Royal Bank of Canada
First Quarter Results

February 23, 2018

All amounts are in Canadian dollars unless otherwise indicated and are based on financial statements prepared in compliance with International Accounting Standards 34 Interim Financial Reporting, unless otherwise noted. Our Q1/2018 Report to Shareholders and Q1/2018 Supplementary Financial Information are available on our website at rbc.com/investorrelations.

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, in other 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 economic and market review and outlook for Canadian, U.S., European and global economies, the regulatory environment in which we operate, the outlook and priorities for each of our business segments, the risk environment including our liquidity and funding risk. The forward-looking information contained in this document 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, as well as 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, insurance, operational, regulatory compliance, strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the risk sections of our 2017 Annual Report and the Risk management section of our Q1/2018 Report to Shareholders; including global uncertainty and volatility, elevated Canadian housing prices and household indebtedness, information technology and cyber risk including the risk of cyber-attacks or other information security events at or impacting our service providers or other third parties with whom we interact, regulatory change, technological innovation and non-traditional competitors, global environmental policy and climate change, changes in consumer behavior, the end of quantitative easing, the business and economic conditions in the geographic regions in which we operate, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency and environmental and social risk.

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 presentation are set out in the Economic, market and regulatory review and outlook section and for each business segment under the Strategic Priorities and Outlook headings in our 2017 Annual Report, as updated by the Economic, market and regulatory review and outlook section of our Q1/2018 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 sections of our 2017 Annual Report and in the Risk management section of our Q1/2018 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.

Overview

Dave McKay

President and Chief Executive Officer

Strong Q1/2018 with record revenue and robust capital levels

Revenue
$10.8 Billion
+12% YoY

Net Income
$3.0 Billion
Flat YoY

$3.2 Billion
Excluding the U.S. Tax Reform write-down and last year's Moneris gain, +13% YoY[1]

CET1 Ratio
11.0%
+10 bps QoQ

Record Revenue

- Record revenue in Wealth Management, Personal & Commercial Banking and Investor & Treasury Services

Strong Earnings

- Diluted EPS of $2.01, up 2% YoY, or up 10% excluding the Moneris gain[1]
- Results include $178 million charge related to the U.S. Tax Reform[1]

Robust Capital

- Strong ROE of 17.4%
- $920+ million of share buybacks
- Increased quarterly dividend by $0.03 to $0.94 cents per share

Total PCL Ratio[2]
24 bps
+7 bps QoQ

Expenses
$5.6 Billion
+6% YoY

Mobile Users
3.4 Million[3]
+19% YoY

Strong Credit Quality

- Total PCL of $334 million, up 14% YoY
- PCL ratio on impaired loans of 23 bps
- GIL ratio of 45 bps, down 1 bp QoQ

Costs Supporting Growth

- Strong operating leverage
- Higher variable compensation in Wealth Management and Capital Markets on improved results

Increased Mobile Adoption

- 6.4 million active digital users[3]
- Digital adoption rate of 48%, up 400 bps YoY (see slide 22)

(1) In December 2017, the U.S. H.R. 1 (U.S. Tax Reform) was passed into law; +13% excludes $178MM charge for U.S. Tax Reform in Q1/2018 and Moneris-related gain of $212MM in Q1/2017. This is a non-GAAP measure. For more information see slide 29. (2) Total PCL ratio is calculated using PCL on loans as a percentage of average net loans and acceptances. (3) These figures represent the 90-Day Active customers in Canadian Banking only.

Driven by our purpose of helping clients thrive and communities prosper

RBC

Our Primary Focus Areas

- **Preparing Young People for the Future of Work**
- **Supporting the Transition to a Low-Carbon Economy**
- **Using our Capabilities for Public Good**
- **Fostering Diversity & Inclusion**

Our Employees Care(1)

86%	$4 million	150,000+	$20+ million
Employees who feel inspired to volunteer and donate based on RBC's commitment and support	Raised in support of children's charities around the world from the 15,000+ employees who participated in our annual Race for the Kids across 12 cities globally	Non-work time hours volunteered by employees globally and retirees in Canada as part of RBC's formal volunteering programs	Raised by 24,000 employees and retirees in Canada for 4,000+ charities in our annual employee giving campaign

Recognized for our Leadership in Corporate Citizenship

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

FTSE4Good

EURONEXT vigeoeiris INDICES EUROZONE 120

BEST 50 CORPORATE CITIZENS

2017 CANADA'S GREENEST EMPLOYERS

(1) 2017 Annual Report. Results presented capture FY17, ending October 31, 2017.

Financial Review

Rod Bolger

Chief Financial Officer

Strong revenue growth offset by impact from the U.S. Tax Reform

($ millions, except for EPS and ROE)	Q1/2018	YoY		QoQ
		Reported	Adjusted to Excl. Moneris Gain on Sale[2]	Reported
Revenue	$10,828	12%	15%	3%
Revenue Net of Insurance Fair Value Change[1]	$10,802	7%	9%	5%
Non-Interest Expense	$5,611	6%	6%	0%
PCL	$334	14%	14%	43%
Income Before Income Taxes	$4,047	5%	11%	14%
Net Income	**$3,012**	**(0%)**	**7%**	**6%**
Diluted Earnings per Share (EPS)	**$2.01**	**2%**	**10%**	**7%**
Return on Common Equity (ROE)[3]	**17.4%**	**(3%)**	**4%**	**5%**

Excluding the U.S. Tax Reform write-down, earnings of $3.2 Billion, +13% YoY[4]

Earnings

- Net income of $3.0 billion flat YoY; Diluted EPS up 2% reflecting continued share buybacks
  - Earnings include a write-down of $178 million or $0.12/share related to U.S. Tax Reform
  - Earnings also include a gain related to the reorganization of Interac ($0.02/share) and a favourable accounting adjustment related to City National ($0.02/share), which added an aggregate $50 million after-tax

Revenue

- Strong growth YoY underpinned by record revenue in Wealth Management, Personal & Commercial Banking and I&TS, and strong growth in Insurance. Capital Markets recorded strong results despite low trading volatility

Expenses

- Positive operating leverage due to strong revenue growth and cost discipline. Expenses were up mostly on higher variable compensation on improved results, and investments to support business growth

Total PCL

- Higher PCL QoQ, largely driven by fewer recoveries and higher provisions in Capital Markets, and the impact of the adoption of IFRS 9, which introduced PCL on performing loans

Taxes

- Aside from the U.S. tax write-down, we expect an annual benefit of ~$250 million from the U.S. Tax Reform in 2018
- We estimate an ongoing effective tax rate at the low end of our 22-24% range, based on anticipated earnings mix

(1) Revenue net of Insurance fair value change of investments backing policyholder liabilities of $26MM is a non-GAAP measure. For more information see slide 29. (2) For the three months ended January 31, 2017 our results included our share of a gain of $212MM (before and after tax) related to the sale of the U.S. operations of Moneris Solutions Corporation (Moneris gain on sale). Results excluding this gain are non-GAAP measures. For more information and a reconciliation, see slide 28 and 29. (3) ROE does not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. For more information see slide 29. (4) This is a non-GAAP measure. For more information see slide 29.

IFRS 9 adoption – key impacts on transition

($ millions)	Q4/2017 IAS 39	IFRS 9 Transition Impact	November 1, 2017 IFRS 9	Q1/2018 IFRS 9
Allowance for Credit Losses	2,250	*834* (1) (2)	3,084	**3,098**
Basel III Shortfall of Allowances to Expected Losses	1,245	*(658)*	587	**549**
Regulatory Expected Losses	**3,495**		**3,671**	**3,647**
Regulatory Expected Loss coverage of LTM Net Write-Offs	**3.2x**			**3.3x**

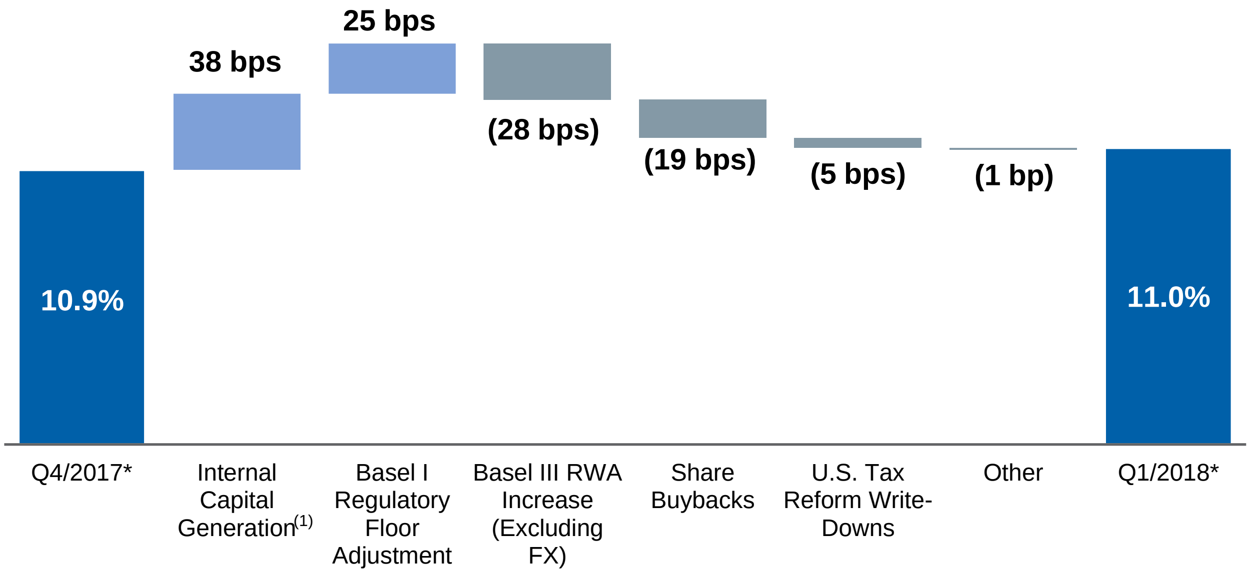
($ millions)	Q4/2017 IAS 39	IFRS 9 Transition Impact	November 1, 2017 IFRS 9	Q1/2018 IFRS 9
Book Common Equity	67,416	*(637)*(1)	66,779	**66,430**

- Immaterial impact to CET1 ratio, given the $1.2 billion shortfall of allowance to expected loss in CET1 capital, as at Q4/2017
  - Shortfall declined to $549 million as at Q1/2018 due to the increase in ACL, and continues to provide an additional capital buffer against future PCL
  - Strong credit portfolio and capital buffers add to robust coverage ratio should we enter into a recessionary cycle
- One-time impact from the transition adjustment on book common equity of $637 million

(1) Includes both allowances for loans and securities. (2) Pre-tax adjustment.

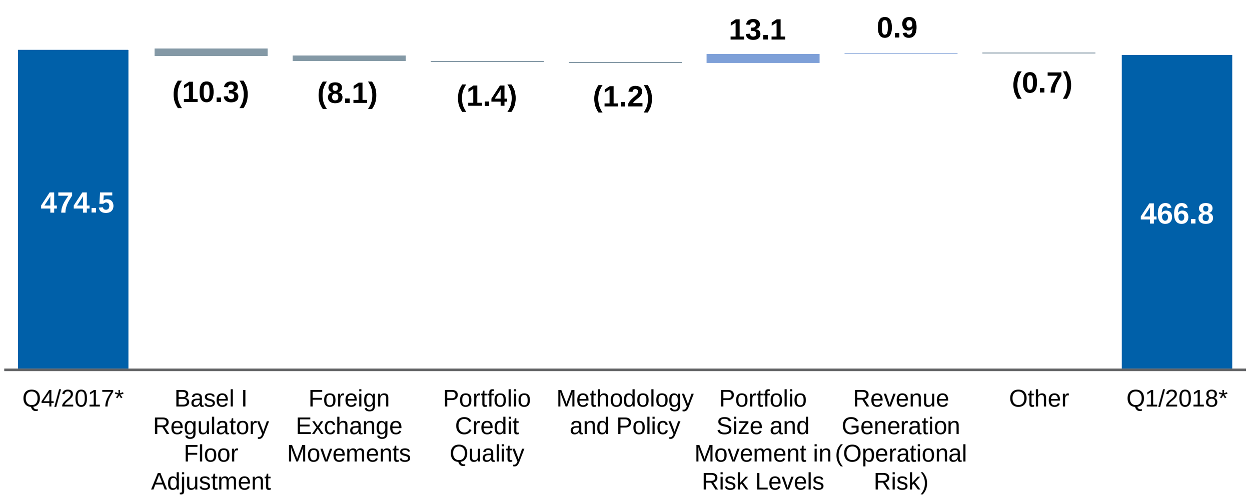
Strong capital and earnings growth continue to drive shareholder return

CET1 Movement



- CET1 ratio of 11.0%, up 10 bps QoQ, largely reflecting internal capital generation and a lower Basel I regulatory floor; this was partially offset by higher RWA due to strong business growth, and share buybacks
- Repurchased 9.3 million shares or $923 million in Q1/2018
  - Completed our 2017 share buybacks program

CET1 Capital RWA Movement ($ billions)

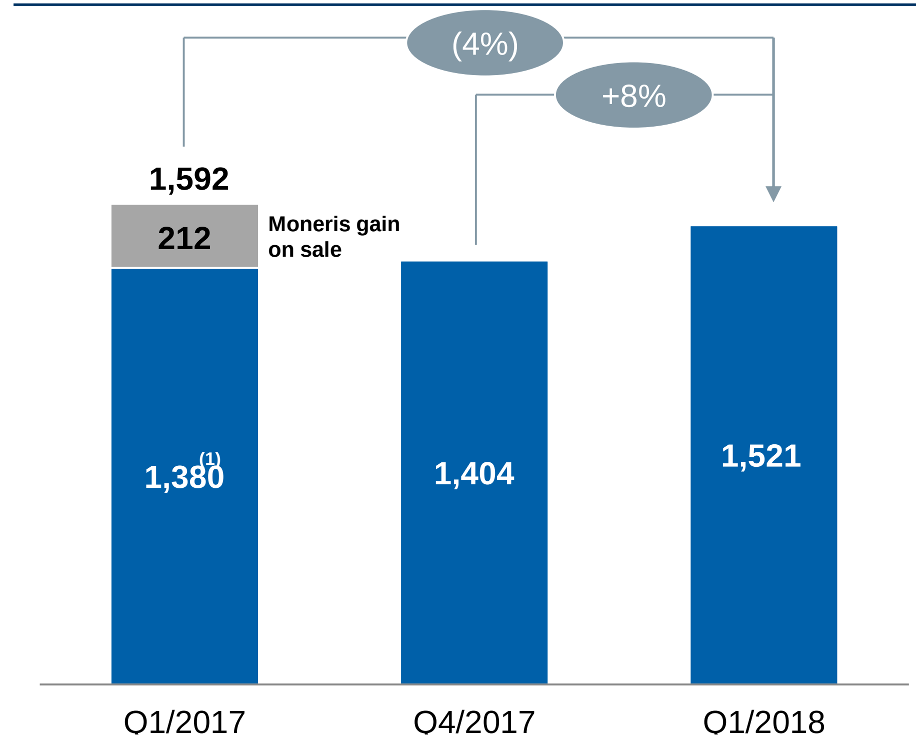


- CET1 Capital RWA decreased $7.7 billion during the quarter primarily reflecting a lower Basel I regulatory floor and the impact of FX translation, partially offset by strong business growth
  - Effective Q2/2018, RBC will be managing regulatory floor under the Basel II standardized approach

** Represents rounded figures. For more information, refer to the Capital management section of our Q1/2018 Report to Shareholders. (1) Internal capital generation represents net income available to shareholders, less common and preferred shares dividends.*

Volume growth and higher spreads in Personal & Commercial Banking

Net Income ($ millions)



Canadian Banking (YoY)	Reported	Adjusted to Excl. Moneris gain on sale and Interac gain (1)
Net Income	**(4%)**	**9%**
Revenue	3%	8%
Assets Under Administration	11%	11%
Operating Leverage	(1.7%)	3.5%

Q1/2018 Highlights

Canadian Banking

- Net income of $1,480 million
- Revenue growth of 3% YoY; or 8%(1) YoY after excluding the $31 million gain related to the reorganization of Interac and last year's gain on the sale of Moneris
  - Solid loan and deposit growth of 6% YoY (see slide 21)
  - NIM of 2.68%, up 7 bps YoY and 3 bps QoQ
  - Higher AUA balances driving higher mutual fund distribution fees, and higher card service revenue driven by higher purchase volumes
- PCL ratio on impaired loans(2) of 26 bps, flat YoY and up 1 bp QoQ
  - Total PCL ratio of 29 bps, up 3 bps YoY; up 4 bps QoQ
- Non-interest expense up 4% YoY due to higher costs in support of business growth including ongoing investments in technology
  - Strong underlying operating leverage of 3.5% after excluding this quarter's gain related to the reorganization of Interac and last year's gain on the sale of Moneris(1)

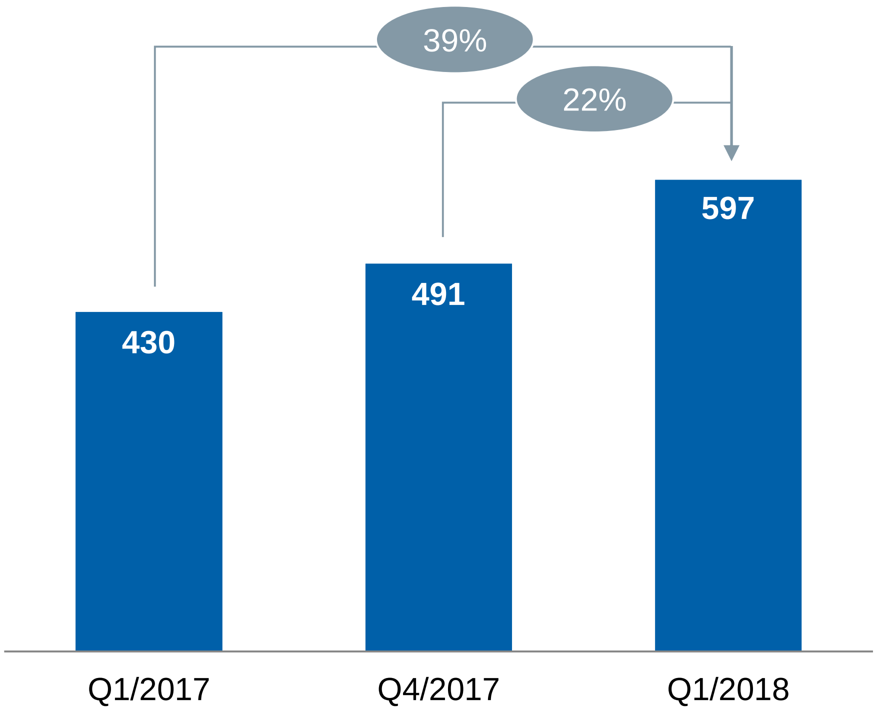
Caribbean & U.S. Banking

- Net income of $41 million, down $5 million YoY largely due to higher PCL

(1) For the three months ended January 31, 2017, our results included our share of a gain of $212MM (before- and after-tax) related to the sale of the U.S. operations of Moneris Solutions Corporation (Moneris gain on sale). For the three months ended January 31, 2018, our results included a gain of $27MM after tax ($31MM pre-tax) related to the reorganization of Interac. Results excluding these gains are non-GAAP measures. For more information and a reconciliation, see slides 28 and 29. (2) PCL on impaired loans ratio under IFRS 9 is calculated using PCL on Stage 3 loans and acceptances as a percentage of average net loans and acceptances. Stage 3 allowances are held against impaired loans and effectively replace the allowance for impaired loans under IAS 39.

Double-digit earnings growth in Wealth Management

Net Income ($ millions)



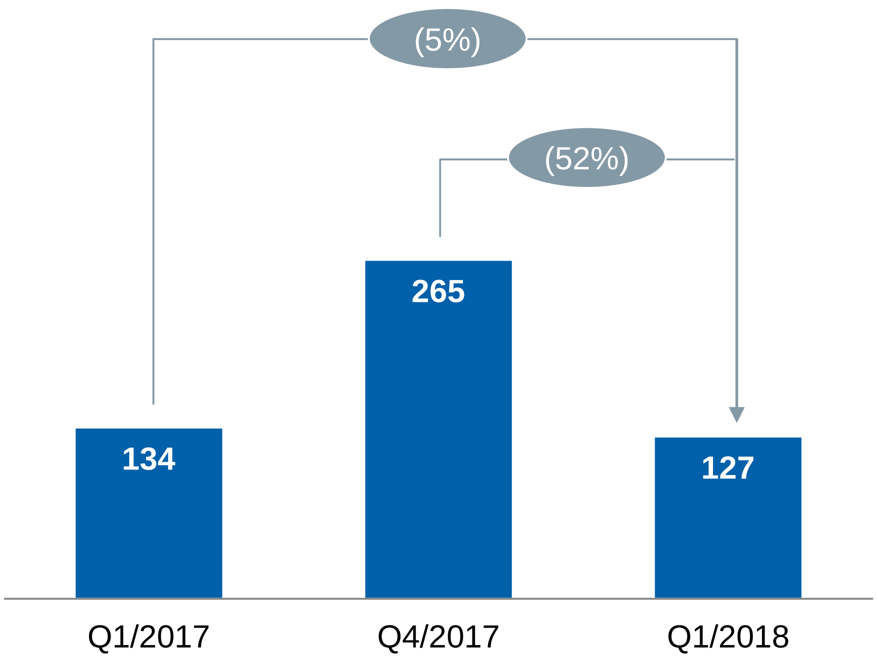
	YoY	QoQ
Assets Under Administration	7%	1%
Assets Under Management	13%	3%

Q1/2018 Highlights

- Net income of $597 million, up 39% YoY
  - Growth in average fee-based client assets reflecting capital appreciation and net sales
  - Higher net interest income reflecting the impact from volume growth and higher interest rates
  - Lower effective tax rate reflecting benefits from the U.S. Tax Reform
  - Partially offset by higher variable compensation on improved results, increased costs in support of business growth, and the impact of FX translation
- Net income up 22% QoQ
  - Growth in average fee-based client assets and a lower effective tax rate, as noted above
  - Increased transaction volumes
  - A favourable accounting adjustment related to City National (CNB) (see slide 23)
  - Higher net interest income reflecting the impact from volume growth and higher interest rates
  - Partially offset by increased costs in support of business growth and higher variable compensation on improved results

Insurance results impacted by higher claims volumes

Net Income ($ millions)

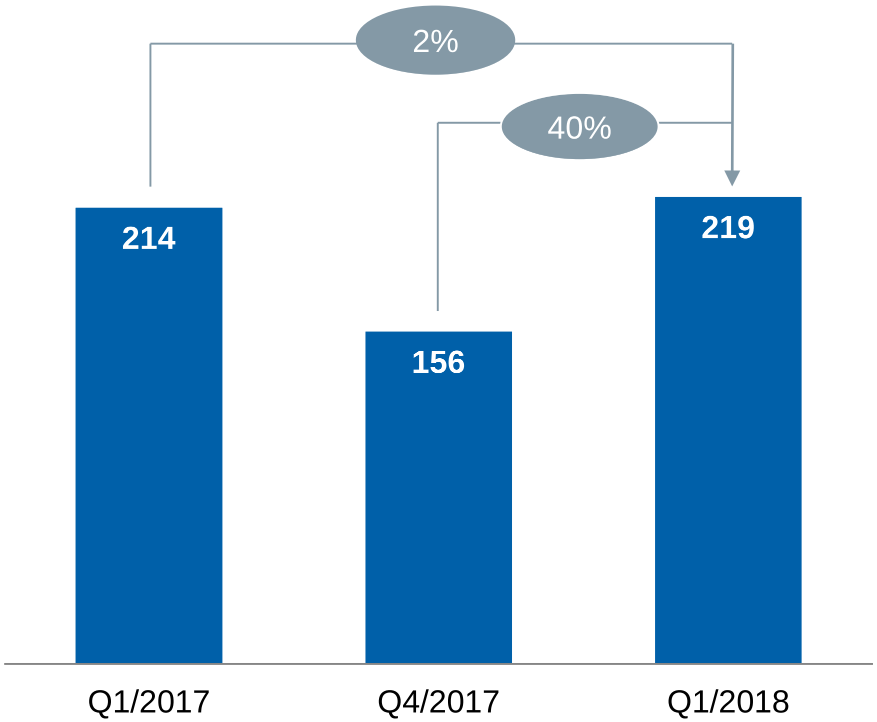


Q1/2018 Highlights

- Net income of $127 million, down 5% YoY
  - Favourable updates in the prior year related to premium and mortality experience in International Insurance
  - Higher claims volumes largely in life retrocession
  - Partially offset by:
    - Higher investment-related gains
    - Higher earnings from a new longevity reinsurance contract (previously termed U.K. annuity contract)
- Net income down 52% QoQ
  - Favourable annual actuarial assumption updates in the prior quarter
  - Higher claims volumes this quarter

Record earnings in Investor & Treasury Services

Net Income ($ millions)

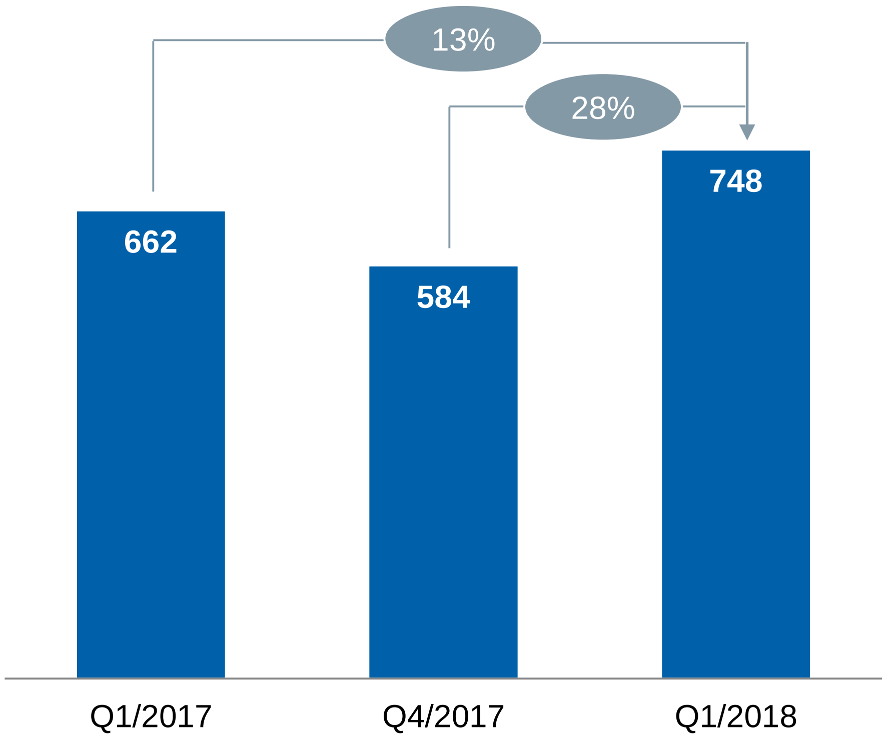


Q1/2018 Highlights

- Net income of $219 million, up 2% YoY
  - Growth in client deposits
  - Increased revenue from asset services business
  - The positive impact of FX translation
  - Higher funding and liquidity earnings
  - Offset by higher investment in technology initiatives
- Net income up 40% QoQ
  - Higher funding and liquidity earnings
  - Increased revenue from asset services business, due to higher client activity in our FX business

Capital Markets benefitted from increased origination activity

Net Income ($ millions)



Revenue	YoY	QoQ
Corporate and Investment Banking	6%	(5%)
Global Markets	2%	25%

Q1/2018 Highlights

- Net income of $748 million up 13% YoY
  - Lower effective tax rate reflecting the benefits from the U.S. Tax Reform
  - Higher results in Corporate and Investment Banking (C&IB) and Global Markets
  - Partially offset by increased costs due to higher variable compensation, litigation recoveries in the prior year, higher regulatory spend, and FX translation
  - **C&IB**: Higher lending revenue, and increased debt and equity origination activity
  - **Global Markets**: Higher equity trading revenue, increased debt and equity origination activity, and gains from the disposition of certain securities, offset by lower fixed income trading revenue
- Net income up 28% QoQ
  - Higher results in Global Markets and a lower effective tax rate reflecting the benefits from the U.S. Tax Reform
  - Offset by higher PCL and softer results in Municipal Banking
  - **Global Markets:** Higher fixed income and equity trading revenue
  - **C&IB:** Lower debt origination activity and decreased loan syndication revenue partially offset by higher equity origination activity and gains from the disposition of certain securities

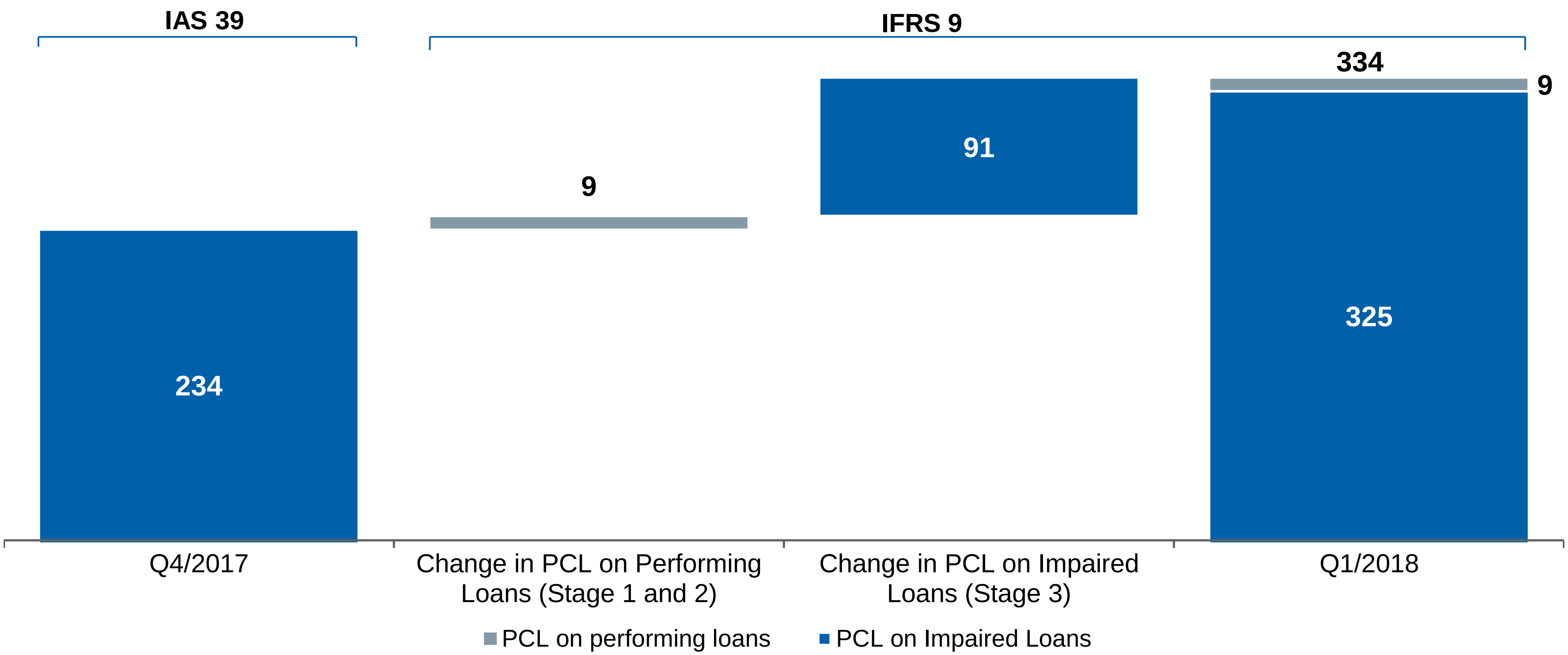
Risk Review

Mark Hughes

Chief Risk Officer

Q1/2018 PCL reflects adoption of IFRS 9

Movements in PCL on Loans ($ millions) (1)(2)

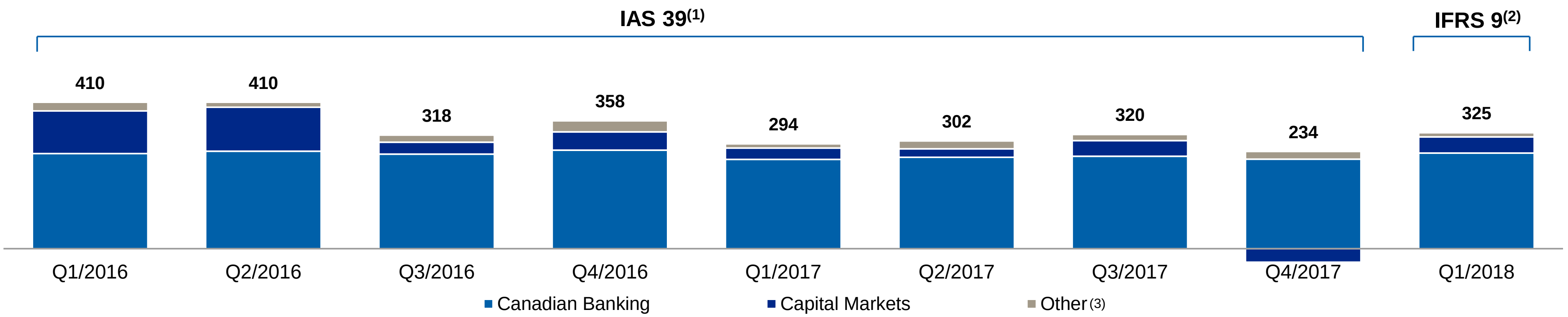


- **Total PCL ratio** of 24 bps, up 7 bps QoQ. PCL on impaired loans of 23 bps, up 6 bps QoQ
- **PCL on performing loans (Stages 1 and 2)** of $9 million on adoption of IFRS 9, was due to an increase in provisions in our Canadian Personal Banking portfolios largely driven by volume growth
  - This was offset by a decrease in provisions in Capital Markets and Wealth Management this quarter reflecting improvements in economic conditions
- **PCL on impaired loans (Stage 3)** of $325 million is up $91 million this quarter mainly due to fewer recoveries and higher provisions in Capital Markets

(1) Effective November 1, 2017, we adopted IFRS 9, which introduced a three-stage expected credit loss impairment model that differs significantly from the incurred loss model under IAS 39. (2) Stage 1 and Stage 2 credit loss allowances effectively replace the collectively-assessed allowance for loans not yet identified as impaired recorded under IAS 39. Stage 3 allowances are held against impaired loans and effectively replace the allowance for impaired loans under IAS 39.

Credit quality remains strong

PCL on Impaired Financial Assets (Stage 3, $ millions)[1][2]



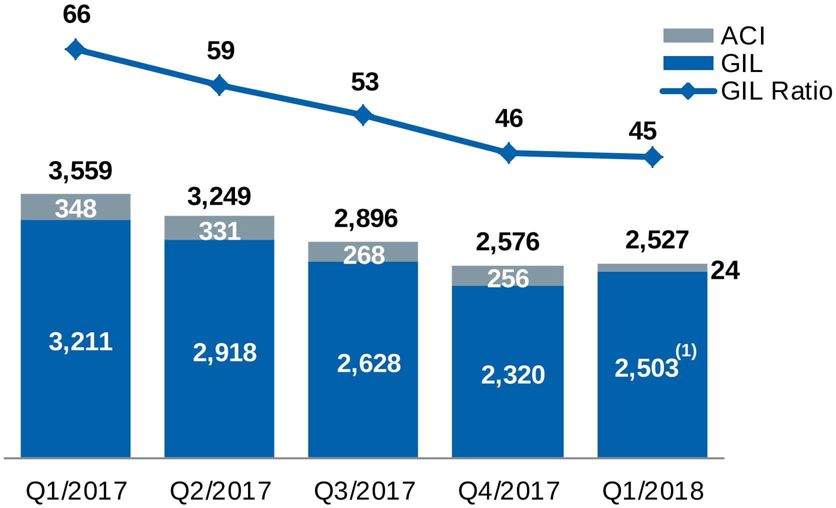
PCL on Impaired Financial Assets (Stage 3) ($ millions)	Q1/2018	QoQ	Key Drivers
Canadian Banking	268	17	▪ Higher PCL in our Personal Banking portfolios
Caribbean & U.S. Banking	8	(11)	▪ Lower PCL in our Caribbean Lending portfolio
Wealth Management	5	5	▪ Higher PCL largely in U.S. Wealth Management (including CNB)
Capital Markets	45	83	▪ Higher PCL primarily due to fewer recoveries and higher provisions
PCL on Impaired Financial Assets (Stage 3) (1)(2)(3)	**325**	**91**	▪ **PCL ratio of 23 bps, up 6 bps QoQ**

	IAS 39(1)								IFRS 9(2)
PCL Ratio on Impaired Financial Assets (Stage 3) (bps)	**Q1/2016**	**Q2/2016**	**Q3/2016**	**Q4/2016**	**Q1/2017**	**Q2/2017**	**Q3/2017**	**Q4/2017**	**Q1/2018**
Canadian Banking	29	30	28	29	26	27	26	25	26
Wealth Management	4	6	11	17	10	12	4	0	4
Capital Markets	53	56	15	24	15	12	21	(18)	22
PCL on Impaired Financial Assets (Stage 3) (1)(2)(3)	**31**	**32**	**24**	**27**	**22**	**23**	**23**	**17**	**23**

(1) PCL on impaired loans under IAS 39 prior to Q1/2018. (2) Stage 3 PCL under IFRS 9. Stage 3 allowances are held against impaired loans and effectively replace the allowance for impaired loans under IAS 39. (3) Other includes Caribbean and U.S. Banking, Wealth Management, Investor & Treasury Services, Insurance and Corporate Support.

Gross Impaired Loans remain relatively stable

Gross Impaired Loans ($ millions)



Q1/2018 Impaired Formations ($ millions)

Segments	New Formations		Net Formations[2]
	Q1/2018	QoQ	
Personal & Commercial Banking	460	91	213
Canadian Banking	401	85	224
Caribbean & U.S. Banking	59	6	(11)
Wealth Management	55	(30)	(276)
Capital Markets	179	108	14
Total GIL[3]	**694**	**169**	**(49)**

Key Drivers of Gross Impaired Loans (GIL)

Personal & Commercial Banking

- Canadian Banking GIL increased $224 million QoQ, reflecting:
  - A $134 million increase due to a change in the definition of impairment for certain Canadian Personal Banking products as a result of our adoption of IFRS 9
  - Higher impaired loans in our Canadian Business Banking portfolios
- Caribbean and U.S. Banking GIL decreased $11 million QoQ largely due to repayments and FX translation, partially offset by new impaired loans

Wealth Management

- GIL decreased $276 million, mainly reflecting lower impaired loans in U.S. Wealth Management (including CNB) due to:
  - The exclusion of $229 million in acquired-credit impaired (ACI) loans that have returned to performing status
  - A $58 million decrease due to a change in the definition of impairment for certain products

Capital Markets

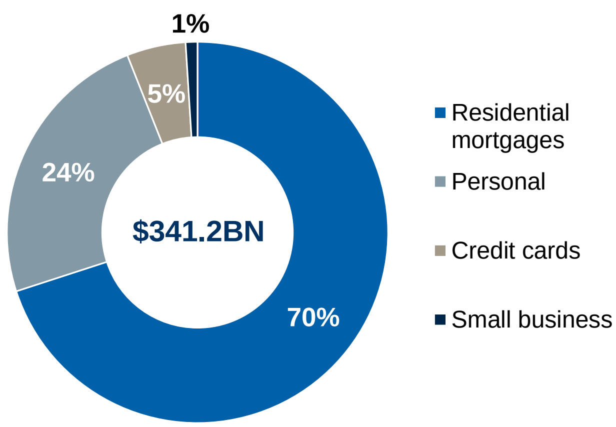
- GIL increased $14 million QoQ due to new impaired loans, partially offset by accounts returning to performing status, repayments, and the impact of FX translation

(1) We are excluding acquired impaired loans from GIL that have returned to performing status on a prospective basis, commencing in Q1/2018. As at January 31, 2018, $24 million of ACI loans that remain impaired are included in GIL. (2) Includes loan write-offs, new impaired loans, loan repayments, loans returning to performing, foreign exchange and other. (3)Total GIL includes Insurance, Investor and Treasury Services and Corporate Support.

Stable credit quality in Canadian Banking retail portfolio

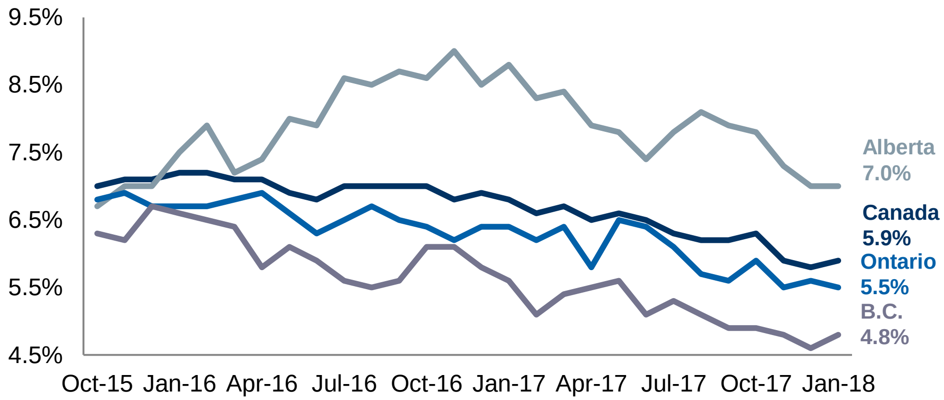
Average Canadian Banking Retail Loans[1]

- 86% of our Canadian retail portfolio is secured



Unemployment Rate

- Canada's unemployment rate continued to improve, down 90 bps YoY to 5.9%
- Ontario and B.C., which represent the largest portion of our retail portfolio, continue to perform well



Loans 90+ Days Past Due

- Past due loan balances lower across most retail portfolios YoY
- Higher delinquencies in Credit Cards QoQ, partly due to seasonality

Loan 90+ Days Past Due by Product

	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18
Residential Mortgages	0.23%	0.22%	0.20%	0.19%	0.19%
Personal Loans	0.31%	0.28%	0.26%	0.26%	0.28%
Credit Cards	0.80%	0.77%	0.66%	0.70%	0.80%
Small Business Loans	1.08%	1.03%	0.87%	0.84%	0.95%

PCL on Impaired Loans (Stage 3)[2][3]

- Retail credit quality remains largely stable

PCL Ratio by Product

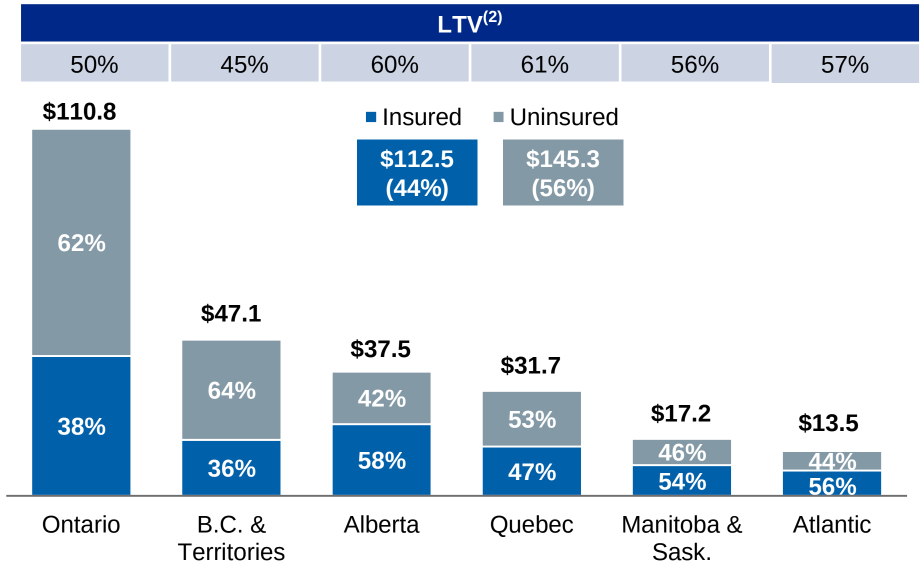
	IAS 39[4]				IFRS 9[5]
	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18
Residential Mortgages	0.01%	0.02%	0.01%	0.02%	0.02%
Personal Loans	0.53%	0.50%	0.49%	0.50%	0.55%
Credit Cards	2.54%	2.73%	2.47%	2.33%	2.39%
Small Business Loans	0.72%	0.90%	0.63%	0.85%	0.64%

(1) Excludes Canadian Banking wholesale business loans and acceptances. (2) Effective November 1, 2017, we adopted IFRS 9, which introduced a three-stage expected credit loss impairment model that differs significantly from the incurred loss model under IAS 39. (3) Calculated using average net of allowance on impaired loans. (4) PCL on impaired loans under IAS 39. (5) Stage 3 PCL under IFRS 9. Stage 3 allowances are held against impaired loans and effectively replace the allowance for impaired loans under IAS 39.

Canadian residential portfolio has strong underlying credit quality

Canadian Residential Mortgage Portfolio[1]

As at January 31, 2018 ($ billions)



- Total mortgages of $258 billion of which 44% are insured
  - Ontario and B.C. represent 43% and 18% of Canadian residential mortgages[1], respectively
  - Ontario and B.C. have lower LTV ratios than the Canadian average of 52%
  - GTA and GVA 90+ days past due[3] lower than total portfolio
- Average remaining amortization on mortgages of 18 years
  - 72% of mortgages have an amortization of <25 years
- Condo exposure is ~10% of residential lending portfolio

Canadian Banking Residential Lending Portfolio[2]

As at January 31, 2018

	Total ($273.5BN)	Uninsured ($185.8BN)
Mortgage	**$233.0BN**	**$145.3BN**
HELOC	**$40.5BN**	**$40.5BN**
LTV [2]	**52%**	**51%**
GVA	42%	42%
GTA	47%	47%
Average FICO Score[2]	**786**	**793**
90+ Days Past Due[2][3]	**20 bps**	**17 bps**
GVA	5 bps	4 bps
GTA	6 bps	6 bps

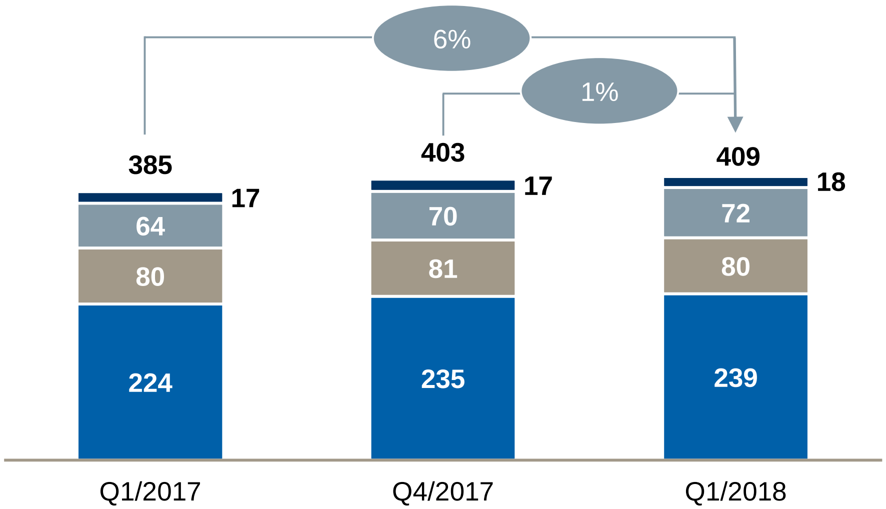
- Strong underlying quality of uninsured portfolio[2]
  - Average LTV of 51%
  - 47% of uninsured portfolio have a FICO score >800
  - <1% of uninsured portfolio have a FICO score of <650 and an LTV ratio of 75%+
  - 90+ days past due[3] rate lower than insured portfolio
- 90+ days past due[3] rates of residential lending portfolio remains stable at low levels
- GTA and GVA average FICO scores are above the Canadian average

(1) Canadian residential mortgage portfolio of $258BN comprised of $233BN of residential mortgages, $7BN of mortgages with commercial clients ($4BN insured) and $18BN of residential mortgages in Capital Markets held for securitization purposes. (2) Based on $233BN in residential mortgages and HELOC in Canadian Banking ($41BN). Based on spot balances. Totals may not add due to rounding. (3) The 90+ day past due rate includes all accounts that are either 90 days or more past due or are in impaired status.

Appendices

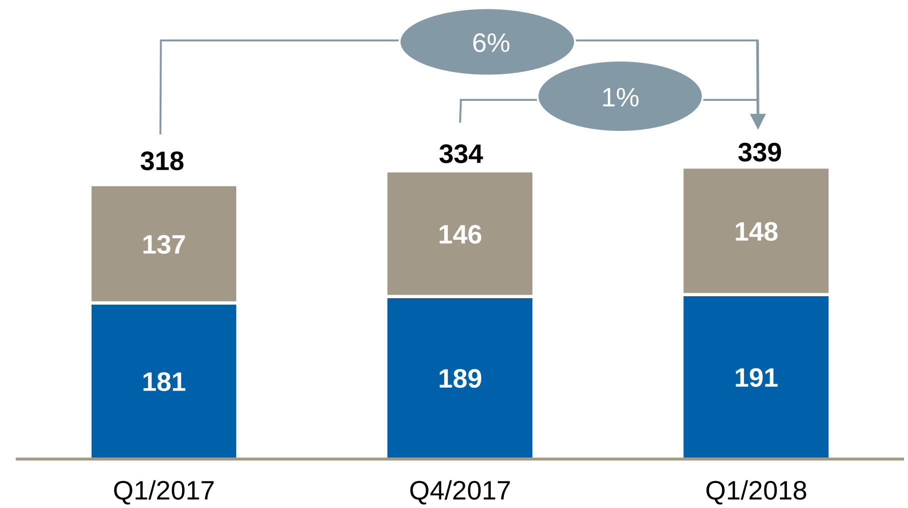
Canadian Banking benefitted from volume growth and higher spreads

Average Gross Loans & Acceptances[1] *($ billions)*



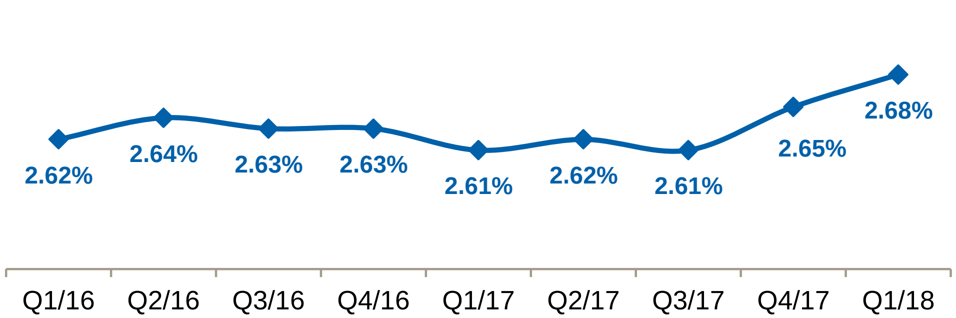
Percentage Change[1]		YoY	QoQ
Residential Mortgages	■	6.4%	1.4%
Personal Lending	■	0.1%	(0.2%)
Credit Cards	■	6.6%	2.3%
Business (Including Small Business)	■	12.8%	3.6%

Average Deposits[1] *($ billions)*

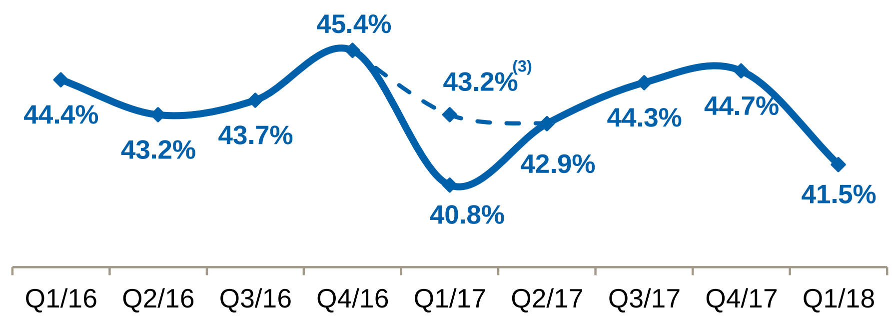


Percentage Change[1]		YoY	QoQ
Personal Deposits	■	5.4%	1.1%
Business Deposits	■	7.8%	1.6%

Net Interest Margin



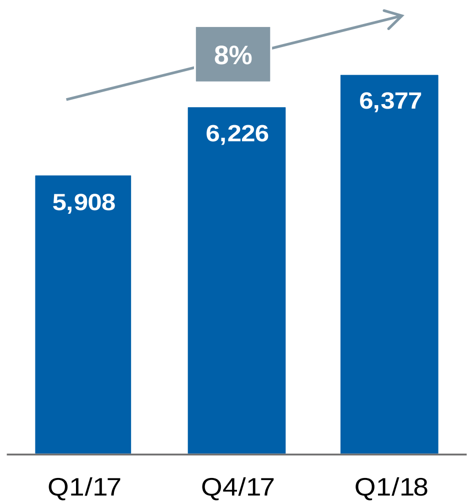
Efficiency Ratio[2]



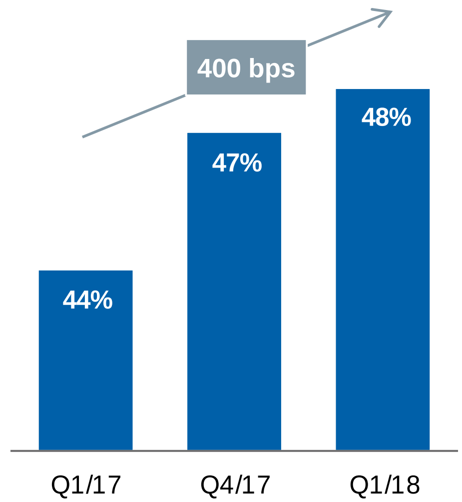
(1) Totals may not add and percentage change may not reflect actual change due to rounding. (2) Effective Q4/2017, service fees and other costs incurred in association with certain commissions and fees earned are presented on a gross basis in non-interest expense. Comparative amounts have been reclassified to conform with this presentation. (3) Efficiency ratio: Non-interest expense as a percentage of total revenue. Adjusted efficiency ratio excludes our share of a gain related to the sale of the U.S. operations of Moneris Solutions Corporation (Moneris gain on sale). This is a non-GAAP measure. For more information and a reconciliation, see slides 28 and 29.

Transforming the distribution network in Canadian Banking

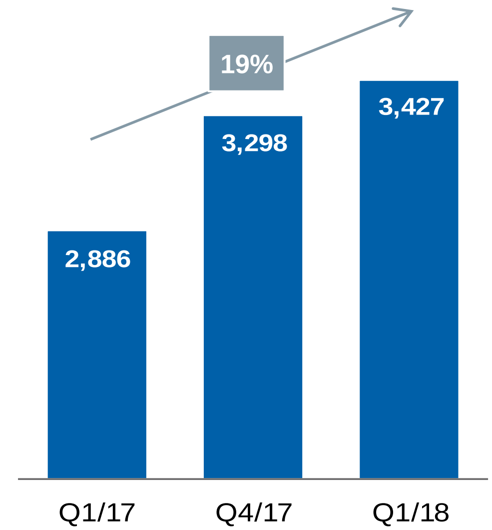
Active Digital Users(1)



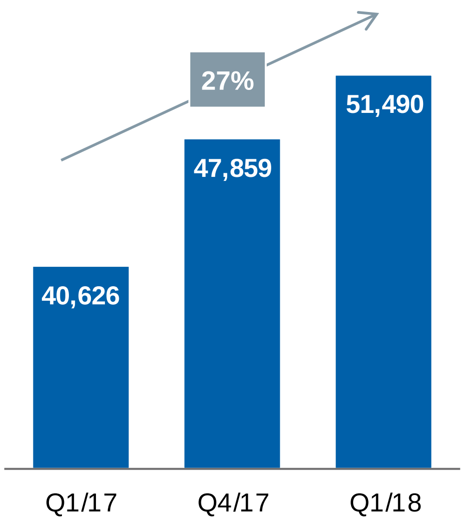
Digital Adoption Rate(2)



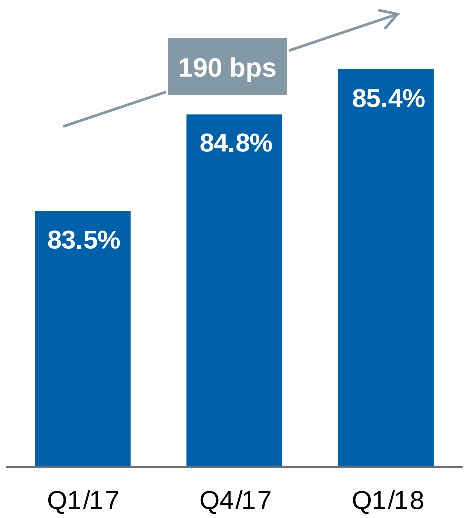
Active Mobile Users(1)



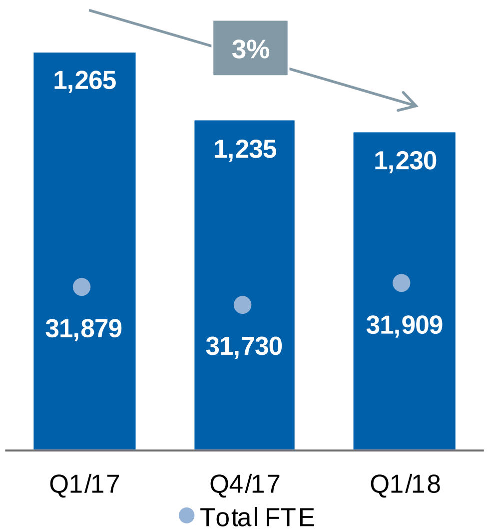
Mobile Sessions(3)



Self-Serve Transactions(4)



Branches

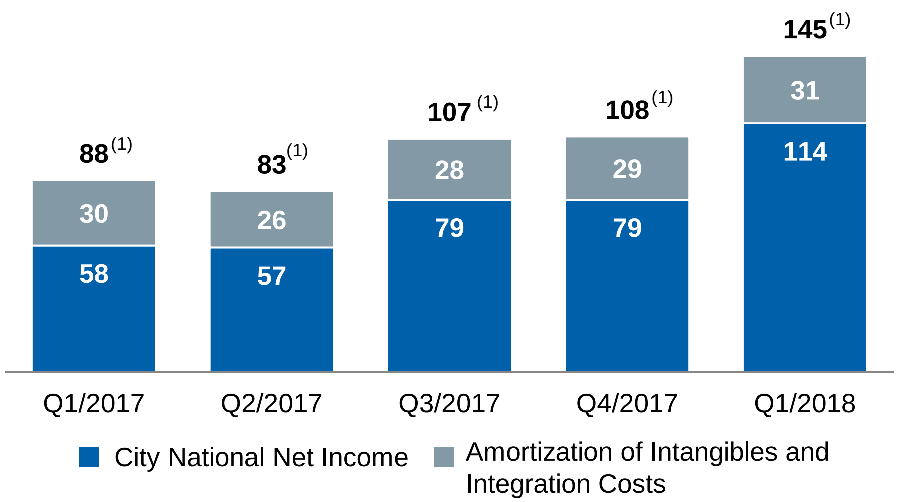


(1) These figures (in 000s) represent the 90-Day Active customers in Canadian Banking only. (2) Digital Adoption rate calculated using 90-day active users. (3) These figures (in 000s) represents the total number of application logins using a mobile device. (4) Financial transactions only.

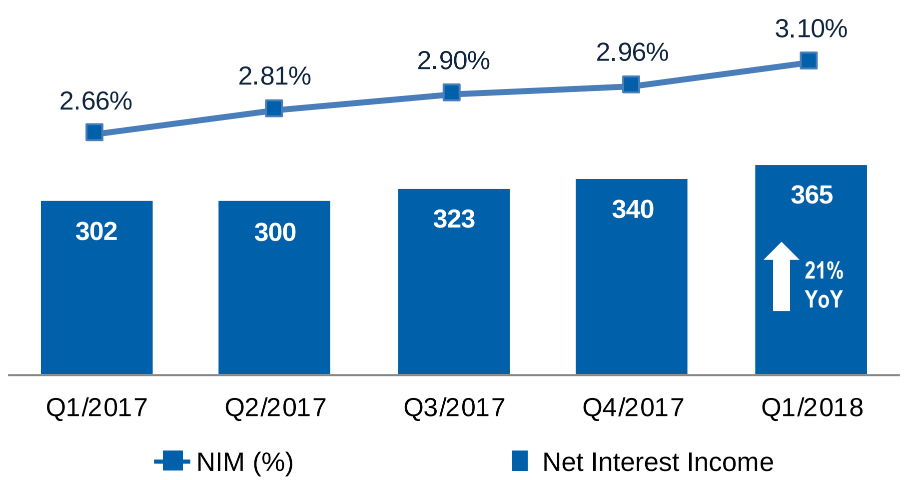
Continued momentum in U.S. Wealth Management (including CNB)

Select Financial Items	Q1/2018 (US$)	YoY	Q1/2018 Highlights
Revenue – U.S. Wealth Management (incl. CNB)	$1,100	24%	▪ Higher net interest income reflecting the impact from volume growth and higher U.S. interest rates, higher average fee-based client assets reflecting capital appreciation and net sales, and higher transaction revenue
CNB Contribution:			▪ **CNB:** Net income of US$114 million
Revenue	$515MM	24%	– US$145 million[(1)] excluding amortization of intangibles and integration costs of US$31 million after-tax, or $126 million[(2)] further excluding a favourable accounting adjustment related to CNB of US$19 million, which was recorded in Other Income
Expenses	$386MM	12%	
Net Income	$114MM	97%	– NIM of 3.10%, up 14 bps QoQ; NIM excl. acquired credit-impaired loans of 3.05%, up 17 bps[(3)] QoQ largely due to the impact of higher U.S. interest rates and portfolio mix toward higher yielding loans vs. securities
Loans	$31BN	14%	
Deposits	$43BN	3%	– Strong double-digit loan growth of 14% driven by growth in the number of sales colleagues, market expansion, and synergies with RBC

CNB Net Income (US$ millions)



CNB NIM & Net Interest Income (US$ millions)

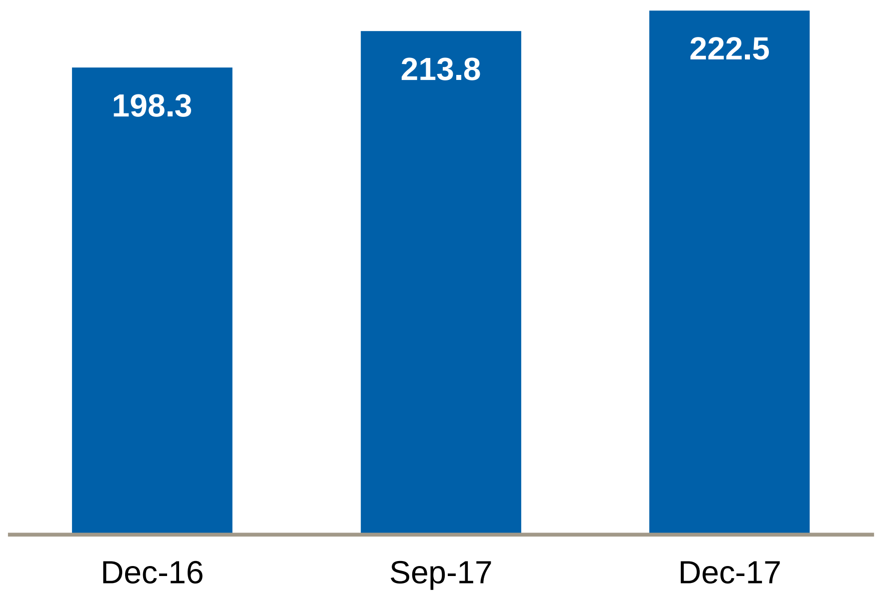


All balance sheet figures represent average balances. (1) Adjusted net income excludes amortization of intangibles and integration costs, which was US$31MM after-tax (US$46MM before-tax) in Q1/2018. This is a non-GAAP measure. For more information, see slide 29. (2) Adjusted net income excludes the aforementioned amortization of intangibles and integration costs, as well as a favorable accounting adjustment related to CNB of US$19MM after-tax (US$27MM before-tax) in Q1/2018. This is a non-GAAP measure. For more information, see slide 29. (3) NIM excluding acquired credit-impaired (ACI) loans is a non-GAAP measure. For more information, see slide 29.

Stable growth in Canadian retail assets under management

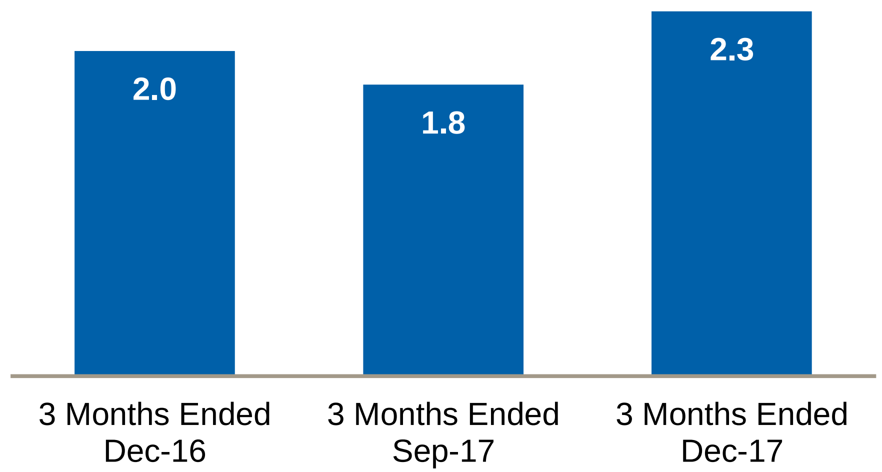
Assets Under Management ($ billions)

All-in Market Share[1]		
14.8%	15.0%	15.1%



Net Sales ($ billions)

All-in Market Share[1]		
33.5%[2]	24.4%	40.8%[2]

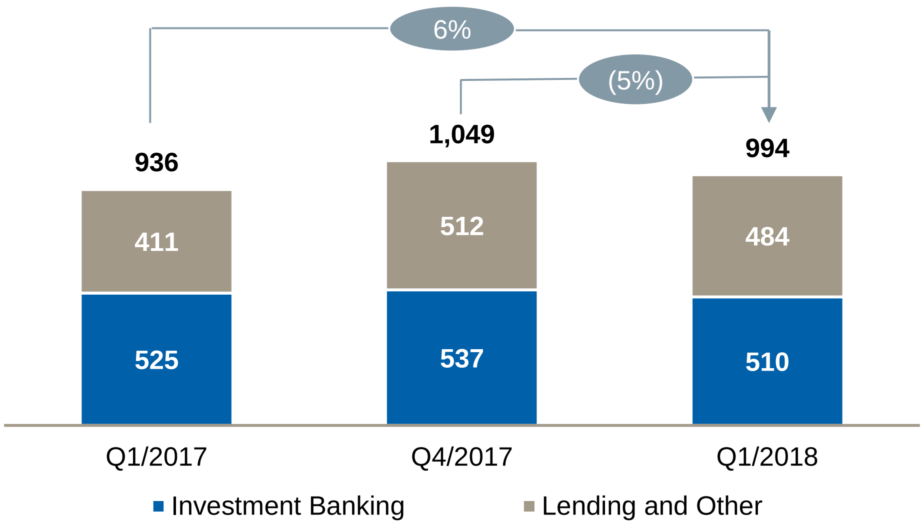


- RBC Global Asset Management (GAM) ranks #1 in market share by AUM with 15.1% of all-in[1] share; amongst the bank fund companies, RBC has market share of 32.7%
- RBC GAM captured on average 23.7% of total industry net sales for the past 12 months[1]

(1) Investment Funds Institute of Canada (IFIC) as at December 2017 and RBC reporting. Comprised of long-term funds and money market funds. (2) Market share for the three months ended December 2016 was impacted by large flows of $0.8BN from Institutional and National Account clients. Market share for the three months ended December 2017 resulted from a combination of flows from Institutional clients to some mutual fund mandates as well as stronger than market sales capture in branch and broker channels.

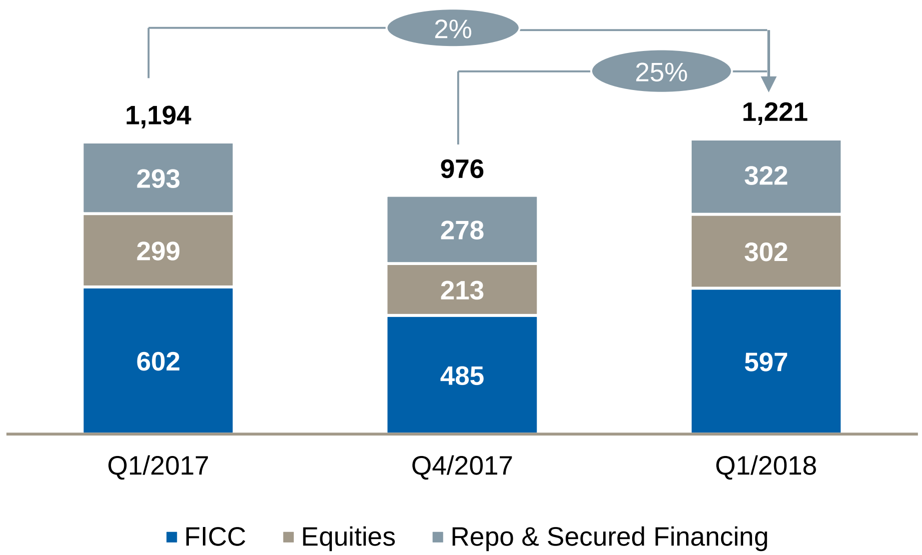
Capital Markets revenue breakdown by business

Corporate & Investment Banking Revenue Breakdown by Business ($ millions)



- **YoY:** Up due to higher lending revenue across all regions, increased debt and equity origination activity in the U.S. and an overall improvement in European Investment Banking revenue. This was partially offset by the impact of FX translation, lower loan syndication activity mainly in the U.S., decreased M&A activity in North America and decreased equity origination activity in Canada
- **QoQ:** Down due to lower Municipal Banking revenue and lower lending revenue primarily in Canada and the U.S., partially offset by strong equity origination and M&A fees in the U.S.

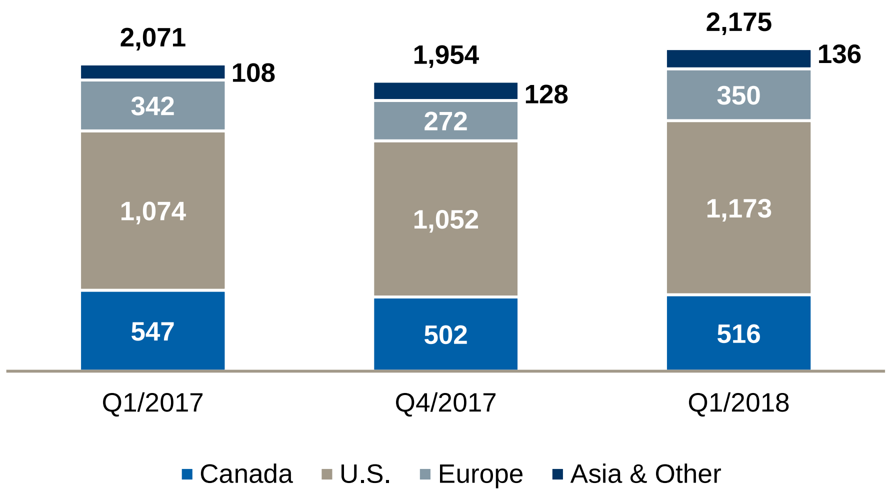
Global Markets Revenue Breakdown by Business ($ millions)



- **YoY:** Up driven by higher equity trading across most regions, increased debt origination across all regions, higher equity origination activity largely in the U.S. and gains from the disposition of certain securities
- **QoQ:** Higher due to increased fixed income trading revenue in North America and Europe, increased equity trading across all regions, higher equity origination in North America and gains from the disposition of certain securities, partially offset by lower debt origination mainly in North America

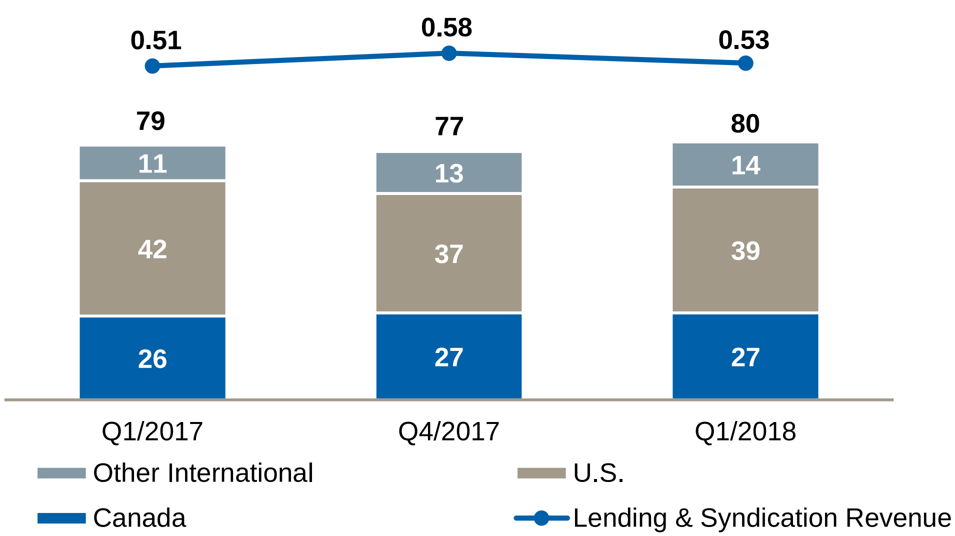
Capital Markets revenue and loan breakdown by geography

Capital Markets Revenue Breakdown by Geography ($ millions)



- **Canada:** Lower YoY driven by lower equity underwriting and lower M&A fees, partially offset by strong lending revenues and improved equity trading
- **U.S.:** Up YoY driven by higher equity and debt underwriting revenues and improved lending revenues, partially offset by lower syndication fees, and marginally lower equity trading and M&A fees
- **Europe:** Up YoY due to higher investment banking fees across all products, increased lending revenues and higher FX trading, partially offset by weaker fixed income trading
- **Asia & Other:** Up YoY from improved equities trading, higher underwriting fees and higher lending revenues

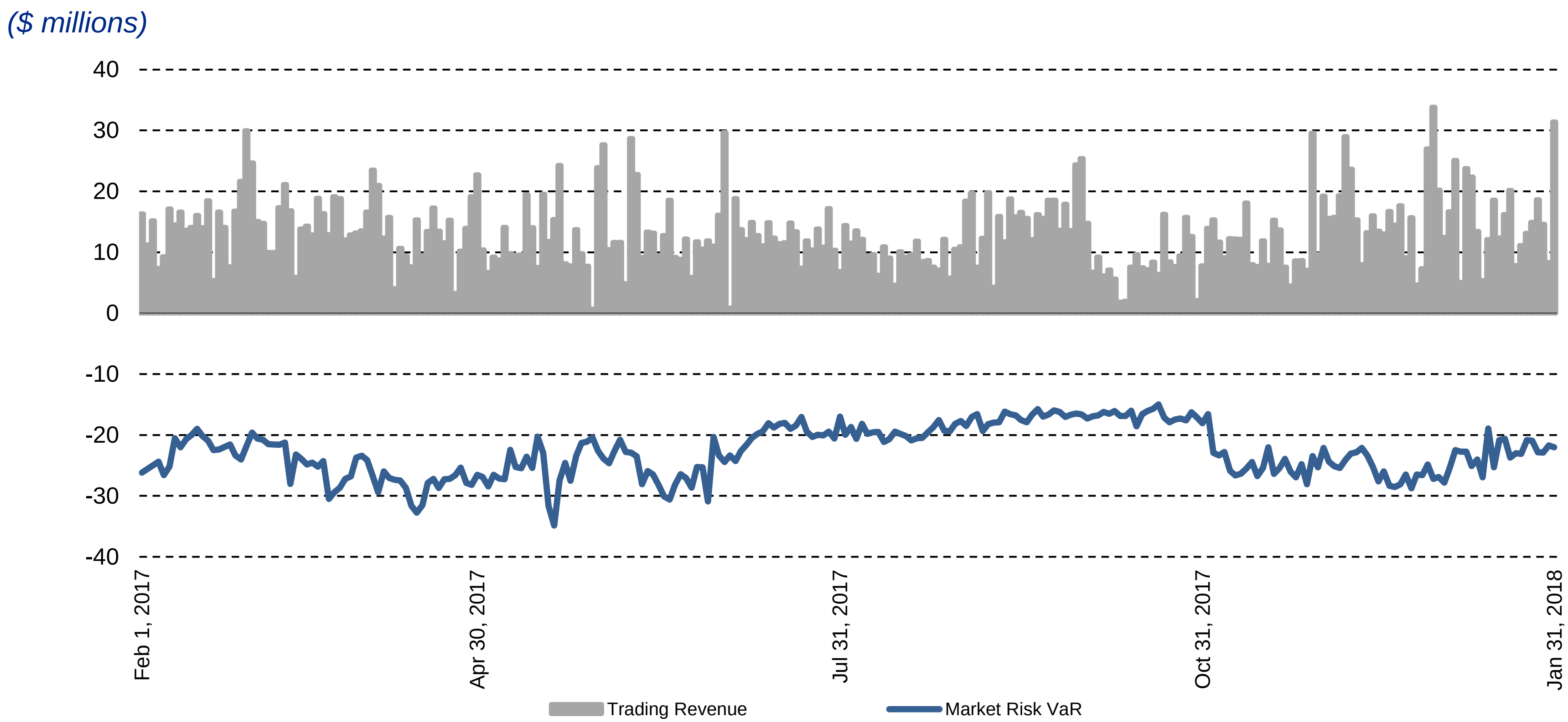
Capital Markets Lending & Syndication Revenue and Average Loans and Acceptances by Geography(1) ($BN)



- Continue to deepen and optimize client relationships
- Diversification driven by strict limits on single name basis, country, industry and product levels across all businesses, portfolios, transactions and products
- Consistent lending standards throughout the cycle
- Approximately 60% of our total Capital Markets exposure(2) is investment grade

(1) Average loans & acceptances, includes letters of credit and guarantees for our Capital Markets portfolio, on single name basis. Excludes mortgage investments, securitized mortgages and other non-core items. This is a non-GAAP measure. For more information, see slide 29. (2) Total exposure represents exposure at default (EAD) which is the expected gross exposure upon the default of an obligor.

Market risk trading revenue and VaR



- During the quarter, there were no days with net trading losses
- Average market risk VaR of $25 million was up $2 million YoY, largely due to the change in classification of certain equity and interest rate-sensitive portfolios from available-for-sale to Fair Value Through Profit or Loss as a result of adopting IFRS 9. This was partially offset by the impact of FX translation
  - Average market risk VaR increased $7 million QoQ, largely driven by the adoption of IFRS 9. In addition, equity exposures were higher on average during the quarter due to increased client-driven activity in volatile equity derivative markets, as compared to reduced activity in the prior quarter due to subdued market volatility

Items impacting 2017 and 2018 results

Specified Item: Moneris Gain on Sale ($ millions, except for EPS and percentages)	Reported	Moneris Gain on Sale[1]	Adjusted[2]
Q1/2017			
Consolidated			
Net Income	$3,027	($212)	$2,815
Basic EPS	$1.98	($0.14)	$1.84
Diluted EPS	$1.97	($0.14)	$1.83
ROE	18.0%		16.7%

Other Items ($ millions, except for EPS)	Segments	After-Tax	Diluted EPS
Q1/2018			
U.S. Tax Reform Write-down	Corporate Support	($178)	($0.12)
Interac Gain	Personal & Commercial Banking	$27	$0.02
Favourable Accounting Adjustment Related to CNB	Wealth Management	$23	$0.02
		($128)	**($0.09)**

(1) Personal & Commercial Banking and Canadian Banking. (2) These are non-GAAP measures. For more information, see slide 29.

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, including results excluding our share of a gain related to the sale of the U.S. operations of Moneris Solutions Corporation (Moneris gain on sale), results excluding the impact of the TCJA, results excluding the gain related to the reorganization of Interac, revenue net of Insurance fair value change of investments backing our policyholder liabilities, adjusted City National results, Capital Markets trading and geographic revenue excluding certain items, and NIM excluding acquired credit-impaired loans 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” sections of our Q1/2018 Report to Shareholders and our 2017 Annual Report.

Definitions can be found under the “Glossary” sections in our Q1/2018 Supplementary Financial Information and our 2017 Annual Report.

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