



Royal Bank of Canada Investor Presentation

June 2009

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 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. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented and our strategic priorities and objectives, and may not be appropriate for other purposes. 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 – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, operational, liquidity and funding risks, and other risks discussed in the Risk, capital and liquidity management section of our Q2 2009 Report to Shareholders and in our 2008 Annual Report to Shareholders; market environment impacts, including the impact of the continuing volatility in the financial markets and lack of liquidity in certain credit markets, and our ability to effectively manage our liquidity and our capital ratios and implement effective risk management procedures; general business and economic conditions, including recessionary conditions in Canada, the United States and certain other countries in which we conduct business; changes in accounting standards, policies and estimates, including changes in our estimates of provisions, allowances and valuations; 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 fiscal, 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; our ability to successfully execute our strategies and to complete and integrate strategic acquisitions and joint ventures successfully; 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 the Risk, capital and liquidity management section of our Q2 2009 Report to Shareholders, and in our 2008 Annual Report to Shareholders.

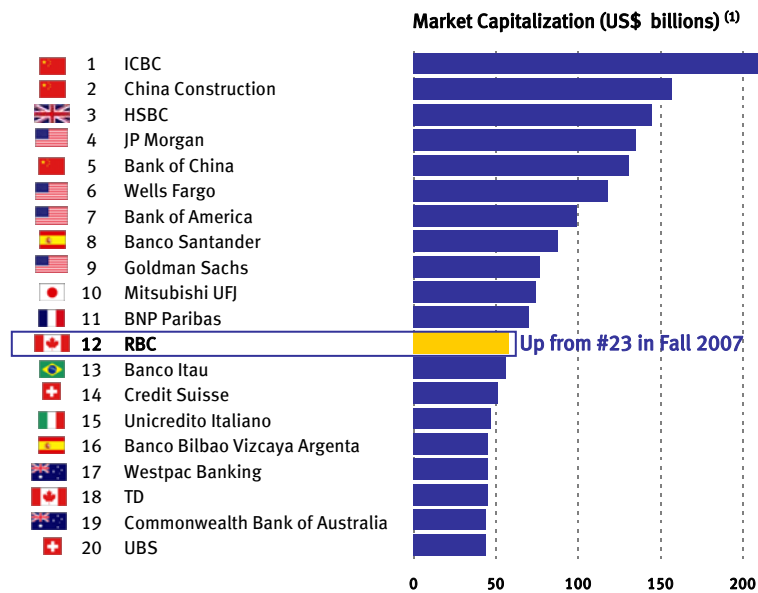
Information contained in or otherwise accessible through the websites mentioned does not form part of this presentation. All references in this presentation to websites are inactive textual references and are for your information only.

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- 2 Shareholder Returns
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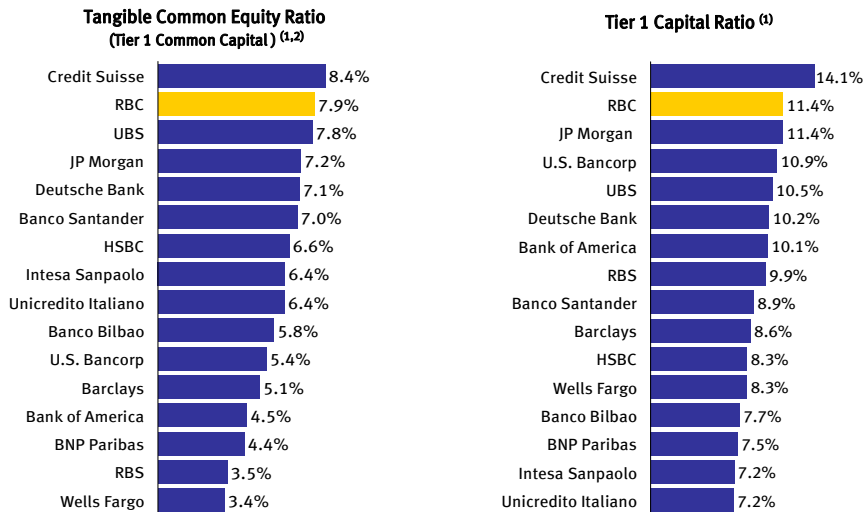
1

RBC – Among the Top 20 largest banks globally



Top US and European bank comparison

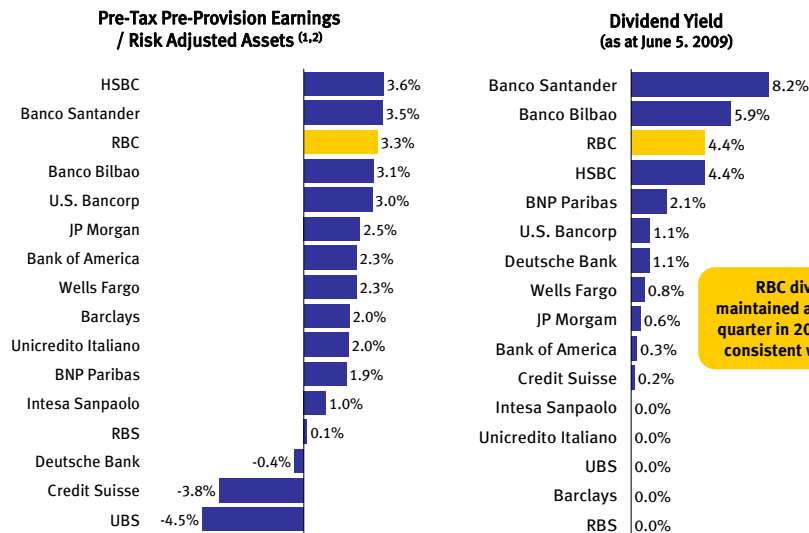
→ Capital ratios



- (1) As at March 31/09. RBC as at April 30/09. RBS, Barclays, HSBC as at Dec. 31/08. Sources: SNL, Bloomberg, company reports. RBC estimates.
 (2) Non-GAAP. See slide 30 for discussion of Non-GAAP measures and slide 27 for reconciliation and definition.

Top US and European bank comparison

→ Earnings strength and dividend yield



RBC dividend maintained at \$0.50 per quarter in 2009 to date, consistent with 2008.

- (1) As at March 31/09. RBC as at April 30/09. RBS, Barclays, HSBC as at Dec. 31/08. Sources: SNL, Bloomberg, company reports. RBC estimates.
 (2) Non-GAAP. See slide 30 for discussion of Non-GAAP measures and slide 29 for reconciliation and definition.

RBC – Senior debt ratings among highest globally



	Moody's	S & P	Fitch
RBC	Aaa *-	AA-	AA
Banco Bilbao	Aa1 **-	AA *	AA- *+
Banco Santander	Aa1 **-	AA *	AA- **-
BNP Paribas	Aa1 *-	AA *	AA *-
Deutsche Bank	Aa1 *-	A+	AA- **-
Intesa Sanpaolo	Aa2	AA- *-	AA-
UBS	Aa2 **-	A+	A+
Credit Suisse	Aa2 *-	A	AA- **-
HSBC	Aa2 *-	AA- *-	AA *-
Unicredito Italiano	Aa3	A	A *-
U.S. Bancorp	Aa3 *-	A+	AA-
JP Morgan	Aa3 *-	A+ *-	AA-
Wells Fargo	A1	AA- *-	AA **-
Barclays	A1	A+ *-	AA-
RBS	A1	A	AA-
Bank of America	A2	A	A+

*- means negative outlook, *+ means positive outlook
 **- means negative watch, **+ means positive watch

Who we are – Universal bank with financial strength



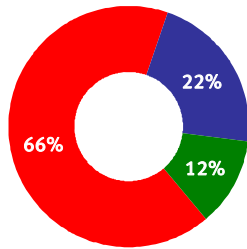
- Universal bank in Canada with selective focus globally
 - Active in all banking areas in Canada with leading market positions
 - Global capabilities in capital markets and wealth management
- Diversified model with the right mix of businesses and geographies
 - Able to generate significant returns throughout the economic cycle
 - Long-term strategic balance
 - 75% retail banking, wealth management and insurance businesses
 - 25% capital markets businesses
 - 2/3 Canada and 1/3 other geographies
- Continuing to invest in our businesses while focusing on cost effectiveness
- Robust capital position and senior debt ratings

Managing our company for long-term success

Diversified business with core strength in Canada

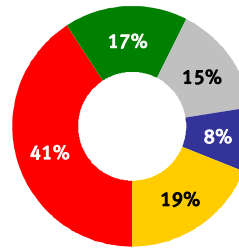


Revenue by Geography
Five Year Average
(2004-2008)



■ Canada
■ U.S.
■ Other International

Revenue by Business Segment ⁽¹⁾
Five Year Average
(2004-2008)

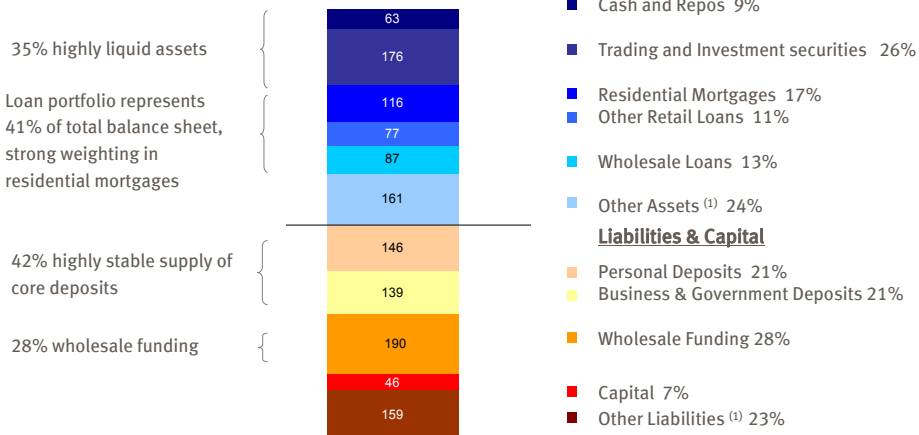


■ Canadian Banking
■ Wealth Management
■ Insurance
■ International Banking
■ Capital Markets

High quality, liquid balance sheet provides significant flexibility



\$680 billion
(as at April 30, 2009)



Solid risk management has impact on balance sheet strength

(1) Other assets include \$123bn of derivatives related assets, largely offset in derivatives related liabilities in Other liabilities. Under Canadian GAAP derivative amounts with master netting agreements cannot be offset and the gross derivative assets and liabilities are reported on balance sheet.

Where we are going



Our Strategic Goals

Vision

Always earning the right to be our clients' first choice

In Canada, to be the undisputed leader in financial services

In the U.S., to be a leading provider of banking, wealth management and capital markets services by building on and leveraging RBC's considerable capabilities

Internationally, to be a premier provider of select banking, wealth management and capital markets services in markets of choice

What we are doing to outpace the competition



- Canadian Banking – Clear leader and building on momentum
 - Profitably growing market share by delivering on client needs better than peers
 - Driving efficiencies and positive operating leverage
 - Leveraging distribution and brand strength to expand insurance business
- Capital Markets – Counterparty of choice
 - Leveraging dominant Canadian position
 - Two-thirds of employees based in U.S. and U.K.; a major growth opportunity
 - Deepening expertise by adding quality teams from competition
- Wealth Management – Top performer
 - Top performing Canadian asset manager with ability to lead market direction
 - Largest full service brokerage in Canada with industry leading performance
 - Attracting top advisors in North America and globally
- International Banking – Integrating operations and building efficiencies

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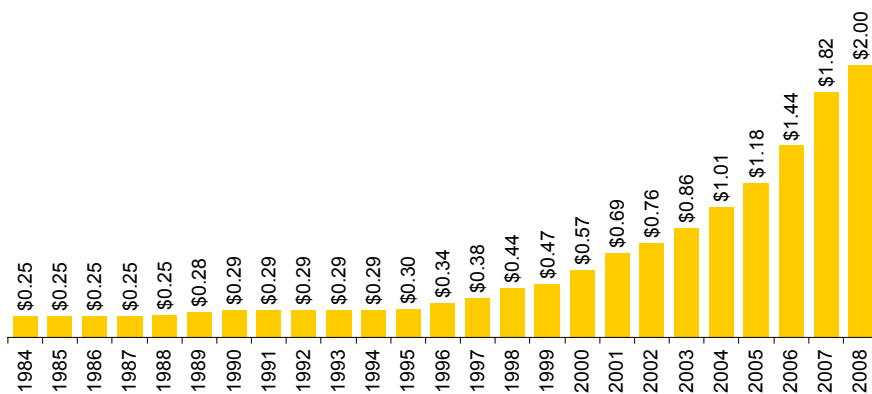
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History of delivering stable and growing dividends



\$ per share

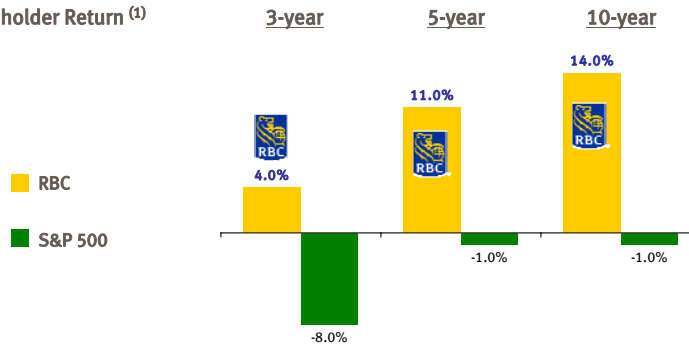


- Aggregate dividend of \$1.50 for first three quarters of 2009
→ Maintained at \$0.50 per quarter, consistent with 2008

Consistently outperforming



Total Shareholder Return ⁽¹⁾



RBC rank versus:

North American peer group ⁽²⁾	#1	#1	#1
20 largest banks globally	#3	#3	#2

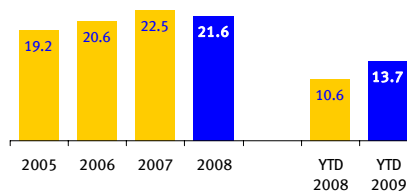
(1) Price appreciation plus dividends reinvested, annualized. As at June 5, 2009.

(2) North American peer group includes Bank of America, Bank of NY Mellon, BB&T, BMO, CIBC, Fifth Third, JP Morgan, KeyCorp, Manulife, National, Northern Trust, PNC Financial, Scotiabank, Sun Life, SunTrust, TD, U.S. Bancorp and Wells Fargo.

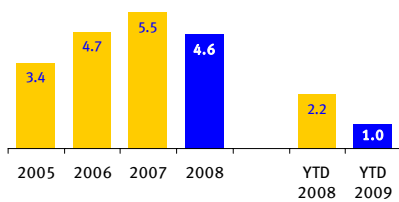
Strong financial profile



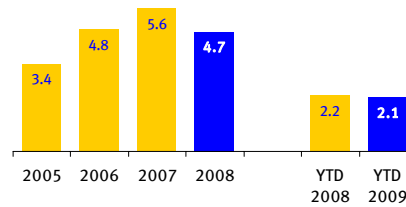
Total revenue (\$ billions)



Net income (\$ billions)



Cash net income (\$ billions) ⁽¹⁾

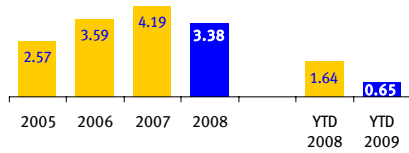


(1) Non-GAAP. See slide 28 for reconciliation and slide 30 for discussion on non-GAAP measures. Fiscal 2005-2008 data includes amortization of intangibles.

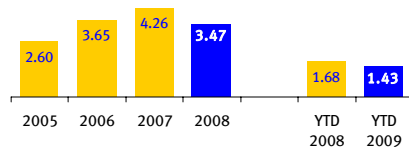
Profitability metrics



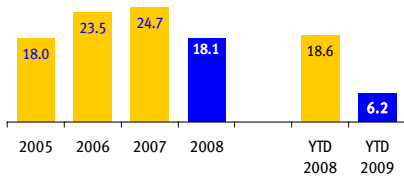
Diluted earnings per share (EPS) (\$)



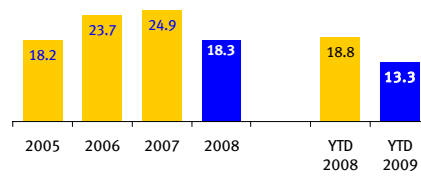
Cash diluted EPS (\$) ⁽¹⁾



Return on equity (ROE) (%)



Cash ROE (%) ⁽¹⁾



(1) Non-GAAP. See slide 28 for reconciliation and slide 30 for discussion on non-GAAP measures. Fiscal 2005-2008 data includes amortization of intangibles.

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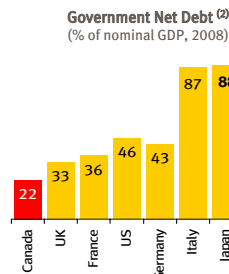
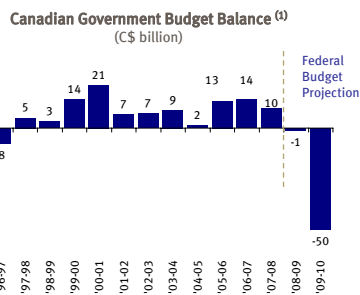
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3

Canada has benefited from prudent fiscal policy



- Better placed than many countries (*International Monetary Fund, March 2009*)
 - 11 straight years of fiscal surpluses pre-crisis
 - Net debt to GDP ratio lowest among G-7
 - Proactively responding to crisis through strong fiscal stimulus and monetary policy
 - Banks are vigilantly regulated and conservative by nature
- #1 for soundness of banks (*World Economic Forum, October 2008*)

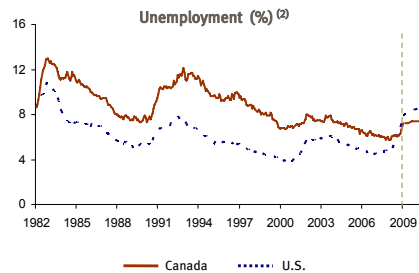
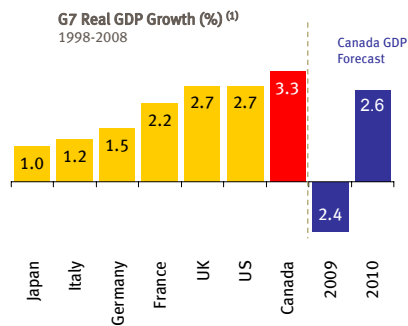


(1) Dept. of Finance, Canada
(2) OECD 2008 Economic Outlook

Currently in recession – forecast to rebound in 2010



- Difficult economic environment through balance of 2009
- Unemployment remains below long-term average
 - Job reductions focused on automotive and manufacturing
- Diversified economy lays groundwork for recovery
 - Trade-based economy rich with natural resources

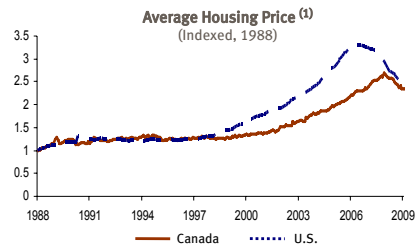


(1) Bank of Canada, RBC Economics Research
(2) Bank of Canada, Bureau of Labour Statistics, RBC Economics

Housing market fundamentals are sound

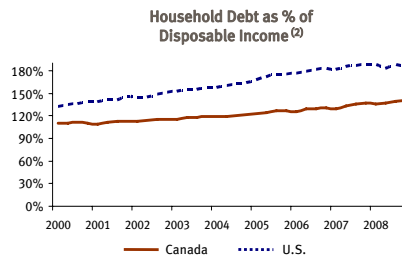


- Canadian housing markets least overvalued leading up to crisis (*IMF, March 2009*)
- House prices gradually coming off highs with less drastic declines



Household financial position is sound

- Less household debt than the U.S.



(1) Canadian Real Estate Association, Standard and Poor's
 (2) Statistics Canada, U.S. Federal Research Division (December 2008).

More conservative regulation and consumer behaviour

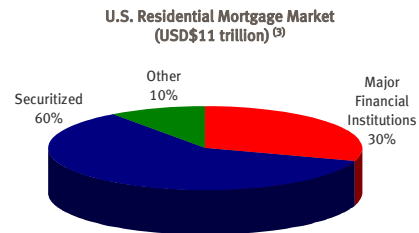
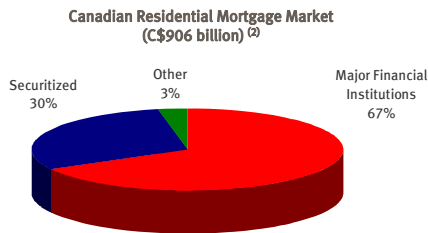


	Canada	U.S.
Regulation	<ul style="list-style-type: none"> • Fully insured if LTV <u>over</u> 80% • Insurance is government-backed 	<ul style="list-style-type: none"> • Insured only if conforming and LTV <u>under</u> 80% • No regulatory LTV limit – can be over 100% • Not gov't-backed if private insurer defaults
Consumer Behaviour	<ul style="list-style-type: none"> • Mortgage interest not tax deductible • More apt to pay off mortgage • No stay periods on non-performing mortgages 	<ul style="list-style-type: none"> • Mortgage interest is tax deductible • Less tendency to pay down mortgage • Stay period of up to 90 days
Products	<ul style="list-style-type: none"> • 1 to 5-year terms typical, with up to 35-year amortization. • Prepayment penalties. • Limited use of “teasers” 	<ul style="list-style-type: none"> • 30-year terms with matching amortization • “Teasers” (low initial rate, then increases)
RBC Portfolio	<ul style="list-style-type: none"> • 43% of residential mortgage balances are insured. • Average loan to value (LTV) of 55% across uninsured residential mortgage portfolio (including drawn secured line of credit). 	

Most Canadian mortgages are held on balance sheet



- Strong underwriting discipline in Canada
 - No sub-prime origination by major banks
 - Major banks credit score using in-house models and third-party metrics, and require extensive documentation
- In the US, most mortgages securitized and sold
 - Sub-prime origination up to 20% in 2006 ⁽¹⁾
 - Wide range of underwriting and documentation requirements

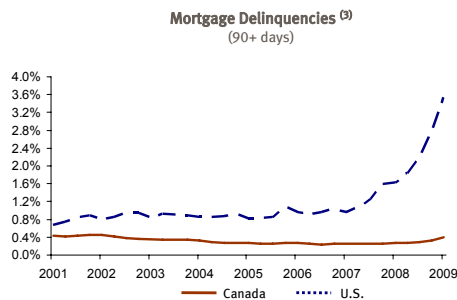
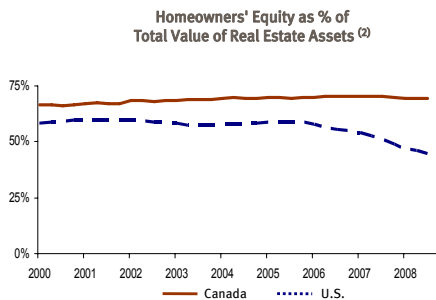


(1) Source: DBRS "Comments on the Mortgage Markets in Canada and the United States" and RBC data
 (2) Bank of Canada, Statistics Canada December 2008
 (3) U.S. Federal Reserve December 2008

Conservative lending practices have led to fewer delinquencies



- Significant and stable amount of equity investment in Canadian homes
- Rate of home ownership comparable (approximately 68% in both countries)⁽¹⁾
- Mortgage delinquency rates remain low

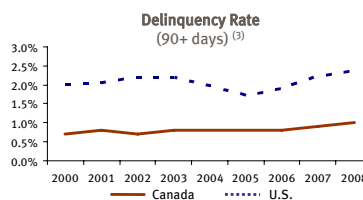
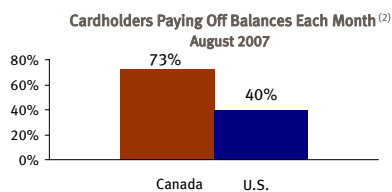
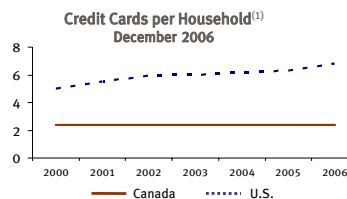
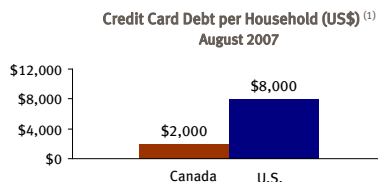


(1) Statistics Canada Census and U.S. Census Bureau
 (2) Statistics Canada and U.S. Federal Research Division (December 2008).
 (3) Canadian Bankers Association (CBA) and Mortgage Bankers' Association as at March 2009.

Canadians use credit cards primarily for convenience



- Most pay off their balance each month and household credit card debt is low
 - Canadians own fewer credit cards and have a lower delinquency rate than US
- Note that the charts below are 2006, 2007 and 2008, as more recent studies are not available



(1) Tower Group
 (2) CBA, Federal Reserve Bank of Philadelphia Economic Research
 (3) CBA, FDIC

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Tangible common equity ratio (Tier 1 common capital)



\$ millions	Q2 2009
Tier 1 capital	\$ 30,274
<i>Less: Qualifying non-controlling interest in subsidiaries</i>	356
<i>Innovative Tier 1 capital instruments (net of treasury shares)</i>	4,139
<i>Preferred shares (net of treasury shares)</i>	4,811
Total Tier 1 common capital	\$ 20,968
Risk adjusted assets	\$ 265,647
Tangible common equity ratio	7.9%

- Calculated as Tier 1 capital less non-common elements, including non-cumulative perpetual preferred shares, qualifying non-controlling interest in subsidiaries and innovative tier 1 capital instruments as a percentage of risk-adjusted assets.
- Non-GAAP. See slide 30 for discussion of non-GAAP measures.

Reconciliation of cash basis measures



\$ millions, except Earnings Per Share and Return on Equity (ROE)

	YTD 2009	Q2 2009	Q1 2009	YTD 2008
Net (loss) income	\$ 1,003	\$ (50)	\$ 1,053	\$ 2,173
Add: Goodwill impairment charge	1,000	1,000	-	-
Adjusted net income ⁽¹⁾	2,003	950	1,053	2,173
Add: After-tax effect of amortization of other intangibles ⁽²⁾	94	43	51	49
Cash net income ⁽¹⁾	\$ 2,097	\$ 993	\$ 1,104	\$ 2,222
Diluted (loss) earnings per share	0.65	(0.07)	0.73	1.64
Add: Impact of goodwill impairment charge	0.71	0.71	-	-
Adjusted diluted earnings per share ⁽¹⁾	\$ 1.36	\$ 0.63	\$ 0.73	\$ 1.64
Add: After-tax effect of amortization of other intangibles ⁽²⁾	0.07	0.03	0.04	0.04
Cash diluted earnings per share ⁽¹⁾	\$ 1.43	\$ 0.66	\$ 0.77	\$ 1.68
ROE	6.2%	(1.4)%	13.8%	18.6%
Cash ROE ⁽¹⁾	13.3%	12.3%	14.3%	18.8%

(1) Non-GAAP. See slide 30 for a discussion on non-GAAP measures.

(2) Excludes the amortization of computer software intangibles.

Pre-Tax Pre-Provision Earnings / Risk Adjusted Assets



\$ millions	Q2 2009
Last 4 Quarters GAAP Net Income	\$ 3,385
Add: Non-Cash Goodwill Impairment	1,000
Add: Last 4 Quarters PCL	2,674
Add: Last 4 Quarters Income Tax Expense	1,574
Trailing 12 Month Pre-Tax Pre-Provision Earnings	\$ 8,633
Risk Adjusted Assets	\$265,647
Pre-Tax Pre-Provision Earnings / Risk Adjusted Assets	3.3%

- Pre-provision, pre-tax earnings is a useful supplemental measure of capital adequacy as it is the first line of defence in absorbing higher credit costs and securities write downs.
- Non-GAAP. See slide 30 for a discussion of non-GAAP measures.

Non-GAAP measures



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 cash net income, cash diluted EPS, cash ROE Pre-Tax Pre-Provision Earnings/Risk Adjusted Assets and Tangible common equity ratio (Tier 1 common capital) do not have any standardized meanings prescribed by Canadian GAAP, and therefore, are unlikely to be comparable to similar measures presented by other companies.

Reconciliation and additional information about our non-GAAP measures can be found under the "Key performance and non-GAAP measures" section in our Q2 2009 Report to Shareholders and our Q2 2009 Supplementary Financial Information.

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