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GORDON M. NIXON, PRESIDENT & CEO

Good morning everyone.

As recently demonstrated in our Q3 results, RBC has performed solidly through a period of challenging market conditions. We have taken advantage of market opportunities, and effectively managed our costs and risks. I believe this is a testament to the strength of our people, our management team, and our organization. I also believe it's a result of our relentless focus on executing our strategy over the last number of years.

While we unfortunately have had writedowns, they have been manageable relative to many banks around the globe and our financial position has remained strong. As a result, we have been able to stay focused on our three strategic goals, which are: to be the undisputed leader in financial services in Canada, to build on our strengths in the U.S., and to be a premier provider of selected financial services globally.

Before I discuss our businesses, I'll start off with a few observations about Canada and the Canadian economy since that is where we generate roughly 70% of our revenue.

We've enjoyed strong economic growth in Canada in recent years driven by an extended period of low and stable interest rates, strong consumer spending, low unemployment and robust business investment. While there are signs our economy is slowing, in my view, Canada's financial services sector continues to be supported by solid economic, consumer and mortgage fundamentals.

Core inflation remains relatively low and stable at 1.5% and GDP is forecasted to grow at 2 to 2.5% in 2009. Our unemployment rate is still at historically low levels, though up slightly from recent years. Strong commodity prices continue to support income growth. Consumer spending is expected to moderate, but will remain a key support for the economy. Household net worth has been increasing and the leverage of Canadian households remains at manageable levels.

And, while our housing market is moderating, it remains fundamentally strong and very different from the U.S. For instance, Canada is still considered to be one of the countries where housing is least overvalued according to international studies by agencies such as the IMF, whose metrics indicate that price increases have been largely justified by fundamental factors.

Also, we have much more conservative lending practices compared to the U.S. and very little subprime. Mortgages were extended to more capable buyers, leaving household balances in good shape with mortgage quality strong and delinquency rates well below past cyclical peaks.

All of these factors combine to provide a solid domestic market for RBC.

As you know, we are Canada's largest bank. Today, we are also the 5th largest bank in North America and 18th globally by market capitalization. Interestingly, this is up from 6th and 26th, respectively, when I spoke to you at this conference last year, demonstrating the differentiation among financial institutions around the globe that has occurred over the past twelve months.

Canada is our core market, and we are a leader in all of our key businesses – banking, wealth management and capital markets and we are continuing to extend that leadership.

We also generate approximately one-third of our revenue outside our domestic market, and are continuing to win more business and build our client base in the U.S. and internationally.

In terms of business mix, I believe it is well-balanced. Roughly 75% of our earnings are in retail banking, wealth management and insurance, and 25% are in wholesale or capital markets. We like this business mix and believe that this 75 / 25 balance is the right composition for long-term success.

Now I am going to reiterate this one more time, and I have said this many times over the past year. We are very comfortable with the strategy of maintaining this retail wholesale mix at approximately 75 / 25. We have not, are not, and have no intention to shift this as we believe it is the appropriate balance as we move forward and we think it gives us a significant competitive advantage in the marketplace in the years ahead.

Our consistent financial strength is also an important competitive advantage – it provides our clients with confidence and provides us with flexibility and opportunities. Our Tier 1 capital ratio is well above most global financial institutions, and we are among the most highly rated financial institutions in the world. Also, we have a high quality, liquid balance sheet and diversified funding sources with favourable spreads relative to our peers.

Let me now turn to some of our businesses to highlight what sets us apart and where we are going.

Starting with Canadian Banking. Canadian Banking generates over 50% of our earnings. We have the country's largest and most integrated advice-based distribution network and are the only financial institution with a complete truly national retail presence.

We rank number 1 or 2 in all major personal and business products in most regions across the country, and are a clear leader in business banking. And, we are increasing our market share. For example, over the last year, we increased our market share in personal core deposits and mortgages by 54 basis points and 19 basis points, respectively, and business deposits and investments by 78 basis points.

We had record results in Canadian Banking in our latest quarter, with net income up 19% from last year reflecting strong volume growth across all businesses. We also generated very strong operating leverage of 8.1% by maintaining a sharp focus on revenues and costs.

Going forward, we remain focused on widening the gap over our competition, leveraging our strong distribution network and profitably growing market share.

Turning to Wealth Management, we are the largest full service brokerage firm in the country with approximately 22% market share. We are also the largest Canadian mutual fund company with a leading presence in all client segments of the asset management business in Canada and we are continuing to extend our leadership, most recently demonstrated with the acquisition of PH&N. Our domestic market leadership is complemented by a sizeable presence outside of our domestic market.

In the U.S., we are the seventh largest full-service brokerage firm as measured by number of financial consultants and internationally, we are a top 20 global private bank as measured by client assets.

As I have mentioned before, the turmoil in the market has reinforced the importance of RBC's financial strength and stability, and this has attracted clients and advisors to our organization. In addition, the dislocation in the markets has also created an environment with more opportunities that we will evaluate as we continue to grow our wealth management business.

In Insurance, we are number one in creditor and individual living benefits insurance in Canada. We are the largest bank-owned insurer and are transforming the distribution of insurance products in Canada. Performance in this segment continues to be solid.

Turning to International Banking, our U.S. banking strategy focuses on businesses, business owners and professionals in high growth markets in the U.S. Southeast where we currently have over 430 full-service banking centers.

Our U.S. banking operations have underperformed relative to our Canadian operations due to the ongoing stress in the U.S. housing market, but we believe the relative size of our challenge is very manageable in the context of RBC.

The acquisitions and branch builds over the last few years have increased our scale in this market and with our sharp focus on operations we are positioning the bank for strong performance when the credit environment improves.

We've had lots of questions about potential acquisitions in the U.S. retail banking space. Let me assure you that we have a very disciplined approach. We are staying educated about opportunities in the U.S., but we are not in a rush and we are not interested in making a deal that fails to satisfy our strategic, financial and cultural criteria.

While equity valuations of some U.S. targets may appear attractive, a key challenge is of course, taking on another bank's balance sheet. Our balance sheet is strong, and we will not compromise our capital position or debt ratings. In addition, we are able to invest our capital in our current businesses at very attractive rates of return.

It is also important to reiterate that when we look at potential opportunities we are not limited to U.S. retail space. In fact, we are always looking at opportunities across all of our businesses in a variety of geographies and I would note, our two most recent acquisitions are RBTT in the Caribbean and, of course, PH&N in Canada.

These days, many of our businesses are finding opportunities to invest capital in new products and new markets, in addition to acquisitions. For example, as I mentioned, we recently acquired RBTT to build on our strengths in the Caribbean and we recently announced the acquisition of ABN AMRO's Canadian commercial leasing division to enhance our services to our Canadian Banking clients.

Turning to Capital Markets, we have top one, two or three positions across all of our businesses, making us a leader in Canada. We leverage this position to provide expertise and product breadth to the U.S. mid-market. Globally, we are a leading player in select businesses

where we have strength, including alternative currencies and infrastructure finance. These cross-border and global capabilities are key differentiators and set us apart from our Canadian peers.

In Q3, we delivered a return on equity of 18%, despite the impact of writedowns. In fact, over the last twelve months we've been able to earn through the losses resulting from the market environment which is a testament to the strength of our diversified businesses and our strong risk management.

Overall, our competitive position has increased significantly in the last year. We are seeing more business opportunities as competitors fall away, we are increasing market share, and we are getting paid more to be a counterparty. It's important to note that our results are not just a product of the markets or volume or pricing. Much of our success comes from steady investments that we've made in the businesses over the last couple of years, for example restructuring our regional capital markets business in the U.S.

We are continuing to invest across our businesses and capitalize on opportunities created by the market environment to recruit top talent and strengthen our capabilities.

Unquestionably, this is a tougher operating environment than we have had over the past few years, but in my view, the combination of our long-term strategies, excellent execution, strong balance sheet and disciplined risk management principles will continue to be rewarded.

Thank you. That concludes the formal part of my presentation and I would now be delighted to answer your questions.