

Royal Bank of Canada First Quarter Results

February 25, 2015

All amounts are in Canadian dollars and are based on financial statements prepared in compliance with International Accounting Standard 34 *Interim Financial Reporting* unless otherwise noted. Our Q1/2015 Report to Shareholders and 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 and in the accompanying management’s comments and responses to questions during the February 25, 2015 analyst conference call (Q1 presentation), in filings with Canadian regulators or the United States (U.S.) Securities and Exchange Commission (SEC), in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals. The forward-looking information contained in this Q1 presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, insurance, regulatory compliance, operational, strategic, reputation, legal and regulatory environment, competitive and systematic risks and other risks discussed in the Risk management and Overview of other risks sections of our 2014 Annual Report and the Risk management section of our Q1/2015 Report to Shareholders; legal and regulatory environment, anti-money laundering; growth in wholesale credit; the high levels of Canadian household debt; cybersecurity; the business and economic conditions in Canada, the U.S. and certain other countries in which we operate; the effects of changes in government fiscal, monetary and other policies; tax risk and transparency; our ability to attract and retain employees; the accuracy and completeness of information concerning our clients and counterparties; the development and integration of our distribution networks; model, information technology, information management, social media, environmental and third party and outsourcing 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 Q1 presentation are set out in the Overview and outlook section and for each business segment under the heading Outlook and priorities in our 2014 Annual Report, as updated by the Overview section in our Q1/2015 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 management and the Overview of other risks sections in our 2014 Annual Report and in the Risk management section of our Q1/2015 Report to Shareholders.

Information contained in or otherwise accessible through the websites mentioned does not form part of this Q1 presentation. All references in this Q1 presentation to websites are inactive textual references and are for your information only.

Overview

Dave McKay

President and Chief Executive Officer



Record quarterly earnings in Q1/2015

Strong earnings growth

- Record quarter with net income of over \$2.4 billion, up 17% YoY
 - Net income up 12% YoY excluding items in the prior year⁽¹⁾
- Record earnings in Personal & Commercial Banking and Investor & Treasury Services
- Strong performance in Capital Markets
- Continued strength in Insurance
- Solid underlying earnings in Wealth Management

Remain well capitalized

- “All-in” Common Equity Tier 1 ratio of 9.6%

Dividend increase

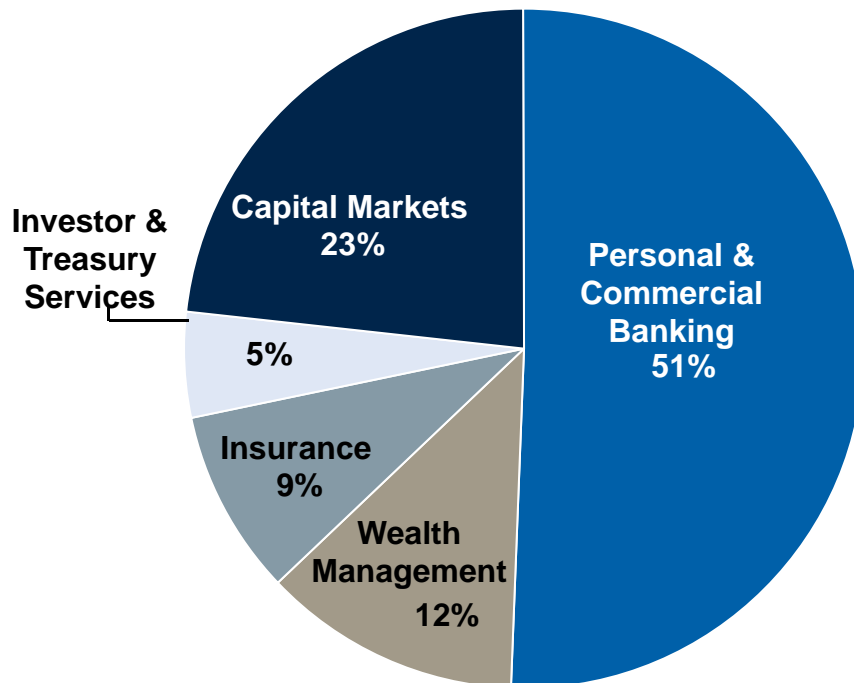
- Announced a quarterly dividend increase of \$0.02 or 3% to \$0.77 per share

RBC's key strengths

- Diversified business mix, with the right balance of retail and wholesale
- Almost two-thirds of revenue from Canada
- Strategic approach in key businesses in the U.S. and select international markets
 - In January 2015, RBC announced the acquisition of City National Corp (NYSE: CYN) which will expand our presence in the U.S. adding to our Wealth Management capabilities; Expected closing in Q4 of calendar 2015

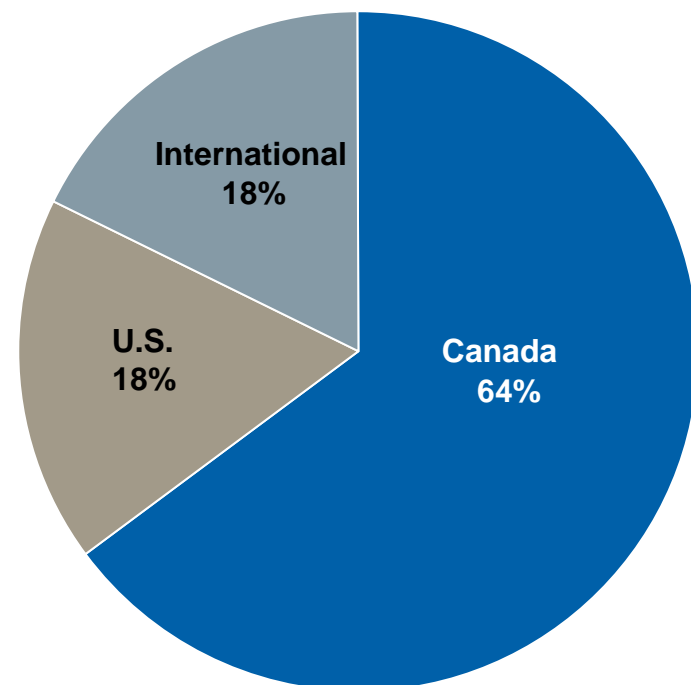
Earnings by business segment⁽¹⁾

Latest twelve months ended January 31, 2015



Revenue by geography⁽¹⁾

Latest twelve months ended January 31, 2015





Key strategic priorities aligned to our long-term goals

Strategic goals

- In Canada, to be the undisputed leader in financial services
- Globally, to be a leading provider of capital markets, investor and wealth management solutions
- In targeted markets, to be a leading provider of select financial services complementary to our core strengths

Strategic priorities

| Personal & Commercial Banking | Wealth Management | Insurance | Investor & Treasury Services (I&TS) | Capital Markets |
|--|--|--|--|---|
| <ul style="list-style-type: none"> ▪ Offering a differentiated experience: value for money, advice, access and service ▪ Making it easier to do business with us and be a low cost producer ▪ Converging into an integrated multi-channel network ▪ Enhancing client experience and improving efficiency in the Caribbean and U.S. | <ul style="list-style-type: none"> ▪ Building a high-performing global asset management business ▪ Focusing on high net worth and ultra-high net worth clients to build global leadership ▪ Leveraging RBC and RBC Wealth Management strengths and capabilities | <ul style="list-style-type: none"> ▪ Improving distribution efficiency and deepening client relationships through cross-sell ▪ Making it easier for clients to do business with us ▪ Pursuing select international opportunities to grow our reinsurance business | <ul style="list-style-type: none"> ▪ Providing excellence in custody and asset servicing, with an integrated funding and liquidity management business ▪ Focusing on organic growth through client relationships, cross-selling and promoting the RBC brand ▪ Leveraging I&TS as a driver of enterprise growth strategies | <ul style="list-style-type: none"> ▪ Maintaining our leadership position in Canada ▪ Expanding and strengthening client relationships in the U.S. ▪ Building on core strengths and capabilities in Europe and Asia ▪ Optimizing capital use to earn high risk-adjusted returns on assets and equity |

Financial Review

Janice Fukakusa

Chief Administrative Officer and Chief Financial Officer





Record quarterly earnings drove ROE of 19.3% in Q1/2015

| (\$ millions, except for EPS and ROE) | Q1/2015 | Q4/2014 | Q1/2014 | |
|--|----------------|-------------|-------------|--|
| | As Reported | As Reported | As Reported | Excluding specified items ⁽¹⁾ |
| Revenue | \$9,644 | \$8,382 | \$8,460 | \$8,460 |
| Net income | \$2,456 | \$2,333 | \$2,092 | \$2,184 |
| Diluted earnings per share (EPS) | \$1.65 | \$1.57 | \$1.38 | \$1.44 |
| Return on common equity (ROE) ⁽²⁾ | 19.3% | 19.0% | 18.1% | 18.9% |

Earnings up \$364 million or 17% YoY; Adjusted earnings up \$272 million or 12% YoY⁽¹⁾

- Record earnings in Personal & Commercial Banking reflecting:
 - Record quarter in Canadian Banking on strong fee-based revenue growth of 13%, and solid volume growth of 5%
 - Higher earnings in Caribbean banking
- Strong performance in Capital Markets reflecting higher trading revenue, M&A activity and loan book growth
- Continued strength in Insurance reflecting two new U.K. annuity contracts
- Record earnings in Investor & Treasury Services due to increased client activity in our foreign exchange businesses

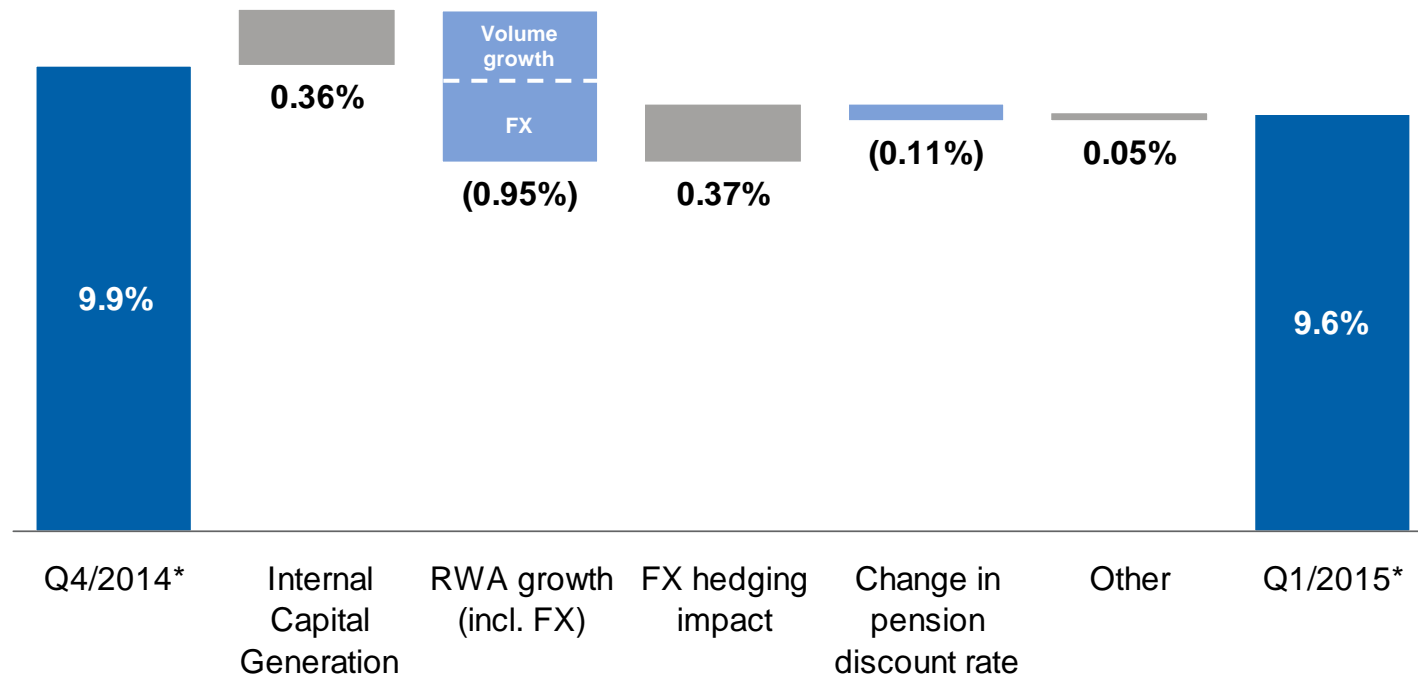
Earnings up \$123 million or 5% QoQ

- Higher trading revenue and M&A activity in Capital Markets
- Lower PCL in Caribbean banking and Capital Markets

First Quarter 2015 Results

(1) Earnings excluding specified items are non-GAAP measures. For more information see slides 32 and 33. (2) ROE does not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions.

Strong Basel III Common Equity Tier 1 (CET1) ratio⁽¹⁾ of 9.6%



- CET1 ratio down ~30 bps from Q4/2014 as internal capital generation was more than offset by higher risk-weighted assets reflecting both foreign exchange translation and business growth
 - Our FX hedging activities offset some of the growth in risk-weighted assets
- Impact of a lower discount rate used to determine our pension obligations also contributed to the decrease

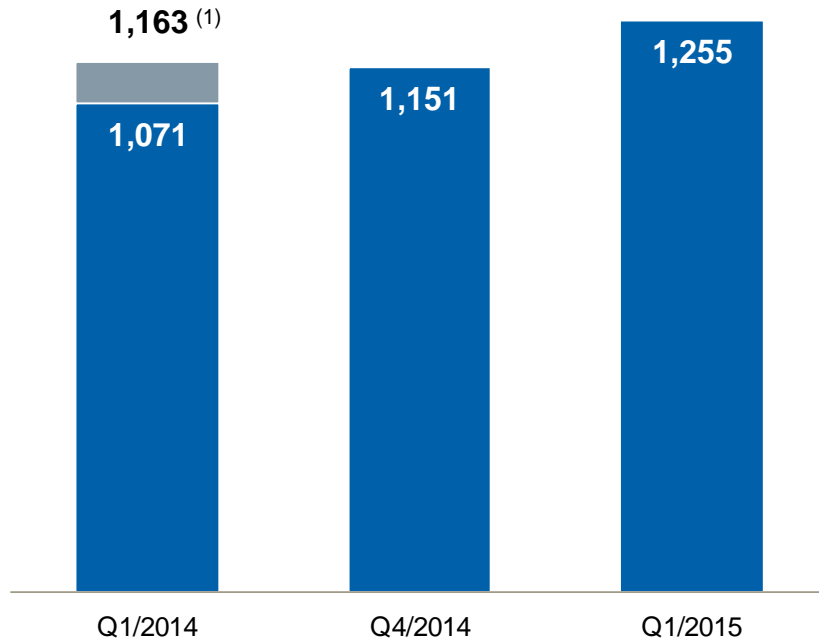
Remain well capitalized



Record earnings in Personal & Commercial Banking

Net Income – P&CB

(\$ millions)



| Percentage Change | YoY | QoQ |
|---------------------------------------|-----|-----|
| Reported Net Income | 17% | 9% |
| Adjusted Net Income ⁽¹⁾⁽²⁾ | 8% | - |

Q1/2015 Highlights

Canadian Banking

- Record net income of \$1,220 million, up 7% YoY
 - Strong growth in fee-based revenue, up 13% YoY, primarily from mutual fund distribution fees and card service revenue
 - Volume growth of 5% YoY
- Expenses reflect higher staff and infrastructure costs in support of business growth as well as higher marketing costs
- NIM of 2.68%, up 2 bps QoQ; down 1 bp QoQ excluding certain accounting adjustments last quarter (see slide 24)⁽²⁾

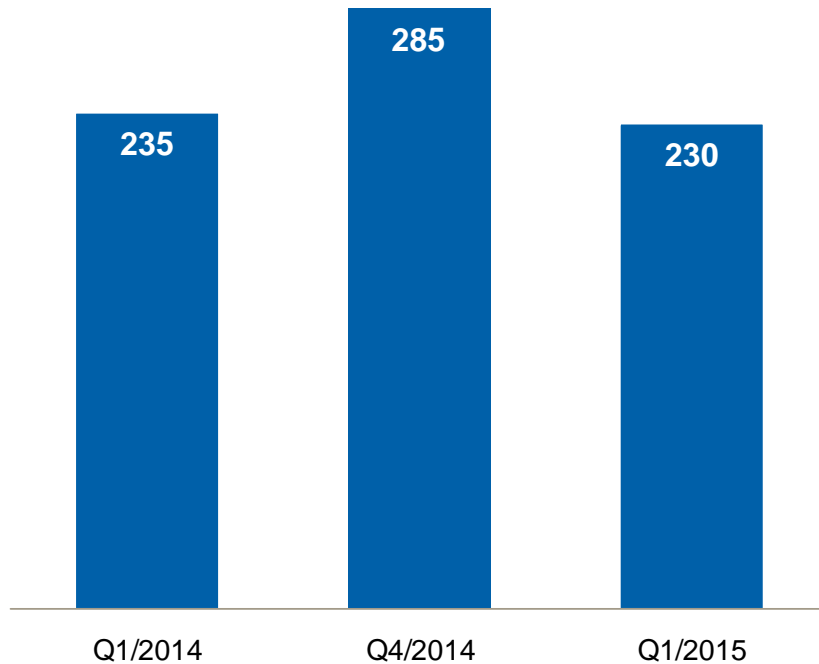
Caribbean & U.S. Banking

- Net income of \$35 million
 - Driven by efficiency management activities and implementation of full service pricing in the Caribbean

Solid underlying results in Wealth Management

Net Income

(\$ millions)



| Percentage Change | YoY | QoQ |
|-------------------|------|-------|
| Net Income | (2%) | (19%) |

Q1/2015 Highlights

- Net income of \$230 million, down 2% YoY and down 19% QoQ
 - Reflects restructuring costs of \$27 million after-tax related to our U.S. and International Wealth Management businesses
 - PCL of \$13 million on a couple of international accounts
- Solid underlying earnings from growth in average fee-based client assets
 - Global Asset Management client assets up 14% YoY and 6% QoQ
 - Canadian Wealth Management client assets up 14% YoY and 3% QoQ⁽¹⁾

| | Amount (\$ billions) | YoY | QoQ |
|-------------------------|-------------------------|-----|-----|
| AUA | \$768 | 14% | 7% |
| AUM | \$480 | 17% | 6% |
| Loans ⁽²⁾ | \$18 | 22% | 6% |
| Deposits ⁽²⁾ | \$40 | 14% | 5% |

First Quarter 2015 Results

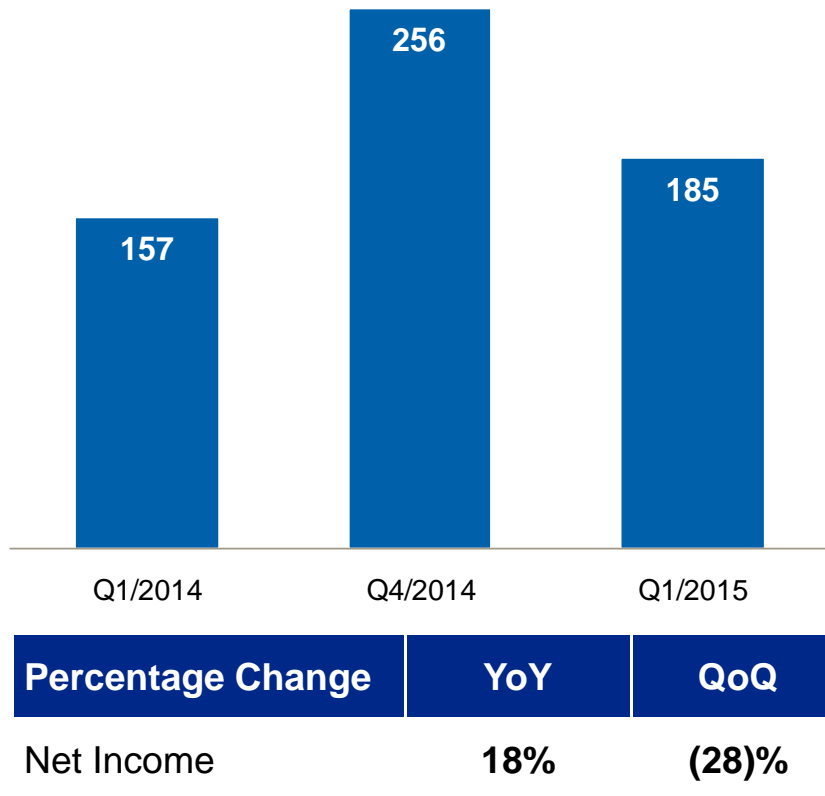
(1) Growth in client assets excludes the impact of a transfer of \$13 billion in AUA and \$1.7 billion in AUM in our international private banking businesses in Canada from Canadian Wealth Management to U.S. & International Wealth Management in Q1/2015.

(2) Average balances.

Continued strength in Insurance

Net Income

(\$ millions)



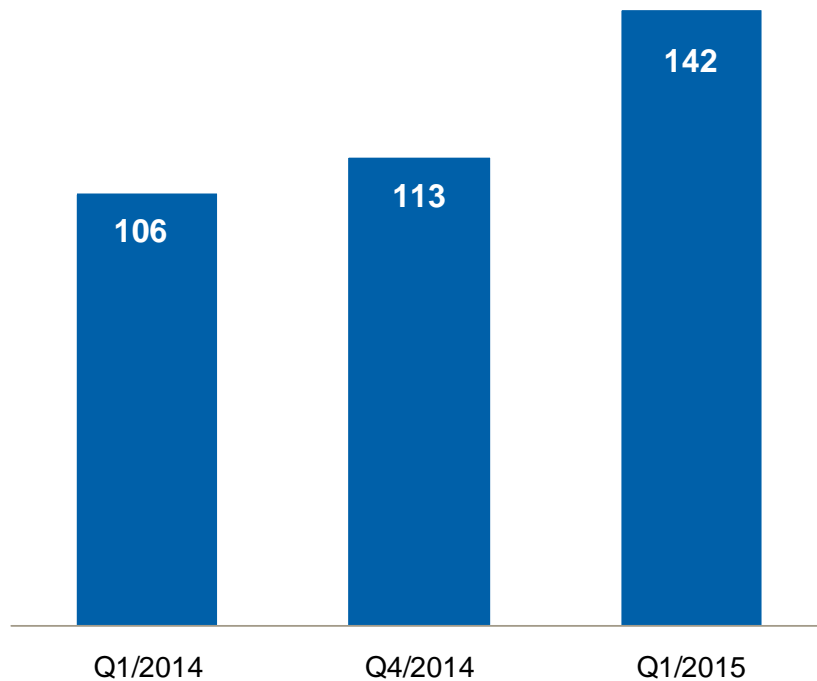
Q1/2015 Highlights

- Net income of \$185 million, up 18% YoY
 - Higher earnings from two new U.K. annuity contracts
 - Improved claims and policyholder experience
 - Market-related net investment gains
 - Higher taxes resulting from a change in tax legislation impacting certain foreign affiliates effective November 1, 2014
- Net income down 28% QoQ
 - Prior quarter results favourably impacted by:
 - Actuarial adjustments resulting from management actions and assumption changes
 - A cumulative adjustment related to outstanding claims in our life retrocession business
 - Higher taxes as noted above

Record earnings in Investor & Treasury Services

Net Income

(\$ millions)



| Percentage Change | YoY | QoQ |
|-------------------|-----|-----|
| Net Income | 34% | 26% |

Q1/2015 Highlights

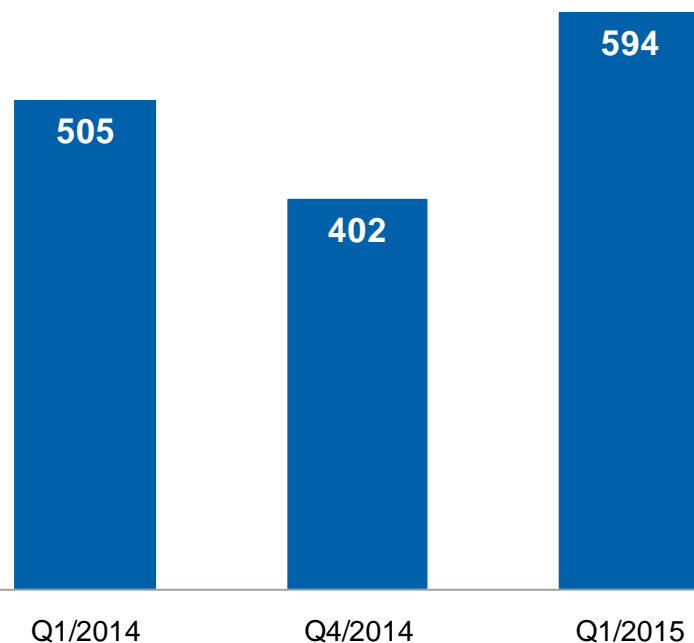
- Net income of \$142 million, up 34% YoY
 - Higher client activity in our foreign exchange businesses reflecting favourable market conditions and increased market volatility
 - Higher custodial fees
- Net income up 26% QoQ
 - Higher client activity in our foreign exchange forwards business
 - Higher funding and liquidity revenue
- Strong operating leverage reflecting efficiency management activities

Strong earnings in Capital Markets



Net Income

(\$ millions)



| Percentage Change | YoY | QoQ |
|-------------------|-----|-----|
| Net Income | 18% | 48% |

Q1/2015 Highlights

- Net income of \$594 million, up 18% YoY
 - Higher revenue growth across most trading businesses
 - Higher M&A activity in Canada and the U.S.
 - Higher lending revenue and debt origination
 - Lower loan syndication and equity issuance activity
- Net income up 48% QoQ
 - Higher equity and fixed income trading revenue
 - Higher M&A activity, primarily in the U.S.
 - Prior quarter was unfavourably impacted by the implementation of FVA⁽¹⁾ and exit of certain proprietary trading strategies in the compliance with the Volcker Rule⁽²⁾
- Favourable impact of foreign exchange translation also contributed to the increase in both periods

(1) Q4/2014 results include a charge of \$105MM (\$51MM after-tax and variable compensation) reflecting the implementation of valuation adjustments related to funding costs on uncollateralized over-the-counter derivatives (FVA). For further information, refer to Note 2 of our audited 2014 Annual Consolidated Financial Statements. (2) Q4/2014 results include \$75MM (\$46MM after tax and variable compensation) in lower trading revenue (\$69MM) and costs (\$6MM) associated with the exit of certain proprietary trading strategies in compliance with the Volcker Rule.

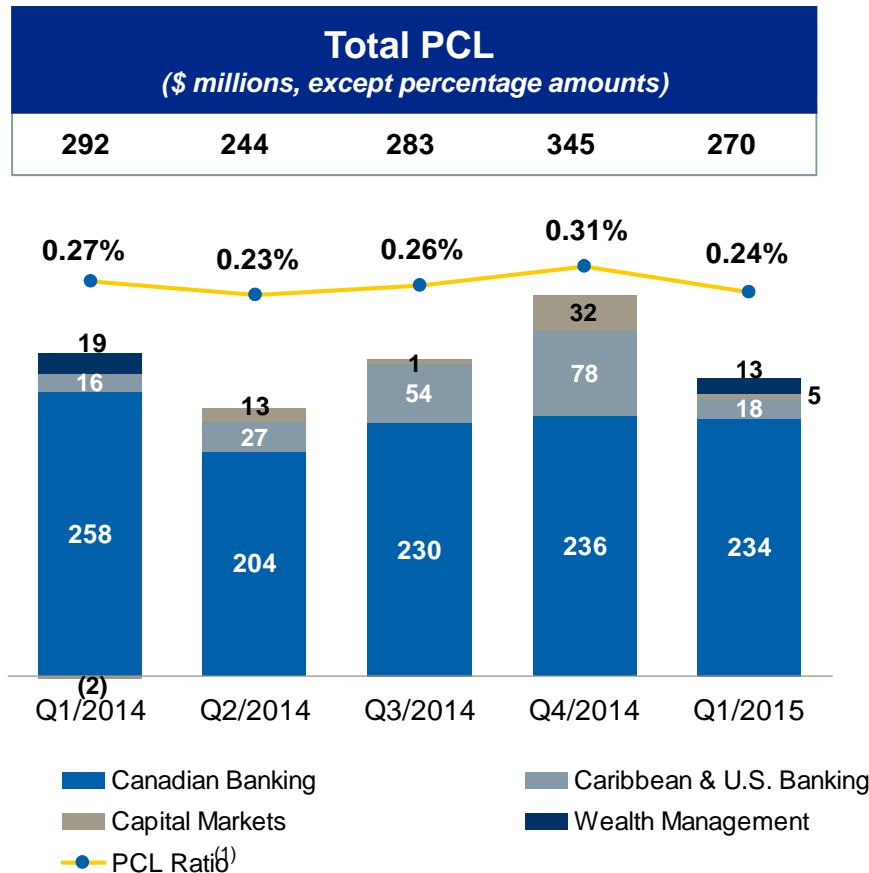
Risk Review

Mark Hughes

Chief Risk Officer



Credit quality remains strong



Personal & Commercial Banking (P&CB)

- Caribbean & U.S. Banking PCL was down \$60 million as the prior quarter included increased provisions on our impaired residential mortgages portfolio in the Caribbean
- Canadian Banking PCL was down \$2 million or 1% QoQ primarily due to lower provisions in commercial lending, partially offset by higher credit card write-offs

Capital Markets

- PCL of \$5 million, largely due to a single account in the Utilities sector

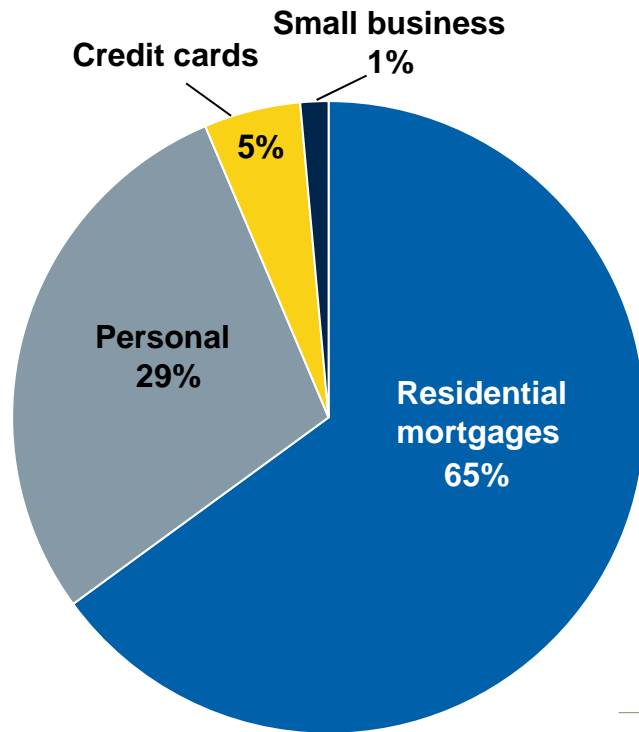
Wealth Management

- PCL of \$13 million reflecting provisions on a couple of international accounts

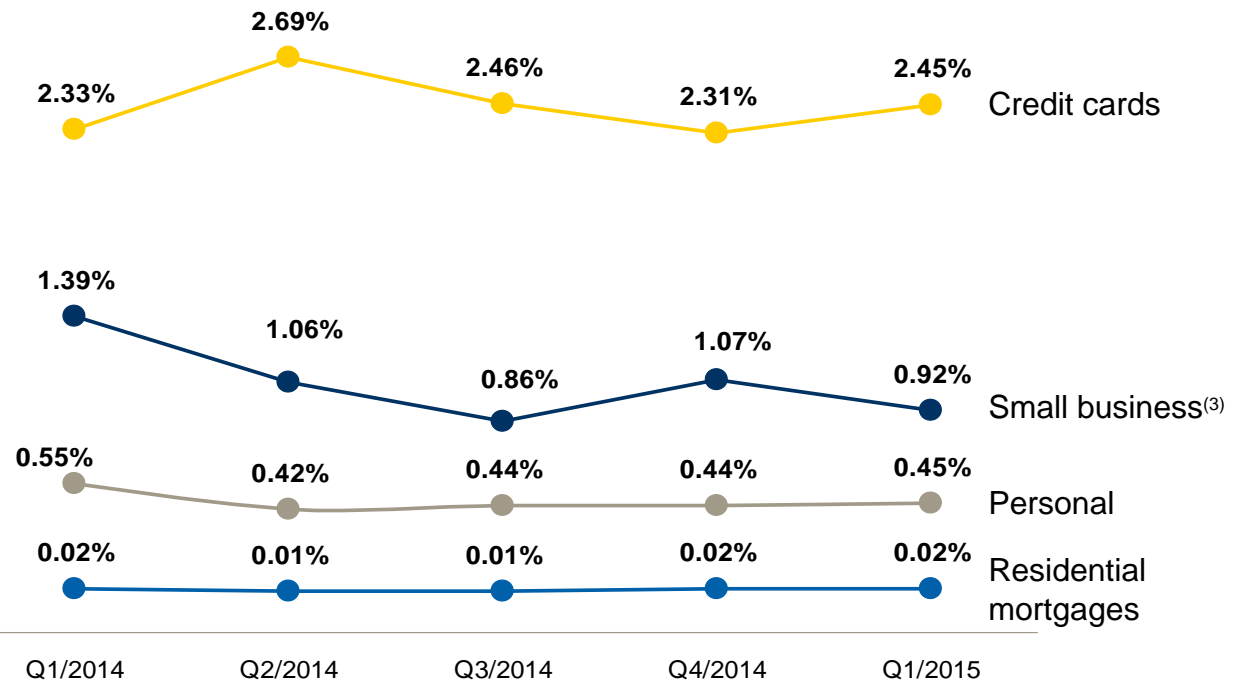
| Selected PCL Ratios | Q1/2014 | Q2/2014 | Q3/2014 | Q4/2014 | Q1/2015 |
|-------------------------------|---------|---------|---------|---------|--------------|
| Personal & Commercial Banking | 0.31% | 0.27% | 0.32% | 0.35% | 0.28% |
| Canadian Banking | 0.30% | 0.25% | 0.26% | 0.27% | 0.26% |
| Capital Markets | (0.01)% | 0.08% | 0.01% | 0.19% | 0.03% |

Stable credit quality in Canadian Banking retail portfolio

Average retail loans (\$298 billion)⁽¹⁾



PCL Ratio⁽²⁾ by product



Canadian Banking's credit performance continues to be strong

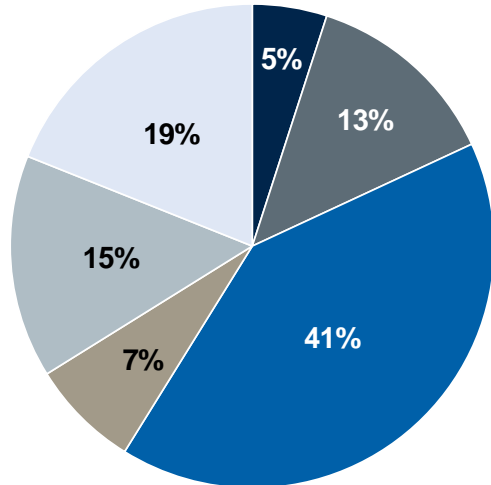
(1) As at January 31, 2015.
 (2) PCL ratio is PCL on impaired loans as a percentage of average net loans & acceptances (annualized).
 (3) In Q1/2015 we retroactively reclassified certain small business loans as personal loans.

Diversified residential mortgage portfolio in Canadian Banking

Canadian Residential Mortgage Portfolio: \$194 billion⁽¹⁾

Geographic Diversification

As at January 31, 2015

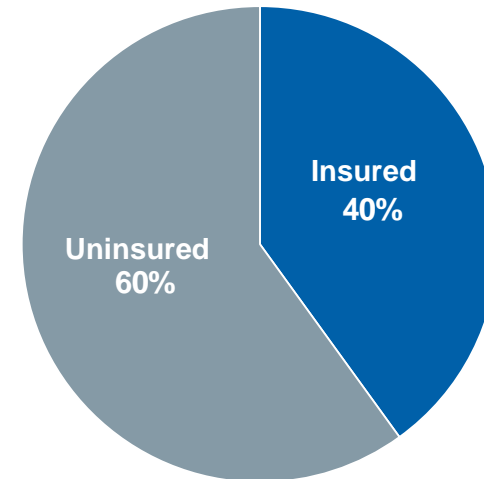


- Atlantic
- Quebec
- Ontario
- Man/Sask
- Alberta
- British Columbia

- Broad geographic diversification across Canada

Insured vs. Uninsured mortgages⁽²⁾

As at January 31, 2015



- Strong underwriting practices resulting in continued low loss rates and stable delinquency rates with good LTV coverage and low exposure to condo market

Condo Exposures

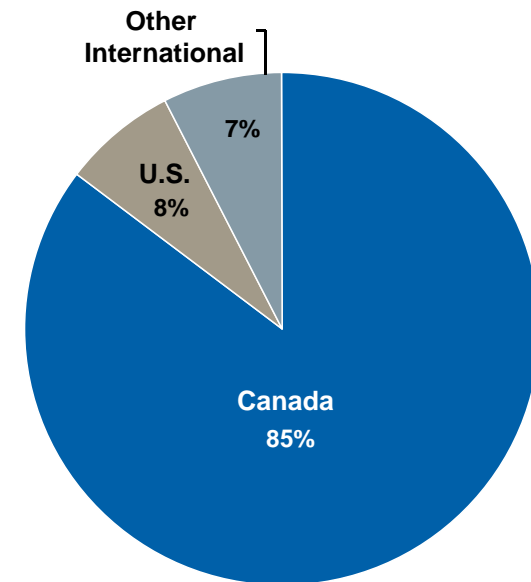
As at January 31, 2015

- Condo exposure is 9.6%⁽³⁾ of Canadian residential mortgage portfolio
- Total exposure to condo developers is \$3.8 billion
 - Drawn exposure of \$1.6 billion, representing 2% of our commercial loan book, and undrawn exposure of \$2.2 billion

Loans are well diversified by portfolio and industry

| <i>Loans and Acceptances</i> ⁽¹⁾ (\$ millions) | Q1/2015 | % of Total |
|---|----------------|---------------|
| Residential mortgages | 221,558 | 48.0% |
| Personal | 95,994 | 20.8% |
| Credit cards | 14,922 | 3.2% |
| Small business | 4,029 | 0.9% |
| Total Retail | 336,503 | 72.9% |
| Real estate and related | 32,506 | 7.0% |
| Energy ⁽²⁾ | | |
| Oil & Gas | 6,901 | 1.5% |
| Utilities | 5,042 | 1.1% |
| Sovereign & Bank | 6,940 | 1.5% |
| Consumer goods | 6,933 | 1.5% |
| Automotive | 6,612 | 1.4% |
| Agriculture | 5,893 | 1.3% |
| Non-bank financial services | 5,719 | 1.2% |
| Transportation and environment | 5,661 | 1.2% |
| Technology and media | 5,351 | 1.2% |
| Industrial products | 4,999 | 1.1% |
| Mining and metals | 1,518 | 0.3% |
| Forest products | 1,077 | 0.2% |
| Other ⁽³⁾ | 30,394 | 6.6% |
| Total Wholesale | 125,546 | 27.1% |
| Total loans and acceptances | 462,049 | 100.0% |

Breakdown by region of total loans and acceptances (Q1/2015)



First Quarter 2015 Results

(1) Does not include letters of credit or guarantees

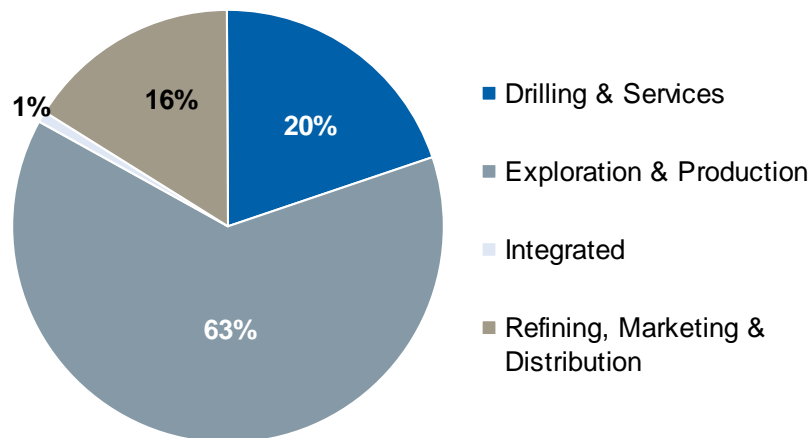
(2) In Q1/2015, we enhanced our disclosure on our energy loan book to now provide the breakdown between oil and gas and utilities exposure. Excludes letters of credit and guarantees.

(3) Other in Q1/2015 related to financing products, \$5.0 billion; health, \$4.7 billion; holding and investments, \$7.3 billion; other services, \$8.8 billion; and other, \$4.6 billion.

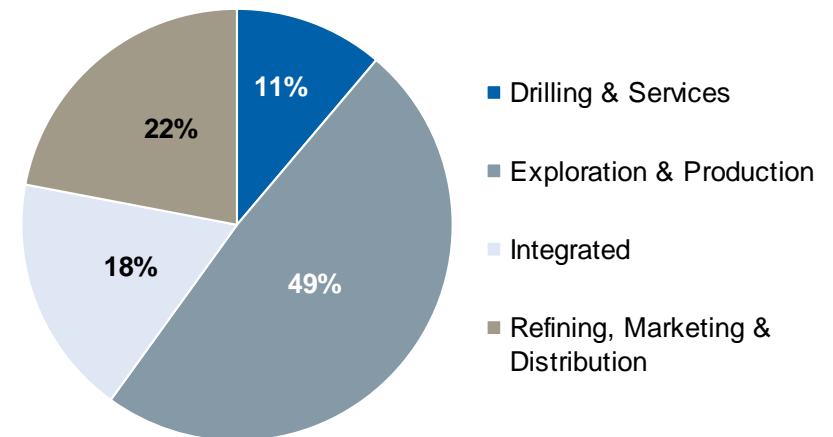
Wholesale Oil and Gas exposure manageable

- Oil and gas represents just under 1.5% of our total loans and acceptances
 - To date, we have not seen any significant credit weakness in our loan book
- We continue to actively manage our loan portfolio and perform stress testing

Oil and Gas Outstanding loans (\$6.9 BN)
(Q1/2015)



Oil and Gas Undrawn Commitments (\$11.9 BN)⁽¹⁾
(Q1/2015)



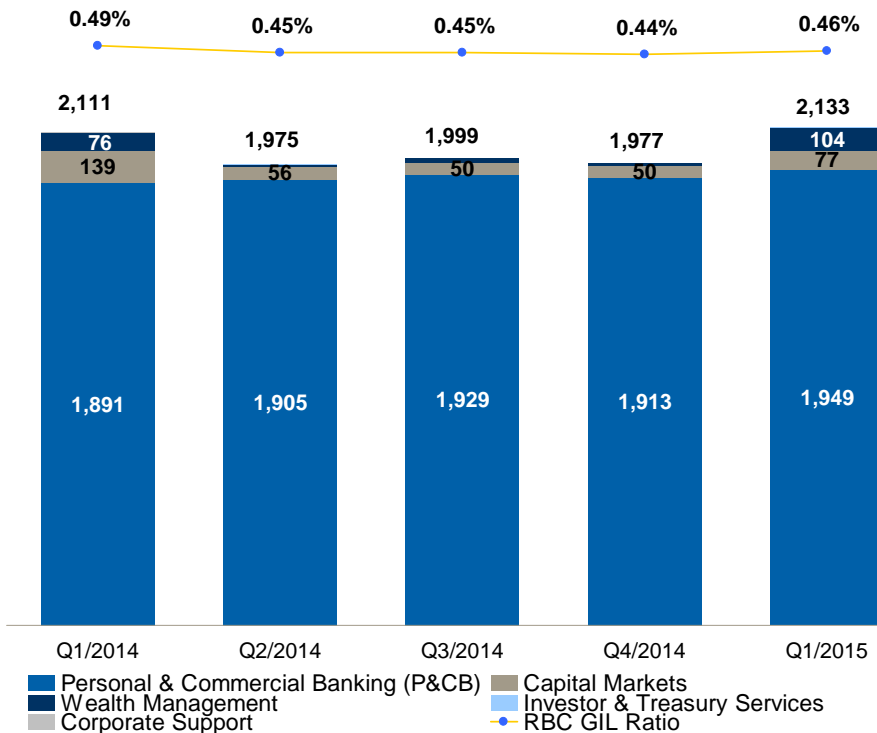
Oil and gas represents under 1.5% of RBC total loans



Gross Impaired Loans and Formations

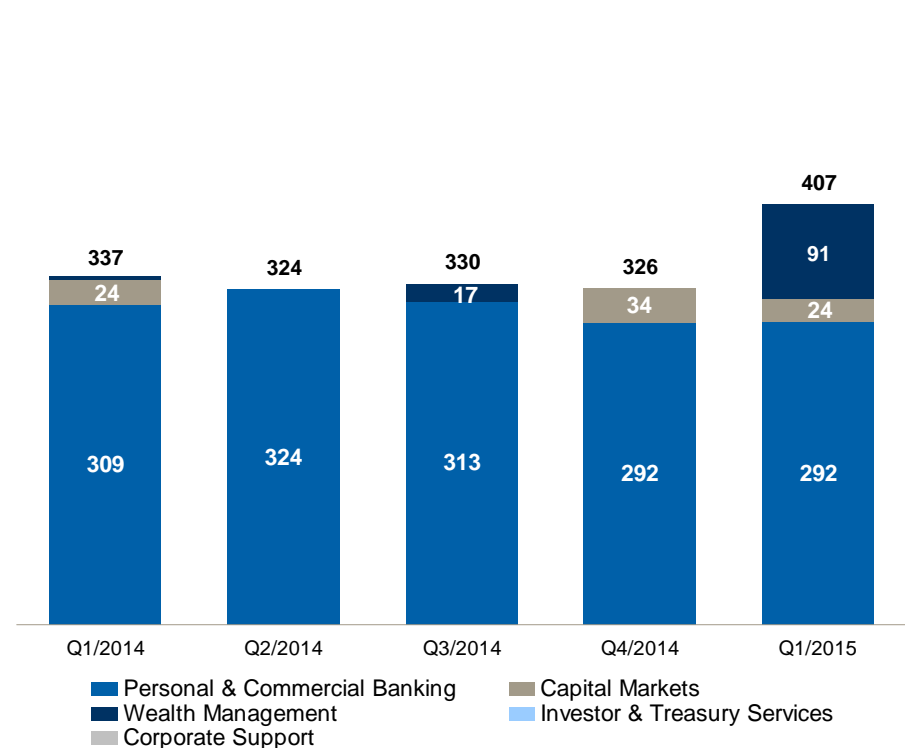
Gross Impaired Loans (GIL)

(\$ millions, except percentage amounts)



New Impaired Formations

(\$ millions)

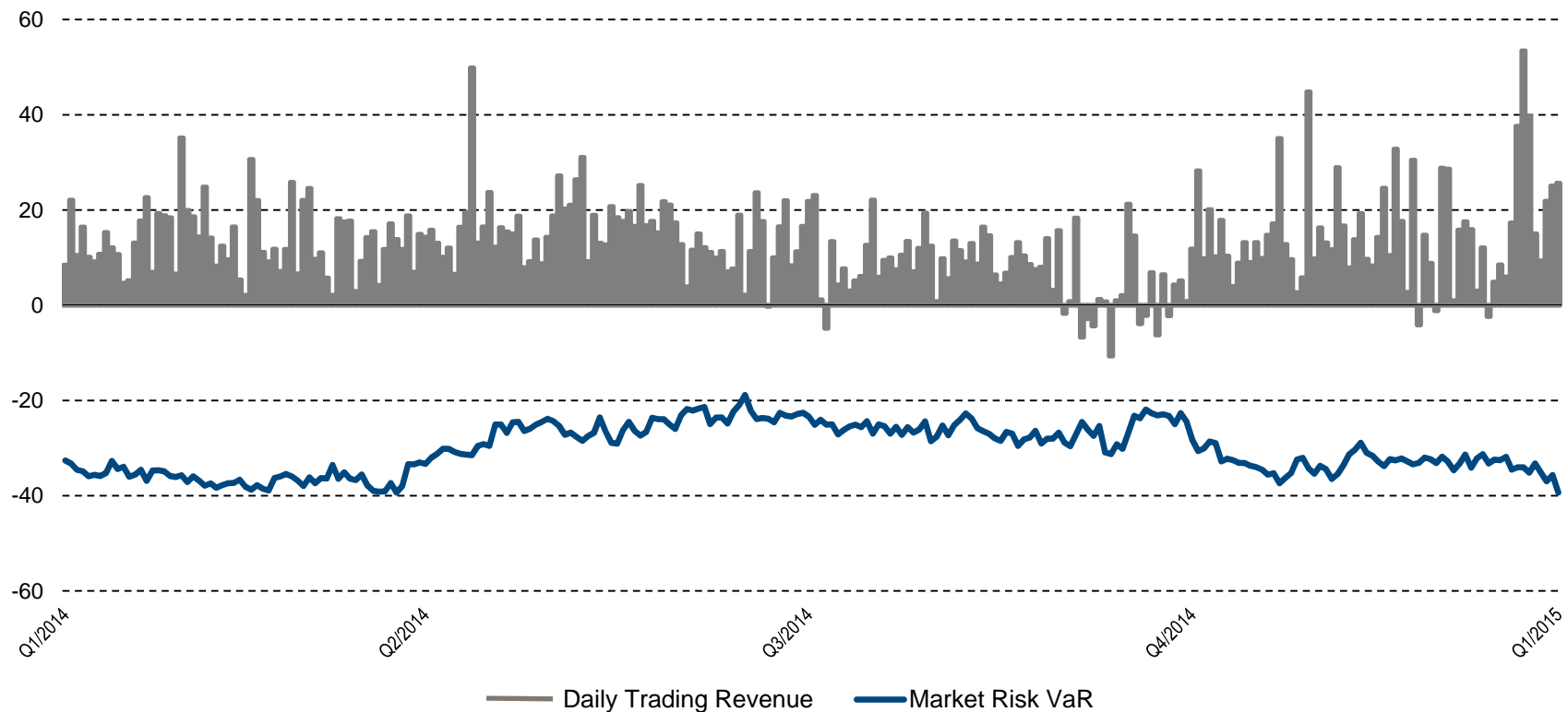


| GIL Ratio by Segment ⁽¹⁾ | Q1/2014 | Q2/2014 | Q3/2014 | Q4/2014 | Q1/2015 |
|-------------------------------------|---------|---------|---------|---------|--------------|
| P&CB | 0.54% | 0.55% | 0.55% | 0.53% | 0.54% |
| Canadian Banking | 0.35% | 0.36% | 0.33% | 0.32% | 0.31% |
| Capital Markets | 0.23% | 0.09% | 0.08% | 0.07% | 0.10% |
| Wealth Management | 0.52% | 0.07% | 0.10% | 0.07% | 0.58% |

- Total Gross Impaired Loans and New Impaired Formations increased from the prior quarter largely due to provisions on a couple of international accounts in Wealth Management

Trading Revenue and VaR

(in millions)



- Strong growth in trading revenue reflecting increased client activity and improved market conditions including increased volatility
- Q4/2014 was unfavourably impacted by the implementation of FVA⁽¹⁾ and exit of certain proprietary trading strategies in compliance with the Volcker Rule⁽²⁾ during a period of increased market volatility in October

First Quarter 2015 Results

(1) For further information on FVA implementation, refer to footnote 1 on slide 13.

(2) For further information on the exit of certain proprietary trading strategies, refer to footnote 2 on slide 13.

Appendices



Continued leadership in Canadian Banking



| Canadian Market Share | Q1/2015 | | Q1/2014 | |
|--|---------|-----------------------------|---------|-----------------------------|
| | Rank | Market Share ⁽¹⁾ | Rank | Market Share ⁽¹⁾ |
| Consumer Lending ⁽²⁾ | 1 | 23.7% | 1 | 23.6% |
| Personal Core Deposits + GICs | 2 | 20.3% | 2 | 20.0% |
| Long-Term Mutual Funds ⁽³⁾ | 1 | 14.4% | 1 | 14.1% |
| Business Loans ⁽⁴⁾ (\$0 - \$25 million) | 1 | 25.2% | 1 | 24.9% |
| Business Deposits ⁽⁵⁾ | 1 | 26.2% | 1 | 26.1% |

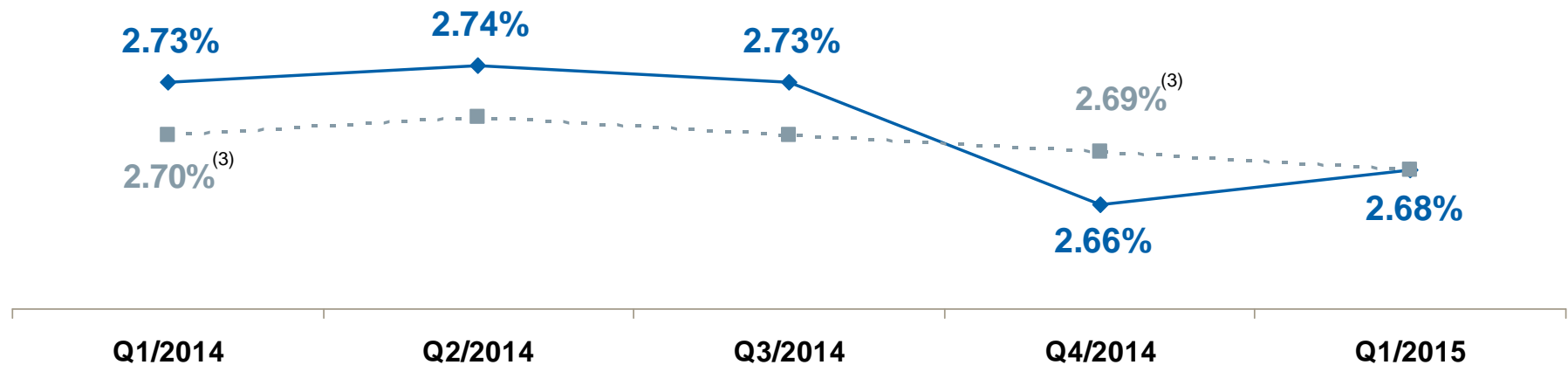
- #1 or #2 position in all key Canadian Retail Banking products and in all business products
 - Personal Core Deposits and GICs market share up ~30 bps YoY
 - Business loans under \$25 million up ~30 bps YoY

(1) Market share is calculated using most current data available from OSFI (M4), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA). OSFI, IFIC and Consumer Lending CBA data is at October 2014 and October 2013, Business Loans CBA data is at September 2014 and September 2013. Market share is of total Chartered Banks except for Business Loans which is of total 7 Banks (RBC, BMO, BNS, CIBC, TD, NBC, CWB). (2) Consumer Lending market share is of 6 banks (RBC, TD, CIBC, BMO, BNS and National). Consumer Lending comprises residential mortgages (excluding acquired portfolios), personal loans and credit cards. (3) Mutual fund market share is per IFIC and is compared to total industry. (4) Business Loans market share is of the 9 Chartered Banks that submit to CBA on a quarterly basis. (5) Business Deposits market share excludes Fixed Term, Government and Deposit Taking Institution balances.

Leadership in most personal products and in all business products

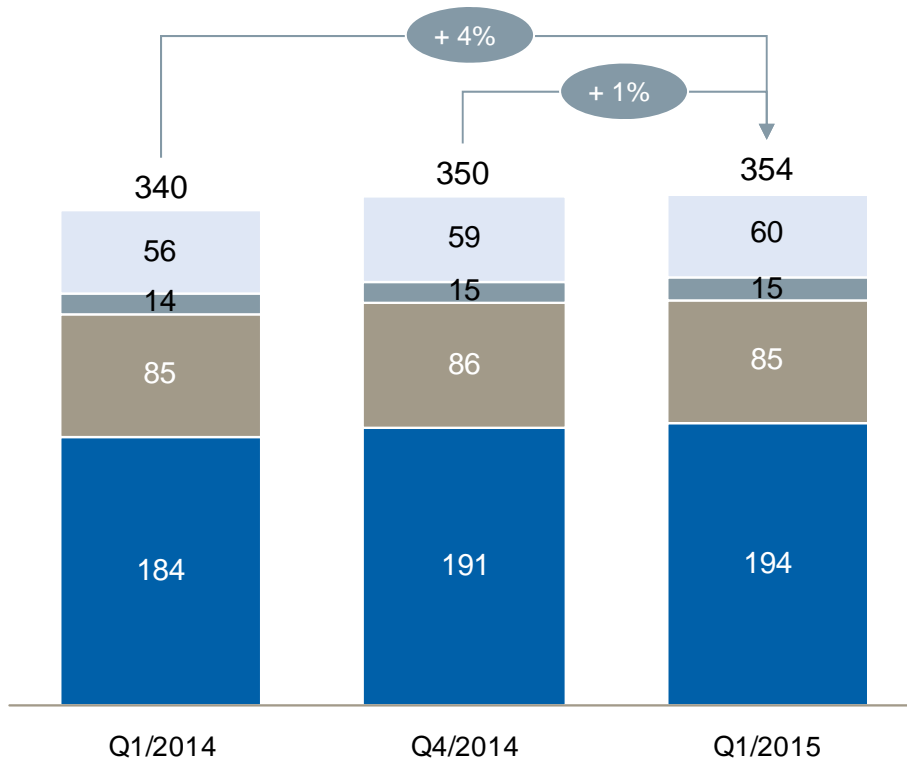
Canadian Banking net interest margin ⁽¹⁾⁽²⁾

- Net interest margin (NIM) was up 2 bps QoQ or down 1 bp excluding certain accounting adjustments from the prior quarter which reduced margins by 3 bps
- NIM was down 5 bps YoY or down 2 bps excluding the change in the recording of certain business loan fees in the prior quarter which reduced margins by 3 bps
- Margins continue to reflect competitive pressures and the low interest rate environment



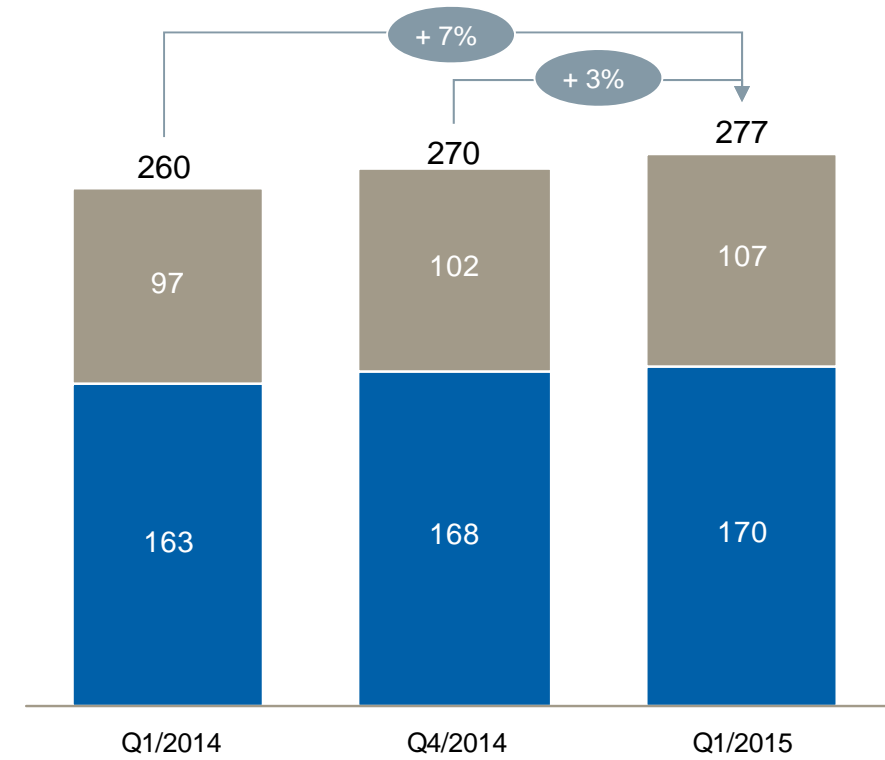
Continued volume growth in Canadian Banking

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



| Percentage Change ⁽¹⁾ | | YoY | QoQ |
|----------------------------------|---|------|--------|
| Business (inc. small business) | ■ | 6.6% | 1.5% |
| Credit Cards | ■ | 5.7% | 2.1% |
| Personal Lending | ■ | 0.2% | (0.6)% |
| Residential Mortgages | ■ | 5.0% | 1.4% |

Average deposits⁽²⁾
(\$ billions)



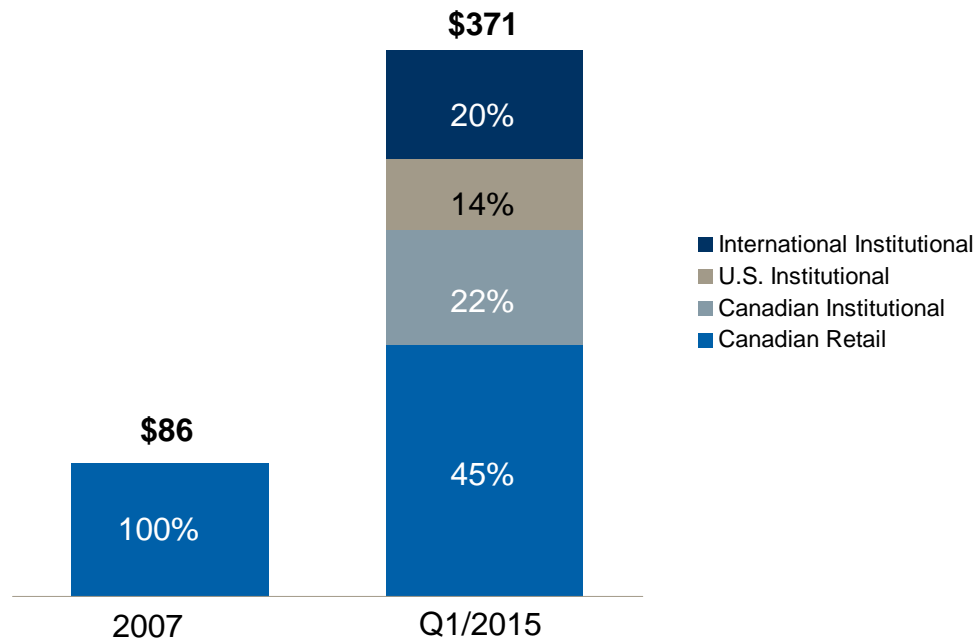
| Percentage Change ⁽²⁾ | | YoY | QoQ |
|----------------------------------|---|------|------|
| Business Deposits | ■ | 9.6% | 4.8% |
| Personal Deposits | ■ | 4.9% | 1.4% |

Combined loan and deposit growth of 5.2% YoY

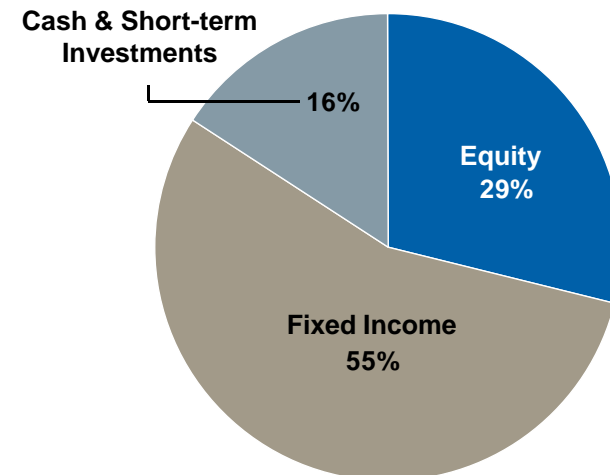
(1) Total loans & acceptances and percentage change may not reflect the average loans & acceptances balances for each loan type shown due to rounding.
 (2) Total deposits and percentage change may not reflect the average deposits for each deposit type shown due to rounding.

Continuing to diversify our Asset Management business

AUM by Client segment⁽¹⁾
(\$ billions)



AUM by Asset class⁽¹⁾

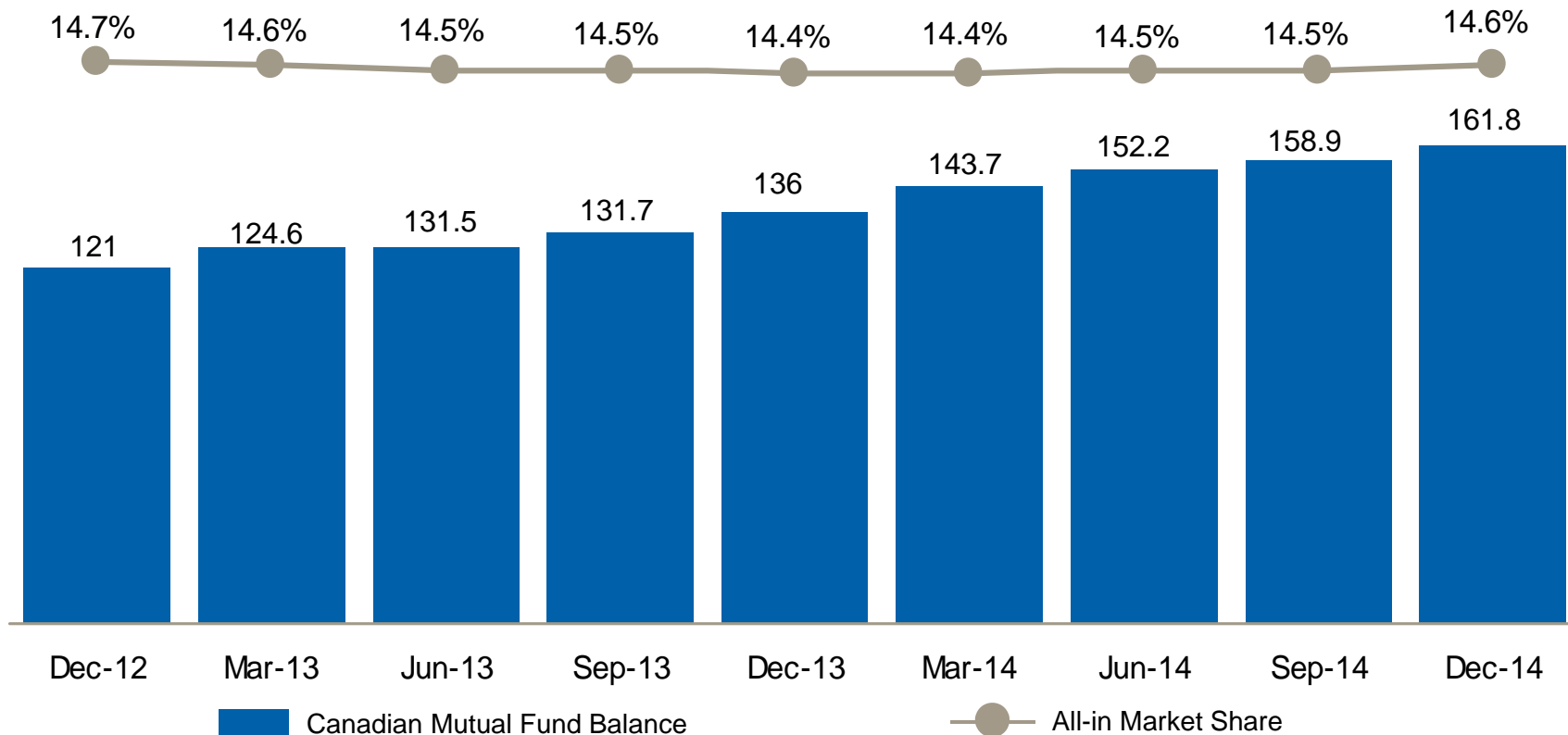


- Extending our leadership position in Canada in both retail and institutional asset management
- Continuing to see momentum in our international institutional business driven by market share gains in higher fee-based solutions such as equities and credit strategies

Strong growth in Canadian retail assets under management

Canadian mutual fund balances and market share⁽¹⁾

(\$ billions, except percentage amounts)



- For the 14th quarter in a row, RBC Global Asset Management (GAM) ranked #1 in market share, capturing 33% of share amongst banks and 14.6% all-in.⁽¹⁾
- Long-term fund assets increased 38% since Dec 2012, with GAM capturing 18% of industry sales



Capital Markets revenue – diversified by business

| (\$ millions) | Q1/2015 | Q4/2014 | Q1/2014 | QoQ | YoY |
|---|----------------|----------------|----------------|-------------|-------------|
| Investment banking | 440 | 414 | 417 | 6% | 6% |
| Lending and other | 446 | 432 | 409 | 3% | 9% |
| Corporate & Investment Banking | \$886 | \$846 | \$826 | 5% | 7% |
| Fixed income, currencies and commodities (FICC) | 488 | 229 | 497 | n.m. | -2% |
| Global equities (GE) | 349 | 236 | 229 | 48% | 52% |
| Repo and secured financing | 312 | 256 | 218 | 22% | 43% |
| Global Markets (teb)⁽¹⁾ | \$1,149 | \$721 | \$944 | 59% | 22% |
| Other⁽¹⁾ | \$(2) | \$(68) | \$40 | n.m. | n.m. |
| Capital Markets total revenue (teb) | \$2,033 | \$1,499 | \$1,810 | 36% | 12% |

Corporate & Investment Banking

- QoQ increase driven by higher M&A activity, higher debt underwriting and continued growth in lending, partially offset by lower equity underwriting
- YoY increase largely driven by solid growth in the U.S. and European corporate lending. Investment banking fees were up as higher M&A activity and debt underwriting more than offset softer equity underwriting and loan syndication

Global Markets

- QoQ increase driven by strong growth in fixed income and solid equities trading revenue reflecting increased client activity and improved market conditions including increased volatility
 - Prior quarter was unfavourably impacted by the implementation of FVA⁽²⁾ and exit of certain proprietary trading strategies in the compliance with the Volcker Rule⁽¹⁾
- YoY increase driven by strong equities trading revenue partially offset by lower fixed income trading revenue



Capital Markets revenue – diversified by geography

| (\$ millions) | Q1/2015 | Q4/2014 | Q1/2014 | QoQ | YoY |
|--|----------------|----------------|----------------|-------------|------------|
| Canada | 569 | 540 | 552 | 5% | 3% |
| U.S. | 1,174 | 907 | 1,072 | 29% | 10% |
| Europe | 255 | 198 | 218 | 29% | 17% |
| Asia and Other | 64 | 48 | 45 | 33% | 42% |
| Geographic revenue excluding certain items⁽¹⁾ | \$2,062 | \$1,693 | \$1,887 | 22% | 9% |
| <i>Add / (Deduct):</i> | | | | | |
| CVA / FVA, net of hedges ⁽²⁾⁽³⁾ | (29) | (125) | (17) | | |
| Fair value adjustment on RBC debt ⁽²⁾⁽⁴⁾ | - | - | (60) | | |
| Exit of certain proprietary trading strategies ⁽⁵⁾⁽⁶⁾ | - | (69) | - | | |
| Capital Markets total revenue (teb) | \$2,033 | \$1,499 | \$1,810 | 36% | 12% |
| Capital Markets non-trading revenue ⁽⁷⁾ | 1,178 | 1,107 | 1,077 | 6% | 9% |
| Capital Markets trading revenue (teb) | \$855 | \$392 | \$733 | n.m. | 17% |
| Capital Markets trading revenue (teb) excl. certain items⁽¹⁾ | \$884 | \$586 | \$810 | 51% | 9% |

Canada

- QoQ increase driven by strong fixed income trading revenue, higher M&A activity and growth in secured financing, partially offset by lower equity underwriting

U.S.

- QoQ increase driven by strong equity and fixed income trading revenue as well as higher M&A activity and debt underwriting, partially offset by weaker equity underwriting. Results were also favourably impacted by foreign exchange translation

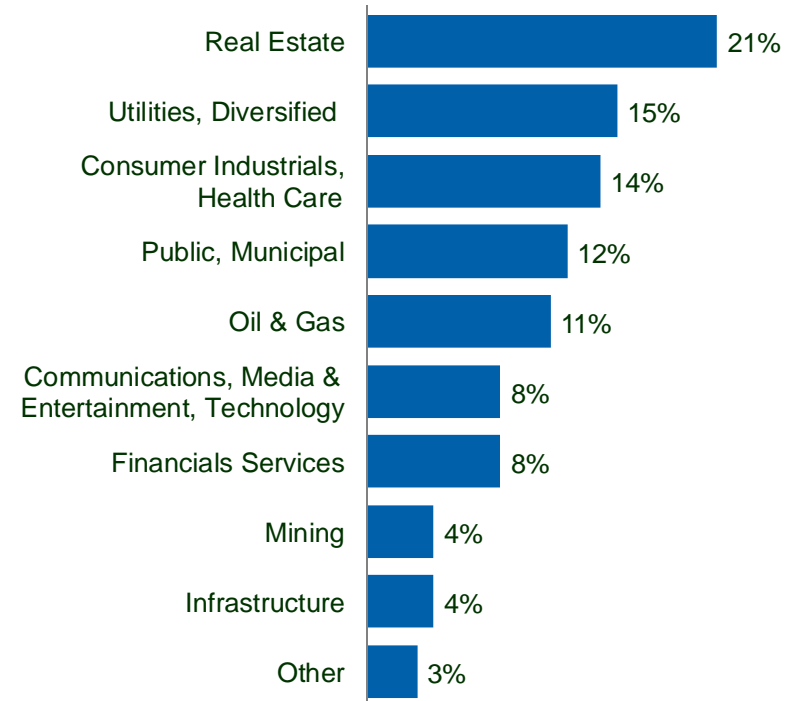
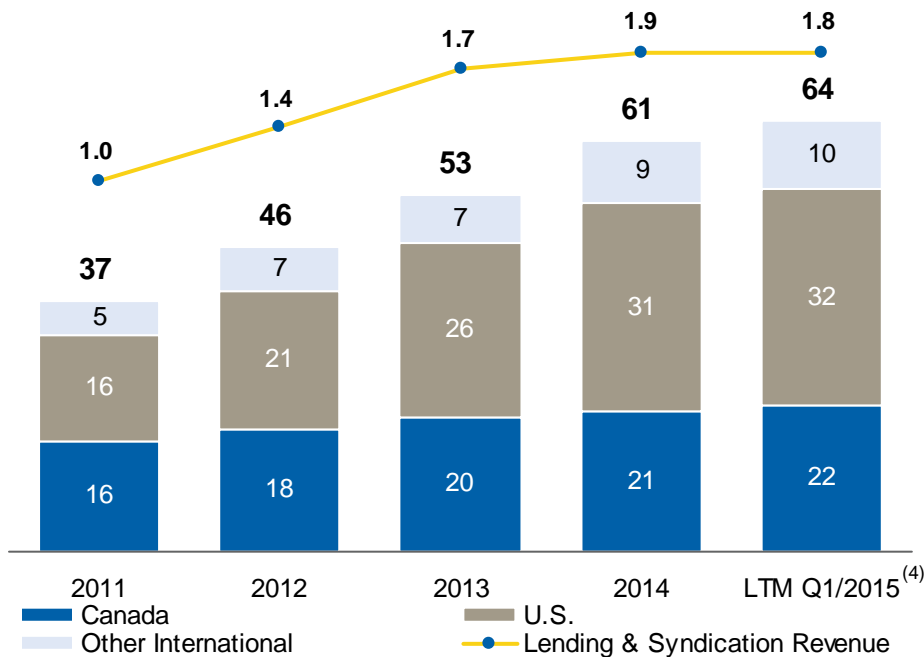
Europe

- QoQ increase driven by higher fixed income trading revenue driven by improvements in our FICC business, higher loan syndication fees, as well as growth in lending revenue

Prudently growing Capital Markets' loan book

Lending and Syndication Revenue and Loans Outstanding by Region⁽¹⁾ (\$ billions)

Loans Outstanding by Industry⁽¹⁾ Q1/2015



- Diversification driven by strict limits on single name, country, industry and product levels across all businesses, portfolios, transactions and products
- Consistent lending standards throughout the cycle, with PCL levels in line with our risk parameters
- Approximately 65% of our authorized Capital Markets loan portfolio is investment grade

First Quarter 2015 Results

(1) Average loans & acceptances, and includes letters of credit and guarantees for our Capital Markets portfolio, on single name basis. It excludes mortgage investments, securitized mortgages and other non-core items. (2) Based on a compounded annual growth rate. (3) Mainly includes: Diversified, Aerospace and Transportation. (4) Latest twelve months.

Other – other income



| (\$ millions) | Q1/2015 | Q4/2014 | Q1/2014 | QoQ | YoY |
|---|--------------|--------------|--------------|--------------|------------|
| Other income – segments | 180 | 273 | 112 | (34)% | 61% |
| FV adjustments on RBC debt ⁽¹⁾ | - | - | (2) | n.m. | n.m. |
| CDS on corporate loans | (1) | (3) | (3) | n.m. | n.m. |
| Funding related and other hedging items | 106 | 78 | 51 | 36% | n.m. |
| Total Other – other income | \$285 | \$348 | \$158 | (18)% | 80% |

Specified items impacting Q1/2014 results



| (\$ millions, except for earnings per share (EPS) amounts) | Reported | Personal & Commercial Banking (P&CB) | | Adjusted ⁽¹⁾ |
|--|----------|--------------------------------------|--|-------------------------|
| | | Loss related to sale of RBC Jamaica | Provisions for post-employment benefits and restructuring charges in the Caribbean | |
| Q1/2014 | | | | |
| Consolidated | | | | |
| Net Income | \$2,092 | \$60 | \$32 | \$2,184 |
| Basic EPS | \$1.39 | \$0.04 | \$0.02 | \$1.45 |
| Diluted EPS | \$1.38 | \$0.04 | \$0.02 | \$1.44 |
| ROE | 18.1% | -- | -- | 18.9% |
| P&CB | | | | |
| Net income | \$1,071 | \$60 | \$32 | \$1,163 |



Note to users

We use a variety of financial measures to evaluate our performance. In addition to generally accepted accounting principles (GAAP) prescribed measures, we use certain key performance and non-GAAP measures we believe provide useful information to investors regarding our financial condition and result of operations. Readers are cautioned that key performance measures, such as ROE and non-GAAP measures such as earnings and revenue excluding Corporate Support, earnings excluding specified items related to sale of RBC Jamaica as previously announced on January 29, 2014, and provisions related to post-employment benefits and restructuring charges in the Caribbean, adjusted net interest margin and Capital Markets trading and geographic revenue excluding specified items do not have any standardized meanings prescribed by GAAP, and therefore are unlikely to be comparable to similar measures disclosed by other financial institutions.

Additional information about our ROE and non-GAAP measures can be found under the “Key performance and non-GAAP measures” section of our Q1/2015 Report to Shareholders and 2014 Annual Report.

Definitions can be found under the “Glossary” sections in our Q1/2015 Supplementary Financial Information and our 2014 Annual Report.

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