

Final Terms dated 20 June 2007



ROYAL BANK OF CANADA

(a Canadian chartered bank)

Issue of

JPY 10,000,000,000 2.86 per cent. Subordinated Notes due June 2037

under the U.S.\$40,000,000,000 Programme for the Issuance of Notes

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated July 14, 2006 and the supplementary prospectuses dated September 8, 2006, December 8, 2006, March 8, 2007, April 20, 2007 and May 30, 2007 which together constitute a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. The Prospectus and the supplementary prospectuses together with all documents incorporated by reference therein are available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 71 Queen Victoria Street, London, EC4V 4DE, England.

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| 1. Issuer: | Royal Bank of Canada |
| Branch: | London Branch |
| 2. (i) Series Number: | 632 |
| (ii) Tranche Number: | 1 |

(If fungible with an existing

- Series, details of that Series, including the date on which the Notes become fungible).
3. Specified Currency or Currencies: (Condition 1.10) Japanese Yen (“**JPY**”)
 4. Aggregate Principal Amount of Notes admitted to trading:
 - (i) Series: JPY 10,000,000,000
 - (ii) Tranche: JPY 10,000,000,000
 5. Issue Price: 100 per cent. of the Aggregate Principal Amount
 6. (a) Specified Denominations: (Condition 1.08 or 1.09) JPY 500,000,000
The Notes may not be subdivided or reissued in a smaller denomination.
 - (b) Calculation Amount: JPY 500,000,000
 7. (i) Issue Date: 26 June 2007
 - (ii) Interest Commencement Date: 26 June 2007
 8. Maturity Date: 26 June 2037, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention for which the Business Days are New York, London and Tokyo.
 9. Interest Basis: 2.86 per cent. Fixed Rate (further particulars specified below)
 10. Redemption/Payment Basis: Redemption at par
 11. Change of Interest or Redemption/Payment Basis: Not Applicable
 12. Put/Call Options: Issuer Call (further particulars specified below)
 13. (i) Status of the Notes: Subordinated Notes
 - (ii) Date Board approval for issuance of Notes obtained: 26 August 2005
 14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. Fixed Rate Note Provisions
(Condition 5.02) | Applicable |
| (i) Rate of Interest: | 2.86 per cent. per annum payable semi-annually in arrear. |
| (ii) Interest Payment Date(s): | 26 June and 26 December in each year commencing on 26 December 2007 up to and including the Maturity Date, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention for which the Business Days are New York, London and Tokyo. |
| (iii) Fixed Coupon Amount: | JPY 7,150,000 per Calculation Amount |
| (iv) Broken Amount(s): | Not Applicable |
| (v) Day Count Fraction: | 30/360 (unadjusted) |
| (vi) Determination Dates: | Not Applicable |
| (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable |
| 16. Floating Rate Note Provisions
(Condition 5.03) | Not Applicable |
| 17. Zero Coupon Note Provisions | Not Applicable |
| 18. Index-Linked Interest Note/other variable-linked interest Note Provisions | Not Applicable |
| 19. Dual Currency Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 20. Call Option
(Condition 6.03) | Applicable, subject to the prior approval of the Superintendent of Financial Institutions (Canada) |
| (i) Optional Redemption Date(s): | The Interest Payment Date falling in June 2017 |
| (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | JPY 500,000,000 per Calculation Amount |
| (iii) If redeemable in part: | Not Applicable |
| (iv) Notice period: | The notice period shall be 30 London, New York and Tokyo Business Days. Condition 6.03 applies. |
| 21. Put Option
(Condition 6.06) | Not Applicable |

22. **Final Redemption Amount of each Note** JPY 500,000,000 per Calculation Amount

In cases where the Final Redemption Amount is Index-Linked or other variable-linked: Not Applicable

23. **Early Redemption Amount**

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): JPY 500,000,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. New Global Note: No

25. Form of Notes: **Bearer Notes:**
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

26. Financial Centre(s) or other special provisions relating to Payment Dates: New York, London and Tokyo

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): (Condition 1.06) No

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable

29. Details relating to Instalment Notes: amount of each instalment (“**Instalment Amounts**”), date on which each payment is to be made (“**Instalment Dates**”): Not Applicable
30. Redenomination provisions: Not Applicable
31. Consolidation provisions: Not Applicable
32. Other final terms:

Amendment Option:

The Issuer may, subject to the prior approval of the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”), but without the Noteholders’ consent, upon notice to Noteholders which may be given at any time, amend the terms and conditions of the Notes with effect from the date specified in the notice so that they become Deposit Notes (as defined in the Conditions). The material terms of the Deposit Notes after such amendment will be the same as those of the Notes, except that the Deposit Notes will rank senior to the Subordinated Notes and equally with the deposit liabilities of the Issuer and will include events of default related to default in the payment of principal or interest due thereon. Any such notice from the Issuer must be given not less than 30 days but not more than 60 days prior to the effective date of the amendment.

Conversion Option:

Subject to the following sentence, a holder of Notes will be entitled, but only upon notice from the Issuer which may be given at various times only with the prior approval of the Superintendent, to convert, without payment of additional consideration, all, but not less than all, of Notes held by such holder on the date specified in the notice into an equal aggregate principal amount of new debentures issued by the Issuer, together with accrued and unpaid interest to the date of conversion. Any such notice from the Issuer must describe the material terms of the debentures to result from such conversion and must be given not less than 30 days but not more than 60 days prior to the date fixed for the conversion, provided that the date of conversion is no earlier than 5 years after the Issue Date.

Open Market Purchases:

The Issuer may (subject to the approval of the Superintendent) purchase the Notes in the market or by tender or by private contract at such price or prices and upon such terms and conditions as the Issuer in its absolute discretion may determine, subject, however, to

any applicable law restricting the purchase of Notes and to such restrictions or conditions, if any, as may be determined at the time of the issue of the Notes.

DISTRIBUTION

33. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager(s) (if any): Not Applicable
34. If non-syndicated, name of Dealer: Citigroup Global Markets Limited
35. Additional selling restrictions: The Notes may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada
36. TEFRA Rules: TEFRA D rules apply
37. Exchange date: On or after 6 August 2007
38. Certification of non-Canadian beneficial ownership: Not Applicable
39. The Aggregate Principal Amount of the Notes issued has been translated into U.S. dollars at the rate of U.S.\$1.00 = JPY 121.376, producing a sum of: U.S.\$ 82,388,610
40. Governing law (if other than the laws of the Province of Ontario and the federal laws of Canada applicable therein): Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the U.S.\$40,000,000,000 Debt Issuance Programme of Royal Bank of Canada.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: Application has been made to list the Notes on the Official List of the UK Listing Authority.
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market with effect from 26 June 2007.
- (iii) Estimate of total expenses related to admission to trading: Listing and legal fees of approximately GBP 2,500.00.

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- Moody's: Aa1
S & P: A+
DBRS: A (high)

3. NOTIFICATION

Not Applicable

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Not Applicable

6. YIELD

Indication of yield: 2.86 per cent.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0305391681
- (ii) Common Code: 030539168
- (iii) Private Placement Number (CUSIP): 780085 A#3

(iv) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s): Not Applicable

(v) Delivery: Delivery against payment

(vi) Names and addresses of additional Paying Agent(s) [Registrar] (if any): Not Applicable

(vii) Intended to be held in a manner which would allow Eurosystem eligibility: No