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DAVE MCKAY, PRESIDENT & CHIEF EXECUTIVE OFFICER

Good morning everyone and thank you for joining us today.

This morning we reported record earnings of over 2.5 billion dollars, up 14 percent from last year. Excluding a foreign exchange gain that Janice will explain, earnings were up 9 percent.

We had solid results across our businesses, credit trends remained strong, and our Common Equity Tier 1 ratio increased to 10 percent.

Overall, we had a great quarter and a record first half, with year-to-date earnings of over 4.8 billion dollars on an adjusted basis, up 11 percent from last year, and an ROE of nearly 19 percent.

These results again underscore the strength of our diversified business model and our client-focused strategy which has enabled RBC to deliver quality earnings and consistent growth in a range of economic backdrops.

As another testament to strength of our businesses, RBC was recently named Global Retail Bank of the Year for the second year in row by Retail Banker International. This marks the first time in the history of the award that a bank has received this distinction for two consecutive years. I am very proud of this achievement.

Let me now provide my perspective on the performance of our business segments.

Canadian Banking had another strong quarter, with earnings up 7 percent from last year. Our results reflect our continued execution on key strategic priorities which we believe will drive growth and extend our lead in Canada. Let me highlight three of our priorities.

First, we've been adapting to the consumer shift from borrowing to saving and investment as baby boomers retire and as young people become increasingly responsible for their own retirement. With the largest financial planning workforce, an industry leading mutual fund business, and our proven ability to cross-sell at a higher rate than peers, we're well positioned to capture growth from these demographic trends.

Second, as the market leader in business financials services in Canada, RBC underwrites more than a quarter of all business loans under 25 million dollars and we're seeing very good momentum – with business loans up 8 percent from last year and business deposits up 10 percent.

Third, we're focused on becoming a more agile bank and our investments in technology are paying off and helping to further improve our efficiency ratio, which continues to be an industry best in Canadian Banking.

For example, as part of our overall digitization program, last year we introduced eSignatures, which we estimate resulted in savings of up to 24,000 hours per week in administration time, allowing employees to spend more time providing advice to clients.

Overall, I'm pleased with the strong quarter in Canadian Banking.

Moving to the Caribbean. Our banking business was profitable again this quarter, even with the impairment loss related to the announced sale of RBC Suriname, and we continue to see improvement in our core operating performance.

Turning to Wealth Management we saw continued strength in our two largest businesses.

Global Asset Management had a strong quarter driven in part by a record winter investment season in Canada. Our results also reflect the strength of BlueBay, which now has approximately 75 billion dollars in assets under management, nearly double in size since the acquisition in late 2010. Together with our organically developed U.S and U.K-based businesses, clients from outside of Canada now represent one-third of RBC GAM's total $370 billion dollars of assets under management.

Canadian Wealth Management also had a strong quarter and continues to focus on extending its #1 position in the high net worth segment by deepening existing client relationships, and continuing to attract new clients and experienced investment advisors.

In the U.S. we're a top 10 full-service wealth manager and are seeing the benefits of shifting to a more fee-based model. We are poised to deepen our client relationships even further through the announced acquisition of City National.

Last night, in fact, we met an important milestone on the pending combination of our two banks as City National shareholders voted in favour of our merger agreement. So far our integration plans are going well and we're on track to close in the fourth quarter of this year, subject to regulatory and other customary approvals.

Looking at Insurance, even with the industry headwinds and higher claims this quarter the business delivered solid results on a year to date basis, and we do expect the second half of the year to be seasonally stronger.

Moving to Investor & Treasury Services. The segment delivered another record quarter, reflecting favourable market conditions in our foreign exchange businesses, and high levels of client activity including from our growing client base in Europe where we are a leader in the key offshore markets of Luxembourg and Ireland.

Turning to Capital Markets we had a very strong quarter demonstrating once again the success of our strategy to focus on traditional, client-driven corporate and investment banking and origination activities, as well as the value of our diversification across products, industry sectors and geographies.

In Canada, we're committed to maintaining our leading market share and this quarter we continued to be on top of the league tables, involved in many high profile deals. We are also proud of our involvement in the launch of the Aequitas Neo Exchange this quarter, a significant landmark for clients in the Canadian equity marketplace.

In the U.S. we had record revenue this quarter, reflecting broad based strength across most of our businesses. We're continuing to see solid growth in new clients and we're doing more business with existing ones.

Our European Capital Markets business also had solid growth quarter, with revenue up almost 30 percent from last year. We are seeing the benefits from repositioning our fixed income business and expanding our investment banking presence in key markets like France and Germany. Despite the challenging economic climate in Europe, I'm encouraged by our progress.

Outlook

Looking ahead, it feels like the macro landscape is less volatile than it was a few months ago. However, as the outlook for the global economy remains uncertain, we are continuing to actively monitor industry headwinds.

While the price of oil has increased over 25% since the end of January, it remains at levels that challenge the profitability of the sector. Mark will provide more detail, but to date we have not seen significant deterioration in our wholesale and retail loan portfolios from the sustained low oil prices.

While we are monitoring conditions carefully, we're cautiously optimistic that in the second half of the year we should see the economic benefit of low oil prices and a weaker Canadian dollar on manufacturing and export heavy provinces such as Ontario, B.C. and Quebec.

Turning to housing, notwithstanding the heightened media focus, we believe that the Canadian housing market generally continues to be supported by strong trends in employment, household income and population growth. We also closely watch supply and demand factors and are seeing that buyers and sellers are generally aligned in most markets, and that new construction has been broadly absorbed.

Price increases in a few markets fuelled by low rates and limited supply definitely bear close monitoring, but overall the credit profile of our clients is strong and has remained relatively stable over the past year. The debt service ratio is at a record low, reinforcing our confidence in our clients' ability to repay, and we're comfortable with the results of our stress testing under a higher rate environment.

Lastly, the regulatory landscape for financial services continues to evolve, but as we've demonstrated in the past, our scale and financial strength gives us the flexibility to manage change while continuing to invest in our businesses to drive long-term growth.

To wrap up, I'm very pleased with our performance this quarter which demonstrates our continued leadership position in Canada, and the strength of our client franchises in the U.S. and also in Europe.

We feel good about our businesses heading into the second half of the year. While we continue to face some industry headwinds I'm confident that RBC's diversified model positions us well to continue to capitalize on opportunities created by the changing market environment, to grow our businesses, and to continue delivering value to our shareholders.

I will now turn it over to Janice to provide more details on our second quarter results.

JANICE FUKAKUSA. CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

Thanks Dave and good morning everyone.

As Dave said we reported a record second quarter with earnings of over 2.5 billion dollars, up 301 million dollars or 14 percent from last year.

We had one item of note this quarter in Corporate Support. As a result of our exit of certain proprietary trading activities in Q4 to comply with the Volcker Rule, this quarter we dissolved a U.S.-based funding subsidiary and realized a foreign currency gain of 108 million dollars, before- and after-tax. As this amount was previously booked as an unrealized foreign currency translation gain in other components of equity, there was no impact on capital.

Excluding this gain, earnings were up 193 million dollars or 9 percent from last year driven by solid earnings growth in Canadian Banking, strong growth in Capital Markets, record earnings in Investor & Treasury Services and underlying business strength in Wealth Management.

Turning to capital on slide 7. Our Common Equity Tier 1 ratio of 10 percent increased 40 basis points from last quarter, primarily reflecting internal capital generation and the impact of a higher discount rate which decreased our pension obligations. The growth in risk weighted assets was more than offset by the strengthening of the Canadian dollar.

With a CET1 ratio of 10 percent, we are well positioned to maintain our ongoing capital management program of funding organic growth and returning capital to shareholders as we work towards closing the announced acquisition of City National, which is targeted for the fourth calendar quarter of 2015.

On closing, we estimate that the acquisition will impact our CET1 ratio by approximately 70 basis points, as goodwill and additional risk-weighted assets will be partially offset by equity issued at the close of the transaction.

Before I turn to our business segments, I would point out that this quarter we began disclosing our liquidity coverage ratio, which was 111 percent, well above OSFI's minimum of 100 percent. Overall, we are comfortable with the mix of our balance sheet.

Now moving to our segment results starting on slide 8.

Personal & Commercial Banking reported earnings of 1.2 billion dollars, which was up 85 million dollars or 8 percent from last year, and down 55 million dollars or 4 percent from last quarter.

Canadian Banking reported earnings of over 1.1 billion dollars, up 81 million dollars or 7 percent from last year. Our performance reflects strong growth in fee-based revenue of 16 percent, as higher clients' balances drove cards service revenue and mutual fund distribution fees.

Solid volume growth of 5 percent also contributed to the increase, and included deposit growth of 6 percent reflecting our focus on growing core checking accounts, and loan growth of 4 percent.

Sequentially, Canadian Banking earnings were down 29 million dollars or 2 percent, largely because there were three fewer days in the quarter. This was partially offset by lower PCL.

This quarter our net interest margin was 2.64 percent, down 4 basis points from last quarter. Excluding a cumulative accounting adjustment, our net interest margin was 2.66 percent, down 2 basis points from last quarter reflecting spread compression and lower amortization of the fair value of our Ally Canada legacy loan portfolio.

Looking ahead, we continue to expect margin pressure from the low interest rate environment and competitive pressures, and will remain disciplined about managing our margins.

Turning to expenses. Our results this quarter demonstrate our continued focus on cost management as we continue to invest in our businesses. Our efficiency ratio improved 100 basis points over last year to 44 percent, and we generated very strong operating leverage of 2.4 percent.

We continue to target operating leverage in the 1 to 2 percent range. This quarter we came in on the higher end of our range, in part due to elevated marketing costs last year related to our Olympic sponsorship.

Caribbean and U.S. Banking results reflect a previously announced impairment loss of 23 million dollars related to the sale of RBC Suriname. Notwithstanding this loss, we are pleased that Caribbean Banking's underlying earnings have improved, demonstrating the progress we have made in restructuring our operations.

Turning to slide 9, Wealth Management had earnings of 271 million dollars, down 7 million dollars or 3 percent from last year.

This quarter we had after-tax restructuring costs of 22 million dollars related to the repositioning of our U.S. & International Wealth Management businesses. We've incurred almost two-thirds of the estimated costs related to this repositioning, and believe that the majority of the restructuring will be completed by our fiscal year end.

Our results were also impacted by PCL of 32 million dollars primarily related to one account in our U.S. & International Wealth Management businesses.

These factors aside, we had strong growth in our two largest businesses – Global Asset Management and Canadian Wealth Management – driven by higher average fee-based client assets.

Assets under management and assets under administration were up 13 percent and 8 percent, respectively, over last year, due to solid capital appreciation and net sales.

Sequentially, net income was up 41 million dollars or 18 percent largely driven by growth in average fee-based client assets, partially offset by higher PCL.

Moving to Insurance on slide 10. Net income of 123 million dollars was down 31 million dollars or 20 percent from last year, largely reflecting the negative impact of a change in Canadian tax legislation, which I discussed last quarter.

Sequentially net income was down 62 million dollars or 34 percent from a very strong first quarter as we had lower earnings from a U.K. annuity contract compared to two contracts last quarter, and had higher claims costs in our life retrocession business.

On a year to date basis earnings are relatively flat to 2014 despite the change in tax legislation.

Investor & Treasury Services had a record quarter, with earnings of 159 million dollars, up 47 million dollars or 42 percent from last year and up 17 million dollars or 12 percent sequentially.

For the second consecutive quarter we benefited from higher foreign exchange transaction volumes and high levels of client activity in the foreign exchange forwards market, as some of the volatility we saw in Q1 continued into Q2. We are pleased with the results, however these favourable market conditions may not continue to the same degree going forward.

I&TS also benefited from higher funding and liquidity results driven by interest rate volatility, and growth in client deposits, which are up more than 15 percent from last year.

Capital Markets had a very strong quarter. Net income of 625 million dollars was up 118 million dollars or 23 percent over last year reflecting balanced growth across our investment banking, lending and trading businesses. We also benefited from foreign exchange translation which increased earnings by 34 million dollars.

Compared to last quarter, net income was up 31 million dollars or 5 percent driven by a significant rebound in U.S. and Canadian underwriting revenue, which in turn drove strong secondary fixed income trading. Equity trading revenue was also strong, although down 2% from record levels last quarter.

Before I turn it over to Mark, I would like to address the proposed tax change in the recent Federal Budget and the potential impact on RBC.

Since this is a consultation process we are currently assessing the proposal, but at this point we believe that the impact may be 1 to 2 percent of total RBC earnings.

With that, I'll turn the call over to Mark.

MARK HUGHES. CHIEF RISK OFFICER

Thanks Janice and good morning.

Turning to slide 14, our credit quality remained strong this quarter as credit trends stayed near historic lows.

This reflects our strong risk management practices and a supportive economic backdrop, which includes low interest rates as well as stable unemployment.

Provisions for credit losses on impaired loans this quarter were $282 million or 25 basis points, up $12 million or 1 basis point from last quarter.

This slight increase mainly reflects higher provisions in Wealth Management and Capital Markets, partially offset by lower provisions in Canadian Banking.

Wealth Management PCL was $32 million, up $19 million from last quarter, related mainly to provisions on a single account in our International Wealth Management business.

As we've mentioned in the past, growing the loan book forms part of this segment's long-term growth strategy. While some provisions are an expected outcome of that business activity this quarter's provisions are higher than we would normally expect.

Overall we remain comfortable with this segment's credit quality given our strict credit adjudication standards and the strong creditworthiness of our client base.

Capital Markets had PCL of $15 million this quarter, related to a drilling and services account and a technology and media account.

Moving to Caribbean Banking, provisions were up $4 million. While credit trends were relatively stable this quarter reflecting the work we've done to strengthen and reposition our operations, we are mindful of the economic environment in the region, which remains challenging.

Turning to Canadian Banking, we had PCL of $212 million or 25 basis points, down $22 million or 1 basis point from last quarter.

Looking at our retail portfolios highlighted on slide 15, our credit card provisions remained low at 262 basis points, up 17 basis points sequentially primarily due to seasonality.

In our personal portfolio provisions increased 3 basis points from last quarter due to lower outstanding loan balances in our auto portfolio and seasonality with our lines of credit.

Looking at slide 16, our residential mortgage portfolio makes up 66 percent of our retail portfolio and is well diversified across Canada. It continues to perform well with provisions of 1 basis point this quarter, consistent with our historical performance.

Turning to slide 18, gross impaired loans and new impaired formations increased this quarter, largely due to a few accounts in Capital Markets, one of which was related to a drilling and services account which we provisioned this quarter. Sequentially, our gross impaired loan ratio remained flat.

Let me spend a moment on our oil and gas exposure.

As Dave noted, we are not seeing any significant credit deterioration in our wholesale portfolio or in our retail loan book in oil-exposed provinces, and are encouraged by the increase we saw in oil prices this quarter.

Looking at slide 19, our drawn exposure to the oil and gas sector continues to represent 1.5% of RBC's total loan book. Over 63% of our oil and gas loan book is to exploration and production companies, while around 20% is to drilling and services companies. The remaining balance is to integrated companies, refiners and distributors. While we've seen some clients draw on their lines, on a net basis it's relatively stable compared to last quarter.

The spring review of our borrowing base clients is nearly complete. As a result of lower oil prices, we have seen some of our clients' limits reduced, but this has not resulted in additional provisions. And while we've added a couple of new names to our watchlist, we have been proactively monitoring the portfolios, the movement was not significant.

Turning to slide 20, in Q2 average Market Risk Value-at-Risk of $34 million and our average stressed Value-at-Risk of $105 million remained largely unchanged compared to the prior quarter.

We had no days of trading losses in the quarter.

To conclude, while we are actively monitoring the macro-economic headwinds impacting our operating environment, I am comfortable with how we are managing our businesses and overall am pleased with our credit performance.

Operator, could you now open the lines for Q&A.

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 in Q2/2015 excluding a specified item related to the release of foreign currency translation adjustment (CTA) that was previously booked in other components of equity, as well as specified items related to sale of RBC Jamaica as previously announced in Q1/2014, and provisions related to post-employment benefits and restructuring charges in the Caribbean, adjusted net interest margin and Capital Markets trading and geographic revenue excluding specified items 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 Q2/2015 Report to Shareholders and 2014 Annual Report.

Definitions can be found under the “Glossary” sections in our Q2/2015 Supplementary Financial Information and our 2014 Annual Report.