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Additional information about these and other factors can be found in the Risk management and the Overview of other risks sections in our 2015 Annual Report and in the Risk management section of our Q3/2016 Report to Shareholders.

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DAVE MCKAY, PRESIDENT & CHIEF EXECUTIVE OFFICER

Good morning everyone

RBC had a record third quarter with net income of over 2.8 billion dollars, up 17 percent from last year, or 7 percent¹ excluding the gain from the sale of our home and auto insurance business to Aviva.

Compared to the second quarter, earnings were up 13 percent or 3 percent¹ excluding the gain on sale.

The sale of our home and auto business was part of our strategy to balance the needs of our clients while investing in high return businesses with lower earnings volatility, while optimizing capital for our shareholders.

The sale included a distribution agreement with Aviva, which enables us to now provide an expanded offering of products and solutions to our clients.

¹ Results excluding a gain of \$287 million (\$235 million after-tax) from the sale of RBC General Insurance Company to Aviva Canada Inc. are non-GAAP measures. For additional information, refer to the key performance and non-GAAP measures section of our Q3 2016 Report to Shareholders.

Proceeds from the sale will allow us to invest in other core businesses and initiatives, including accelerating investment in our digital strategy to enhance the client experience and lower operating costs.

The gain also contributed to our strong capital position as we finished the quarter with a CET1 ratio of 10.5 percent.

Returning capital to shareholders remains a top priority, and I'm pleased that this morning we announced a 2 cent or 2% increase to our quarterly dividend to 83 cents a share.

In addition, this quarter we repurchased over 290 million dollars of common shares or about 20 percent of the buyback program, which we announced in late May.

Our results this quarter reflect the strength and diversity of our leading client franchises and geographies that we operate in. We achieved these results particularly as the operating environment continues to present challenges for us and our clients.

As you know, the wildfires in Fort McMurray were devastating for many families in the impacted communities and RBC remains committed to helping our clients. However, I would note the overall financial impact to our third quarter results, net of reinsurance, was not significant.

This past quarter, we also saw the U.K.'s decision to leave the EU add further volatility to global markets.

As equity markets rebounded from Brexit and credit spreads tightened, our market sensitive businesses benefited.

In fact, Investor & Treasury Services posted one of its strongest quarters yet, due in part to the de-risking measures we took across our funding and liquidity portfolios in advance of the vote.

We also took the opportunity to have active dialogue with many of our asset management clients to discuss the possible impacts on their businesses.

In the weeks following Brexit, we saw central banks globally adding more liquidity into the system which in turn helped spur a rally in credit, including high yield, corporate and investment grade.

We were committed to helping our clients manage through the uncertainty and volatility, driving for example, fixed income trading revenue in Capital Markets to its highest level in over 5 years.

We achieved these results while remaining focused on optimizing the business, including shifting capital from lower risk/return businesses.

While it's too early to tell what the long-term implications will be, we have a continued commitment to the U.K. market and we remain well-positioned to support our clients and grow our business in the region.

Turning to Wealth Management, as the TSX and S&P indices were both up 5 percent sequentially, we saw our clients' confidence improve.

RBC Global Asset Management had a record July in Canada, with mutual fund net sales of 1 billion dollars. This record month follows a strong calendar second quarter, with RBC capturing approximately one third of industry sales.

Wealth Management also continued to benefit from strong results in City National which contributed earnings of 201 million dollars year to date or 338 million dollars², excluding the amortization of intangibles and integration costs.

I'm very pleased with the progress so far and as you heard at our City National Investor Day in June, we are seeing the benefits of referrals and collaboration across our businesses. We have a clear path for long-term growth in the U.S. that I'm confident will deliver value to our shareholders.

Turning to Canadian Banking, we saw solid results driven by good volume growth and expense control, offset to a degree by pressure from low interest rates and higher year-over-year credit costs, due to the challenges in the Alberta economy.

As the operating environment continues to weigh on results, effective cost management remains a top priority.

Our cost management capabilities form part of our business-as-usual activities and year-to-date drove positive operating leverage of 1.7 percent and an efficiency ratio of 43 percent, an all-time low. Our bank-wide efficiency ratio has also improved as a result of our cost management initiatives across the bank.

What's more, we achieved these results while increasing our investment in technology and innovation, advancing our journey to digitize the bank and building long-lasting client relationships. And our clients will hear from us on this front, over the next few quarters.

Importantly, our clients are recognizing all of this. In July, we ranked highest in customer satisfaction among the Canadian Five Retail Banks, as part of the J.D. Power survey.

And recently, RBC was once again recognized by Retail Banker International winning "Best Payment Innovation" and "Best Use of Data Analytics" for 2016.

RBC's focused investment in emerging payment infrastructure and leading-edge data analytics has allowed us to become an industry leader and set the standard for secure mobile payment solutions.

These achievements demonstrate our success in serving clients where and when they want, enhancing their overall experience and building long-lasting relationships.

Our results this quarter also highlight our disciplined risk management, which is central to driving sustainable earnings growth for RBC.

Our credit quality improved quarter over quarter mainly reflecting lower provisions in our oil and gas wholesale portfolio, which Mark will expand on later. In addition, this past quarter we acquired a higher amount of portfolio insurance as part of our prudent risk management practices.

We recognize that the environment remains uncertain and could put upward pressure on PCL.

On housing, we continue to closely monitor the greater Vancouver and Toronto areas.

The short supply of single family homes in both cities coupled with strong demand fueled by household formation, including net immigration, has driven strong price appreciation.

² City National results excluding \$147 million (\$89 million after-tax) of amortization of intangibles and \$75 million (\$48 million after-tax) of integration costs are non-GAAP measures. For additional information, refer to the key performance and non-GAAP measures section of our Q3 2016 Report to Shareholders.

We have prudent underwriting practices in place with the necessary technology to closely monitor these markets and quickly react as situations may materialize.

Regulatory bodies are also responding to the combination of rising house prices and record levels of consumer leverage. We support the Canadian federal government's recent action to form a working group to study the housing market and develop appropriate recommendations.

To wrap up, I'm very pleased with our third quarter results, marking a record first nine months of the year.

We finished the quarter with even stronger capital levels, while at the same time delivering industry leading returns.

We had strong performance across most of our client businesses, driven in part by our commitment to disciplined risk and efficiency management, while at the same time evolving our digital capabilities for our clients.

Our size and scale enables us to invest in new capabilities and deliver an exceptional client experience and I'm confident that we will continue to deliver long-term value to our shareholders given the strength of our diversified business model.

And with that, I'll turn the call over to Janice.

JANICE FUKAKUSA. CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

Thanks Dave and good morning everyone.

We had record third quarter earnings of over 2.8 billion dollars, up 420 million dollars or 17 percent from last year.

As Dave mentioned, this quarter we completed the sale of our home and auto insurance business which resulted in an after-tax gain of 235 million dollars.

Excluding this gain, adjusted earnings were up 7 percent¹ from last year reflecting strong earnings in Wealth Management and Capital Markets, and higher earnings in Personal & Commercial Banking. These results were partially offset by lower core results in Insurance, and in Investor & Treasury Services, as the prior year included an additional month of earnings.

Compared to last quarter, earnings were up 13 percent, or 3 percent¹ excluding the gain on sale, reflecting higher results across most of our businesses and lower PCL.

Our performance also reflects benefits from our continued focus on managing costs in this slower revenue growth environment to drive efficiencies and enable us to increase investment in key areas including digital initiatives.

Our Q3 results also benefitted from a lower tax rate, mainly due to earnings mix and the impact from the sale of our home and auto insurance business.

Our tax rate for the first nine months of the year was approximately 21 percent and we continue to anticipate that our 2016 tax rate at the enterprise level will be at the low end of our expected range of 22 to 24 percent.

Turning to capital on slide 7, our Common Equity Tier 1 ratio was 10.5 percent, up 20 basis points from last quarter, largely reflecting strong internal capital generation. The sale of our home and auto business also contributed 7 basis points to this increase.

These factors were partially offset by the impact of a lower discount rate increasing our pension obligations, share repurchases, and funding organic business growth which increased risk weighted assets.

Moving to the performance of our business segments on slide 8.

Personal & Commercial Banking reported earnings of over 1.3 billion dollars, up 41 million dollars or 3 percent compared to last year.

Canadian Banking had earnings of over 1.2 billion dollars, up 45 million dollars or 4 percent from last year.

Results were driven by volume growth of 6 percent and non-interest income growth of 5% year-over-year, largely reflecting fee-based revenue growth across most businesses. This includes strong deposit growth of 7 percent and loan growth of 4 percent, which was driven by continued growth in residential mortgages, business loans, and credit cards.

Our net interest margin of 2.63 percent was down 3 basis points compared to last year, reflecting the continued low interest rate environment and ongoing competitive pressures.

Cost management continues to be a focus, driving expense growth of only 2 percent year over year and positive operating leverage of 1.4 percent this quarter.

Compared to the prior quarter, Canadian Banking earnings were up 3 percent. Seasonal factors including additional days in the quarter, higher fee-based revenue and volume growth were partially offset by higher costs to support business growth and lower spreads.

Our net interest margin was 2.63 percent, down 1 basis point from last quarter, and in line with our estimate of 1 to 2 basis points of compression per quarter, in this low interest rate environment.

Caribbean and U.S. Banking had earnings of 38 million dollars, down 4 million dollars from last year.

Sequentially, earnings were down 18 million dollars, partly due to lower foreign exchange revenue.

Turning to slide 9, Wealth Management had earnings of 388 million dollars, up 36 percent from last year and 1 percent from last quarter.

City National continues to perform ahead of expectations, with earnings this quarter of 82 million dollars, driven by strong loan and deposit growth.

Excluding the amortization of intangibles and integration costs, earnings were 123 million dollars³, up 14 percent from the prior quarter.

³ City National results excluding \$48 million (\$29 million after-tax) of amortization of intangibles and \$20 million (\$12 million after-tax) of integration costs are non-GAAP measures. For additional information, refer to key performance and non-GAAP measures section of our Q3 2016 Report to Shareholders.

Excluding City National, Wealth Management earnings were up 7 percent⁴ from last year, reflecting the benefits from our efficiency management activities and a favourable change in the fair value of our U.S. share-based compensation plan.

Global Asset Management revenue was relatively flat from last year, reflecting stable assets under management as capital appreciation was largely offset by net outflows, primarily outside of Canada.

Following a weak RRSP season, we saw strong long-term mutual fund sales in Canada, largely offset by net redemptions of funds in Europe, reflecting the ongoing market volatility in the region.

Canadian Wealth Management revenue was up 4 percent from last year, mainly due to higher average fee-based client assets reflecting strong net sales and capital appreciation. In fact, assets under management were up 14 percent from last year.

Moving to Insurance on slide 10, net income was 364 million dollars, up \$191 million dollars from a year ago. Excluding the gain on sale from our home and auto business, adjusted net income of 129 million dollars¹ was down 44 million dollars or 25 percent, mainly due to lower U.K. annuity contract earnings.

The sale of our home and auto business is expected to reduce earnings by 10 million to 15 million dollars per quarter going forward. This estimate includes earnings from the distribution agreement we have with Aviva.

Results also reflect higher claims costs, mainly a 10 million dollar impact related to the Fort McMurray wildfires.

I would note that RBC Insurance will have very limited exposure to the Fort McMurray wildfire or flood claims going forward. Effective July 1st, the portfolio has been fully assumed by Aviva Canada by way of the sale.

Sequentially, adjusted net income was down 48 million dollars¹ or 27 percent from the prior quarter, reflecting lower investment-related gains, and higher claims costs mainly related to the Fort McMurray wildfires. In addition, the prior quarter included a tax recovery.

Turning to slide 11. Investor & Treasury Services had strong earnings of 157 million dollars, down 10 million dollars or 6 percent from last year, as the prior year included an additional month of earnings in Investor Services of 28 million dollars after-tax⁵. Excluding the prior year's additional month of earnings, net income was up 18 million dollars or 13 percent.

During the quarter, higher funding and liquidity earnings was partially offset by increased investment in technology initiatives and lower earnings from foreign exchange market execution.

Sequentially, net income was up 13 percent primarily due to higher funding and liquidity earnings. This was partially offset by higher regulatory costs. We have been in the process of de-risking our funding and liquidity portfolio and our Q3 results benefited from tightening credit spreads that took place following Brexit.

⁴ Wealth Management results excluding City National are non-GAAP measures. For additional information, refer to the key performance and non-GAAP measures section of our Q3 2016 Report to Shareholders.

⁵ Investor & Treasury Services results excluding an additional month of earnings in Investor Services of \$42 million (\$28 million after-tax) are non-GAAP measures. For additional information, refer to the key performance and non-GAAP measures section of our Q3 2016 Report to Shareholders.

Turning to slide 12, Capital Markets delivered strong results. Net income of 635 million dollars was up 90 million dollars or 17 percent from last year, driven by strong results in our Global Markets business, lower taxes, and an increase due to foreign exchange translation. These factors were partially offset by lower results in our Corporate and Investment Banking business, mainly reflecting decreased client activity.

Our Capital Markets' results reflect more favourable markets driving strong business performance for fixed income trading. Our fixed income business in Europe continues to perform well, with both the business and Europe's overall results posting their strongest quarterly revenue in over five years.

Sequentially, earnings were up 52 million dollars or 9 percent, driven by higher fixed income trading revenue, lower PCL and growth in debt and equity origination activity. These factors were partially offset by lower equity trading revenue largely in Canada, higher variable compensation on improved results and higher taxes.

Overall, we had strong underlying results across most of our businesses, despite the challenging market environment.

With that, I will turn it over to Mark.

MARK HUGHES. CHIEF RISK OFFICER

Thank you Janice and good morning.

Turning to slide 14, total provisions for credit losses of \$318 million were down \$142 million or 31% from last quarter. Our PCL ratio of 24 basis points decreased 12 basis points.

If we exclude last quarter's \$50 million increase to the collective allowance, our PCL ratio on impaired loans decreased 8 basis points.

Our portfolios benefitted from stable economic conditions, a modest decline in Canada's unemployment rate and a 28% increase in average oil prices since Q2 2016.

Our year-to-date PCL ratio of 30 basis points is within our historical range of 30 to 35 basis points.

Our gross impaired loan ratio of 70 basis points is down 1 basis point from the prior quarter.
Segment summary

Let me discuss the credit performance of each segment on slide 15.

In Personal & Commercial Banking, provisions of \$271 million decreased by \$8 million from last quarter, reflecting lower provisions in our personal lending portfolios in Canadian Banking.

Caribbean and U.S. Banking provisions were flat quarter over quarter.

Wealth Management provisions of \$14 million increased by \$7 million from last quarter mainly reflecting a modest increase in provisions at City National.

Capital Markets provisions of \$33 million decreased by \$90 million from last quarter, largely reflecting fewer provisions in the oil and gas sector. This segment also had a couple of recoveries this quarter, one of which was in the oil and gas sector. As I mentioned before, wholesale provisions can be lumpy from one quarter to the next.

Turning to slide 16. Gross impaired loans of \$3.7 billion were relatively flat from last quarter.

New formations, which were still at elevated levels compared to prior years, were mostly offset by repayments and write-offs.

I would also note that these new formations were 39% lower than last quarter.

Increased impairments in our Capital Markets oil and gas portfolio were mostly offset by lower impaired loans in Caribbean Banking and lower acquired credit impaired loans related to City National.

With respect to the increase in oil and gas impairments, our senior position in the debt stack and the value of our collateral give us comfort in our level of provisioning at this time.

Let's now turn to oil and gas on slide 17.

While the moderate increase in oil prices over the last quarter, now in the high 40s, has provided some relief to our clients, it remains well below 2014 levels and continues to challenge the profitability of the sector.

A number of our clients took proactive measures to strengthen their financial positions. This included selling assets, reducing expenses, accessing capital markets to raise additional funds and refreshing hedges at higher oil prices.

In particular, we saw an increase in asset sales in the Drilling and Services sector.

Our drawn exposure decreased by 12% from last quarter largely due to normal course business drivers partially offset by the impact of foreign exchange translation. Our undrawn exposures were down by 2% over the same period.

Outside of our direct oil and gas portfolio our wholesale portfolio remains stable.

Let's now turn to our retail exposure on slide 18.

The sustained low oil prices and higher unemployment rates continue to impact our retail portfolio in oil-exposed provinces and we've seen an increase in provisions and delinquencies in these regions.

However, it has been more than offset by improvements in economic conditions in other regions, such as Ontario and B.C., as reflected by reduced delinquencies on a national basis which demonstrates the benefit of our diversified portfolio.

Overall, our Canadian retail portfolio performed well this quarter, with PCL ratios down across most products.

Let me now turn to our mortgage portfolio, on slide 19. Our portfolio continues to perform well as the PCL ratio was unchanged from the previous quarter at 1 basis point.

As Dave mentioned, Greater Vancouver and Toronto markets are being closely monitored due to elevated house prices. However, we consistently have the highest customer credit scores in these markets.

We also continue to closely monitor our mortgage portfolios in oil-exposed regions.

Overall, we remain comfortable with our exposure to the Canadian housing market for the following reasons:

We do not participate in the second lien market and do not originate sub-prime mortgages;

We utilize proprietary channels for mortgage origination; allowing for a centralized credit adjudication process and enhanced monitoring;

We are diligent in income verification, which is a key component of our mortgage approval process;

Our clients' credit profiles are strong and have remained stable;

In Alberta, customer credit scores remain in line with the National average and a higher proportion of the portfolio is insured;

And finally, I would note 48% of our portfolio is insured, which is up from 46% last quarter. This is due to the additional portfolio insurance that we purchased this quarter, which Dave highlighted in his remarks.

Turning to market risk on slide 20.

VaR decreased by \$8 million from last quarter due to inventory reductions in equity portfolios, fixed income, and securitized products.

We had one day of trading loss this quarter which totaled \$4 million.

The loss was driven by market volatility on our equity derivatives portfolio from hedge positions taken a week in advance of Brexit.

In conclusion, this quarter's strong credit performance shows the strength and resilience of our diversified portfolio.

For the remainder of the year, we continue to believe our full year-to-date PCL will fall within the 30 to 35 basis points range, in line with our historical average, given ongoing economic and market headwinds.

With that we'll 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 results excluding a gain of \$287 million (\$235 million after-tax) related to the sale of RBC General Insurance Company to Aviva Canada Inc., Wealth Management results excluding the acquisition of City National, City National results excluding amortization of intangibles and integration costs, Investor & Treasury Services results excluding the additional month of results in Q3/2015 of \$28 million after-tax (\$42 million before-tax), 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 Q3/2016 Report to Shareholders and 2015 Annual Report.

Definitions can be found under the “Glossary” sections in our Q3/2016 Supplementary Financial Information and our 2015 Annual Report.