



RBC TO ACQUIRE RBTT

Deal creates new Caribbean banking leader

PORT OF SPAIN/TORONTO, October 2, 2007 – Royal Bank of Canada (RY on the TSX and NYSE) and the RBTT Financial Group (RBTT) today jointly announced an agreement to combine RBC's Caribbean retail banking operations with RBTT's through the acquisition of RBTT for a total purchase price of TT\$13.8 billion (approximately US\$2.2 billion at exchange rates as of September 28, 2007).

Under the agreement, RBTT shareholders will receive per share consideration of TT\$40 (approximately US\$6.33 as at September 28 exchange rates) payable in a combination of cash (60%) and RBC common shares (40%). The number of RBC common shares received by RBTT shareholders is subject to a plus/minus 10% "collar" based on an RBC share price of US\$54.42 (the average trading price for the five days ending September 28). Further details about the collar mechanism are available below.

The RBTT Board of Directors approved the deal and unanimously recommends that RBTT shareholders vote in favour of the transaction. The transaction will be mutually beneficial for both companies. It is expected to close by the middle of 2008 and will be accretive to RBC's earnings per share in 2008. RBC's offer represents an 18% premium on the closing price of RBTT shares on September 28, 2007, and a 27% premium to the average share price of TT\$31.44 over the last 12 months.

The transaction will create one of the most expansive banking networks in the Caribbean, with a presence in 18 countries and territories across the region. With more than US\$13.7 billion in assets, the combined operations will have 130 branches across the Caribbean, with more than 6900 employees serving more than 1.6 million clients. RBC's expanded Caribbean retail banking operations will ultimately be headquartered in Trinidad and Tobago.

"This is a transformational acquisition for RBC in the Caribbean, one that extends our reach into many important markets, notably Trinidad and Tobago, Jamaica, and the Dutch Caribbean," said Peter Armenio, RBC's head of U.S. & International Banking. "RBTT provides RBC with extensive local insight and leadership in markets where we have little or no presence while significantly advancing our strategy to grow outside Canada.

"RBTT is a perfect complement to RBC's current footprint," Armenio added. "We both share a history of serving customers throughout the Caribbean and have almost no overlap of our respective branch networks."

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“This historic transaction provides a great opportunity for both companies” said Peter July, RBTT Group Chairman. “RBC’s financial strength and depth of expertise combined with RBTT’s market knowledge and position in the region provides the perfect foundation for us to continue growing and competing effectively within the Caribbean Basin and beyond.

“RBTT shareholders will benefit by having the opportunity to improve significantly the liquidity of their investment and own a portion of the largest bank in Canada and a leading global financial services institution,” July added.

“The benefits of this transaction also go well beyond the shareholders and employees of both companies,” July added. “This transaction sets the stage for Trinidad and Tobago becoming the financial center of the Caribbean.”

The headquarters of RBC’s Caribbean retail banking operations will be located in Port of Spain. “We want our Caribbean headquarters to be located in what is a key financial center for the region as well as a logical jumping off place for potential growth outside the Caribbean,” Armenio said.

Senior management from both organizations will be integrated. Suresh Sookoo, RBTT Group CEO and Ross McDonald, RBC’s current head of Caribbean banking, will share responsibility for leading a smooth transition. Sookoo will become CEO of RBC’s Caribbean retail banking operations following the successful integration of the two operations.

“We are excited about the opportunities the transaction provides clients and employees of both companies,” McDonald said.

“This deal creates a significantly larger organization that is better positioned to serve all our customers, who will benefit from the expanded market coverage, the increased lending capacity of the combined banks and an expanded range of products,” Sookoo added.

The acquisition marks RBC’s return to Trinidad and Tobago, where it had maintained operations from 1902 to 1987. As a consequence of this proposed transaction, RBC will explore the possibility of issuing depositary receipts backed by RBC common shares on the Trinidad and Tobago Stock Exchange. “Making depositary receipts available in Trinidad and Tobago would further demonstrate our commitment to the region while giving local investors a chance to invest in the growth of one of the best performing financial services companies in the world,” Armenio said.

RBTT is RBC’s second international acquisition in the past month and the ninth acquisition RBC has announced outside Canada in the past 12 months. “We are committed to growing our business outside Canada and we will continue pursuing suitable opportunities to build on our existing businesses through organic means as well as acquisitions,” Armenio said.

The deal is subject to closing conditions, including approval by regulators and RBTT shareholders, and other conditions described in the information circular to be mailed to RBTT shareholders.

DEFINITION OF COLLAR MECHANISM

Under the terms of the agreement, RBTT's shareholders will receive a fixed amount of cash and a number of RBC common shares for their RBTT shares. The number of RBC common shares to be received for each RBTT share will be determined by an exchange ratio. This exchange ratio will be determined by dividing the U.S. dollar equivalent of TT\$16 by a specified price as follows:

- If the average trading price of RBC common shares on the NYSE for the five consecutive trading days ending on the second trading day prior to the closing of the transaction is between US\$48.98 and US\$59.86, then the specified price for determining the exchange ratio will be that average RBC trading price.
- If that average RBC trading price is equal to or greater than US\$59.86, then the specified price for determining the exchange ratio will be US\$59.86.
- If that average RBC trading price is less than or equal to US\$48.98, then the specified price for determining the exchange ratio will be US\$48.98.

A conference call is scheduled to take place on October 2, 2007, from 10 a.m. to 10:30 a.m. (EDT) and will feature a presentation by Royal Bank of Canada and RBTT executives on this announcement. It will be followed by a question and answer period with analysts. Interested parties can access this call live on a listen-only basis via telephone at: 416-340-2216 or 1-866-898-9626. Please call between 9:50 a.m. and 9:55 a.m. (EDT).

A recording of the conference call will be available after 5:00 p.m. (EDT) on October 2 until December 28 via telephone at: 416-695-5800 or 1-800-408-3053, passcode 3238335#.

Information related to this announcement will be available at:

www.rbc.com/investorrelations.

ABOUT RBTT

RBTT is a Caribbean-owned banking and financial services group which offers a complete range of banking and financial intermediation services to customers in Trinidad & Tobago and the Caribbean.

The RBTT Financial Group includes ten commercial banks with branches located throughout the English-speaking Caribbean, Suriname, the Netherlands Antilles and Aruba. RBTT has led in pioneering a comprehensive range of innovative and creative financial services for individual clients, private and public sector companies, governments and international investors. These include a full range of local and international credit cards, sophisticated international financing packages, trade promotion services and interactive trade financing initiatives.

ABOUT RBC

Royal Bank of Canada (RY on TSX and NYSE) and its subsidiaries operate under the master brand name of RBC. We are Canada's largest bank as measured by assets and market capitalization and one of North America's leading diversified financial services companies. We provide personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis. Our corporate support team enables business growth with

expert professional advice and state-of-the art processes and technology. We employ approximately 70,000 full- and part-time employees who serve more than 15 million personal, business, public sector and institutional clients throughout offices in North America and 34 countries around the world. For more information, please visit www.rbc.com.

Royal Bank of Canada has a longstanding presence in The Bahamas, with operations dating back to 1908. Today, it boasts a retail network of 28 branches throughout New Providence and the Family Islands, a commercial banking business centre, and 37 automated banking machines.

Royal Bank of Canada currently operates 46 branches and 68 automated banking machines in nine Caribbean countries and territories, with more than 1500 employees across the region, including The Bahamas.

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Safe Harbor Regarding Forward-Looking Statements

Certain statements contained in this press release may be deemed to be forward-looking statements under certain securities laws, including the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities legislation, and Royal Bank of Canada (RBC) and RBTT Financial Holdings Ltd. (RBTT) intend that such forward-looking statements be subject to the safe-harbor created thereby. The words “may,” “could,” “should,” “would,” “suspect,” “outlook,” “believe,” “plan,” “strategy,” “opportunity,” “anticipate,” “estimate,” “expect,” “intend,” “forecast,” “objective” and words and expressions of similar import are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve numerous assumptions, and inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements, including statements about the acquisition of RBTT by RBC, and the potential issuance of the deposit receipts, 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 beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to the possibility that the proposed acquisition does not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, that RBC and RBTT may be required to modify the terms and conditions of the proposed transaction to achieve regulatory or shareholder approval, or that the anticipated benefits of the transaction are not realized as a result of such things as the strength of the economy and competitive factors in the areas where RBTT does business; the impact of changes in the laws and regulations regulating financial services and enforcement thereof (including banking, insurance and securities); judicial judgments and legal proceedings; RBC's ability to complete the acquisition of RBTT and to integrate it with RBC successfully; reputational risks, and other factors that may affect future results of RBC and RBTT, including changes in trade policies, timely development and introduction of new products and services, changes in tax laws, and technological and regulatory changes . We caution that the foregoing list of important factors is not exhaustive.

Royal Bank of Canada and RBTT assume no obligation to update the forward-looking statements contained in this press release.