ROYAL BANK OF CANADA
THIRD QUARTER RESULTS
CONFERENCE CALL
FRIDAYDAY, AUGUST 22, 2014

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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, litigation, operational, strategic, reputation and competitive risks and other risks discussed in the Risk management and Overview of other risks sections of our 2013 Annual Report; the impact of regulatory reforms, including relating to the Basel Committee on Banking Supervision's (BCBS) global standards for capital and liquidity reform, the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations issued and to be issued thereunder, over-the-counter derivatives reform, the payments system in Canada, the U.S. Foreign Account Tax Compliance Act (FATCA), and regulatory reforms in the United Kingdom (U.K.) and Europe; 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; 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 and social media risk; 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. Material economic assumptions underlying the forward looking-statements contained in these speakers' notes are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2013 Annual Report, as updated by the Overview section in our Q3 2014 Report to Shareholders. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the Risk management and the Overview of other risks sections in our 2013 Annual Report and in the Risk management section of our Q3 2014 Report to Shareholders.

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DAVE MCKAY, PRESIDENT & CHIEF EXECUTIVE OFFICER

Thank you Amy and good morning everyone.

RBC had a record third quarter with earnings of over 2.3 billion dollars – which, after you exclude the loss related to the closing of RBC Jamaica this quarter and a tax item in the prior year, were up 10 percent[1] from last year and 10 percent[1] from last quarter.

We reported record earnings in Canadian Banking, Capital Markets, Wealth Management and Insurance, and had a solid quarter in Investor & Treasury Services.

Our results reflect strong revenue growth, solid credit quality and positive operating leverage across most businesses.

We maintained our strong capital position with a common equity tier one ratio of 9.5 percent, and I am pleased to report that this morning we announced a 4 cent, or 6 percent increase to our dividend, bringing our quarterly dividend to 75 cents a share.

On a year-to-date basis, RBC has generated over 6.6 billion dollars with a return on equity above 19 percent, and we remain on track to meet or exceed our performance objectives.These results

[1] Excludes a loss of $40 million (before- and after-tax), which includes foreign currency translation related to the closing of the sale of RBC Jamaica this quarter, and a favourable income tax adjustment of $90 million in Q3 2013. These are non-GAAP measures. For additional information, see Note to Users.

truly demonstrate the strength and agility of RBC's market leading franchise as our diversified business model can capture growth by adapting to the changing needs of our clients and also adapt to different market conditions.

Our results also reflect our focus on clients and our proven ability to manage costs and capital effectively.

As another testament to the strength of our businesses, RBC was recently awarded Global Retail Bank of the Year by Retail Banker International. I am very proud of this tremendous achievement.

Let me now make a few comments on our businesses.

Our Canadian Banking business had a record quarter reflecting solid volume growth of 4 percent over last year, a relatively stable credit environment and strong growth in fee-based revenue. In fact, it was our 8th consecutive period of double-digit growth in mutual fund revenue.

A key driver of our success in fund sales is the strength of our multi-channel distribution network, which includes our in-branch financial planners and our mobile investment retirement planners. It also includes Direct Investing, our online investment channel, where we had double-digit growth in new accounts this quarter, due in part to our new campaign which is targeted to the next generation.

In recent years, we've been strengthening our capabilities, including investing our channel strategy to position RBC for changes in technology as well as shifts in client needs, for example from borrowing, to savings and investments. Our performance this quarter reinforces the strength of our approach.

I am also pleased with the continued momentum we have in our deposit business where we had 10 percent growth in core chequing balances over last year.

Our clients often begin their relationship with RBC by opening a chequing account, and over time we aim to deepen and extend that relationship by offering our full suite of products. Additionally, these deposits help support our margins, and increase our leverage to a higher rate environment.

On the business side, the rate of loan growth improved over last quarter. We are gaining market share and are encouraged by some early signs of increased activity across a range of industries. While competition for new business remains tough, and we are being selective in the deals we pursue, we continue to differentiate and strengthen our offering.

For example, we were the first financial institution in Canada to offer a mobile app for business owners on all major platforms. Our July launch was successful with over 1,000 subscribers in the first 30 days, as clients take advantage of having digital access to real-time information and being able to conduct business quickly and conveniently.

This new app is a great example of how we are investing for the future in areas like technology and product innovation. At the same time, we remain focused on managing investment spend in order to continue delivering positive operating leverage.

Turning to the Caribbean, we closed the sale of our Jamaican banking operations in June. We remain committed to our core markets and continue to make progress in our restructuring efforts, notwithstanding a very challenging credit environment.

Turning to Wealth Management, we had record earnings up over 20 percent from last year, reflecting higher average fee-based client assets across all businesses.

These results are largely a testament to the continued momentum in several businesses including Global Asset Management.

This quarter, we continued to lead competitors in retail asset growth, driven in part the strength of our Canadian Banking network referenced earlier as well as RBC Wealth Management and external channels, allowing us to capture 16 percent of the market's fund sales.

On the institutional side, we continued to have positive fund flows in both the North American and European markets, with strong growth in our BlueBay business.

RBC Global Asset Management is among the fastest growing asset managers in the world, and we are continuing to invest in the business to drive long-term growth.

Turning to our Canadian wealth management business, we continue to extend our number 1 position in the high net worth market by collaborating across RBC to deepen client relationships.

For example, we are leveraging RBC's strong commercial banking franchise and our market leading private bank to deliver tailored products and services, including providing advice on business succession planning and generational wealth transfers.

In our U.S. and International Wealth Management businesses, we continue to focus on building deep client relationships, driving advisor productivity and strengthening our overall competitive position for the long-term.

Moving to Insurance, we had a record quarter, reflecting favourable actuarial reserve adjustments and improved claims experience.

Insurance is a good business for us which complements RBC's overall product offering and through increased collaboration across our businesses we have been able to achieve growth in creditor insurance that exceeds underlying lending volumes.

Turning to Investor & Treasury Services, we had a solid quarter. We remain diligent in identifying opportunities to optimize efficiencies across the business and driving top line growth by focusing on new mandates and deepening existing client relationships.

For example, this quarter we renewed a multi-year contract with a long-standing global financial institution client to manage their shareholder services in Luxembourg.

Capital Markets had an exceptional quarter, with record earnings of approximately 640 million dollars which greatly exceeded our expectations.

These results reflect the success of our strategy to focus on traditional, client-driven corporate and investment banking and origination activities. It also reflects our ability to strengthen client relationships by providing ancillary products and services.

As a testament to the progress we've made in extending our global capabilities and the success we have achieved building a client-focused franchise, Capital Markets was recently named the most trusted investment bank in the world by The Economist, and was ranked second globally in terms of expertise and skills.

Overall we saw very strong results this quarter across almost all of our businesses and we benefitted from robust equity and debt markets as well favourable credit trends.

Our trading businesses performed exceptionally well, reflecting our focus on origination activities which have nearly doubled over the past two years, driving a significant lift in secondary trading. We also had a couple of outsized trades this quarter which contributed to the results.

It is worth highlighting that our strong trading results also reflect our business mix. We are more heavily weighted towards fixed income credit, equity and municipal businesses, all of which benefited from improved markets conditions. We also have relatively less exposure to the interest rates and foreign currency trading businesses, which have been most affected by macro-economic conditions as we have seen in the reporting of some of our U.S. peers.

Overall it was an outstanding quarter for Capital Markets. Clearly the segment benefitted from a number of factors which are unlikely to be repeated to the same degree, but the success of the repositioning of the business in recent years is undeniable and I remain confident in their long-term strategy.

To conclude, I am very pleased with the quarter. Our record results reflect the strength of our diversified business model and our leading market positions.

Our ability to drive efficiencies and manage capital effectively positions us well to execute our client-focused strategy and continue to invest in our business to deliver long-term, sustainable growth.

With that, I'll turn it over to Mark Hughes.

MARK HUGHES. CHIEF RISK OFFICER

Thanks Dave. Good morning everyone.

Turning to slide 7, our overall credit quality remained strong this quarter. Our credit trends are near historic lows, reflecting a supportive economic backdrop in Canada and our strong risk management practices.

The North American economic environment continues to rebound from a weather-related slowdown in the first quarter, while there are still some economic challenges in Europe, some have improved somewhat compared to last year.

Provisions for credit losses on impaired loans this quarter were $283 million or 26 basis points, up $39 million or 3 basis points from last quarter.

The increase was mainly driven by higher provisions in Caribbean and Canadian Banking, partially offset by lower provisions in Capital Markets.

Let's look at our credit performance in a little bit more detail:

Provisions in Canadian Banking were $230 million or 26 basis points, up $26 million or 1 basis point from last quarter, driven by higher provisions in the commercial loan book and our personal loans portfolio.

Within our commercial portfolio we had a few small provisions that were uncorrelated, and, while we would expect to see some variability from quarter to quarter, we remain comfortable with the portfolio's overall credit quality.

In Caribbean Banking, provisions on impaired loans were $54 million, up $27 million from the previous quarter, largely related to higher provisions in our commercial and retail portfolios reflecting the ongoing challenging economic environment in the region.

With respect to Capital Markets, this quarter we had provisions of $1 million compared to $13 million in the prior quarter, and the loan book continues to perform well.

Let's turn to slide 8 which focuses specifically on our Canadian Banking retail portfolio.

Our credit card provisions remained near historical lows at 246 basis points, down 23 basis points sequentially, largely due to seasonal trends that impacted the second quarter.

Our Canadian residential mortgage portfolio, which makes up 64 percent of our retail portfolio, continues to perform well with provisions this quarter of 1 basis point. This continues to be consistent with our historical performance.

As you can see on slide 9, our mortgage portfolio is well diversified across Canada.

We continue to actively monitor our loan portfolios for early warning signs of credit deterioration, and perform ongoing stress testing for numerous scenarios, including increases in unemployment and interest rates, and a downturn in the real estate market.

At this time we are very comfortable with our stress test results. We do not see signs of deterioration and the overall credit quality of our retail portfolios remain strong.

Turning to market risk, in the third quarter average Market Risk Value-at-Risk was $26 million, down $10 million or 28 percent compared to last quarter as the data used to calculate our Value-at-Risk has been rolled forward, and the related market volatility of spring 2012 that resulted from European sovereign debt concerns are no longer included in the data set.

The decrease in Value-at-Risk was also driven by lower equity risk and the adoption of IFRS 9 last quarter, whereby changes in fair value on our liabilities are now recognized in other comprehensive income instead of through the income statement.

Our third quarter Average Market Risk Stressed VaR was $87 million, down $16 million or 16 percent from last quarter.

There was one day of net trading losses this quarter and we had one day of sizable net gains primarily related to the sale of a legacy asset.

With that, I will turn the presentation over to Janice.

JANICE FUKAKUSA. CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

Thanks Mark and good morning.

As Dave mentioned, we had record results this quarter, with earnings of over 2.3 billion dollars, up 93 million dollars or 4 percent from the prior year and up 177 million dollars or 8 percent from the prior quarter.

Overall we had a clean quarter with only one item of note which was the previously announced loss of 40 million dollars related to the sale of RBC Jamaica, which closed in June.

Excluding that item and the 90 million dollar favourable tax adjustment we recorded last year, net income was over 2.4 billion dollars[1], up 10 percent[1] from last year and 10 percent[1] from last quarter.

Our results were driven by record earnings across a number of our businesses.

Turning to capital on slide 12.

Our Common Equity Tier 1 ratio was 9.5 percent, down 20 basis points from last quarter as higher risk-weighted assets more than offset strong internal capital generation.

The increase in risk-weighted assets was driven primarily by an update to the risk parameters in our corporate and business lending portfolios resulting from the model review that I noted last quarter. The increase also reflects business growth.

The parameter updates this quarter were largely reflected in revised loss given default rates and they were predominately in the commercial portfolio in Canadian Banking and to a lesser extent in the loan book in Capital Markets.

Excluding these updates, the segment mix of our risk weighted assets is largely unchanged from the last quarter.

Let me now turn to the quarterly performance of our business segments, starting on slide 13.

Our Personal & Commercial Banking segment earned over 1.1 billion dollars, down 29 million dollars or 2 percent from last year on a reported basis.

Canadian Banking reported record earnings of over 1.1 billion dollars, up 34 million dollars or 3 percent from last year, reflecting volume growth of 4 percent and strong growth in fee-based revenue, largely driven by higher mutual fund fees. This growth was partially offset by higher provisions for credit losses which Mark noted.

Sequentially, Canadian Banking earnings were up 75 million dollars or 7 percent, primarily due to additional days in the current quarter, volume growth across most businesses, and higher mutual fund fees.

Our net interest margin in Canadian Banking was relatively stable at 2.73 percent, down 4 basis points over last year or up 1 basis point on an adjusted basis[2], and down 1 basis point sequentially. Our overall favourable funding mix continues to be offset by competitive pressures and the low interest rate environment.

We delivered positive operating leverage in Canadian Banking of 2 percent. I would point out that our results last year were impacted by a few items related to the acquisition of Ally Canada, which impacted both the revenue and the expense line. Factoring in those items, our operating leverage is just over 1 percent[3] which is well within the target range for this business.

Canadian Banking continues to progress towards its target of driving an efficiency ratio in the low 40s, reporting 43.7 percent for the quarter - a 90 basis point improvement over last year.

[2] Q3/2013 NIM was favourably impacted by fair value purchase accounting adjustments related to Ally Canada (3 bps) and accounting volatility (2 bps). Excluding these items, Q3/2013 adjusted NIM was 2.72%. Adjusted NIM is a non-GAAP measure. For additional information, see Note to Users.

[3] Operating leverage is Revenue growth (net of Policyholder Benefits Claims and Acquisitions Expense) less Expense growth year-over-year. This is a non-GAAP measure. For additional information, see Note to Users.

Turning to the Caribbean, we are making progress in our restructuring efforts. We have reduced costs and seen improvements in top-line growth from our re-pricing initiative; however, the operating environment remains challenging.

Looking at Wealth Management on slide 14, we had record earnings of 285 million dollars, up 52 million dollars or 22 percent from last year, reflecting higher average fee-based client assets across all businesses from capital appreciation and net sales. We also continued to generate positive operating leverage.

Sequentially, net income was up 7 million dollars or 3 percent mainly due to higher average fee-based client assets.
Growth in assets under management and assets under administration were up 18 percent and 14 percent respectively over last year. And pre-tax margins were just under 25 percent, an improvement of more than 200 basis points from last year.

Moving to Insurance on slide 15. Record net income of 214 million dollars was up 54 million dollars or 34 percent from last year, and up 60 million dollars or 39 percent from last quarter. This increase was mainly due to favourable actuarial adjustments reflecting management actions related to our efficiency management program, and assumption changes. In addition, we benefitted from lower net claims costs.

Investor and Treasury Services earned 110 million dollars, up 6 million dollars or 6 percent from last year reflecting higher funding and liquidity revenue and increased net interest income on growth in client deposits. Sequentially, net income was relatively flat.

Turning to Capital Markets on slide 17, we had a very strong quarter with record earnings of 641 million dollars, up 225 million dollars or 66 percent over last year. Sequentially, net income was up 134 million dollars or 26 percent.

Trading and origination activity improved compared to both prior periods, driven by stronger equity and debt markets and increased activity from our client-focused strategy.

We also saw higher loan syndication activity and growth in our loan book relative to last year and last quarter.

If you recall, our results in the third quarter of last year were negatively impacted by challenging market conditions and this quarter our trading business benefited from a couple of outsized trades which added approximately 100 million dollars to revenue.

To wrap up, we are very pleased with our performance this quarter. We have a diverse and strong portfolio of businesses, and we are confident that we remain well positioned to continue delivering sustainable earnings growth.

At this point, I'll turn the call over to the operator to begin the Q&A portion of the call. Please limit yourselves to one question, and then re-queue so that everyone has an opportunity to participate.

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 non-GAAP measures we believe provide useful information to investors regarding our financial condition and result of operations. Readers are cautioned that non-GAAP measures, such as results excluding the loss related to the sale of RBC Jamaica, results excluding a favourable income tax adjustment, adjusted net interest margin and adjusted operating leverage 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 non-GAAP measures can be found under the "Key performance and non-GAAP measures" section of our Q3/2014 Report to Shareholders and our 2013 Annual report.

Definitions can be found under the "Glossary" sections in our Q3/2014 Supplementary Financial Information and our 2013 Annual Report.