



ROYAL BANK OF CANADA TO ACQUIRE ALLY CANADA

– Fact sheet –

Transaction Summary	
Transaction:	RBC will acquire 100% of the Canadian auto finance and deposit business of Ally Financial Inc. (“Ally Canada”) which consists of Ally Credit Canada Limited and ResMor Trust Company.
Description of Ally Canada:	RBC is acquiring a leading Canadian auto finance business that offers inventory (or “floor plan”) financing to more than 580 auto dealerships across the country. Its consumer business offers retail financing to Canadian consumers through approximately 1,600 dealerships and has approximately 450,000 consumer loans.
Form of consideration:	\$1.4 billion investment, net of excess capital ¹ Subject to certain closing adjustments and including the excess capital, this results in total consideration of \$3.1 to \$3.8 billion, depending on the size of the dividend taken out by the seller prior to closing. ²
Financing:	Cash transaction; no equity issuance required
Expected closing:	First calendar quarter of 2013
Closing conditions:	Subject to regulatory and other approvals
Capital Impact:	At closing it is expected to reduce RBC’s July 31, 2012 Tier 1 capital ratio of 13.0% on a pro forma basis by approximately 60 bps. On an estimated Basel III basis, we expect our Common Equity Tier 1 ratio to remain above 8% following the close, given our strong capital position and internal capital generation.
RBC EPS impact:	The acquisition is expected to be modestly accretive to earnings per share in the first year after closing.
Other information:	The book value of the acquired business as of September 30, 2012 was \$3.4 billion, unadjusted for the pre-closing dividend. The net investment of \$1.4 billion includes a premium to book value of \$0.6 billion. RBC expects the Ally Canada business to generate approximately \$120 million in net income on a standalone basis in the first 12 months after closing (before integration costs, amortization of intangibles and transaction costs, which are expected to impact 2013 earnings by approximately \$50 million), based on estimated average receivables of approximately \$9 billion.

See caution regarding forward looking statements on page 2.

Aligns with RBC’s goal of being the undisputed leader of financial services in Canada

- Positions RBC as a leader in the Canadian auto finance market, as the combined entity will have:
 - Receivables of approximately \$24 billion
 - Floor plan financing deal with more than 890 dealerships
 - More than 1 million consumer loans, through approximately 4,000 auto dealerships

Ally Canada represents excellence in Canadian auto financing

- Leading Canadian auto finance company with over 90 years of experience in this market
- Long-standing relationships with approximately 1,600 dealers across Canada and inventory (floor plan) financing to more than 580 dealers
- Significant consumer finance business with approximately 450,000 consumer loans

Delivers long-term strategic value and is consistent with the Canadian Banking strategy

- Expands RBC distribution network and adds geographic depth
- Allows RBC to leverage our size and scale to drive efficiencies, integrate operations and improve the customer experience
- Provides long-term strategic value in an attractive industry with favourable market dynamics

1 Based on Basel III standardized capital requirements. Based on Basel III Advanced Internal Rating-Based (AIRB) capital requirements, which we expect to utilize for Ally Canada by 2014, the net investment would be approximately \$1.1 billion.

2 Amount of excess capital and total consideration will depend on the amount of the dividend taken out by the seller pre-closing which will vary between \$250 million and \$900 million.



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Caution regarding forward-looking statements

Certain statements contained in this fact sheet may be deemed to be forward-looking statements under certain securities laws, including the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. These forward-looking statements include, but are not limited to, statements about the expected effects of the acquisition of Ally Financial Inc.'s (Ally) Canadian auto finance operations, the expected timing and scope of the acquisition and other statements other than in relation to historical facts. 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 and other forward-looking information, including statements about the acquisition of Ally's Canadian auto finance operations by Royal Bank of Canada will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors include, but are not limited to the possibility that the proposed transaction does not close when expected or at all because required regulatory or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, that Royal Bank of Canada and Ally may be required to modify the terms and conditions of the proposed transaction to achieve regulatory approval, or that the anticipated benefits of the transaction are not realized as a result of such things as the strength of the economy and competitive factors in the areas where Royal Bank of Canada and Ally do business; the impact of changes in the laws and regulations regulating financial services and enforcement thereof; the effects of competition in the markets in which Royal Bank of Canada and Ally operate; judicial or regulatory judgments and legal proceedings; Royal Bank of Canada's ability to complete the acquisition and integration of Ally's Canadian auto finance operations successfully; and other factors that may affect future results of Royal Bank of Canada and Ally's Canadian auto finance operations including timely development and introduction of new products and services, Royal Bank of Canada's ability to cross-sell more products to customers and technological changes.

We caution that the foregoing list of important factors is not exhaustive. Additional information about these and other factors can be found in our Q3 2012 Report to Shareholders and 2011 Annual Report to Shareholders. Our material general economic assumptions underlying the forward-looking statements in this fact sheet are set out in our 2011 Annual Report under the heading "Overview and Outlook" and for each business segment under the heading "Outlook and priorities" as updated under the heading "Economic, market and regulatory review and outlook" in our Q3 2012 Report to Shareholders. Except as required by law, Royal Bank of Canada assumes no obligation to update the forward-looking statements contained in this fact sheet.