ROYAL BANK OF CANADA
UBS BEST OF AMERICAS CONFERENCE
FRIDAY, SEPTEMBER 13, 2013

DISCLAIMER

THE FOLLOWING SPEAKERS' NOTES, IN ADDITION TO THE WEBCAST AND THE ACCOMPANYING PRESENTATION MATERIALS, HAVE BEEN FURNISHED FOR YOUR INFORMATION ONLY, ARE CURRENT ONLY AS OF THE DATE OF THE WEBCAST, AND MAY BE SUPERSEDED BY MORE CURRENT INFORMATION. EXCEPT AS REQUIRED BY LAW, WE DO NOT UNDERTAKE ANY OBLIGATION TO UPDATE THE INFORMATION, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

THESE SPEAKERS' NOTES ARE NOT A TRANSCRIPT OF THE WEBCAST AND MAY NOT BE IDENTICAL TO THE COMMENTS MADE DURING THE WEBCAST. YOU CAN REPLAY THE ENTIRE WEBCAST UP TO SEPTEMBER 4, 2014, WHICH INCLUDES A QUESTION AND ANSWER SESSION, BY VISITING THE ROYAL BANK OF CANADA ("RBC", "WE" OR "OUR") WEBSITE AT RBC.COM/INVESTORRELATIONS.

IN NO WAY DO WE ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON OUR WEBSITE OR IN THESE SPEAKERS' NOTES. USERS ARE ADVISED TO REVIEW THE WEBCAST ITSELF AND OUR FILINGS WITH THE CANADIAN SECURITIES REGULATORS AND THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION ("SEC") BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in these speakers' notes, the webcast and accompanying presentation materials, in filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in these speakers' notes include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our 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, operational, legal and regulatory compliance, insurance, reputation and strategic risks and other risks discussed in the Risk management and Overview of other risks sections of our 2012 Annual Report and in the Risk management section of our Q3 2013 Report to Shareholders; the impact of changes in laws and regulations, including relating to the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations issued and to be issued thereunder, the Basel Committee on Banking Supervision's global standards for capital and liquidity reform, over-the-counter derivatives reform, the payments system in Canada, consumer protection measures and regulatory reforms in the U.K. and Europe; general business and economic market conditions in Canada, the United States and certain other countries in which we operate, including the effects of the European sovereign debt crisis, and the high levels of Canadian household debt; cybersecurity; the effects of changes in government fiscal, monetary and other policies; the effects of competition in the markets in which we operate; our ability to attract and retain employees; the accuracy and completeness of information concerning our clients and counterparties; judicial or regulatory judgments and legal proceedings; development and integration of our distribution networks; and the impact of environmental issues.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. 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 2012 Annual Report, as updated by the Overview section in our Q3 2013 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 2012 Annual Report and in the Risk management section in our Q3 2013 Report to Shareholders.

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

JANICE FUKAKUSA, CHIEF ADMINISTRATIVE OFFICER AND CFO

Good morning and thank you, Ben, and I can assure you that our composition is really not like Credit Suisse and Deutsche Bank combined. So I will go through sort of the fundamentals of who we are.

And I'd like to begin first by our normal caution slide that the remarks made here and during the Q&A session may contain forward-looking statements which involve assumptions, have inherent risks and uncertainties and may differ from actual results.

So turning to slide three, RBC is Canada's largest company by assets and market capitalization and we're among the largest banks in the world. We are a diversified financial services company with five business segments and operations that span Canada, the US and 44 other countries. We employ approximately 80,000 people serving close to 50 million clients globally.

Just over two weeks ago we reported record third-quarter earnings of CAD2.3 billion and year-to-date earnings of CAD6.3 billion. Our third-quarter results were underpinned by strong fundamentals across the board with most of our businesses and that included record earnings in our Personal & Commercial Banking and Wealth Management segments. We also announced a CAD0.04 or 6% increase to our dividend bringing the quarterly dividend to CAD0.67 a share, our fifth dividend increase in nine quarters representing a 34% jump.

The increase in the quarterly dividend, which was higher than more recent increases, clearly demonstrates the confidence we have in our ability to consistently grow our earnings. We have a diverse and strong portfolio of businesses that generate significant earnings that we can invest in new growth opportunities while also returning capital to our shareholders.

Canada is our core market where we generate two-thirds of our revenue and are a leader in all of our key domestic businesses with a strong track record of outperformance. Outside of Canada, we are leveraging this domestic strength and expertise to successfully grow the business globally.

We are focused on the largest markets and serving the complex and evolving needs of key global client segments, institutional, corporate and high and ultrahigh net worth individuals. And we are well positioned to serve them through our capital markets, wealth management and investor and treasury services businesses.

Our strong risk culture is an important strength and helps build our brand and reputation and also underpins our strategy. We are focused on delivering high quality and sustainable earnings growth which means pursuing profitable growth. It also means we will pursue opportunities that are aligned to our view of the global trends that build on our strength and deliver strong returns to our shareholders.

Now before I move on to some details about the business segments, let me briefly discuss the Canadian economy and the housing markets because it is topical.

As you can see on slide seven, Canada performed well over the past several years amid the global economic uncertainty thanks to strong underlying fundamentals and the ongoing fiscal discipline. Going forward, we expect the Canadian economy, although moderating, to continue to perform well relative to economic growth globally. As you know, the Canadian housing market has received a lot of focus over the past years with rising house prices and higher consumer debt levels.

Overall we believe housing affordability remains at fairly reasonable levels in most markets across Canada with supply and demand generally remaining in balance. We don't expect that Canada will have a significant downturn experienced by many of the other countries. Instead what we are seeing now is the housing market moderating and undergoing a transition to more long-term sustainable levels of activity.

Absolute consumer debt levels have increased over the last several years, but these levels are stabilizing now, reflecting in part the measures taken by our federal government to cool down the leveraging in the housing market.

I would note that the consumer debt service ratios, which is the more relevant measure of how the consumers are doing, continue to be at historic low levels.

So turning to our segments starting with Personal & Commercial Banking, Canadian Banking remains the cornerstone of our business representing more than half of our earnings. We are number one or two in market share across all leading product categories and we continue to extend the lead. We also lead the industry in volume growth, taking a disproportionate share of the market. And we continue to achieve or exceed our objective of a 25% growth premium to the market for several key reasons.

First, the size and scale of our multichannel distribution network allows us to reach more clients when and how they want. We have the largest branch ATM network and mobile salesforce leading online banking capabilities and innovative partnerships with top retailers like the partnership that we announced with Target. And we continue to invest in expanding our distribution network.

RBC is also at the forefront of emerging payments and mobile-based technologies, a trend we believe will significantly reshape the industry. In the last few months we announced a number of innovations in this space including the first cloud-based secure mobile payment solution in Canada.

Second, we are growing faster than our peers because of the breadth and quality of our product offering; we have superior financial planning and investment capabilities and an extensive cards portfolio and a strong commercial banking franchise.

We are also focused on developing differentiated products and services to capture a greater share of the key high-growth client markets such as retirees, business owners, and newcomers to Canada which is a key segment for us.

And finally, RBC has a proven ability to cross sell more effectively than our Canadian peers. We lead the industry with close to 22% of our clients having at least three key products or services with us -- chequing, investments and lending -- compared to the peer average of 15%. And while growing volumes is a priority, we are committed to controlling costs and improving efficiency and productivity, particularly in the slower growth economic environment, and we remain focused in this segment in driving our efficiency ratio to the low 40s.

Insurance, the Insurance segment is on slide 11 and we are transforming the way that we sell insurance by going directly to the consumers. We can do that because we have both a comprehensive product offering and the largest distribution network. We are also selling more insurance through lower-cost channels such as our retail insurance stores, proprietary salesforce, contact centers and online presence. By going directly to the client we can reach them more efficiently, deepen our relationships with them and offer more product. We now sell one and a half insurance products per client and our goal is to double that number over the next several years.

Turning to Wealth Management on the next slide, as global economic and market conditions are improving, favorable industry trends such as an aging demographic and a significant increase in the number of high and ultra net worth individuals offer us very attractive growth opportunities.

In Canada, our asset management business is the largest retail fund company and continues to extend its mutual fund market share. By leveraging our Canadian bank distribution network and our Wealth Management business, we consistently rank number one for both all-in and long-term fund assets.

We are also a leading Canadian institutional manager and continue to grow in the US. Internationally, we are focused on bringing our BlueBay Asset Management fixed income expertise to institutional and retail investors in Canada and globally. And we are also looking to complement international activities by looking at asset management capability internationally on the equity side.

Turning to our Wealth Management businesses, we are the largest and most comprehensive wealth manager in Canada, a leader in fee-based assets, more than double that of our competitors and our revenue per advisor is 45% higher than the Canadian industry average.

Overall we have industry leading high net worth market share of 18% and we continue to extend this lead by offering superior advice and best-in-class solutions. In the US, we are the seventh largest full-service brokerage firm by advisers. We continue to shift towards a more fee-based model and average fee-based client assets are up 10% this year.

Outside of North America, we are building our UK wealth presence and establishing international wealth centers in Singapore, Hong Kong, and Switzerland to serve the offshore wealth management needs of the high and ultra high net worth individuals.

The next segment I'll be talking about is our Investor & Treasury Services segment. We are focused here on creating a specialist custody bank that provides excellence in asset servicing with an integrated funding and liquidity business for financial and other institutions. In Canada, we are the leading custody business with more than 40% of the market share of assets under administration. We also have offshore expertise primarily in Luxembourg where we are the third largest third-party asset servicer.

And some of you may recall that we acquired the other 50% of the investor services business. We had a joint venture with Dexia Bank just over a year ago and we've been improving operating efficiency there and streamlining operations. At the same time, we are building revenue opportunities by leveraging our strong reputation, brand and financial strength through the investor services business and also cross sell. These were things we couldn't do when we were part of a 50% joint venture with Dexia.

And finally, looking at our Capital Markets segment, global capital markets of course continue to face increasing regulatory reform. And we are adapting our business model to the changing landscape. We believe our strategic business mix, targeted geographies and strong stable earnings are a real competitive advantage and distinguish us from the other Canadian banks' wholesale operations.

Our rebalancing towards more corporate lending and traditional investment banking activities or an originate to distribute model is reducing our reliance on secondary trading activities which created some volatility for us over the past three years.

Our disciplined growth in lending is generating opportunities for our origination and advisory businesses as a borrowing client will typically use RBC Capital Markets for at least three more products within the first three years following the loan.

In terms of geographic footprint, we are strategically located in the largest investment banking [fee pools] around the world, Canada, the US, the UK, and Asia-Pacific with 80% of our people and assets concentrated in North America.

In Canada, we are a clear market leader and we remain committed to extending our lead in capturing greater market share by focusing on execution, building long-term relationships and expanding our cross-sell ability. We have had several significant wins lately. We were advising Shoppers Drug Mart on their CAD14 billion sale to Loblaw, a grocery chain and the Hudson's Bay Company on their $3 billion purchase of stocks. And we now rank number two globally in retail M&A in the US which is by far the largest market. We are a significant player and also growing.

Our market share is close to 2.5% which is significant given the fragmentation in the US market. With more employees in the US than Canada and with over half of our Capital Markets revenue being generated out of the US, this provides us with diversification in total for the enterprise and also an attractive growth opportunity as the US economy recovers. Recently we've been involved in a number of high-profile US deals including our role in the financing of the proposed CAD24 billion Dow privatization.

In the UK and Europe, we're selectively building our investment bank in core areas where we have key strengths. Similar to the US, our goal is to shift from trading to more lending and origination with a primary focus on clients in the UK, Germany and France.

So in closing, our financial strength, diversified businesses and leading market share remain a clear competitive advantage in today's environment. It gives us the flexibility to find the right balance between investing in our business for longer-term growth and returning capital to our shareholders. I believe that our domestic leadership and global strategy combined with our focus on delivering high-quality sustainable earnings positions us very well going forward.

So with that I will open it up to any Q&A.