



## 2010 and Fourth Quarter Results

December 3, 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 presentation and in the accompanying management’s comments and responses to questions during the December 3, 2010 analyst conference call (Q4 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, aspiration, 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, aspiration, 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, aspiration, 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 management and Overview of other risks sections; general business, economic and financial market conditions in Canada, the United States and certain other countries in which we conduct business, including the effects 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 the 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 and Overview of other risks section of our 2010 Annual Report to Shareholders.

Information contained in or otherwise accessible through the websites mentioned does not form part of this Q4 presentation. All references in this Q4 presentation to websites are inactive textual references and are for your information only.



# Overview

## Gordon M. Nixon

### President and Chief Executive Officer

## 2010 earnings review



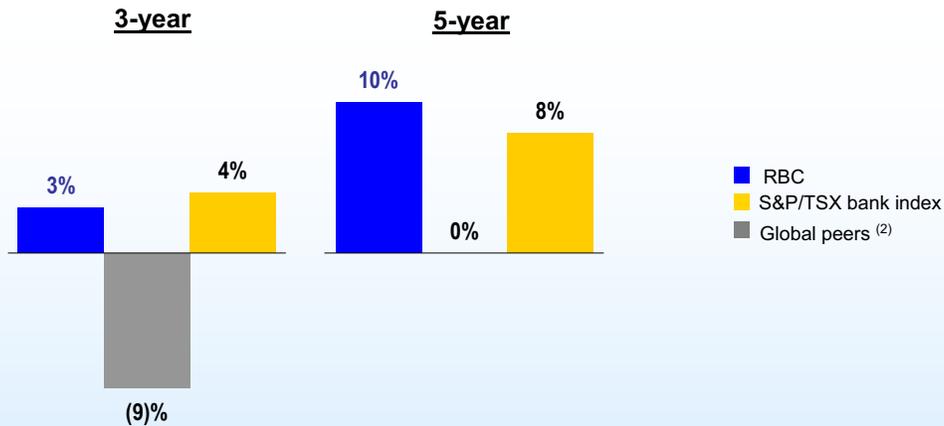
\$ millions, except earnings per share (EPS) and return on equity (ROE)

	2010	2009	YoY
Net income	\$ 5,223	\$ 3,858	35%
Net income excl. certain items <sup>(1)</sup>	\$ 5,339	\$ 4,858	10%
Diluted EPS	\$ 3.46	\$ 2.57	\$ 0.89
Diluted EPS excl. certain items <sup>(1)</sup>	\$ 3.54	\$ 3.28	\$ 0.26
ROE	14.9%	11.9%	300bps
ROE excl. certain items <sup>(1)</sup>	15.3%	14.9%	40bps

- Record earnings in Canadian Banking and solid business growth in Wealth Management and Insurance.
- In Capital Markets, trading revenue was down from strong levels in the prior year, while increased deal activity drove higher revenues in our investment banking businesses.
- Provision for credit losses (PCL) was lower reflecting stabilizing asset quality.
- Strong capital position with a Tier 1 Capital Ratio of 13% and a Tier 1 Common Ratio of 9.8%.

(1) Measures exclude a \$116MM (\$.08 EPS) loss on the announced sale of Liberty Life in 2010, and a \$1B (\$.71 EPS) goodwill impairment charge in 2009. See slide 27 for discussion of non-GAAP measures.

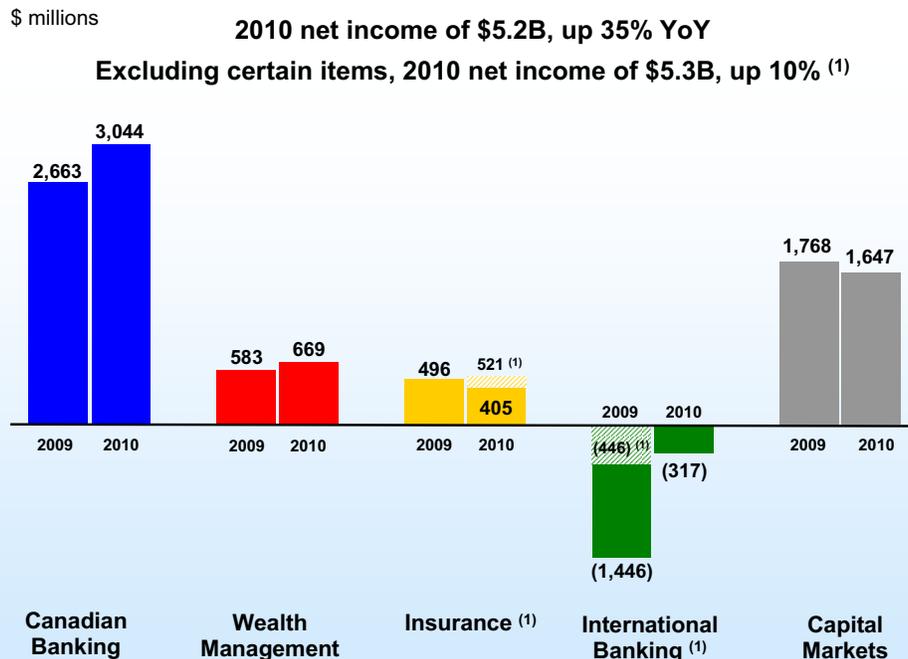
# Top quartile shareholder returns



Total Shareholder Return <sup>(1)</sup>	3-year	5-year
Quartile	Top	Top
RBC rank vs. global peers <sup>(2)</sup>	5	2

- (1) TSR is calculated based on common share price appreciation plus reinvested dividend income. Source: Bloomberg. As at October 31, 2010.
- (2) See page 8 of our 2010 Annual Report to Shareholders for our peer group.

# 2010 financial highlights



- (1) Measures exclude a \$116MM loss on Liberty Life in 2010, and a \$1B goodwill impairment charge in 2009. See slide 27 for discussion of non-GAAP measures.

## Vision

**Always earning the right to be our clients' first choice**

## Aspiration

**To be a top performing diversified financial institution**

## Goals

In Canada, to be the undisputed leader in financial services

Globally, to be a leading provider of capital markets and wealth management solutions

In targeted markets, to be a leading provider of select financial services complementary to our core strengths

## Key Enablers

Client focus

A business mix of complementary capabilities

A prudent risk approach supported by robust governance mechanisms and control infrastructure

Brand strength

A high quality balance sheet and superior funding capabilities

Adaptive and efficient technology and operations

Attraction, retention and engagement of talent and leadership effectiveness

Disciplined capital deployment

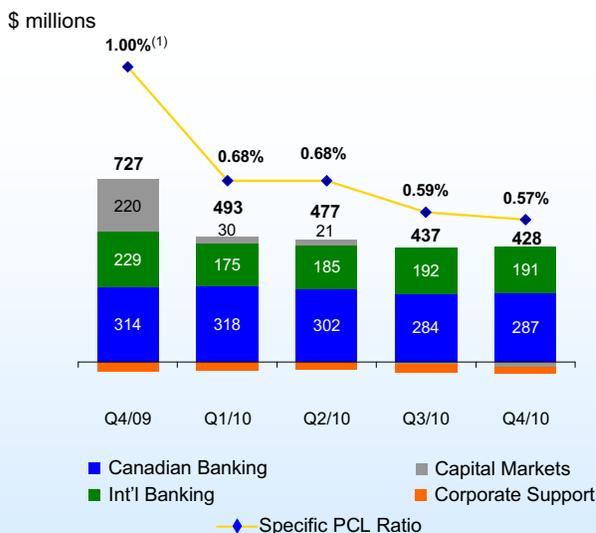
Excellence in execution



# Risk Review

**Morten Friis**  
Chief Risk Officer

## Specific provision for credit losses (PCL)



### Q4 2010 vs. Q3 2010 (down \$9MM):

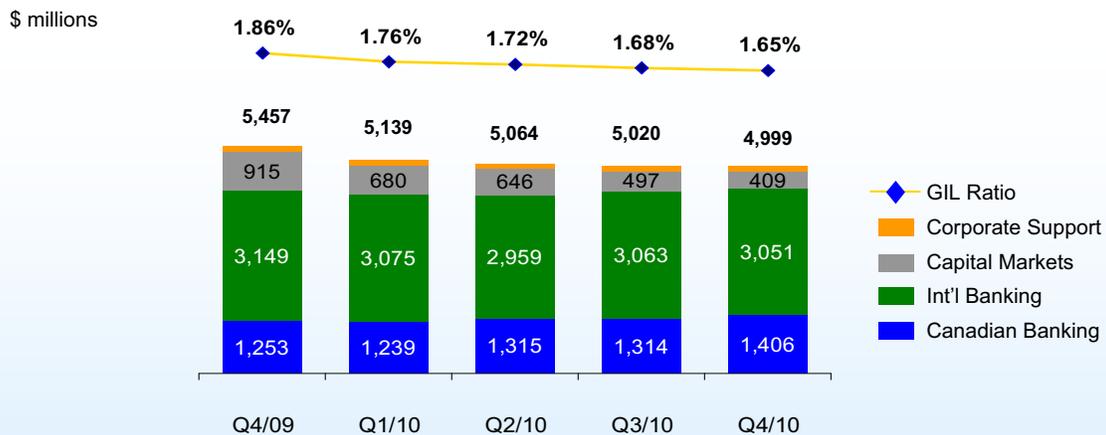
- Canadian Banking (avg. bal. \$277B):**  
 Up \$3MM mainly due to higher provisions in our personal portfolios partially offset by lower write-offs in our card portfolio.
- Capital Markets (avg. bal. \$29B):**  
 A recovery in PCL of \$22MM comprised of recoveries on a few large accounts that more than offset PCL in the quarter, vs. a recovery of \$9MM in the prior quarter.
- International Banking (avg. bal. \$29B):**  
 Flat as lower provisions, primarily in the U.S. residential builder finance portfolio, were offset by higher provisions mainly in the commercial portfolio in Caribbean banking.

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

	Q4/09 <sup>(1)</sup>	Q1/10	Q2/10	Q3/10	Q4/10
<span style="color: blue;">■</span>	0.48%	0.48%	0.47%	0.41%	0.41%
<span style="color: green;">■</span>	2.80%	2.27%	2.58%	2.59%	2.63%
<span style="color: grey;">■</span>	2.63%	0.38%	0.29%	(0.12)%	(0.31)%

- (1) Q4 2009 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 to Shareholders for details.
- (2) Specific PCL ratio: specific provision for credit losses as a percentage of average net loans and acceptances.

# Gross impaired loans (GIL)

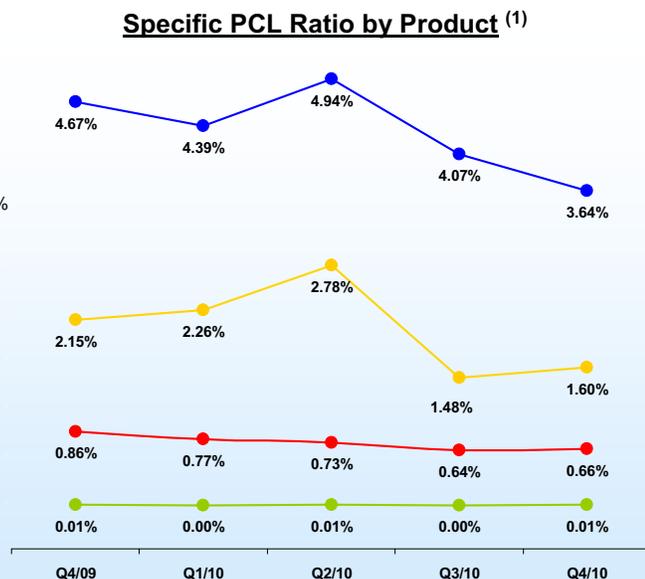
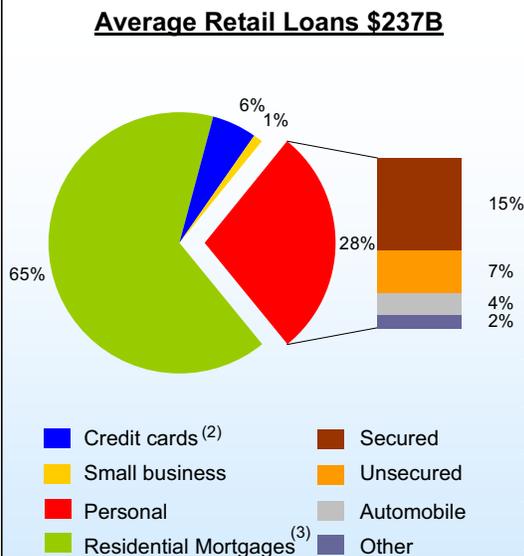


**GIL Ratio** <sup>(1)</sup>

	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10
Canadian Banking	0.48%	0.47%	0.49%	0.48%	0.51%
Int'l Banking	9.72%	10.02%	10.08%	10.44%	10.56%
Capital Markets	2.76%	2.17%	2.23%	1.70%	1.41%

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

# Credit quality – Canadian Banking retail portfolio



(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**

## Q4 2010 earnings review



	Q4 2010	Q4 2010 excl. Liberty Life <sup>(1)</sup>	Q4 2009	Q3 2010
Net income (\$ millions)	\$ 1,121	\$ 1,237	\$ 1,237	\$ 1,276
Diluted earnings per share	\$ 0.74	\$ 0.82	\$ 0.82	\$ 0.84
ROE	12.3%	13.7%	14.7%	14.3%

- YoY, solid volume growth in Canadian Banking, favourable actuarial adjustments in Insurance, higher average fee-based client assets in Wealth Management and lower PCL were offset by lower trading revenue and increased expenses.
- YoY, the increase in NIE was largely driven by higher initiative and marketing costs and the full quarter impact of the HST.
- QoQ, higher trading revenue in Capital Markets and solid volume growth in Canadian Banking and Wealth Management were more than offset by increased expenses.

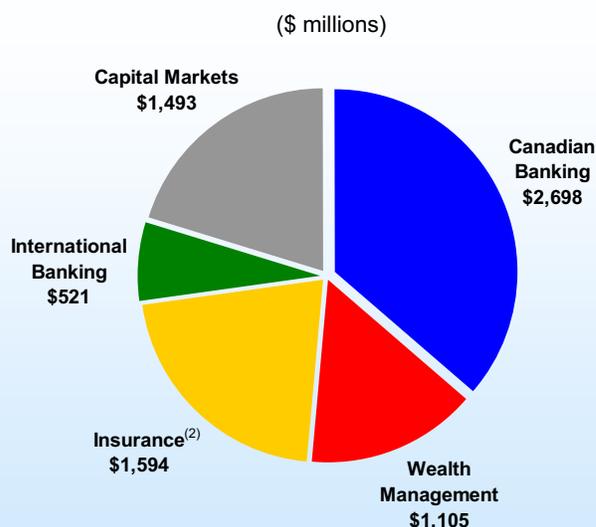
(1) Measures exclude a \$116MM (\$.08 EPS) loss on Liberty Life in 2010. See slide 27 for discussion of non-GAAP measures.

## Q4 2010 financial highlights



### Total Q4 2010 Revenue: \$7.2B

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



\$ millions	YoY	QoQ
Canadian Banking	\$ 125	\$ 70
Wealth Management	31	61
Insurance <sup>(2)</sup>	29	(165)
International Banking	(63)	(43)
Capital Markets	(341)	539
<b>Total <sup>(1) (2)</sup></b>	<b>\$ (219)</b>	<b>\$ 462</b>

(1) Corporate Support not included.

(2) Q4 2010 revenue includes a \$324MM in fair value changes on investments backing our life, health and annuity liabilities, an increase of \$95MM YoY and \$94MM QoQ, which was largely offset in PBCAE. Results also include a \$116MM loss on Liberty Life.

## Q4 2010 financial highlights

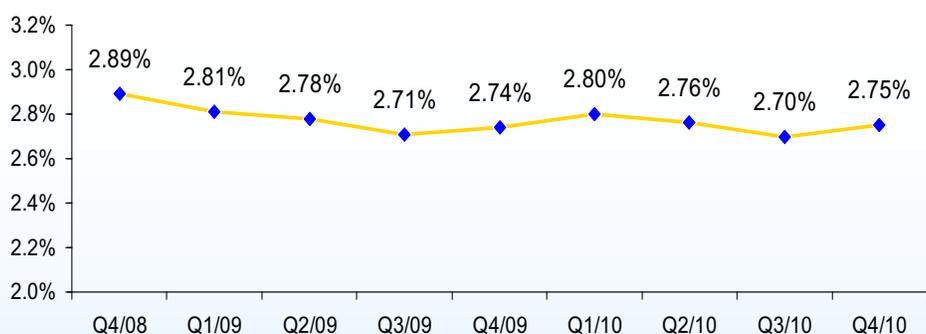


\$ millions	Q4 2010	YoY	QoQ
Canadian Banking	\$ 765	\$ 48	\$ (1)
Wealth Management	175	14	(10)
Insurance <sup>(1)</sup>	27	(77)	(126)
International Banking	(157)	(32)	(81)
Capital Markets	373	(188)	172
Corporate Support <sup>(2)</sup>	(62)	N/A	N/A
<b>Net income</b>	<b>\$ 1,121</b>	<b>\$ (116)</b>	<b>\$ (155)</b>

(1) Results include a \$116MM loss on Liberty Life in Q4 2010.

(2) YoY and QoQ trend analysis is not relevant. See Corporate Support section of the 2010 Annual Report to Shareholders for details.

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



Average bps <sup>(2)</sup>	Q4 2010	Q3 2010	Q4 2009
Bank of Canada Overnight Rate	90	46	25
Prime/BA (Bankers' Acceptance)	185	179	185

- NIM up 5bps QoQ reflecting higher short-term rates and Prime/BA expansion.
- NIM up 1bp YoY reflecting low interest rate environment and higher mortgage breakage costs, partially offset by favourable repricing.

(1) Net interest margin (average earning assets): net interest income as a percentage of total average earning assets.

(2) Source: Bloomberg, Bank of Canada.

## Capital Markets (CM) trading revenue



\$ millions	Q4 2010	Q3 2010	Q4 2009	2010	2009
Sales and Trading revenue (teb) <sup>(1)</sup>	\$889	\$415	\$1,338	\$3,743	\$5,247
<i>Excluding:</i>					
Commission and non-trading related <sup>(2)</sup>	150	203	87	606	411
Fair value adjustments on RBC debt	(36)	24	(40)	18	(369)
<b>CM trading revenue (teb) <sup>(1)</sup></b>	<b>775</b>	<b>188</b>	<b>1,291</b>	<b>3,119</b>	<b>5,205</b>
<i>Excluding certain items:</i>					
CVA - MBIA	99	(100)	110	137	(420)
BOLI	66	(73)	(80)	75	(111)
CVA - other	(49)	(74)	92	(133)	46
<b>CM trading revenue excl. certain items (teb) <sup>(1) (3)</sup></b>	<b>\$659</b>	<b>\$435</b>	<b>\$1,169</b>	<b>\$3,040</b>	<b>\$5,690</b>

- Trading revenue improved QoQ reflecting stronger client volumes as concerns relating to the sovereign debt crisis subsided.

(1) Teb: taxable equivalent basis.

(2) Amounts adjusted to include trading revenue from Corporate and Investment Banking.

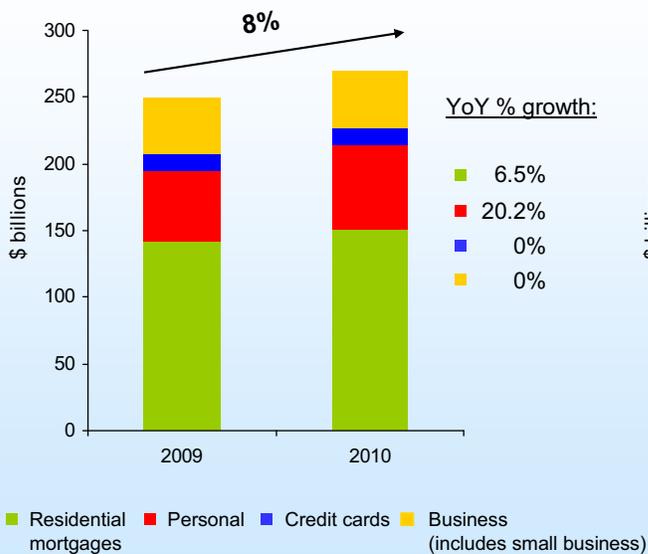
(3) Non-GAAP measures: see slide 27 for discussion of non-GAAP measures.

# Appendix

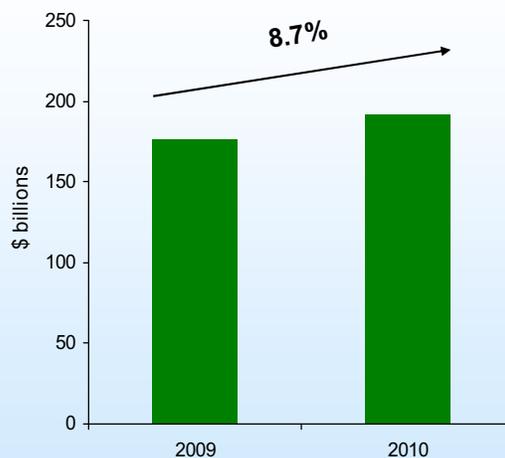
## 2010 Canadian Banking volume growth

Combined full year-over-year loan and deposit growth of 8.3%

### Average Loans and Acceptances



### Average Deposits



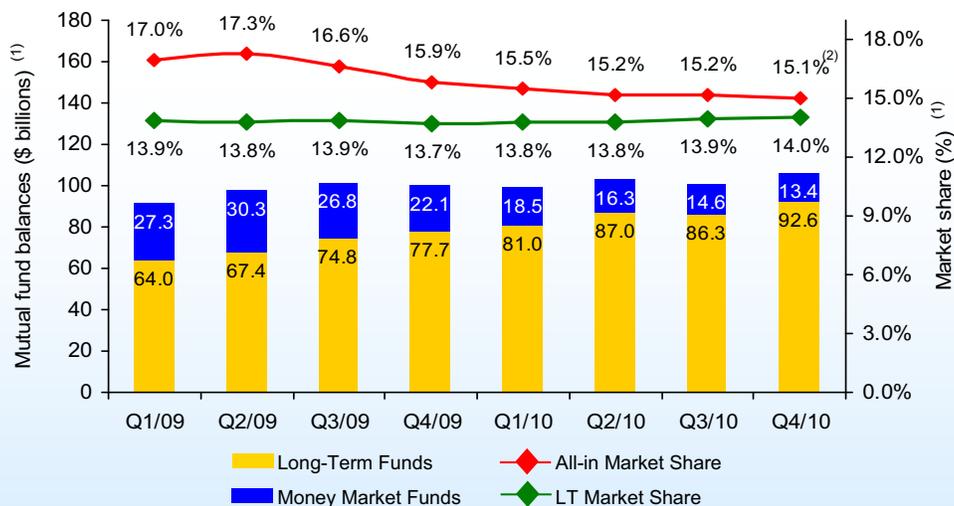
# Canadian retail momentum



	Q4 2010		Q4 2009		
	Rank	Market Share <sup>(1)</sup>	Rank	Market Share <sup>(1)</sup>	
Leadership in most personal products	Consumer lending <sup>(2)</sup>	1	21.2%	1	21.0%
	Personal core deposits	2	20.6%	2	19.2%
	Personal investments <sup>(3)</sup>	1	15.7%	1	16.3%
	Business loans <sup>(4)</sup>				
Leadership in business products	\$0 - \$250M	1	25.9%	1	26.3%
	\$250M - \$5MM	1	26.6%	1	27.0%
	Business deposits & investments	1	22.0%	1	22.2%

- (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 September 2010 and CBA data is at June 2010. Market share is of total Chartered Banks unless otherwise noted.
- (2) Comprises residential mortgages, personal loans and credit cards.
- (3) 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



- Mutual funds assets under management continued to lead the industry in 2010 at \$106B.
- Sales of long-term mutual funds led the industry over the past 1, 3, 5 and 10 year periods ending Q4 2010, while long-term fund assets increased 45% since the market low in Q1 2009.
- Money market fund balances peaked in Q2 2009, driven by investors' flight to safety. Many investors have since moved to high interest savings accounts offering higher yields.

- (1) Source: IFIC.
- (2) Individual market shares: RBC AM 12.2% and PH&N 2.9%; market share figures as at October 31, 2010.

## Capital Markets (CM) revenue by geography



\$ millions	Q4 2010	Q3 2010	Q4 2009	2010	2009
Canada	\$492	\$467	\$549	\$2,206	\$2,643
U.S.	599	579	769	2,513	3,513
Europe	226	148	349	893	978
Asia and Other	60	7	45	196	274
<b>Subtotal</b>	<b>1,377</b>	<b>1,201</b>	<b>1,712</b>	<b>5,808</b>	<b>7,408</b>
CVA – MBIA <sup>(1)</sup>	99	(100)	110	137	(420)
BOLI <sup>(2)</sup>	66	(73)	(80)	75	(111)
CVA – other <sup>(3)</sup>	(49)	(74)	92	(133)	46
<b>CM total revenue (teb)</b>	<b>\$1,493</b>	<b>\$954</b>	<b>\$1,834</b>	<b>\$5,887</b>	<b>\$6,923</b>

- Growth in Canada and U.S. QoQ primarily reflected improved performance in our fixed income, equities and commodities based trading businesses.
- In Europe, strong growth in our investment banking and equity markets businesses reflected improved market conditions.
- Asia saw significant growth in Q4 2010 across most businesses, particularly in investment banking and fixed income and currencies businesses.

(1) Excluded from Europe. (2) Excluded from U.S. (3) Excluded from all geographies.

## Capital Markets (CM) revenue by product



\$ millions	Q4 2010	Q3 2010	Q4 2009	2010	2009
Fixed income and currencies	\$322	\$212	\$658	\$1,854	\$3,716
Treasury and funding	200	163	280	753	1,747
Equity markets	224	210	180	950	1,045
Other <sup>(1)</sup>	143	(170)	220	186	(1,261)
<b>Sales and Trading (teb)</b>	<b>889</b>	<b>415</b>	<b>1,338</b>	<b>3,743</b>	<b>5,247</b>
Investment banking and lending	535	472	425	1,874	1,388
Commercial and correspondent banking	69	67	71	270	288
<b>Corporate and Investment Banking (teb)</b>	<b>604</b>	<b>539</b>	<b>496</b>	<b>2,144</b>	<b>1,676</b>
<b>CM total revenue (teb)</b>	<b>\$1,493</b>	<b>\$954</b>	<b>\$1,834</b>	<b>\$5,887</b>	<b>\$6,923</b>

- Growth in fixed income and currencies QoQ reflected higher client volumes from improved capital market conditions.
- Investment banking and lending continued to perform well reflecting higher debt origination and increased M&A activity.

(1) Includes FV adjustments on RBC debt, CVA - MBIA, BOLI, CVA – other and Other.

## Capital Markets achievements



- ✓ Voted #1 in Fixed Income e-trading and in non-Core Bonds (*Credit Magazine*)
- ✓ Ranked the Top Equity Research Group (*Brendan Woods*)
- ✓ Leads acquisition of Tomkins plc - largest private equity buyout since January 2008

Rankings	Rank	Value (\$ millions)	# of deals	Market Share (%)
Canadian all debt (excl. self funded) <sup>(1)</sup>	1	27,917	92	35.5
Canadian M&A <sup>(2)</sup>	1	91,370	61	N/A
Canadian equity, equity-linked and preferred <sup>(3)</sup>	1	3,348	52	11.4
U.S. M&A <sup>(4)</sup>	12	21,999	70	3.8
U.S. equity offerings <sup>(5)</sup>	11	8,263	128	3.6

(1) Thomson Reuters: Jan 1 2010 – Sept 30 2010 (market share references # of deals)

(2) Thomson Reuters: Nov 1 2009 – Oct 31, 2010

(3) Bloomberg: Jan 1 2010 – Oct 31 2010 (value in USD; market share references \$ volume)

(4) Bloomberg: Nov 1 2009 – Oct 31 2010 (value in USD; market share references # of deals that have an advisor)

(5) Dealogic: Nov 1 2009 – Oct 31 2010 (value in USD; market share references \$ volume)

## Other-other income



\$ millions	Q4 2010	Q4 2009	Q3 2010	YoY	QoQ
Other income – segments	\$105	\$103	\$134	\$2	\$(29)
FV adjustments on RBC debt	(36)	(71)	35	35	(71)
CDS on corporate loans	(17)	(38)	21	21	(38)
Accounting impact - FX translation on certain AFS securities in WM	-	-	26	-	(26)
Funding related items	(27)	(28)	(117)	1	90
Other misc. items <sup>(1)</sup>	(153)	(102)	(9)	(51)	(144)
<b>Other-other income</b>	<b>\$(128)</b>	<b>\$(136)</b>	<b>\$ 90</b>	<b>\$ 8</b>	<b>\$(218)</b>

(1) Results include a \$116MM loss on Liberty Life, and losses of \$21MM on an investment accounted for under the equity method in Q4 2010.

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. Readers are cautioned that non-GAAP measures, such as Net income excluding certain items, Diluted EPS excluding certain items, ROE excluding certain items, and CM trading revenue excluding certain items do not have any standardized meaning 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 2010 Annual Report to Shareholders and our 2010 Supplementary Financial Information.

Definitions can be found under our "Glossary" section in our 2010 Annual Report to Shareholders and in our Q4 2010 Supplementary Financial Information.

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