



Second Quarter Results

May 24, 2012

Financial information is presented on a continuing operations basis, in Canadian dollars and is based on International Financial Reporting Standards (IFRS), unless otherwise indicated.

Caution regarding forward-looking statements



From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make forward-looking statements in this presentation and in the accompanying management's comments and responses to questions during the May 24, 2012 analyst conference call (Q2 presentation), in other filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our vision, aspiration, and strategic goals. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, and our vision, aspiration, and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "plan" and "project" and similar expressions of future or conditional verbs such as "will", "may", "should", "could" or "would".

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our 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, operational, and liquidity and funding risks, and other risks discussed in the Risk management sections of our Q2 2012 Report to Shareholders and our 2011 Annual Report; general business, economic and financial market conditions in Canada, the United States and certain other countries in which we conduct business, including the effects of the European sovereign debt crisis; changes in accounting standards, policies and estimates, including changes in our estimates of provisions, allowances and valuations; the effects of changes in government fiscal, monetary and other policies; changes to and new interpretations of risk-based capital and liquidity guidelines; the impact of changes in laws and regulations, including relating to the payments system in Canada, consumer protection measures and the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations issued and to be issued there under; the effects of competition in the markets in which we operate; our ability to attract and retain employees; 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; development and integration of our distribution networks; and the impact of environmental issues.

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 the Overview of other risks sections of our 2011 Annual Report and the Risk Management section of our Q2 2012 Report to Shareholders.

Information contained in or otherwise accessible through the websites mentioned does not form part of this Q2 presentation. All references in this Q2 presentation to websites are inactive textual references and are for your information only.



Overview

Gordon M. Nixon

President and Chief Executive Officer

Q2 2012 Highlights



Strong Q2 Results ⁽¹⁾

- ✓ Net Income of over \$1.5 billion
- ✓ Net Income of \$1.8 billion ⁽²⁾, excluding the RBC Dexia acquisition loss, up 5% compared to Q2/11
 - ✓ Diluted EPS of \$1.15 and ROE of 18.7%
- ✓ Continued solid performance in Canadian Banking, Capital Markets, Wealth Management and Insurance

Solid Capital Position

- ✓ Tier 1 Capital ratio of 13.2%
- ✓ Tier 1 Common ratio of 10.4%

Results demonstrated the strength of our disciplined growth strategy and our diversified business model

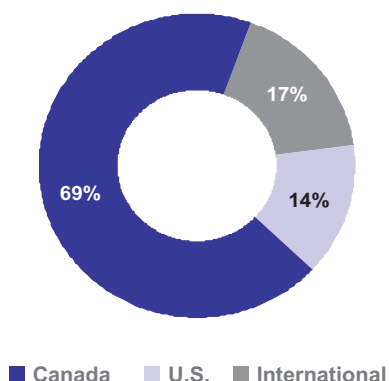
(1) Results are from continuing operations

(2) This is a non-GAAP measure as it excludes the previously announced loss of \$202 million after-tax related to our acquisition of RBC Dexia. For further information see slide 25, slide 27, and the Key corporate events of 2012 section of our Q2 2012 Report to Shareholders

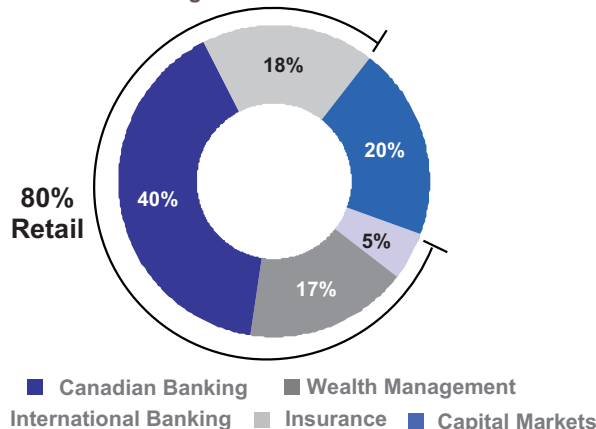
RBC's Key Strengths



Revenue by geography ⁽¹⁾
Average Q2 2011 to Q2 2012



Revenue by business segment ⁽¹⁾
Average Q2 2011 to Q2 2012



- *Over two-thirds of revenue from Canada*
- *Focused approach on select businesses in the U.S. and international markets*
- *Diversified business mix, with the right balance of retail and wholesale*

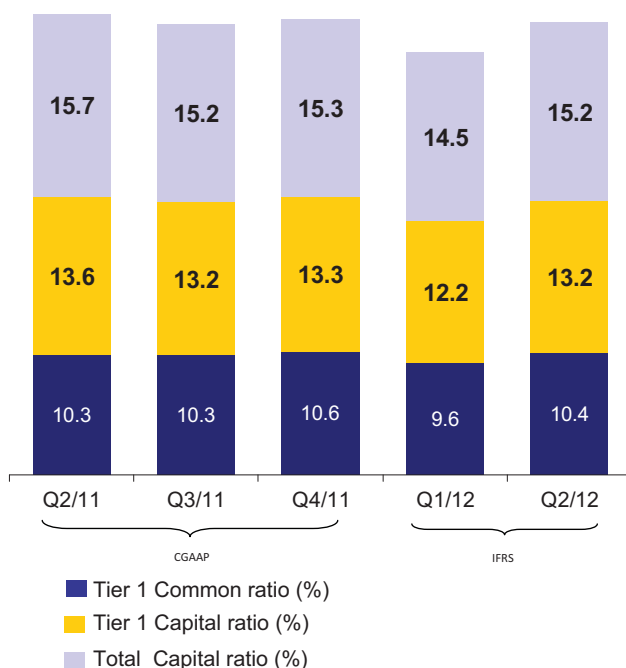
(1) Amounts represent continuing operations and exclude Corporate Support. For further information, see our Q2 2012 Report to Shareholders.

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Strong capital ratios



Strong capital ratios in excess of regulatory requirements



Capital ratios compared to Q1/12 reflect:

- Sale of our U.S. regional retail banking operations
- Redemption of \$1 billion of Trust Subordinated Notes
- Internal capital generation

Estimated pro forma Basel III Common Equity Tier 1 ratio of 8.3% ⁽¹⁾

(1) Based on our interpretation of Basel III rules which have not yet been finalized and on a fully implemented basis as at April 30, 2012

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Strategic Priorities



Canadian Banking

- ✓ Building on leading market positions
- ✓ Extending sales power
- ✓ Eliminating costs and reinvesting for the future

Wealth Management

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

Insurance

- ✓ Improving distribution efficiency and deepening client relationships
- ✓ Simplifying the way we do business to ensure that clients find it easy to do business with us
- ✓ Pursuing select international opportunities to grow our reinsurance business

International Banking

- ✓ Integrating operations while building a strong franchise in the Caribbean
- ✓ With full ownership, RBC Dexia IS will leverage RBC's strong reputation, brand and financial strength to win additional business and drive growth
- ✓ Focusing on serving cross-border banking clients

Capital Markets

- ✓ Maintain our leadership position in Canada
- ✓ Expand and strengthen client relationships in the U.S.
- ✓ Build on core strengths and capabilities in Europe and Asia
- ✓ Earn high risk-adjusted returns on assets and equity



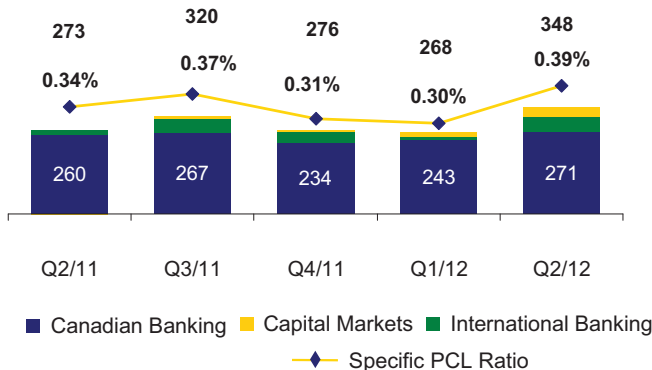
Risk Review

Morten Friis
Chief Risk Officer

Provision for Credit Losses



PCL on impaired loans (\$ millions)



PCL ratio ⁽¹⁾

	Q2/11	Q3/11	Q4/11	Q1/12	Q2/12
■ 0.38%	0.38%	0.37%	0.31%	0.32%	0.36%
■ 0.75%	0.75%	2.20%	1.70%	0.36%	2.31%
■ (0.04)%	(0.04)%	0.10%	0.05%	0.16%	0.27%

- Canadian Banking PCL increased by \$28 million QoQ, primarily in the business lending portfolio
- International Banking PCL up \$39 million QoQ, largely reflecting higher provisions in our Caribbean wholesale portfolio relating to a couple of large accounts and higher PCL in our Caribbean retail portfolios
- Capital Markets PCL increased by \$14 million from the prior quarter mainly due to losses on a few accounts in our corporate portfolio

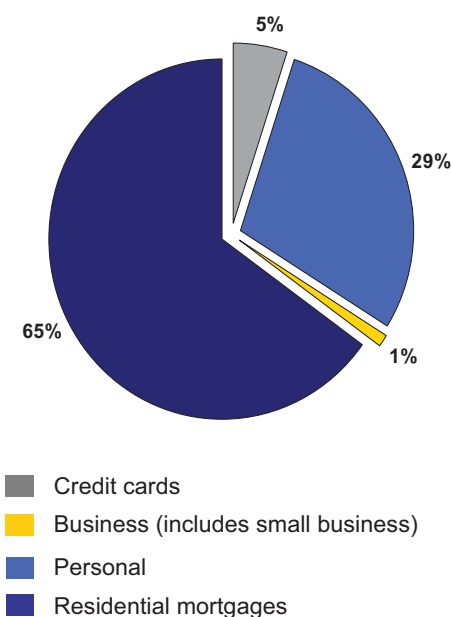
(1) PCL ratio: PCL on impaired loans as a percentage of average net loans and acceptances (annualized).

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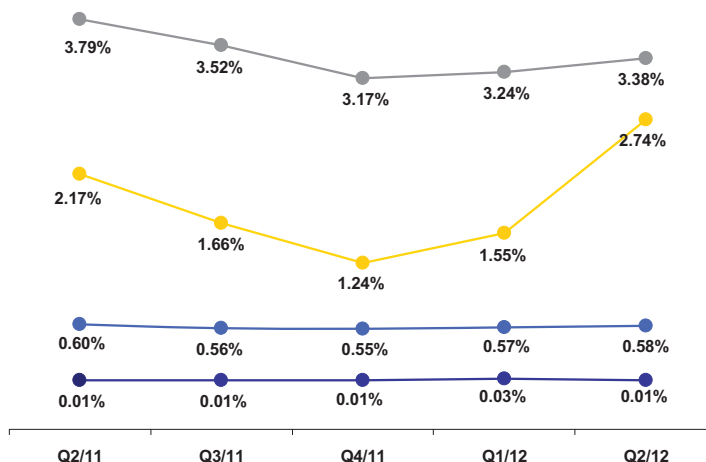
Canadian Banking retail portfolio credit quality



Average Retail Loans of \$259 billion



PCL Ratio by Product ⁽¹⁾



(1) PCL Ratio: PCL on impaired loans as a percentage of average net loans and acceptances (annualized).

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(C\$ millions)	Loans Outstanding	Securities ⁽²⁾	Repo-style transactions	OTC Derivatives	Q2/12 Total Exposure	Q1/12 Total Exposure
Gross drawn exposure to Europe ⁽¹⁾	\$ 8,933	\$ 14,654	\$ 1,748	\$9,644	\$ 34,979	\$ 39,907
Less: Collateral held against derivatives	-	-	-	\$ (7,025)	\$ (7,025)	\$ (7,879)
Add: Trading securities	-	\$ 11,519	-	-	\$ 11,519	\$ 9,127
Net exposure to Europe ⁽³⁾	\$ 8,933	\$ 26,173	\$ 1,748	\$ 2,619	\$ 39,473	\$ 41,155

- European exposures reflect our client-driven businesses in Capital Markets and Wealth Management
 - Loans to strong corporate and individual credits
 - Trading securities related to client market-making activities
 - Derivatives which are well-collateralized and marked to market
 - Certain securities are also related to our funding and liquidity management
- Exposures are manageable and we remain committed to serving our global clients in these markets
- Net exposure down \$1.7 billion, or 4% from prior quarter reflecting risk reduction activities

(1) Gross drawn exposure excludes undrawn commitments, potential future credit exposure amount and collateral, and is calculated on a comparable basis to the gross funded exposures reported by a number of U.S. banks

(2) Securities include \$7.4 billion of AFS securities, \$11.5 billion of trading-related securities and \$7.3 billion of deposits

(3) Net exposure incorporates collateral held against OTC derivatives (primarily cash and cash equivalents) and adds trading securities which are captured under market risk measures

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Financial Review

Janice Fukakusa

**Chief Administrative Officer
and Chief Financial Officer**

Q2 2012 earnings review



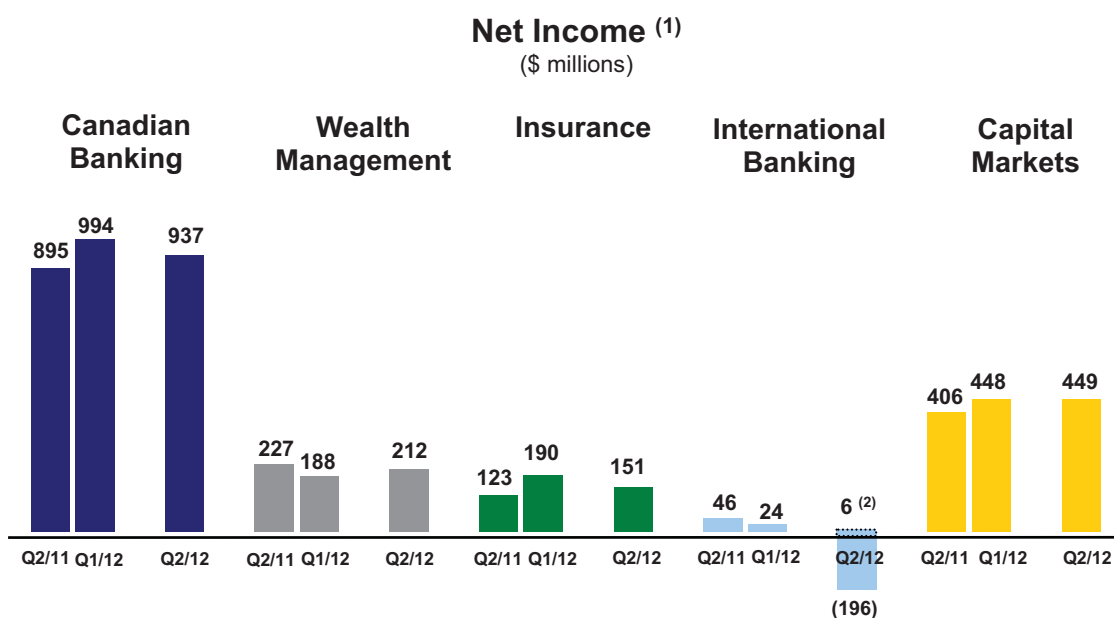
Results from Continuing Operations				
	Q2 2012		Q1 2012	Q2 2011
	As Reported	Excluding Loss on RBC Dexia Acquisition ⁽¹⁾		
Net income (\$ millions)	\$1,563	\$1,765	\$1,876	\$1,682
Diluted earnings per share (EPS)	\$1.01	\$1.15	\$1.23	\$1.10
Return on common equity (ROE)	16.5%	18.7%	20%	20.5%

- Net Income from continuing operations of \$1.8 billion, excluding the previously announced RBC Dexia loss, up 5% compared to Q2/11⁽¹⁾
- Solid results in Canadian Banking, driven by continued strong volume growth
- Solid performance in Capital Markets due to higher trading and solid corporate and investment banking results, driven by increased client activity and favourable market conditions
- Wealth Management results driven by higher average fee-based client assets
- Insurance results driven by volume growth and lower claims costs in Canadian products

(1) Excludes the previously announced loss of \$202 million after-tax related to our acquisition of RBC Dexia. This is a non-GAAP measure. For further information see slide 25, slide 27, and our Q2 2012 Report to Shareholders

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Q2 2012 financial highlights



(1) Corporate Support not included.

(2) Excludes the previously announced loss of \$202 million after-tax related to our acquisition of RBC Dexia. This is a non-GAAP measure. For further information see slide 25, slide 27, and our Q2 2012 Report to Shareholders

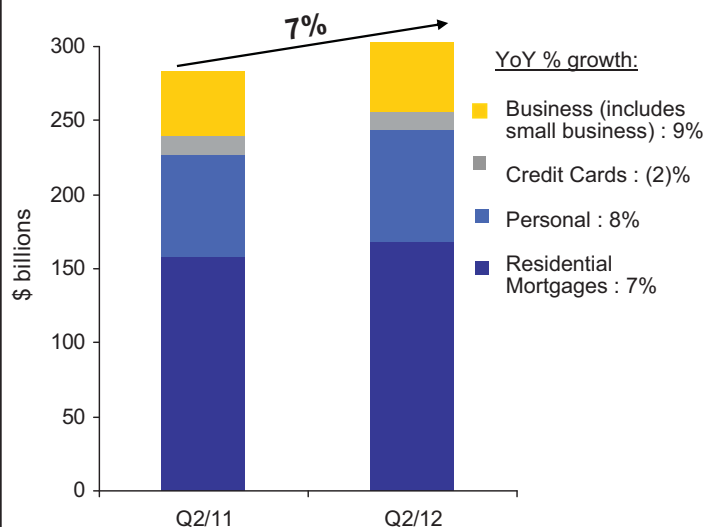
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Canadian Banking volume growth

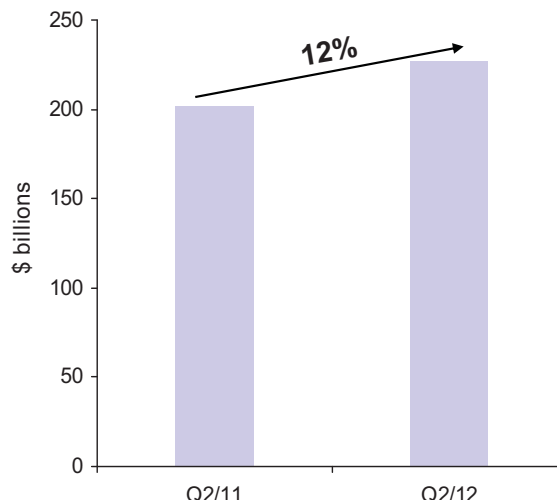


Combined full year-over-year loan and deposit growth of 9%

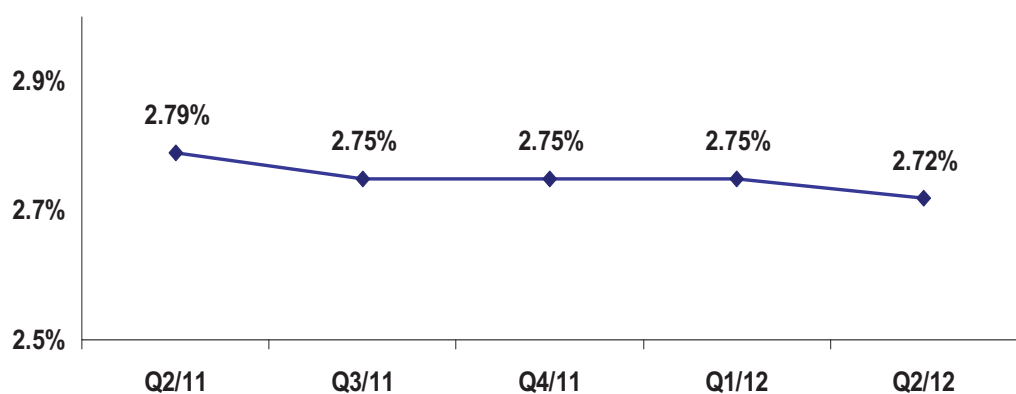
Average Loans and Acceptances



Average Deposits



Canadian Banking net interest margin



- Decrease in NIM⁽¹⁾ QoQ and YoY reflects spread compression mainly due to the continued low rate environment

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

Capital Markets revenue by product



\$ millions	Q2 2012	Q1 2012	Q2 2011
Fixed income, currencies and commodities (FICC)	\$ 536	\$ 607	\$ 440
Equities	271	228	270
Treasury services and funding	265	255	205
Global Markets (teb)	1,072	1,090	915
Investment banking and lending	594	521	532
Correspondent banking	44	45	42
Corporate and Investment Banking	638	566	574
Other	-	(40)	10
Capital Markets total revenue (teb)	\$1,710	\$ 1,616	\$ 1,499

- YoY growth in fixed income reflected increased client volumes and higher spreads from improved market conditions. Fixed income was down QoQ reflecting weakening market conditions near the end of the quarter.
- YoY growth in equity markets reflected improved equity trading and origination activity, particularly in the US. QoQ growth reflected strong equity trading results in the US and strong origination activity in Canada.
- Strong issuance activity and increased deal flow in investment banking reflected higher debt and equity origination and strong YoY growth from lending businesses, particularly in the US.

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Appendix

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Leadership in most personal products and in all business products

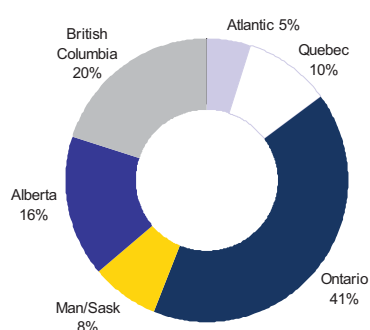
	Q2 2012		Q2 2011	
	Rank	Market Share ⁽¹⁾	Rank	Market Share ⁽¹⁾
Consumer Lending ⁽²⁾	2	23.6%	2	23.5%
Personal Core Deposits + GICs	2	19.6%	2	18.6%
Long-Term Mutual Funds ⁽³⁾	1	13.8%	1	13.2%
Business Loans ⁽⁴⁾				
\$0 - \$250M	1	25.3%	1	26.1%
\$250M - \$5MM	1	25.7%	1	26.5%
Business Deposits & Investments ⁽⁵⁾	1	25.8%	1	26.6%

- (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 February 2012 and February 2011, Business Loans CBA data is at December 2011 and December 2010. Market share is of total Chartered Banks unless otherwise noted.
- (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.
- (4) Market share is of the nine Chartered Banks that submit business loan tiered data to CBA on a quarterly basis.
- (5) Excluding Fixed Term, Government and Deposit Taking Institution balances.

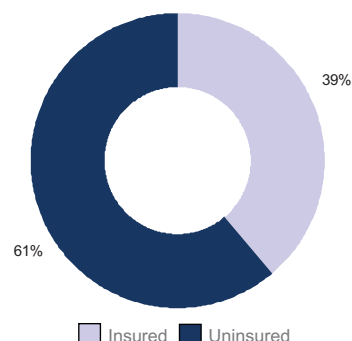
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Canadian Banking – Residential Mortgage Portfolio

Geographic diversification



Insured vs. uninsured mortgages



Residential Mortgages:
\$169 billion
 (As at April 30th 2012)
LTV: 47% ⁽¹⁾

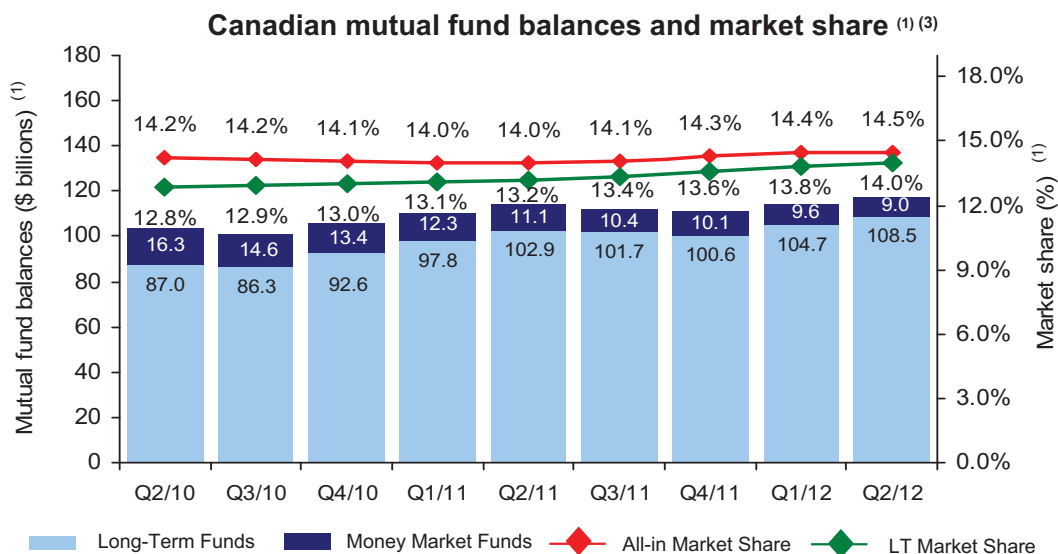
(\$ billions)	Atlantic	Quebec	Ontario	Man. / Sask.	Alberta	British Columbia	Total
Insured	5	6	25	6	13	10	65
Uninsured	4	10	43	7	14	24	104
Total	9	16	69	13	27	34	169
% of Total	8%	10%	39%	9%	19%	16%	100%
% Insured	54%	38%	37%	45%	46%	30%	39%

- Well diversified mortgage portfolio across Canada
- Ongoing stress testing for numerous scenarios including unemployment, interest rates, housing prices
- Strong underwriting practices with all mortgages originated through our proprietary channels

(1) Represents Loan to value (LTV) for uninsured mortgages adjusted for property values based on provincial housing price index and outstanding balance (including Homeline).

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Wealth Management – asset management growth



- As at March 31, 2012, RBC GAM is ranked number one in market share for both all-in and long term fund assets^(2, 3)
- Long-term fund assets increased 13% since Q2/10, with RBC GAM capturing over 23% of industry long-term sales

(1) Source: IFIC and RBC reporting.

(2) IFIC, as of March 2012.

(3) The universe of fund companies captured in the mutual fund assets reported by IFIC was recently expanded and now includes approximately \$50 billion of additional fund assets. A restated asset base was provided from January 2010 to December 2011.

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RBC | 2012 SECOND QUARTER RESULTS

Capital Markets trading revenue



\$ millions	Q2 2012	Q1 2012	Q2 2011
Capital Markets total revenue (teb)	\$1,710	\$1,616	\$1,499
Capital Markets non-trading revenue ⁽¹⁾	887	769	800
Capital Markets trading revenue (teb)	823	847	699
<i>Excluding certain items (Add) / Deduct:</i>			
BOLI	(3)	(35)	(16)
CVA	4	58	32
Fair value adjustment on RBC debt	(32)	9	(9)
Consolidated SPE ⁽³⁾	-	(1)	19
Capital Markets trading revenue excl. certain items (teb) ⁽²⁾	\$ 854	\$ 816	\$ 673

- Trading revenue excluding certain items improved YoY driven by strong performance in our equity and fixed income businesses as client volumes and spreads improved in the early part of the quarter.
- Growth in non-trading related revenue QoQ and YoY was primarily driven by strong debt and equity origination activity, and strong results in our lending businesses, particularly in the US.

(1) Non-trading revenue primarily includes Corporate and Investment Banking and Global Markets origination and cash equities businesses.

(2) Non-GAAP measure, which we believe better reflects our trading revenue. For further information, see slide 25, slide 27, and our Q2 2012 Report to Shareholders for discussion of non-GAAP measures

(3) We exited all transactions related to this SPE. Excluded from Canada

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RBC | 2012 SECOND QUARTER RESULTS

Capital Markets revenue by geography



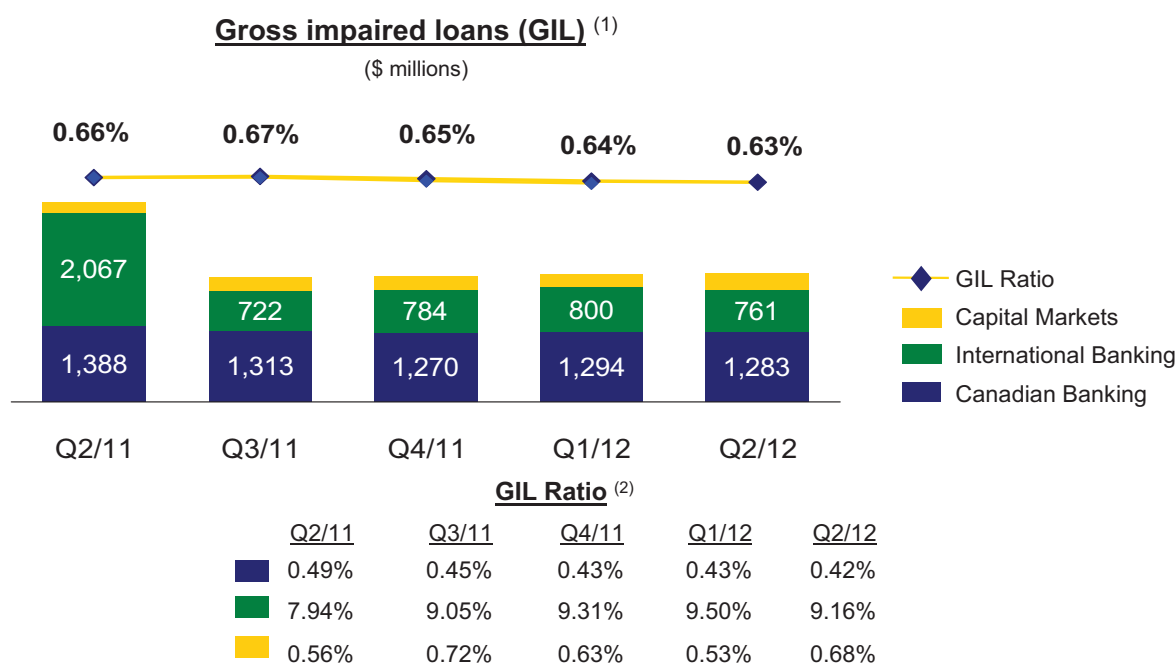
\$ millions	Q2 2012	Q1 2012	Q2 2011
Geographic revenue			
Canada	\$ 604	\$ 601	\$ 616
U.S.	793	706	578
Europe	267	214	223
Asia and Other	77	64	56
Geographic revenue excluding certain items ⁽¹⁾	1,741	1,585	1,473
Add / (Deduct):			
BOLI ⁽²⁾	(3)	(35)	(16)
CVA ⁽³⁾	4	58	32
Fair value adjustment on RBC debt ⁽³⁾	(32)	9	(9)
Consolidated SPE ⁽⁴⁾	-	(1)	19
Capital Markets total revenue (teb)	\$1,710	\$ 1,616	\$1,499

- Revenue increased in Canada QoQ from higher origination activity; declined YoY largely due to lower M&A and debt origination activity compared to Q2/11.
- The significant increase QoQ and YoY in the U.S. was largely driven by improved equity trading, stronger equity and debt origination, and growth in the loan book.
- In Europe, revenue significantly increased QoQ and YoY reflecting stronger fixed income trading and origination activity on improved market conditions, particularly in the early part of Q2/12.

(1) Non-GAAP measure. See slide 25, slide 27, and our Q2 2012 Report to Shareholders. (2) Excluded from U.S. (3) Excluded from all geographies. (4) We exited all transactions related to this SPE. Excluded from Canada.

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Gross impaired loans



(1) Amounts represent continuing operations except for Q2 2011 as our U.S. regional retail banking operations were classified as discontinued operations beginning in the quarter ended July 31, 2011.

(2) GIL Ratio represents continuing operations for all periods. GIL Ratio is gross impaired loans as a percentage of related average net loans and acceptances, annualized.

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Items impacting results



RBC	For the Three Months Ended April 30 2012		For the Six Months Ended April 30 2012	
	\$ millions	EPS ⁽¹⁾	\$ millions	EPS ⁽¹⁾
Net income from continuing operations	\$ 1,563	\$ 1.01	\$ 3,439	\$ 2.24
Less: Loss related to the announced acquisition of RBC Dexia	(202)	(0.14)	(202)	(0.14)
Net income from continuing operations, excl. RBC Dexia loss ⁽²⁾	\$ 1,765	\$ 1.15	\$ 3,641	\$ 2.38
Add: Amortization of intangibles	28	0.02	57	0.04
Net income from continuing operations, excl. RBC Dexia loss and amortization of intangibles ⁽²⁾	\$ 1,793	\$ 1.17	\$ 3,698	\$ 2.42

International Banking	For the Three Months Ended April 30 2012	For the Six Months Ended April 30 2012
	\$ millions	\$ millions
International Banking net income	\$ (196)	\$ (172)
Less: Loss on announced acquisition of RBC Dexia	(202)	(202)
Net income from continuing operations, excl. RBC Dexia loss ⁽²⁾	\$ 6	\$ 30

(1) Diluted earnings per common share

(2) This is a non-GAAP measure. For further information see slide 27 and our Q2 2012 Report to Shareholders.

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Other - other income



(\$ millions)	Q2 2012	Q1 2012	Q2 2011	Change	
				QoQ	YoY
Other income – segments	\$ 85	\$ 104	\$ 101	\$ (19)	\$ (16)
FV adjustments on RBC debt	(3)	(1)	(14)	(2)	11
CDS on corporate loans	(12)	(25)	(8)	13	(4)
Funding related items	(14)	26	42	(40)	(56)
Other misc. items	(8)	15	16	(23)	(24)
Other - other income	\$ 48	\$ 119	\$ 137	\$ (71)	\$ (89)

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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 results excluding the previously announced loss on our acquisition of RBC Dexia, Capital Markets trading revenue excluding certain items and Capital Markets geographic revenue excluding certain items do not have any standardized meanings prescribed by 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 of our Q2 2012 Report to Shareholders and the “Key performance and Non-GAAP measures” sections in our 2011 Annual Report, and our Q2 2012 Supplementary Financial Information.

Definitions can be found under our “Glossary” sections in our 2011 Annual Report and our Q2 2012 Supplementary Financial Information.

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www.rbc.com/investorrelations