



# Royal Bank of Canada

## Scotia Capital Financials Summit

September 9, 2008

### 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 and 2008 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. 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 include credit, market, operational, liquidity and funding risks, and other risks discussed in our Q3 2008 Report to Shareholders and our 2007 Annual Report to Shareholders; general business and economic conditions in Canada, the United States and other countries in which we conduct business, including the impact from the continuing volatility in the U.S. subprime and related markets and lack of liquidity in financial markets; 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 monetary and other policies; the effects of competition in the markets in which we operate; the impact of changes in laws and regulations; 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 in accounting standards, policies and estimates, including changes in our estimates of provisions and allowances; our ability to attract and retain key employees and executives; 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 our Q3 2008 Report to Shareholders and in our 2007 Annual 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.

Note: All data in this presentation are in Canadian dollars unless otherwise stated.

# Royal Bank of Canada

Gordon M. Nixon

CEO

## Staying focused on our strategic goals



### Vision

Always earning the right to be our clients' first choice

To be the undisputed leader in financial services in Canada

To build on our strengths in banking, wealth management and capital markets in the United States

To be a premier provider of selected global financial services

## Canada is a profitable market with solid fundamentals



- Profitable and disciplined financial services industry
- Solid economic, consumer and mortgage fundamentals

	Canada	U.S.
2009 Real GDP forecast <sup>(1)</sup>	2.3%	1.8%
Core inflation (CPI) <sup>(2)</sup>	1.5%	2.5%
Unemployment rate <sup>(3)</sup>	6.1%	6.1%
Consumer fundamentals	<ul style="list-style-type: none"> <li>• Modest leverage</li> <li>• Household net worth has been increasing</li> </ul>	<ul style="list-style-type: none"> <li>• More highly levered</li> <li>• Household net worth has been decreasing</li> </ul>
Mortgage fundamentals	<ul style="list-style-type: none"> <li>• High mortgage quality</li> <li>• Low loan-to-value ratios</li> <li>• Low delinquencies</li> </ul>	<ul style="list-style-type: none"> <li>• Lower mortgage quality</li> <li>• Higher loan-to-value ratios</li> <li>• Higher delinquencies</li> </ul>

(1) Source: RBC Economics, September 2008.  
 (2) Source: Statistics Canada, RBC Economics, July 2008.  
 (3) Source: Statistics Canada, US Bureau of Labor Statistics, August 2008.

## RBC is a Canadian leader with global strength



- Largest bank in Canada, 5th in North America and 18<sup>th</sup> globally <sup>(1)</sup>
  - Up from 6<sup>th</sup> in North America and 26<sup>th</sup> globally a year ago
- Clear leader in Canada with market share momentum
  - Core strength in Canada (approximately 70% of revenue)
  - #1 or #2 across all major financial products and services
  - Growing market share
- Scale and financial strength providing competitive advantage globally
  - More clients are choosing RBC over our competitors
- Well-balanced and diversified business mix
  - Approximately 75% of earnings from retail (banking, wealth management, insurance)
  - Approximately 25% of earnings from capital markets
- Continuing to invest in our businesses for long-term growth

(1) Source: Bloomberg. As measured by market capitalization as at August 31, 2008. 6

## RBC's financial profile is consistently strong



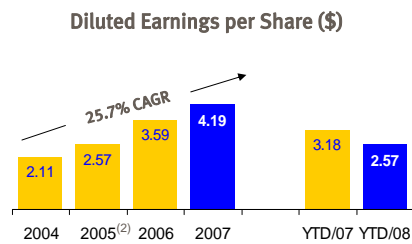
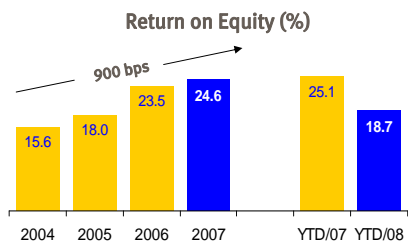
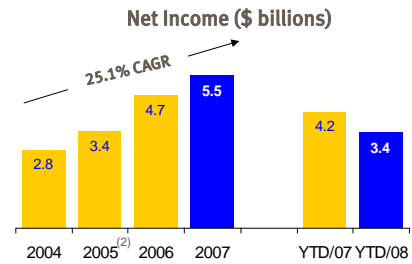
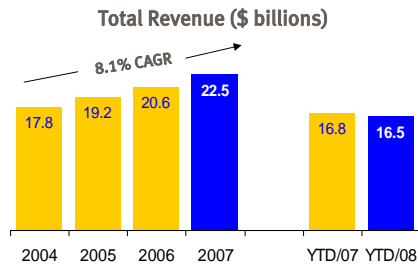
- Capital ratios among highest globally <sup>(1)</sup>

	(Basel II)	(Basel I)
- Tier I capital ratio:	9.5%	8.7%
- Total capital ratio:	11.7%	11.1%
- Assets to capital multiple:	19.4x	19.3x
- Senior debt ratings among highest of financial institutions globally
  - Moody's: Aaa
  - Standard & Poor's: AA-
  - Fitch: AA
  - DBRS: AA
- Balance sheet is high quality with good liquidity
  - High quality Canadian loans
  - Strong retail deposit base
  - Liquid trading assets
- Proactive risk management and strong cost management discipline
- Excellent access to diversified funding sources at favourable spreads

(1) As at July 31, 2008.

7

## Track record of performance <sup>(1)</sup>



(1) Includes writedowns after-tax and compensation adjustments of \$160 mm in Q4/07 (\$357 mm pre-tax) and \$886 mm in YTD/08 (\$1,782 mm pre-tax).  
 (2) Includes Enron litigation charge reserve of \$326 mm (\$591 mm pre-tax).

8

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