ROYAL BANK OF CANADA
FIRST QUARTER RESULTS
CONFERENCE CALL
FRIDAY FEBRUARY 29, 2008

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Additional information about these and other factors can be found in our Q1 2008 Report to Shareholders and in our 2007 Report to Shareholders.

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GORDON M. NIXON, PRESIDENT & CEO

Good afternoon everyone.

I will begin by reiterating some themes from my speech this morning at our annual meeting. I want to be clear about how I view our business and performance. Our approach to our business is based on a few basic principles. Firstly, we are making it easier for our clients to do business with us. We have a diversified business mix which continues to protect against shocks to a single business, product or market. Finally, we ensure all our activities are guided by defined strategic goals and are underpinned by a proactive approach to risk management and a rigorous operational discipline that makes management accountable for results. Our focus on doing these things well has helped us withstand the recent pressures and allowed us to build on our past performance.

Almost all of our businesses within our four business segments delivered solid performance this quarter and a couple, as you know, were affected by the difficult market conditions. Each business pursues a mandate for growth which seeks to leverage the strengths of the others so they can advise and satisfy all of our clients' financial needs. This approach has helped us manage some of the challenges we faced in the first quarter as market volatility persisted and growth slowed in the U.S. and around the world.

Since last summer, I have been consistent in saying that as a result of this correction, risk would be repriced and that market participants with financial strength, sound risk management, and strong balance sheets would ultimately benefit. While I believe there are still signs of further weakness and that it will take years for these financial assets to recover, I certainly expect aggressive action by monetary and fiscal authorities will provide a floor for markets and hopefully pave the way for a recovery in the latter half of this year. However, once the recovery takes hold, I expect the environment to be significantly different from what we had before the crisis. I believe the damage to the global financial system and global economy will lead to a "new normal." This "new normal" will include a heightened sense of risk aversion, higher volatility, a move to simplicity, reduced financial leverage and wider credit spreads. The period of leverage and bank disintermediation will, for a time, shift in favour of deleveraging where bank relationships will increase in importance. The competitive landscape is changing and it will reward those firms, and I believe RBC is one of them that continue to demonstrate market leadership and balance sheet strength.

Turning to our financial performance for the first quarter on slide 4. This quarter we had $1.2 billion in earnings and ROE of 21%. Earnings were down $249 million from record earnings a year ago, and on slide 5 you will see items that impacted us this quarter, as well as in Q1 and Q4 of 2007. Taking these items into consideration, our earnings continue to be strong. We continue to make progress towards achieving our long-term goals and I would like to give some highlights from each business segment.

In Canadian Banking, our Banking-related operations continued to build momentum and are running efficiently, with operating leverage of 4.1% and continued growth in key areas such as residential mortgages and personal deposits.

In Wealth Management, RBC Asset Management continued to capture market share and we led the industry in overall net mutual fund sales, gathering more than $4 billion of assets in a record first quarter. We are very pleased with our recent announcement to acquire Phillips, Hager & North. Joining forces with PH&N will bring two asset management leaders together for the benefit of our clients and will form one of the largest private sector asset managers in Canada. This acquisition will help us capitalize on the global growth that we expect in this sector over the next several years. At DS, our Canadian full service brokerage business, we continued to attract experienced advisors and grow our fee-based assets. We remain focused on growing our business outside of Canada, as evidenced by our recently announced intention to acquire Ferris, Baker Watts, in our U.S. Wealth Management business. Our international wealth management business, which provides financial solutions to high net worth private clients in over 32 countries, continues to grow demonstrated by the increase in loans and deposits this quarter.

In U.S. & International Banking, our residential builder finance business caused significant earnings setback in the profits of Centura. However, we are managing the current challenges and I am encouraged by the work being done to strengthen our U.S. retail bank. An example of executing on this strategy is our acquisition of Alabama National Bancorporation which closed earlier this week. When the U.S. housing downturn begins to stabilize and rebound, we believe our U.S. banking operations will be well positioned. We have over 430 branches in a very attractive region of the U.S. Southeast. Outside of the U.S. we remain on track to complete the acquisition of RBTT Financial in the middle of 2008, which will create one of the most expansive banking networks in the Caribbean. Solid business growth from RBC Dexia and our U.S. banking operations combined to push earnings for this segment higher over last quarter.

Capital Markets had a challenging quarter. In spite of the writedowns, we had broad based revenue growth across several Capital Market businesses compared to last year with higher trading in, fixed income, foreign exchange and equity derivatives. Our diversified portfolio has allowed us to capitalize on the declining interest rate environment and the increased market volatility and, even with the writedowns, Capital Markets delivered a return on equity of 24%. I am pleased to say we ranked first place in Canadian mergers and acquisitions, equity underwriting and corporate debt financing according to Bloomberg's 2007 League Tables.

In closing, as I indicated last quarter, we anticipated early 2008 would be challenging and our first quarter results should be viewed in this context. We expect economic growth in the U.S. and Canada to pick up in the latter part of 2008, and we continue to drive towards achieving our 2008 annual objectives. Our capital position remains strong, with a Tier 1 capital ratio comfortably above our target. We are maintaining our quarterly common share dividend at $0.50 in the second quarter as we feel it's the prudent thing to do. We remain focused on taking actions that create value for our shareholders as well as serving our clients, growing the business profitably and watching our costs. We've got a lot of cost programs in place and we maintain a risk profile and risk appetite that is commensurate with the overall organization.

MORTEN FRIIS, CHIEF RISK OFFICER

I will start with a review of the capital markets related areas and then provide an update on our credit portfolios. As Gord mentioned, as a result of continued deterioration in the credit markets, this quarter we had writedowns in Capital Markets of $430 million pre-tax, or $187 million after-tax and compensation adjustments. Slide 10 outlines these writedowns. $288 million of losses relate to U.S. subprime exposure. The balance of $142 million reflects a lack of liquidity in U.S. asset-backed paper, specifically in our investment portfolio supporting U.S. municipal GICs, U.S. auction rate securities; and U.S. commercial mortgage-backed securities. With respect to subprime, the $288 million loss consisted of two components. First, $201 million of writedowns on protection with monoline insurers, with the majority related to ACA that we have fully written down, and a portion on MBIA. Second, we had $87 million of writedowns on other U.S. subprime exposures. As at January 31, 2008, our remaining net exposure to U.S. subprime is US$639 million, including insurance with MBIA. Our gross exposure is US$2.8 billion, which represents less than 0.5% of total assets.

Turning to slide 11, there was significant volatility in equity and credit markets this quarter. In total, we had nine days of net trading losses, with two days of large net trading losses reflecting writedowns related to U.S. subprime. The remaining net trading loss days did not exceed global VaR for its respective day.

Moving on to credit on slide 12. In the last three months, the overall quality of our loan portfolio remained well within an acceptable range for loss rates, despite continued credit deterioration in some areas. We observed higher impaired loans in our U.S. & International Banking wholesale portfolio, specifically in our U.S. residential builder finance business, as well as our commercial and retail loan portfolios. These increases are triggered by the downturn in the U.S. housing market and slowing economic conditions. Higher impaired loans in residential builder finance, particularly in California, Georgia and Arizona contributed to the increase in PCL in the segment.

As we said in Q4, our builder finance clients are reputable and well established, the duration in the portfolio is relatively short, and we previously reduced our business production in some of the less favourable markets across the U.S. The acquisition of Alabama National will add to the residential builder finance portfolio but we have done extensive due diligence on this portfolio and are confident in the quality and performance. Also, to give some perspective, the combined portfolios remain small in the context of RBC, representing approximately 1.5% of our total loan portfolio.

On slide 13 you will see total provision for credit losses increased compared to the prior year and over Q4 of 2007, largely reflecting the trend up towards the historical average. The specific provision was up compared to the prior year, primarily reflecting the higher impaired loans in our U.S. banking business. The increase also reflected higher impaired loans and lower recoveries in our corporate lending portfolio. In addition, higher provisions in our Canadian credit card and business loan portfolios primarily reflecting portfolio growth. We are not seeing any major quality issues with our Canadian loan portfolio. In summary, our loan portfolio remains stable, with stresses still confined to specific areas. As we mentioned last quarter, overall loan portfolio loss rates continue to trend higher towards historical averages.

At this point, I'll turn the call over to Janice Fukakusa to discuss our Q1 results.

JANICE FUKAKUSA, CHIEF FINANCIAL OFFICER

Thanks Morten. Slide 15 provides an overview of our quarterly performance. Net income was down $249 million from last year's record results, largely reflecting the items in Q1 2008 and Q1 2007 that Gord highlighted at the outset. Despite these items, we had solid performance in most of our businesses. Non-interest expense rose 2% from a year ago from increased sales and service staffing levels in our banking branch network and higher system development and processing costs. Expenses were up slightly from Q4 primarily due to higher variable compensation in Capital Markets and increased benefit costs due to seasonal impacts.

Turning to slide 16, our Tier 1 capital ratio this quarter was 9.8% under the new Basel two reporting framework. Under the old Basel one framework, our Tier 1 ratio was 9.2%. We have a strong capital position and our access to liquidity has not been impacted by the market conditions this quarter. We continue to be a regular issuer in a variety of markets and have access to both short term and long term funding. I'll now review the quarterly performance of our four business segments.

Starting with Canadian Banking on slide 18, net income was down slightly from last year and down 15% from last quarter. Net income was up 8% over last year, excluding the favourable impact of adjustments recorded in Q1 2007 in Global Insurance. Excluding the gain related to the Visa restructuring and the charge to increase our credit card reward program liability reported in Q4 2007, net income increased 7% over last quarter. Looking at our banking-related businesses, earnings increased 15% over last year. Compared to last quarter, earnings decreased 16% or increased 11% excluding the Visa gain and the credit card charge. Volume growth was strong across all our businesses over both periods due to the successful execution of our growth initiatives. Banking-related operations are running very efficiently with operating leverage of 4.1%. Compared to last year, expenses were higher, reflecting higher costs supporting business growth but were lower quarter over quarter mainly due to lower seasonal marketing and occupancy costs. Global Insurance earnings were down $96 million over last year and down $13 million over last quarter. As highlighted earlier, our prior year earnings include the favourable impacts of an adjustment related to the reallocation of foreign investment capital of $40 million and a cumulative valuation adjustment of $25 million related to prior periods. The prior quarter included a gain related to the sale of securities in our U.S. insurance operations. On slide 19 you will see that we experienced some margin compression compared to the previous year largely due to impact of changes in product mix and lower spreads on credit cards and personal deposits. Margin compression was minimal quarter over quarter.

Looking at Wealth Management on Slide 22, net income was down 14% or $30 million from a year ago. Favourable items in the prior year impacted our results, including a $14 million foreign exchange translation gain on certain deposits and a tax reversal. Also, appreciation of the Canadian dollar against the U.S. dollar reduced earnings by 5% or $11 million compared to last year. These factors aside, we had strong revenue growth in client assets across our businesses, and solid deposit and loan growth in our international wealth management business. Non-interest expense decreased from last year mainly due to the favourable impact of the strong appreciation of the Canadian dollar against the U.S. dollar. Quarter over quarter, NIE decreased mainly due to lower stock-based and variable compensation in our U.S. brokerage business.

Moving on to U.S. & International Banking on slide 24, earnings decreased $36 million over last year due to increased provisions for credit losses and higher costs in support of business growth. Earnings increased $10 million over last quarter on solid business growth in RBC Dexia and our U.S. banking business. Non-interest expense was up 9% or $30 million from the prior year, reflecting higher processing and staff costs at RBC Dexia on business growth, the full quarter of expenses of Flag, the inclusion of the AmSouth branches, and our U.S. de novo branch openings. These costs were largely offset by the impact of a stronger Canadian dollar against the U.S. dollar-denominated expenses. Slide 25 shows revenue in our Banking businesses was flat for the year, primarily reflecting the impact of the strong appreciation of the Canadian Dollar. In U.S. dollars, banking-related operations grew loans 12% and deposits 18% over last year reflecting a full quarter of results from Flag and the inclusion of the AmSouth branches. Our prior year results also reflected a loss on the restructuring of the investment portfolio in our U.S. banking business. RBC Dexia revenue was up 24% from last year due to growth in custodian and securities lending activities, higher foreign exchange transaction fees and business growth from new and existing clients.

Turning to Capital Markets on slide 26 net income was down from record results last year largely reflecting the writedowns that Gord and Morten discussed. Also, appreciation of the Canadian dollar against the U.S. dollar and British pound reduced earnings by $24 million over last year. Revenue was down from last year due to these items; however several of our businesses performed very well compared to last year, including trading in, fixed income, foreign exchange and equity derivatives driven by declining interest rates and increased market volatility. Compared to last quarter, our earnings were up primarily on solid revenue growth. Non-interest expense was down slightly from last year mainly due to a favourable impact of foreign exchange. NIE was up over the previous quarter mainly due to higher variable compensation and higher benefit costs due to seasonal impacts. On slide 28 you'll see a breakdown of RBC's total trading revenue. Despite the charges we had strong trading revenue and our results demonstrate the benefits of our diversified platform. At this point, I'll turn the call over to the operator to begin questions and answers.