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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 these speaker's notes, in other filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in these speaker's notes include, but are not limited to, statements relating to RBC and our business segment outlooks, the economic and regulatory environment and our strategic goals. The forward-looking information contained in these speaker's notes 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 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 and that our assumptions may not be correct. 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 of our 2010 Annual Report; general business, economic and financial market conditions in Canada, the United States and certain other countries in which we conduct business, including the effect of the European debt crisis, 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; changes to and new interpretations of risk-based capital guidelines, and the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and regulations to be issued thereunder; 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 of our 2010 Annual Report.

Information contained in or otherwise accessible through the websites mentioned does not form part of these speaker's notes. All references in these speaker's notes to websites are inactive textual references and are for your information only.

JANICE FUKAKUSA, CHIEF ADMINISTRATIVE OFFICER AND CFO

Thank you Cheryl and good afternoon everyone. I'm very pleased to be here to speak to you about Royal Bank of Canada.

As noted on Slide 2, all remarks, including those during the question and answer session, may contain forward-looking statements which have inherent risks and uncertainties. Actual results could differ materially from these statements. Also, please note that we will be reporting our first quarter results on March 3rd, and similar to other Canadian banks presenting, we are currently in our quiet period and cannot discuss our financial results.

Turning to Slide 3.

RBC is a diversified financial services company with five business segments, and operations in Canada, the U.S. and 50 other countries across the globe, employing approximately 79,000 people serving close to 18 million clients globally .We are among the top 15 banks in the world, and are Canada's largest company by assets and market capitalization.

In 2010, we produced strong earnings of over 5.2 billion dollars and a return on equity of nearly 15 percent reflecting strong performances in all of our core businesses. Canada is our core market where we generate two-thirds of our revenue. We are a leader in all of our key businesses – banking, wealth management and capital markets, and our market share is growing.

By leveraging our leading Canadian based franchises, we have been able to build strong competitive positions in our capital markets and wealth management businesses outside of Canada that are significant in scale and global reach.

We have the most valuable brand in Canada and our brand value outside of Canada is growing. Our strength is built on the diversification of businesses that operate across client segments and across several global markets.

We believe we have the right mix of both retail and wholesale businesses that diversify both earnings and risk. This differentiates our performance over time and enables us to generate significant returns through all points of the cycle. This point is clearly demonstrated when you look at total shareholder returns on slide 5. RBC has consistently delivered strong shareholder value over the 3-, 5- and 10-year periods relative to global peer averages and major benchmark indices.

Let me take you through our five business segments and show you how each of them contribute to RBC's diversification and how we are winning in the market.

Turning to Slide 6, our Canadian Banking segment is our main engine of earnings power generating more than half of RBC's total earnings. In 2010, Canadian Banking had record earnings of over 3 billion dollars, up 14% from the prior year. Our retail banking franchise is a Canadian leader and the only "truly national" franchise with top 3 market positions in all regions of Canada.

We capture a disproportionate share of industry volume growth. And when you look at total balance sheet growth, we have consistently outgrown the industry by 25%. Our tremendous sales power is driven by our distribution network comprised of Canada's largest branch network, the largest mobile sales force and industry leading on-line banking capabilities.

We access more clients and sell more products and services and we have the unique ability to sell across channels and across business segments. For example, we sell more creditor insurance and more mutual funds through our branch network than any of our Canadian peers. And, as a result, we rank number 1 or 2 in all major personal and business products.

As mentioned, 2010 was Canadian Banking's best year with earnings growth of 14%. Our earnings growth has been driven mostly by revenue growth, however in the past two years, earnings were impacted by the elevated levels of credit provisions and the double digit volume growth we experienced was masked by spread compression due to unusually low interest rates. For the past few quarters, however, we have seen a shift in this trend as net interest margins stabilized and revenue growth more directly correlates with our volume growth. As we enter the new year, we are well positioned to continue to drive solid earnings momentum as credit provisions decline and spread compression neutralizes, despite softening industry volumes caused by the sluggish Canadian economy.

As you are all aware, the Canadian government recently introduced regulations to help curb rising consumer debt levels by shortening the maximum amortization periods on mortgages and reducing the amount Canadians can borrow in refinancing their homes. These changes are also expected to have a moderating effect on industry volumes as consumers put off home purchases or buy smaller homes.

On a related note, there has been a lot of press lately on whether the Canadian housing market is overheated and likely to follow a similar trend as the U.S. housing market. To address this, let me point out that the Canadian mortgage market is structurally different than the U.S. market. We have more conservative lending practices in Canada and originate loans for the purposes of holding them on our balance sheet. As a result, Canada has a strong history of low delinquencies throughout the economic cycle.

For RBC in particular, we are comfortable with our portfolio. We uphold the highest underwriting standards and stress test our portfolios periodically under a number of different scenarios encompassing interest rate rises and house price declines. The portfolio can withstand dramatic shifts in these market parameters as most of our mortgages are made up of fixed rate loans with an average loan to value on the uninsured portion of just over 50%. Canadians carry a significantly greater proportion of equity in their homes and they have a propensity to pay down their debt notwithstanding homeownership being at similar levels to the U.S. We have included additional details and comparisons in the appendix of this presentation for your reference.

So, although we do see volume growth moderating, we believe we remain well positioned to outpace our peers by using our extensive distribution capacity, sales power and by driving greater efficiencies in our network. In 2010, we opened our newly designed “retail focused” branch centered around how customers want to shop with banks, not how banks want to sell to them.

More of our customers want to bank online and to meet growing demand, we have invested heavily in expanding our digital capabilities, which we believe will increase sales by strengthening client loyalty and retention and reduce costs. Last year, we had great success with the introduction of MyFinance tracker - the first integrated on-line financial management tool in Canada which enables clients to create budgets and track their spending habits. We recently launched Canada’s first truly integrated mobile banking application for smart phones where clients can bank literally “on the go,” from wherever they are, whenever they wish. Early indications show this mobile application is a market differentiator in Canada.

Our size and scale matters and gives us enormous potential to drive further efficiency through our network, while improving the client experience, and increasing sales productivity. Our efficiency ratio stood at 47.3% in 2010 and is the lowest among the Canadian banks and amongst the lowest globally. Over the next few years our target is to bring our efficiency ratio down to the low 40’s by simplifying our processes and building end-to-end efficiencies that bring down our costs and in turn drive bottom line growth. This is clearly a strong competitive advantage for RBC and gives us the flexibility to combat any potential headwinds.

Our leading market positions, unprecedented distribution capabilities and best in class efficiency ratio will allow us to stay on track ahead of our competition and achieve our targeted 25% volume growth premium.

Taking a look at Wealth Management on Slide 7. We are a clear market leader in Canada with strong and growing businesses in the U.S. and internationally. We are the largest and most comprehensive full-service wealth manager in Canada, with 23 percent of industry assets and the industry-leading position in long-term mutual fund net sales.

In the U.S., we are the 6th largest national full-service brokerage firm with over 2,300 financial consultants. Internationally, we are a top 20 global private bank measured by client assets. RBC’s strength and stability has allowed us to attract top talent with established strong client relationships. Our Global Asset Management business consists of the largest asset manager in Canada, with 17 percent of the market and we have a strong and growing presence in the U.S. and internationally.

Globally, our Asset Management business has combined assets under management of nearly 250 billion dollars. Our recent acquisition of U.K. based BlueBay Asset Management extends our capabilities and is highly complimentary to RBC’s growing business. BlueBay is a leading fixed-income fund manager, with roughly 40 billion USD in assets under management and provides us with additional manufacturing and distribution capabilities in both Europe and Emerging Markets. The recent acquisition of Fortis Wealth Management in Hong Kong that Cheryl referenced, reflects our particular focus on significantly expanding our operations in Asia.

Wealth Management's key strategic priorities centre around expanding our client relationships, particularly with High Net Worth and Ultra High Net Worth clients, both in Canada and abroad, and building an integrated Global Asset Management business which complements our wealth distribution capabilities.

We see tremendous opportunities in Wealth Management going forward by leveraging our strengths and expanding our solutions and capabilities to deepen our client relationships.

Turning to Insurance, we are the largest bank-owned insurer in Canada and our Insurance business continues to make a solid contribution to our diversified earnings stream. We offer a full suite of solutions for both business and personal clients that complements our retail product offering. We are the only Canadian bank insurer with multi-line manufacturing and multi-channel distribution capabilities.

Despite our leading position, we are continually look for ways to improve our financial and operational effectiveness. As a result, we will reduce our exposure to U.S. long term annuities through the divestiture of Liberty Life, our U.S. based life insurance company is completed.

Going forward, we believe we will continue to gain market share by effectively collaborating with our partners in Wealth Management and Canadian Banking to offer new innovative, tailored insurance products.

Turning to International Banking. Our International Banking segment includes our U.S. and Caribbean retail banks and RBC Dexia Investor Services. Overall, we are disappointed with the results of our International Banking. Each of these businesses has been impacted by weakening economic conditions. Our U.S. retail bank results have been the most severely impacted by the prolonged weak economic conditions of the U.S. south east. However, asset quality in the U.S. appears to be stabilizing and credit quality should continue to improve as we feel that the worst of the credit cycle is now behind us. Returning this business to profitability is a key priority and once there, we'll be in a better position to determine the strategy of this business going forward.

In English speaking Caribbean, we have the second largest banking group and provide solutions to individuals and businesses through a network of 125 branches in 17 countries and territories. We continue to make solid progress in implementing a new operating platform and leveraging the capabilities of RBC's operational infrastructure. And, RBC Dexia Investor Services, our global custody and investor services joint venture, remains a top 10 global custodian.

Turning to slide 8, Capital Markets. We have a diversified portfolio spanning different businesses, geographies and client segments with a track record of consistent profitability.

In Canada, we are the largest investment bank with top tier market share across all of our businesses and in 2010 were named the "Best Investment Bank in Canada" by Euromoney, ranking number 1 across all three categories; debt, equity capital market and M&A, for the third consecutive year.

We are also Canada's only truly global investment bank with approximately two-thirds of our staff and revenue coming from outside of Canada. Our clients are well served by both our Canadian leadership and our global reach.

Our global trading businesses are headquartered in Toronto, New York, London and now Hong Kong and our fixed income, energy and mining businesses are very successful on a global scale. We have a disciplined and focused approach to growth; growing in areas of core capabilities where we have demonstrated strength and success. And we are making the necessary investment in our risk and control infrastructure, to support future business growth. This global expansion has given us unique opportunities to build our product and service offering and further diversify our Capital Markets earnings base.

Over the cycle, we target a balance between our trading and investment banking businesses with broad geographical coverage in order to produce strong and consistent returns. This balance is important because as you can see on slide 8, in the latter half of 2008 and 2009, when our investment banking businesses were impacted by the weakened economic environment, market volatility caused our trading arm to flourish. In the late half of 2010, we saw the opposite trend. Our trading results were negatively impacted by market conditions and increased deal flow lifted our investment banking results. This optimal mix of businesses consistently delivered returns on equity of over 19 percent in the past five years.

Our continued success in Capital Markets will come from growing our market share, building client relationships, broadening our investment banking coverage and prudently using our balance sheet.

Before going into my concluding remarks, I want to make a few comments on RBC's strong capital position. We believe the expected growth in risk weighted assets and related capital requirements from both the Basel III rules and IFRS transitional adjustments will be well supported by our current surplus capital and retained earnings growth. With the improved visibility around the new capital rules we find ourselves in a better position to deploy capital. Our focus remains on investing capital into business lines that deliver the highest level of risk adjusted returns.

In our view, strong banks like RBC, will adjust to the new regulations and the changing economic landscape will present an unprecedented range of opportunities to grow and invest and continue to earn superior returns. Our leading market positions, diversified business model, strong balance sheet and strong risk management practices will drive this performance and put us in a unique advantage to extend our current market positions and build our global platforms.

Thank you and I would now be pleased to answer and of your questions.