S.

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

## Selectively building on core strengths and capabilities in UK/Europe and Asia

- Grow prudently by developing strong client relationships and selectively adding talent to expand our capabilities
- Continue to expand distribution capabilities in Hong Kong and selectively grow investment banking in Sydney

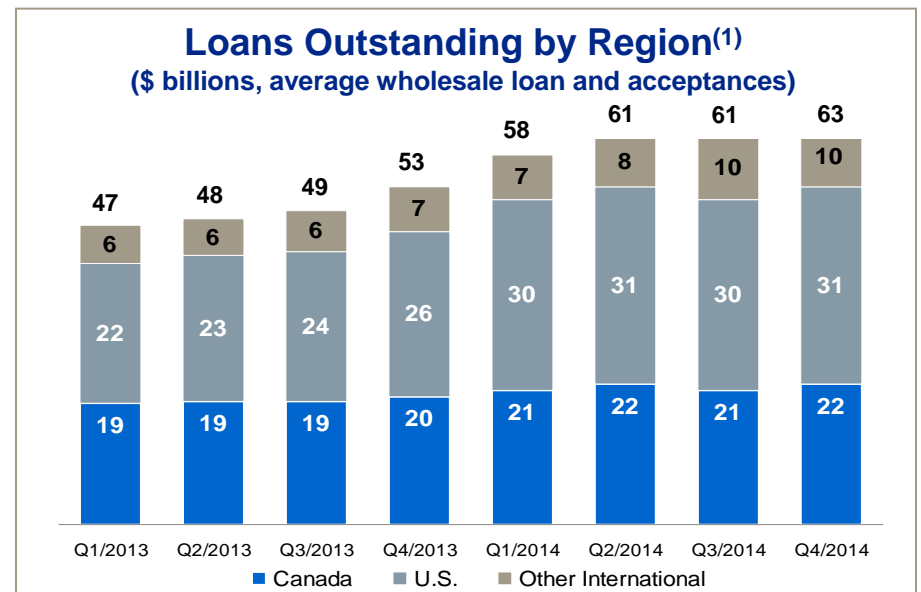
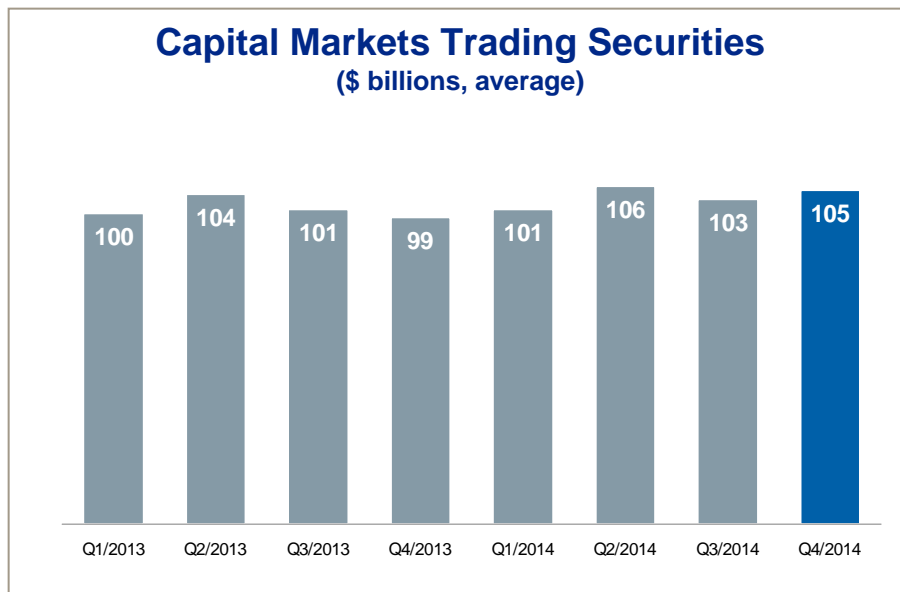
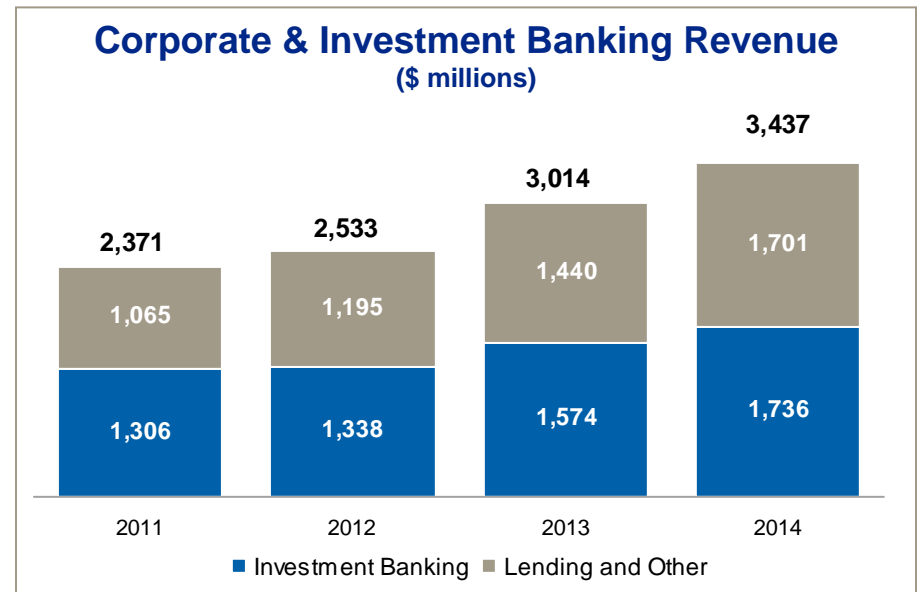
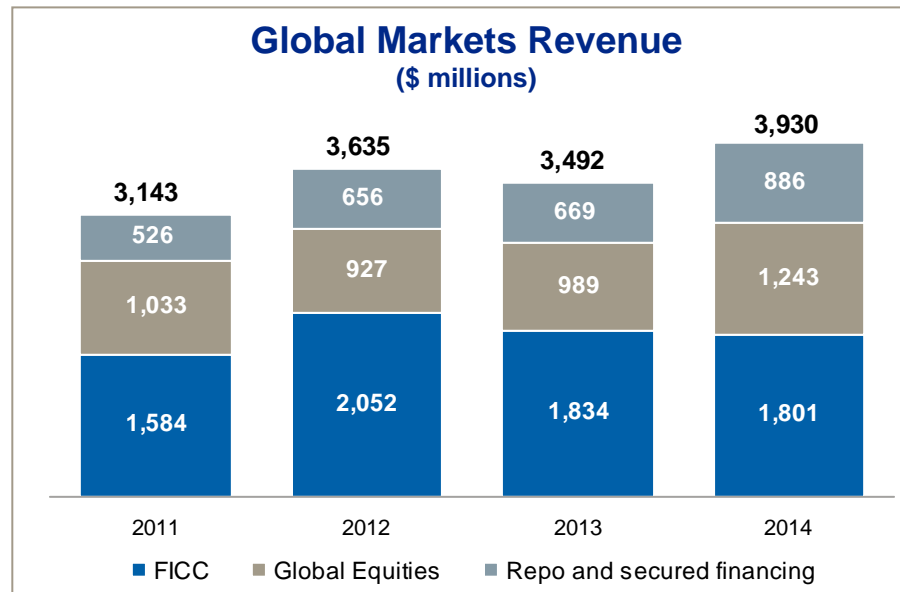
## Optimizing capital use to earn high risk-adjusted returns on assets and equity

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

### Recent awards / Rankings

- **10<sup>th</sup> largest by global investment bank fees** (*Thomson Reuters, 2014*)
- **Global #1 Trusted Investment Bank and #2 for Expertise and Skills** (*The Economist, 2014*)
- **Best Investment Bank in Canada across Equity, Debt and M&A** for 7<sup>th</sup> consecutive year (*Euromoney, 2014*)
- **Best Project Finance House in North America** (*Euromoney, 2013*)
- **Canadian fixed income sales & trading quality leader, Canadian fixed income market share leader** (*Greenwich Associates, 2014*)
- **Leading Canadian Equities platform – ranked #1 in 2014 for Overall Trading Quality and #1 for Sales Quality** (*Greenwich Associates, 2014*)
- **Top Equity research franchise in Canada – ranked #1 for five consecutive years** (*Brendan Wood International*)
- **Best Bank for Fixed Income Research and Strategy** (*Technical Analyst Awards, 2014*)

# Capital Markets



## Investor Relations

(1) Average loans & acceptances, and letters of credit and guarantees for our Capital Markets portfolio, on single name basis. It excludes mortgage investments, securitized mortgages and other non-core items.

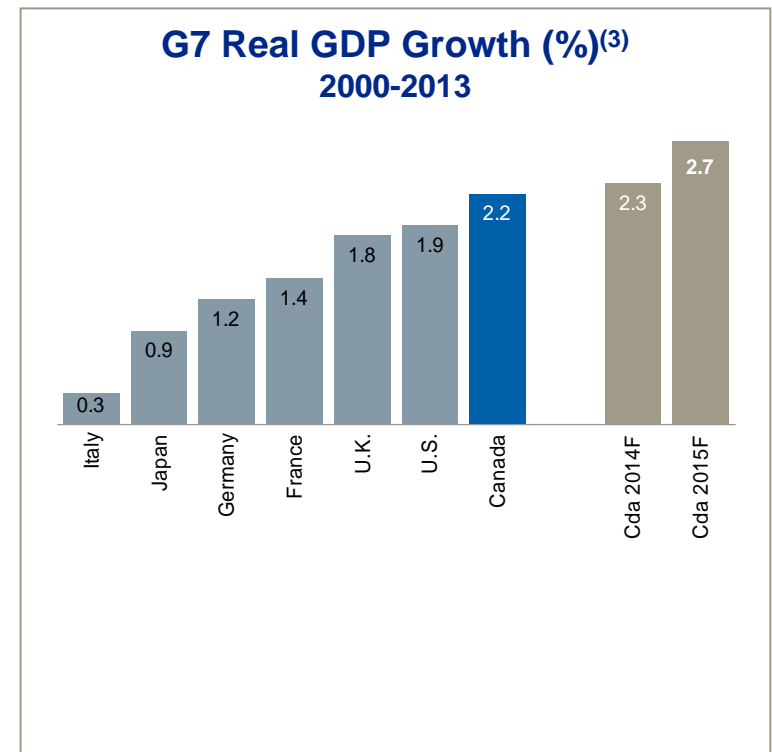
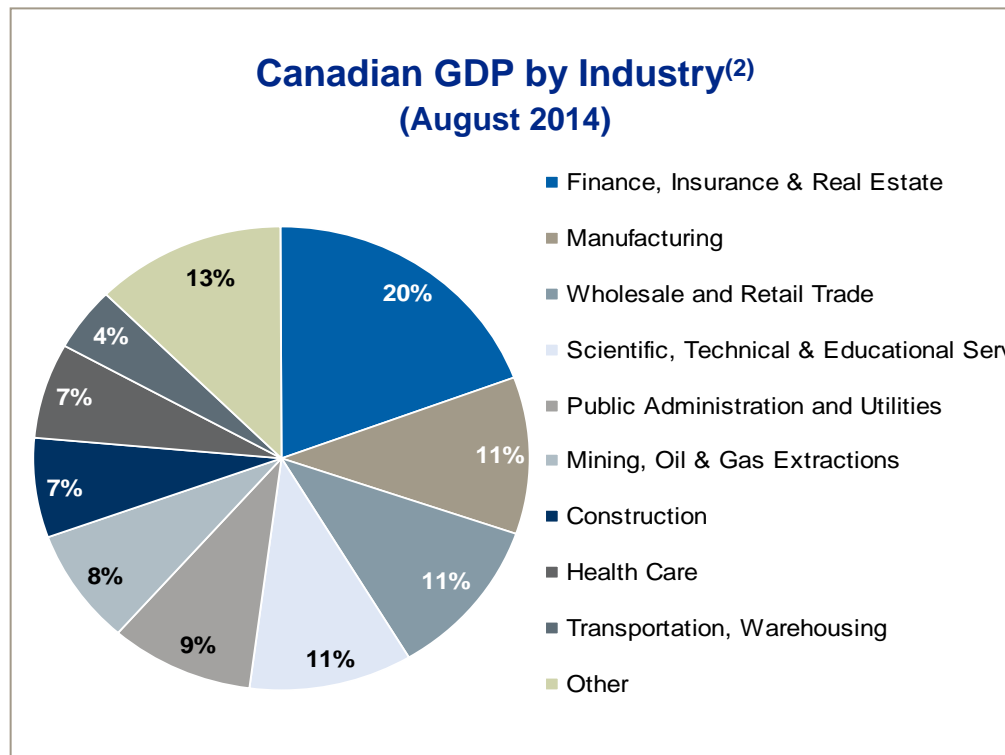
# Canadian economy

## SECTION III



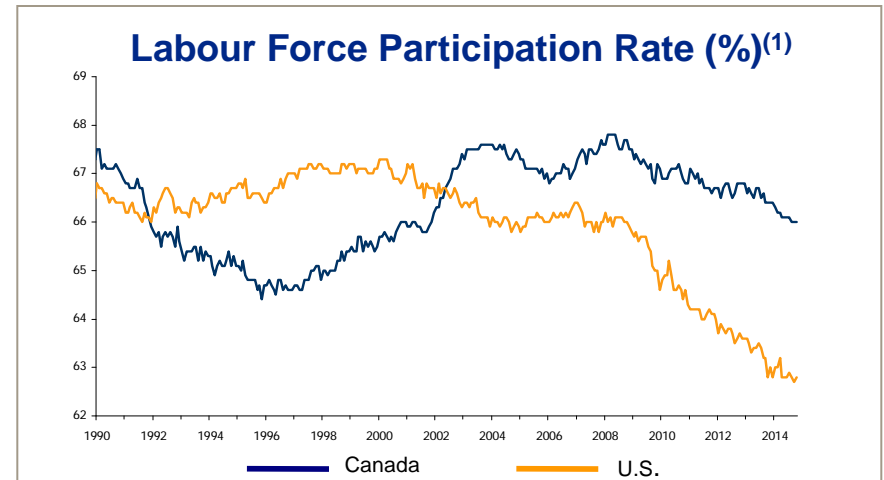
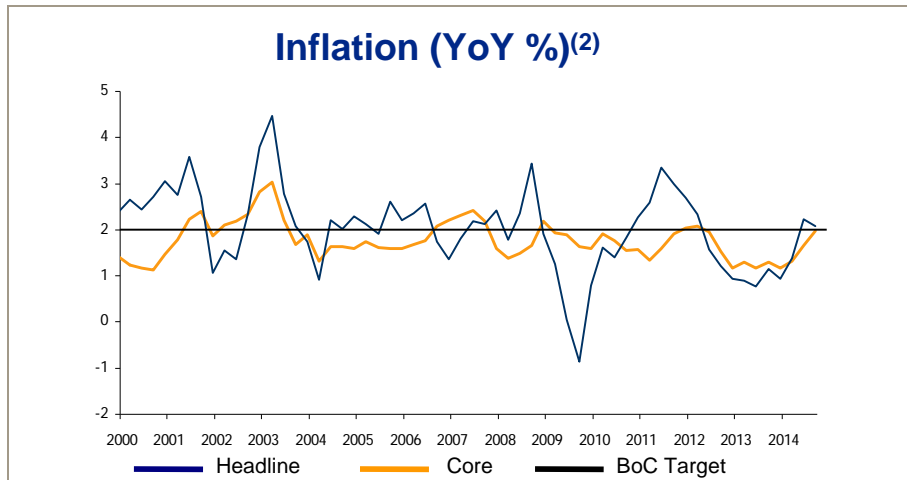
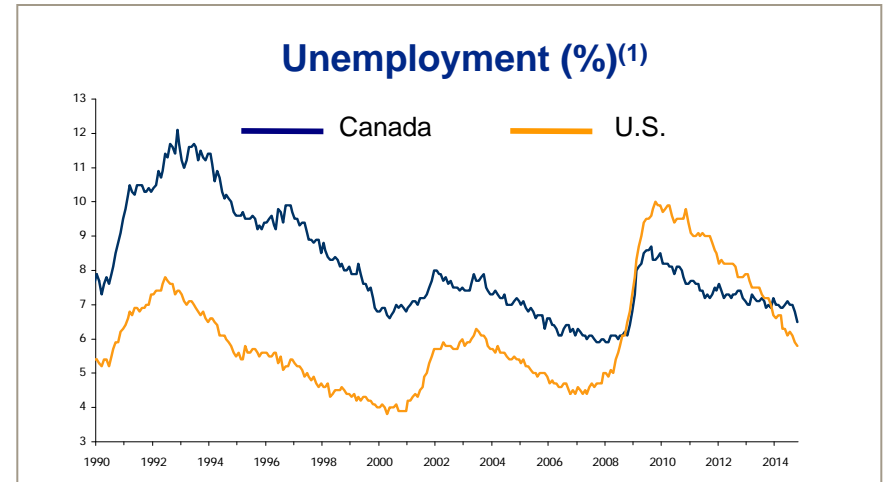
# Canada's strong fiscal position

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



# Attractive economic fundamentals

- Core inflation expected to remain stable around the mid-point of the Bank of Canada's 1-3% target range
- Unemployment rates are trending favourably and are indicative of underlying conditions remaining firm
- Labour force participation trend predominantly reflects an aging population rather than worker discouragement



## Investor Relations

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

(2) Statistics Canada, RBC Economics Research.



## Note to users

We use a variety of financial measures to evaluate our performance. In addition to generally accepted accounting principles (GAAP) prescribed measures, we use certain key performance and non-GAAP measures we believe provide useful information to investors regarding our financial condition and result of operations. Readers are cautioned that key performance measures, such as ROE and non-GAAP measures such as earnings and revenue excluding Corporate Support, earnings, earnings excluding charges related to new tax legislation in Canada, earnings excluding a loss related to our acquisition of the remaining 50% stake of RBC Dexia and related to the integration of Investor Services do not have any standardized meanings prescribed by GAAP, and therefore are unlikely to be comparable to similar measures disclosed by other financial institutions.

Additional information about our ROE and non-GAAP measures can be found under the “Key performance and non-GAAP measures” section of our 2014 Annual report.

Definitions can be found under the “Glossary” sections in our Q4/2014 Supplementary Financial Information and our 2014 Annual Report.

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