

Royal Bank of Canada 2012 and Fourth Quarter Results

November 29, 2012

Financial information is presented on a continuing operations basis in Canadian dollars and is based on International Financial Reporting Standards (IFRS), unless otherwise indicated.



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 this presentation and in the accompanying management's comments and responses to questions during the November 29, 2012 analyst conference call (Q4 presentation), in filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in this presentation 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; 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 this Q4 presentation are set out in our 2012 Annual Report under the heading Overview and Outlook and for each business segment under the heading Outlook and priorities. 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 of our 2012 Annual Report.

Information contained in or otherwise accessible through the websites mentioned does not form part of this Q4 presentation. All references in this Q4 presentation to websites are inactive textual references and are for your information only.

Overview

Gordon M. Nixon
President and Chief Executive Officer



FY 2012 Performance



Record earnings of \$7.6 billion

Results from Continuing Operations ⁽¹⁾			
\$ millions, except EPS and ROE	2012	2011	YoY
Net income	\$7,590	\$6,970	9%
Diluted earnings per share (EPS)	\$4.96	\$4.55	9%
Return on Equity (ROE) ⁽²⁾	19.5%	20.3%	(80) bps

- Record results in Personal & Commercial Banking, Capital Markets and Insurance
- Strong ROE notwithstanding higher Basel III capital requirements
- Maintained prudent risk management and disciplined cost control
- Increased quarterly dividend twice during the year, for a total increase of 11%

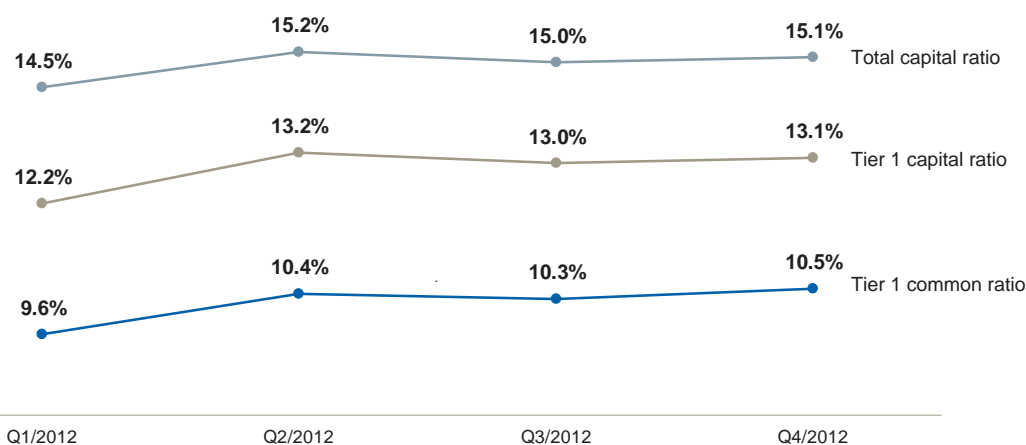
⁽¹⁾ 2011 results from continuing operations do not include results related to our U.S. regional retail banking operations and Liberty Life Insurance Company, which are now classified as discontinued operations. Refer to our 2012 Annual Report for additional information.

⁽²⁾ ROE may not have a standardized meaning under generally accepted accounting principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions. For additional information see slide 33.

Strong financial position



Capital ratios ⁽¹⁾



- Strong capital position with Tier 1 capital ratio of 13.1%
 - Up 10 bps QoQ reflecting strong internal capital generation
- Estimated pro forma Basel III Common Equity Tier 1 ratio of 8.4% ⁽²⁾

Strong capital ratios in excess of regulatory requirements

Our financial objectives



Medium-term objective:

- To maximize shareholder returns by achieving top quartile TSR over 3-5 years
 - 1 year TSR of 22% as at October 31, 2012

Total Shareholder Return (TSR) ⁽¹⁾	Objective	2012 Results
3 Year TSR	Top quartile	2 nd quartile
5 Year TSR	Top quartile	Top quartile

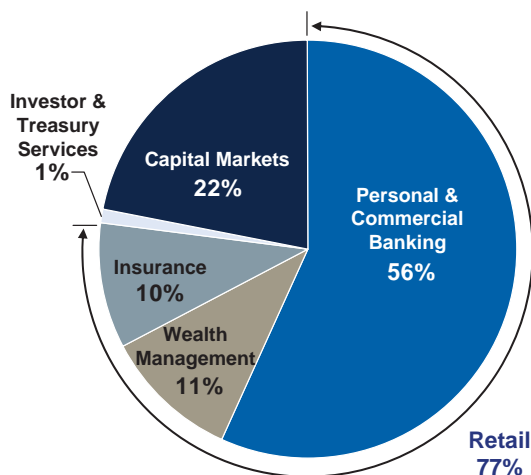
Financial metrics	2012 Results		Achieved
	Continuing operations	Consolidated	
Diluted EPS growth of 7%+	9%	18%	✓
ROE of 18%+	19.5%	19.3%	✓
Strong capital ratios ⁽²⁾ (Tier 1 capital ratio, Tier 1 common equity ratio)	n.a.	13.1%, 10.5%	✓
Dividend payout ratio 40% - 50%	45%	46%	✓

RBC's key strengths

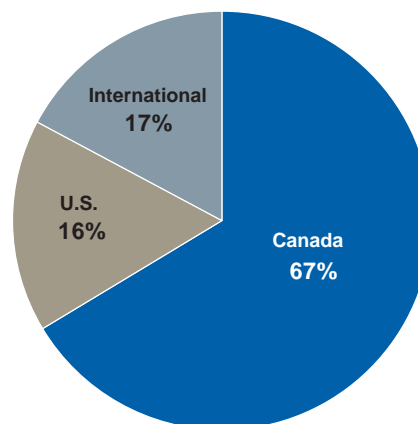


- Diversified business mix, with the right balance of retail and wholesale
- Over two-thirds of revenue from Canada
- Strategic approach in key businesses in the U.S. and select international markets

Earnings by business segment (1)
FY 2012



Revenue by geography (1)
FY 2012



2012 and Fourth Quarter Results

(1) Amounts exclude Corporate Support. For further information, see the Results by business segment and Results by geographic segment sections of our 2012 Annual Report.

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Strategic priorities



Personal & Commercial Banking	<ul style="list-style-type: none"> ▪ Building on leading market positions in Canada ▪ Extending our Canadian sales power ▪ Eliminating costs and reinvesting for the future in Canada ▪ Building on strengths in innovation and technology to differentiate the client experience in the Caribbean and U.S.
Wealth Management	<ul style="list-style-type: none"> ▪ Building a high-performing global asset management business ▪ Focusing on high net worth and ultra-high net worth clients to build global leadership ▪ Leveraging RBC and RBC Wealth Management strengths and capabilities
Insurance	<ul style="list-style-type: none"> ▪ Improving distribution efficiency and deepening client relationships ▪ Making it easier for clients to do business with us ▪ Pursuing select international opportunities to grow our reinsurance business
Investor & Treasury Services	<ul style="list-style-type: none"> ▪ Leveraging reputation and financial strength of RBC ▪ Building on the wealth management and capital markets capabilities of RBC ▪ Capitalizing on favourable long-term industry and demographic trends
Capital Markets	<ul style="list-style-type: none"> ▪ Extending our leadership position in Canada ▪ Expanding and strengthening client relationships in the U.S. ▪ Building on core strengths and capabilities in the U.K., Europe and Asia ▪ Optimizing capital use to earn high risk-adjusted returns on assets and equity

2012 and Fourth Quarter Results

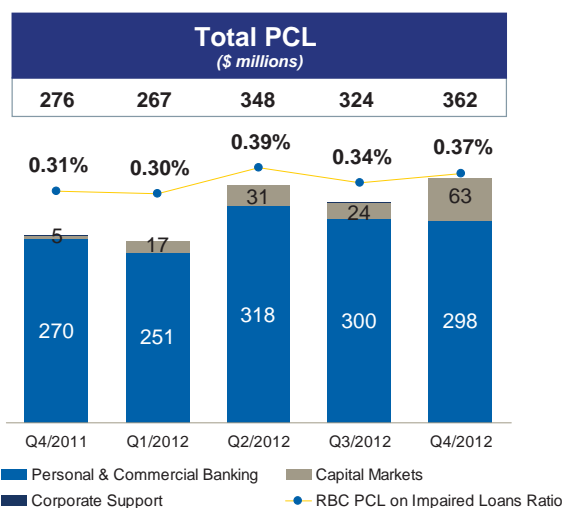
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Risk Review

Morten Friis
Chief Risk Officer



Provision for credit losses (PCL)



Personal & Commercial Banking

- PCL was relatively flat QoQ
 - Lower provisions in our Caribbean portfolio were largely offset by higher provisions in our Canadian business lending portfolio

Capital Markets

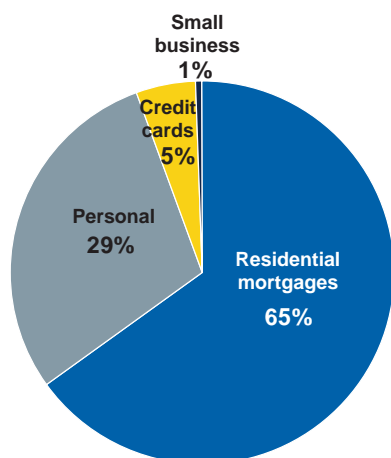
- PCL up \$39 million QoQ related to a single account

PCL Ratio by Segment	Q4/2011	Q1/2012	Q2/2012	Q3/2012	Q4/2012
Personal & Commercial Banking	0.35%	0.32%	0.41%	0.38%	0.37%
Canadian Banking	0.31%	0.32%	0.36%	0.30%	0.34%
Capital Markets	0.05%	0.16%	0.27%	0.20%	0.49%

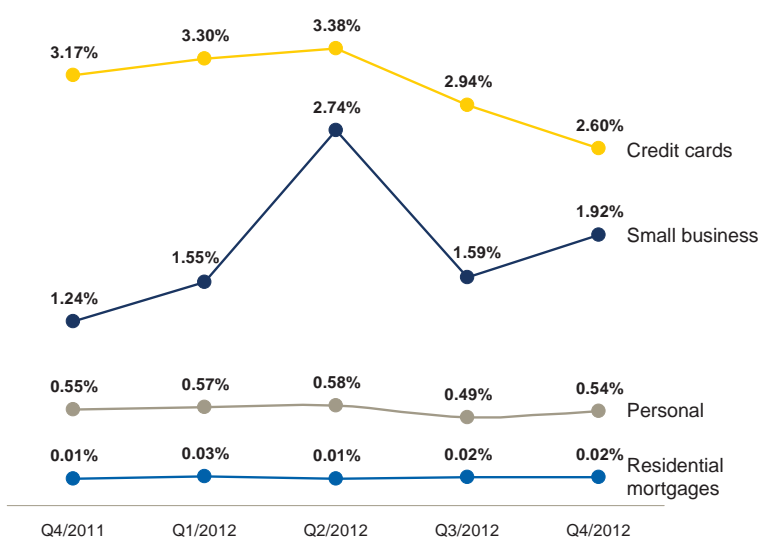
Canadian Banking retail portfolio credit quality



Average Retail Loans (\$268 billion)



PCL Ratio by Product



Overall credit quality remains stable

2012 and Fourth Quarter Results

PCL ratio is PCL on impaired loans as a percentage of average net loans and acceptances (annualized).

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Exposure to Europe



European Exposure (\$ millions)	Loans Outstanding	Securities ⁽²⁾	Repo-style transactions	OTC Derivatives ⁽³⁾	Q4/2012 Total Exposure	Q3/2012 Total Exposure
Gross drawn exposure to Europe ⁽¹⁾	10,679	16,063	1,442	9,405	37,589	40,393
Less: Collateral held against derivatives	-	-	-	(6,495)	(6,495)	(7,599)
Add: Trading securities	-	11,742	-	-	11,742	10,535
Net exposure to Europe ⁽⁴⁾	10,679	27,805	1,442	2,910	42,836	43,329

- European exposures reflect our client-driven businesses in Capital Markets, Wealth Management and Investor & Treasury Services
- Exposures are manageable and we remain committed to serving our global clients in these markets
- Net exposure down 1% from the prior quarter

⁽¹⁾ Gross drawn exposure excludes undrawn commitments, potential future credit exposure amount and collateral, and is calculated on a comparable basis to the gross funded exposures reported by a number of U.S. banks.

⁽²⁾ Securities include \$11.7 billion of trading securities (2011: \$11.8 billion), \$9.3 billion of deposits (2011: \$10.4 billion) and \$6.8 billion of AFS securities (2011: \$9.5 billion).

⁽³⁾ Derivative exposures are measured at fair value.

⁽⁴⁾ Excludes \$0.6 billion (2011: \$1.5 billion) of exposures to supra-national agencies and \$1.9 billion (2011: \$1.4 billion) of exposures to trade credit reinsurance.

We continue to transact in a prudent manner with well-rated counterparties

2012 and Fourth Quarter Results

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Financial Review

Janice Fukakusa

Chief Administrative Officer and Chief Financial Officer



Q4/2012 financial highlights



From Continuing Operations ⁽¹⁾	Q4/2012	Q3/2012		Q4/2011
<i>(\$ millions, except per share amounts and ratios)</i>	As Reported	As Reported	Excluding Items of Note ⁽²⁾	As Reported
Revenue	\$7,518	\$7,756	\$7,559	\$6,692
Net income	\$1,911	\$2,240	\$1,978	\$1,609
Diluted earnings per share (EPS)	\$1.25	\$1.47	\$1.29	\$1.05
Return on common equity (ROE) ⁽³⁾	18.7%	22.7%	19.9%	17.5%

- Net income of over \$1.9 billion, up 19% YoY, primarily driven by stronger fixed income trading results and solid volume growth in Canadian Banking
- Solid results across most businesses QoQ, however net income was down slightly⁽²⁾, primarily due to other net favourable tax adjustment in Corporate Support in the prior quarter
- Another quarter of over \$1 billion in earnings in our Canadian Banking franchise

⁽¹⁾ Effective Q3/2012, we no longer have discontinued operations.

⁽²⁾ Q3/2012 results included a favourable adjustment of \$125 million (\$92 million after-tax) related to a change in estimate of mortgage prepayment interest, a release of \$128 million of tax uncertainty provisions and interest income of \$72 million (\$53 million after-tax) related to a refund of taxes paid due to the settlement of several tax matters with the Canada Revenue Agency (CRA) and a loss of \$12 million (\$11 million after-tax) related to our acquisition of the remaining 50% interest in RBC Dexia (RBC Investor Services). These measures are non-GAAP. For additional information see slide 33.

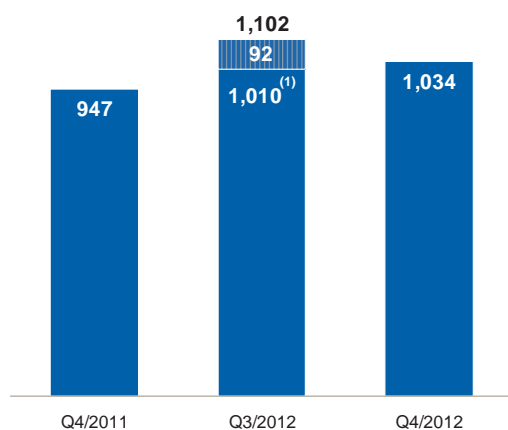
⁽³⁾ ROE may not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. For additional information see slide 33.

Personal & Commercial Banking



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
Reported NIAT	(6)%	9%
Adjusted NIAT ⁽¹⁾	2%	N/A

Q4/2012 Highlights

Canadian Banking (Net Income: \$1,027 million)

- Solid volume growth
 - Loan growth: 7% YoY and 2% QoQ
 - Deposit growth: 8% YoY and 2% QoQ
- Stable margins with NIM of 2.74%, relatively flat YoY and QoQ ⁽¹⁾
- Continued focus on expense reduction
 - Operating leverage of 1.8%
 - Efficiency ratio of 44.9%, an improvement of 80 bps YoY
- Announced intention on October 23, 2012 to acquire Ally Financial Inc.'s Canadian auto finance and deposit business

Caribbean and U.S. Banking

- Improved credit quality in Caribbean with PCL of \$28 million

2012 and Fourth Quarter Results

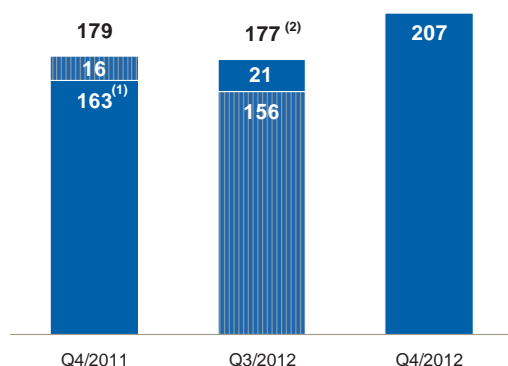
⁽¹⁾ Q3/2012 results were favourably impacted by a mortgage prepayment interest adjustment of \$92 million (\$125 million before-tax). Q3/2012 NIM was 2.91%, Q3/2012 NIM excluding this adjustment was 2.74%. Net income and NIM excluding this adjustment are non-GAAP measures. For additional information see slide 33. 14

Wealth Management



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
Reported NIAT	33%	16%
Adjusted NIAT ⁽¹⁾⁽²⁾	17%	27%

Q4/2012 Highlights

- Strong revenue of \$1,261 million, up 10% YoY and 8% QoQ
 - Higher fee-based client assets
 - Higher transaction volumes
- Client assets grew across all geographies as a result of improved market conditions and net sales
 - AUM of \$340 billion, up 5% QoQ; up 11% YoY
 - AUA of \$578 billion, up 3% QoQ; up 10% YoY

2012 and Fourth Quarter Results

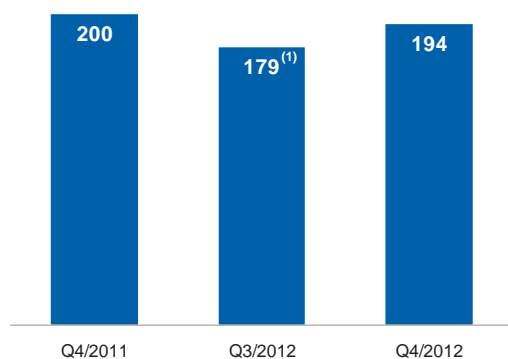
⁽¹⁾ Q4/2011 results included certain favourable accounting adjustments of \$27 million (\$16 million after-tax) related to our deferred compensation plan. Results excluding these adjustments are non-GAAP measures. For additional information see slide 33.
⁽²⁾ Q3/2012 results included an unfavourable impact of \$29 million (\$21 million after-tax) related to certain regulatory and legal matters. Results excluding this impact are non-GAAP measures. For additional information see slide 33. 15

Insurance



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
Reported NIAT	8%	(3)%

Q4/2012 Highlights

- Revenue excluding the fair value change⁽²⁾:
 - Up 6% QoQ due to growth in both Canadian and International businesses, and higher net investment gains
 - Up 4% YoY due to growth in both businesses, partially offset by lower net investment gains
- Solid claims performance in Canadian insurance and reinsurance products
 - Improved disability claims experience
 - Lower home and auto claims costs reflecting management actions and Ontario Auto Reforms
 - Lower life retrocession claims costs

2012 and Fourth Quarter Results

(1) Q3/2012 results include a reduction of policy acquisition cost-related liabilities of \$33 million (\$24 million after-tax) due to changes in our proprietary distribution channel.
 (2) Change in fair value of investments backing our policyholder liabilities of \$(35) million in Q4/2012 and \$123 million in Q4/2011, largely offset in PBCAE. Results excluding the fair value changes are non-GAAP measures. For additional information see slide 33.

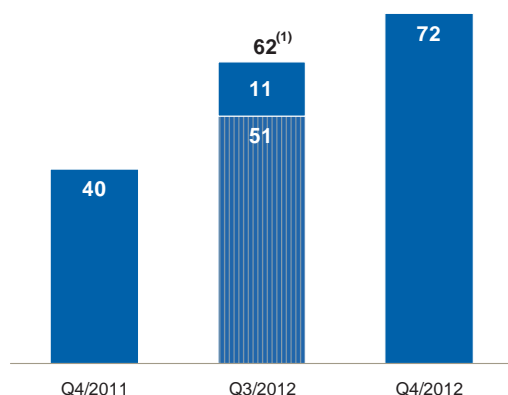
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Investor & Treasury Services



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
Reported NIAT	41%	80%
Adjusted NIAT ⁽¹⁾	16%	N/A

Q4/2012 Highlights

- Net income increased \$32 million YoY, largely due to higher funding and liquidity trading results
- Results reflect first quarter of earnings with 100% interest in RBC Investor Services
 - Lower spreads and lower transaction volumes negatively impacted results due to continued low rate environment and ongoing market uncertainty
 - Prior quarter was favourably impacted by the European dividend season

2012 and Fourth Quarter Results

(1) Q3/2012 results include loss of \$11 million (\$12 million before-tax) related to our acquisition of the remaining 50% stake in RBC IS. Results excluding this loss are non-GAAP measures. For additional information see slide 33.

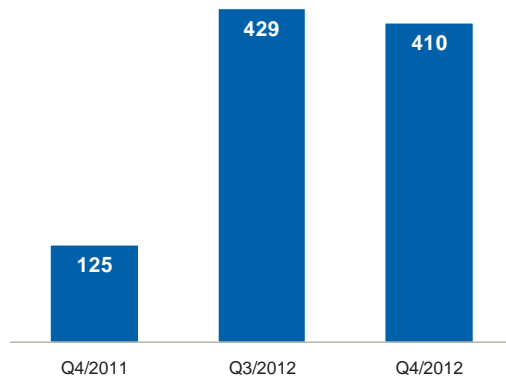
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Capital Markets



Net Income

(\$ millions)



Percentage Change	QoQ	YoY
Reported NIAT	(4)%	228%

Q4/2012 Highlights

Corporate & Investment Banking

- Revenue of \$687 million, up 25% YoY and down 6% QoQ
- Strong YoY growth in lending and loan syndication in U.S. and higher equity origination
 - Loans and acceptances, up 32% YoY
- Strong yet lower loan syndication activity and advisory fees compared to Q3/2012
- PCL was up \$39 million QoQ related to a single account

Global Markets

- Revenue of \$842 million, up 58% YoY and relatively flat QoQ
- Improved market conditions from prior year led to strong fixed income trading and origination
- Trading results in October 2012 were negatively impacted by Hurricane Sandy and the U.S. presidential election

Appendices



Canadian Banking – retail momentum



Canadian Banking	Q4/2012		Q4/2011	
	Rank	Market Share ⁽¹⁾	Rank	Market Share ⁽¹⁾
Retail Market Share				
Consumer Lending ⁽²⁾	1	23.8%	1	23.6%
Personal Core Deposits + GICs	2	19.6%	2	19.4%
Long-Term Mutual Funds ⁽³⁾	1	14.1%	1	13.6%
Business Loans ⁽⁴⁾				
\$0 - \$250M	1	26.5%	1	26.0%
\$250M - \$25MM	1	25.3%	1	25.3%
Business Deposits & Investments⁽⁵⁾	1	25.6%	1	25.8%

- Long-term mutual fund market share up 50 bps YoY
- Personal core deposits and GICs market share up 20 bps YoY

(1) Market share is calculated using most current data available from OSFI (M4), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA). OSFI, IFIC and Consumer Lending CBA data is at September 2012 and September 2011, Business Loans CBA data is at June 2012 and June 2011. Market share is of total Chartered Banks except for Business Loans which is of total 7 Banks (RBC, BMO, BNS, CIBC, TD, NBC, CWB).

(2) Consumer Lending market share is of 6 banks (RBC, TD, CIBC, BMO, BNS and National). Consumer Lending comprises residential mortgages excluding acquired portfolios, personal loans and credit cards.

(3) Mutual fund market share is per IFIC.

(4) Market share is of the nine Chartered Banks that submit business loan tiered data to CBA on a quarterly basis.

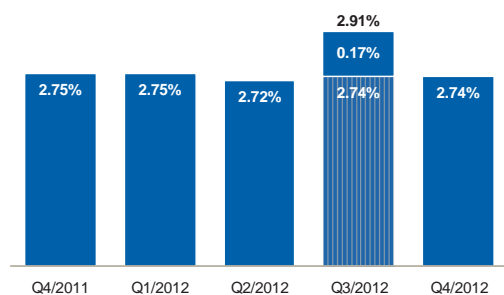
(5) Excluding Fixed Term, Government and Deposit Taking Institution balances.

Leadership in most personal products and in all business products

2012 and Fourth Quarter Results

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Canadian Banking – net interest margin (NIM)⁽¹⁾



- Stable NIM over the last year despite low interest rates and competitive pressures
- Adjusted NIM ⁽²⁾ was flat QoQ as favourable shift in mortgage breakage activity was offset by the impact of the low interest rate environment
- Margin performance reflects our strict pricing discipline as well as our ability to profitably gain market share through premium volume growth to the market

2012 and Fourth Quarter Results

(1) Net interest margin: net interest income as a percentage of total average earning assets.

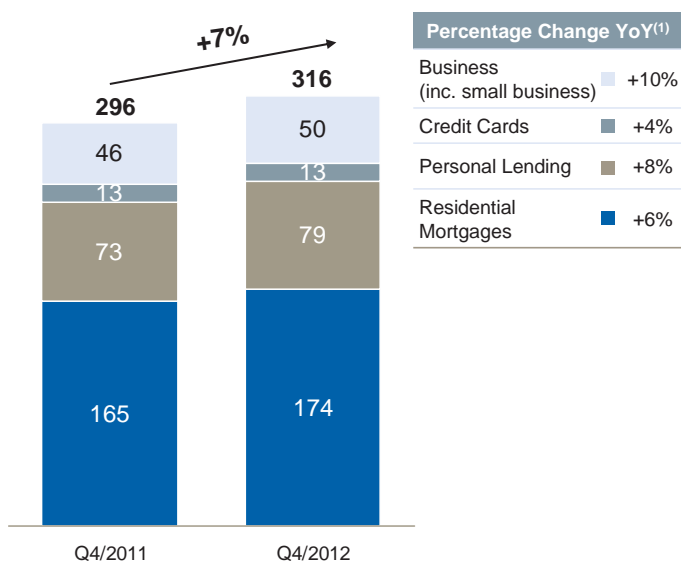
(2) Q3/2012 results were favourably impacted by a mortgage prepayment interest adjustment of \$92 million (\$125 million before-tax). Q3/2012 NIM was 2.91%, Q3/2012 NIM excluding this adjustment was 2.74%. NIM excluding this adjustment is a non-GAAP measure. For additional information see slide 33.

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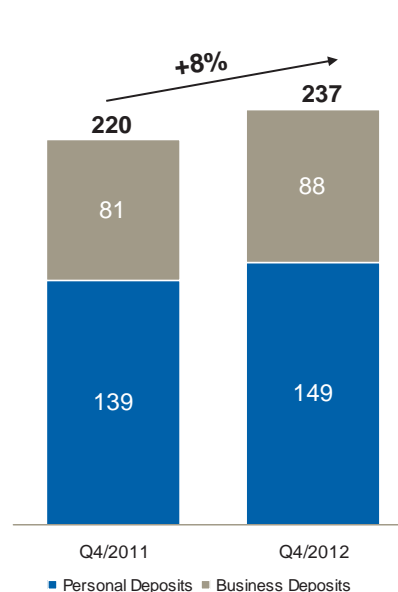
Canadian Banking – volume growth



Average Loans & Acceptances⁽¹⁾ (\$ billions)



Average Deposits (\$ billions)

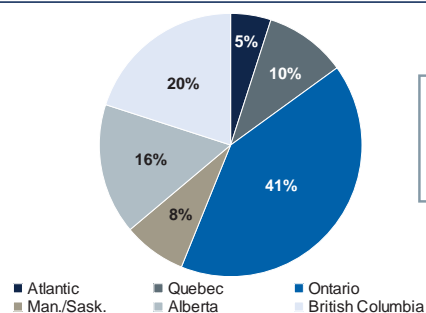


Combined loan and deposit Q4 year-over-year growth of 7%

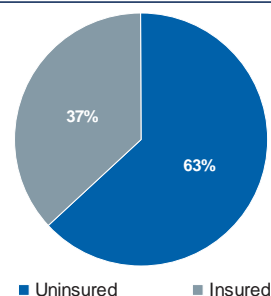
Canadian Banking – residential mortgage portfolio



Geographic Diversification



Insured vs. Uninsured mortgages



Average Residential Mortgages:
\$174 billion
LTV: 47%⁽¹⁾

Residential Mortgage Portfolio (\$ billions)	Atlantic	Quebec	Ontario	Man. / Sask.	Alberta	British Columbia	Total
Insured	5	6	25	6	13	10	65
Uninsured	4	11	46	8	15	25	109
Total	9	17	71	14	28	35	174
% of Total	5%	10%	41%	8%	16%	20%	100%
% Insured	53%	36%	35%	44%	46%	29%	37%

- Well diversified mortgage portfolio across Canada
- Ongoing stress testing for numerous scenarios including unemployment, interest rates and housing prices
- Strong underwriting practices with all mortgages originated through our proprietary channels

Wealth Management – Leveraging Canadian strength to build global leadership



Strong foundation for global growth

Global Asset Management

- Driving top-tier profitability for largest RBC Wealth Management business
- Extending our #1 retail position in Canada
- Expanding our global solutions and capabilities
- Focusing on strategic acquisitions to enhance global capabilities

Wealth Management Canada

- Extending our #1 position in Canada
- Delivering profitable growth in a challenging market
- Driving strong advisor productivity

Strategic Wealth Management focus in key geographies

United States

- Focused on improving advisor productivity and efficiency in an important strategic market
- Challenging market environment is driving lower transaction volumes
- Continuing to shift from transaction-based business (~60% of our business) to fee-based model – 7% growth in average fee-based client assets in 2012

British Isles & Caribbean

- Continued focus on improving non-interest expense efficiency in Trust and Custody businesses
- Investing to build the U.K. as our 3rd key wealth market over the long term; hired over 60 of our targeted 100 relationship managers

Emerging Markets

- Positioning RBC for long-term growth with a focus on serving emerging market HNW / UHNW clients through key international centers (Hong Kong, Singapore, Switzerland, Brazil)

2012 and Fourth Quarter Results

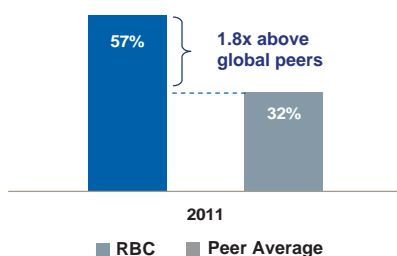
HNW: High net worth
UHNW: Ultra-high net worth

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Wealth Management – Global Asset Management



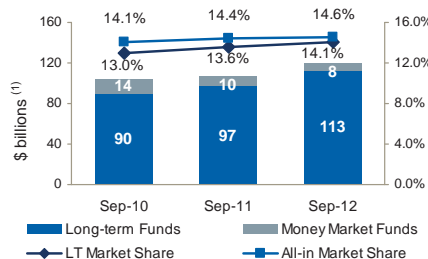
Operating margin ⁽¹⁾



- Driving top-tier profitability in our largest Wealth Management business
 - Generating ~50% of RBC Wealth Management earnings
 - Top tier profitability 1.8x above the industry ⁽¹⁾

- Extending our #1 retail position in Canada
 - The leader in industry long-term fund sales, capturing over 25% of the market over the last 12 months ⁽²⁾
 - Top quartile fund performance over 10-year term, with 84% of AUM in 1st or 2nd quartile, based on RBC GAM peer group
 - Leader in all-in mutual fund market share, up 605 bps to 14.6% since 2002 ⁽³⁾ (~50% organic; ~50% acquisitions)

Canadian mutual fund balances and market share ⁽²⁾



- Expanding our global solutions and capabilities
 - Leveraging BlueBay's expertise through the launch of 7 new retail and institutional mandates in Canada and the U.S.
 - Winning high-profile international mandates and industry awards
- Focusing on strategic acquisitions to further enhance our global asset management capabilities

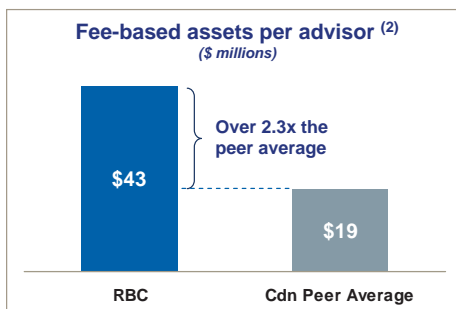
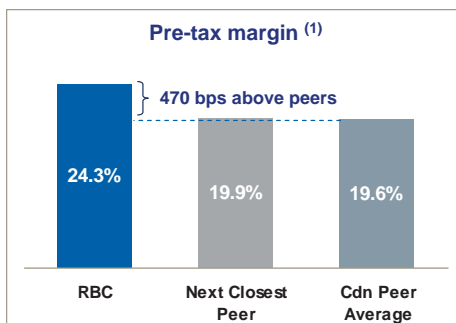
Building a high-performing global asset management business

2012 and Fourth Quarter Results

⁽¹⁾ Operating margin as defined by BCG Global Wealth Asset Manager Benchmarking 2012, based on 2011 results.
⁽²⁾ Investment Funds Institute of Canada as at September 30, 2012 and RBC reporting.
⁽³⁾ Investment Funds Institute of Canada from January 1, 2002 to September 30, 2012.

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Wealth Management – Canada



- Extending our #1 position in Canada
 - Grew HNW market share by ~200 bps to 18% in the last two years ⁽³⁾
 - Momentum to reach targeted 20% HNW market share by 2015
 - Continued strong referrals and collaboration with Canadian Banking
- Delivering profitable growth in a challenging market
 - Generating ~35% of RBC Wealth Management earnings
 - 24% pre-tax margin, highest among Canadian peers ⁽¹⁾
 - 9.3% growth in average fee-based client assets in 2012
 - Transaction volumes impacted by market uncertainties
- Driving strong advisor productivity
 - Canadian leader in fee-based assets per advisor ⁽²⁾
 - Consistently driving revenue per advisor of \$1 million per year, 11% above peer average ⁽¹⁾
 - Competitive hires delivering strong new asset growth
 - Investing to enhance productivity and client experience

Extending our industry leadership in a challenging environment

2012 and Fourth Quarter Results

⁽¹⁾ Pre-tax margin as defined by BCG Global Wealth Manager Benchmarking 2012, based on 2011 results.

⁽²⁾ Investor Economics as of June 30, 2012.

⁽³⁾ Investor Economics as of September 30, 2012.

HNW: High net worth; UHNW: Ultra-high net worth

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Capital Markets – revenue by business



(\$ millions)	Q4/2012	Q3/2012	Q4/2011	QoQ	YoY
Fixed income, currencies and commodities	471	471	178	0%	165%
Global equities	209	219	227	(5%)	(8%)
Repo and secured financing	162	158	129	3%	26%
Global Markets (teb)	842	848	534	(1%)	58%
Investment banking	357	397	252	(10%)	41%
Lending and other	330	335	296	(1%)	11%
Corporate & Investment Banking	687	732	548	(6%)	25%
Other	27	33	(114)	n.m.	n.m.
Capital Markets total revenue (teb)	1,556	1,613	968	(4%)	61%

- Fixed income growth YoY was driven by strong trading and origination activities reflecting increased client activity and tighter spreads from improved market conditions. Fixed income remained relatively flat QoQ
- Equities declined YoY due to lower results in cash equities reflecting a moderate decline in equity markets. Decline QoQ reflected lower equity trading results primarily in the U.S. and Europe
- Strong YoY growth in Corporate & Investment Banking driven by higher lending and increased loan syndication in the U.S. and higher equity origination activity. QoQ, improved equity origination was more than offset by lower loan syndication activity and advisory fees compared to robust Q3/2012 levels

2012 and Fourth Quarter Results

n.m. – not meaningful

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Capital Markets – revenue by geography



(\$ millions)	Q4/2012	Q3/2012	Q4/2011	QoQ	YoY
Canada	485	479	396	1%	22%
U.S.	850	864	445	(2%)	91%
Europe	209	205	147	2%	42%
Asia and Other	16	37	24	(57%)	(33%)
Geographic revenue excluding certain items ⁽¹⁾	1,560	1,585	1,012	(2%)	54%
<i>Add / (Deduct):</i>					
BOLI ⁽²⁾	19	18	(36)	1	55
CVA ⁽³⁾	16	(29)	47	45	(31)
Fair value adjustment on RBC debt ⁽³⁾	(39)	39	50	(78)	(89)
Consolidated SPE	-	-	(105)	-	105
Capital Markets total revenue (teb)	1,556	1,613	968	(4%)	61%

- Revenue increased YoY in the U.S., largely driven by stronger fixed income trading, strong growth in lending and higher loan syndication and origination activities. QoQ decline primarily from lower loan syndication activity compared to robust Q3/2012 results
- Significant increase YoY in Canada largely driven by growth in lending as well as improved equity trading. Flat QoQ on weaker revenues in fixed income trading partially offset by improved origination activity
- In Europe, revenue increased YoY reflecting stronger fixed income trading. QoQ increase is largely due to higher loan syndication and advisory fees

2012 and Fourth Quarter Results

⁽¹⁾ These are non-GAAP measures. For additional information see slide 33.

⁽²⁾ Excluded from U.S.

⁽³⁾ Excluded from all geographies.

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Capital Markets and I&TS – trading revenue



(\$ millions)	Q4/2012	Q3/2012	Q4/2011	QoQ	YoY
Capital Markets total revenue (teb)	1,556	1,613	968	(4%)	61%
Capital Markets non-trading revenue ⁽¹⁾	940	920	759	2%	24%
Capital Markets trading revenue (teb)	616	693	209	(11%)	195%
<i>Excluding certain items (Add) / Deduct:</i>					
BOLI	19	18	(36)	1	55
CVA	16	(29)	47	45	(31)
Fair value adjustment on RBC debt	(39)	39	50	(78)	(89)
Consolidated SPE	-	-	(105)	-	105
Capital Markets trading revenue (teb) excl. certain items ⁽²⁾	620	665	253	(7%)	145%
Investor & Treasury Services (I&TS) trading revenue	53	45	4	18%	n.m.
Capital Markets and I&TS trading revenue (teb) excl. certain items ⁽²⁾	673	710	257	(5%)	162%

2012 and Fourth Quarter Results

⁽¹⁾ Non-trading revenue primarily includes Corporate and Investment Banking and Global Markets origination and cash equities businesses.

⁽²⁾ These are non-GAAP measures. For additional information see slide 33.

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Capital Markets – re-segmentation



The following table provides selected Q4/2012 and FY 2012 financial information for Capital Markets which highlights the before and after impact of the realignment announced on September 11, 2012 and effective October 31, 2012 ⁽¹⁾

(\$ millions)	Q4/2012		FY 2012	
	Pre	Post	Pre	Post
Income Statement				
Fixed income, currencies and commodities (FICC) ⁽²⁾	481	471	2,106	2,052
Global equities	209	209	927	927
Treasury services ⁽²⁾	66	-	323	-
Repo and Secured Financing	162	162	656	656
Global Markets Revenue	918	842	4,012	3,635
Investment banking	356	357	1,337	1,338
Lending and other	330	330	1,195	1,195
Correspondent banking ⁽²⁾	43	-	174	-
Corporate & Investment Banking Revenue	729	687	2,707	2,533
Other Revenue	27	27	20	20
Total revenue	1,674	1,556	6,739	6,188
Non-interest expense	962	916	3,935	3,746
Net income	463	410	1,845	1,581
Financial Ratio				
ROE ⁽³⁾	13.7%	12.9%	14.5%	13.5%

(1) See our 2012 Annual Report for additional information.

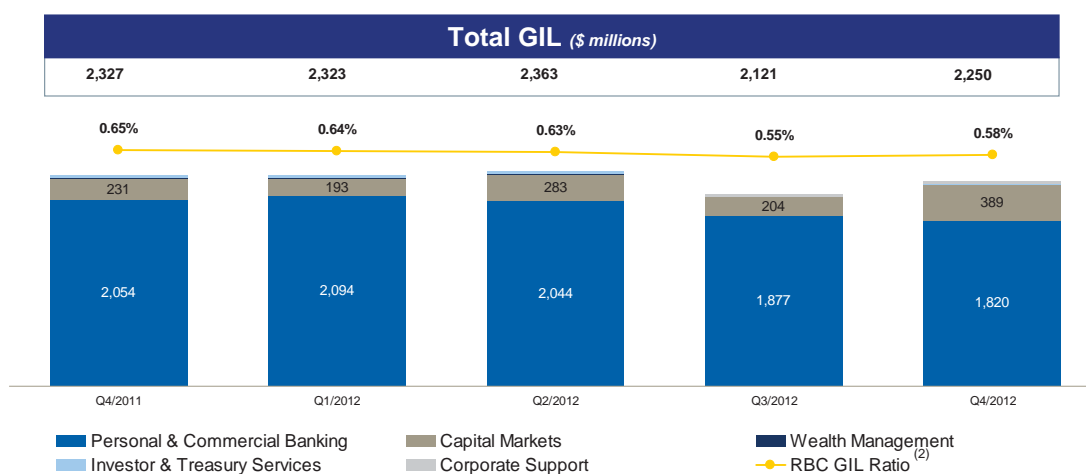
(2) "FX forwards" (previously part of FICC), "Treasury services" and "Correspondent banking" were moved to I&TS as part of the re-segmentation.

(3) ROE may not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. For additional information see slide 33.

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Gross impaired loans ⁽¹⁾



GIL Ratio by Segment ⁽³⁾	Q4/2011	Q1/2012	Q2/2012	Q3/2012	Q4/2012
Personal & Commercial Banking	0.68%	0.68%	0.66%	0.59%	0.56%
Canadian Banking	0.43%	0.43%	0.42%	0.37%	0.36%
Capital Markets	0.59%	0.46%	0.63%	0.41%	0.76%

(1) Effective Q3/2012 we no longer have discontinued operations. There has been no restatement of prior periods. Q2/2012 Discontinued Operations GIL was \$68 million.

(2) GIL Ratio represents continuing operations for all periods. GIL Ratio is gross impaired loans as a percentage of related average net loans and acceptances, annualized.

(3) GIL Ratio for Corporate Support not meaningful.

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Other – other income



(\$ millions)	Q4/2012	Q3/2012	Q4/2011	QoQ	YoY
Other income – segments	103	107	108	(4)	(5)
Fair value adjustments on RBC debt	(12)	1	24	(13)	(36)
CDS on corporate loans	(23)	(8)	31	(15)	(54)
Funding related items	1	46	99	(45)	(98)
Other miscellaneous items	(20)	(34)	(35)	14	15
Total Other – other income	49	112	227	(63)	(178)

Note to users



We use a variety of financial measures to evaluate our performance. In addition to 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 items of note, adjusted results and ratios, and Capital Markets trading and geographic revenue excluding certain items do not have any standardized meanings prescribed by GAAP, and therefore are unlikely to be comparable to similar measures disclosed by other companies.

Additional information about our non-GAAP measures can be found under the “Key performance and Non-GAAP measures” sections of our 2012 Annual Report and Q4/2012 Earnings Release.

Definitions can be found under our “Glossary” section in our 2012 Annual Report and in our Q4 2012 Supplementary Financial Information.

Investor Relations Contacts

Amy Cairncross, VP & Head	(416) 955-7803
Karen McCarthy, Director	(416) 955-7809
Lynda Gauthier, Director	(416) 955-7808
Robert Colangelo, Associate Director	(416) 955-2049

www.rbc.com/investorrelations