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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 and the Risk management section of our Q3 2012 Report to Shareholders.

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GORD NIXON, PRESIDENT & CEO

Good morning and thank you Paul for the opportunity to present this morning. I will begin with an overview of RBC as well as a little bit on our financial performance and perhaps most importantly on our strategy.

Firstly, RBC is a diversified universal bank. We have five business segments and we have operations in Canada, large operations in the United States, in the UK as well as 50 other countries around the globe. We employ approximately 80,000 people and we have over 15 million clients globally.

As you can see from slide 4, we are among the top 15 banks in the world and we are Canada's largest bank and Canada's largest company by both assets and market capitalization. As you are well aware, financial institutions around the world continue to face significant headwinds, including global economic uncertainties, low interest rates, market volatility as well as increased regulation and reputational issues. While these challenges have forced many of our global peers to restructure or to withdraw from certain markets, RBC's financial performance, our strong balance sheet, and our solid credit ratings set us apart and enable us to continue to invest and execute our long-term strategy.

I can stand here and say with great pride that if I was here 10 years ago and talked about our strategy, while there's been significant tweaks and shifts, by and large, the fundamental strategy investing in each of our five core platforms and our global goal strategies are pretty much intact and would be similar today to what they were pre the financial and economic crisis. So as highlighted by the next slide, what is our strategy? First, first and foremost to be a leading universal bank within our home market of Canada, in addition to be a premier corporate and investment bank and wealth manager internationally as well as a leading provider of select financial services in targeted markets.

As you turn to slide six, we reported our results last week, with our third quarter earnings coming in at over $2.2 billion and $5.7 billion year-to-date. These are record earnings, driven by record results in our Canadian Banking segment as well as very strong performance across our Capital Markets and Insurance businesses. We delivered a return on equity of 20% year-to-date, while holding significant higher capital as we transition to Basel III. Our Tier 1 capital ratio was 13% and based on our current interpretation of the rules, we already meet Basel III requirements to become effective for Canadian banks in the first quarter of 2013.

Currently, based on estimated Basel III pro forma Tier 1 common equity, our ratio is 8.3%, well ahead of the minimum. With the significantly increased capital levels across the system, our return on equity target going forward continues to be 18% plus. We also announced a $0.03 or 5% increase in our dividend last week, which is our third increase to our dividend in the past 15 months, bringing the quarterly dividend to $0.60 per share. I also remind our international investors that we never cut our dividend during the financial crisis.

At the end of the quarter, we completed the acquisition of the remaining 50% of our stake in RBC Dexia, which has now been rebranded RBC Investor Services. The strength of our strategy is evident when you look at our performance over the last several years, a period of great tremendous market and economic uncertainty as you're all aware.

As you can see, we have delivered strong returns to our shareholders, while maintaining a consistent strong capital position. Our results demonstrate the earning power of RBC, including the strength of our diversified business model, our strict risk and cost management discipline, and our focus on long-term growth. So I'd like to explain our strategy and highlight some of our key priorities going forward.

Firstly, in Canada. Canada is our core market, where we generate over two-thirds of our revenue from Canadian Banking, Insurance, Wealth Management, and Capital Markets. While Canada is not immune to the global economic uncertainty and is facing a slower growth environment, it has strong economic fundamentals and fiscal flexibility, as highlighted on slide 9.

There's been a lot of attention lately on our housing prices and consumer debt levels in Canada. We analyze this very closely and continue to stress test and remain extremely comfortable with our retail portfolios. Overall, we believe the Canadian housing market continues to fare reasonably well. The annual housing price appreciation over the last several years is within the historic long-term range and housing affordability as well as consumer debt servicing levels remain at reasonable levels in most markets.

I'll remind people that structure of the Canadian residential market is very different from that of the United States and other markets around the world. It is much more conservative, we have recourse lending and the terms of mortgages tend to be five to seven years. It's a very different structure to the market and, of course very importantly, most mortgages remain on the balance sheets of the banks and they're well written.

In addition, our exposure is limited to the more aggressive condo markets of Toronto and Vancouver, but even their lending is against a requirement of 65% pre-sales to bonafide buyers. So given our size, scale, and competitive position and our strategy, we believe we're well positioned to continue to grow and deliver strong returns in the domestic market.

When you look at slide 10, our Canadian Banking segment, which generates about half of our total earnings, has good momentum and we remain focused on three priorities; building our leading market position, leveraging unparalleled distribution channel and reducing cost and driving efficiencies to reinvest in future growth.

We operate the largest and most profitable retail bank in Canada. Our strength was recognized by the industry this year by Retail Banker International which named RBC Retail Bank of the Year within North America. We have a number one or two market share in each of our core businesses and we continue to extend this lead by taking a disproportionate share of both market and earnings growth. For example, as shown on slide 11, our total volume growth of just over $42 billion or 8.4% from Q3 last year reflects a premium of 45% to our peer average growth rate of 5.8%, and our year-over-year earnings growth of 17% this quarter from last year was just over twice the peer average of 8%.

We are seeing this growth across many of our businesses, with particular momentum in a few key areas that are discussed further on. For example, our strategy to grow our relationship deposit base has been quite successful and our share of Canadian personal deposits has grown 70 basis points since last year to 19.7%.

A second key priority in Canadian Banking is leveraging our unparalleled distribution network to extend our sales power. We reach over 11 million clients through the largest branch and ATM network in the country, as well as online channels, contact centers, and specialized proprietary mobile sales forces. Our size and scale means we can reach more clients when and where they want. Our strong customer focus coupled with our broad product and service offerings enables us to cross-sell more efficiently than any of our Canadian peers. Based on the most recent Ipsos Reid survey, 12% of Canadian households have at least three key services with their bank: a transaction account, investments, as well as a borrowing product. For RBC, this number is 16%, a key competitive advantage, especially in a low-rate, low-growth environment.

A key element of our success is our ability to differentiate the client experience through our strength in innovation and technology. For example, while many peers continue to build standard bank branches, RBC's retail branch is transforming banking to a multi-channel advice center with state of the art interactive technology. So in addition to our roughly 1,300 traditional branches, we now have over 30 retail stores across Canada and we plan to strategically open 20 to 25 more retail stores each year. From a technology perspective, our industry-leading mobile apps and other digital solutions provide unmatched capabilities and we will soon be launching our virtual wallet for mobile phones.

Our third key priority for Canadian Banking, as it is for all of our businesses at RBC, is reducing the trajectory of expense growth against revenue growth, while making selective investments to foster future growth. In Canadian Banking, our objective is to drive our efficiency ratio to an industry-leading low 40s in the medium-term. We are doing this by simplifying processes and building end-to-end efficiencies which help drive our efficiency ratio below 45% this quarter as you can see from slide 13. Overall, we're very pleased about the momentum in Canadian Banking and we have a clear strategy and good track record of execution against each of our key priorities.

In other Canadian businesses, we're similarly focused on extending our domestic leadership position, deepening client relationships, as well as driving cost efficiencies.

Turning to slide 14, our Insurance business is one of the largest Canadian bank-owned insurance companies and continues to grow benefiting from the RBC brand, a broad product suite, and a focus on direct distribution channels that deliver superior profitability relative to industry norms. We are focused on making it easier for clients to do business with us and we are making great strides, having just achieved our highest ever scores in two critical parts of customer satisfaction surveys, *Likelihood to Recommend* and *Ease of Doing Business*. As well, we're driving efficiencies by increasing sales through our lower cost channels, including insurance branches adjacent to our bank branches, as well as the Internet.

In Wealth Management, we've built the number one franchise in wealth and asset management in Canada with a leading 22% of the high net worth market. Dominion Securities, our full service manager, has the highest fee-based assets per advisor, over 2.3 times higher than the Canadian peers as you can see on slide 15. Our asset management business is the largest Canadian retail fund company and a significant institutional asset manager with industry-leading pre-tax margins. We continue to lead the industry in long-term fund sales, capturing over 23% of the market. Our leadership in wealth and asset management is being driven by our ability to offer superior advice and best-in-class products across multiple channels and client segments. This is demonstrated by our number one market position as well as our strong advisor and client satisfaction scores.

Going forward, we're focused on extending our lead in asset management and in the High-and Ultra-High-Net-Worth markets by leveraging the largest and most integrated distribution network as well as our strong cross-sell capability.

Turning to Capital Markets on slide 16, again, we are the premier Canadian investment bank with very strong and select global reach. Before I expand more on our leading Canada, I would like to highlight our successful repositioning of our global Capital Markets business over the last few years. We have shifted the balance from trading to more lending and traditional investment banking activities and moved aggressively to reduce risk and eliminate complex assets from our balance sheet.

As an example, we've reduced our inventories of trading securities by over 25% from last year and our value at risk is down by 50% from its peak in Q3 2011. We've aggressively taken our level three assets down to an insignificant level. Our approach has resulted in a strong track record of good performance. Our Capital Markets business has been consistently profitable, has had high returns, not only relative to our Canadian peers, but most importantly relative to our international peers.

Moving on to our Capital Markets business within Canada, we are the number one franchise in Canada with leading investment banking, debt and equity origination, research and sales and trading. We were again recognized as the best investment bank in Canada across equity and debt capital markets and M&A by Euromoney magazine for the fifth consecutive year.

That being said, we are not complacent about our home market leadership. We remain committed to extending our lead by capturing a greater market share by not only deepening our client relationships through the strategic use of our loan book, but also expanding other cross-sell opportunities. We continue to work hard to do more business with existing clients, but also attracting new ones. For example, we see market share opportunity in the mid-cap market range, particularly in the resource sector and we are putting an emphasis and focus in this area and on earlier stage companies. We're also taking advantage of our strong cross border capabilities, which is a real differentiator for us in Canada as we can offer our Canadian clients more specialized U.S. based expertise than our peers. And finally, we are leveraging the significant investments we have made globally in our governance, controls and infrastructure to drive operating efficiencies and manage our costs, while we invest further in both technology and automation solutions.

Outside of Canada, RBC's enterprise strategically is focused on being a premier corporate and investment bank with leading global and wealth and asset management services and in targeted markets, select financial services such as our franchise in the Caribbean and our RBC Investor Services businesses. We operate in areas where we have competitive strengths, where we can leverage our leading Canadian franchise, where we have deep product offerings, where we have industry expertise as well as a strong brand and reputation. In a nutshell, we try to play to our strength and not participate in areas where we can't compete. So I'd like to take you through some of our U.S. and international businesses.

Starting with slide 19, with Capital Markets, our focused build out over the last ten years has significantly expanded our capabilities in the United States, and we now consider it to be a second home market. Our strength in the U.S. is evident as we are ranked the tenth largest global investment bank by fee revenue for the first half of 2012 according to Dealogic, driven by an increase in our Americas market share which now stands at a record level for us of 3.9% market share.

The U.S. market which represents the lion's share of our growth outside of Canada is very attractive for three main reasons. Firstly, it offers us diversification from the commodities-intensive Canadian market. Our Canadian clients are cross border focused and we believe there is tremendous potential for long-term growth.

Our U.S. business has become a significant contributor to our strong performance. It generated approximately 45% of our Capital Markets revenue over the last four quarters. We're deepening client relationships by strategically using our loan book to drive cross-sell opportunities and expand our origination, advisory and distribution capabilities. We started with a disproportionately small loan book in the United States compared to not only our U.S. peers, even our Canadian peers, and have been prudently growing it over the last several years. And you would have seen very significant quarter-over-quarter growth.

We made a very strategic decision back in the late 1990s when you weren't getting paid to lend money from a corporate perspective, loan covenants were being eliminated and margins in the lending business were very low and we very aggressively drove our loan book down in markets like the United States. We're now in a position where we've got great capacity and flexibility to continue to invest in that sector and it's interesting that as we sit today with very significant growth in loan book, our loan book in the United States is still lower than it was back in 1999. So we do have lots of capacity. If you look at the lending business, according to Dealogic, again, we've jumped from 20th spot to 12th in U.S. Loans Bookrunner rankings for the first half of 2012, which has more than doubled our market share over the past two years.

Our Capital Markets strength in North America provided the foundation for our expansion into the UK and we're continuing to selectively build our investment bank in areas where we have competitive advantages, balance sheet strength and industry expertise. A great example is the commodity sector.

Even against the backdrop of a challenging European environment, we're winning significant mandates that were once out of reach. Just as an example, we recently acted as financial advisor in the acquisition of a German utility, Open Grid Europe, for €3.2 billion, the largest cross-border German M&A deal for our organization.

Turning to Asia, in Hong Kong, our Capital Markets business is focused primarily on fixed income distribution, foreign exchange sales and trading. We have a small investment bank in Sydney, as well as Hong Kong supported by our loan book particularly in areas like mining, energy and infrastructure. And we're seeing solid momentum. In fact, we were the top of the Australia Announced M&A League Tables for the first half of 2012, which is a first for our organization.

Capital Markets is a key part of our diversified business mix. It generates not only good results, but they are in line with the organization's risk and return objectives. Notwithstanding challenging global market conditions, increased capital and liquidity requirements and heightened regulation, we do believe that Capital Markets is well positioned to continue to take market share and drive profitability in our core markets.

Turning to our Wealth Management business outside of Canada, as some of you know, we have a strategic focus on growing global wealth management, focusing on the U.S., UK, and emerging markets wealth businesses on the High and Ultra High Net Worth client segments and growing our high margin asset management business, given the favorable industry dynamics coupled with our strong foundation in this area.

Over the last decade, we've built the 7th largest U.S. full-service brokerage firm by advisors with over $185 billion of assets under administration and close to 2000 advisors. With the necessary scale to compete in this key market, our priority is to grow our share of wallet and improve revenue per advisor. We intend to do this by moving to a more fee-based revenue model, as well as improving operating efficiencies and by making it easier for advisors to do business with clients.

As you can see on slide 22, internationally, we're focusing on building our presence in UK wealth management and UK market contains 10% of the world's wealth of High-and Ultra-High-Net-Worth clients, and it's also a fast growing segment. Currently, the UK is very fragmented and we believe by leveraging our leading global trust capabilities with RBC's brand, we can build a relevant onshore presence in this market.

Beyond the U.S. and UK, we are laying the groundwork to building emerging markets with High- and Ultra-High-Net-Worth clients by both organically and through small strategic acquisitions. An example was the purchase of Coutts' Latin American, Caribbean and African Private Banking business this past year. Our acquisition of BlueBay Asset Management in 2010 gained us a unique perspective on the global asset management and its provided innovation – innovative fixed income solutions for both our institutional and retail investors in Canada, the United States and around the world. We're leveraging BlueBay to build our global asset management footprint and we're looking for similar strategic acquisitions to further enhance our asset management capability.

We have an ambitious growth objective for Wealth Management and while we are behind schedule as a result of low interest rates and uncertain markets, we believe we're well positioned for long-term growth and that our strength, stability and brand are a clear advantage, particularly as markets begin to stabilize and we see increased client activities.

Adding to our international capabilities is RBC Investor Services. It is the 10th largest global custodian. It has over $2 trillion of assets under management as shown on slide 23. This business fits well with the RBC's diversified model and is highly complementary to our Wealth and Capital Markets business. It's relatively low risk and it has similar dynamics with a top institutional client base. With a 100% ownership, we now have the opportunity to win more institutional client business, to improve earnings and drive long-term growth, given our strong credit ratings, our reputation and financial strength. We believe this is a good strategic growth opportunity in the Institutional Investor Services business and it will receive increased focus strategically going forward.

To conclude, the strength of our long-term diversified business model and our strategy continues to generate strong earnings even in an environment of economic and regulatory uncertainties. Our financial strength remains a clear competitive advantage in today's environment; it gives us the flexibility to continue to invest in our businesses, to return capital to our shareholders as we've been doing with our dividend increase and to continue to invest in growth.

Going forward, we're confident that RBC has positioned itself well to grow and prosper even in this challenging environment. We have momentum, we believe we're well positioned to extend our lead domestically and to build on our client relationships in the U.S. and international, and ultimately deliver long-term value to our clients and shareholders.