



## Second Quarter 2010 Results

May 27, 2010

Financial information is in Canadian dollars and is based on Canadian GAAP, unless otherwise indicated.

### 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 Q2 2010 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 vision and strategic goals. The forward-looking information contained in this 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 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 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, operational and liquidity and funding risks, and other risks discussed in the Risk, capital and liquidity management section and in our 2009 Annual Report to Shareholders; general business, economic and financial market conditions in Canada, the United States and certain other countries in which we conduct business; 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; 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, capital and liquidity management section of our Q2 2010 Report to Shareholders and in our 2009 Annual 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

Gordon M. Nixon  
President & CEO

## Earnings review



	Q2 2010	Q2 2009	Q1 2010
Net income (loss) (\$ millions)	\$ 1,329	\$ (50)	\$ 1,497
Diluted earnings (loss) per share	\$ 0.88	\$ (0.07)	\$ 1.00
ROE	15.8%	(1.4)%	17.5%

### Excluding the Q2 2009 goodwill impairment charge of \$1 billion <sup>(1)</sup>:

	Q2 2010	Q2 2009	Q1 2010
Net income (\$ millions)	\$ 1,329	\$ 950	\$ 1,497
Diluted earnings per share	\$ 0.88	\$ 0.63	\$ 1.00
ROE	15.8%	11.9%	17.5%

- Q2 2010 earnings reflect strong results across most businesses, continued stabilization of credit quality, effective cost management, and a general improvement in market and economic conditions.
- As shown on slide 5, factoring in foreign currency translation over last year, an accounting impact in Wealth Management and the general provision this quarter, earnings per share were reduced by a total of \$0.11.

(1) Non-GAAP measure: See slide 25 for a discussion of non-GAAP measures.

## Items impacting net income <sup>(1)</sup>



\$ millions, except earnings per share (EPS)

	Net Income	EPS
	Q2 2010	
Accounting impact related to foreign currency translation on certain AFS securities	\$ (61)	\$ (0.04)
General provision for credit losses	\$ (18)	\$ (0.01)
<b>Impact of foreign currency translation:</b>		
Q2 2010 vs. Q2 2009	\$ (82)	\$ (0.06)
<b>Q2 2009</b>		
Goodwill impairment charge	\$ (1,000)	\$ (0.71)
Market environment-related losses	\$ (296)	\$ (0.21)
General provision for credit losses	\$ (146)	\$ (0.10)

(1) The pre-tax general provision was \$27 million in Q2 2010, and \$223 million in Q2 2009. The goodwill impairment charge is on a pre- and after-tax basis. The pre-tax impact of the remaining items above are on slide 6.

## Items impacting Revenue



\$ millions

	Q2 2010	Q2 2009
<b>Reported Revenue</b>	\$ 6,967	\$ 6,761
<b>Add:</b>		
Market environment-related losses		556
Foreign currency translation	534	
Accounting impact related to foreign currency translation on certain AFS securities	68	
Derivatives used to economically hedge our funding activities		148
Securitization gains		(406)
<b>Adjusted Revenue <sup>(1)</sup></b>	<b>\$ 7,569</b>	<b>\$ 7,059</b>

- Reported revenue was up 3% over last year. Excluding these items, revenue growth was strong, up 7% from last year, reflecting robust volume growth in Canadian Banking, Wealth Management and Insurance.

(1) Non-GAAP measure: See slide 25 for a discussion of non-GAAP measures.

## Capital position

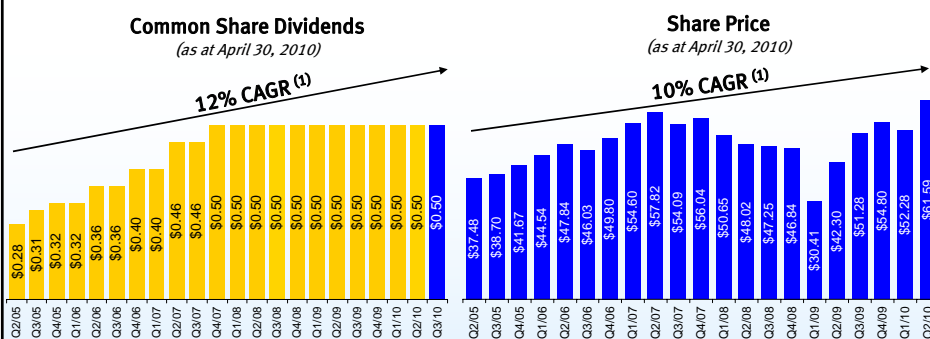


	Q2/10	Basel II				OSFI Target
		Q1/10	Q4/09	Q3/09	Q2/09	
Tier 1 capital ratio (%)	13.4	12.7	13.0	12.9	11.4	7.0 +
Assets-to-capital multiple (x)	16.0	16.2	16.3	16.3	16.3	-
Tier 1 common ratio (%) <sup>(1)</sup>	9.7	9.1	9.2	9.1	7.9	-

- Robust capital measures.
- Tier 1 capital ratio was up 70 bps from the previous quarter largely due to lower RAA and earnings generation.

(1) See Capital management section of the Q2 2010 Report to Shareholders, Q1 2010 Report to Shareholders, and Q3 2009 Report to Shareholders for further information and calculation.

## Proven long-term track record of performance



Total Shareholder Return (in home currency, as at April 30, 2010)	1-year	3-year	5-year	10-year
RBC	51%	6%	15%	17%
S&P/TSX Composite Index	35%	0%	8%	5%
S&P 500 Index	39%	(5)%	3%	0%
RBC rank vs. peer group (7 Canadian, 5 U.S. and 7 Int'l financial institutions)	# 7	# 3	# 2	# 2

(1) 5-year CAGR (Compound Annual Growth Rate).

## Where we are going



### Our Goals

#### Vision

Always earning the right to be our clients' first choice

In Canada, to be the undisputed leader in financial services

In the U.S., to be a leading provider of capital markets, wealth management and banking services by building on and leveraging our considerable capabilities

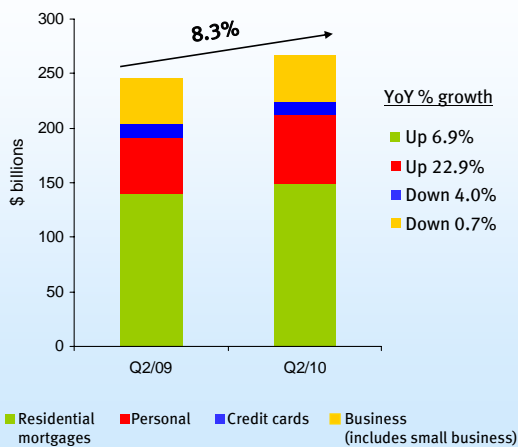
Outside North America, to be a premier provider of select capital markets, wealth management and banking services in markets of choice

## Canadian Banking volume growth

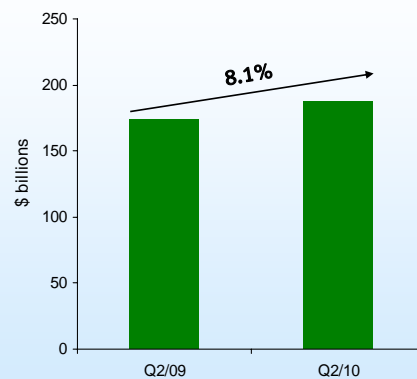


Combined year-over-year loan and deposit growth of 8.2%

### Average Loans and Acceptances



### Average Deposits



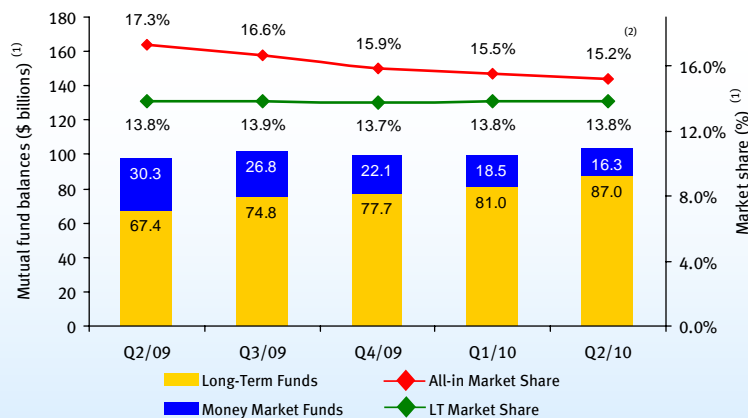
## Canadian retail momentum



	Q2/10 <sup>(1)</sup>		Q2/09 <sup>(1)</sup>		
	Rank	Market Share	Rank	Market Share	
Leadership in most personal products	Consumer Lending <sup>(2)</sup>	1	21.1%	1	20.7%
	Personal core deposits	2	19.9%	2	18.4%
	Personal Investments <sup>(3)</sup>	1	15.8%	1	17.1%
Leadership in business products	Business loans <sup>(4)</sup>				
	\$0 - \$250M	1	26.1%	1	26.3%
	\$250M - \$5MM	1	27.0%	1	27.0%
	Business deposits & investments	1	22.4%	1	23.1%

- (1) Market share is calculated using most current data available from Bank of Canada (BoC), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA). BoC and IFIC data is at Mar/10 and CBA data is at Dec/09. Market share is of total Chartered Banks unless otherwise noted.
- (2) Consumer Lending comprises residential mortgages, personal loans and credit cards.
- (3) Personal Investments comprises GICs and mutual funds. Mutual fund market share is per IFIC.
- (4) Market share is of the nine Chartered Banks that submit Business Loan tiered data to CBA on a quarterly basis.

## Canadian mutual fund balances & market share



- Continued to lead the mutual fund industry with over \$103 billion (15.2% total market share) in mutual fund assets under management as at April 30, 2010.
- While our long-term funds market share (13.8%) has remained relatively steady, our all-in market share has declined since Q2/09 due to continued industry-wide redemptions in money market funds, for which RBC is the largest issuer.

(1) Source: IFIC

(2) Individual market shares: RBC AM 12.4% and PH&N 2.8%; market share figures as at April 30, 2010.

## Capital Markets achievements



- ✓ Canada's "Dealmaker of the Year", maintained for the past 7 consecutive years <sup>(1)</sup>
- ✓ Best Investment Bank in Canada, winning all three categories – debt, equities and M&A for 2<sup>nd</sup> consecutive year <sup>(2)</sup>
- ✓ Oil and Gas Adviser of the Year <sup>(3)</sup>

Rankings <sup>(4)</sup>	2009				2008	
	Value (US\$ millions)	# of deals	Rank	Market Share	Rank	Market Share
Canadian corporate debt	14,769	70	1	35.9%	1	33.0%
Canada equity and equity-related	6,751	53	1	15.8%	2	15.0%
Canadian syndicated loans	12,976	43	1	23.5%	1	25.9%
Canada M&A	46,492	52	1	37.5%	2	33.6%
U.S. M&A	20,292	47	20	2.5%	31	1.0%
Global M&A	56,079	93	16	3.1%	23	2.2%

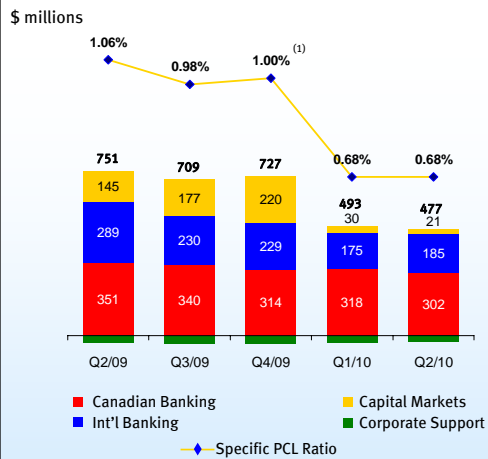
- (1) Financial Post
- (2) Euromoney
- (3) World Independent & Junior Oil and Gas Awards
- (4) Bloomberg



## Risk Review

**Morten Friis**  
Chief Risk Officer

## Specific provision for credit losses (PCL)



### Q2/10 vs. Q1/10 (\$11MM lower):

- Cdn Banking (avg. bal \$266.4B):**  
 Down \$16MM mainly reflecting lower provisions in our business and unsecured personal portfolios, partially offset by higher loss rates in our credit card portfolio resulting from seasonal factors.
- Capital Markets (avg. bal \$29.0B):**  
 Down \$9MM mainly as a result of lower provisions and reversals due to recoveries during the current quarter.
- Int'l Banking (avg. bal \$29.3B):**  
 Up \$10MM largely due to increased impaired loans in the Caribbean related to a specific commercial client, partially offset by lower provisions in our U.S. commercial portfolio.

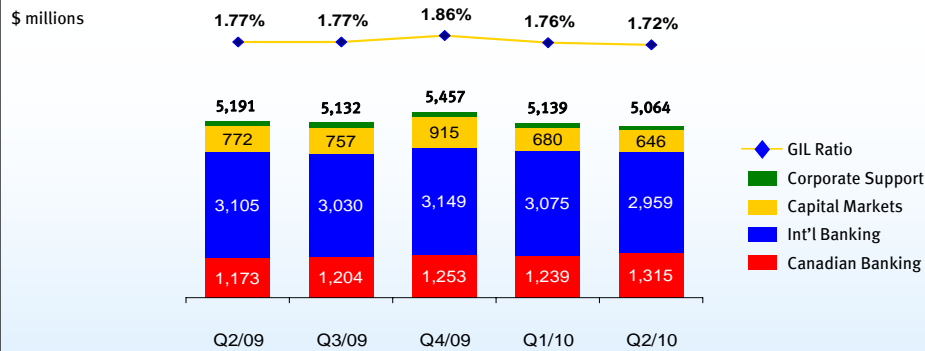
### Specific PCL Ratio <sup>(1)(2)</sup>

	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
■	0.59%	0.54%	0.48%	0.48%	0.47%
■	3.07%	2.69%	2.80%	2.27%	2.58%
■	1.40%	1.96%	2.63%	0.38%	0.29%

(1) Q4/09 impacted by the reclassification of AFS securities to loans as per the amendment to CICA section 3855. See page 58 of our 2009 Annual Report for details.

(2) Specific PCL ratio: specific provision for credit losses as a percentage of average net loans and acceptances.

## Gross impaired loans (GIL) <sup>(1)</sup>



### GIL Ratio <sup>(1)(2)</sup>

	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
■	0.48%	0.48%	0.48%	0.47%	0.49%
■	8.04%	8.94%	9.72%	10.02%	10.08%
■	1.81%	2.11%	2.76%	2.17%	2.23%

(1) Comparative information has been restated as at November 1, 2008 due to the implementation of amendments to CICA Section 3855. See page 58 of our 2009 Annual Report for details.

(2) GIL ratio: gross impaired loans as a percentage of related average loans and acceptances.



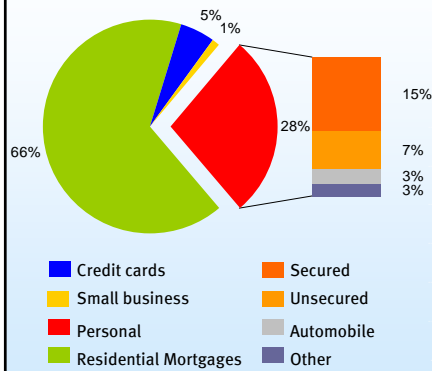
## Credit quality – Canadian Banking retail portfolio



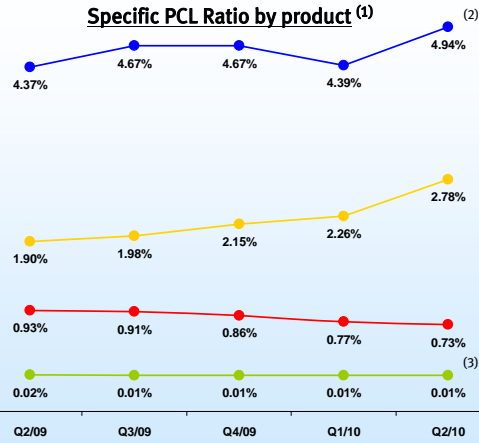
### Credit quality remains stable;

Credit Cards: the decline in average balances combined with slightly higher PCL caused a sharp rise in the specific PCL ratio over last quarter, primarily due to seasonal factors.

**Average Retail Loans \$ 227 billion**



**Specific PCL Ratio by product (1)**



(1) Specific PCL ratio: specific PCL as a percentage of average net loans and acceptances.

(2) Includes credit card securitization.

(3) Includes residential mortgages securitization.



## Financial Review

Janice Fukakusa

Chief Administrative Officer  
and Chief Financial Officer

## Financial highlights



### Impact of Foreign Currency Translation

- The strengthening of the Canadian dollar had a significant impact on our financial results compared to last year, reducing revenue by \$534 million, net income by \$82 million and EPS by \$0.06, most notably in Capital Markets and Wealth Management.

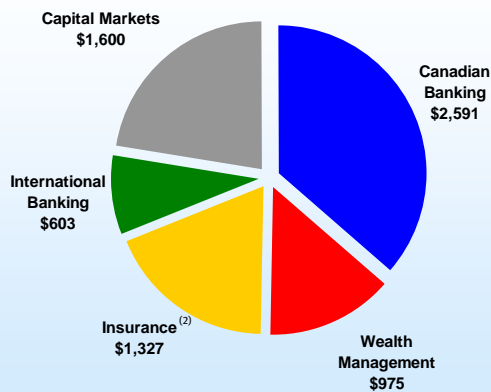
C\$ millions	Revenue	NIE	Net Income
Q2/10 vs. Q2/09			
Capital Markets	\$ (219)	\$ 88	\$ (76)
Wealth Management	(89)	72	(12)
International Banking	(110)	37	4

## Financial highlights



### Total Q2 2010 Revenue: \$ 6,967 million

#### Revenue by Business Segment <sup>(1)</sup> (\$ millions)



\$ millions	Change vs. Q2/09	Change vs. Q1/10
Canadian Banking	\$220	\$(47)
Wealth Management	(16)	(89)
Insurance <sup>(2)</sup>	98	(55)
International Banking	(82)	55
Capital Markets	34	(240)
<b>Total <sup>(1)(2)</sup></b>	<b>\$ 206</b>	<b>\$(367)</b>

FX reduced revenue by \$534 million compared to last year

(1) Corporate Support not included.

(2) Q2/10 revenue includes a \$30 million impact from fair value changes on investments backing our life and health policyholder liabilities, a increase of \$21 million YoY and a decrease of \$48 million QoQ, which was largely offset in PBCE.

## Financial highlights



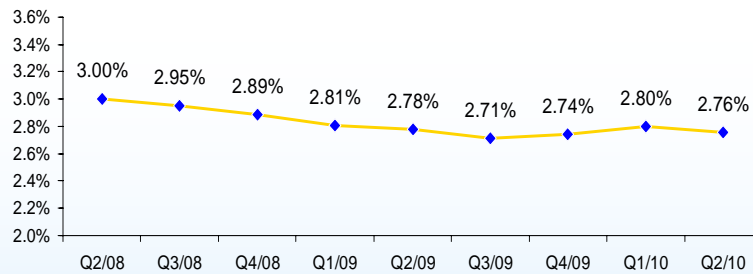
### Net Income by Segment

\$ millions	Q2/10	Change vs. Q2/09	Change vs. Q1/10
Canadian Banking	\$ 736	\$ 155	\$ (41)
Wealth Management	90	(36)	(129)
Insurance	107	(6)	(11)
International Banking	(27)	1,099 <sup>(1)</sup>	30
Capital Markets	502	82	(69)
Corporate Support <sup>(2)</sup>	(79)	-	-
<b>Total Net Income</b>	<b>\$ 1,329</b>	<b>\$ 1,379<sup>(1)</sup></b>	<b>\$ (168)</b>

FX reduced net income by \$82 million compared to last year, most notably in Capital Markets and Wealth Management

- (1) The change from last year is largely due to the Q2 2009 goodwill impairment charge of \$1B.  
 (2) Year-over-year and quarter-over-quarter trend analysis is not relevant. See Corporate Support section of the Q2 2010 Report to Shareholders for more information.

## Canadian Banking net interest margin<sup>(1)</sup>



Average bps <sup>(2)</sup>	Q2/10	Q1/10	Q2/09
Bank of Canada Overnight Rate	25	25	25
Prime BA (Bankers' Acceptance)	182	185	191

- NIM decreased 4 bps quarter-over-quarter primarily due to Prime BA spread compression.
- NIM decreased 2 bps year-over-year reflecting the continued low interest rate environment, narrower Prime BA spreads, and higher mortgage breakage costs, largely offset by increased lending spreads from repricing activity.

- (1) Net interest margin (average earning assets): net interest income divided by average total earning assets.  
 (2) Source: Bloomberg, Bank of Canada.

## Wealth Management – Items impacting results

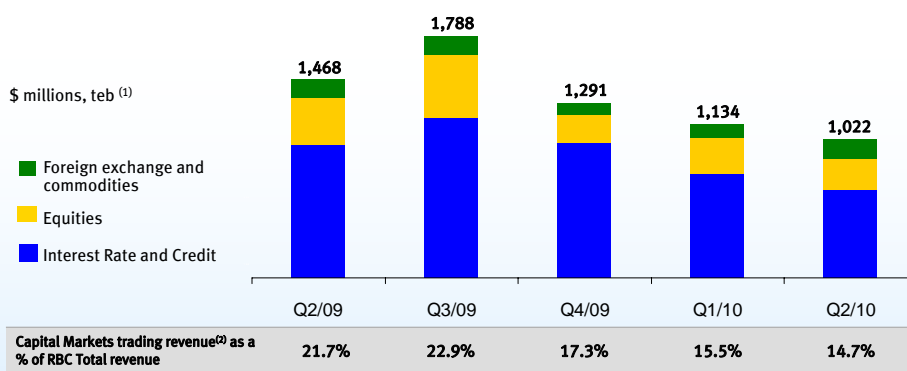


\$ millions	Q2 2010 Reported	Foreign currency translation	Accounting impact related to foreign currency translation on AFS securities	Q2 2010 Adjusted <sup>(1)</sup>	Q2 2009
<b>Total Revenue</b>	\$ 975	89	68	\$ 1,132	\$ 991
Non-interest expense	828	72	-	900	817
<b>Net income before income taxes</b>	147	17	68	232	174
<b>Net income</b>	\$ 90	\$ 12	\$ 61	\$ 163	\$ 126
<b>Pre-tax margin</b>	15.1%			20.5%	17.6%

- Reported earnings were down \$36 million or 29% over last year. Adjusting for foreign currency translation and the accounting impact related to foreign currency translation on AFS securities, earnings were up \$37 million or 29% over last year.

(1) Non-GAAP measure: See slide 25 for a discussion of non-GAAP measures.

## Capital Markets trading revenue



- Overall, trading revenues were negatively impacted this quarter by the European sovereign debt crisis which put pressure on volumes and created uncertainty across most global capital markets.
- Lower trading revenue compared to last quarter in fixed income, money markets and equities, notably in the U.S., was partially offset by improved results in foreign exchange and commodities.

(1) Teb: taxable equivalent basis.

(2) For more information on Total trading revenue, see our Q2 2010 Financial Supplementary Financial Information.

## Note to users



We use a variety of financial measures to evaluate our performance. In addition to GAAP prescribed measures, we use certain non-GAAP measures we believe provide useful information to investors regarding our financial condition and result of operations and should enhance the comparability of our financial performance for the three months ended April 30, 2010 with the three months ended April 30, 2009. Readers are cautioned that non-GAAP measures, such as 2009 net income, diluted EPS and ROE excluding the goodwill impairment charge, adjusted revenue and adjusted Wealth Management financial results do not have any standardized meanings prescribed by Canadian GAAP, and therefore, are unlikely to be comparable to similar measures disclosed by other companies.

Additional information about our Key performance measures can be found under the "Key performance measures" section in our Q2 2010 Report to Shareholders and our Q2 2010 Supplementary Financial Information.

Definitions can be found under our "Glossary" section in our 2009 Annual Report to Shareholders and in our Q2 2010 Supplementary Financial Information.

### Investor Relations Contacts

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