

Phillips, Hager & North Investment Management Joins Forces with RBC

– Fact sheet –

Highlights

Description:	Founded in Vancouver in 1964 and headquartered there, Phillips, Hager & North Investment Management Ltd. (PH&N) is one of Canada's oldest and largest independent investment management firms. PH&N is a recognized leader in fixed-income investment mandates and is consistently ranked among the best in Canada.
Ownership:	Privately held. 100% employee owned.
Office Locations:	Vancouver (head office), Victoria, Calgary, Toronto and Montreal
# Employees:	300 including 97 investment professionals
December 31, 2007	Assets Under Management: Approximately \$69 billion
Form of consideration:	27 million RBC common shares, with a portion deferred until three years after closing. The purchase price will be adjusted if PH&N's net client outflows exceed a certain threshold prior to closing.
Expected closing:	On or about April 30, 2008
Closing conditions:	Subject to regulatory approvals and other customary closing conditions
RBC EPS impact:	Not material to RBC EPS in the near term

Phillips, Hager & North Investment Management is an excellent strategic fit with RBC Asset Management

- The two businesses will form one of the largest private sector asset managers in Canada with strengths in institutional asset management, high net worth private counsel and mutual funds
- Will create one of the largest private client investment counseling businesses in Canada with market strengths coast-to-coast, and notably in Western Canada
- Will make RBC one of the top five managers in the Canadian institutional market for defined benefit and defined contribution pension plans
- Will significantly extend RBC's existing leadership in the Canadian mutual fund industry to within 1% of the market leader
- Will provide RBC with a more diversified and stable asset management business mix with strengths and talent across all asset classes, client segments and distribution channels
- Great cultural fit: both companies have shared principles around transparency, choice and value
- Senior management from both organizations will be integrated and will share responsibility for leading a smooth transition and future growth

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- PH&N leaders will be part of the long term future of RBC's growth in the wealth management space
 - President of PH&N, John Montalbano will be appointed CEO of RBC's asset management business in Canada and will have responsibility for the Global Asset Management business line comprising RBC Asset Management, PH&N and Voyageur Asset Management
 - Brenda Vince, President of RBC Asset Management, will assume responsibility for the combined retail fund and high net worth businesses
 - Damon Williams will continue as Head of Institutional Management at PH&N
 - Dan Chornous, currently Chief Investment Officer (CIO) of RBC Asset Management will assume that role for PH&N as well
 - Hanif Mamdani, currently CIO of PH&N, will become Head of Alternative Investments for combined firm in Canada
 - George Lewis currently Head, Wealth Management and CEO of RBC Asset Management will continue as Head of the Wealth Management segment

The RBC common shares to be issued to securityholders of PH&N in connection with the transaction described above will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from such Act's registration requirements.

Certain statements contained in this fact sheet 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. These forward-looking statements include, but are not limited to statements with respect to the acquisition of Phillips, Hager & North Investment Management Ltd. (PH&N) by RBC. Forward-looking statements are typically identified by words such as "believe", "expect", "forecast", "anticipate", "intend", "estimate", "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 and other forward-looking information, including statements about the acquisition of PH&N by RBC 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, but are not limited to the possibility that the proposed acquisition does not close when expected or at all because required regulatory 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 PH&N may be required to modify the terms and conditions of the proposed transaction to achieve regulatory 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 PH&N 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 PH&N and to integrate it with RBC successfully; reputational risks, and other factors that may affect future results of RBC and PH&N, including 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. Additional information about these and other factors can be found in RBC's 2007 Annual Report.

Except as required by law, Royal Bank of Canada assumes no obligation to update the forward-looking statements contained in this fact sheet.