

Royal Bank of Canada

RBC Sells U.S. Retail Banking Operations to PNC Financial Services Group, Inc.

June 20, 2011



Caution regarding forward-looking statement

Certain statements contained in this presentation 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 with respect to the acquisition of the U.S. retail banking operations of the Royal Bank of Canada (RBC), by PNC Financial Services Group, Inc., (PNC) and RBC's expected losses relating to this transaction. 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 our U.S. retail operations by PNC 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 acquisition 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 RBC or PNC 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 RBC's U.S. retail banking operations does business; the impact of changes in the laws and regulations regulating financial services and enforcement thereof (including banking, insurance and securities); judicial or regulatory judgments and legal proceedings; PNC's ability to complete the transaction; reputational risks, and other factors that may affect future results of RBC. We caution that the foregoing list of important factors is not exhaustive. Additional information about these and other factors can be found in the RBC Q2 2011 Report to Shareholders and 2010 Annual Report.

Except as required by law, Royal Bank of Canada assumes no obligation to update the forward-looking statements contained in this presentation.



Strategic Rationale

- ✓ Sale of our U.S. retail banking operations to PNC Financial Services Group, Inc. (PNC), a market-leading organization with significant scale and a strong track record of success in the U.S.
- ✓ A large capital investment would be required to achieve the necessary scale to succeed in the highly competitive U.S. retail market
- ✓ Accretive to earnings in 2012 and significantly increases both Tier 1 Capital and Tier 1 Common ratios providing greater flexibility in light of changing regulations
- ✓ Greater shareholder returns can be yielded by investing capital in growing our businesses organically, investing in targeted Wealth Management acquisitions and returning capital to our shareholders by way of dividends or share repurchases
- ✓ Consistent with our strategy of being the undisputed leader in financial services in Canada, competitively growing Wealth Management and Capital Markets globally and generating attractive returns in select niche markets

Driving shareholder value creation and delivering strong shareholder returns



Transaction summary

Description	✓ PNC will acquire our U.S. retail banking operations
Consideration	<ul style="list-style-type: none"> ✓ Total proceeds of US\$3.62 billion consisting of: <ul style="list-style-type: none"> US\$3.45 billion for the purchase of RBC Bank (USA) and US\$165 million for the purchase of related credit card assets ✓ The purchase price is comprised of cash and PNC common stock of up to US\$1 billion at PNC's option <ul style="list-style-type: none"> – Share price based on the 10-day volume weighted average of PNC's common stock prior to close – Any PNC shares received by RBC on closing can be sold without restrictions
Closing Conditions	✓ Subject to customary closing conditions including regulatory approval
Expected Closing	✓ March 2012



Estimated RBC Financial Implications ⁽¹⁾

Q3 2011 - Income Statement Impacts (after-tax)	Canadian GAAP	IFRS ⁽²⁾
Estimated Loss on Sale (incl. goodwill write off)	\$1.6 billion	\$0.3 billion
Estimated Goodwill write off	\$1.3 billion ⁽³⁾	-

2012 Income Statement Impacts (after-tax)	
EPS Impact	accretive

As at April 30, 2011 pro forma capital impacts	Canadian GAAP
Tier 1 Capital Ratio	up 140 bps
Tier 1 Common Ratio	up 100 bps
Risk Weighted Assets	down \$24 billion

Balance Sheet	
Assets	down \$26 billion
Liabilities	down \$21 billion

- (1) These amounts are in Canadian dollars and are based on estimates which are subject to change.
(2) Financial statements will be reported in accordance with International Financial Reporting Standards (IFRS) starting on November 1, 2011, including fiscal 2011 comparatives. Loss is reduced to \$0.3 billion under IFRS as it is proposed that the goodwill will be written off as part of the IFRS transitional adjustments to the RBC opening balance sheet as at November 1, 2010.
(3) Estimated goodwill write off on a pre-tax basis is \$1.4 billion.



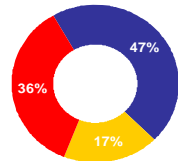
Maintains RBC cross-border banking platform

- ✓ Subject to regulatory approval, RBC will maintain U.S. banking operations to serve the needs of its Canadian clients across the U.S. and continue to provide banking services to RBC Wealth Management and RBC Capital Markets in the U.S.
- ✓ Continue to offer RBC Access USA[®] products, including funds transfer between Canada and the U.S., the option of preferred foreign exchange rates and a no fee RBC Royal Bank U.S. Dollar Visa Gold card
- ✓ Cross-border banking clients will continue to have seamless access to funds and banking products
 - mortgages, loans, ATM access, U.S. dollar accounts, debit and credit cards and integrated online banking



Wealth Management – Strong and Growing Presence in the U.S.

Wealth Management 2010 Revenue
C\$ 4.2 Billion



- Canadian Wealth Management
- Global Asset Management
- U.S. and International Wealth Management

- ✓ Highest ranking in 2011 J.D. Power U.S. full service investor satisfaction study
- ✓ 5th largest U.S. full-service advisory firm with \$220B AUA and over 4,700 employees including over 2,000 financial advisors (FA) in close to 190 offices spanning 42 states
- ✓ 6th largest U.S. clearing and custody provider serving over 200 brokerage and registered investment advisory firms and 4,000 independent advisors

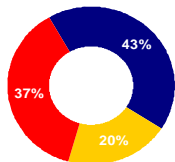
- ✓ Doubled in advisors and tripled in revenue and AUA since the purchase of Dain Rauscher through a combination of acquisitions and record levels of recruiting
- ✓ U.S. organic growth strategy is focused on helping clients achieve their financial objectives through a full service wealth management offering:
 - brokerage, investment management, retirement planning, cash management, credit and lending, insurance, and trust and estate planning
- ✓ Focused on increasing FA productivity, growing higher margin business and further improving efficiency

Aspire to be the best-in-class provider of wealth management solutions to affluent and high-net-worth clients



Capital Markets – Significant and Broad Capabilities in the U.S.

Capital Markets 2010 Revenue
C\$ 5.9 Billion



- Canada
- International
- United States

- ✓ Presence in the U.S. for over 100 years
 - Headquartered in New York with principal offices in Boston, Chicago, Houston, Dallas, Denver, Los Angeles, and San Francisco
- ✓ Over 40% of Capital Markets 6,300 employees are based in the U.S.
- ✓ 11th largest global investment bank⁽¹⁾ and the only Canadian Bank U.S. primary dealer

- ✓ Continue to expand our corporate relationships and win market share through increased sector coverage and the extension of our loan book
 - Increased sector coverage to 13 from 9 since 2009
 - Added over 270 new borrowing clients since 2009 with total authorized lending to U.S. clients of close to US\$ 65 billion
- ✓ Continue to invest in our brand - more clients are viewing RBC as a counterparty of choice
- ✓ Build out our electronic trading platform
 - Development of our equity trading portal (THOR™) has provided a distinct competitive advantage

Aspire to be a top-tier provider of both client and trading focused products and services in the U.S.

(1) Ranked by fees in 2010. Source: Bloomberg



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