



Royal Bank of Canada

Janice Fukakusa, CFO of RBC

Scott Custer, Chairman and CEO of RBC Centura

Citi Financial Services Conference

January 29, 2008

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 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”, “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 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 various of the 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; and our ability to attract and retain key employees and executives.

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. Unless 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 factors can be found in our 2007 Annual Report to Shareholders under the Risk management and Additional risks that may affect future results sections.

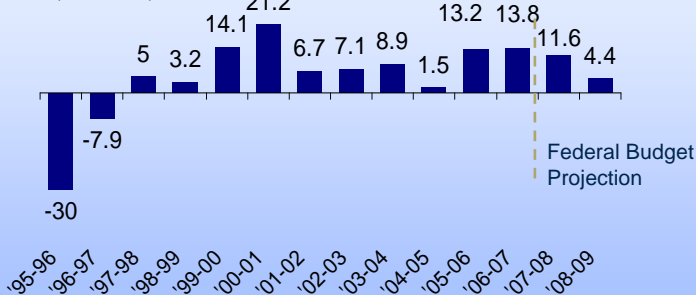
Information contained in or otherwise accessible through the websites mentioned does not form a part of this presentation. All references in this presentation to websites are inactive textual references and are for your information only.

Strong fiscal and trade performance

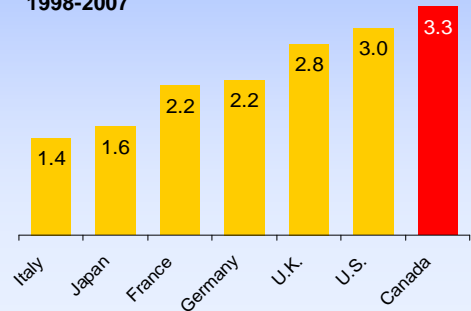
- Canada has ranked #1 for economic strength and #1 for employment growth for the last decade among G7 nations
- World Economic Forum ranked Canada #2 (after Switzerland) for sound banking infrastructure in 2007
- 10 consecutive years of fiscal surpluses, and balanced budgets projected
- 8 consecutive years of current account surplus
- Net foreign indebtedness lowest since 1945

Canadian Federal Government Budget Balance ⁽¹⁾

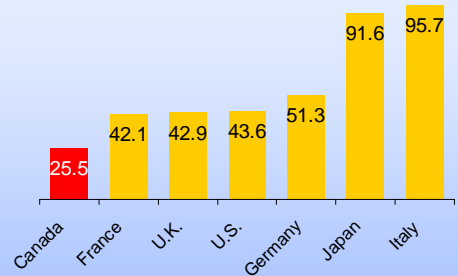
(C\$ billion)



G7 Real GDP Growth (%) ⁽²⁾
1998-2007



General Government Net Debt ⁽³⁾
(% of nominal GDP, 2007)



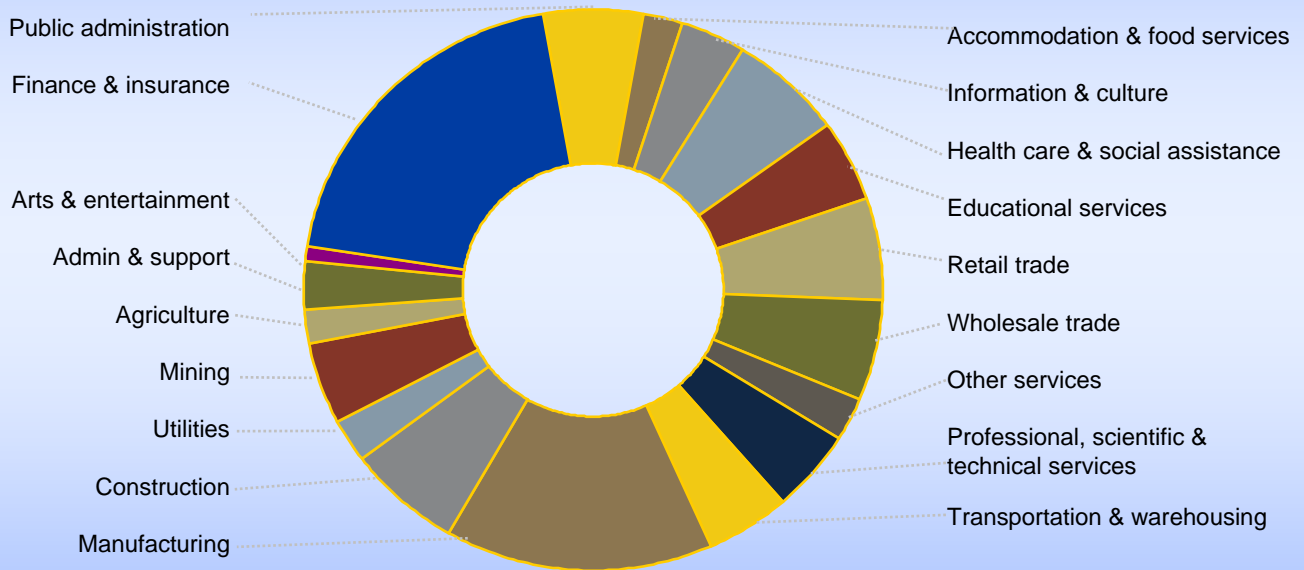
(1) Source: International Monetary Fund,

(2) Source: RBC Economics Research

(3) Source: OECD, RBC Economics Research

Canada's economic stability reflects its diversity

GDP by Industry (1)
(as at October 2007)



(1) Source: Statistics Canada

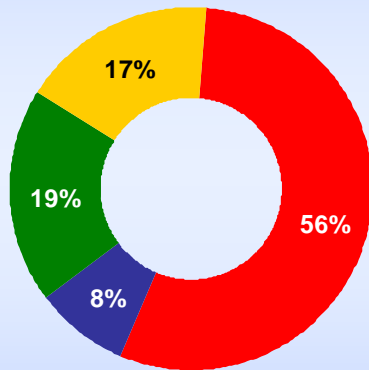
RBC – Canadian leader with global strength

- Largest Canadian company with C\$600 billion in assets as at Oct. 31, 2007
- More than 70,000 employees and 15 million clients; operate in Canada, the U.S. and 36 other countries
- Strong financial position, with a Tier 1 capital ratio of 9.4% and total capital ratio of 11.5%, as at Oct. 31, 2007
- Ratings among highest of financial institutions
S&P: AA- (positive) *Fitch: AA*
Moody's: Aaa *DBRS:AA*
- Safest bank in Canada and 3rd in North America
Global Finance 1999 – 2007
- “Most Valuable Brand” in Canada and among the
“Top 100 Most Powerful Brands” in the world
Brand Finance 2005 – 2007
BrandZ 2007



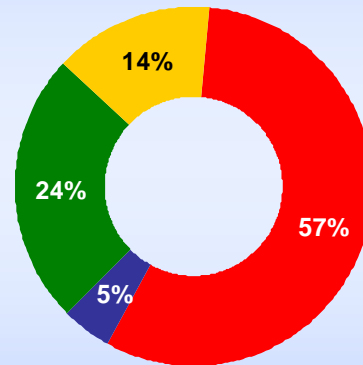
Diversified revenue and earnings

2007 Revenue



■ Canadian Banking
■ Capital Markets

2007 Net income



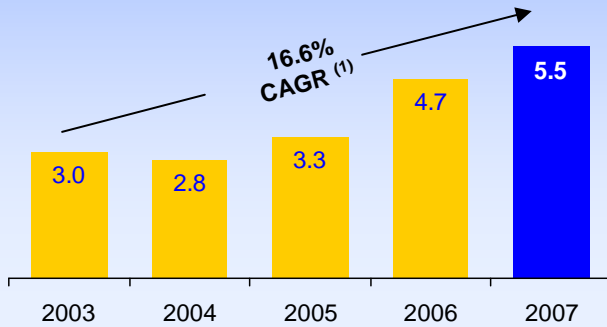
■ U.S. & International Banking
■ Wealth Management

Note: Excludes Corporate Support

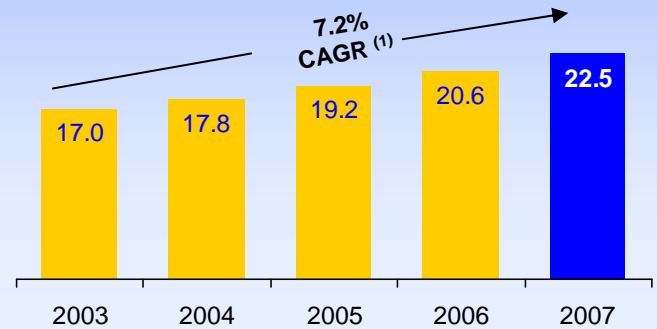


Track record of growing revenue and earnings

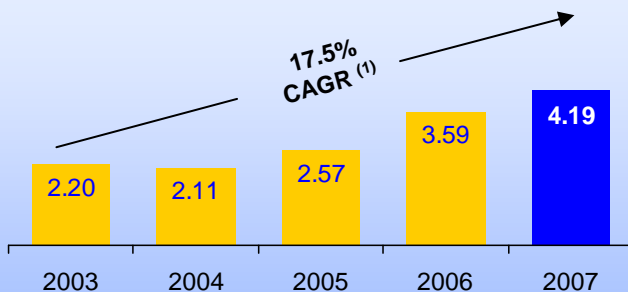
Net Income (\$ billions)



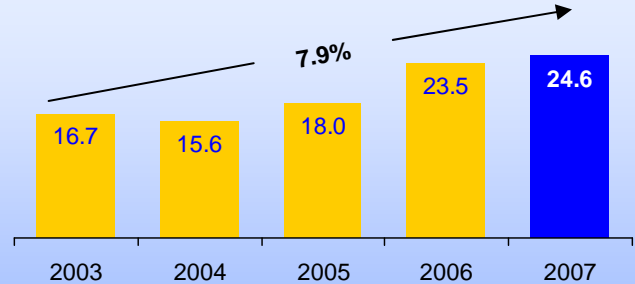
Total Revenue (\$ billions)



Diluted Earnings per Share (\$)



Return on Equity (%)



(1) Compound Annual Growth Rate is the rate at which an investment grows annually to reach a given end value

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**

Leader in Canadian financial services

Banking

- The only financial institution with a truly national retail presence across all markets and products
- Largest distribution network
- #1, 2 or 3 positions across most products and regions
- Market leader in business banking

Insurance

- #1 in creditor and individual living benefits insurance
- Largest bank-owned insurer

Wealth Management

- Largest full service brokerage firm
- Largest bank-owned money manager and 2nd largest in the industry
- #1 in net sales of long-term funds since 2004

Capital Markets

- Largest investment bank in Canada, ranking #1 in mergers and acquisitions, equity underwriting and corporate debt financing ⁽¹⁾
- #1, 2 or 3 positions across most businesses

(1) Source: Bloomberg Finance, Bloomberg's league tables 2007
Note: Market share rank among financial institutions in Canada. Source: RBC



Canada's largest distribution network

WEALTH MANAGEMENT DISTRIBUTION

80+ RBC Dominion Securities offices
 1,340+ investment advisors
 10+ private trust offices
 10+ private counsel offices



SPECIALIZED SALES

90+ commercial financing specialists
 150+ global transaction solution specialists
 25+ sales managers – indirect lending
 30+ private banking offices

THIRD PARTY DISTRIBUTION

17,000 life & health brokers
 6,000 indep. advisors & financial planners
 4,000 travel distributors
 4,000+ indirect lending dealers

Approximately
14 Million
 Clients

CAREER SALES FORCES

280+ career sales insurance reps
 1,070+ mortgage specialists
 550+ investment retirement planners
 40+ investment & insurance specialists

Branch Network

1,146 bank branches
 1,600+ Sr. account managers
 1,040+ financial planners
 101 business banking centers
 19 insurance branch offices
 21 adjacent insurance branches

ENTERPRISE DISTRIBUTION

Automated Teller Machines

2,350+ on-site ATMs
 1,580+ off-site ATMs



On-Line Banking and Telephone

7 contact centres
 2,400+ Royal Direct reps (incl. Visa)
 160+ RBC Direct Investing reps

All figures as at October 31, 2007

Extend our leadership in Canadian Banking

- Leverage our size and core capabilities to continue to grow market share and make it easier for our clients to do business with us.
 - Major realignment in 2004 to reduce back-end costs and reinvest in front-end
 - Invested significantly in client-facing staff and branches over the last two years
 - Introduced new personal deposit programs in May 2007 and are seeing results

- Market share increases and widening gap over closest competitors:

	September 2007		October 2004	
	Rank ⁽¹⁾	Market Share ⁽¹⁾	Rank ⁽¹⁾	Market Share ⁽¹⁾
Consumer lending ⁽²⁾	# 1	15.3%	# 2	14.7%
Personal deposits	# 2	13.6%	# 2	14.5%
Business loans	# 1	12.6%	# 1	11.2%
Business current accounts ⁽³⁾	# 1	25.4%	# 1	24.2%
Branch service ⁽⁴⁾	# 1	n.a.	# 5	n.a.
Value for money ⁽⁴⁾	# 1	n.a.	# 4	n.a.

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

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

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

(4) Rank versus top five banks in Synovate Financial Service Excellence Awards 2007



Leading player in Canadian Wealth Management

- Continue to extend our #1 position in full service brokerage (RBC Dominion Securities) and mutual funds (RBC Asset Management):

	September 2007		October 2004	
	Rank ⁽¹⁾	Market Share ⁽¹⁾	Rank ⁽¹⁾	Market Share ⁽¹⁾
Full service brokerage AUA ⁽²⁾	# 1	21.6%	# 1	21.7%
Mutual funds (vs. banks only)	# 1	31.9%	# 1	27.7%
Mutual funds (vs. industry)	# 2	11.4%	# 2	9.5%
Net sales of long-term funds	# 1 for 16 consecutive quarters			

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

(2) AUA is Assets Under Administration.

Banking

- 350 full-service banking centers in U.S. Southeast (Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia) ⁽¹⁾
- Focus on businesses, business owners and professionals
- Significant infrastructure investments to support expanding network and targeted *de novo* branch expansion

Wealth Management

- 7th largest full-service brokerage firm by financial consultants (1900+ FCs), and significant correspondent business (3000+ correspondent brokers)
- Evolving from a regional to a national business
- Benefit from global resources of RBC, with small firm feel

Capital Markets

- Provide investment banking expertise and product breadth to U.S. mid-market
- Significant trading operations in NY across all asset classes
- A leader in municipal finance

(1) Excludes the 103 branches of the pending acquisition of Alabama National BanCorporation ("ANB")



Premier provider of selected global services

Banking

- History in the Caribbean dating to 1908
- Strong banking position with 42 branches and 4 business centers
- Pending RBTT acquisition will add 84 branches, making RBC the 4th largest bank in the Caribbean

Wealth Management

- Top 20 global private bank by client assets
- Leader in Channel Islands
- Acquire clients through our core strength in trust services

Capital Markets

- Strong player in global debt markets
- Leadership in niche businesses (e.g. Alternative Dollars)
- Our largest trading operations are in London, then NY, then Toronto
- Global strength in infrastructure finance, energy and mining

Custody Services (RBC Dexia JV)

- #1 for quality of global custody services for 4th consecutive year (Global Investor 2007)
- Operate in 15 countries on four continents
- Revenue synergies through cross-selling

2008 and Beyond: Where we are going

	2008 Objectives
Diluted EPS growth	7% - 10%
Defined operating leverage ⁽¹⁾	> 3%
Return on common equity (ROE)	20%+
Tier 1 capital ratio	8%+
Dividend payout ratio	40% – 50%

	Medium-term Objective
Total shareholder return (in home currency) (vs. 7 Canadian and 13 U.S. financial institutions)	Top quartile

(1) The difference between revenue (as adjusted) and non-interest expense growth rates (as adjusted). Non-GAAP. See slide 36.



RBC Centura

Scott Custer, Chairman and CEO of RBC Centura



RBC Centura – Differentiation through...

- **Business strategy:**
 - Bank for businesses, business owners and professionals
- **Retail execution:**
 - Alignment with business banking strategy
 - Crisp relationship, product and channel execution
- **Strategic expansion:**
 - Growth across U.S. Southeast through pending Alabama National BanCorporation acquisition
- **RBC leverage:**
 - Maximize value from RBC relationship

The U.S. Southeast business banking opportunity is becoming more pronounced

Large profit pool available

- Business banking is a large market with attractive profit margins and the U.S. Southeast accounts for nearly 20% of this profit pool

Opportunity for mid-sized players to win

- Underserved market served through weak product offerings, slow credit decisions and lack of knowledgeable relationship managers

**The U.S. Southeast
business banking
market is large and
growing**

U.S. Southeast market growing quickly

- Population growth rate 50% higher than the rest of the U.S. and the nation's second highest regional deposit growth rate

Opportunity to disrupt the market

- Business customers are sticky and loyal to the right offering



Small Business market accounts for a large proportion of the U.S. financial services profit pool

- The number of small businesses has grown by 14% in the last decade
- During the most recent downturn, small businesses added approximately 8 jobs to the U.S. economy for each job lost by larger firms
- Most small firms anticipate expansion of their business in the near future



Focus on business customers in select industries with under US\$200M in annual revenues

- **BUSINESS**

- Commercial Banking (focus on businesses with annual revenues of US\$10 million to US\$200 million)
 - o Delivery model: 90 commercial bankers visit clients on site
 - o Industry verticals
 - SmartStreet: 7 customer reps serve associations and management companies throughout the U.S.
 - Payroll services: Provides payroll services to small to medium size companies
- Small and Micro Business (focus on businesses with annual revenues of US\$10 million)
 - o Delivery model: 70 business bankers visit clients on site; micro segment served by our branch network

- **PERSONAL**

- Personal customers are served through our network of 350 branches
 - o Many of our business clients (26,000 households) have personal banking with us
 - o We also have standalone personal customers (336,000 households)
- Private banking services delivered through 27 private bankers
- Wealth management products available through referral relationship with >70 RBC Dain Rauscher brokers in the U.S. Southeast



Significant strides in past 3 years to become the bank for businesses, business owners and professionals

- Relentless focus on what our clients value the most:
 - “Ease of access/convenience”
 - “Bankers that I trust, who know my business and can help me make decisions”
 - “Fast responsive service”
 - “Solutions that save me time and help my/our business succeed”
- Differentiate through 1) sales and service model and 2) operating platform
- Ensure parity on 1) product offering, 2) performance management, 3) talent / culture, 4) awareness and 5) branch distribution
- Bridge branch distribution gap through strategic growth



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Alignment between retail execution & business strategy

- “Our vision is to become the bank for businesses, business owners, and professionals in key markets in the U.S. Southeast.”
- Business clients are affluent:
 - 58% of small business owners are affluent or mass affluent vs. 44% of overall retail consumers
 - Owner’s affluence increases with business size
 - In each net worth tier, owners are more profitable to the bank than retail consumers due to larger balance sheets
 - **60% of owners commingle or co-locate personal and business accounts in the U.S.**

Obtaining the consumer business of our business clients adds **36% more profitability per relationship**

- ✓ Capture the personal banking business of business customers
- ✓ Serve targeted affluent clients through a strong private banking strategy, product bundle and service delivery
- ✓ Dominate the cross-border Canadian retail business

Relationship Strategy

- ✓ Continue to focus on building core deposits
- ✓ Excel at residential real estate lending as foundation for personal wealth building and small business financing
- ✓ Leverage Cards as payments vehicle and fee income generator

Product Strategy

- ✓ Own the retail business in the one to three mile radius surrounding our branches by leveraging the Leading Edge sales management process
- ✓ Leverage information for improved cross-sell and customer retention
- ✓ Expand our online sales capabilities

Channel / Sales Strategy



RBC Centura – Differentiation through...

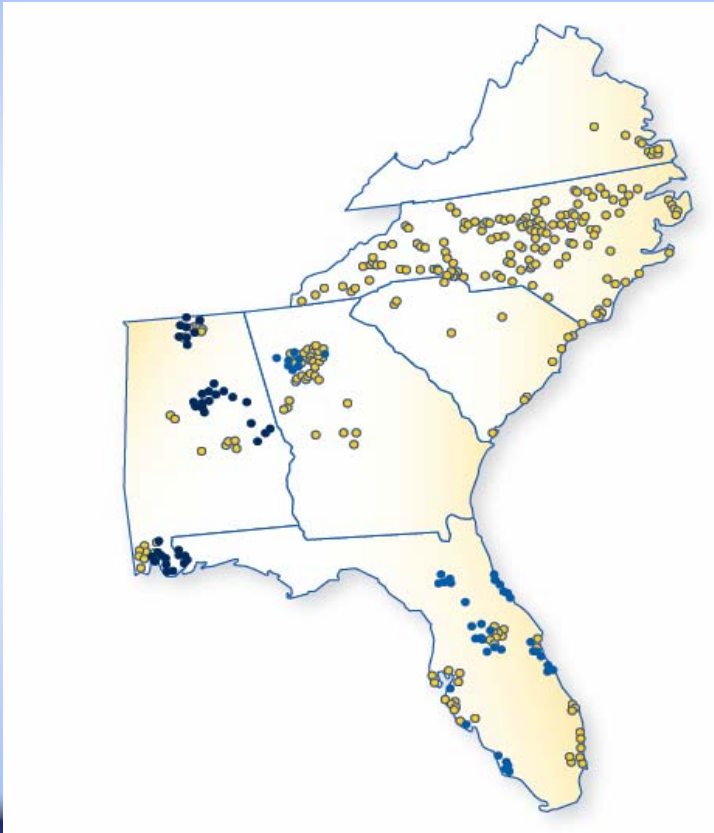
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Strategic growth with pending Alabama National BanCorporation (ANB) acquisition⁽¹⁾

- Build franchise value through:
 - Competitive presence and scale in Alabama and Florida,
 - Augmenting presence in the Atlanta marketplace, and
 - Accelerating RBC Centura's key U.S. Southeastern MSA growth strategy
- Drive revenue and earnings growth by deepening ANB customer relationships through new products and services such as credit cards, debit card and specialty commercial
- Achieve greater economies of scale and improve operating efficiency through the adoption and extension of RBC Centura's business banking strategy and retail operating platform

(1) Subject to applicable regulatory approvals and is expected to close during RBC's fiscal Q2.



Florida

	<u>Rank</u>	<u>Branches</u>	<u>Deposits (MM)</u>
ANB	22	46	\$ 2,130
RBC Centura	33	43	\$ 1,150
Combined	16	89	\$ 3,280

Georgia

	<u>Rank</u>	<u>Branches</u>	<u>Deposits (MM)</u>
ANB	17	13	\$ 867
RBC Centura	8	55	\$ 2,183
Combined	8	68	\$ 3,050

Alabama

	<u>Rank</u>	<u>Branches</u>	<u>Deposits (MM)</u>
ANB	6	45	\$ 2,790
RBC Centura	7	42	\$ 1,690
Combined	5	87	\$ 4,480

North Carolina

	<u>Rank</u>	<u>Branches</u>	<u>Deposits (MM)</u>
ANB	N/A	0	\$ -
RBC Centura	5	184	\$ 8,160
Combined	5	184	\$ 8,160

Virginia

	<u>Rank</u>	<u>Branches</u>	<u>Deposits (MM)</u>
ANB	N/A	0	\$ -
RBC Centura	40	13	\$ 415
Combined	40	13	\$ 415

South Carolina

	<u>Rank</u>	<u>Branches</u>	<u>Deposits (MM)</u>
ANB	N/A	0	\$ -
RBC Centura	48	10	\$ 173
Combined	48	10	\$ 173

- Retention and engagement of key employees at executive and market leadership levels
- Collaborative approach to integration
 - Sales structure
 - Mortgage structure and technology platform
- FTE cost savings identified and in line with business case
- Pre-close credit portfolio review conducted to ensure identification of all problem assets



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Maximize value from relationship with RBC

- Business diversification helps protect against shifts in the market and minimizes the impact felt by peer banks in the U.S. Southeast
- Stability and safety during today's turbulent environment
- Capital for growth and expansion - RBC Centura has doubled its network and the number of states in which it operates since the acquisition by RBC in 2001
- Opportunities for employees - significant value from career opportunities, benefits, incentives, stability and diversity
- Access to infrastructure – technology, data security, risk management, etc.
- Diverse product and service offerings for our client base (Cross-border, International, FX, Wealth Management, Capital Markets)

Appendices

RBC: Solid liquidity and funding position

- Comprehensive framework for managing liquidity and funding
- Continued access to both short and long-term funding
 - RBC name well-received in the market
 - Remain among the lowest cost issuers
- Active borrower in a variety of markets
 - Issue regularly in a range of markets, currencies, maturities and structures
 - Access funding through retail deposits, unsecured funding, securitizations
 - Annual global issuance in wholesale term markets has ranged from US\$15 billion to US\$20 billion
 - Established issuance programs include EMTN program (US\$40 billion), U.S. Registered Shelf (US\$8 billion), Canadian Shelf (\$7 billion) and securitizations (Canadian CMBS, Canada Mortgage Bond and Credit Cards)
 - Covered bonds will be an important part of our future funding mix.

Comparison of Canadian and U.S. mortgage markets ⁽¹⁾

	Canada	US
Market Size	<ul style="list-style-type: none"> • \$767 billion outstanding (July 31, 2007) • Less than 20% off-balance sheet ⁽²⁾ → Less than 14% off-balance sheet for RBC 	<ul style="list-style-type: none"> • US\$11.2 trillion outstanding (July 31, 2007)
Lenders	<ul style="list-style-type: none"> • Chartered banks dominate market, accounting for over 60% of total outstanding mortgages 	<ul style="list-style-type: none"> • Market is fragmented with many small regional lenders
Credit Quality	<ul style="list-style-type: none"> • Limited sub-prime originations → No sub-prime origination by RBC or other major banks • Bank loans with LTV > 80% must be insured against default (paid by consumer) ⁽²⁾ 	<ul style="list-style-type: none"> • Sub-prime origination > 20% in recent years • LTV over 100% in some structures
Consumer Behaviour	<ul style="list-style-type: none"> • Lower consumer leverage • Mortgage interest not tax deductible • More adverse to bankruptcy 	<ul style="list-style-type: none"> • Higher consumer leverage • Mortgage interest tax deductible • Higher bankruptcy rate

(1) Source: DBRS "Comments on the Mortgage Markets in Canada and the United States" and RBC data

(2) Canada's national housing agency, Canada Mortgage and Housing Corporation ("CMHC") provides mortgage insurance and a securitization outlet through the Canada Mortgage Bond program

Comparison of Canadian and U.S. mortgage markets (cont'd) ⁽¹⁾

	Canada	US
Products	<ul style="list-style-type: none"> Limited hybrids and no “teaser” rates Typically, 1 to 5-year terms renewable at maturity with amortization up to 40 years 	<ul style="list-style-type: none"> Unique structures and hybrid products “Teasers” (upfront rate incentives with subsequent rate increases) 30-year terms with matching amortization
Underwriting	<ul style="list-style-type: none"> ~30% originated by commission-based brokers → RBC does not use brokers (only RBC employees originate mortgages) Approval depends on ability to pay under different rate scenarios Prepayment penalties 	<ul style="list-style-type: none"> ~70% originated by commission-based brokers Approval process depends on lender Full documentation not always necessary Typically no prepayment penalties
Lenders Recourse	<ul style="list-style-type: none"> Easy to foreclose on non-performing mortgages with no stay periods 	<ul style="list-style-type: none"> Stay period of up to 90 days to foreclose on non-performing mortgages

(1) Source: DBRS “Comments on the Mortgage Markets in Canada and the United States” and RBC data



RBC: Prudent risk management

(as at October 31, 2007)

U.S. subprime mortgages	<ul style="list-style-type: none">• None
U.S. subprime RMBS and CDOs of ABS	<ul style="list-style-type: none">• 0.1% of assets; 2.1% of total capital• \$216 mm of net exposure to U.S. subprime CDOs of ABS (held-for-trading)• \$388 mm of exposure to U.S. subprime RMBS (available-for-sale and we intend to hold until maturity)
Canadian non-bank ABCP with liquidity contingent on a general market disruption	<ul style="list-style-type: none">• \$4 mm of direct holdings• Nominal participation as a distributor or liquidity provider• RBC AM money market funds do not and did not own any non-bank ABCP
Structured investment vehicles (SIVs)	<ul style="list-style-type: none">• Less than 0.05% of assets; less than 1.05% of total capital• \$1 mm of direct holdings, \$140 mm of liquidity facilities (none drawn) and \$88 mm of normal course interest rate derivatives (none impaired)• We do not manage SIVs• VAM (US) managed money market funds do not and did not own any SIVs
Hedge fund trading and lending, including prime brokerage	<ul style="list-style-type: none">• Minimal exposure, predominantly collateralized and not concentrated in specific funds or strategies
Pre-correction LBOs	<ul style="list-style-type: none">• Less than 0.2% of assets; less than 4.2% of total capital• \$1.0 bn of underwriting commitments, with none over \$250 mm

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 Defined operating leverage, do not have any standardized meaning 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 2007 management's discussion and analysis.

Investor Relations Contacts

Marcia Moffat, Head, IR	416.955.7803	marcia.moffat@rbc.com
Bill Anderson, Director, IR	416.955.7804	william.anderson@rbc.com
Amy Cairncross, Director, IR	416.955.7809	amy.cairncross@rbc.com

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