

Financial Information

# RBC and RBC Insurance

Products issued by **Liberty Life Insurance Company**



RBC Insurance®



## **Thank you for your interest in RBC and RBC Insurance**

Liberty Life Insurance Company, Greenville, SC, is part of the global insurance operations of Royal Bank of Canada and operates under the RBC Insurance brand. We are proud to be part of an organization known around the world for its strength and stability. Additionally, we have a firm financial footing ourselves and are responsible for our own financial obligations.

This booklet contains financial information and other facts about RBC and RBC Insurance. It is designed to help you familiarize yourself with our company. To learn more, please visit our web site, [www.rbcinsurance.com/us](http://www.rbcinsurance.com/us) or contact your insurance agent.

RBC Insurance® is a registered trademark of Royal Bank of Canada. Used under license.



# What would you like to create? How can we help?

We're here to help our clients and communities create a better future



## In the United States

### **RBC Insurance**

*Offers annuities and life insurance through Liberty Life Insurance Company • Licensed in 49 states • Partnering with 10,000+ sales representatives nationwide • Assets: \$4.3 billion • Liabilities: \$4 billion • Capital & Surplus: \$275 million • Recognized by A.M. Best Company as one of only 39 companies to maintain an "A" or higher financial strength rating for 50 years or more*

### **RBC Bank**

*Offers more than 420 full-service banking centers in North Carolina, South Carolina, Virginia, Georgia, Florida and Alabama • Based in North Carolina • Approximately 5,000 employees across the Southeast*

### **RBC Wealth Management**

*One of the nation's largest full-service securities firms • Assets under administration: \$166.4 billion • 2,200 financial consultants and 5,000 employees • Serves individual investors and businesses nationwide*

### **RBC Capital Markets**

*A premier investment bank focused on products and services to institutions, corporations, governments and high net worth clients in 150 countries • Over 3,000 employees in 75 offices globally, including 45 offices in the U.S. • According to Bloomberg, consistently ranked among the top 20 global investment banks*

## RBC in Communities Worldwide

### **RBC Blue Water Project**

*\$50 million, 10-year global commitment to foster a culture of water stewardship and to help protect the world's most precious natural resource: fresh water. Since 2007, RBC has pledged more than \$20.48 million to more than 200 organizations worldwide.*

### **RBC Canadian Open Golf Tournament**

*Title sponsor through 2012 • Established in 1904, this tournament is one of the oldest national open golf championships worldwide third only to the British Open and the U.S. Open.*

### **RBC Center – Raleigh, North Carolina**

*Home of the NHL's Carolina Hurricanes and NC State University Men's Basketball. On an annual basis, the RBC Center welcomes over 1.5 million guests and plays host to more than 150 events including major concert tours and family shows.*

RBC is also a proud sponsor of numerous global initiatives in the support of human service, education and youth programs, arts and culture and the environment.

To learn more about RBC and RBC Insurance, visit:

[www.rbc.com](http://www.rbc.com)

[www.rbcinsurance.com/us](http://www.rbcinsurance.com/us)

RBC Insurance consolidated results as of December 31, 2009. A.M. Best has been recognized as a leading firm in analyzing the financial strength of insurance companies since 1899. Ratings are based on its current opinion of a company's financial ability to meet its obligations to policyholders. "A" is the third highest of sixteen ratings and is assigned to companies Best believes demonstrate excellent overall performance. RBC Wealth Management information as of February 2010 and RBC Bank and RBC Capital Markets information as of June 2010.

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# Discover RBC Insurance in the U.S.

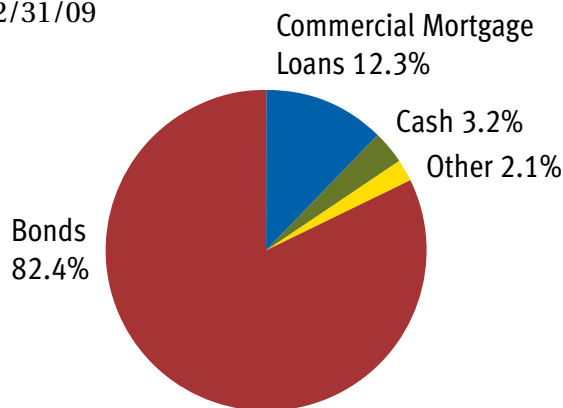
Products issued by  
**Liberty Life Insurance Company**

## Integrity of Investment Portfolio

- › High quality, diversified and conservatively managed
- › Quality of bond portfolio above average for our industry
- › Diversification among a broad range of companies across many industries
- › Commercial mortgage loan portfolio well diversified by geography and type

## Total Investment Portfolio

\$4.11 billion  
GAAP Book Value  
12/31/09



## Statutory Balance Sheet

Assets: \$4.3 billion  
Liabilities: \$4.0 billion  
Capital & Surplus: \$275 million  
12/31/09

## Financial Strength Ratings

Fitch: A- (Strong), 7<sup>th</sup> highest of 21

A.M. Best: A (Excellent), 3<sup>rd</sup> highest of 16

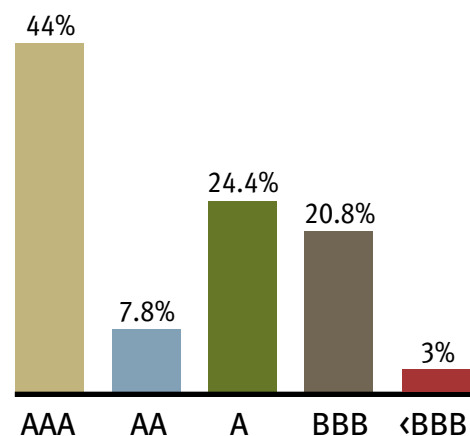
**One of only 39 U.S. life insurance companies to maintain a Best rating of "A" or higher for 50 or more years**

## Product Offerings

- Traditional and index annuities
- Life insurance

## Quality of Bond Portfolio

Average Quality = AA  
12/31/09





# RBC is well known in Canada as a trusted brand name, financially secure with a long history of delivering on commitments

**Financial media outlets are helping spread the word globally**

## Key Facts (12/31/09)

140+ years in business  
 \$713 billion total assets  
 18 million clients in 54 countries  
 77,000 employees

## Fall Update (7/31/2010)

### Senior Debt Ratings

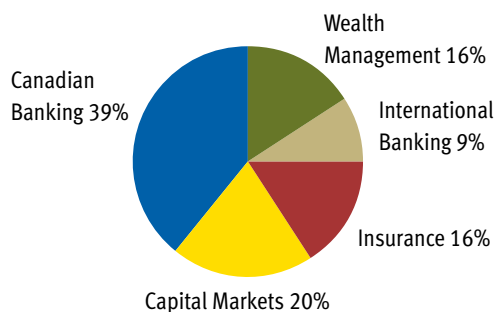
Moody's: Aaa  
 S&P: AA-  
 Fitch: AA  
 DBRS: AA

### Capital Ratios

Tier 1 12.9%  
 Total capital ratio 14.2%  
 Assets to capital multiple (x) 16.5x

### Revenue by Business Segment

(five year average 2005-2009)



### Soundness of Banks\*

| Rank | Country        |
|------|----------------|
| 1    | Canada         |
| 2    | New Zealand    |
| 3    | Australia      |
| 4    | Chile          |
| 5    | Hong Kong SAR  |
| 69   | Italy          |
| 84   | Japan          |
| 103  | Germany        |
| 108  | United States  |
| 126  | United Kingdom |

## Quotes From Recent News Articles

**“Alongside the relatively strong headline numbers, RBC has established itself as a bank with an enviably strong financial position.”** – Clive Horwood, “Nixon takes RBC into the big league,” *Euromoney*, March 31, 2010

**“So as we drew up our annual list of the 30 Most Respected CEOs, we sought to identify executives who kept their companies out of trouble and took advantage of the downturn to expand, make shrewd acquisitions, feast on the problems of competitors or otherwise distance themselves from rivals. The roster includes 11 new names, including ... Gordon Nixon of Royal Bank of Canada.”** – Andrew Bary, “The Best CEOs,” *Barron's*, March 29, 2010

## Consistently Strong Financial Profile

- › 5<sup>th</sup> largest bank in North America and 10<sup>th</sup> largest globally\*\*
- › High quality, liquid balance sheet provides significant flexibility
- › Solid risk management contributes to balance sheet strengths
- › Well balanced and diversified business mix

## U.S. Insurance Operations

Liberty Life Insurance Company is part of the global insurance operations of Royal Bank of Canada and operates under the RBC Insurance brand. The life insurance company is proud to be a part of an organization known around the world for its strength and stability. Additionally the company has a firm financial footing itself and is responsible for its own financial obligations. More details are contained on the other side.

**Additional RBC financial information can be found at [www.rbc.com/investorrelations/index.html](http://www.rbc.com/investorrelations/index.html)**

\* World Economic Forum Global Competitiveness Report 2009-2010  
 \*\* Bloomberg, market capitalization as of 4/30/2010

# RBC Insurance at a Glance

Insurance issued by **Liberty Life Insurance Company**

## Solutions to help you Create A Path Forward

RBC Insurance® is the brand name for **Liberty Life Insurance Company**, a part of the global insurance operations of Royal Bank of Canada.

As the insurance specialist of one of the largest and most trusted financial institutions in North America, RBC Insurance offers a diversified range of insurance protection and wealth accumulation products that help individuals and businesses manage risk and build for the future. RBC Insurance is a part of RBC, a leading financial services company comprised of Royal Bank of Canada (TSX, NYSE: RY) and its subsidiaries. Although Liberty Life Insurance Company is a part of RBC, Liberty Life Insurance Company is solely responsible for its financial obligations.



## Financial Strength and Stability You Can Trust

### RBC

- › \$659.4 billion in assets as of December 31, 2009.\*
- › Ranked 38<sup>th</sup> largest corporation globally in total assets by *Forbes Magazine*, April, 2010.
- › In business more than 140 years and providing insurance solutions for over a century.
- › Largest bank in Canada, the country with the world's soundest banking system.\*\*
- › Named to the Dow Jones Sustainability Index for the 9<sup>th</sup> straight year, RBC is recognized as one of the world's financial, social and environmental corporate leaders.

\*Canadian dollars and based on Canadian GAAP.

\*\* World Economic Forum Global Competitiveness Report 2009-2010.

### RBC Insurance in the United States\*\*

- › Assets: \$4.3 billion
- › Liabilities: \$4 billion
- › Capital & Surplus: \$275 million

\*\*Statutory values as of 12/31/09.

## An Industry Leader

Operating under the master brand name of RBC, Royal Bank of Canada (TSX, NYSE: RY) is Canada's largest bank as measured by market capitalization.

### Top North American Banks by Market Capitalization

|    | Ranking Based on<br>Market Capitalization<br>(US\$ billions) |             |
|----|--|-------------|
| 1  | Bank of America  | \$179       |
| 2  | Wells Fargo  | \$172       |
| 3  | JP Morgan  | \$169       |
| 4  | Citigroup  | \$125       |
| 5  | <b>Royal Bank of Canada</b>                                  | <b>\$86</b> |
| 6  | Goldman Sachs  | \$79        |
| 7  | Toronto Dominion Bank  | \$64        |
| 8  | American Express   | \$55        |
| 9  | Scotiabank   | \$52        |
| 10 | US Bancorp   | \$51        |

Source: *Bloomberg*, April 30, 2010.

### Top Global Banks by Market Capitalization

|    | Head Office<br>Location        | Ranking Based on<br>Market Capitalization<br>(US\$ billions) |             |
|----|--------------------------------|--|-------------|
| 1  | ICBC                           | Hong Kong  | \$229       |
| 2  | China Construction Bank-H      | Beijing  | \$193       |
| 3  | Bank of America Corp.          | Charlotte, N.C.  | \$179       |
| 4  | HSBC Holdings PLC              | London   | \$178       |
| 5  | Wells Fargo                    | San Francisco  | \$172       |
| 6  | JP Morgan                      | New York   | \$169       |
| 7  | Bank of China LTD-H            | Beijing  | \$149       |
| 8  | Citigroup                      | New York   | \$125       |
| 9  | Banco Santander Central Hisp   | Madrid   | \$104       |
| 10 | Banco Itaú                     | Sao Paulo  | \$89        |
| 11 | <b>Royal Bank of Canada</b>    | <b>Toronto</b>   | <b>\$86</b> |
| 12 | Commonwealth Bank of Australia | Sydney   | \$84        |
| 13 | BNP Paribas                    | Paris  | \$82        |
| 14 | Goldman Sachs & Co.            | New York   | \$79        |
| 15 | Westpac Banking                | Sydney   | \$75        |
| 16 | Mitsubishi UFJ Financial Group | Tokyo  | \$74        |
| 17 | Lloyds TSB Group               | London   | \$68        |
| 18 | Toronto Dominion Bank          | Toronto  | \$64        |
| 19 | Barclays Bank PLC              | London   | \$62        |
| 20 | UBS AG-Reg                     | Zurich   | \$60        |

Source: *Bloomberg*, April 30, 2010.



### Global 2000

Each year, *Forbes Magazine* publishes a list of the world's largest companies, measured by a composite ranking of sales, profits, assets and market value. In the 2010 list, Royal Bank of Canada ranked:

- 53 overall
- 106 for profits
- 38 for assets
- 64 for market value
- 1 among Canadian companies

Source: *Forbes Magazine*, April, 2010.

### U.S. Products

- › Traditional Annuities
- › Index Annuities
- › Life Insurance

To learn more about RBC Insurance, visit [www.rbcinsurance.com/us](http://www.rbcinsurance.com/us)

