



Investor Presentation

Europe | October 2007

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 such statements in this investor presentation, in filings with Canadian regulators or the United States Securities and Exchange Commission (SEC), in reports to shareholders or in other communications. These forward-looking statements include, among others, statements with respect to our medium-term and 2007 objectives, and strategies to achieve our objectives, as well as statements with respect to our beliefs, outlooks, plans, objectives, expectations, anticipations, estimates and intentions. The words “may,” “could,” “should,” “would,” “suspect,” “outlook,” “believe,” “plan,” “anticipate,” “estimate,” “expect,” “intend,” “forecast,” “objective,” “opportunity,” and words and expressions of similar import are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve numerous factors and assumptions, and are subject to inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements 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 and other risks identified and discussed under the Risk management section in our Q3 Report to Shareholders and 2006 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 markets and lack of liquidity in the financial markets; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar and British pound; 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 including tax laws; judicial or regulatory judgments and legal proceedings; the accuracy and completeness

of information concerning our clients and counterparties; successful execution of our strategy; our ability 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. Other factors that may affect future results include: the timely and successful development of new products and services; the successful expansion and new development of our distribution channels and realising increased revenue from these channels; global capital markets activity; technological changes and our reliance on third parties to provide components of our business infrastructure; fraud by internal or external parties; unexpected changes in consumer spending and saving habits; the possible impact on our business from disease or illness that affects local, national or global economies; disruptions to public infrastructure, including transportation, communication, power and water; the possible impact on our businesses of international conflicts and other political developments including those relating to the war on terrorism; and our success in anticipating and managing the associated risks.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. 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. 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 Q3 2007 Report to Shareholders under the Risk management section and in our 2006 Annual Report under the Risk management and Additional risks that may affect future results sections.

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

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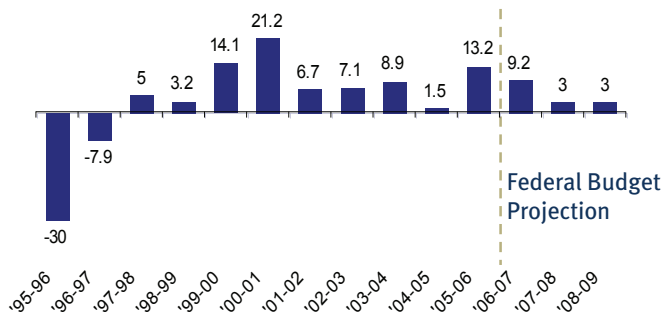


Canada continues to exhibit strong fiscal and trade performance

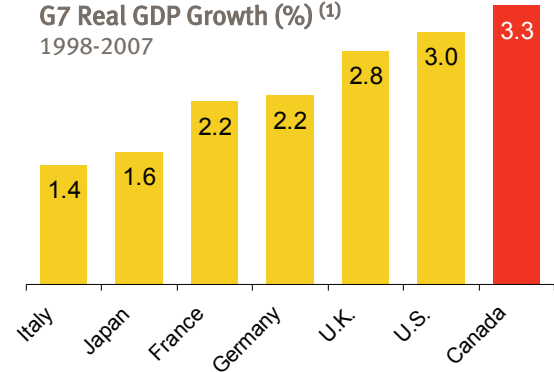


- Canada has ranked #1 for economic strength and #1 for employment growth for the last decade among G7 nations
- 9 consecutive fiscal surpluses, and balanced budgets projected
- 8 consecutive years of current account surplus
- Net foreign indebtedness lowest since 1945

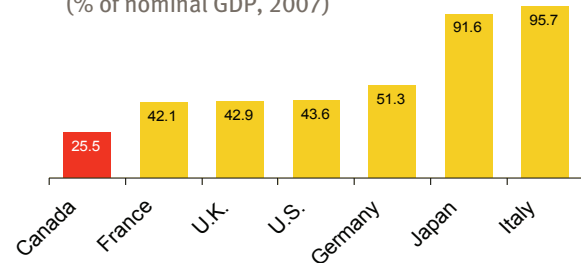
Canadian Federal Government Budget Balance ⁽³⁾
(C\$ billion)



G7 Real GDP Growth (%) ⁽¹⁾
1998-2007



General Government Net Debt ⁽²⁾
(% of nominal GDP, 2007)



(1) Source: International Monetary Fund, RBC Economics Research

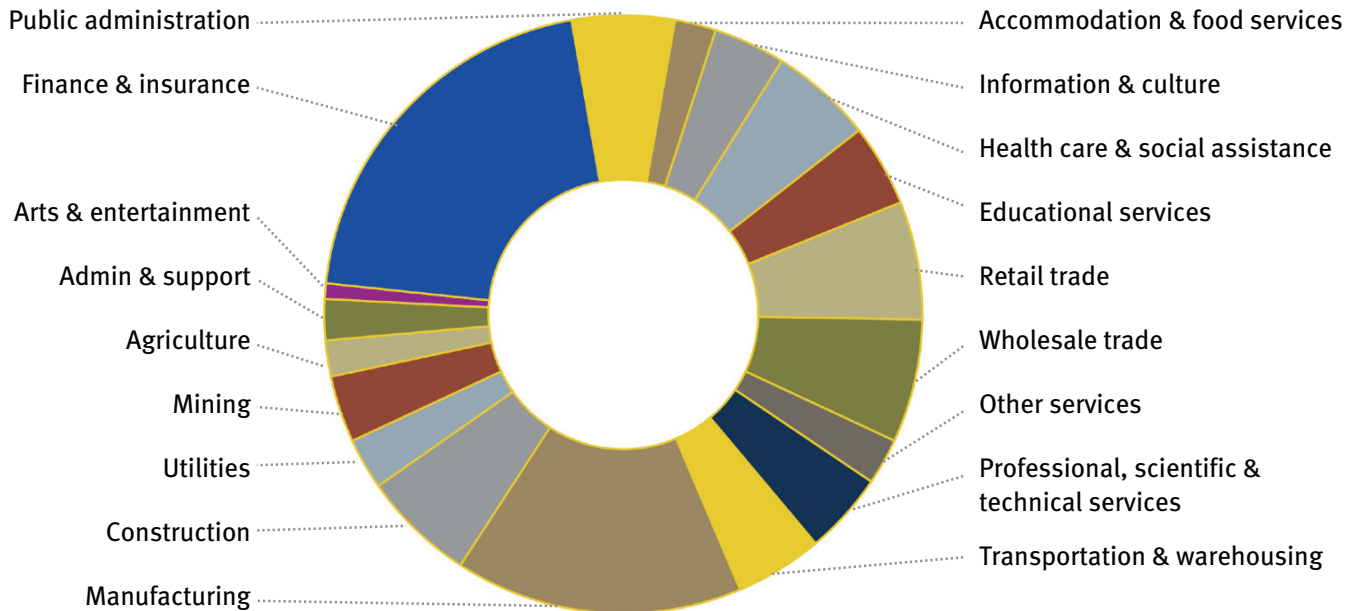
(2) Source: OECD, RBC Economics Research

(3) Source: The Department of Finance, Government of Canada

Canada's economic stability reflects its diversity



GDP by Industry ⁽¹⁾ (June 2007)



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Largest Canadian company and among the world's largest banks



- Largest Canadian company with market capitalisation of C\$70 billion at September 30, 2007
 - 6th-largest North American bank as measured by assets and market capitalisation
- 15 million clients served through offices in North America and 34 countries around the world
- Approximately 70,000 employees globally
- Strong financial position, with a Tier 1 capital ratio of 9.3% and a total capital ratio of 11.4%
- 10th-strongest liquidity ratios among the top 100 global banks (*The Banker* 2007)
- Safest bank in Canada and 4th-safest in North America (*Global Finance* 1999–2006)
- Senior debt ratings among the highest of financial institutions

Moody's	S&P	Fitch	DBRS
Aaa	AA-(positive)	AA	AA



Vision

Always earning the right to be our clients' first choice

To be the undisputed leader in financial services in Canada

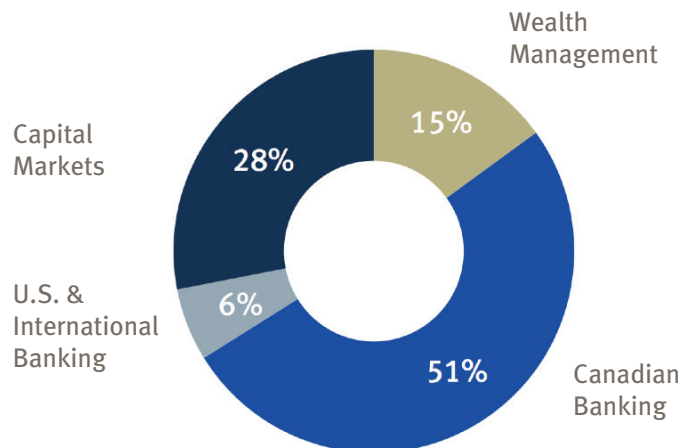
To build on our strengths in banking, wealth management and capital markets in the United States

To be a premier provider of selected global financial services

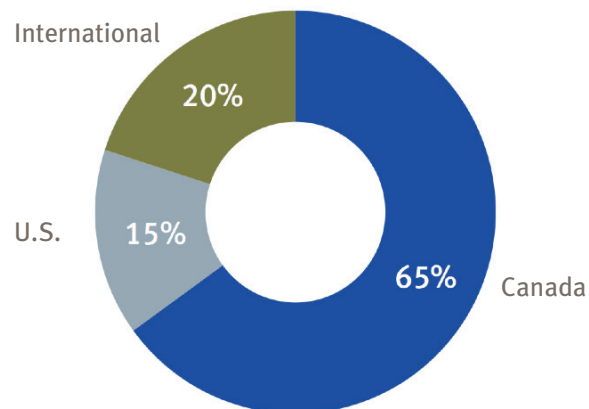
Diversified by business line and geography



YTD 2007 Net Income by
Business Segment



YTD 2007 Net Income by
Geographic Segment



Note: Corporate Support not included in the pie charts above.
Year-to-date includes nine months ended July 31

Extending our leadership in Canadian financial services



	May 2007			October 2004		
	Rank	Market Share	Gap ⁽¹⁾	Rank	Market Share	Gap ⁽¹⁾
Canadian Banking						
Consumer lending ⁽²⁾	# 1	15.2%	0.2%	# 2	14.7%	(0.7)%
Personal deposits ⁽³⁾	# 2	13.5%	(3.5)%	# 2	14.5%	(2.8)%
Business loans	# 1	12.6%	2.2%	# 1	11.2%	1.2%
Business current accounts	# 1	25.1%	7.7%	# 1	24.2%	7.0%
Wealth Management						
Full service brokerage AUA ⁽⁴⁾	# 1	21.5%	not available	# 1	21.7%	not available
Mutual funds (vs. banks only)	# 1	31.6%	9.4%	# 1	27.7%	2.9%
Mutual funds (vs. industry)	# 2	11.3%	(4.6)%	# 2	9.5%	(7.2)%
Net sales of long-term funds	# 1 for 15 consecutive quarters					

(1) Positive gap is lead over #2 competitor and negative gap is distance behind #1 competitor

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

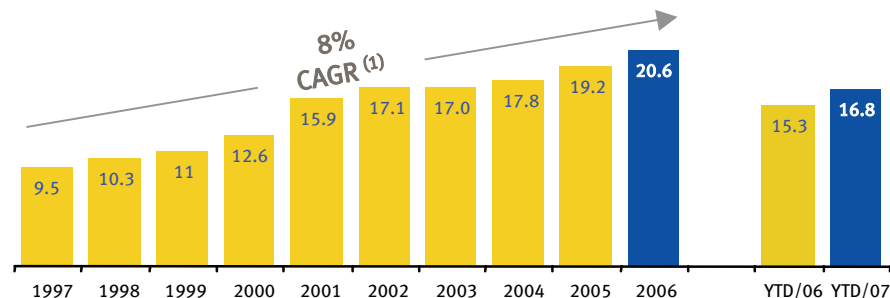
(3) Overhauled personal deposits programs in May 2007 to address lag in personal deposits market share

(4) AUA is Assets Under Administration. Data as of March 2007 and September 2004

Track record of growing revenue and earnings

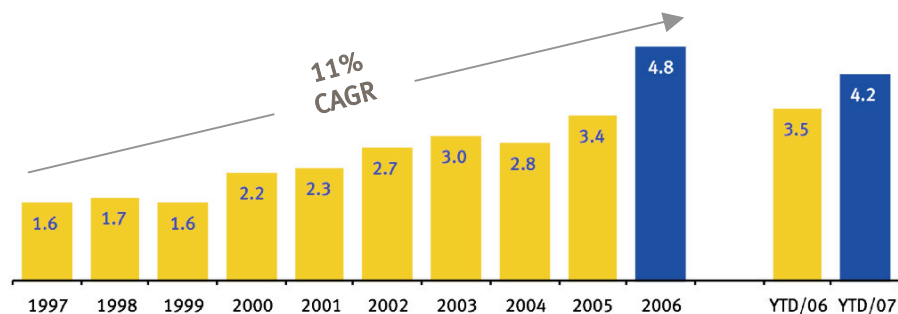


Total Revenue
(C\$ billions)



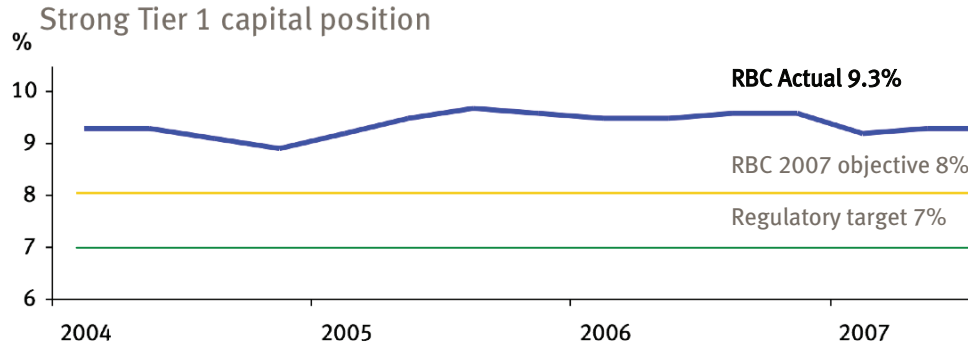
(1) Compound average growth rate (CAGR)

Net Income
(C\$ billions)

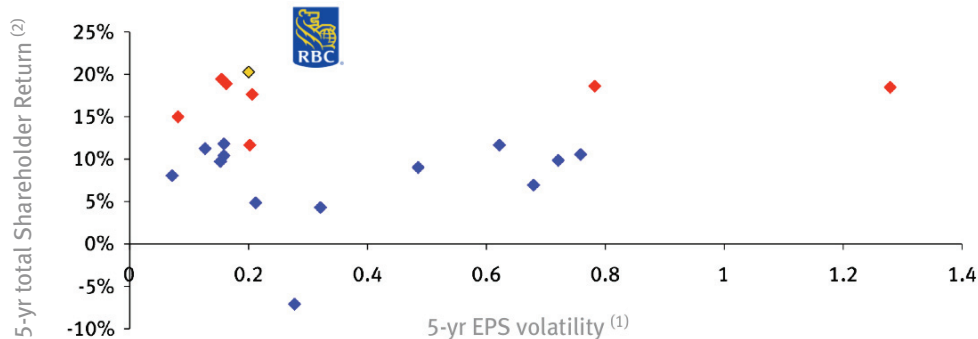


Year-to-date includes nine months ended July 31

Financial strength and stability



Stable earnings and solid shareholder returns



RBC Peer Group ⁽³⁾

Canadian peers

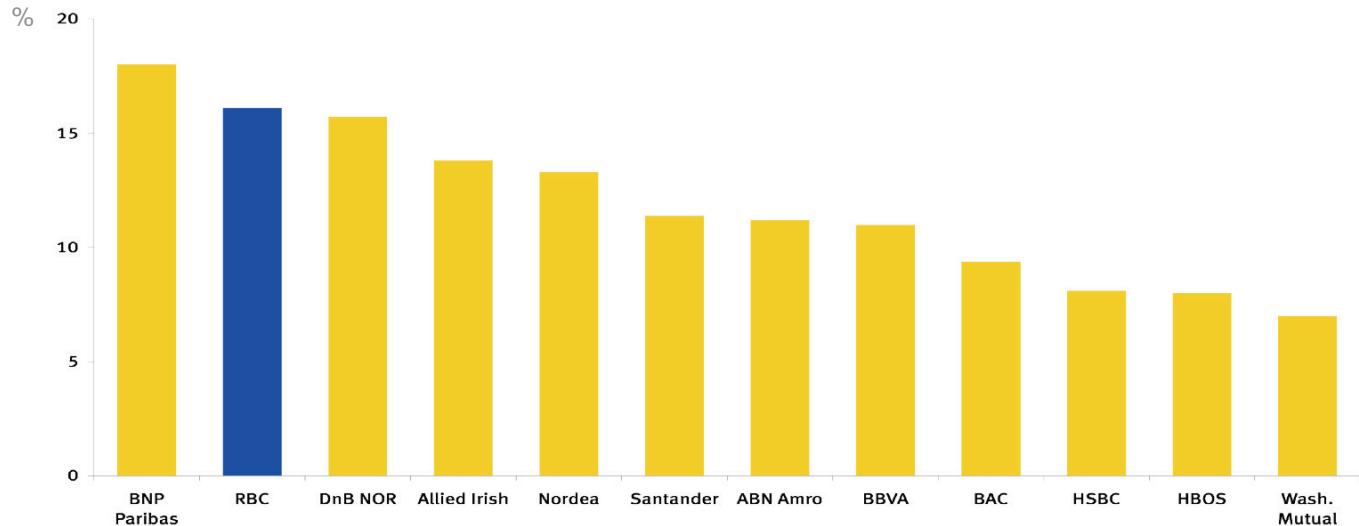
U.S. peers

- (1) Based on EPS of latest 20 quarters (to July 31 for Canadian banks and June 30 for U.S. banks) relative to a linear earnings growth trend using robust estimation.
- (2) From July 31, 2002 - July 31, 2007.
- (3) RBC peer group consists of 7 large Canadian financial institutions and 13 U.S. financial institutions.

Strong shareholder returns



10-Year Total Shareholder Returns ⁽¹⁾ (Home currencies)



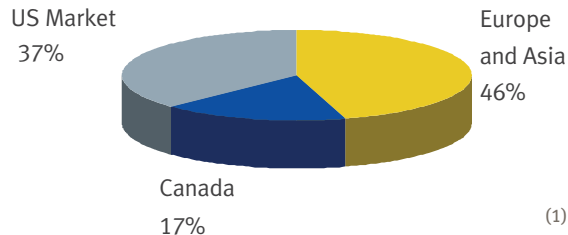
- (1) Share appreciation and dividends reinvested, annualized as of August 31, 2007. The ranking of the top two performing banks is the same regardless if home currencies or USD are used as the basis of comparison. A full 10-year history was not available for certain banks. The following starting dates were used in lieu of August 1997:
Nordea (Dec. 1997), HBOS LN (Sep. 2001).

RBC benefits from a diversified funding platform



- Funding access through retail deposits, unsecured funding, and securitisations
- Active borrower in a variety of markets
 - Issue regularly in a range of markets, currencies, maturities and structures
 - Annual global issuance in wholesale term markets has ranged from US\$15 to US\$20 billion
 - Established issuance programs include EMTN program (US\$40 billion), U.S. Registered Shelf (US\$8 billion), Canadian Shelf (C\$7 billion) and securitisations (Canadian CMBS, Canada Mortgage Bond and Credit Cards)

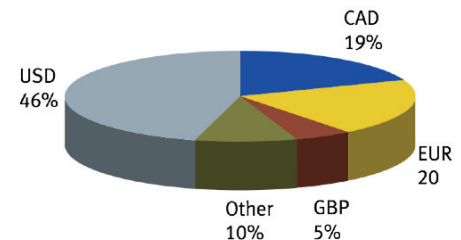
Wholesale Funding by Geography



Total
C\$51.6B
(as of July 31, 2007)

(1) Other consists of AUD, CHF, HKD, JPY, MXN, NZD, ZAR

Wholesale Funding by Currency



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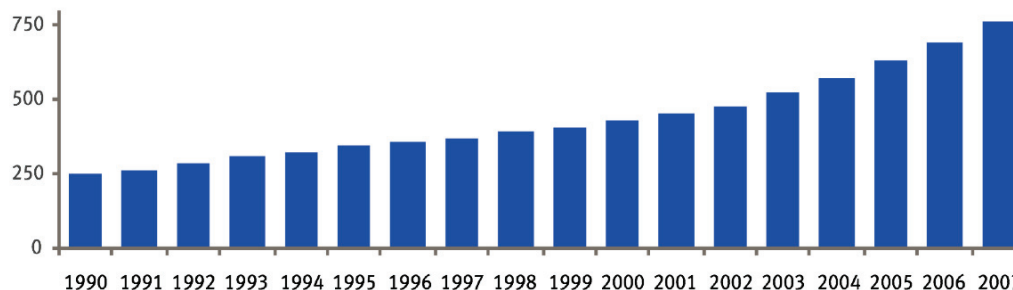
3

Established residential mortgage market



- Chartered banks dominate market, accounting for over 60% of total mortgage market
- Under the Bank Act, default insurance is required for any mortgage with an LTV over 80%
 - Insurance is paid by the consumer and covers the entire mortgage and amortisation period
 - This requirement has resulted in very strong credit performance by big banks' mortgage portfolios
 - Mortgage insurance credit approval process restrains excessive leverage by consumers
- Canada's national housing agency, Canada Mortgage and Housing Corporation (CMHC) provides default insurance and a securitisation outlet for insured mortgages through the Canada Mortgage Bond program (outstanding balance: C\$106 billion)
- Canadian government has also approved certain private insurers, such as Genworth Financial

Total Residential Mortgages Outstanding⁽¹⁾
(C\$ billions)



(1) Source: Statistics Canada, average outstanding mortgages during the calendar year.

(2) As at July 31, 2007

The Canadian mortgage market differs significantly from the U.S. ...



	Canada	U.S.
Products	<ul style="list-style-type: none"> Limited hybrids and no “teaser rates” (i.e., low initial interest rate followed by rate increases) Typically, 1 to 5-year terms renewable at maturity with amortisation period of 25 years 	<ul style="list-style-type: none"> Unique structures and hybrid products Rate incentives offered upfront with subsequent rate increases (“teaser rates”) Typically 30-year term with matching amortisation
Consumer Behaviour	<ul style="list-style-type: none"> Less leveraged than U.S. and U.K. consumers Low bankruptcy rate 	<ul style="list-style-type: none"> Higher consumer leverage Higher bankruptcy rate
Taxation	<ul style="list-style-type: none"> Mortgage interest not tax deductible 	<ul style="list-style-type: none"> Mortgage interest tax deductible, creating an incentive for borrowing up to the maximum allowable limit
Underwriting	<ul style="list-style-type: none"> ~30% originated by independent brokers (RBC does not use brokers – only RBC employees originate mortgages) Approval depends on capacity to pay Prepayment penalties built in most mortgages 	<ul style="list-style-type: none"> ~70% originated by independent 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

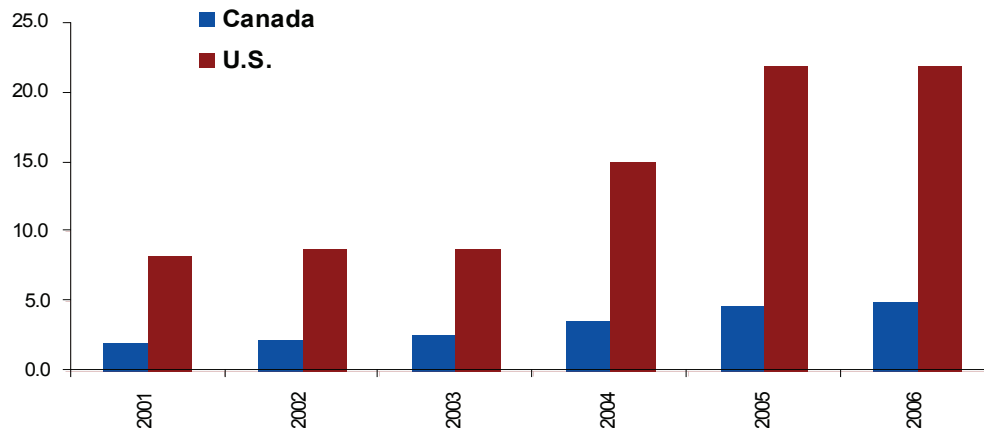
(1) DBRS “Comments on the Mortgage Markets in Canada and the United States” and RBC data

... with no material subprime sector in Canada



- Canadian subprime sector is a significantly smaller portion of the market than in the U.S.
 - Less chance of a contagion effect from subprime to prime in Canada
- Different dynamics in Canadian market
 - Closer to “near-prime” in the U.S.
- **RBC does not originate subprime mortgages**

Subprime Originations as a % of Total Annual Mortgage Originations

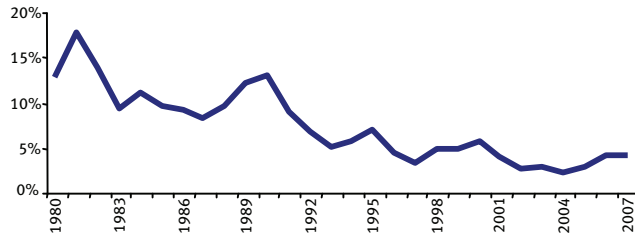


Source: U.S. Mortgage Bankers Association and CIBC World Markets

Canadian mortgages supported by strong fundamentals

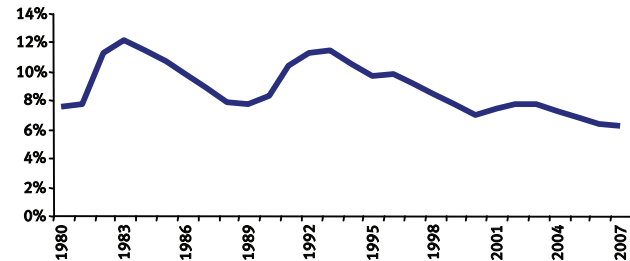


Low Interest Rates (90-day BA rate)



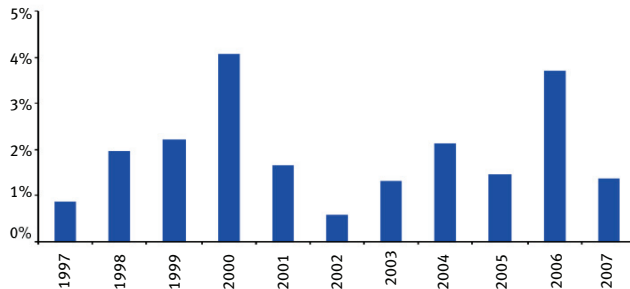
Source: Bank of Canada

Low Unemployment Rate



Source: Bank of Canada

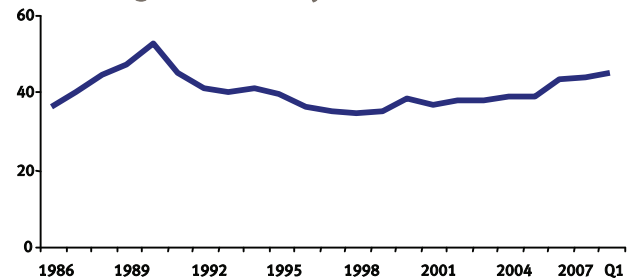
Per Capita Income Growth (%) ⁽¹⁾



⁽¹⁾ y/y % change, inflation adjusted, after taxes and transfers

Source: RBC Economics Research

Housing Affordability ⁽¹⁾



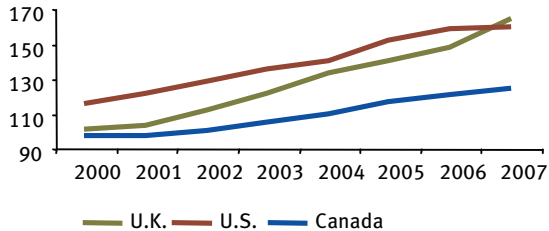
⁽¹⁾ Percent of household income allocated to home ownership cost

Source: Statistics Canada, Royal LePage, RBC Economics Research

And stronger mortgage fundamentals than the U.S. and U.K.

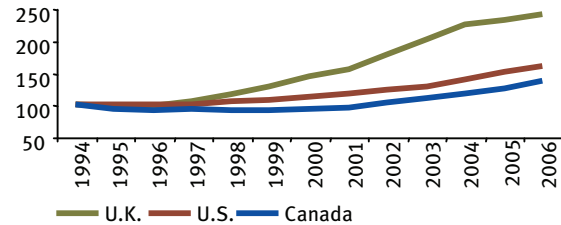


Household Debt as % of Annual Disposable Income



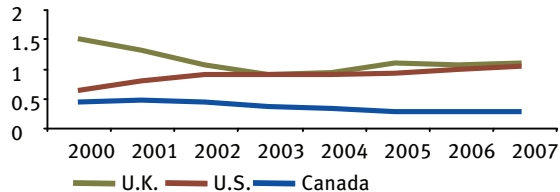
Source: Bank of England, U.K. Office for National Statistics, Statistics Canada, Bank of Canada, U.S. Federal Reserve, U.S. Bureau of Economic Analysis, RBC Economics Research

Home Price Performance (%)



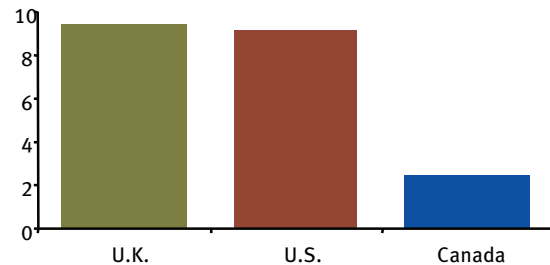
Source: OECD, RBC Economics Research
Real house prices, 1994=100

Mortgage Delinquencies (%, >90 days)



Source: Canadian Bankers' Association, Mortgage Bankers' Association, U.K. Council of Mortgage Lenders, RBC Economics Research

Buy-to-let Mortgages as % of Total Value of all Mortgages



Source: U.K. Council of Mortgage Lenders, RBC Economics Research

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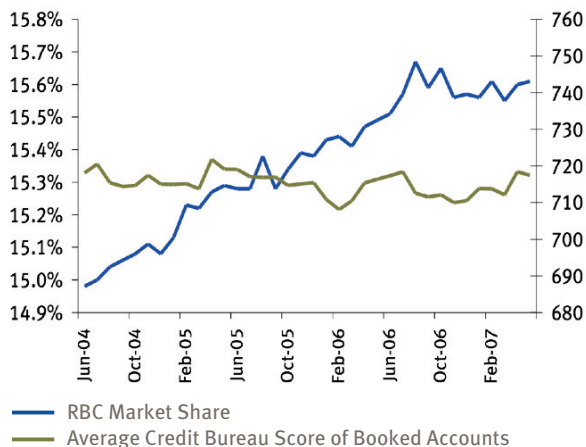
4 Royal Bank of Canada – Mortgage Business



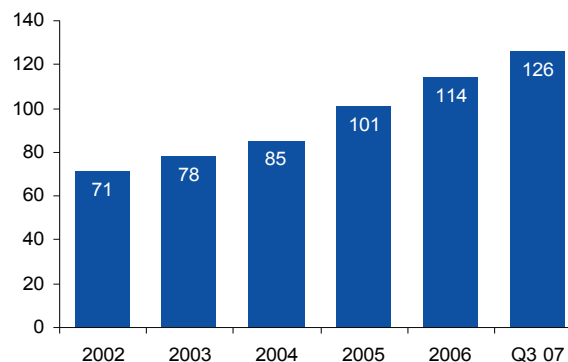
Leader in Canadian residential mortgage market



RBC Residential Mortgage Market Share versus Credit Quality of New Originations



RBC Mortgage Portfolio Balance ⁽¹⁾
(Avg. C\$ billion)



(1) Canadian residential mortgages including securitised mortgages

Mortgage strategy

- Largest market share in the Canadian prime residential mortgage market
- Focused on high quality origination. Growing market share with no deterioration in credit quality
 - Mortgage profitability is key. RBC does not under-price to win business
 - Only RBC employees originate mortgages (we do not use independent brokers)
 - Mortgages are an anchor product for RBC to build relationships and cross sell other RBC products

Conservative origination and underwriting practices



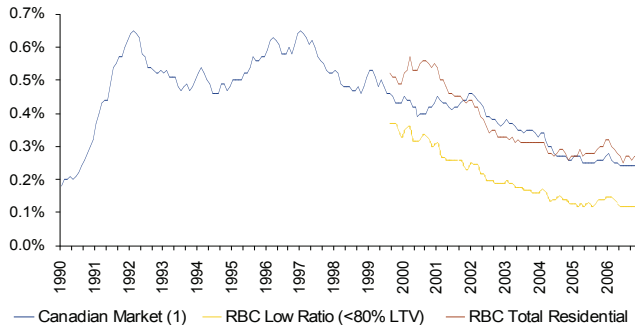
Sales Force	<ul style="list-style-type: none">• All mortgages booked by RBC employees through three distribution channels:<ul style="list-style-type: none">– Bank branch network; mobile mortgage specialists; direct through call centre or website• No independent mortgage brokers
Underwriting	<ul style="list-style-type: none">• 100% of mortgages are<ul style="list-style-type: none">– Manually underwritten in the branch (within delegated lending authorities), or by a centralised underwriting group– Risk management team reviews and approves mortgages exceeding C\$1 million limits
Property Valuation	<ul style="list-style-type: none">• 100% of mortgages have property value assessed<ul style="list-style-type: none">– Automated property valuation for mortgages based on the risk assessment (creditworthiness of the borrower and property characteristics)– Full appraisal for properties valued over C\$750,000 and for mortgages that fall outside the automated property value approval criteria
Servicing	<ul style="list-style-type: none">• RBC performs all of its own servicing• Collection strategies in place to achieve customer-friendly and effective recovery• Over 99% customers pay through direct debit<ul style="list-style-type: none">– Reduces delinquency and allows for more proactive servicing of loans

All mortgages are originated, adjudicated, and serviced by RBC

Strong performance relative to the total Canadian mortgage market

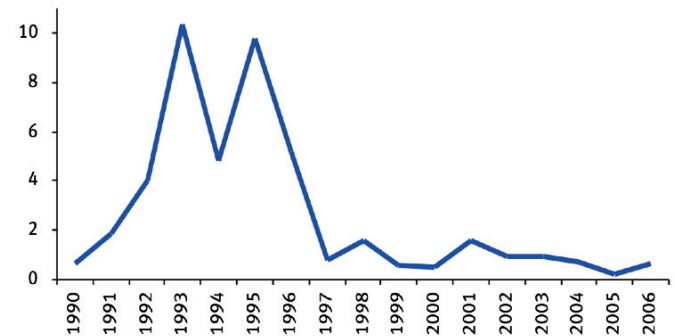


Ratio of Arrears to Total Residential
RBC versus Canadian Market



Residential Mortgage Provision for
Credit Loss (PCL) ⁽²⁾

bps



- RBC's mortgage losses have averaged less than 1 basis point in the last five years

(1) Average of seven Canadian banks

Source: Canadian Bankers Association data; compiled by RBC

(2) Represents losses incurred by RBC for all on-balanced mortgages.