Royal Bank of Canada
2014 & Fourth Quarter Results

December 3, 2014

Financial information is presented on a consolidated basis in Canadian dollars and is based on International Financial Reporting Standards (IFRS), unless otherwise noted. Our 2014 Annual Report and Q4/2014 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 December 3, 2014 analyst conference call (Q4 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 Q4 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, competitive and systematic risks and other risks discussed in the Risk management and Overview of other risks sections of our 2014 Annual Report; 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 Q4 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. 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.

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

Dave McKay

President and Chief Executive Officer

Record earnings of over $9.0 billion in 2014

Consolidated Results	Reported			Adjusted[1]		
($ millions, except EPS and ROE)	**2014**	**2013**	**YoY**	**2014**	**2013**	**YoY**
Net income	**$9,004**	$8,342	8%	**$9,136**	$8,342	10%
Diluted earnings per share (EPS)	**$6.00**	$5.49	9%	**$6.09**	$5.49	11%
Return on Equity (ROE)[2]	**19.0%**	19.7%	(70) bps	**19.3%**	19.7%	(40) bps
Common Equity Tier (CET) 1 Ratio	**9.9%**	9.6%	30 bps			

- Record performance across all business segments
- Strong ROE even with an increase in capital levels

Delivered record earnings while strengthening our capital position

(1) Adjusted measures exclude specified items and are non-GAAP. For additional information and reconciliation, see slides 33 and 34.
(2) ROE may not have a standardized meaning under generally accepted accounting principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions. For additional information, see slide 34.

Record earnings across all business segments in 2014[1]

($ millions)		Earnings 2014	Earnings 2013	Earnings % YoY	Key Drivers
Personal & Commercial Banking	Reported	**$4,475**	$4,380	**+ 2%**	▪ Solid volume growth of 5% in Canadian Banking ▪ Strong fee-based revenue
	Adjusted[2]	**$4,607**	$4,380	**+ 5%**	
Wealth Management	Reported	**$1,083**	$886	**+ 22%**	▪ Higher average fee-based client assets
Insurance	Reported	**$781**	$595	**+ 31%**	▪ Lower net claims costs
	Adjusted[2]	**$781**	$713	**+ 10%**	
Investor & Treasury Services	Reported	**$441**	$339	**+ 30%**	▪ Growth in client deposits ▪ Continued benefits from efficiency management activities
	Adjusted[2]	**$441**	$370	**+ 19%**	
Capital Markets	Reported	**$2,055**	$1,700	**+ 21%**	▪ Strong equity markets ▪ Continued focus on client-driven strategies ▪ Strong credit quality

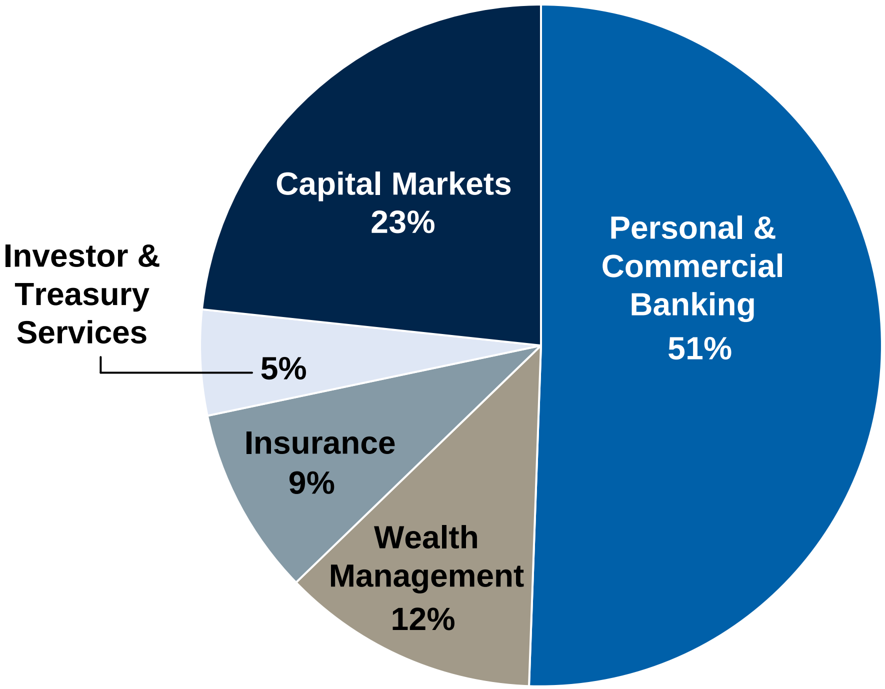
(1) Excludes Corporate Support.
(2) Adjusted measures exclude specified items and are non-GAAP. For additional information and reconciliation, see slides 33 and 34.

A diversified business model – RBC's key strength

- 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

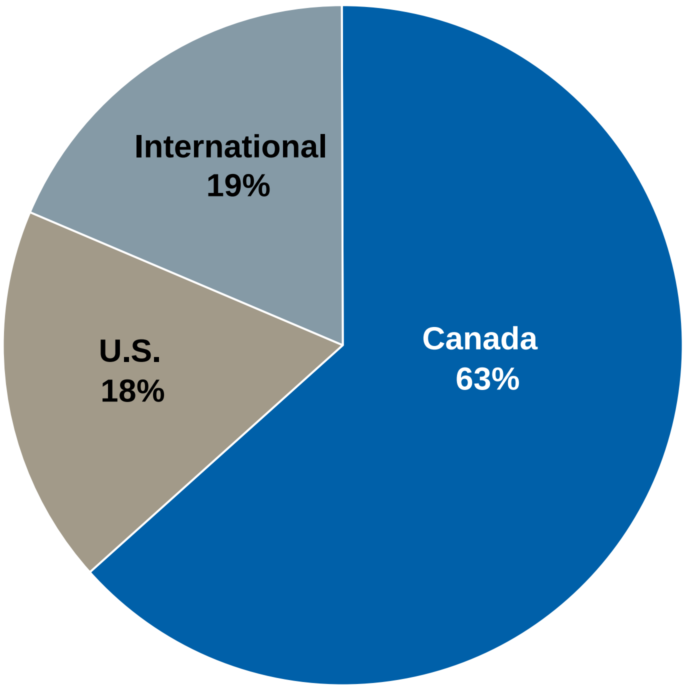
Earnings by business segment(1)

For the year ended October 31, 2014



Revenue by geography(1)

For the year ended October 31, 2014



(1) Amounts exclude Corporate Support. These are non-GAAP measures. For more information, see the Business segment results and Results by geographic segment sections of our 2014 Annual Report and slide 34.

Achieved all financial performance objectives

Financial performance objectives	2014 Reported Results	Achieved
Diluted EPS growth of 7%+	9.3%	✓
ROE of 18%+	19.0%	✓
Strong capital ratios (CET 1 ratio)	9.9%	✓
Dividend payout ratio 40% - 50%	47%	✓

- Increased quarterly dividend twice during the year, for a total increase of 12%
- Delivered total shareholder returns (TSR) in excess of our peer group average

Total Shareholder Returns(1)	1-Year	3-Year	5-Year	10-Year
RBC	**19%**	**23%**	**12%**	**14%**
Peer Group Average(1)	*11%*	*19%*	*8%*	*5%*

Continued to deliver returns to shareholders in excess of peer group average

(1) Annualized TSR is calculated based on common share price appreciation plus reinvested dividend income. Source: Bloomberg, as at October 31, 2014. RBC is compared to our global peer group. The peer group average excludes RBC; for the list of peers, please refer to our 2014 Annual Report.

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
▪ Offering a differentiated experience: value for money, advice, access and service ▪ Making it easier to do business with us and be the lower cost producer ▪ Converging into an integrated multi-channel network ▪ Enhancing client experience and improving efficiency in the Caribbean and U.S.	▪ 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	▪ Improving distribution efficiency and deepening client relationships ▪ Making it easier for clients to do business with us ▪ Pursuing select international opportunities to grow our reinsurance business	▪ Providing excellence in custody, asset servicing and payments, with an integrated funding and liquidity management business ▪ Focusing on organic growth through developing new client relationships, deepening existing relationships and promoting the RBC brand ▪ Leveraging I&TS as a driver of enterprise growth strategies with a focus on cross-selling and deposit gathering	▪ 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

Strong performance across our retail businesses in Q4/2014

($ millions, except for EPS and ROE)	Q4/2014	Q3/2014		Q4/2013
	Reported	Reported	Adjusted[1]	Reported
Revenue	**$8,382**	$8,990	$8,990	$7,919
Non-interest expense	**$4,340**	$4,602	$4,562	$4,151
Net income	**$2,333**	$2,378	$2,418	$2,101
Diluted earnings per share (EPS)	**$1.57**	$1.59	$1.62	$1.39
Return on common equity (ROE)[2]	**19.0%**	19.6%	20.0%	18.8%

Earnings up $232 million or 11% YoY

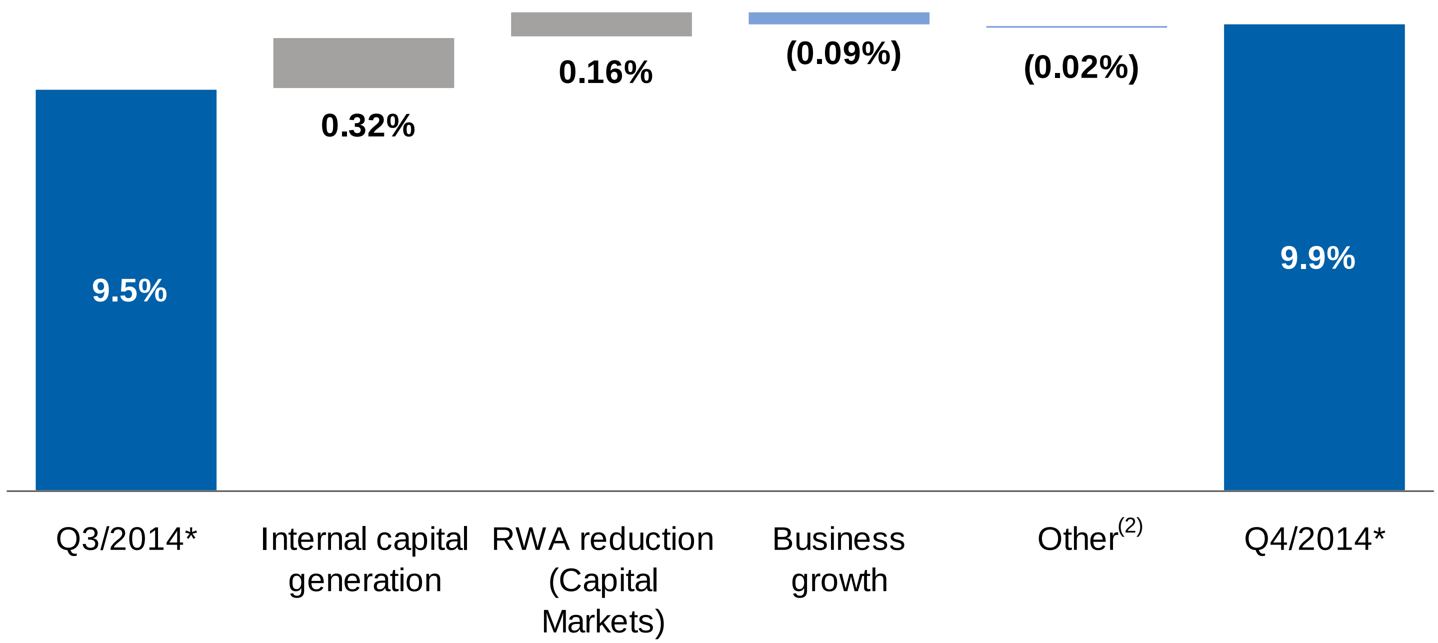
- Strong performance across our retail businesses
  - Strong growth in fee-based revenue and 5% volume growth in Canadian Banking
  - Higher average fee-based client assets in Global Asset Management and Canadian Wealth Management
  - Lower net claims in Insurance
- Continued strength in Investor & Treasury Services
- Lower Capital Markets earnings reflect our exit of certain proprietary trading strategies to comply with the Volcker Rule and implementation of FVA[3]

Adjusted earnings down $85 million or 4% QoQ [1]

- Lower trading and investment banking revenue in Capital Markets from very robust Q3/2014 levels and items noted above
- Higher PCL in Capital Markets and Caribbean Banking
- Partially offset by lower net claims in Insurance

(1) Adjusted measures exclude specified items and are non-GAAP. For more information and reconciliation, see slides 33 and 34. (2) ROE does not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. For more information, see slide 34. (3) Q4/2014 results include a $105MM charge ($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 2014 Condensed Consolidated Financial Statements.

Strong Basel III Common Equity Tier 1 (CET1) ratio[1] of 9.9%



- Strong internal capital generation
- Exit of certain proprietary trading strategies in Capital Markets in compliance with the Volcker Rule lowered risk-weighted assets
- Partially offset by higher risk-weighted assets due to business growth, primarily in Capital Markets and Canadian Banking

Increased our capital position by 40 bps this quarter

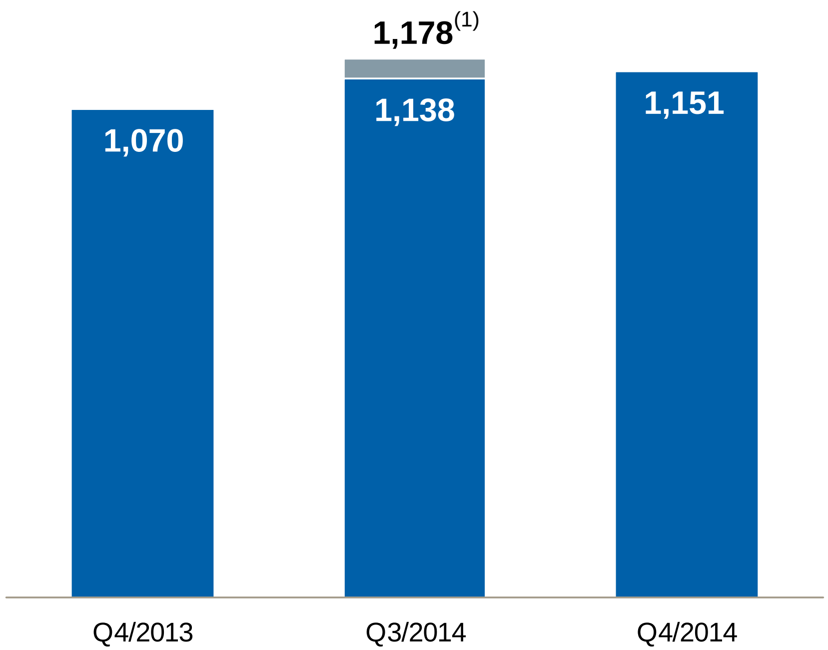
** Represents rounded figures.*

(1) For more information, refer to the Capital management section of our 2014 Annual Report. (2) Includes impact of lower pension discount rate and foreign exchange.

Continued strength in Canadian Banking

Net Income – P&CB

($ millions)



Percentage Change	YoY	QoQ
Reported Net Income	**8%**	**1%**
Adjusted Net Income[1]	**n/a**	**(2%)**

Q4/2014 Highlights

Canadian Banking

- Net income of $1,210 million, up 11% YoY and 2% QoQ
  - Includes favourable net cumulative accounting adjustments of $55 million ($40 million after-tax)
- NIM of 2.66% down 7 bps QoQ
  - Excluding accounting adjustments of 6 bps, NIM was 2.72%[2] (see slide 24)
- Strong growth in fee-based revenue (up 14% YoY) from mutual fund distribution fees and card services revenue
- Solid volume growth of 5% YoY
  - Loan growth of 4%
  - Deposit growth of 6%
- Positive operating leverage and improved efficiency ratio YoY

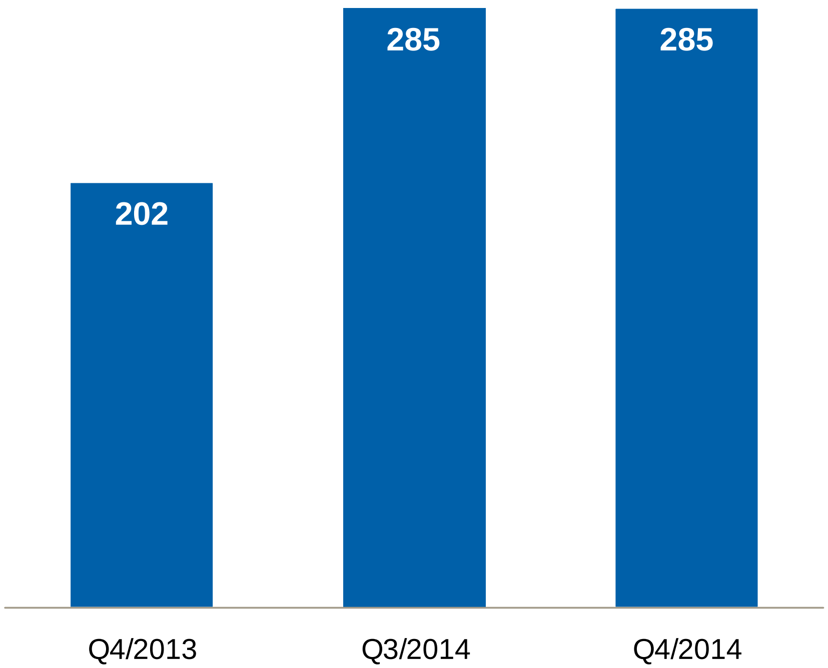
Caribbean & U.S. Banking

- Results reflect increased provisions and a restructuring charge in the Caribbean

(1) Excludes $40 million (before- and after-tax) loss related to the closing of the sale of RBC Jamaica in Q3/2014. These are non-GAAP measures. For more information and reconciliation, see slides 33 and 34. (2) Excludes the impact of net cumulative accounting adjustments totaling (6) bps. This is a non-GAAP measure. For more information and reconciliation, see slides 24 and 34.

Continued strength in Wealth Management

Net Income
($ millions)



Percentage Change	YoY	QoQ
Net Income	**41%**	**–**

Q4/2014 Highlights

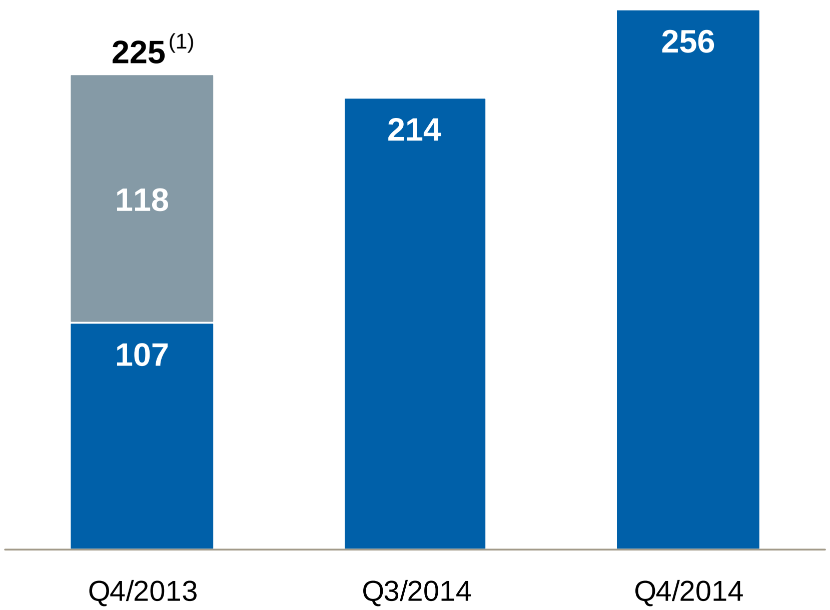
- Net income up 41% YoY
  - Higher average fee-based client asset growth[(1)]:
    - Global Asset Management: 50% capital appreciation, 50% net sales
    - Canadian Wealth Management: 70% capital appreciation, 30% net sales
  - Restructuring costs of $18 million after-tax[(2)] related to our U.S. and International Wealth Management businesses
  - Positive operating leverage
  - PCL was nil in Q4/2014. Last year included provisions of $42 million on a few accounts
- Net income flat QoQ

	Amount *($ billions)*	YoY	QoQ
AUA	$718	**12%**	**2%**
AUM	$452	**17%**	**2%**
Loans[(3)]	$17	**25%**	**6%**
Deposits[(3)]	$38	**14%**	**6%**

(1) Includes the impact of currency translation. (2) Restructuring costs of $27 million ($18 million after-tax). (3) Average balances.

Record earnings in Insurance

Net Income
($ millions)



Percentage Change	YoY	QoQ
Reported Net Income	**139%**	**20%**
Adjusted Net Income(1)	**14%**	**n/a**

Q4/2014 Highlights

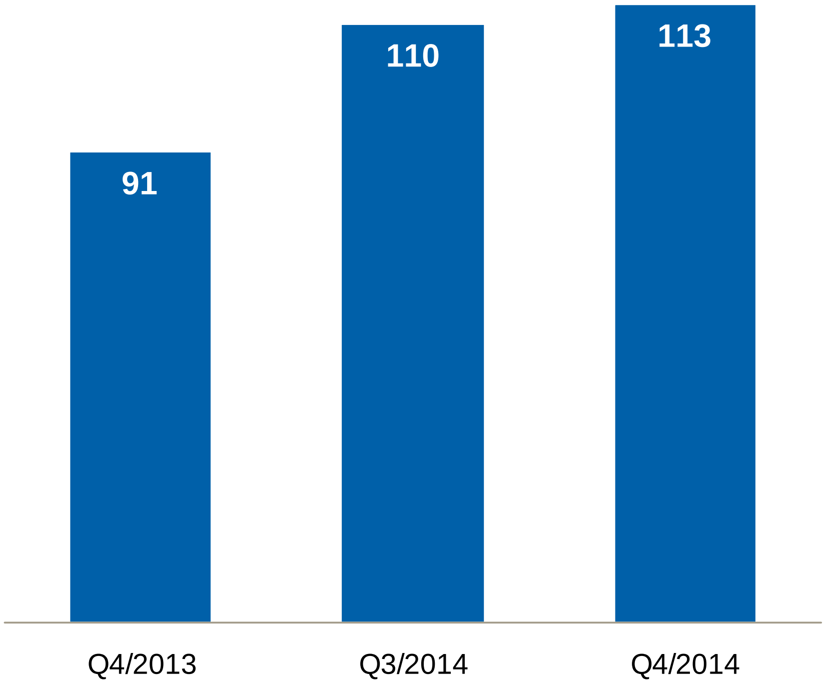
- Net income up $149 million YoY and up $42 million QoQ
- Excluding a charge related to a change in tax legislation in Canada last year, net income was up $31 million or 14% YoY(1)
  - Lower net claims costs including a favourable cumulative adjustment related to outstanding claims in our life retrocession business
  - New U.K. annuity contract

(1) Excluding a charge of $160 million ($118 million after-tax) as a result of a change in tax legislation in Canada in Q4/2013. This is a non-GAAP measure. For additional information and reconciliation, see slides 33 and 34.

Higher earnings in Investor & Treasury Services

Net Income

($ millions)



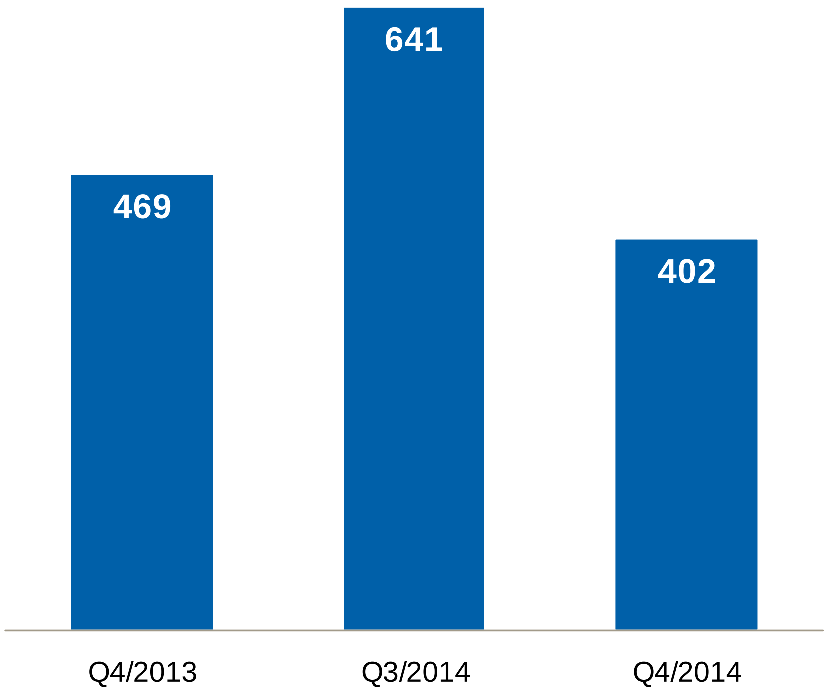
Percentage Change	YoY	QoQ
Net Income	**24%**	**3%**

Q4/2014 Highlights

- Net income up 24% YoY
  - Higher net interest income from growth in client deposits
  - Continuing benefits from efficiency management activities
  - Higher foreign exchange revenue
- Net income up 3% QoQ
  - Higher custodial fees and foreign exchange revenue
  - Last quarter benefitted from seasonally higher securities lending

Markets, Volcker Rule and FVA impacted Capital Markets results

Net Income
($ millions)



Percentage Change	YoY	QoQ
Net Income	**(14)%**	**(37)%**

Q4/2014 Highlights

- **Corporate & Investment Banking**
  - Revenue of $846 million
    - Up 8% YoY driven by higher lending and M&A activity, mainly in the U.S.
    - Down 12% QoQ due to lower loan syndication fees, partially offset by higher M&A activity, mainly in the U.S.
- **Global Markets**
  - Revenue of $650 million, down 27% YoY and 47% QoQ
    - $105 million charge ($51 million after tax and variable compensation) from implementation of FVA(1)
    - Challenging trading conditions when compared to very robust Q3/2014
      - Q3 had a couple of outsized trades totaling approximately $100 million
  - $75 million(2) ($46 million after tax and variable compensation) in lower trading revenue and costs associated with the exit of certain proprietary trading strategies in compliance with the Volcker Rule
- Variable compensation decreased YoY and QoQ on lower results

(1) For further description on FVA implementation, refer to footnote 3 on slide 9.
(2) Includes $69 million in lower trading revenue and $6 million in costs.

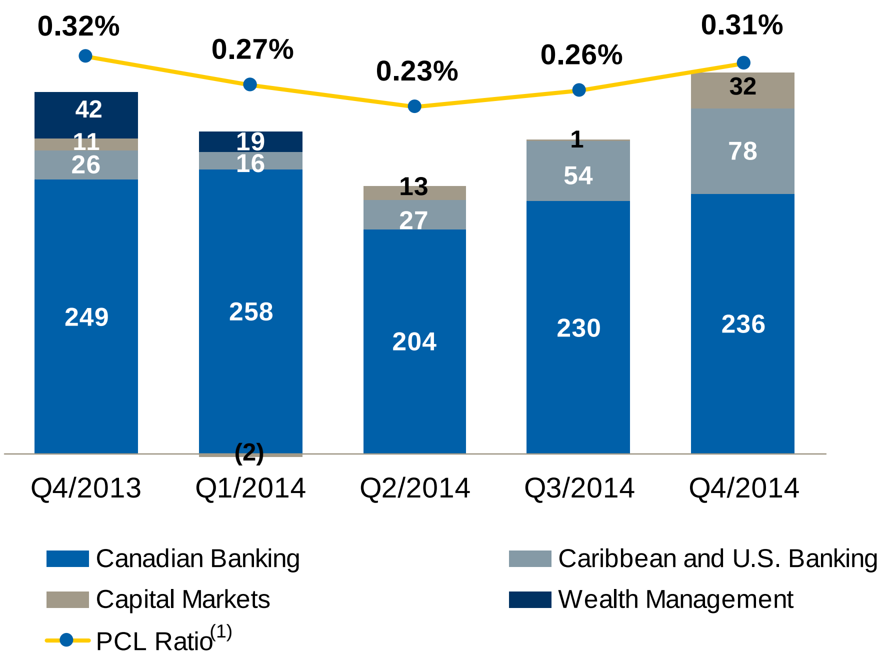
Risk Review

Mark Hughes

Chief Risk Officer

Credit quality remains strong

Total PCL ($ millions, except percentage amounts)				
334	292	244	283	345



Personal & Commercial Banking (P&CB)

- Caribbean PCL was up $23 million QoQ primarily due to increased provisions on our impaired residential mortgages portfolio of $50 million
- Canadian Banking PCL was up $6 million or 3% QoQ driven by higher provisions in residential mortgages and business partially offset by lower write-offs in our credit card portfolio and lower provisions in our personal lending portfolio

Capital Markets

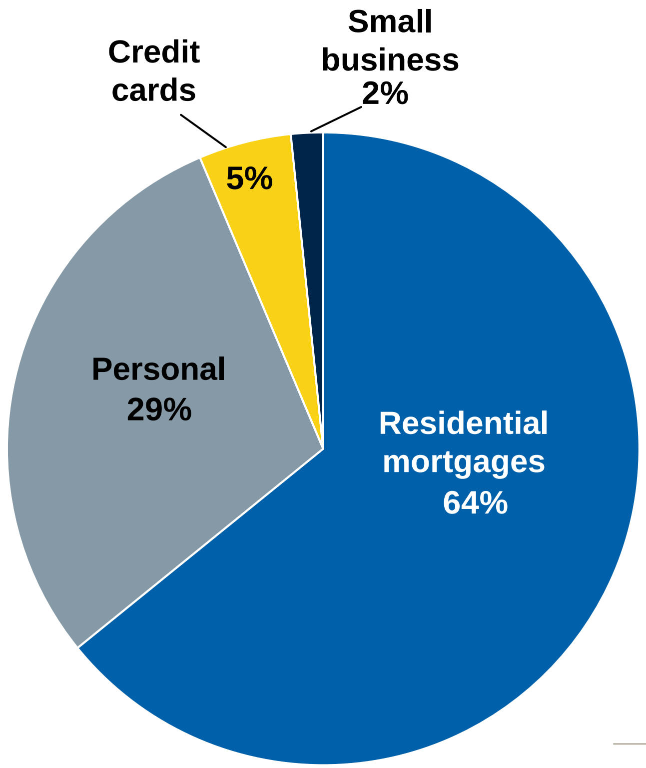
- PCL of $32 million related to a single account

Selected PCL Ratios	Q4/2013	Q1/2014	Q2/2014	Q3/2014	Q4/2014
Personal & Commercial Banking	0.32%	0.31%	0.27%	0.32%	**0.35%**
Canadian Banking	0.29%	0.30%	0.25%	0.26%	**0.27%**
Capital Markets	0.08%	(0.01)%	0.08%	0.01%	**0.19%**

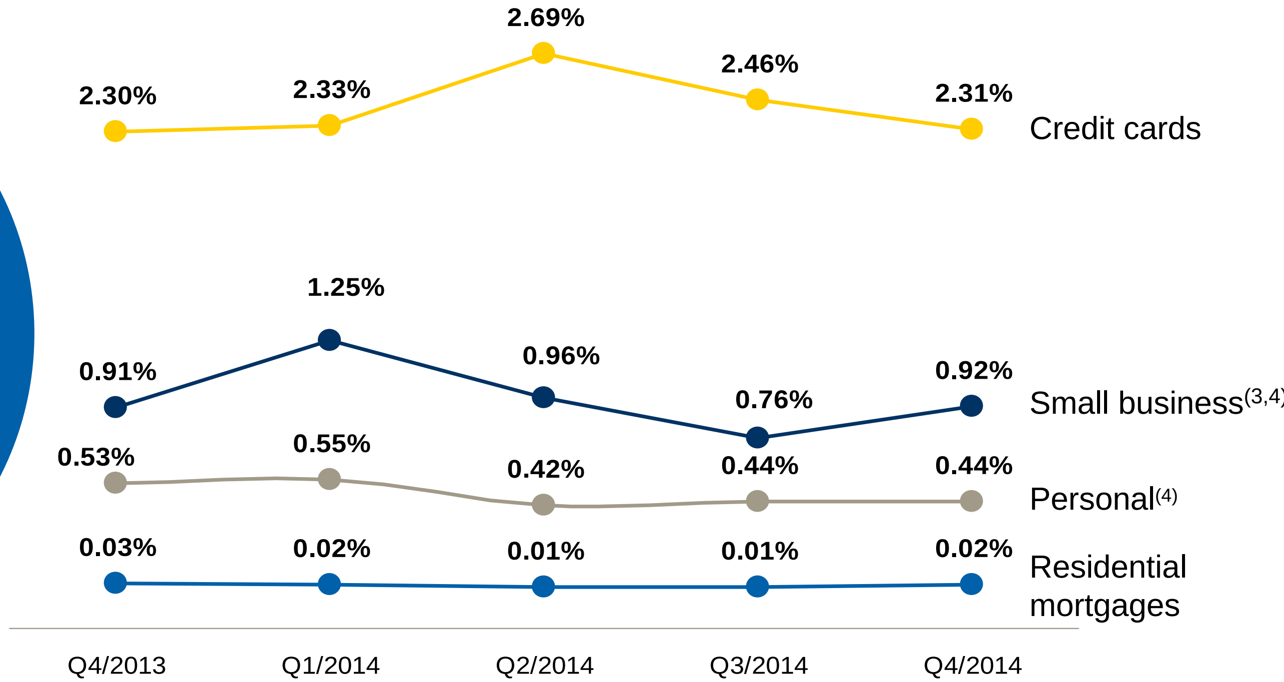
(1) PCL ratio is PCL on impaired loans as a percentage of average net loans & acceptances (annualized).

Stable credit quality in Canadian Banking retail portfolio in Q4/2014

Average retail loans ($296 billion)(1,4)



PCL Ratio(2) by product



Credit performance continues to be strong in Canadian Banking

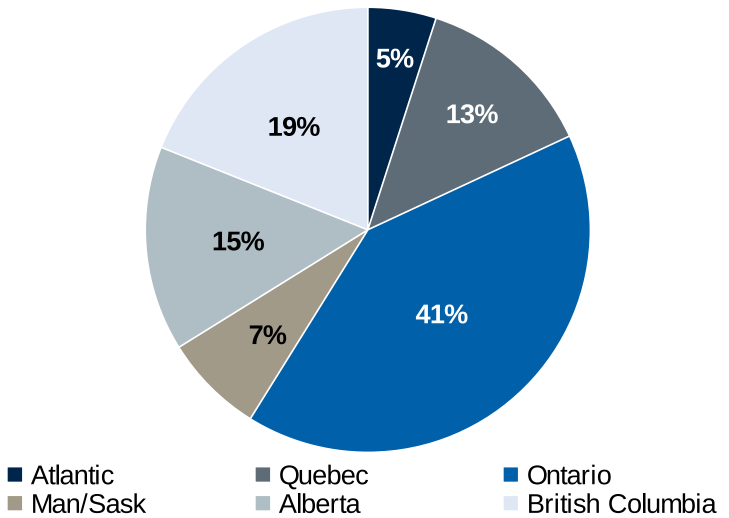
(1) As at October 31, 2014. (2) PCL ratio is PCL on impaired loans as a percentage of average net loans & acceptances (annualized). (3) Since Q2/2013, includes Ally Canada non-personal loan portfolio. In Q1/2014, we aligned Ally Canada to RBC's methodology. (4) In Q2/2014, certain indirect auto loans were reclassified retroactively from personal loans to small business loans.

Diversified residential mortgage portfolio in Canadian Banking

Canadian Residential Mortgage Portfolio: $192 billion(1)

Geographic Diversification

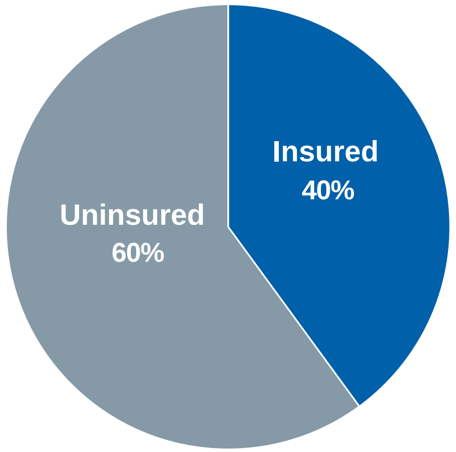
As at October 31, 2014



- Broad geographic diversification across Canada

Insured vs. Uninsured mortgages(2)

As at October 31, 2014



- 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 October 31, 2014

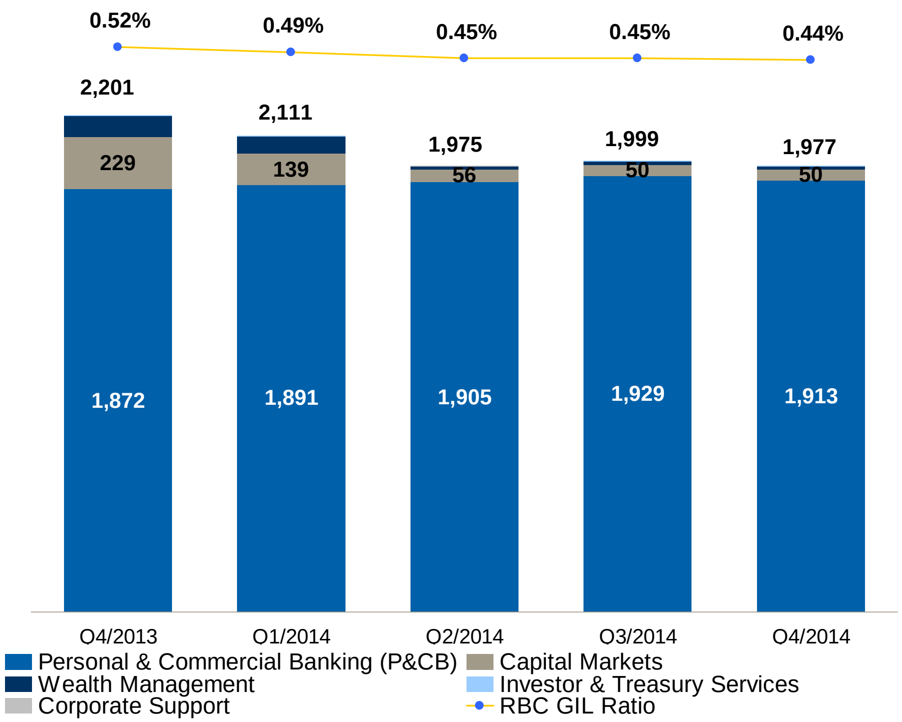
- Condo exposure is 9.5%(3) of Canadian residential mortgage portfolio
- Total exposure to condo developers is approximately $4 billion
  - Drawn exposure of $1.5 billion, representing 2% of our commercial loan book, and undrawn exposure of $2.5 billion

(1) Excludes mortgages of $5 billion related to commercial clients which are reported as business loans and does not include Canadian Banking HELOC. (2) Excludes Canadian Banking HELOC and percentages are based on spot balances. (3) Based on $192 billion in residential mortgages and $44 billion in Home Equity Line of Credit in Canada.

Gross Impaired Loans and Formations

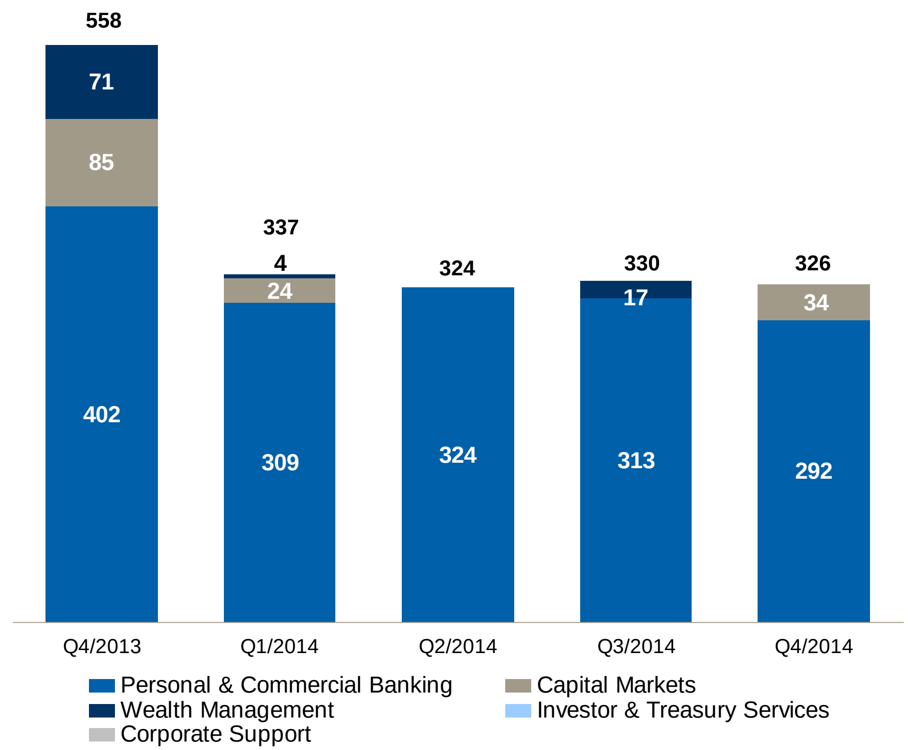
Gross Impaired Loans (GIL)

($ millions, except percentage amounts)



New Impaired Formations

($ millions)



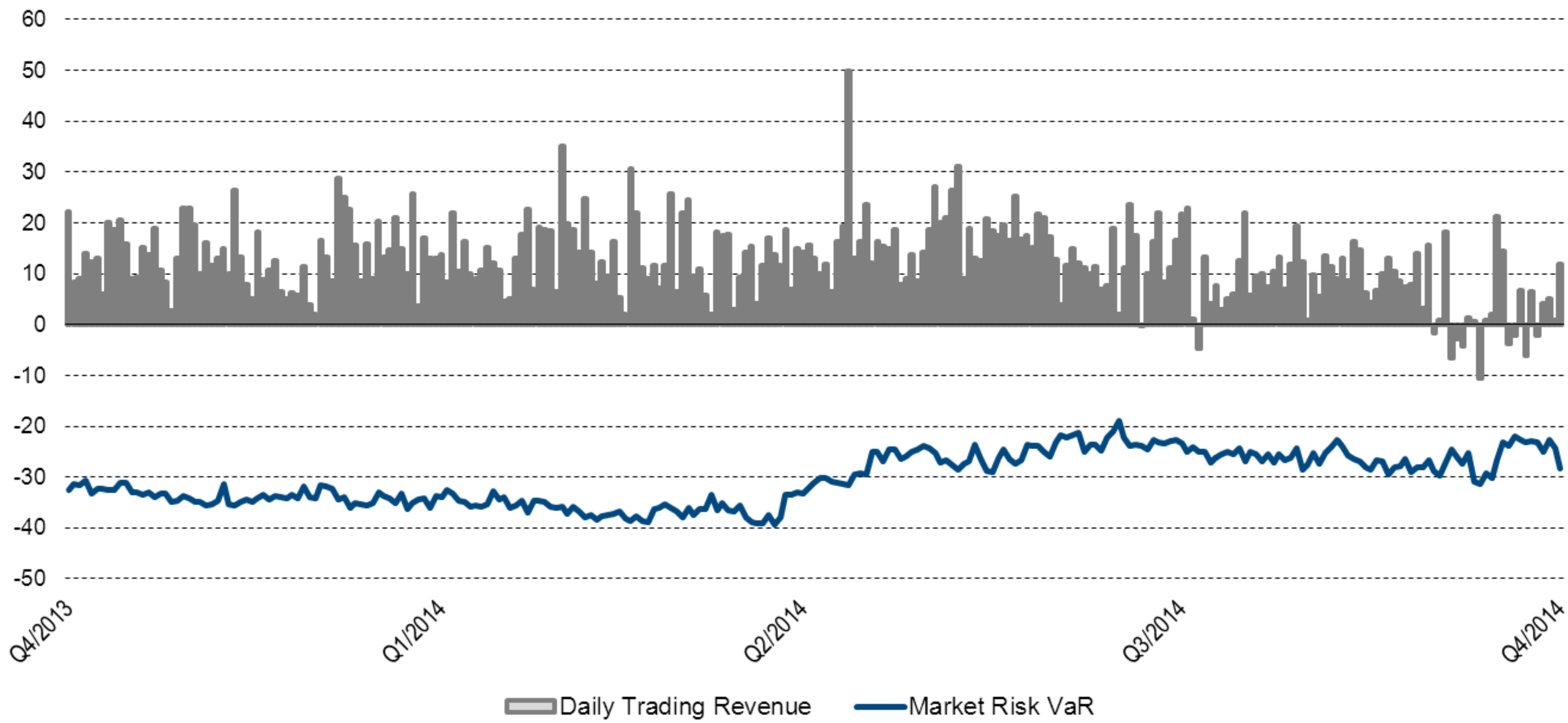
GIL Ratio by Segment[1]	Q4/2013	Q1/2014	Q2/2014	Q3/2014	Q4/2014
P&CB	0.54%	0.54%	0.55%	0.55%	**0.53%**
Canadian Banking	0.35%	0.35%	0.36%	0.33%	**0.32%**
Capital Markets	0.40%	0.23%	0.09%	0.08%	**0.07%**

- Total Gross Impaired Loans decreased in Personal & Commercial Banking and Wealth Management
- New impaired formations remain stable

(1) GIL Ratio for Corporate Support is not meaningful.

Trading Revenue and VaR

(in millions)



- Lower trading revenue in Q4/2014 largely reflects the exit of certain proprietary strategies, in compliance with the Volcker rule during a period of increased market volatility in October
- The market volatility in October also negatively impacted our fixed income trading businesses

Appendices

Continued leadership in Canadian Banking

Canadian Market Share	Q4/2014		Q4/2013	
	Rank	Market Share[1]	Rank	Market Share[1]
Consumer Lending[2]	**1**	**23.7%**	**1**	**23.7%**
Personal Core Deposits + GICs	2	20.2%	2	20.0%
Long-Term Mutual Funds[3]	**1**	**14.2%**	**1**	**14.2%**
Business Loans ($0 - $25 million)	**1**	**25.3%**	**1**	**24.9%**
Business Deposits[4]	**1**	**26.0%**	**1**	**26.0%**

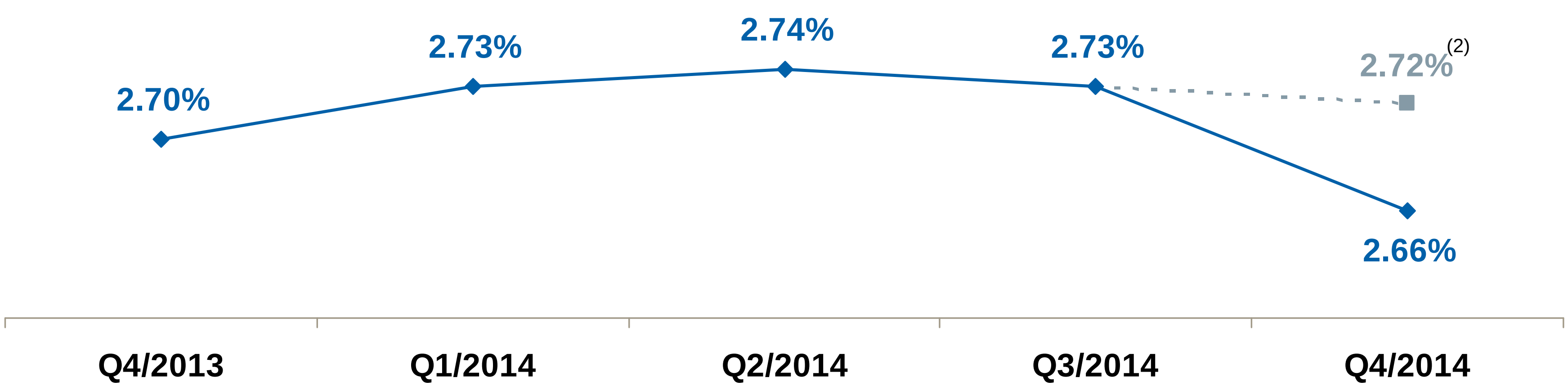
- #1 position in most Canadian retail banking products
  - #1 position in Business Loans ($0-$25 million) and gaining market share (up 40 bps YoY)
- #2 in Personal core deposits and GICs, and gaining market share (up 20 bps YoY)

(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 July 2014 and July 2013, Business Loans CBA data is at June 2014 and June 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 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)]

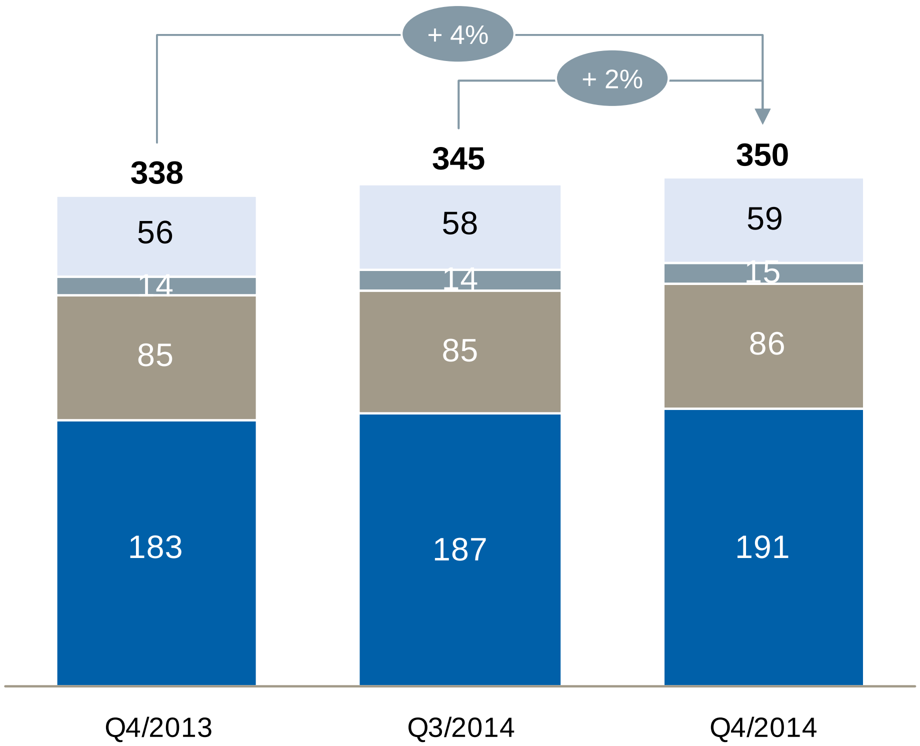
- Net interest margin (NIM) decreased 7 bps QoQ and 4 bps YoY primarily reflecting net cumulative accounting adjustments, including:
  - A change in the recording of certain business loan fees from Net interest income to Non-interest income, which will continue to impact margins going forward (-3 bps)
  - Other accounting adjustments which are not expected to recur (-3 bps)
- NIM continues to be impacted by lower rate environment and competitive pressures



(1) Net interest margin: net interest income as a percentage of average total earning assets.
(2) Excludes the impact of net cumulative accounting adjustments totaling (6) bps as noted above. This is a non-GAAP measure. For more information, see slide 34.

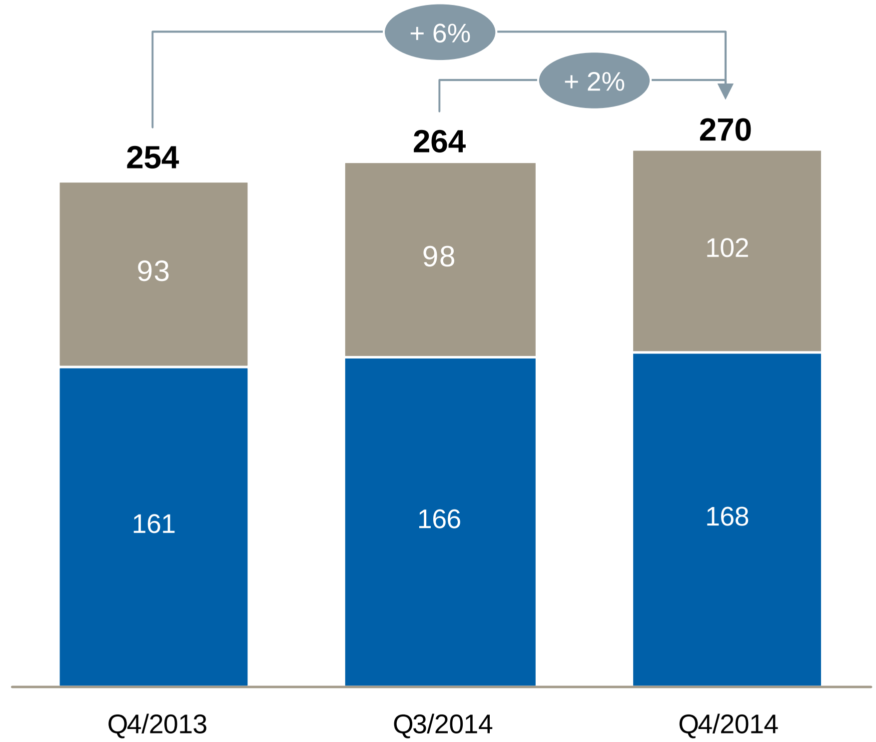
Continued volume growth in Canadian Banking

Average Loans & acceptances[1]
($ billions)



Percentage Change[1]		YoY	QoQ
Business (inc. small business)		5.4%	0.9%
Credit Cards		5.8%	2.8%
Personal Lending		0.9%	0.6%
Residential Mortgages		4.3%	2.1%

Average deposits[2]
($ billions)



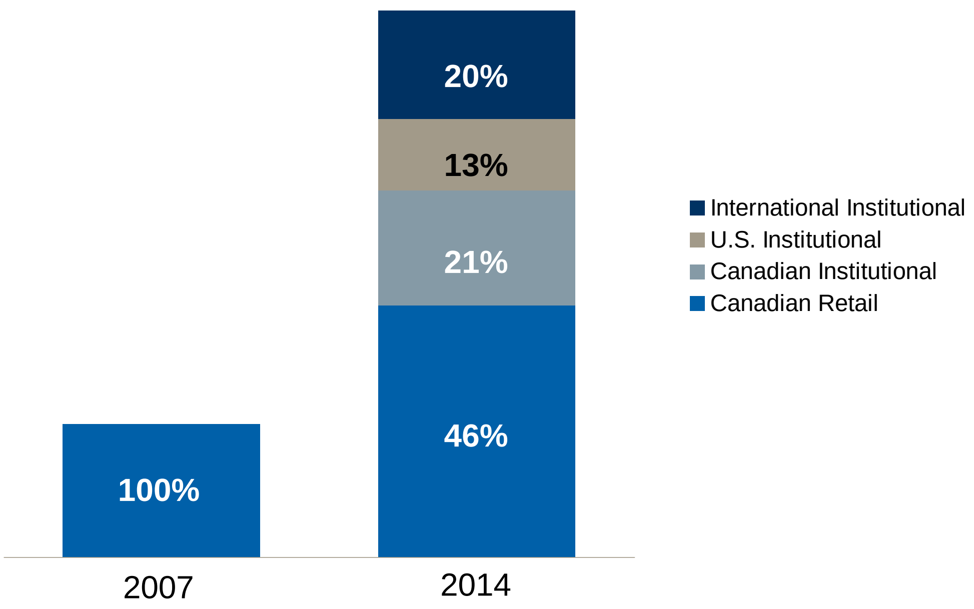
Percentage Change[2]		YoY	QoQ
Business Deposits		9.4%	3.2%
Personal Deposits		4.6%	1.4%

Combined loan and deposit growth of 5% YoY

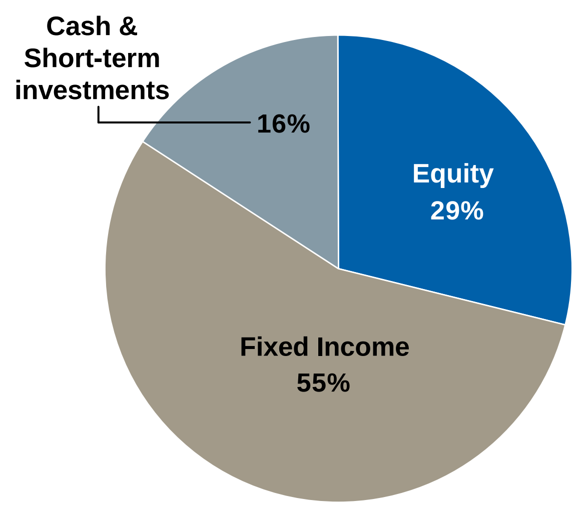
(1) Total loans & acceptances and percentage change may not reflect the average loans & acceptances balances for each loan type shown due to rounding.
(2) Total deposits and percentage change may not reflect the average deposits for each deposit type shown due to rounding.

Continuing to diversify our Asset Management business

AUM by Client Segment[1]



AUM by Asset Class[1]



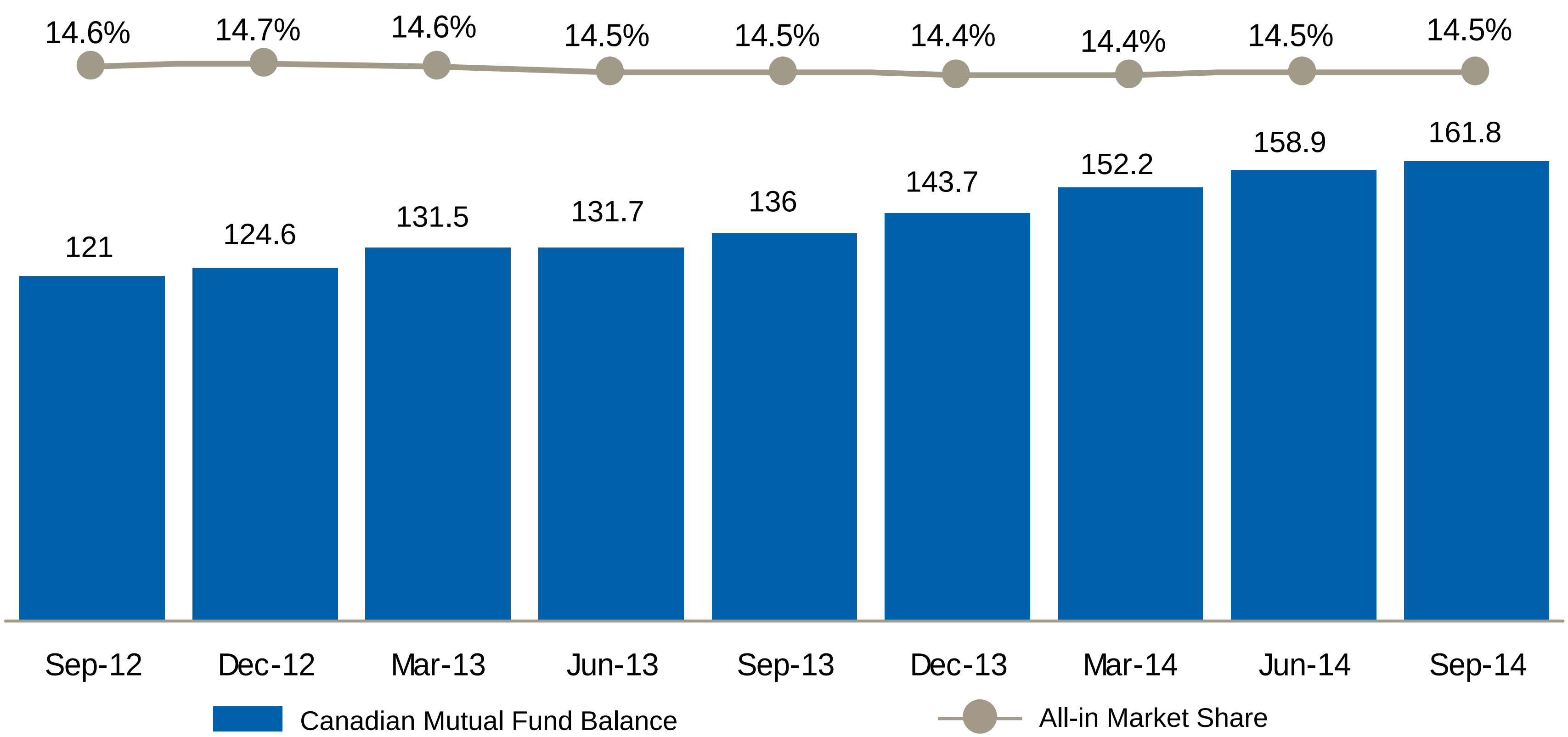
- Extending our leadership position in Canada in both retail and institutional asset management
- Continuing to see momentum in our international institutional business driven by market share gains in higher fee-based solutions such as equities and credit strategies

(1) Data as of October 31, 2014.

Strong growth in Canadian retail assets under management

Canadian mutual fund balances and market share[1]

($ billions, except percentage amounts)



- For the 13th quarter in a row, RBC Global Asset Management (GAM) ranked #1 in market share[1]
- Long-term fund assets increased 38% since Sept 2012, with GAM capturing 18% of industry sales

(1) Source: IFIC (as of September 2014) and RBC reporting.

Capital Markets revenue – diversified by business

($ millions)	Q4/2014	Q3/2014	Q4/2013	QoQ	YoY
Investment banking	414	511	430	(19)%	(4)%
Lending and other	432	454	356	(5)%	21%
Corporate & Investment Banking	**$846**	**$965**	**$786**	**(12)%**	**8%**
Fixed income, currencies and commodities (FICC)	164	574	446	(71)%	(63)%
Global equities (GE)	256	364	270	(30)%	(5)%
Repo and secured financing	230	282	172	(18)%	34%
Global Markets (teb)	**$650**	**$1,220**	**$888**	**(47)%**	**(27)%**
Other	**$3**	**-**	**$9**	**n.m.**	**(67)%**
Capital Markets total revenue (teb)	**$1,499**	**$2,185**	**$1,683**	**(31)%**	**(11)%**

Corporate & Investment Banking

- YoY increase reflects robust growth in lending and M&A activity, mainly in the U.S., and higher distributions on private equity investments, partially offset by lower loan syndication in the U.S. compared to robust levels last year
- QoQ decrease driven by lower loan syndication in the U.S. and Europe and lower equity and debt origination due to market conditions and an exceptionally strong third quarter. These factors were partially offset by higher M&A activity, mainly in the U.S.

Global Markets

- YoY and QoQ decreases reflect:
  - $105 million charge from implementation of FVA(1)
  - $69 million in lower revenue associated with the exit of certain proprietary trading strategies in compliance with the Volcker Rule
  - Challenging market conditions, particularly in our fixed income business, following a very robust Q3/2014

(1) For further description on FVA implementation, refer to footnote 3 on slide 9.

Capital Markets revenue – diversified by geography

($ millions)	Q4/2014	Q3/2014	Q4/2013	QoQ	YoY
Canada	541	645	451	(16)%	20%
U.S.	906	1,164	941	(22)%	(4)%
Europe	196	323	200	(39)%	(2)%
Asia and Other	47	51	38	(8)%	24%
Geographic revenue excluding certain items[1]	**$1,621**	**$2,183**	**$1,630**	**(25)%**	**0%**
Add / (Deduct):					
BOLI[2]	-	4	-	(4)	-
CVA[3]	(17)	(2)	27	(15)	(44)
Fair value adjustment on RBC debt[3][4]	-	-	26	-	(26)
FVA implementation[3][5]	(105)	-	-	(105)	(105)
Exit of certain proprietary trading strategies[2][6]	(69)	-	-	-	-
Capital Markets total revenue (teb)	**$1,499**	**$2,185**	**$1,683**	**(31)%**	**(11)%**

Canada
- YoY increase driven by equity origination and trading activity, as well as distributors from private equity investments

U.S.
- YoY decrease reflects weaker fixed income and equities trading, as well as lower loan syndications and debt underwriting compared to robust levels in the U.S. last year, partially offset by solid lending growth

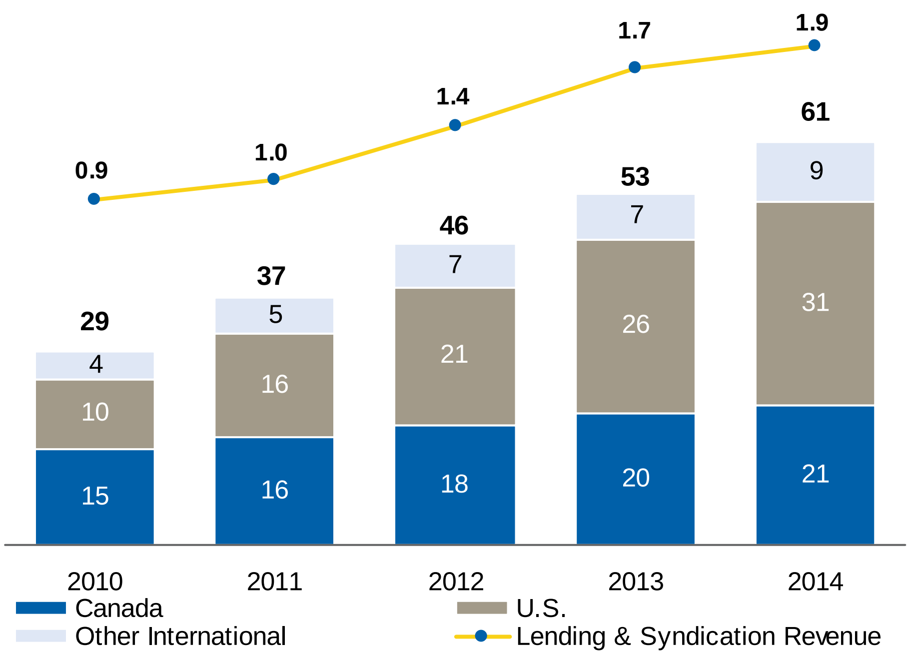
Europe
- YoY was largely flat as weaker fixed income and equities trading, and lower equity origination were offset by higher lending and M&A activity

(1) These are non-GAAP measures. For more information, see slide 34. (2) Excluded from U.S. (3) Excluded from all geographies. (4) In Q2/2014 we prospectively adopted the own credit provisions of IFRS 9 Financial Instruments. Changes in fair value in own liabilities attributable to changes in credit spreads are now recorded in other comprehensive income. For more information, refer to the Accounting and control matters section of our Q2/2014 Report to Shareholders and Note 2 of our Q2/2014 Interim Condensed Consolidated Financial Statements. (5) For further description on FVA implementation, refer to footnote 3 on slide 9. (6) Q4/2014 results include $69MM of lower trading revenue associated with the exit of certain proprietary trading strategies in compliance with the Volcker Rule.

Prudently growing Capital Markets' loan book

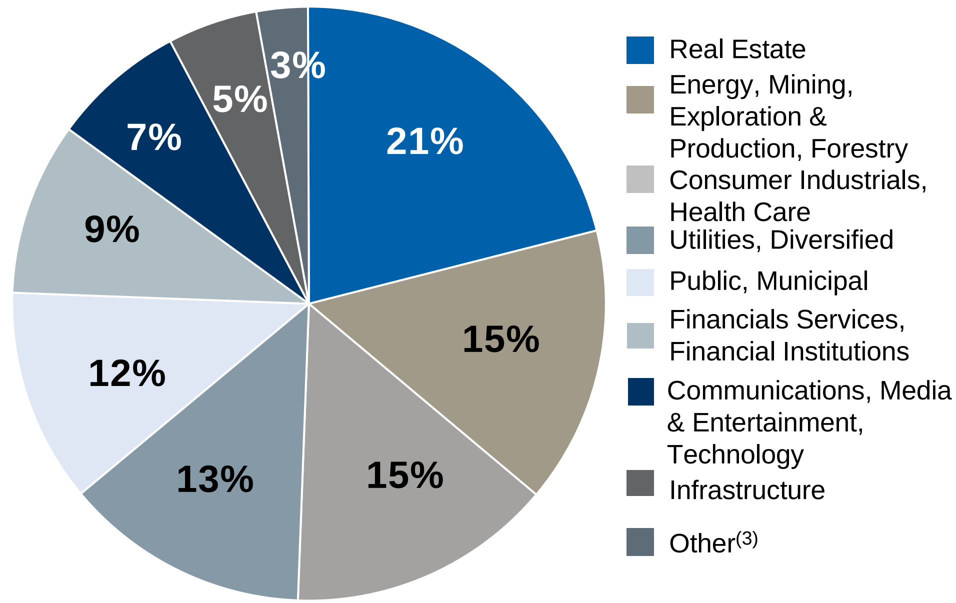
Lending and Syndication Revenue and Loans Outstanding by Region[(1)] *($ billions)*

- In the last 3 years, our lending and syndication revenue grew by 24%, exceeding our loan book growth of 18%[(2)]



Loans Outstanding by Industry[(1)]

Q4/2014



- 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 appetite
- Approximately 66% of our authorized Capital Markets loan portfolio is investment grade

(1) Average loans & acceptances, and 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: Aerospace and Transportation.

Capital Markets' trading revenue

($ millions)	Q4/2014	Q3/2014	Q4/2013	QoQ	YoY
Capital Markets total revenue (teb)	**$1,499**	**$2,185**	**$1,683**	**(31)%**	**(11)%**
Capital Markets non-trading revenue[1]	$1,107	1,250	1,022	(11)%	(8)%
Capital Markets trading revenue (teb)	**$392**	**$935**	**$661**	**(58)%**	**(41)%**
Add / (Deduct):					
BOLI	-	(4)	-		
CVA	17	2	(27)		
FVA implementation[2]	105	-	-		
Fair value adjustment on RBC debt[3]	-	-	(26)		
Exit of certain proprietary trading strategies[4]	69	-	-		
Capital Markets trading revenue (teb) excl. certain items	**$583**	**$933**	**$608**	**(38%)**	**(4%)**

- Lower trading revenue due to challenging market conditions, particularly in the latter half of the quarter
- Trading revenue was also impacted by the implementation of FVA[2] and the exit of certain proprietary trading strategies in compliance with the Volcker Rule[4]
- Last quarter we had very favourable market conditions and a couple of outsized trades totaling approximately $100 million

(1) Non-trading revenue primarily includes Corporate & Investment Banking and Global Markets origination and cash equities businesses. (2) For further description on FVA implementation, refer to footnote 3 on slide 9. (3) In Q2/2014 we prospectively adopted the own credit provisions of IFRS 9 Financial Instruments. Changes in fair value in own liabilities attributable to changes in credit spreads are now recorded in other comprehensive income. For more information, refer to the Accounting and control matters section of our Q2/2014 Report to Shareholders and Note 2 of our Q2/2014 Interim Condensed Consolidated Financial Statements. (4) Q4/2014 results include $69MM of lower trading revenue associated with the exit of certain proprietary trading strategies in compliance with the Volcker Rule.

Other – other income

($ millions)	Q4/2014	Q3/2014	Q4/2013
Other income – segments	273	89	95
FV adjustments on RBC debt(1)	-	-	3
CDS on corporate loans	(3)	2	(10)
Funding related and other hedging items	78	10	(29)
Total Other – other income	**$348**	**$101**	$59

(1) Effective Q2/2014, we prospectively adopted the own credit provisions of IFRS 9 Financial Instruments with an initial application date of November 1, 2013. Changes in fair value in our financial liabilities designated as at fair value through profit or loss (FVTPL) attributable to changes in RBC credit risk are now recorded in Other comprehensive income (OCI). Prior periods were not restated.

Specified items impacting results (FY 2013 & 2014)

($ millions, except for earnings per share (EPS) amounts)	Reported	Personal & Commercial Banking (P&CB): Loss related to sale of RBC Jamaica	Personal & Commercial Banking (P&CB): Provisions for post-employment benefits and restructuring charge in the Caribbean	Insurance: Charge related to certain Individual life insurance policies	I&TS: Restructuring Charges	Adjusted (1)
Q3/2014						
Consolidated						
Non-interest expense	$4,602	($40)	-	-	-	$4,562
Net income	$2,378	$40	-	-	-	$2,418
Diluted EPS	$1.59	$0.03	-	-	-	$1.62
P&CB						
Net income	$1,138	$40	-	-	-	$1,178
FY 2014						
Consolidated						
Net income	$9,004	$100	$32	-	-	$9,136
Diluted EPS	$6.00	$0.07	$0.02	-	-	$6.09
P&CB						
Net income	$4,475	$100	$32	-	-	$4,607
Q4/2013						
Insurance						
PBCAE	$878	-	-	($160)	-	$718
Net Income	$107	-	-	$118	-	$225
FY 2013						
Insurance						
PBCAE	$2,784	-	-	($160)	-	$2,624
Net Income	$595	-	-	$118	-	$713
Investor & Treasury Services						
Net Income	$339	-	-	-	$31	$370

(1) *These are non-GAAP measures. For more information, see slide 34.*

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, earnings excluding charges related to new tax legislation in Canada, 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 2014 Annual report.

Definitions can be found under the "Glossary" sections in our Q4/2014 Supplementary Financial Information and our 2014 Annual Report.

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