



David McKay
Group Head, Canadian Banking

National Bank Financial
2009 Canadian Financial Services Conference
March 31, 2009

Financial information is in Canadian dollars and is based on Canadian GAAP,
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, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in reports to shareholders and in other communications. Forward-looking statements include, but are not limited to, statements relating to our medium-term objectives, our strategic goals and priorities, and the economic and business outlook for us, for each of our business segments and for the Canadian, United States and international economies. 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 strategic priorities and objectives, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "believe," "expect," "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 objectives, strategic goals and priorities 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 – many of which are beyond our control – include: credit, market, operational, liquidity and funding risks, and other risks discussed in the Risk, capital and liquidity management section of our Q1 2009 Report to Shareholders and in our 2008 Annual Report to Shareholders; market environment impacts, including the impact of the continuing volatility in the financial markets and lack of liquidity in credit markets, and our ability to effectively manage our liquidity and our capital ratios and implement effective risk management procedures; general business and economic conditions in Canada, the United States and other countries in which we conduct business; changes in accounting standards, policies and estimates, including changes in our estimates of provisions, allowances and valuations; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar, British pound and Euro; 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; 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; changes to our credit ratings; and development and integration of our distribution networks.

We caution that the foregoing list of important 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, capital and liquidity management section of our Q1 2009 Report to Shareholders, and in our 2008 Annual Report to Shareholders.

Financial information is in Canadian dollars and is based on Canadian GAAP, unless otherwise indicated. 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.

Canada is underpinned by solid fundamentals



- **Regulatory and financial systems well structured and well managed**
 - #1 for soundness of banks (*World Economic Forum, October 2008*)
 - Canada better placed than many countries to weather the global financial turbulence and worldwide recession (*International Monetary Fund, March 2009*)
- **Government well positioned to provide fiscal stimulus as appropriate**
 - Net foreign indebtedness lowest since 1945
 - Appropriate programs in place to enhance liquidity and funding access
- **Consumer financial position is superior to the US**
 - Lower household debt (% of disposable income – Canada 139% vs. US 187%) ⁽¹⁾
 - More equity in homes (% of total real estate assets – Canada 69% vs. US 45%) ⁽²⁾
- **Mortgage market is fundamentally different from the US**
 - Any mortgages with a loan-to-value over 80% must be fully insured
 - Low mortgage delinquency rates (Canada 0.33% versus US 2.20%) ⁽³⁾

(1) RBC Economics (September 2008).

(2) Statistics Canada, U.S. Federal Research Division (September 2008).

(3) CBA (December 2008), Mortgage Bankers' Association (September 2008).

3

RBC is a Canadian leader with global strength



- **Largest bank in Canada, 5th in North America and 11th globally ⁽¹⁾**
 - Up from 6th in North America and 26th globally as at September 2007
- **Strong financial profile**
 - Earned C\$4.6 billion(US\$4.4 billion) in fiscal 2008
 - Earned C\$1.1 billion in first quarter of 2009, with ROE of 13.8%
 - High quality balance sheet and solid liquidity and capital position
- **Clear leader in Canada with market share momentum**
 - #1 or #2 across all major categories in Canada, and growing market share
 - Scale and financial strength providing competitive advantage globally
- **Well-balanced and diversified business mix**
 - Core strength in Canada (approximately 70% of revenue)
 - Retail businesses ~ 80% of revenue, wholesale business ~20% of revenue
- **Disciplined approach to managing costs and prioritizing projects**
- **Continuing to invest in our businesses for long-term growth**

(1) Source: Bloomberg. As measured by market capitalization as at March 27, 2009.

4

RBC's financial profile is consistently strong



- **Strong capital position**
 - Tier I capital ratio: 10.6% (as at January 31, 2009 and under Basel II)
 - Total capital ratio: 12.5%
 - Assets to capital: 17.5x
- **Senior debt ratings among the highest of financial institutions globally ⁽¹⁾**
 - Moody's: Aaa Fitch: AA
 - Standard & Poor's: AA- DBRS: AA
- **Proactive risk management**
 - Limit exposure to any single name and any single sector
 - Stringent credit review, approval, limit and monitoring processes
- **High quality balance sheet**
 - Canadian loans, strong retail deposit base, liquid trading assets
- **Strong liquidity and diversified funding sources**
 - Diversified and well-established global funding programs
 - Modest term funding requirements through to end of 2009
 - High quality balance sheet with liquid assets provides significant flexibility

(1) Stable rating outlook by S&P, Fitch and DBRS. Negative rating outlook by Moody's.

5



Canadian Banking

6

Canadian Banking – outpacing our competition



- **Contributes significantly to RBC's overall revenue and earnings**
 - 58% of RBC's earnings in 2008 and 66% the first quarter of 2009
- **Clear leader with market share momentum**
 - #1 or 2 in all major personal and business products
 - Profitably growing market share
- **Largest and most integrated advice-based distribution network**
 - Clients get smart financial advice where and when they need it
 - Execute better than competitors on serving clients' four key needs: service, advice, convenience/access and value for money
- **Growing lending balances prudently**
 - Sophisticated risk scoring in collaboration with risk management team

7

Profitably growing market share



	November 2008 ⁽¹⁾		November 2004 ⁽¹⁾	
	Rank	Market Share	Rank	Market Share
Consumer lending ⁽²⁾	# 1	15.5%	# 2	14.7%
Personal core deposits ⁽³⁾	# 2	14.3%	# 2	14.5%
Personal investments ⁽⁴⁾	# 1	14.3%	# 1	11.9%
Card purchases	# 2	20.5%	# 2	19.7%
Business loans	# 1	12.3%	# 1	11.4%
Business deposits & investments ⁽⁵⁾	# 1	22.8%	# 1	20.8%

(1) Market share rank among financial institutions in Canada (source: RBC)

(2) Includes residential mortgages, personal loans and credit cards.

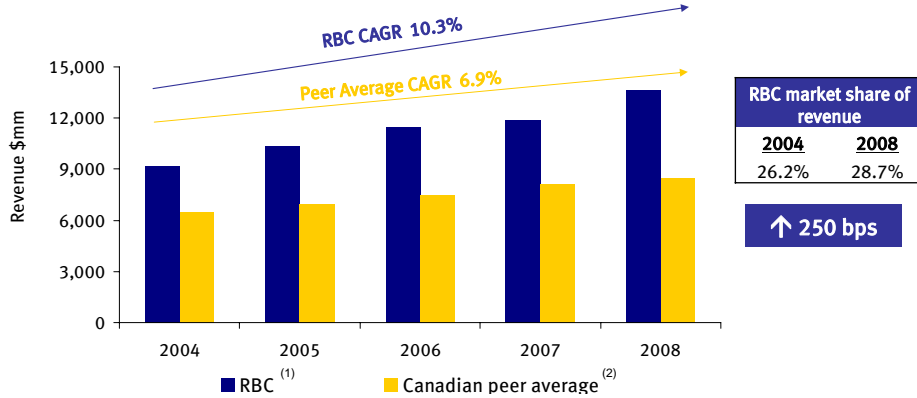
(3) Personal deposits excluding GICs. Steady market share decline starting in 2004 with positive turnaround commencing in 2007.

(4) Includes GICs and mutual funds. Nov 2008 market share reflects acquisition of PH&N in May 2008.

(5) Excludes market share of non-bank financial institutions.

8

Higher share of retail revenue growth



- (1) RBC retail revenue includes Canadian business results: Canadian Banking, Wealth Management, Insurance. Excludes the gain/loss related to VISA Inc. restructuring in 2007 and 2008 and the charge to increase our credit card customer loyalty reward program liability in 2007. Non-GAAP. See slide 18 for reconciliation.
- (2) Canadian retail revenue of the Big 4 Canadian Banks as calculated by RBC.

9

Why we are winning in the market



We have executed better than the competition on all four key customer needs to improve the client experience...



... by better leveraging our brand, our people and our physical assets

10

Robust credit adjudication and monitoring



- **Leading edge risk scoring and management systems**
 - End-to-end enhancement of consumer and small business systems in 2001
 - Holistic approach, with customers scored at the overall relationship level
 - Drives deeper customer understanding
- **Customer level reports once a month**
 - Monitor for cash flow changes and/or behavioural score on every borrowing customer
 - Information enables us to proactively reach out to clients:
 - o Can offer more credit where cash flows have improved
 - o Able to engage in early triage where cash flows have deteriorated
- **Link employee compensation and processes to risk**
 - Employee rewards systems intended to encourage the right behaviours
 - Management information systems track behaviours
- **Centralized management of commercial accounts under \$2 million**
 - Facilitating industry specialisation and upgrading of credit skills

11

Effectively managing our costs



- **Committed to strong operating leverage**
 - Will not sacrifice future growth
- **Targeting improved efficiency ratio**
- **Undergoing an end-to-end analysis of the value chain**
 - Take advantage of automation and scale
- **Increasing sales force productivity**
 - Setting the right incentives to encourage the right behaviours
 - Profitable business / risk return balance
 - Driving inefficiencies out of high volume areas such as mortgage processing

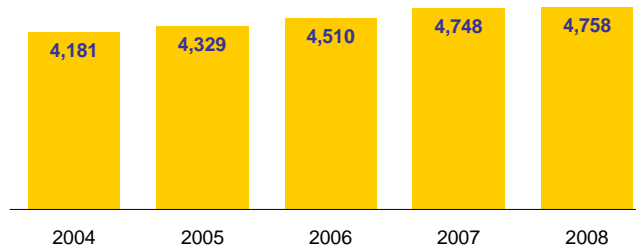
12

Effectively managing our costs



- **Driving efficiencies and positive operating leverage**
 - Efficiency ratio of 49.6% (2008), 50.9% (2007) and 54% (2006)
 - Operating leverage of 2.6% (2008), 6.5% (2007) and 4.4% (2006)

Non Interest Expense (\$mm)



13

Well-positioned for continued success



→ Focus on execution to continue widening gap over competitors

Strategic Goal

To be the undisputed leader in financial services in Canada

Continue to improve the client experience

By delivering valued advice to help clients achieve financial success and allow us to retain and grow their business

Simplify the way we do business

By continuing to improve our processes and revise our business models to make it easier for our clients and employees to do business at RBC

Add new clients and grow share of wallet

By focusing on delivering insightful, relevant advice; value for money; convenience; competitive products and deploying new business models to attract new clients in specific markets, geographies, and life stages

14



Appendix

No one provides more access to valued advice



WEALTH MANAGEMENT DISTRIBUTION

82+ RBC DS offices
1,433+ investment advisors
50+ private counsellors
13+ private trust offices
15+ private counsel offices
5 PH&N private client offices



SPECIALIZED SALES

99+ commercial financing specialists
134+ global transaction solution specialists
34+ sales managers – indirect lending
35 private banking offices

THIRD PARTY DISTRIBUTION

17,000 life & health brokers
4,000 travel distributors
4,200+ indirect lending dealers



CAREER SALES FORCES

296+ career sales insurance reps
1,148+ mortgage specialists
611+ investment retirement planners

Branch Network

1,179 bank branches
1,688+ senior account managers
1,140+ financial planners
101 business banking centers
35 insurance branch offices
700+ small business advisors/specialists

ENTERPRISE DISTRIBUTION

Automated Teller Machines

2,505+ on-site ATMs
1,685+ off-site ATMs

On-Line Banking and Telephone

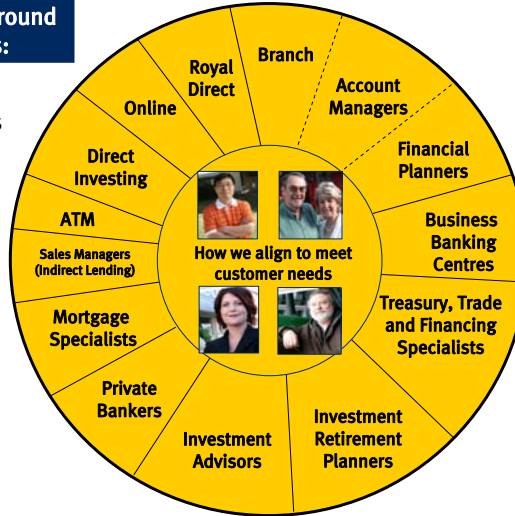
7 contact centres
2,810+ Royal Direct reps (incl. Visa)
185+ RBC Direct Investing reps

Collaborating and aligning



Best holistic, integrated execution around the client is core to our success:

- Better integration of our employees across multiple customer channels
- Industry specialization targeting business clients
- Best in class CRM, driving deeper customer understanding
- Leading edge customer centric risk scoring



17

Canadian Banking revenue excluding the impacts of certain items



\$ millions	Canadian Banking	
	2007	2008
Revenue (GAAP reported amounts)	\$ 9,329	9,586
Exclude:		
Visa Inc. restructuring ⁽¹⁾	326	(30)
Increase to credit card customer loyalty reward program liability ⁽²⁾	(121)	
Revenue amounts excluding the impacts of items noted above ⁽³⁾	\$ 9,124	\$9,616

- (1) Reflects gain/(loss) from the exchange of our membership interest in Visa Canada Association for shares of Visa Inc.
 (2) Reflects charge against revenue to increase our credit card customer loyalty reward program liability.
 (3) Non-GAAP. See slide 19 for a discussion of non-GAAP measures.

18

Non-GAAP measures



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 results of operations. Readers are cautioned that non-GAAP measures, such as Canadian Banking revenue excluding the impacts of certain items, do not have any standardized meanings prescribed by Canadian GAAP, and therefore, are unlikely to be comparable to similar measures presented by other companies.

Additional information about our non-GAAP measures can be found under the "Key performance and non-GAAP measures" section in our 2008 Annual Report and in our Q1 2009 Supplementary Financial Information.

Investor relations contacts

Marcia Moffat, VP & Head, Investor Relations	416.955.7803	marcia.moffat@rbc.com
Bill Anderson, Director, Investor Relations	416.955.7804	william.anderson@rbc.com
Josie Merenda, Director, Investor Relations	416.955.7809	josie.merenda@rbc.com

www.rbc.com/investorrelations