

Base Shelf Prospectus

This short form prospectus has been filed under legislation in each of the provinces and territories in Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

Short Form Base Shelf Prospectus

New Issue

September 1, 2005



Royal Bank of Canada

\$5,000,000,000

Debt Securities (Subordinated Indebtedness)

First Preferred Shares

We may from time to time offer: (i) unsecured subordinated debt securities (“**Debt Securities**”); and (ii) first preferred shares (“**First Preferred Shares**”) under this prospectus. We may offer Debt Securities and First Preferred Shares (collectively, the “**Securities**”) separately or together, in amounts, at prices and on terms to be described in one or more shelf prospectus supplements. We may sell up to \$5 billion in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof if any of the Securities are denominated in a foreign currency or currency unit) during the 25 month period that this prospectus, including any amendments hereto, remains valid.

The specific terms of the Securities in respect of which this prospectus is delivered will be described in one or more prospectus supplements and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, any terms for redemption at our option or the holder’s option, any exchange or conversion terms and any other specific terms; and (ii) in the case of First Preferred Shares, the designation of the particular class, series, aggregate amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at our option or the holder’s option, any exchange or conversion terms and any other specific terms.

Our outstanding First Preferred Shares are listed on the Toronto Stock Exchange (the “TSX”). **There is no market through which Debt Securities may be sold and purchasers may not be able to resell Debt Securities purchased under this prospectus.**

Debt Securities will be our direct unsecured obligations constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the “Bank Act”) and will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

Securities may be sold through underwriters or dealers, by us directly pursuant to applicable statutory exemptions or through agents designated by us from time to time. See “Plan of Distribution”. A prospectus supplement will identify each underwriter, dealer or agent engaged, if any, in connection with the offering and sale of Securities, and will also set forth the terms of the offering of such Securities including the net proceeds to us and, to the extent applicable, any fees payable to the underwriters, dealers or agents.

Offerings of Securities under this prospectus are subject to approval of certain legal matters on our behalf by Ogilvy Renault LLP.

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In this prospectus, unless the context otherwise indicates, the “Bank”, “we”, “us” or “our” means Royal Bank of Canada together, if the context requires, with its subsidiaries. All dollar amounts referred to in this prospectus are expressed in Canadian dollars unless otherwise specifically expressed.

Caution Regarding Forward-Looking Statements

Certain statements contained in this prospectus, and in documents incorporated by reference in this prospectus, are forward-looking statements. These forward-looking statements include, among others, statements with respect to our objectives for the year, our medium- and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words “may,” “could,” “should,” “would,” “suspect,” “outlook,” “believe,” “plan,” “anticipate,” “estimate,” “expect,” “intend,” and words and expressions of similar import are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements 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 strength of the Canadian and United States economies and the economies of other countries in which we conduct business; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar; the effects of changes in monetary policy, including changes in interest rate policies of the Bank of Canada and the Board of Governors of the Federal Reserve System in the United States; the effects of competition in the markets in which we operate; the impact of changes in the laws and regulations regulating financial services and enforcement thereof (including banking, insurance and securities); judicial or regulatory judgments and legal proceedings; our ability to obtain accurate and complete information from or on behalf of our customers and counterparties; our ability to successfully realign our organizational structure, resources and processes; our ability to complete strategic acquisitions and to integrate our acquisitions successfully; the changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; operational and infrastructure risks; and other factors that may affect future results including changes in trade policies, timely development and introduction of new products and services, changes in tax laws, technological changes, unexpected changes in consumer spending and saving habits; the possible impact on our businesses of international conflicts and other developments including those relating to the war on terrorism; and our anticipation of and success in managing the foregoing risks.

Documents Incorporated by Reference

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada (the “Commissions”). The Commissions allow us to “incorporate by reference” the information we file with them, which means that we can disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this prospectus. Copies of the documents incorporated by reference may be obtained on request without charge from the Senior Vice-President, Investor Relations, Royal Bank of Canada, 123 Front Street West, 6th Floor, Toronto, Ontario M5J 2M2, telephone (416) 955-7803 or fax (416) 955-7800. For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Senior Vice-President, Investor Relations at the above-mentioned address and telephone or fax number.

We incorporate by reference the documents listed below, which documents have been filed with the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”) and the Commissions:

- (a) our annual information form dated December 20, 2004;
- (b) our audited annual consolidated financial statements as at October 31, 2004 and 2003 and for each of the years in the two-year period ended October 31, 2004, prepared in accordance with Canadian generally accepted accounting principles, together with the auditors’ report thereon (excluding for greater certainty our audited annual consolidated financial statements for the year ended October 31, 2002 and the auditors’ report thereon insofar as it relates to such financial statements) and management’s discussion and analysis as contained in our Annual Report for the year ended October 31, 2004;
- (c) our management proxy circular dated December 31, 2004 for our annual meeting of shareholders held February 25, 2005 excluding those portions which, pursuant to National Instrument 44-101 of the Canadian Securities Administrators, are not required to be incorporated by reference; and
- (d) our comparative unaudited interim consolidated financial statements as at July 31, 2005 and for the three and nine-month periods then ended, together with management’s discussion and analysis as contained in our Third Quarter 2005 Report to Shareholders.

Any documents of the type referred to in the preceding paragraph and any material change reports filed by us with the Commissions after the date of this prospectus and prior to the completion or withdrawal of this offering, are deemed to be incorporated by reference in this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus or contained in this prospectus is deemed to be modified or superseded, for purposes of this prospectus, to the extent that a statement contained in this prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

When a new annual information form, annual consolidated financial statements and management’s discussion and analysis accompanying such financial statements are filed by us with, and where required, accepted by, applicable securities regulatory authorities, our previous annual information form, annual consolidated financial statements and management’s discussion and analysis accompanying such financial statements, all quarterly consolidated financial statements and any management’s discussion and analysis accompanying such financial statements, material change reports and management proxy circulars filed prior to the commencement of our financial year with respect to which the new annual information form is filed will be deemed to be no longer incorporated by reference in this prospectus for purposes of future offers and sales of securities under this prospectus.

We will deliver a prospectus supplement containing the specific variable terms of any Securities offered to purchasers of the Securities together with this prospectus and such prospectus supplement will be deemed to be incorporated by reference into this prospectus as of the date of the prospectus supplement only for the purpose of the offering of the Securities covered by such prospectus supplement.

We will file updated earnings coverage ratios quarterly with the Commissions, either as prospectus supplements or as exhibits to our unaudited interim and audited annual consolidated financial statements, which updates will be deemed to be incorporated by reference into this prospectus.

Royal Bank of Canada

Royal Bank of Canada is a bank listed in Schedule I to the Bank Act, which constitutes its charter. Our principal executive offices are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada, M5J 2J5 and our head office is located at 1 Place Ville Marie, Montreal, Quebec, Canada, H3C 3A9.

Subsidiaries

A list of our direct and indirect principal subsidiaries as at October 31, 2004 is included in our annual information form dated December 20, 2004.

Business

We operate under the master brand name of RBC Financial Group. We are Canada's largest bank as measured by assets and are one of North America's leading diversified financial service group companies. We provide personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis. We employ over 60,000 people who serve more than 12 million personal, business and public sector clients through offices in North America and some 30 countries around the world.

Effective November 1, 2004, we realigned our organizational structure, resources and processes to meet the financial needs of our clients more effectively across all of our businesses. As part of the realignment, our five business segments (RBC Banking, RBC Insurance, RBC Investments, RBC Capital Markets and RBC Global Services) were realigned into three business segments structured around client needs and geographic location: (i) Canadian Personal and Business (including our banking and investments business in Canada and our global insurance businesses); (ii) U.S. and International Personal and Business (including our banking and retail brokerage businesses in the United States, banking in the Caribbean, and private banking internationally); and (iii) Global Capital Markets (providing a wide range of investment banking, sales and trading, research and related products and services to corporations, governments and institutional clients in North America and specialized products and services globally). All other enterprise level activities that were not allocated to these three business segments are reported under a fourth segment, Corporate Support. This new management structure is now the basis on which we report our segmented information.

Share Capital and Subordinated Indebtedness

Our authorized capital consists of: (i) an unlimited number of common shares, without nominal or par value; (ii) an unlimited number of First Preferred Shares, without nominal or par value, which may be issued for a maximum aggregate consideration of \$10 billion; and (iii) an unlimited number of second preferred shares, without nominal or par value, which may be issued for a maximum aggregate consideration of \$5 billion. As at July 31, 2005, there were 647,238,222 common shares, 44,000,000 First Preferred Shares and no second preferred shares outstanding.

Subject to regulatory capital requirements applicable to us, there is no limit on the amount of subordinated indebtedness that we may issue.

The information in the table below was prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and is extracted from the financial statements incorporated by reference in this Prospectus except as noted in footnote 2 to the table.

	<u>July 31, 2005⁽¹⁾</u> (\$ millions)	<u>October 31, 2004⁽²⁾</u> (\$ millions)
Subordinated debentures	8,839	8,116
Trust capital securities	1,392	2,300
Preferred share liabilities	300	300
Preferred shares	832	532
Common shares	7,126	6,988
Additional paid-in capital	254	169
Retained earnings	13,748	12,065
Treasury shares	(215)	(294)
Foreign currency translation adjustments	(1,503)	(1,556)

(1) The amounts have been extracted from the Bank's unaudited interim consolidated financial statements incorporated by reference in this Prospectus.

(2) The amounts have been extracted from the Bank's audited consolidated financial statements incorporated by reference in this Prospectus except those amounts in the following categories: Trust capital securities, Preferred share liabilities; and Preferred shares. These amounts have been reclassified to reflect adoption on November 1, 2004 of amendments to Section 3860 of the CICA Handbook, Financial Instruments - Disclosure and Presentation and have been extracted from the third quarter 2005 unaudited supplementary financial information.

Description of Common Shares of the Bank

The holders of our common shares are entitled to notice of, to attend and to one vote per share at all meetings of our shareholders, except meetings at which only holders of a specified class, other than common shares, or series of shares are entitled to vote. The holders of our common shares are entitled to receive dividends if, as and when declared by our board of directors, subject to the preference of our preferred shares. After payment to the holders of our preferred shares of the amount or amounts to which they may be entitled, and after payment of all outstanding debts, the holders of our common shares will be entitled to receive the remaining property of the Bank upon liquidation, dissolution or winding-up.

Our directors may declare, and we may pay, dividends in money or property or by the issue of our common shares or options or rights to acquire our common shares. We have an uninterrupted history of paying dividends on our common shares in each year since 1870. The declaration and payment of future dividends and the amount of dividends will be subject to the discretion of our directors and will be dependent upon our results of operations, financial condition, cash requirements and future prospects, and regulatory restrictions on the payment of dividends by us, and other factors deemed relevant by our directors. Our directors may not declare, and we may not pay, a dividend if there are reasonable grounds for believing that we are, or the payment would cause us to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and appropriate forms of liquidity, or any direction to us made by the Superintendent regarding our capital or liquidity. In addition, under the Bank Act we are restricted from declaring and paying a dividend in any financial year without the approval of the Superintendent if, on the day the dividend is declared, the total of all dividends paid by us in that year would exceed the aggregate of our net income up to that day in the year and our retained net income for the preceding two financial years.

Our common shares are listed on the TSX, the New York Stock Exchange and the Swiss Exchange.

Description of the Securities that May be Offered under this Prospectus

Debt Securities

The following is a general description of the Debt Securities. The particulars of any series of Debt Securities offered and the extent to which the general terms described below may apply to such Debt Securities will be described in one or more prospectus supplements. Since the terms of a series of Debt Securities may differ from the general information provided in this prospectus, in all cases prospective investors should rely on the information in the prospectus supplement where it differs from information in this prospectus.

Debt Securities will be our direct unsecured obligations, constituting subordinated indebtedness for the purposes of the Bank Act, ranking equally and rateably with all of our other subordinated indebtedness from time to time issued and outstanding. In the event of our insolvency or winding-up, our subordinated indebtedness, including any Debt Securities, will be subordinate in right of payment to the prior payment in full of our deposit liabilities and all of our other liabilities except those which by their terms rank equally in right of payment with, or are subordinate to, such subordinated indebtedness.

Debt Securities will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada).

We may issue Debt Securities under one or more indentures, in each case between us and a trustee determined us in accordance with applicable laws.

Each trust indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by us. We make reference to the applicable prospectus supplement which will accompany this prospectus for the terms and other information with respect to the offering of Debt Securities being offered thereby.

At our option, Debt Securities may be issued in fully registered form, in bearer form or in “book-entry only” form. See “Book-Entry Only Securities” below. Debt Securities in registered form will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for the same aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the trustee for the Debt Securities. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

First Preferred Shares

The following is a general description of the First Preferred Shares. The particulars of any series of First Preferred Shares offered and the extent to which the general terms described below may apply to such First Preferred Shares will be described in a prospectus supplement. Since the terms of a series of First Preferred Shares may differ from the general information provided in this prospectus, in all cases prospective investors should rely on the information in the prospectus supplement where it differs from information in the prospectus.

We may issue First Preferred Shares from time to time, in one or more series with such series rights, privileges, restrictions and conditions as our board of directors may determine by resolution.

The First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series and are entitled to preference over the second preferred shares and common shares of the Bank and over any other shares ranking junior to the First Preferred Shares with respect to the payment of dividends and in the distribution of property in the event of our liquidation, dissolution or winding-up.

The holders of the First Preferred Shares are not entitled to any voting rights except as provided below or by law.

Pursuant to our by-laws, we may not, without the prior approval of the holders of the First Preferred Shares as a class (in addition to such approvals as may be required by the Bank Act or any other legal requirement), (i) create or issue any shares ranking in priority to the First Preferred Shares or (ii) create or issue any additional series of First Preferred Shares or any shares ranking *pari passu* with the First Preferred Shares unless at the date of such creation or issuance all cumulative dividends up to and including the dividend payment for the last completed period for which such cumulative dividends are payable have been declared and paid or set apart for payment in respect of each series of cumulative First Preferred Shares then issued and outstanding and any declared and unpaid non-cumulative dividends have been paid or set apart for payment in respect of each series of non-cumulative First Preferred Shares then issued and outstanding. Currently, there are no outstanding First Preferred Shares which carry the right to cumulative dividends.

No amendment may be made to the rights, privileges, restrictions or conditions of the First Preferred Shares as a class without the approval of the holders of First Preferred Shares voting separately as a class.

The approval of all amendments to the provisions attaching to the First Preferred Shares as a class and any other approval to be given by the holders of the First Preferred Shares may be given in writing by the holders of not less than all of the outstanding First Preferred Shares or by a resolution carried by the affirmative vote of not less than 66⅔% of the votes cast at a meeting of holders of First Preferred Shares at which a quorum of the outstanding First Preferred Shares is represented. A quorum at any meeting of holders of First Preferred Shares is 51% of the shares entitled to vote at such meeting, except that at a reconvened meeting following a meeting that was adjourned due to lack of quorum there is no quorum requirement.

Book-Entry Only Securities

Unless otherwise specified in the applicable prospectus supplement, the Securities will be issued in “book-entry only” form and must be purchased, transferred or redeemed through financial institutions that participate in the depository service of The Canadian Depository for Securities Limited (“CDS”). We refer to those financial institutions who are participants in the depository service of CDS as “**participants**”. Participants include securities brokers and dealers, banks and trust companies. On the date of closing of any offering of Securities, a global certificate or certificate(s) representing such Securities will be delivered to, and registered in the name of, CDS or its nominee, as the case may be, which will hold such Securities as depository on behalf of the participants. The participants in turn will hold beneficial interests in such Securities on behalf of themselves or their customers.

Except as described below, a purchaser acquiring a beneficial interest in Securities will not be entitled to a certificate or other instrument from the Bank, any trustee or the depository evidencing that purchaser’s interest therein, and such purchaser will not be shown on the records maintained by the depository, except through a book-entry account of a participant acting on behalf of such purchaser. Each such purchaser of Securities will receive a customer confirmation of purchase from the registered dealer through whom the Securities are purchased in accordance with the practices and procedures of that registered dealer.

As long as the Securities are outstanding in global form, we will recognize only the depository as the holder of the Securities and we will make all payments on the Securities, including deliveries of any property other than cash, to the depository. The depository passes along the payments it receives to its participants, which in turn pass the payments along to their customers.

who are the beneficial owners. We understand that the depository and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the Securities.

As a result, investors will not own Securities directly. Instead, they will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in the depository's book-entry system or holds an interest through a participant. As long as the Securities are outstanding in global form, investors will be indirect owners, and not registered holders, of Securities.

Neither we nor the underwriters, agents or dealers in connection with any offering of Securities will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Securities held by a depository or the payments or deliveries relating thereto; (b) maintaining, supervising or reviewing any records relating to the Securities; or (c) any advice or representation made by or with respect to a depository, including those contained in this prospectus, relating to the rules governing the depository or any action to be taken by the depository or at the direction of participants. The rules governing the depository provide that it acts as the agent and depository for participants. As a result, such participants must look solely to the depository and beneficial owners of Securities must look solely to participants for payment or deliveries made by or on behalf of the Bank to the depository in respect of the Securities.

As indirect holders of Securities, investors should be aware that, except in the circumstances described below, they: (a) may not have Securities registered in their name; (b) may not have physical certificates representing their interest in the Securities; (c) may not be able to sell the Securities to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge Securities as security.

Securities in fully registered and certificated form will be issued to beneficial owners of Securities only if: (i) required by applicable law; (ii) the depository's book-entry only system ceases to exist; (iii) the Bank or the depository advises that the depository is no longer willing or able to properly discharge its responsibilities as depository with respect to the Securities and we are unable to locate a qualified successor; (iv) the Bank, at its option, decides to terminate its present arrangements with the depository; or (v) if an event of default has occurred with regard to the Securities and has not been cured or waived.

If Securities are issued in fully registered and certificated form in the circumstances described above, dividends and interest, as applicable, will be paid by cheque drawn on the Bank and sent by prepaid mail to the registered holder or by such other means as may become customary for the payments. Any redemption price to be paid in respect of First Preferred Shares will be paid upon surrender thereof to the transfer agent and registrar for such shares. The principal amount of Debt Securities and the interest due at maturity or early redemption, if applicable, will be paid upon surrender thereof at any branch of the Bank in Canada or of the trustee.

Transfers of Securities

Transfers of ownership of Securities will be effected only through records maintained by CDS or its nominee, as the case may be, with respect to interests of participants, and on the records maintained by the participants with respect to interests of persons other than participants. If you hold Securities through a participant and desire to purchase, sell or otherwise transfer ownership of or other interests in Securities, you may do so only through participants.

Your ability to pledge Securities or otherwise take action with respect to your interest in Securities (other than through a participant) may be limited due to the lack of a physical certificate.

Bank Act Restrictions

The Bank Act contains restrictions on the issue, transfer, acquisition, beneficial ownership and voting of all shares of a chartered bank. The following is a summary of such restrictions.

No person may be a major shareholder of a bank if the bank has equity of \$5 billion or more (which would include the Bank). A person is a major shareholder of a bank if (i) the aggregate of shares of any class of voting shares owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 20% of that class of voting shares; or (ii) the aggregate of shares of any class of non-voting shares beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in concert with that person is more than 30% of that class of non-voting shares. No person may have a significant interest in any class of shares of a bank, including the Bank, unless the person first receives the approval of the Minister of Finance (Canada). For purposes of the Bank Act, a person has a significant interest in a class of shares of a bank where the aggregate of any shares of the class beneficially owned by that person, by entities controlled by that person and by any person associated or acting jointly or in

concert with that person exceeds 10% of all of the outstanding shares of that class of shares of such bank. If as a result of the conversion or exchange of any Securities into shares of the Bank you would become a significant shareholder, the number of shares in excess of the number of shares you are permitted to hold will be sold on your behalf with the proceeds of sale being delivered to you net of costs of sale and any applicable withholding taxes.

The Bank Act also prohibits the registration of a transfer or issue of any shares of the bank to Her Majesty in Right of Canada or of a province or any agent or agency of Her Majesty in either of those rights, or to the government of a foreign country or any political subdivision, agent or agency of any of them. If you are such an ineligible person, any shares issuable to you on the conversion or exchange of Securities, if applicable, into shares of the Bank will be sold on your behalf with the proceeds of sale being delivered to you net of costs of sale and any applicable withholding taxes.

Under the Bank Act, we cannot redeem or purchase any of our shares unless the consent of the Superintendent has been obtained. In addition, the Bank Act prohibits us from purchasing or redeeming any shares or paying any dividends if there are reasonable grounds for believing that we are, or the payment would cause us to be, in contravention of the Bank Act requirement to maintain, in relation to our operations, adequate capital and appropriate forms of liquidity and to comply with any regulations or directions of the Superintendent in relation thereto. In addition, under the Bank Act, we are restricted from declaring and paying a dividend in any financial year without the approval of the Superintendent if, on the day the dividend is declared, the total of all dividends paid by us in that year would exceed the aggregate of our net income up to that day in the year and our retained net income for the preceding two financial years.

Earnings Coverage

The following consolidated earnings coverage ratios are calculated for the 12 months ended July 31, 2005 and October 31, 2004 and do not reflect the issue of any Securities under this prospectus:

	<u>July 31, 2005</u>	<u>October 31, 2004</u>
Earnings coverage on subordinated indebtedness	11.8 times	10.4 times
Dividend coverage on First Preferred Shares	88.9 times	90.4 times
Interest and grossed up dividend coverage on subordinated indebtedness and First Preferred Shares	10.5 times	9.4 times

Our interest requirements amounted to \$444 million for the 12 months ended July 31, 2005 and \$429 million for the 12 months ended October 31, 2004. Our dividend requirements on our outstanding First Preferred Shares adjusted to a before-tax equivalent using an effective income tax rate of 35%, amounted to \$58 million for the 12 months ended July 31, 2005 and \$48 million for the 12 months ended October 31, 2004. Our earnings before interest expense and income tax for the 12 months ended July 31, 2005 were \$5,248 million, 10.5 times our aggregate dividend and interest requirements for the period. Our earnings before interest expense and income tax for the 12 months ended October 31, 2004 were \$4,464 million, 9.4 times our aggregate dividend and interest requirements for the period.

In calculating the dividend and interest coverages, foreign currency amounts have been converted to Canadian dollars using rates of exchange as at July 31, 2005 which, in the case of United States dollars, was Cdn.\$1.226 per U.S.\$1.00.

We will file updated earnings coverage ratios quarterly with the Commissions, either as prospectus supplements or as exhibits to our unaudited interim and audited annual consolidated financial statements.

Plan of Distribution

We may sell Securities (i) through underwriters, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions, or (iii) through agents. Securities may be sold at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the Securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The prospectus supplement for any Securities offered will set forth the terms of the offering of such Securities, including the type of Security being offered, the name or names of any underwriters or agents, the purchase price of such Securities, the proceeds to us from such sale, any underwriters' or agents' compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters or agents. Only underwriters or agents so named in a prospectus supplement are deemed to be underwriters or agents, as applicable, in connection with the Securities offered.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at

varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the prospectus supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters may be changed from time to time.

We may also sell Securities directly at such prices and upon such terms as agreed to by us and the purchaser or through agents designated by us from time to time. Any agent involved in the offering and sale of Securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to such agent will be set forth, in the applicable prospectus supplement. Unless otherwise indicated in a prospectus supplement, any dealer or agent is acting on a best efforts basis for the period of its appointment.

We may agree to pay underwriters a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of our general corporate funds. Underwriters and agents who participate in the distribution of Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters or agents may be required to make in respect of such liabilities.

In connection with any offering of the Securities (unless otherwise specified in a prospectus supplement), the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

Unless otherwise specified in a prospectus supplement, the Securities will not be registered under the United States *Securities Act of 1933*, as amended.

Risk Factors

An investment in any of the Securities is subject to certain risks.

The value of Securities will be affected by our general creditworthiness. The section entitled "Management's Discussion and Analysis" contained in our Annual Report for the year ended October 31, 2004 is incorporated by reference. This analysis discusses, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on our business, financial condition or results of operations.

Debt Securities will be direct unsecured obligations of the Bank which rank equally with our other subordinated indebtedness in the event of our insolvency or winding-up. If we become insolvent or are wound-up while Debt Securities remain outstanding, our assets must be used to pay deposit liabilities and prior and senior ranking debt before payments may be made on Debt Securities and other subordinated indebtedness. Except to the extent regulatory capital requirements affect our decisions to issue subordinated or more senior debt, there is no limit on our ability to incur additional subordinated or more senior debt.

Real or anticipated changes in credit ratings on Securities may affect the market value of Securities. In addition, real or anticipated changes in credit ratings can affect the cost at which we can transact or obtain funding, and thereby affect our liquidity, business, financial condition or results of operations.

See "Share Capital and Subordinated Indebtedness" and "Earnings Coverage", which are relevant to an assessment of the risk that we will be unable to pay dividends and any redemption price on First Preferred Shares or interest and principal on Debt Securities when due.

Any First Preferred Shares issued hereunder will be equity capital of the Bank and will rank equally with our other First Preferred Shares in the event of our insolvency or winding-up. If we become insolvent or are wound-up, our assets must be used to pay our deposit liabilities and other debt, including subordinated debt, before payments may be made on First Preferred Shares and other preferred shares.

Prevailing interest rates will affect the market value of Debt Securities which have fixed interest rates. Assuming all other factors remain unchanged, the market value of Debt Securities which carry a fixed interest rate will decline as prevailing

interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Prevailing yields on similar securities will affect the market value of First Preferred Shares. Assuming all other factors remain unchanged, the market value of First Preferred Shares will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline.

Use of Proceeds

Except as otherwise set forth in a prospectus supplement, the net proceeds from the sale of Securities will be added to our general funds and will be used for general banking purposes.

Legal Matters

Unless otherwise specified in a prospectus supplement, certain legal matters relating to the Securities will be passed upon by Ogilvy Renault LLP on our behalf.

As at August 31, 2005, the partners and associates of Ogilvy Renault LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Bank or of any associate or affiliate of the Bank.

Statutory Rights of Withdrawal and Rescission

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus, the accompanying prospectus supplement relating to securities purchased by a purchaser and any amendment. In several provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus, the accompanying prospectus supplement relating to securities purchased by a purchaser and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Certificate of the Bank

Dated: September 1, 2005

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus and the supplement(s) as required by the securities legislation of all provinces and territories of Canada and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

(Signed) GORDON M. NIXON
President and Chief
Executive Officer

(Signed) JANICE FUKAKUSA
Chief Financial Officer

On behalf of the Board of Directors

(Signed) ROBERT B. PETERSON
Director

(Signed) DAVID P. O'BRIEN
Director

Exhibit

Auditors' Consent

We refer to the short form base shelf prospectus dated September 1, 2005 relating to the offering of up to \$5,000,000,000 Debt Securities (Subordinated Indebtedness) and First Preferred Shares of Royal Bank of Canada (the "**Bank**") (the "**Prospectus**"). We have read the Prospectus and have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the shareholders of the Bank on the consolidated balance sheets of the Bank as at October 31, 2004 and 2003 and the consolidated statements of income, changes in shareholders' equity and cash flows for each of the years in the two-year period ended October 31, 2004, prepared in accordance with Canadian generally accepted accounting principles. Our report is dated December 20, 2004.

(signed) "*Deloitte & Touche LLP*"
Chartered Accountants
Toronto, Canada
September 1, 2005