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From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in these speaker's notes, in other filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in these speaker's notes include, but are not limited to, statements relating to RBC and our business segment outlooks, the economic and regulatory environment and our strategic goals. The forward-looking information contained in these speaker's notes 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 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 and that our assumptions may not be correct. 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, operational, and liquidity and funding risks, and other risks discussed in the Risk management section of our 2010 Annual Report and in our Q2 2011 Report to Shareholders; general business, economic and financial market conditions in Canada, the United States and certain other countries in which we conduct business, including the effect of the European sovereign debt crisis, changes in accounting standards, policies and estimates, including changes in our estimates of provisions, allowances and valuations; the effects of changes in government fiscal, monetary and other policies; the effects of competition in the markets in which we operate; the impact of changes in laws and regulations, including tax laws; changes to and new interpretations of risk-based capital guidelines, and reporting instructions and liquidity regulatory guidance, and the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and regulations to be issued thereunder; judicial or regulatory judgments and legal proceedings; the accuracy and completeness of information concerning our clients and counterparties; our ability to successfully execute our strategies and to complete and integrate strategic acquisitions and joint ventures successfully; and development and integration of our distribution networks.

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. 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 section of our 2010 Annual Report and in our Q2 2011 Report to Shareholders.

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GORDON M. NIXON, PRESIDENT & CEO

This quarter RBC delivered strong earnings of over 1.5 billion dollars which were, up 13 per cent from last year. On a year to date basis, we have earned over 3.3 billion dollars up 18% from the prior year demonstrating the strength of our businesses and the diversity of our business model.

This morning, we also announced a 4 cent or 8% increase in our quarterly dividend bringing the quarterly dividend to 54 cents a share.

We advanced our leadership across businesses and our Canadian Banking, Wealth Management and Insurance businesses had strong revenue and earnings growth. The diverse mix of business lines in Capital Markets enabled us to generate solid earnings notwithstanding the impact that challenging trading conditions had on fixed income trading in latter part of the quarter.

While our trading results were lower than last quarter, we anticipate a moderate improvement in trading revenue in 2011 compared to 2010 as economic, market and regulatory environments stabilize. We do expect trading revenue to remain in the range of 700 to 900 million dollars a quarter similar to past levels that exclude market and credit related items which are outlined on slide 6.

As mentioned on last quarter's call, we also settled all claims against MBIA and eliminated our credit default swap exposure. We continue to hold the underlying assets in our trading book.These assets are appropriately provisioned and we are selling down these assets as favourable opportunities arise.

Our investment banking businesses continued to build momentum and delivered strong results, with revenue up 35% from last year. I have talked in the past about our desire to shift our mix in Capital Markets and increase the investment banking component of earnings. As you can see from this quarter's results, we continue to execute against this plan and going forward, as our investment banking and lending coverage grows in all geographies, the contributions of the lower risk investment banking will be an increasingly bigger component of our overall Capital Markets segment.

By delivering strong earnings, we generated internal capital and strengthened our capital position. Our Tier 1 ratio now stands at 13.6% and our TCE ratio at 10.3%. Although, we already meet the 2019 Basel III capital requirements as I highlighted on last quarter's call, our businesses have a number of activities underway to fully optimize capital usage and focus efforts on products and businesses that generate higher risk-adjusted-returns.

We believe it is essential that Canadian banks not only meet these minimum requirements –but their capital plans actually need to appropriately provide for the build up of strong capital cushions in order to be fully compliant with these requirements by 2013. We are well positioned and quite comfortable with our capital plans including our ability to continue to invest and grow our businesses.

Before moving to our business segments – let me spend a moment on a recent topic in the media. There has been a lot of speculation and media coverage lately on RBC Bank. Although I will not be commenting on the speculation, with respect to RBC Bank, we remain focused on turning around these operations and we are making good progress.

I also want to take this opportunity to point out that we have a strong and growing presence in the U.S. particularly through our two largest businesses: Capital Markets and Wealth Management. We remain fully committed to the U.S. market and committed to generating strong returns as we expand our businesses south of the border. We have been building strong relationships, winning key mandates and gaining market share in the U.S., and we expect to build on this momentum.

Moving to the performance of our business segments, I will make a few comments and Janice will then take you through a more detailed review of the results.

Canadian Banking continued to underpin our results generating double-digit earnings growth from last year. We outperformed in the market, driving solid volume growth of 7% by leveraging our strong branch network and our unmatched ability to cross sell products. We actually expanded our margins in Canadian Banking and had solid operating leverage net of pension expense, which is a reflection of the decrease in the discount rate.

We continue to access more customers through the build out of our multi-channel strategy and are targeting a 25% volume growth premium to the market. Although market trends point to a slowdown in consumer loan growth, we had growth in commercial loans for the second consecutive quarter as companies regain confidence and continue to invest and build out their inventories. Growing our commercial loan book is an area of focus as we leverage our industry expertise to win new business and grow market share in this high margin business.

While we are managing Canadian Banking to outperform in the market, we are also transforming the future of banking. By investing in innovation and expanding our alternative distribution capabilities, we are evolving the banking landscape. For example:

We are partnering with Google in a new program designed to encourage website adoption by small businesses across Canada. To be successful, small businesses need to be on-line and again we are leading the market with this opportunity. We also recently introduced a new on-line "click to chat" feature which allows clients to interact with customer service representatives real-time around the clock.

Our unmatched size and scale gives us enormous potential to generate more volume than peers and drive better efficiencies, enabling us to re-invest in innovative solutions that will continue to drive top and bottom line growth.

In Wealth Management, we had great momentum across all of our businesses this quarter with earnings up 23% from last year after adjusting for tax and accounting impacts. As a market leader, we capitalized on improving global markets and investor sentiment and grew fee-based client assets, through appreciation and net sales and executed a greater volume of client transactions.

Our second quarter long term mutual fund net sales were the best on record – enabling us to capture 25% of the total industry in Canada and increase our market share to 14.3%. And, for the 5th consecutive year, RBC Dominion securities ranked #1 among bank-owned investment dealers according to Investment Executive's 2011 Brokerage Report Card.

Our acquisition of BlueBay is progressing better than expected with Assets Under Management in U.S. dollars increasing from 39 billion to 43 billion this quarter. This acquisition expands our distribution capabilities and the reach of our Global Asset Management business into Europe and Asia.

Our focus remains on building client relationships both in Canada and abroad, growing our global footprint and increasing our product offering to solidify our position as a global leader in wealth and asset management.

In Insurance, we grew earnings by 36% from last year, and remain focused on growing our market share by collaborating with Canadian Banking and Wealth Management to deliver innovative insurance products through cost effective channels. I also wanted to point out that at the end of the quarter we closed the sale of Liberty Life.

International Banking's net loss of 23 million dollars was comparable to the net loss in the prior year.

While we were profitable in the first quarter, as I mentioned previously there are a number of factors at play in sustaining profitability in this segment given the unpredictable nature of the timing and levels of PCLs.

We continue to see credit quality improve in our banking businesses and our underlying businesses are showing positive signs of growth. In the Caribbean, integration efforts are well underway to streamline operations and enhance the client experience.

We are continuing to see momentum in RBC Dexia as client assets appreciate, client transactions increase and we acquire new businesses. We had unprecedented success with a recent international survey where Institutional investors gave RBC Dexia top marks in the Global Investor 2011 Global Custody Survey. Not only did we rank number 1 in the top 3 categories: Best Custodian Overall, Best Custodian Overall for EMEA and Best Custodian Overall – Americas; we also received number 1 rankings in 22 separate categories. These survey results are quite exceptional and reinforce the fact that we provide our clients exceptional service.

Capital Markets earned 407 million dollars this quarter with solid contributions from both our Global Markets and Corporate and Investment Banking businesses attesting again to the diversity of this platform.

In Global Markets, challenging trading conditions arising from the events in the Middle East and Japan and the continued uncertainty in Europe impacted our fixed income businesses in the latter part of the quarter. Although Global Markets revenue is down from the strong levels of last year, I wanted to point out that factoring out the gain on assets hedged by MBIA from last year's quarter, there was only a modest year over year decline.

On the other hand, we saw very impressive growth in origination and M&A activity in our Corporate and Investment Banking businesses which had substantial revenue growth over last year. Over the quarter, although revenue declined, we put more deals on the books with smaller deal sizes than we saw in the first quarter of 2011.

Some of the deals we led, or advised on, during this quarter in the Canadian, US and UK markets included;

-Joint bookrunner for Rogers Communications 1.85 billion dual-tranche 10 & 30 year bonds – The largest-ever BBB- rated deal in the Canadian market.
-Sole book runner on Lloyds Bank's 500 million Canadian dollar, 5-year senior Maple bond transaction, which renewed momentum in the Maple bond market.
-We acted as an exclusive financial advisor to Fronteer Gold on its 2.3 billion U.S. dollar acquisition by Newmont Mining, one of the world's leading gold producers.
-And, In the UK market, we were joint lead manager on a 400 million British pound bond transaction for Thames Water Hold, the first lead managed corporate Sterling High Yield transaction for RBC.

Our Underwriting and Advisory businesses continue to be recognized for their industry leading ability to serve clients. We placed 11th in the "Bloomberg 20", an annual ranking of top 20 investment banks globally by fees, which was up from 14th last year. This was our highest ranking and we were the highest ranked Canadian bank and our forward calendar continues to remain strong.

You may have read about the launch of our new equity electronic trading business THOR, a "smart order router" that is designed to help institutional clients compete with high frequency traders and efficiently fill orders, while also reducing costs for our clients. We remain focused on growing our global client base in Capital Markets by investing in our competitive and diverse product offering to meet our clients' changing needs.

In conclusion, we had strong results across our businesses this quarter demonstrating the strength and diversification of our organization. While we did have some quarter to quarter volatility we are happy with our year-to-date operating results and continue to see strength across most of our businesses.

We are executing our longstanding strategy and our business model continues to serve us well as we expand our leadership position in Canada and build our global platforms. And, we will continue to invest in our businesses to provide our customers with the advice, expertise and products they need.

With that, I'll turn it over to Morten Friis.

MORTEN FRIIS, CHIEF RISK OFFICER

Thanks, Gord.

Turning to credit on slides 9 to 11, both total and specific provisions for credit losses increased slightly over last quarter, as credit quality continued to stabilize and we saw lower recoveries in Capital Markets.

Over the quarter, the Canadian economy showed signs of strength as the unemployment picture improved modestly. Personal bankruptcy filings increased slightly, but are expected to decline in the near-term as improving labour market conditions reduce strain on household finances.

The impact of these positive signs is apparent. Specific provisions were down 10 million dollars in Canadian Banking from last quarter as provisions declined in our residential mortgage and secured personal lending portfolios.

Despite these positive signs, we saw Credit card specific provisions as a percentage of average net loans and acceptances climb 34 basis points over last quarter to 379, largely reflecting a decrease in outstanding balances mainly due to seasonal spending patterns. Despite the increase in provisions, this portfolio is performing in line with our expectations.

As the Canadian economy continues to recover and unemployment rates decline, Canadian retail PCL is expected to improve marginally through the second half of the year.

Similar to our Canadian portfolios, we continue to see asset quality stabilizing in the U.S., although the level of impaired loans remains high.

Specific PCL in International Banking decreased by 13 million dollars over the quarter as our U.S. commercial portfolio had lower provisions. We expect to see improving PCL trends in the U.S. as the labour market improves and personal bankruptcy rates continue to decline and approach long-term averages. However, the timing and levels of PCLs are difficult to predict and are highly dependent on the pace of recovery of the U.S. and Caribbean economies.

Before I move on, as you can see on slide 10, I wanted to point out that Gross impaired loans improved by 683 million dollars to 4 billion dollars. This was largely due to the sale of certain impaired loans in RBC Bank (USA), which were sold given favourable market conditions.

I also wanted to point out that this quarter we have expanded our disclosure on page 19 of the Report to Shareholders regarding our outstanding loan exposure to certain European sovereigns and as you can see our exposure is minimal.

In our wholesale portfolios, which include our corporate accounts and Capital Markets, we saw stabilization of credit quality this quarter. We had no new PCL in Capital Markets but a net recovery of CAD5 million comprised of a few accounts. This compared to a recovery of CAD27 million in the prior quarter.

Now turning to market risk. Management VAR was flat year over year and down slightly compared to last quarter. During the quarter, we had a total of four days with net trading losses, with no losses exceeding VaR. The largest loss, which totaled 31 million dollars, was primarily due to credit valuation adjustments, largely resulting from movements in credit spreads, interest rates and foreign exchange rates.

With that I will turn the presentation over to Janice.

JANICE FUKAKUSA, CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

Thanks Morten.

As outlined on slide 13, we reported second quarter net income of 1.5 billion dollars, up 13% from last year driven by strong performances in Canadian Banking, Wealth Management and Insurance.

Turning to slide 14, revenue was up slightly compared to last year, however the mix of revenue has shifted. While trading revenue declined, fee based revenue increased and represented a larger portion of total revenue this quarter.

This rise in fee-based revenue reflects a combination of higher fees generated in our retail businesses and more M&A and origination transactions in Capital Markets. This ability to shift our revenue mix by capitalizing on market and economic movements demonstrates the benefits of our diversified business model.

Expenses increased 7% over last year with more than half of this increase arising from an increase in pension expenses in our Canadian retail businesses with the remainder relating to business expansion initiatives.

For example, in Canadian Banking, we have increased our investment in online and mobile technologies, and expanded our branch hours by over 13%. We are also continuing to invest in several initiatives that will make our operations more efficient and more responsive to our clients' evolving needs.

And in Capital Markets, we continue to build the required infrastructure; ensuring the proper financial, control and risk management systems are in place to support our growing businesses and to meet the requirements of increased regulation.

Let me now take you through a detailed performance of our segments.

Starting with Canadian Banking, net income of 851 million dollars was up 16% from last year as solid volume growth of 7% translated into 6% revenue growth, and provision for credit losses declined. Compared to the prior quarter, net income was down 4%, largely due to seasonality, including fewer days in the current quarter.

Expenses were up 6% from last year and essentially flat from the prior quarter. More than half of this increase relates to higher pension expenses and the impact of the harmonized sales tax.

I wanted to point out that Canadian Banking not only has the impact of direct pension expenses, it also absorbs proportionately more pension costs associated with the functional groups supporting that business so the impact of rising pension expenses is larger than one might think.

Year to date, we had negative operating leverage of 1.5%. However, if you exclude the higher pension expenses and impact of HST, our operating leverage jumps to a positive 3% as revenue growth outpaces expense growth in this business.

On this same basis, our year to date efficiency ratio improved 140 basis points to 45.9%. We continue to target an efficiency ratio in the low 40's over the medium-term and we are making ongoing investments in the business to achieve this.

Moving on to Wealth Management, net income was 220 million dollars, up 130 million dollars from the prior year and flat from the prior quarter. We had a number of accounting and tax adjustments that impacted net income in the comparative periods. Excluding these items, net income was 185 million, up 34 million or 23% from the prior year primarily due to higher fee-based client assets from capital appreciation and net new fund sales and higher transaction volumes.

Compared to the prior quarter and factoring out items of note, net income was down 25 million or 12%, largely due to the impact of fewer days in the quarter, the BlueBay performance fee earned last quarter

and lower transaction volumes as uncertain market conditions reduced client activity in the latter part of the quarter.

In Insurance, net income was 146 million dollars, up 39 million dollars or 36% from last year driven by net investment gains across most businesses, lower auto and life claims costs and business growth.

Early sales indicators are positive on our newly launched life and annuity products and we continue to focus on claims management activities to maximize savings from auto reform. However, due to the nature of the business -- it can take a few quarters before this translates into any bottom line impact.

International Banking had a net loss of 23 million dollars as compared to a 27 million dollars loss in the prior year. Lower provision for credit losses as credit quality continued to improve and stronger results in RBC Dexia were partially offset by spread compression in our Banking businesses, primarily in the Caribbean.

Over the sequential quarter, earnings declined by 47 million dollars. Almost half of the decline relates to a favourable reversal of litigation provisions in Caribbean banking in the prior quarter. The remainder of the decline was largely driven by tighter spreads in our Caribbean banking business.

We saw growth in RBC Dexia as improving markets led to higher fee-based client assets and increased client activity.

Capital Markets net income was 407 million dollars, down 95 million dollars, or 19% from a year ago, primarily in fixed income trading. This was largely as a result of a gain related to assets hedged with MBIA of 84 million dollars after-tax and compensation recorded last year. Factoring out the MBIA gain from last year’s results, Capital Markets net income was relatively flat year over year.

Fixed income trading was also negatively impacted in the latter part of the quarter by the challenging trading environment, especially in Europe. We had strong Corporate and Investment Banking growth of 35% as issuance activity significantly increased driven by higher origination, M&A and loan syndication.

Compared to the prior quarter, net income was down 206 million dollars or 34% from a record first quarter due to lower trading activity this quarter and a gain of 49 million dollars related to the settlement of MBIA in the prior quarter in our fixed income businesses as well as lower origination and lending activity.

Expenses in Capital Markets increased over last year as our businesses expanded in Europe and Asia and we incurred higher infrastructure spend. Compared to last quarter, expenses were down driven by lower earnings.

At this point, I’ll turn the call over to the operator to begin questions and answers. Please limit yourselves to one question, and then re-queue so that everyone has an opportunity to participate.