



# RBC Wealth Management

Investor and Analyst Day

October 21, 2011



RBC Wealth Management

## Caution regarding forward-looking statements



RBC Wealth Management

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 Wealth Management, Investor and Analyst Day 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 RBC’s Wealth Management five year growth plans and objectives and growth opportunities. 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 RBC Wealth Management, its businesses, financial position and results of operations as at and for the periods ended on the dates presented, our growth plan and objectives, 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”, “objective” 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 management and Overview of other risks sections in our 2010 Annual Report to Shareholders and the Risk management section of our Q3 2011 Report to Shareholders; 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 and the lowering of the U.S. long-term sovereign credit rating by Standard & Poor’s; 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*; 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 sections in our 2010 Annual Report to Shareholders and the Risk management section of our Q3 2011 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.

<b>9:00 – 10:15</b>	<b>Gord Nixon</b>	<b>Welcome and Opening Remarks</b>
		<b>RBC Wealth Management Overview</b>
	<b>George Lewis</b>	<b>Our Financial Performance and Drivers</b> <b>Our Growth Strategy</b>
	<b>John Montalbano</b>	<b>Global Asset Management</b>
	<b>John Taft</b>	<b>Wealth Management - U.S.</b>
<b>10:15 – 11:15</b>	<b>George Lewis</b>	<b>Global Trust and Wealth Management - U.K.</b>
		<b>Wealth Management - Canada</b>
		<b>Wealth Management - Emerging Markets</b>
		<b>Wrap-Up</b>
		<b>Questions and Answers</b>



# Welcome and Opening Remarks

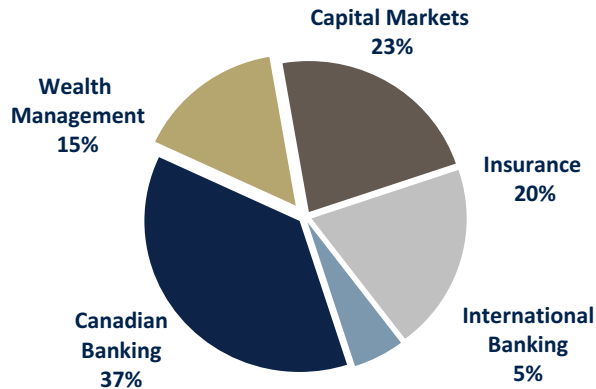
## Gord Nixon

President and Chief Executive Officer

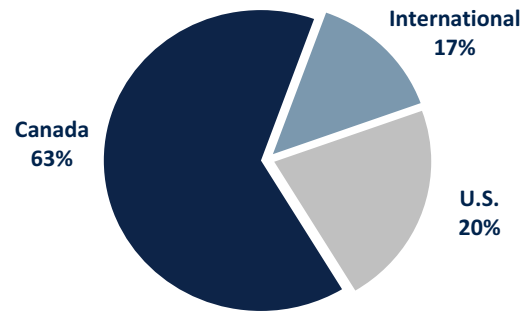




**Revenue by Business Segment<sup>1</sup>**  
(Q3 2009 to Q3 2011)



**Revenue by Geography<sup>1</sup>**  
(Q3 2009 to Q3 2011)



- The right mix of businesses and geographies
- Strong capital base and highly liquid balance sheet
- Leveraging our domestic leadership to build globally competitive businesses

**Well-positioned financially and competitively**

1. Amounts represent continuing operations and do not include Corporate Support. For further information, see Q3 2011 Report to Shareholders.

**RBC Wealth Management – attractive dynamics**



**Industry Advantage**

- Exceptional growth in the retirement segment, and High Net Worth and Ultra High Net Worth segments, notably in emerging markets
- Low capital requirements for organic growth
- Relatively stable regulatory environment
- Strong reputation of the Canadian financial system

**RBC's Advantage**

- Leveraging RBC's strength, stability and brand
- RBC's capabilities are well-suited for High Net Worth client needs
- RBC Capital Markets and RBC Wealth Management - global businesses complementary to each other and to our leading Canadian franchise
- Established foundation for growth and shareholder value

**Favourable trends for growth**



# RBC Wealth Management Overview

## George Lewis

Group Head, RBC Wealth Management



RBC Wealth Management

### Today's focus

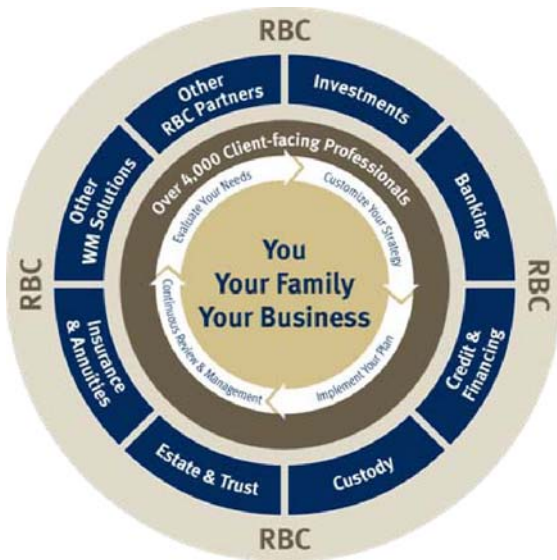


RBC Wealth Management

- Building a global high-performing asset manager
- Expanding High Net Worth and Ultra High Net Worth market share
- Leveraging RBC and RBC Wealth Management strengths and capabilities



Building a leading global wealth and asset manager



- ✓ 6<sup>th</sup> largest wealth manager in the world by client assets<sup>1</sup>
- ✓ Largest full-service wealth manager in Canada with high levels of client and advisor satisfaction<sup>2</sup>
- ✓ 6<sup>th</sup> largest full-service wealth manager in the U.S. by financial advisors with industry leading client ratings<sup>2</sup>
- ✓ Award-winning asset management capability<sup>2</sup>
- ✓ Leading global provider of international trust solutions<sup>2</sup>

## Backed by the strength and stability of RBC

1. Scorpio 2011. Client assets defined as AUA + AUM of wealth businesses, which excludes asset management businesses and estimated custody, trust and institutional assets. 2. See slide 56 for a list of our awards.



1986 – 2006

- ❑ Built the #1 position in wealth and asset management in Canada
- ❑ Established our U.S. and International wealth businesses

2007 – 2010

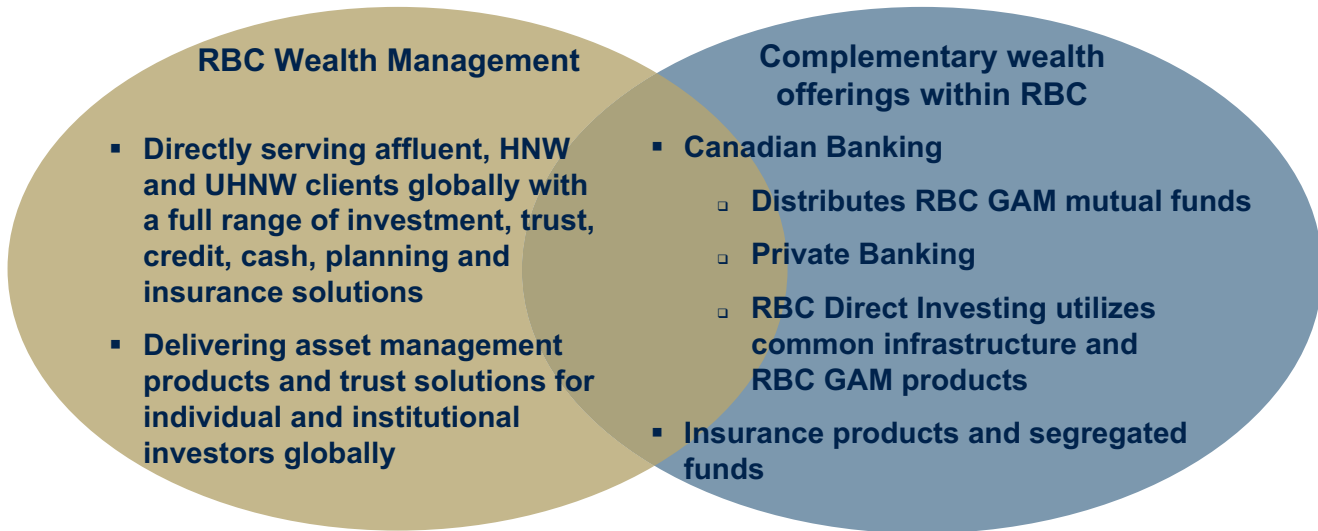
- ❑ Secured leadership in Canada (PH&N acquisition) and extended our position
- ❑ Strengthened individual businesses throughout the market disruption and recovery
- ❑ Laid the foundation, strategy and structure for global growth

2011 – 2015

**BECOME A GLOBAL LEADER IN WEALTH AND ASSET MANAGEMENT**

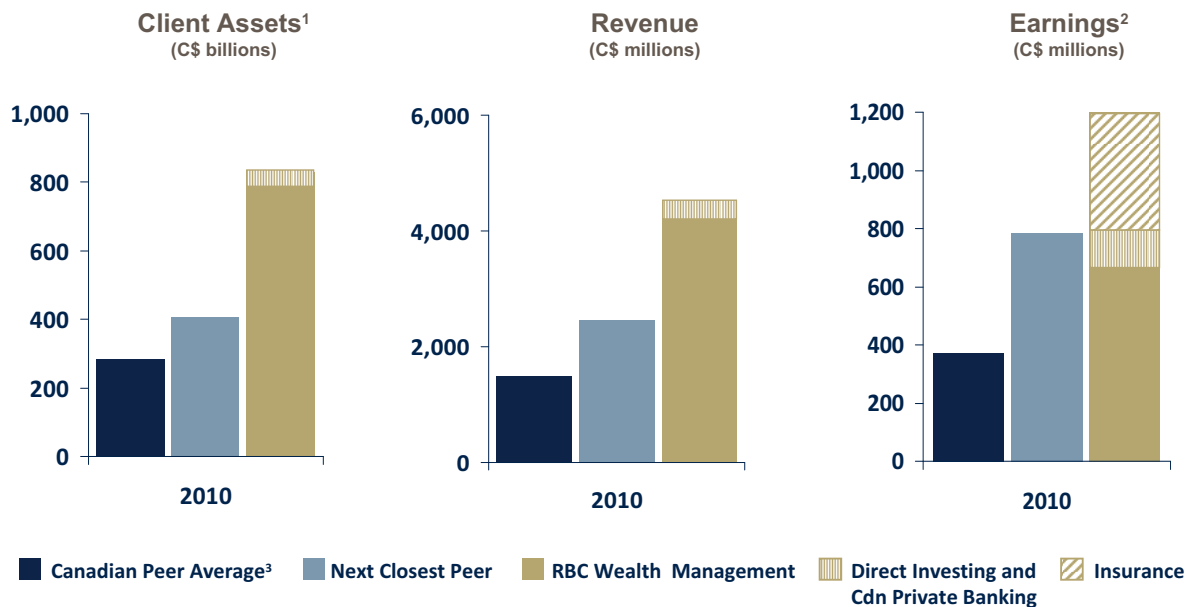
Building on our leadership to drive future growth

# A unique approach to wealth management



## Capitalizing on the “Home of Best Fit”

# The leader among Canadian bank peers



## Largest Canadian wealth and asset manager

1. Client Assets = AUM + AUA, as reported. 2. Average and next closest includes insurance earnings for BNS and BMO, consistent with their disclosure. RBC Insurance not adjusted for loss on Liberty Life sale. 3. Average of 5 Canadian banks (excluding RBC), as reported.

# Sixth largest wealth manager globally

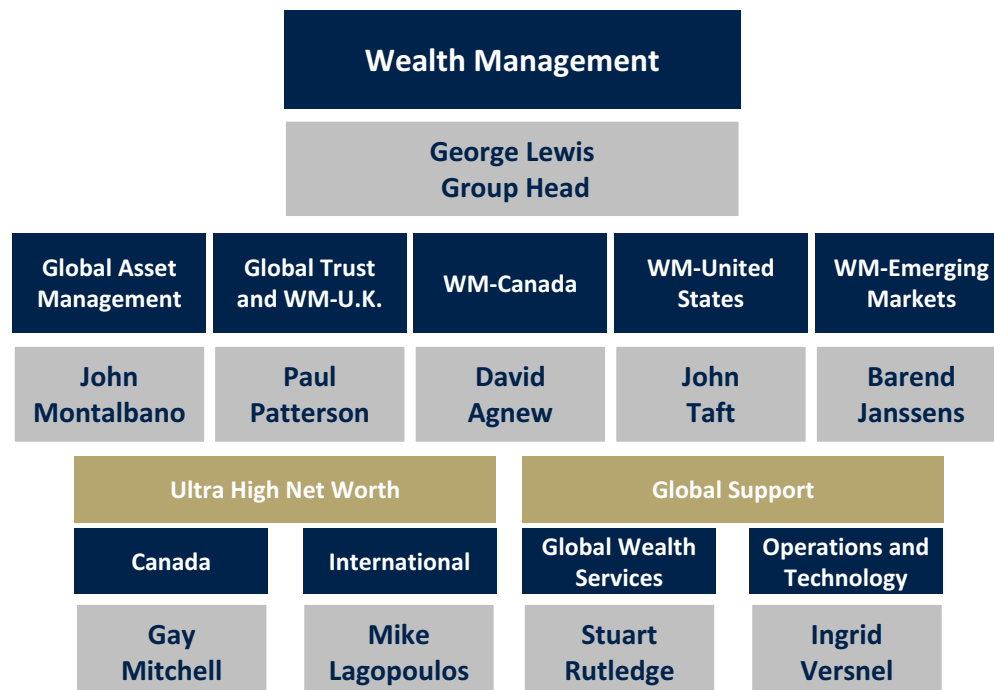
Rank <sup>1</sup>	Institutions	Client Assets <sup>2</sup> (in US\$B)
1	Bank of America	1,945
2	Merrill Lynch	1,628
3	Morgan Stanley	1,560
4	UBS	1,398
5	WELLS FARGO	865
6	RBC	435
7	HSBC	390
8	Deutsche Bank	369
9	BNP PARIBAS	340
10	JPMorgan	284

- ✓ 6<sup>th</sup> largest wealth manager by client assets
- ✓ 5<sup>th</sup> largest by revenue and 4<sup>th</sup> by earnings<sup>1</sup>
- ✓ Strong historical presence in key global financial centers
- ✓ Backed by Canada's largest bank by assets and market capitalization

## Strong global position

1. Scorpio 2011 (Analysis of year-end 2010 results of 198 business entities active in the management of HNW private client wealth). 2. Scorpio defines client assets as AUA + AUM of wealth businesses, which excludes asset management businesses and estimated custody, trust and institutional assets.

# Key capabilities and deep expertise



A wealth of experience behind our global growth strategy



# Our Financial Performance and Drivers

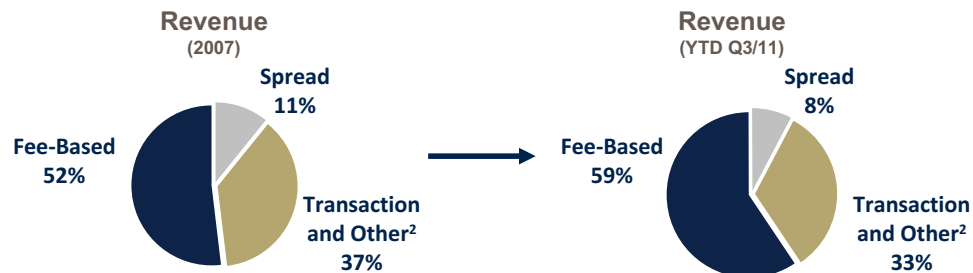
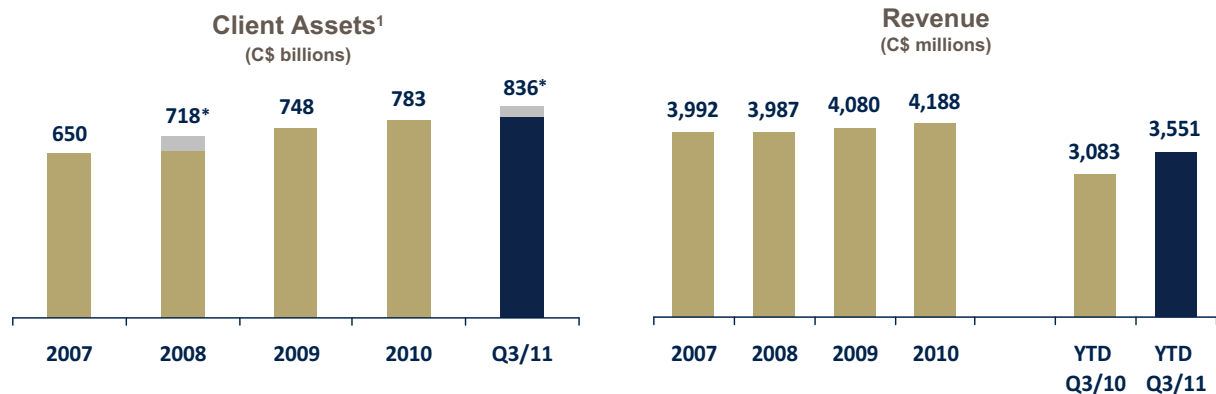


RBC Wealth Management

## Solid financial performance



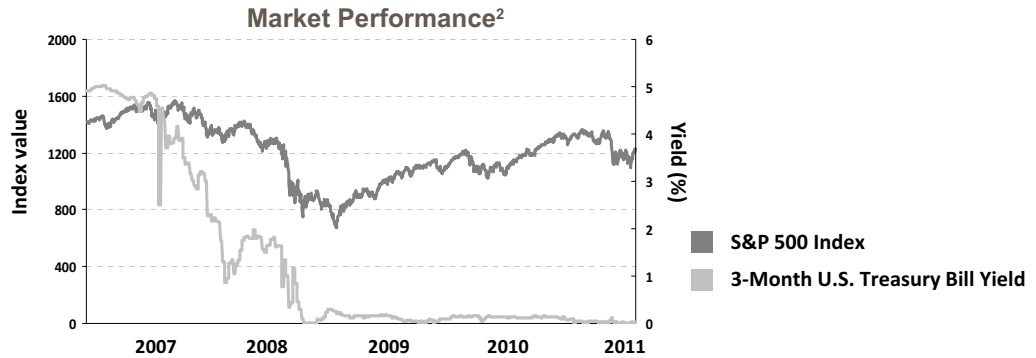
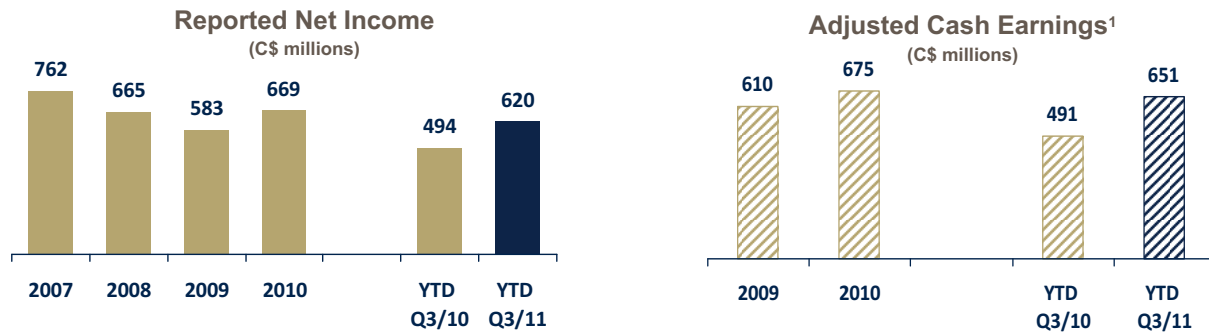
RBC Wealth Management



## Driving towards stronger recurring revenue

1. Client Assets = AUM + AUA. See 2010 Annual Report for definitions of AUA and AUM. 2. Other: Non-operational revenue including mark-to-market, one-time gains/losses on securities and adjusted to exclude any U.S. stock based compensation plan revenue. \* Reflects PH&N (2008) and BlueBay (Q1/11) acquisitions.





## Solid financial performance in uncertain times

1. See slides 57, 58 and 65 for reconciliation and discussion of Non-GAAP measures.  
 2. Bloomberg.

### Market Returns

- Capital market returns drive asset values which underpin fee-based revenue**
  - ✗ Declining equity markets reduce asset values
  - ✓ A 1% increase in markets would benefit annual earnings by \$10 - \$15 million

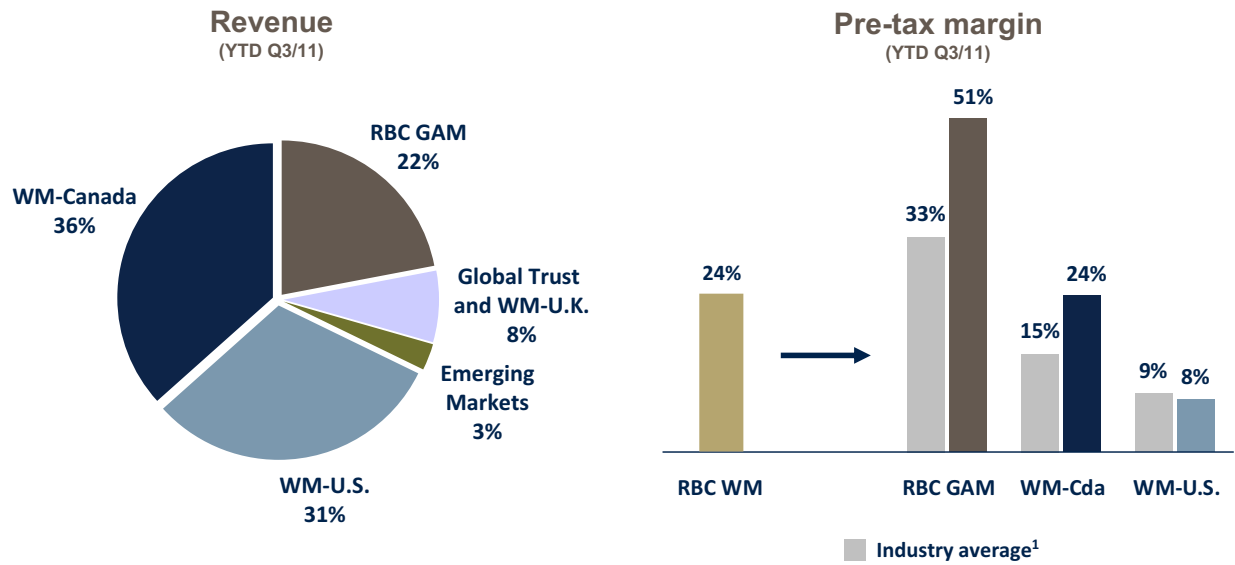
### Interest Rates

- Short-term interest rates drive spread income on our deposits and money market funds**
  - ✗ Low rates have caused spread compression on deposits and fee waivers on our U.S. Money Market Funds
  - ✓ A 100 bps increase in rates would benefit annual earnings by \$130 - \$150 million

### Investor Confidence

- Capital markets environment influences transaction volumes**
  - ✗ Market uncertainty leads to lower investor confidence resulting in reduced transaction levels

## Navigating through a challenging environment



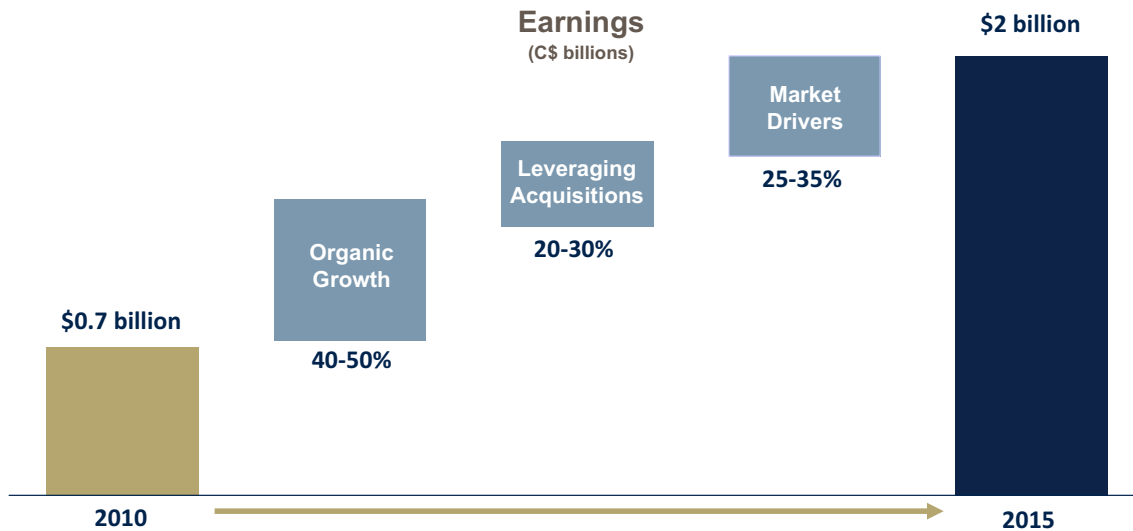
## Focused on achieving best-in-class margins

1. Based on BCG Global Asset Management Benchmarking Database 2011 and BCG Wealth Manager Performance Database 2010 and 2011. U.S. industry average is based on North American BCG Benchmarking and publicly reported U.S. brokerage data. U.S. and Cdn industry average is for full-service brokers.



## Our Growth Strategy





2010 Actual	Key Metrics	2015 Objectives
21%	Pre-tax margin	30% - 35%
18%	ROE	> 20%
\$783 billion	Client assets <sup>1</sup>	> \$1.3 trillion
\$0.8 million	Advisor productivity <sup>2</sup>	> \$ 1 million

## Ambitious five year growth objectives

1. Client Assets = AUM + AUA. See 2010 Annual Report for definitions of AUA and AUM.  
 2. Excludes RBC GAM revenue and client-facing advisors.

### Organic Growth

- Leveraging cross-segment capabilities to accelerate growth
- Building a global high-performing asset manager
- Extending our Canadian leadership in HNW and UHNW
- Improving productivity and efficiencies in the U.S.
- Growing Global Trust and improving efficiencies
- Expanding U.K. and Emerging Markets presence

### Leveraging Acquisitions

- Integrating BlueBay's capabilities, client relationships and geographic reach
- Accelerating growth through strategic and/or bolt-on acquisitions

### Market Drivers

- Returning to normal interest rates (an increase of at least 150 bps)
- Assuming long-term average market returns (5% - 6% per annum)

## Comprehensive strategy to build a leading global wealth and asset manager



## Global Wealth Services

- Delivering cost-effective, best-in-class support globally and monitoring over 50 portfolios of initiatives across the segment
  - Focused support on fee-based, credit and deposit products
  - Increasing RBC Wealth Management global brand presence
  - Driving referrals across the business



## Ultra High Net Worth

- Dedicated relationship management combined with the safety, soundness and global reputation of RBC
- Deepening UHNW relationships and winning new clients

## Operations and Technology

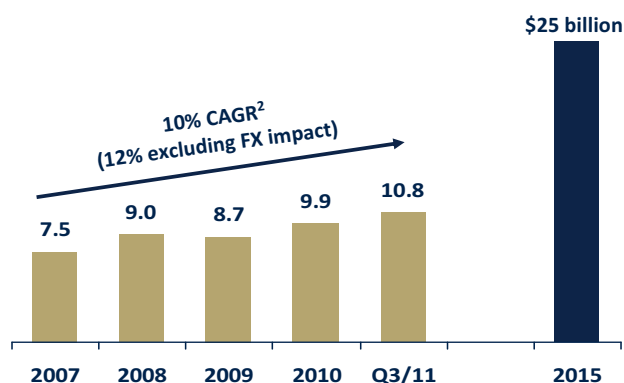
- Developing cost-effective integrated operational processes with a global/local balance
- Designing global technologies that deliver a differentiated client experience

Meeting the needs of our businesses with global support services

# Cross-segment initiative - building a profitable credit book



Wealth Management Total Credit Outstanding<sup>1</sup>  
(C\$ Billions)



- An increasingly important contributor of low volatility and high-margin earnings within acceptable risk parameters
- Building the credit book in key global markets through our dedicated credit specialists
- Growing credit from 2% of client assets closer to the peer average of 5% - 7%
  - Enhancing client solutions and investing in credit processes and capabilities
  - Increasing collaboration with our credit specialists
  - Leveraging our strong brand and reputation

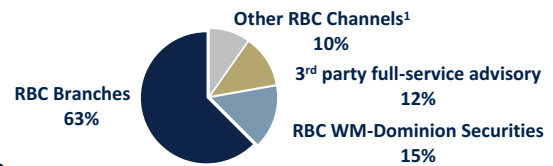
Strategic focus to build our credit business

1. Spot balance represents loans and acceptances, letters of credit and guarantees.  
2. 4-year compound annual growth rate.

- **Broadened presence in Canada across assets, clients and channels since acquisition**

- ✓ Overall PH&N AUM grew 20%
- ✓ Nearly doubled PH&N retail AUM to approximately \$15 billion
- ✓ Strengthened HNW capabilities
- ✓ Cemented leadership in retail mutual funds and institutional fixed income market

Additional retail AUM of \$7.3 billion (Q3/11)



- **Complementary client-centric cultures led to seamless integration and success in retaining key employees and attracting new talent**

### Solid Financial Performance

- ✓ Pre-tax margin >50%
- ✓ Return on Investment at 8%
- ✓ Annual net free cash flows of \$41 million<sup>2</sup>

## Track record of successfully executing acquisitions and deploying capital

1. Includes RBC Private Counsel, Direct Investing, Trust Services and other RBC channels.

2. Trailing 4 quarter net earnings from PH&N (calculated as if a stand alone entity) less dividends paid on RBC shares issued for acquisition for the same period.



## Global Asset Management

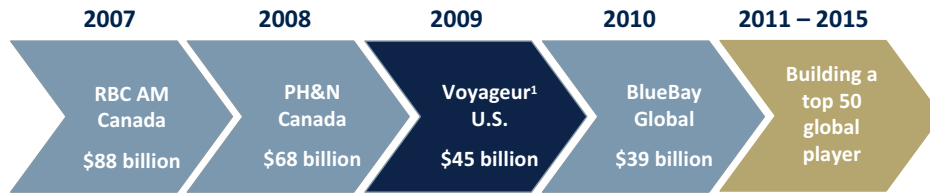
# John Montalbano

Chief Executive Officer, Global Asset Management

# Growing RBC Global Asset Management

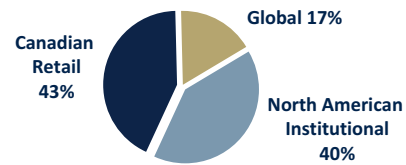


RBC Wealth Management



- Global investment management services and solutions for individual and institutional investors in Canada, the U.S., Europe, Latin America and Asia
- Managing over \$250 billion in AUM for more than 2 million Canadians and 500 institutions worldwide
- Offering a broad range of solutions from mutual, pooled and hedge funds to segregated accounts and specialty investment strategies

Client Asset Mix (Q3 2011)



Building a global leader through organic growth and strategic acquisitions

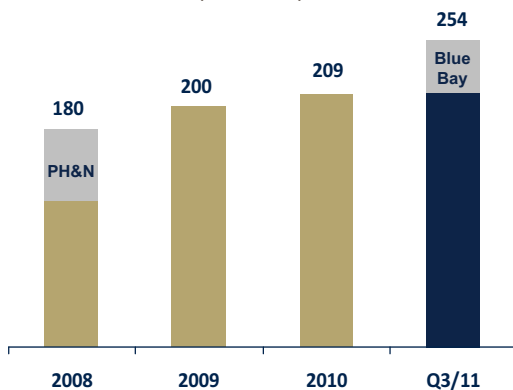
1. Acquired in 2000 and moved into RBC GAM in 2009.

# Strong financial performance

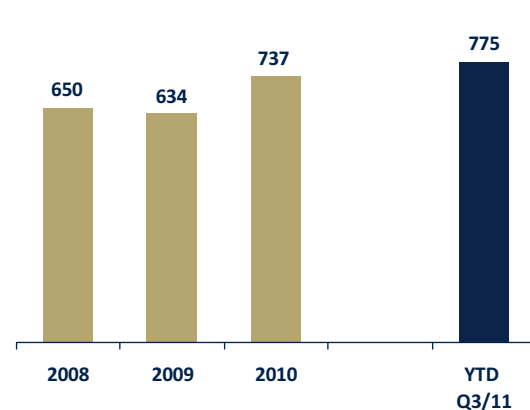


RBC Wealth Management

Assets Under Management (C\$ billions)



Revenue (C\$ millions)



- RBC GAM has the highest pre-tax margins of all RBC Wealth Management businesses and contributes approximately 45% of segment earnings
- Top-tier profitability 1.5x above the industry and top-tier in cost structure<sup>1</sup>

A key driver of RBC Wealth Management profitability

1. BCG Global Asset Management Benchmarking Database 2011.

## Fund Performance

- Over 70% of AUM - 1<sup>st</sup> or 2<sup>nd</sup> quartile performance over 10-year terms<sup>1</sup>
- PH&N ranked best overall fund group by Lipper in 2011<sup>2</sup>

## Client Service

- Working with the largest multi-channel and advice-based distribution network in Canada
- One of the lowest redemption rates compared to our competitors<sup>3</sup>
- PH&N rated top quartile in client service over past 5 years<sup>4</sup>

## Asset Growth

- Increasing penetration of proprietary products
- Growing long-term funds faster than the industry

## Asset Mix

- Diversified Canadian and global asset mix
- Among the highest proportion of long-term funds in the industry
- Launched new innovative fixed income ETFs

## Cost Management

- Efficient scale of operations
- Balancing growth while maintaining strong margins

## Creating value for both retail and institutional clients

1. Quartile rankings based on Morningstar Inc. data as of August 31, 2011. 2. See Slide 56 for list of awards.  
3. Investment Funds Institute of Canada reported numbers for the 12-month period ending August 31, 2011. 4. Greenwich Associates.

### TORONTO

- Canadian Equity (Core, Value)
- Canadian Fixed Income
- High Yield Bonds
- U.S. Equity (Large Cap Value, Growth & Mid Cap Growth)
- EAFE Equity (Value)
- Global Resources and Precious Metals
- Global Energy
- Currency Solutions
- Fixed Income ETFs

### LONDON

- Global Bonds (Corp & Gov't)
- Euro Gov't Bonds
- High Yield Bonds
- Emerging Market Bonds, Equity
- European Equity (Core)
- Alternatives
- Convertibles

### CHICAGO

- U.S. Equity (Small/SMID Cap Growth)

### BOSTON

- U.S. Equity (Large & Mid Cap Value)
- U.S. Equity (Large, Small & Micro Cap Core)
- International Equity

### HONG KONG

- Asian Equity (Core)

### MINNEAPOLIS

- U.S. Fixed Income
- U.S. Cash Mgmt
- SRI U.S. Fixed Income

### NEW YORK

- Fund of Hedged Funds

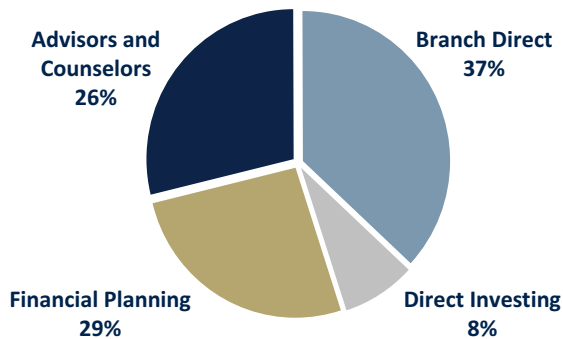
### VANCOUVER

- Canadian Equity (GARP)
- Canadian Fixed Income
- High Yield Bonds
- Canadian Cash Mgmt
- Derivative Overlay

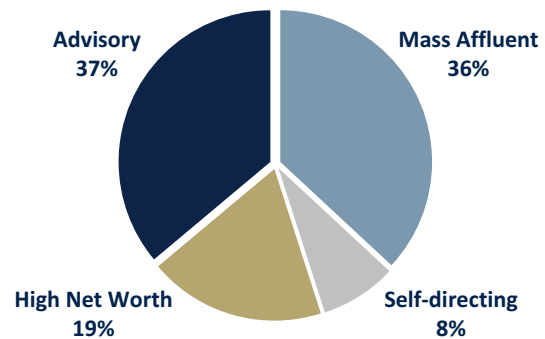
## Building a global presence by enhancing product offering and client reach



**AUM by Distribution Channel**  
(Q3/11)



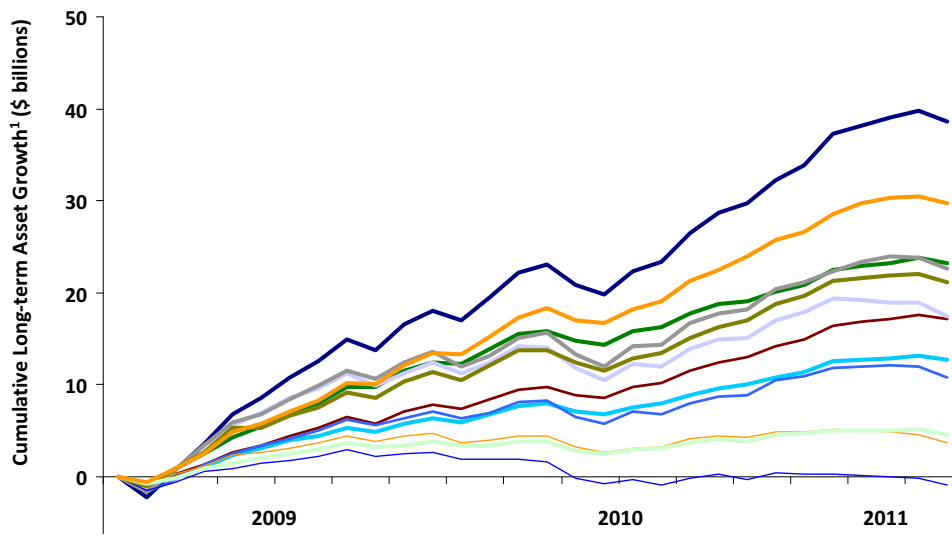
**AUM by Client Segment**  
(Q3/11)



- Largest Canadian fund company with 15% market share<sup>1</sup>
- Diverse client base served by multiple distribution channels

**Strong product breadth and broad distribution scope**

1. Investment Funds Institute of Canada.



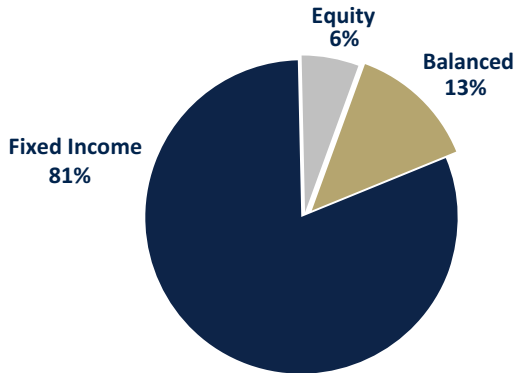
**Growing faster than the market**

1. Investment Funds Institute of Canada.

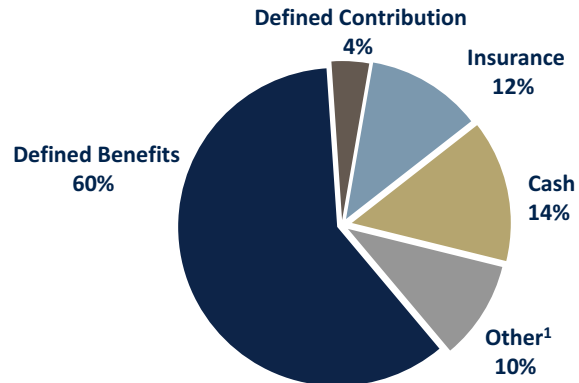




**AUM by Client Mandate**  
(June 2011)



**AUM by Client Plan Type**  
(June 2011)



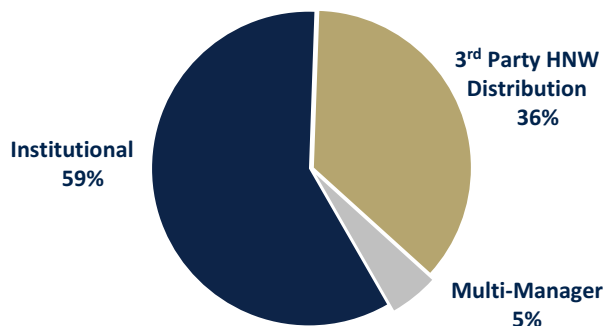
- Largest institutional manager in Canada by AUM<sup>2</sup>
- Dedicated and growing service to U.S. institutional clients

**Fixed income expertise is a competitive advantage**

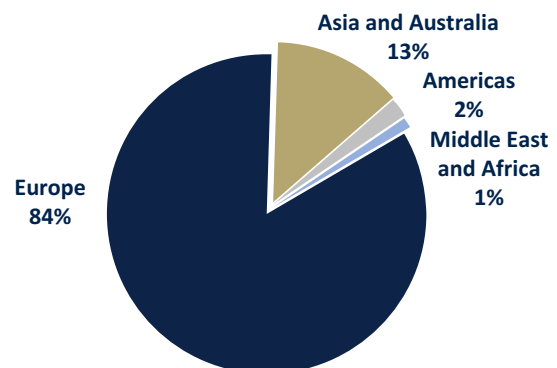
1. Other includes Sub-advisory, Endowments and Foundations.  
2. Benefits Canada.



**AUM by Client Segment**  
(Q3/11)



**AUM by Client Region**  
(Q3/11)



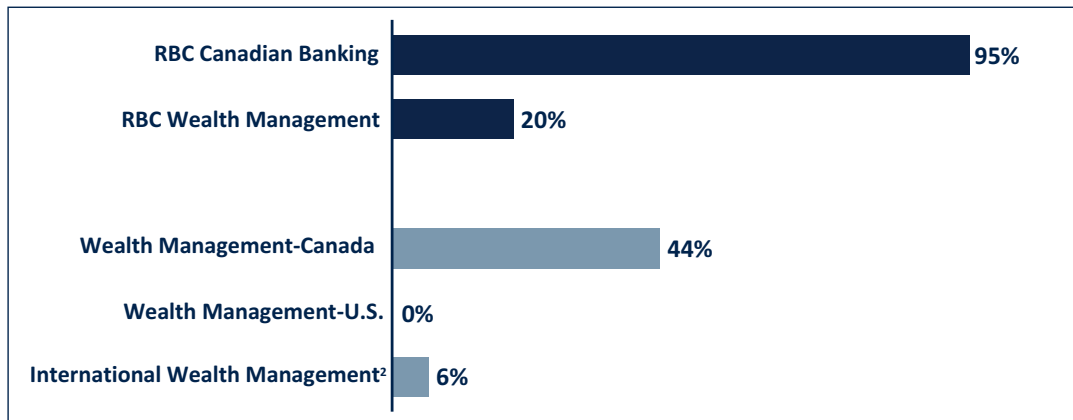
- Leading European fixed income specialist with over \$43 billion in AUM<sup>1</sup>
- Over 250 employees in London, Japan, the U.S., Hong Kong and Luxembourg
- Core investment focus on global and emerging markets, corporate credit and absolute return strategies

**Strengthening our global product solutions and capabilities**

1. As of Q3/11.



**RBC GAM Penetration of Long-Term Managed Funds<sup>1</sup>**  
(Q3/11)



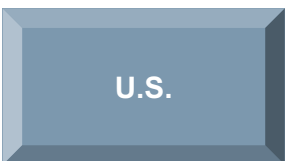
- ✓ Leveraging multi-channel distribution
- ✓ Expanding product and solution offerings, particularly for HNW
- ✓ Enhancing sales and service capabilities

**Significant opportunity to grow share**

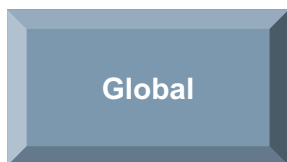
1. Represents the proportion invested in RBC GAM long-term managed funds of total client funds. Funds include mutual funds, pools and separately managed accounts. WM-U.S. funds exclude separately managed accounts. 2. Includes Global Trust and WM-U.K., and WM-Emerging Markets.



- Extending retail and institutional leadership through outstanding product breadth and extensive distribution capabilities
- Capitalizing on retirement trends
- Combining RBC, PH&N and BlueBay solutions to grow institutional market share



- Achieving scale and growing institutional market share
- Accelerating BlueBay's growth
- Collaborating with RBC Capital Markets



- Executing and leveraging acquisitions
- Building our non-North American asset management capabilities
- Enhancing products and services to complement the retirement and planning needs of our geographic wealth businesses

**Extending our lead in Canada and growing globally**



## Wealth Management - U.S.

# John Taft

Chief Executive Officer, Wealth Management - U.S.



RBC Wealth Management

## Evolution of RBC Wealth Management – U.S.



RBC Wealth Management



- Private Client Group doubled the number of Financial Advisors in the last decade through acquisitions and record levels of recruitment

- ✓ 6<sup>th</sup> largest full-service advisory firm by financial advisors<sup>1</sup>
- ✓ 7<sup>th</sup> largest wealth manager by assets<sup>2</sup>
- ✓ Highest in Investor Satisfaction with Full Service Brokerage Firms in the J.D. Power and Associates 2011 Study
- ✓ Positioned to compete with large-scale traditional U.S. brokerages

- Correspondent Services is the 7<sup>th</sup> largest clearing firm by broker-dealer clients<sup>3</sup> and 6<sup>th</sup> largest Registered Investment Advisor custodian by assets<sup>4</sup>

**A meaningful U.S. presence – a critical component of being a global leader**

## Private Client Group

- Over 2,000 Financial Advisors serving more than 350,000 households in 42 states
- Over US\$180 billion in AUA



## International Wealth - U.S.

- Meeting the international needs of nearly 9,000 clients from offices in New York, Houston and Miami
- Approximately US\$5 billion in AUA



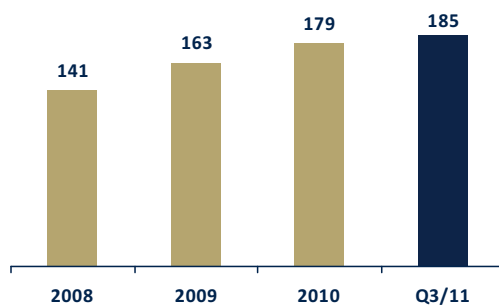
## Correspondent and Advisor Services

- Serving over 4,000 independent Financial Advisors and more than 200 independent RIAs with over US\$36 billion in assets

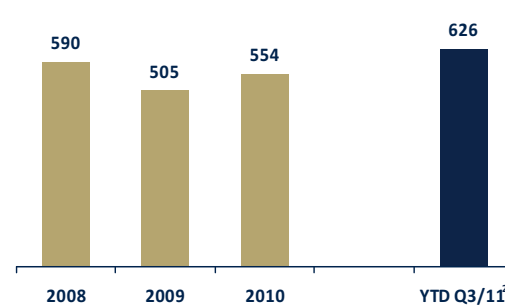
### Multi-channel distribution

# Growing in a competitive environment

**Assets Under Administration<sup>1</sup>**  
(US\$ billions)



**Revenue per Financial Advisor<sup>1</sup>**  
(US\$ thousands)



- Revenue per advisor above industry median; pre-tax margin of 8% in line with the industry average
- Fee-based plus spread revenue represents 43% of total revenue
- In Correspondent and Advisor Services, grew assets by approximately 60% since 2008

### Shifting focus to achieving best-in-class productivity and efficiency

1. Excludes Correspondent and Advisor Services.  
2. Annualized.

## Increasing Advisor Productivity

- Aiming to increase annual revenue per advisor to US\$1 million
  - Increasing HNW relationships
  - Growing fee-based assets by simplifying pricing
  - Enhancing credit and cash planning solutions
  - Offering innovative practice development programs

## Improving Operational Efficiencies

- Investing in technology to re-engineer and automate processes
- Implementing more robust client relationship management tools

## Leveraging RBC

- Aligning U.S. wealth client relationships with RBC GAM, Global Trust, RBC Capital Markets and International Banking
- Institutional Middle Markets partnership with RBC Capital Markets

## Growing Complementary Distribution

- Offering international wealth capabilities to Private Client Group
- Increasing market share and exploring bolt-on acquisitions in Correspondent and Advisor Services

Driving advisor productivity and business efficiency



## Global Trust and Wealth Management - U.K.

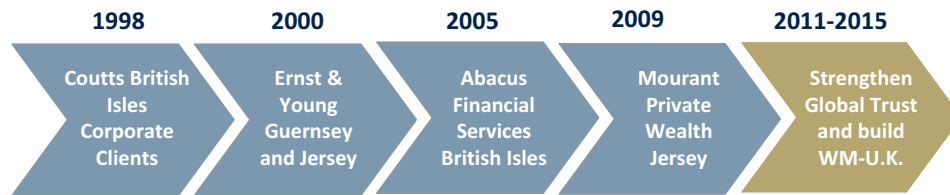
# George Lewis

Group Head, RBC Wealth Management

# An established leader in Global Trust



RBC Wealth Management



- Global Trust has over US\$125 billion in client assets serving close to 14,000 clients from offices in the U.K., Channel Islands and Caribbean
  - ✓ Integrated trust and wealth solutions for HNW, UHNW and corporate clients
  - ✓ Differentiated value proposition provides a clear competitive advantage, particularly in an escalating regulatory environment
- Wealth Management – U.K. is a developing and growing wealth business serving over 1,100 clients with close to US\$4 billion in client assets
- Strong financial performance with pre-tax margins of 22%

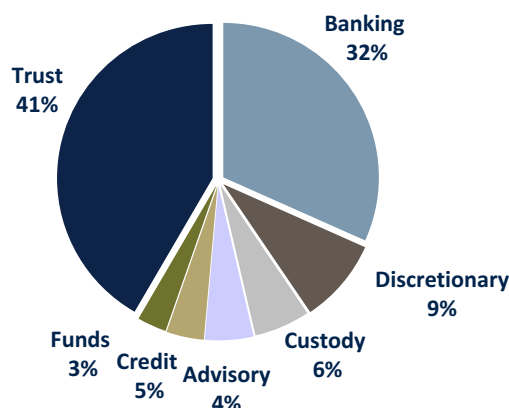
Using our Global Trust leadership to expand Wealth Management - U.K.

# World-class trust and wealth expertise

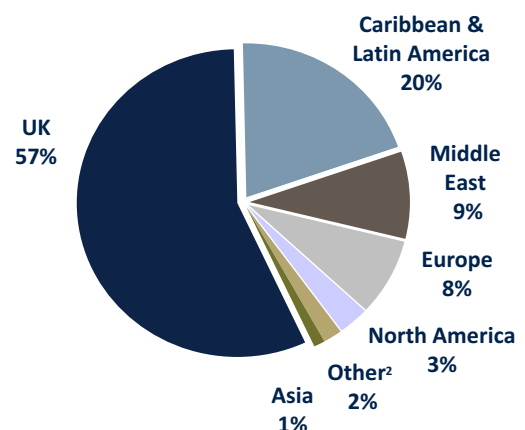


RBC Wealth Management

Revenue by Product<sup>1</sup>  
(Q3/11)



Clients by Residence<sup>1</sup>  
(Q3/11)



- Trust solutions and expertise with banking, credit, tax and investment services
- International clients value multi-jurisdictional wealth planning capabilities and the safety and soundness of RBC

Diversified business with an international HNW client base

1. Includes Global Trust and Wealth Management - U.K.  
2. Other includes Africa and Oceania.

## Growing Market Share

- Developing and offering trust solutions to clients across RBC Wealth Management
- Expanding into developed and emerging markets

## Broadening Client Relationships

- Broadening and strengthening client relationships through tailored cross-selling and enhanced solutions
- Building on our Primary Relationship Manager model

## Productivity and Business Efficiencies

- Extending operations and technology transformation
- Improving the client experience by strategically investing in people and solutions

## Building WM – U.K.

- Leveraging presence of Global Trust and RBC GAM to build the U.K. as a 3<sup>rd</sup> key geographic market
- Actively recruiting new talent

A balanced approach to international expansion



## Wealth Management - Canada



**Dominion Securities**

- Over 1,480 Investment Advisors and Portfolio Managers
- Serving over 320,000 households
- Over \$180 billion in AUA



**Estate and Trust Services**

- Over 120 client-facing professionals
- Serving 2,500 clients/estates
- Over \$18 billion in AUA

**PH&N Investment Counsel**

- Over 170 employees in 15 offices
- Serving HNW and institutions
- Over \$15 billion in AUM



**International Wealth - Canada**

- Over 60 employees in Toronto, Montreal and Vancouver
- Serving non-resident clients with international needs
- Over \$2 billion in AUA

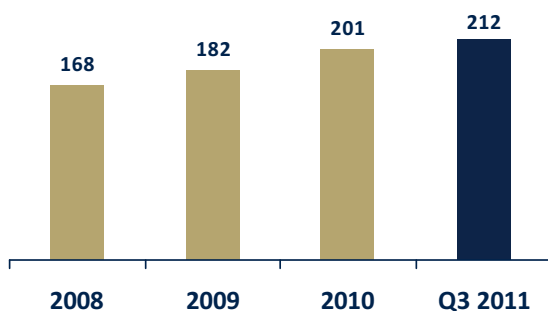
**Largest and most comprehensive wealth manager in Canada**

**Strong financial performance**



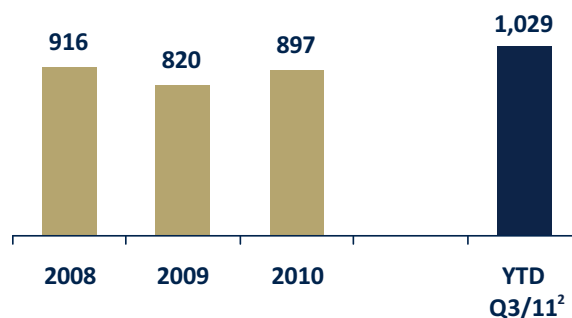
**Assets Under Administration**

(C\$ billions)



**Revenue per Client-Facing Advisor**

(C\$ thousands)



- Overall RBC leads the industry with 17% of the HNW market<sup>1</sup>
- Fee-based plus spread revenue represents approximately 65% of total revenue
- Collaborating with RBC GAM, Canadian Banking and RBC Capital Markets to offer a sophisticated range of solutions

**Industry leader in Canada**

1. Investor Economics.  
2. Annualized.



# Why we are winning in Canada



## Market Leader

Proven ability demonstrated by award-winning businesses with #1 positions in:

- ✓ Full-service brokerage
- ✓ Discretionary investment management/counseling
- ✓ Estate and Trust services
- ✓ Private Banking<sup>1</sup>

## Strong Value Proposition

- Relationship focus and strong integrated capability
- Delivering investment and service excellence
- Consistently attracting top wealth management professionals
- High client and advisor satisfaction levels

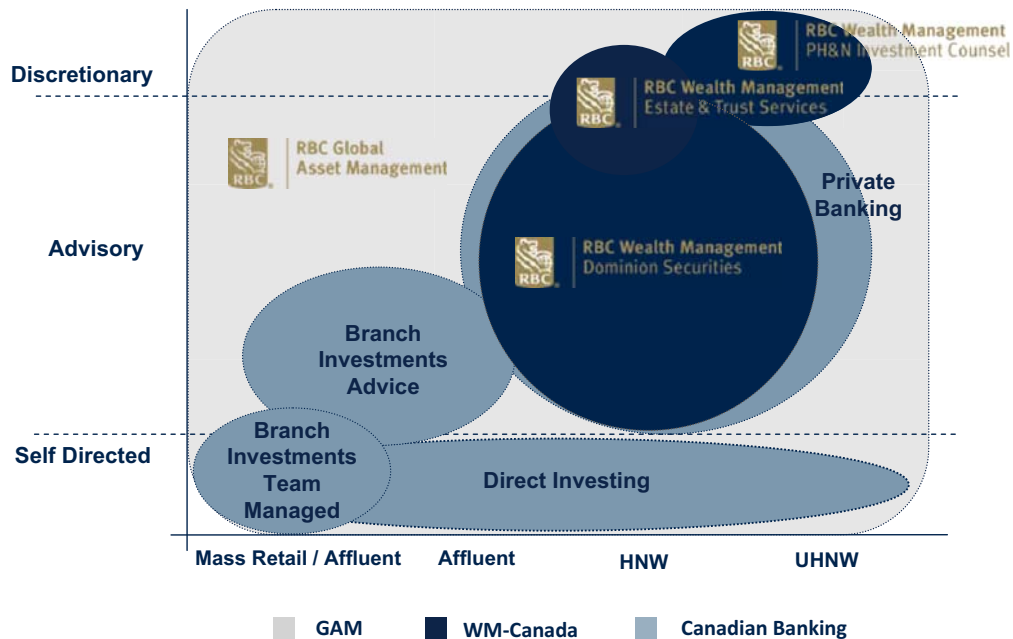
## RBC Strengths and Capabilities

- Strong partnerships with Canadian Banking and RBC Capital Markets
- Award-winning asset management capabilities
- Unparalleled financial and brand strength of RBC

**Most powerful combination of wealth businesses in Canada**

1. In Canadian Banking.

# An integrated model with Canadian Banking



**Spanning all client segments**



Optimizing Referrals and Collaboration

- Deepening integration and increasing two-way referrals with Canadian Banking
- Driving new business client relationships
- Partnering with RBC Capital Markets
- Leveraging UHNW client relationship focus

Increasing Sales Force

- Continuing to attract top talent to grow client-facing advisors
- Improving productivity through training and advisor tools

Expanding Solutions and Capabilities

- Expanding wealth services, including credit and insurance
- Further integrating RBC GAM capabilities
- Building UHNW infrastructure and value proposition
- Increasing HNW solutions for non-residents and immigrants

Profitably increasing HNW market share to 20% by 2015



## Wealth Management - Emerging Markets



## LATIN AMERICA

- Offices in Argentina, Brazil, Chile and Uruguay
- Building on strength and expertise earned over the last 100 years
- High growth potential in a competitive market place

## EMEA

- Strong offshore business based in Switzerland, with offices in Madrid and Dubai
- Expanding distribution strength and market footprint

## ASIA

- Offices in Hong Kong, Singapore, Beijing, Brunei and Mumbai
- Collaborating with RBC Capital Markets to build a strong, complementary business
- Building scalable infrastructure to support future growth



Building an integrated HNW/UHNW wealth management value proposition



## Wrap-Up



Building a global high-performing asset manager

- Executing and leveraging acquisitions
- Enhancing product solutions and client reach to serve our geographic wealth businesses
- Capitalizing on retirement trends in developed markets

Expanding HNW / UHNW market share

- Growing HNW market share in Canada to 20%
- Increasing penetration in the U.S. and U.K.
- Expanding number of clients in Emerging Markets

Leveraging RBC and RBC Wealth Management

- Improving productivity and efficiencies in the U.S.
- Growing Global Trust and improving efficiencies
- Providing clients with a sophisticated range of solutions
- Leveraging the strength, stability and brand of RBC

*Targeted growth with a disciplined approach to cost management*

**Building a leading global wealth and asset manager**



# Appendix



# Winning with our clients in Canada and globally



RBC Wealth Management



- ✓ Best Overall Fund Group
- ✓ Best Bond Fund Family
- ✓ Awarded multiple best equity and fixed income funds



- ✓ Best Private Banking services overall – Canada
- ✓ Best Private Banking services overall – Caribbean
- ✓ Best Trust Services – Jersey
- ✓ Best Offshore Services – Jersey



2011 Brokerage Report Card

- ✓ #1 Bank-owned Investment Dealer
- ✓ #1 Overall Score
- ✓ #1 Advisor Overall Rating of their Firm



- ✓ Institutional Trust Team of the Year



- ✓ Highest in Investor Satisfaction with Full Service Brokerage Firms, Wealth Management - U.S. Private Client Group (2011)



- ✓ Top 25 Trust Company (2011)
- ✓ Top 25 Most Admired Company (2011)

Recognized as a leader for our advice, solutions and service

# Adjusted Cash Net Earnings



RBC Wealth Management

\$ millions	YTD Q3/11	YTD Q3/10	2010	2009
<b>Net Income as reported</b>	<b>\$ 620</b>	<b>\$ 494</b>	<b>\$ 669</b>	<b>\$ 583</b>
Tax Accounting Adjustment	(13)	(44)	(44)	-
Accounting adjustment related to deferred compensation liability (NIE)	(33)	-	-	-
Accounting loss (gain) related to FX translation on certain AFS securities (Non-Interest Income)	-	3	3	-
U.S. Stock Based Compensation Plan (Non-Interest Income and NIE)	6	1	(2)	(21)
BlueBay – Acquisition Deferred Compensation Expense (NIE)	21	-	-	-
After-tax effect of amortization of other intangibles (NIE)	50	37	49	48
<b>Adjusted Cash Net Earnings</b>	<b>\$651</b>	<b>\$491</b>	<b>\$675</b>	<b>\$610</b>

# Adjusted Cash Net Earnings



RBC Wealth Management

\$ millions	2011				2010				
	YTD Q3/11	Q3	Q2	Q1	2010	Q4	Q3	Q2	Q1
<b>Net Income as reported</b>	<b>\$ 620</b>	<b>\$ 179</b>	<b>\$ 220</b>	<b>\$ 221</b>	<b>\$ 669</b>	<b>\$ 175</b>	<b>\$ 185</b>	<b>\$ 90</b>	<b>\$ 219</b>
Tax Accounting Adjustment	(13)	-	(13)	-	(44)	-	(14)	-	(30)
Accounting adjustment related to deferred compensation liability (NIE)	(33)	-	(22)	(11)	-	-	-	-	-
Accounting loss (gain) related to FX translation on certain AFS securities (Non-Interest Income)	-	-	-	-	3	-	(24)	61	(34)
U.S. Stock Based Compensation Plan (Non-Interest Income and NIE)	6	9	(3)	-	(2)	(3)	7	(7)	1
BlueBay – Acquisition Deferred Compensation Expense (NIE)	21	9	9	3	-	-	-	-	-
After-tax effect of amortization of other intangibles (NIE)	50	18	17	15	49	12	13	12	12
<b>Adjusted Cash Net Earnings</b>	<b>\$651</b>	<b>\$215</b>	<b>\$208</b>	<b>\$228</b>	<b>\$675</b>	<b>\$184</b>	<b>\$167</b>	<b>\$156</b>	<b>\$168</b>

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# Key Metrics



RBC Wealth Management

	Wealth Management - Canada				Wealth Management - U.S. (US\$)			
	YTD Q3/11	2010	2009	2008	YTD Q3/11	2010	2009	2008
AUM (\$billions)	32	30	25	23	16	14	11	7
AUA (\$billions)	212	201	182	168	185	179	163	141
Revenue per Client-Facing Advisor <sup>1</sup> (\$thousands)	1,029	897	820	916	626	554	505	590
Fee-Based plus Spread Revenue (% of Total Revenue)	64%	64%	63%	66%	43%	41%	40%	48%

Global Trust and WM - U.K. (US\$)	YTD Q3/11	2010	2009	2008
AUM (\$billions)	5	4	4	6
AUA (\$billions)	125	118	115	120
Trust and Custody	115	108	109	113
Deposits	12	13	13	14
Investments	15	14	10	13
Loans	2	2	1	1

Global Asset Management	YTD Q3/11	2010	2009	2008
AUM (\$billions)	254	209	200	180
Revenue (\$millions)	775	737	634	650

1. Revenue Per Client-Facing Advisor for Wealth Management – U.S. excludes Correspondent and Advisor Services. YTD Q3/11 is annualized

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## Executive Profiles



RBC Wealth Management

### Biography - Gord Nixon



RBC Wealth Management



#### President and Chief Executive Officer

- Gordon Nixon is President and Chief Executive Officer of RBC, the brand name for Royal Bank of Canada and its subsidiaries. He is also a director of Royal Bank of Canada and chairman of RBC's Group Executive.
- Mr. Nixon began his career in 1979 at Dominion Securities in Toronto where he worked in Global Markets and subsequently the Investment Banking division. In 1986, he transferred to Tokyo to assume responsibility for the firm's operations in Japan. Dominion Securities was acquired by Royal Bank of Canada in 1987 and Mr. Nixon returned to Toronto in 1989 as a Managing Director of Investment Banking. In 1995, Mr. Nixon was appointed Head of Global Investment Banking and in 1999 became Chief Executive Officer of RBC Capital Markets and a member of Royal Bank's Executive Committee. He was appointed president of Royal Bank of Canada on April 1, 2001 and Chief Executive Officer on August 1, 2001.
- Mr. Nixon is Chairman of MaRS, a not-for-profit organization that connects science, business and capital and co-chairs The Toronto Region Immigrant Employment Council. He is a Director and past Chairman of the Canadian Council of Chief Executives and is on the Board of Directors of The Hospital for Sick Children and The International Monetary Conference. Mr. Nixon has served as a Director of a number of organizations in the arts, health care and education and has chaired numerous events and fundraising campaigns including the United Way of Greater Toronto and is currently chairing the Queen's University Capital Campaign.
- Mr. Nixon has been awarded the Order of Canada and the Order of Ontario. He is a recipient of Canada's Outstanding CEO of the Year Award, the Canadian Business Leader Award and is included in Barron's list of the World's Best CEO's. He has an Honorary Doctor of Laws from both Queen's University and Dalhousie University and is a recipient of the CIJA/UJA Words and Deeds Leadership Award, the Rotary Foundation's Paul Harris Fellowship, a Queen's Golden Jubilee Medal, a Learning Partnership Champion of Public Education Tribute and an American Banker Innovator of the Year Award. Born in Montreal in 1957, Mr. Nixon attended Queen's University where he received an Honours Bachelor of Commerce degree. He and his wife live in Toronto and have three children.



### Group Head, RBC Wealth Management

- As a member of the RBC Group Executive since February 2007, George Lewis is one of nine executives responsible for setting the overall strategic direction of RBC, Canada's largest bank.
- As Group Head, Wealth Management, Mr. Lewis leads the RBC businesses that serve the wealth management needs of affluent and high net worth clients globally, and units that provide asset management and trust products. These include RBC Dominion Securities, Canada's leader in wealth management for affluent and high net worth investors; RBC Phillips, Hager & North Investment Counsel, Canada's leading discretionary investment counseling business; RBC Estate and Trust Services; RBC Wealth Management, U.S., the sixth largest full-service brokerage firm in the U.S.; RBC wealth management businesses in the U.K. and Emerging Markets; Global Trust, which provides world-class trust solutions in the Channel Islands and the Caribbean; and RBC Global Asset Management, which is Canada's largest private-sector asset manager and mutual fund company and includes Phillips, Hager & North in Canada and Global Asset Management (U.S.) and Bluebay Asset Management (U.K.). Mr. Lewis is also chairman of RBC Global Asset Management Inc., and co-manages the RBC Global Dividend Growth Fund and DS International Focus Fund.
- From July 2000 to May 2008, Mr. Lewis was Chief Executive Officer of RBC Asset Management, which under his leadership became Canada's largest single mutual fund company (RBC Funds) and one of Canada's largest asset management firms. He also served as Head Products (cards, mortgages, lending, deposits, investments) of Wealth Management for the Canadian Personal and Business Banking segment. From 1998 to 2000, Mr. Lewis was Managing Director, Head of Institutional Equity with RBC Capital Markets, responsible for global institutional equity sales, trading and research. He was previously a top-rated equity research analyst and director of Research with RBC Capital Markets.
- Mr. Lewis earned a Master of Business Administration degree with distinction from Harvard University. He obtained the professional designation of chartered accountant while working with Arthur Andersen & Co. and a Bachelor of Commerce degree with high distinction from Trinity College at the University of Toronto. Mr. Lewis is a CFA charterholder and certified by the Institute of Corporate Directors.
- Mr. Lewis currently serves on the Board of Directors of the Toronto Symphony Orchestra and Holland Bloorview Kids Rehabilitation Hospital Foundation. He is a member and a past-chair of the Bishop's Company of the Anglican Diocese of Toronto, and is a member of the Cabinet of the United Way of Greater Toronto. He is also a member of the Board of Directors and Chair of the Audit and Risk Committee of Ontario Power Generation Inc.
- Mr. Lewis lives in Toronto with his wife and two children.

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### CEO, RBC Global Asset Management

- John Montalbano is CEO of RBC Global Asset Management, the asset management division of RBC a position he has held since May 1, 2008 when RBC acquired Phillips, Hager & North Investment Management Ltd. John is also a member of the Operating Committee of RBC Wealth Management, one of the five business segments that define RBC.
- Based in Canada, RBC Global Asset Management invests over \$250 billion for individuals and institutions, primarily from offices in Canada, the United States, the United Kingdom and Hong Kong. John joined Phillips, Hager & North Investment Management Ltd. (PH&N) in 1987 as an equity analyst and also became an institutional portfolio manager in 1999. He assumed successive leadership roles with respect to the firm's client-facing operations and was appointed President of PH&N in April 2005.
- John holds a Chartered Financial Analyst designation, as well as a Bachelor of Commerce, with Honours, from the University of British Columbia and is a Leslie Wong Fellow of the UBC Portfolio Management Foundation.
- John is a trustee of the Killam Trusts, which is largely devoted to scholarships at the graduate and postgraduate levels awarded at Killam institutions in Canada. John serves on the boards of the Take a Hike Youth at Risk Foundation and the Phillips, Hager & North Centre for Financial Research and Bureau of Asset Management at the University of British Columbia, and is also an advisor to Power To Be Adventure Therapy Society and the Downtown Eastside Community Arts Fund.

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### CEO, RBC Wealth Management - U.S.

- John Taft is CEO of RBC Wealth Management – U.S., the sixth largest full-service retail brokerage firm in the U.S. In his role, John is responsible for RBC's wealth management firm's growth strategy in the U.S., the focus of which is:
  - To help clients achieve their financial objectives through a full service wealth management offering (investment management, retirement planning, cash management, credit and lending, insurance trust, estate planning and other solutions); and, in so doing,
  - To enhance the productivity of financial advisors and relationship managers in RBC's Private Client Group, Correspondent Services and Advisor Services and U.S.-based international businesses.
- John also serves as Chairman of the Securities Industry and Financial Markets Association (SIFMA), the leading securities industry trade group representing securities firms, banks and asset managers in the U.S. In this and other leadership roles at SIFMA, John has advocated for responsible financial reform and has testified before Congress in support of a federal fiduciary standard of care for investment professionals who provide advice to individual clients.
- Working in the financial services industry since 1981, prior to leading RBC's U.S. wealth management business, John served as head of Asset Management and Products for RBC's U.S. and international division. He earlier gained experience as Chairman, President and CEO of Voyageur Asset Management; as President and CEO of Dougherty Summit Securities; as a member of the board of directors of Segall, Bryant and Hamill, The Clifton Group and Vintage Mutual Funds; and as a managing director at Piper, Jaffray & Hopwood. John has also served as assistant to the mayor of the City of St. Paul, Minnesota, and has worked as a journalist.
- An active diversity advocate around issues of gender identity, John serves as Executive Sponsor for RBC Wealth Management's Gay, Lesbian, Allied and Diverse Employees (GLADE) employee resource organization. Under his leadership, RBC Wealth Management has received a rating of 100% in the Human Rights Campaign's Corporate Equality Index. In 2010, John was named the "Outstanding Corporate Diversity Leader" by the National Gay & Lesbian Chamber of Commerce (NGLCC).
- John has served on the Board of and in a variety of roles at a wide range of not-for-profit and public service organizations, including the Itasca Group, Walker Art Center, Macalaster College, Breck School, Northwest Area Foundation, Minnesota Public Radio, Twin Cities Public Television, St. Paul Chamber Orchestra, Minnesota Film Board, Illusion Theatre and Minnesota Film Board. He has served on several task forces, including the Mayor's Council on Economic Development Finance, Blue Ribbon Commission on Pensions and Mayor's Working Group on Local Government Finance.
- John has appeared on CNBC, FOX, FOX Business News and Bloomberg TV, and has been published in *The New York Times*, *National Journal*, *Parade Magazine*, *The New Republic*, *The Real Paper*, *Taos News*, *Santa Fe New Mexican*, *Minneapolis Star Tribune* and *The St. Paul Pioneer Press*. In addition, John is a frequent presenter and speaker at various events across the country, including the Securities Industry Institute at the Wharton School and the Center for Ethical Business Cultures at the University of St. Thomas.
- John graduated Magna Cum Laude, Phi Beta Kappa with a Bachelor of Arts degree from Yale University in New Haven, Connecticut and earned a master's degree in public and private management from the Yale School of Organization and Management. **64**

## 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. Readers are cautioned that non-GAAP measures, such as RBC Wealth Management Adjusted Cash Earnings 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 non-GAAP measures can be found under the "Non-GAAP measures" section in our Q3 2011 Report to Shareholders and our Q3 2011 Supplementary Financial Information.

## Investor Relations Contacts

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