Highlights of First Quarter 2009 Results

February 26, 2009

Financial information is in Canadian dollars and is based on Canadian GAAP, unless otherwise indicated.
See slides 40 and 41 for definitions.

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 – include: credit, market, operational, liquidity and funding risks, and other risks discussed in the Risk, capital and liquidity management section of our Q1 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 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 in Canada, the United States and 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 Q1 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.

Overview

Gordon M. Nixon

President & CEO

Earnings review

	Q1 2009	Change vs. Q1/08	Change vs. Q4/08
Net income ($ millions)	$1,053	$ (192)	$ (67)
Diluted EPS	$ 0.73	$ (0.22)	$ (0.08)
ROE	13.8%	(770) bps	(230) bps
Tier 1 Capital Ratio (1)	10.6%	90 bps	160 bps

- Solid results in Canadian Banking, Insurance, and certain businesses in Capital Markets.
- Q1/09 results were impacted by higher losses from the market environment and higher provision for credit losses.
- Q1/09 tangible common equity ratio(2) is 6.8%.

(1) Calculated using OSFI Basel II guidelines.

(2) Non-GAAP. See slide 42 for a discussion of non-GAAP measures. See slide 39 for reconciliation and slide 41 for definition.

Items impacting earnings

$ millions, except Earnings Per Share (EPS)

	Q1 2009			
	Revenue	PCL	Net Income	EPS
Diluted earnings / EPS	**$ 6,941**	**-**	**$ 1,053**	**$ 0.73**
Items impacting earnings				
Market environment impacts(1)	(1,257)	-	(646)	(0.47)
Securitization gains	267	-	183	0.13
General provision for credit losses	-	(149)	(101)	(0.07)
Excluding items impacting earnings and EPS(2)	**$ 7,931**		**$ 1,617**	**$ 1.14**

(1) For more details refer to the Market Environment Impacts section of our Q1 2009 Report to Shareholders.
(2) Non-GAAP. See slide 42 for a discussion of non-GAAP measures.

Items impacting earnings
➔ Income Statement line details

$ millions pre-tax	Q1 2009	Income Statement line
Market environment impacts		
Gain (losses):		
Capital Markets	$ (824)	Trading revenue
Corporate Support	(139)	Net gain (loss) on available-for-sale securities
International Banking	(113)	Net gain (loss) on available-for-sale securities
Gains (losses) related to credit spreads:		
Credit valuation adjustments excluding monolines– Capital Markets	(306)	Trading revenue
Fair value adjustments on certain RBC debt (1)		
Capital Markets	60	Other non-interest income
Corporate Support	41	Other non-interest income
Credit default swaps – Capital Markets (1)	24	Other non-interest income
Total market environment impacts (before taxes and compensation adjustments)	**(1,257)**	
Securitization gains (2) – Corporate Support	**267**	Securitization revenue
General provision for credit losses – Corporate support	**(149)**	Provision for credit losses

(1) See slide 40 for definitions.
(2) Securitization gains is net of economic hedging activities.

Capital position

	Basel II [1]					OSFI Target
	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	
Tier 1 Capital Ratio (%)	9.7	9.5	9.4	9.0	10.6	7.0% +
Total Capital Ratio (%)	11.2	11.4	11.6	11.0	12.5	10% +
Assets-to-capital multiple (x)[2]	22.1	20.2	19.5	20.1	17.5	-

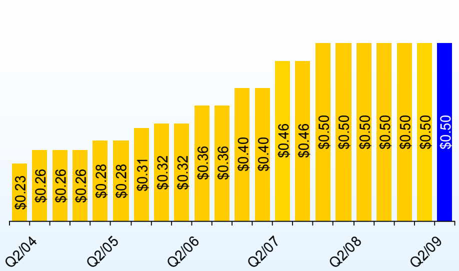
- Tier 1 capital ratio up 160 basis points from last quarter as we raised $3.45 billion of Tier 1 capital (common equity $2.3 billion and preferred shares $1.15 billion) and reduced risk adjusted assets by $5 billion.
- Capital ratios are well above regulatory targets and the assets-to-capital multiple remains below the maximum allowed by the OSFI.

(1) Capital ratios and risk-adjusted assets are calculated using OSFI guidelines under Basel II. For further information, see Capital Management section of our Q1 2009 Report to Shareholders.

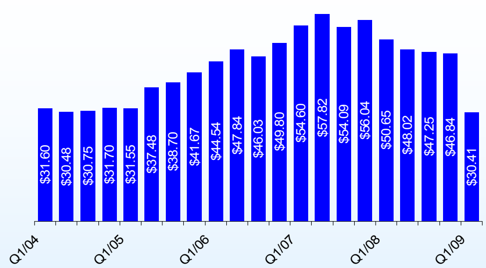
(2) Assets-to-capital multiple: total assets plus specified off-balance sheet items, as defined by OSFI, divided by total regulatory capital.

Dividends and share price history

Common Share Dividends



Share Price
(as at January 31, 2009)



Total Shareholder Return [1] (in home currency, as at January 31, 2009)	**1-year**	**3-year**	**5-year**	**10-year**
RBC	(37)%	(9)%	3%	8%
S&P/TSX Composite Index	(32)%	(8)%	3%	5%
S&P 500 Index	(39)%	(12)%	(4)%	(3)%
RBC rank vs. peer group (7 Canadian and 11 U.S. financial institutions) [2]	# 5	# 3	# 2	# 2

(1) Source: Bloomberg

(2) As of January 1, 2009, RBC peer group has been reduced to 11 U.S. financial institutions as Wachovia and National City have been acquired by Wells Fargo and PNC Financial, respectively.

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 market 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

Risk Review

Morten Friis

Chief Risk Officer

Total provision for credit losses

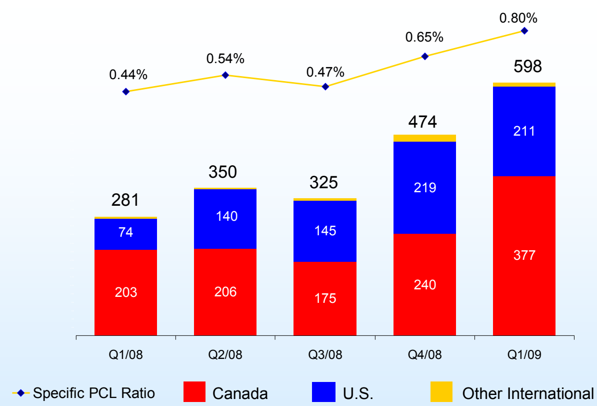
$ millions

Portfolio segment	Q1 2009	Q4 2008	Q1 2008
Canada – Retail	$ 203	$ 176	$ 171
Wholesale	174	64	32
U.S. – Retail	49	36	13
Wholesale	162	183	61
International (Retail & Wholesale)	10	15	4
Total specific PCL	**$ 598**	**$ 474**	**$ 281**
Total general provision	**149**	**145**	**12**
Total PCL	**$ 747**	**$ 619**	**$ 293**

- Specific PCL: refer to slides 12 to 14 for further details.
- General provision in Q1/09 reflects credit deterioration in our corporate portfolio, higher loss rates and volume growth in Canada and higher provision in the U.S. banking portfolio.

Specific provision for credit losses (PCL)

$ millions



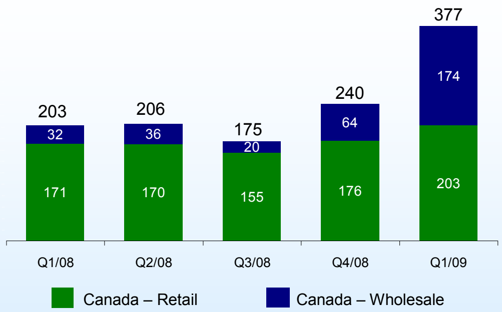
Specific PCL Ratio by geography[1]

	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09
Canada (red)	0.37%	0.38%	0.31%	0.42%	0.65%
U.S. (blue)	1.14%	1.79%	1.57%	2.21%	1.95%
Other International (yellow)	0.12%	0.13%	0.15%	0.28%	0.18%

 (1) Specific PCL ratio: specific provision for credit losses as percentage of net average loans and acceptances.

Specific provision for credit losses – Canada

$ millions



- Change from Q4/08 to Q1/09:
  - **Canada (wholesale):** increase largely reflects a provision related to a specific prime brokerage client.
  - **Canada (retail):** provisions for credit cards and personal loans (mainly unsecured credit lines) increased, primarily reflecting higher loss rates and portfolio growth.

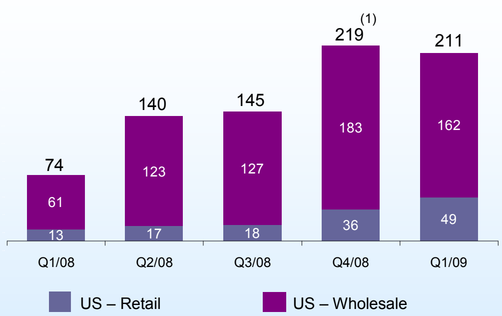
Specific PCL Ratio by portfolio (1)

	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09
Canada – Retail	0.41%	0.41%	0.35%	0.39%	0.46%
Canada – Wholesale	0.24%	0.28%	0.15%	0.45%	1.21%

(1) Specific PCL ratio: specific provision for credit losses as percentage of net average loans and acceptances.

Specific provision for credit losses – U.S.

$ millions



- Change from Q4/08 to Q1/09:
  - **US-wholesale:** lower provisions related to U.S. residential builder finance portfolio largely offset by higher provisions related to our commercial loan portfolio in U.S. Banking.
  - **US-retail:** increase relates to higher provisions for residential mortgages and personal loans in U.S. Banking.

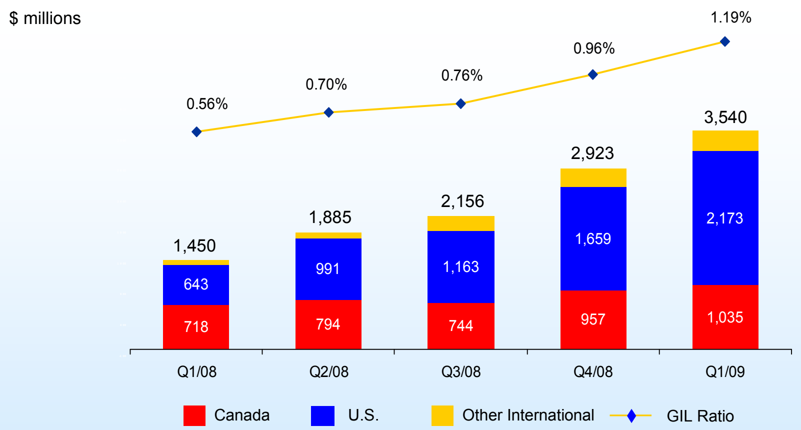
Specific PCL Ratio by portfolio (2)

	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09
US – Retail	0.71%	0.64%	0.65%	1.11%	1.47%
US – Wholesale	1.24%	1.87%	1.96%	2.35%	2.04%

(1) Q4/08 included a $25 million PCL in Capital Markets on a loan to an RBC-administered multi-seller ABCP conduit.

(2) Specific PCL ratio: specific provision for credit losses as percentage of net average loans and acceptances.

Gross impaired loans (GIL)

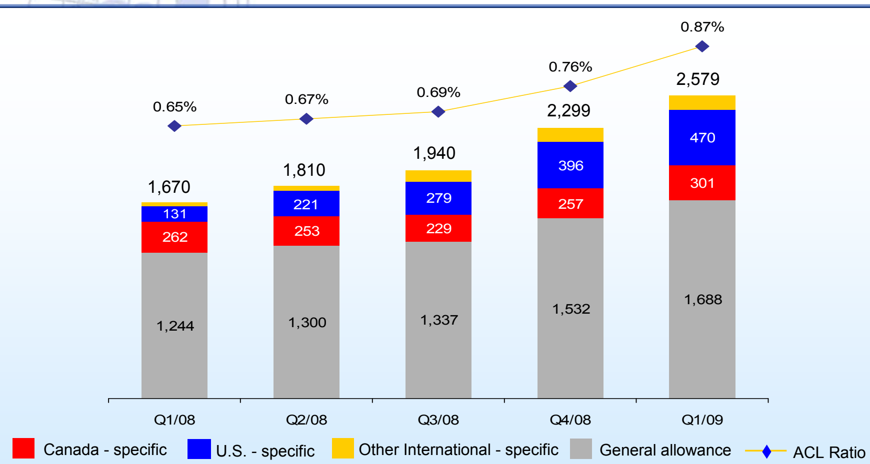


GIL Ratio (1) by geography

	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09
Canada	0.33%	0.36%	0.33%	0.41%	0.45%
U.S.	2.39%	2.63%	3.16%	3.78%	4.84%
Other International	0.66%	0.81%	1.41%	1.23%	1.61%

(1) GIL ratio: gross impaired loans as a percentage of related loans and acceptances.

Allowance for credit losses (ACL)

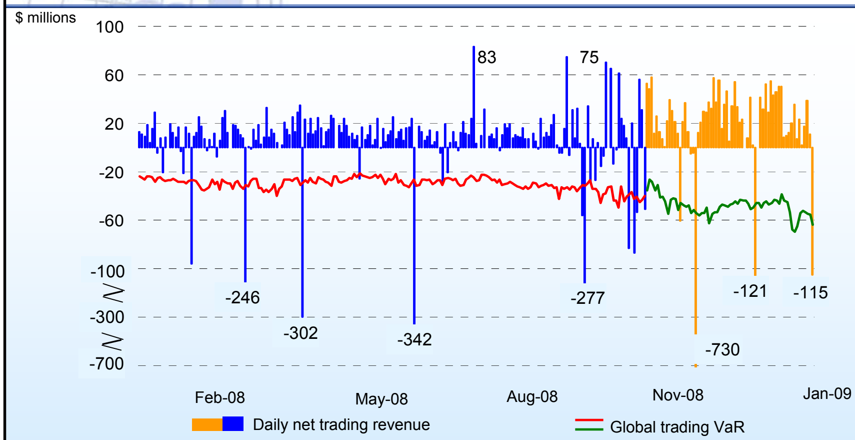


ACL Ratio(1) by geography

	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09
Canada	0.12%	0.11%	0.10%	0.11%	0.13%
U.S.	0.49%	0.59%	0.76%	0.90%	1.05%
Other International	0.25%	0.29%	0.54%	0.45%	0.58%

(1) ACL ratio: allowance for credit loss as a percentage of related loans and acceptances.

RBC global trading VaR [1]



- Significant volatility in equity and credit markets throughout the quarter.
- Six days with net trading losses in Q1, four of which exceeded global VaR (two due to month end valuation adjustments and two due to significant volatility in equity and credit markets).

(1) Trading revenue on a taxable equivalent basis, excluding revenue related to consolidated VIEs.

First Quarter 2009 Financial Review

Janice Fukakusa

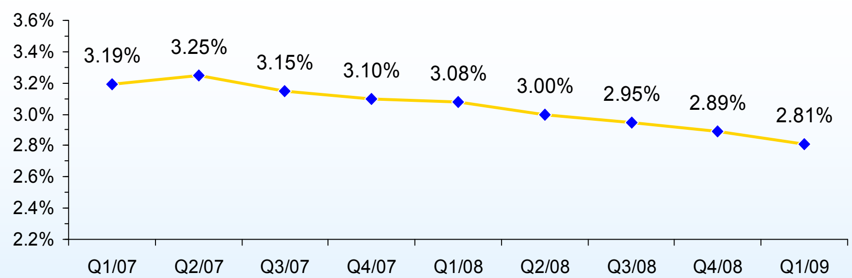
Chief Financial Officer

Canadian Banking Performance

$ millions	Q1 2009	Change vs. Q1/08	Change vs. Q4/08
Total revenue	**$ 2,465**	**2%**	**1%**
Provision for credit losses (PCL)	270	26%	20%
Non-interest expense (NIE)	1,176	(2)%	(4)%
Net income	**$ 696**	**3%**	**3%**

- Q1/09 vs. Q1/08, net income increased due to volume growth across all businesses, a favourable adjustment to our credit card customer loyalty reward program liability and effective cost management. Largely offset by spread compression, higher PCL and lower mutual fund distribution fees.
- Q1/09 vs. Q4/08, net income increased due to a favourable adjustment to our credit card customer loyalty reward program liability, volume growth and effective cost management. Partially offset by higher PCL and spread compression.

Canadian Banking net interest margin[1]



- Q1/09 vs. Q1/08, decline reflects the impact of sharply lower interest rates, the change in retail product mix and continued competitive pressures.
- Q1/09 vs. Q4/08, result was impacted by changes in product mix and continued competitive pressures.

(1) Net interest margin (average assets): net interest income divided by average assets.

Wealth Management performance

$ millions	Q1 2009	Change vs. Q1/08 (1)	Change vs. Q4/08
Total revenue	**$ 997**	**5%**	**(3)%**
Net interest income	128	14%	(4)%
Fee-based revenue	539	0%	(10)%
Transactional and other revenue	330	9%	11%
Non-interest expense (NIE)	827	20%	(4)%
Net income	**$128**	**(29)%**	**10%**

$ billions	Q1 2009	Change vs. Q1/08	Change vs. Q4/08
Assets under administration	$ 465	(4)%	(6)%
Assets under management	$ 221	34%	(1)%

- Q1/09 vs. Q1/08, net income decreased mainly due to the impact of capital markets on fee-based client assets and transactional volumes.
- Q1/09 vs. Q4/08, net income increased as the prior quarter was unfavourably impacted by items related to the Reserve Primary Fund and auction rate securities[2] settlement; the current quarter reflects lower fee-based client assets and lower transactional volumes.

(1) The weaker Canadian dollar on the translation of U.S. dollar results on our U.S. and international businesses and the inclusion of our acquisitions, both increased revenue and NIE versus Q1/08, with a small impact to net income.
(2) Please see slide 40 for definition.

Insurance performance

$ millions	Q1 2009 (1)	Change vs. Q1/08	Change vs. Q4/08
Total revenue	**$ 1,346**	**$ 506**	**$ 1,235**
Insurance policyholder benefits, claims and acquisition expense (PBCAE)	1,076	460	1,162
Non-interest expense (NIE)	141	6	(13)
Net income	**$ 112**	**$23**	**$53**

$ millions	Q1 2009	Change vs. Q1/08	Change vs. Q4/08
Premiums & Deposits	$ 1,080	14%	8%

- Q1/09 vs. Q1/08, net income increased due to improved Canadian life and health policyholder experience, partially offset by a lower level of favourable actuarial adjustments.
- Q1/09 vs. Q4/08, net income increased due to lower losses on investments and equity market declines, partially offset by lower level of favourable actuarial adjustments and higher auto claims expense.
- Premiums and Deposits increased 14% over last year and 8% over prior quarter reflecting business growth, higher annuity revenues and the appreciation of the US dollar versus Canadian dollar.

(1) Current quarter includes $341 mm revenue impact of fair value changes on investments backing our life and health policyholder liabilities, largely offset in PBCAE: Q1/09 vs. Q1/08 $331 mm, Q1/09 vs. Q4/08 $1,089 mm.

International Banking performance

$ millions	Q1 2009	Change vs. Q1/08	Change vs. Q4/08
Total revenue	**$ 567**	**$ 82**	**$ 95**
Provision for credit losses (PCL)	200	129	2
Non-interest expense (NIE)	595	217	10
Net Income (loss)	**$ (144)**	**$ (175)**	**$ 62**

$ billions	Q1 2009	Change vs. Q1/08	Change vs. Q4/08
Assets under administration – RBC Dexia IS (as at December 31, 2008)	$ 2,131	(27)%	(18)%

- Q1/09 vs. Q1/08, earnings down mainly attributable to losses on our investment portfolios and higher provision for credit losses in U.S. banking.
- In Q1/09, appreciation of the U.S. dollar against the Canadian dollar reduced earnings by $36 million.
- Q1/09 vs. Q4/08, net loss decreased by $62 million mainly due to lower losses on our investment portfolios in U.S. banking.

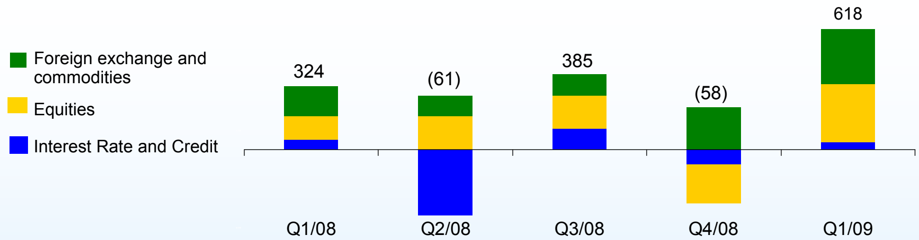
Capital Markets performance

$ millions	Q1 2009	Change vs. Q1/08	Change vs. Q4/08
Total revenue (teb)	**$ 1,409**	**$ 277**	**$ 219**
Provision for credit losses (PCL)	160	132	83
Non-interest expense (NIE)	891	157	767
Net income	**$ 225**	**$ (79)**	**$ (359)**

- Q1/09 vs. Q1/08, net income decreased $79 million primarily due to higher losses, increased unfavourable credit valuation adjustments, higher PCL, increased non-interest expense, a higher effective tax rate and unfavourable depreciation of the Canadian dollar against mainly the U.S. dollar, largely offset by higher revenue generation across several businesses.
- Q1/09 vs. Q4/08, net income decreased by $359 million as the prior quarter was favourably impacted by the reduction of the Enron-related litigation provision. Higher losses and increased unfavourable credit valuation adjustments, increased variable compensation and higher provision for credit losses also contributed to the decrease.

RBC Total trading revenue (1)

$ millions



	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09
RBC Total trading revenue as a % of Total revenue	**5.7%**	**n.m.**	**6.5%**	**n.m.**	**8.9%**
Total Trading Revenue (teb) (2)	**454**	**28**	**469**	**43**	**678**

- Trading revenue increased largely due to higher trading results in our equity derivatives, fixed income and foreign exchange trading businesses.
- Revenue was partially offset by higher losses in certain of our other fixed income businesses and increased unfavourable credit valuation adjustments on certain derivative contracts resulting from the market environment.

(1) Includes losses (before tax and compensation adjustments) of $430 mm in Q1/08, $787 mm in Q2/08, $357 mm in Q3/08, $646 mm in Q4/08 and $824 mm in Q1/09. Also recorded credit valuation adjustments of $(1) mm in Q1/08, $(7) mm in Q2/08, $(14)mm in Q3/08, $(96)mm in Q4/08 and $(306) mm in Q1/09.

(2) See Q1 2009 Supplementary Financial Information for details.

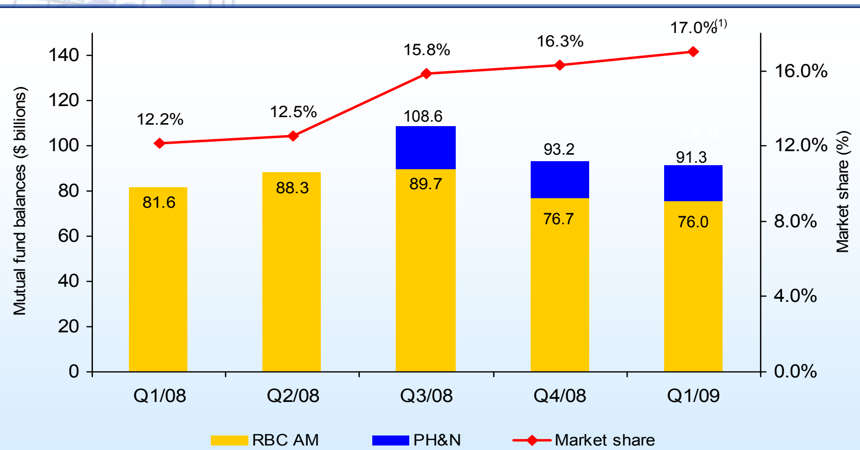
Appendix A – Additional segment information

Canadian Banking market shares

		Nov 2008		Nov 2005	
		Rank	Market Share[1]	Rank	Market Share[1]
Leadership in most personal products	Consumer lending [2]	# 1	15.5%	# 2	15.0%
	Personal core deposits	# 2	14.3%	# 2	13.8%
	Personal investments [3]	# 1	14.3%	# 1	11.9%
Leadership in business products	Business loans	# 1	12.3%	# 1	12.3%
	Business deposits & investments [4]	# 1	22.8%	# 1	20.5%

(1) Market share rank among financial institutions in Canada. (Source: RBC)
(2) Includes residential mortgages, personal loans and credit cards.
(3) Includes GICs and mutual funds. Nov 2008 market share reflects acquisition of PH&N in May 2008.
(4) Excludes market share of non-bank financial institutions.

Canadian mutual fund balances & market share



- Continued to lead the mutual fund industry with more than $91 billion (17% total market share) in mutual fund assets under management as at January 31, 2009.
- Ranked #1 in net mutual fund sales with $2.1 billion in Q1/09

(1) Individual market shares: RBC Asset Management 14.2% and PH&N 2.9%; market share figures as at January 31, 2009 (Source: IFIC).

Appendix B – Information on Stable Value Products

Bank-Owned Life Insurance (BOLI)

What is bank-owned life insurance and why do banks buy it?

- Consists of life insurance policies purchased on eligible employees.
- The premium is invested in agreed upon investment strategies.
- Returns are automatically reinvested, so the policy's notional value grows over time.
- If held to maturity, BOLI generates tax-free returns and tax-free growth for the bank.
- Can be considered part of a bank's overall asset / liability management:
  - Purpose is to hedge a bank's long-term employee benefit liabilities.
  - These long-term benefits tend to be pre-tax liabilities that grow tax-deferred.
  - BOLI is an effective hedge because it is an after-tax asset that grows tax-free.

What is RBC's role?

- We provide stable value protection, which stabilizes client's investment returns.
- Our risk arises if the client does not hold the policy to maturity (i.e., surrenders) and the fair value of the assets in the policy is below the policy's notional value.
- In this event, we are generally must pay the difference between notional and fair value.
- However, the probability of surrender is considered low and we have contractual protections that can reduce the amount of our payment obligation.

Why is a BOLI client unlikely to surrender?

Staying invested is economically compelling:

- Client receives tax-free returns and tax-free compounding of returns.
- Client's surrender analysis should be based on future estimated returns, not the difference between fair value and current notional value.
- Staying invested is often economically superior to surrendering, even if fair value is below notional value.

Surrendering can be punitive:

- Client loses tax-free returns and tax-free compounding of returns.
- Must pay tax on accumulated tax-free earnings and there is often a 10% penalty tax.
- No accounting gain upon surrender since BOLI is already held on a bank's balance sheet at the notional value.

Restructurings are often more beneficial than surrenders:

- Enables a client to preserve the tax benefits of BOLI, while improving investment returns – mutually beneficial outcome for the client and RBC.

Why is a BOLI client unlikely to surrender?

Capital adequacy protections can reduce the payment amount:

- If a client does not meet pre-determined capital levels for a period leading up to surrender (typically 1 year), our payment obligation amortizes over several years:
  - Client would receive quarterly instalments from us over 5 to 7.5 years.
  - During this time, client would typically receive zero return on underlying assets.
  - Instead, we would receive any returns generated by the assets in the policy.
- Reduces our payment obligation.
- Disincentive for banks to surrender when in a weakened capital position.

Leverage protections can reduce the payment amount:

- RBC's payment obligation decreases if debt losses are incurred when liquidating assets that have been leveraged inside a BOLI policy.
- Narrows the difference between notional and fair value.
- This protection is intended to keep us at a constant level of risk, such that our risk is comparable to an unleveraged fund.

Description of RBC's BOLI portfolio

Portfolio consists of 55 banks and 65 contracts

Weighted average rate of return of 5.19% across our portfolio

- Taxable equivalent returns of approximately 8% (assuming 35% marginal tax rate).
- Compares to taxable benchmark of approximately 4.50%.

Most portfolios have no leverage

- Notional value of $7.3 billion and fair value of $6.3 billion.
- Invested primarily in agency MBS and government securities.

One contract with leverage

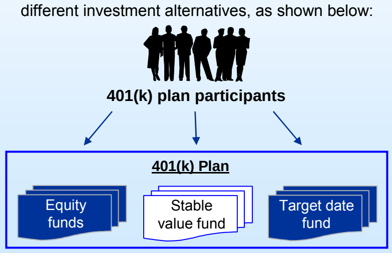
- Notional value of $2.5 billion and a fair value of $900 million.
- After taking into account contractual protections and provisions taken, we estimate that our payment obligation would have been approximately $500 million if this contract had been surrendered on January 31, 2009.

RBC is not adding new business

401(k) Plans

What is a 401(k) plan?

- In the U.S., individuals can invest pre-tax income into employer sponsored defined contribution pension plans (401(k) plans) that offer tax deferred growth on contributions and earnings.
- Participants must leave their assets in the plan (or in another qualified account) until age 59.5:
  - Early withdrawals incur a 10% penalty and are taxed as ordinary income.
- Participants can allocate their 401(k) money among different investment alternatives, as shown below:



What is a stable value fund?

- Investment alternative to products such as money market funds
- Invest in medium duration, high quality fixed income securities:
  - No leverage.
  - Duration targets of 2.5 years to 4.5 years.
  - Weighted average credit quality of AA or better.
  - Maintain cash buffers of 3% - 10% to meet any redemptions.
- Fund enters into a stable value contract with banks like RBC to stabilize the fund's net asset value.
- Participants earn a rate of return that varies based on investment performance of the fund's fixed income strategy – better performance means higher return.

401(k) Plans

What is RBC's role?

- RBC provides stable value protection to stable value funds inside 401(k) plans.
  - Purpose is to stabilize the fund's net asset value.
- RBC's risk arises if:
  - all or virtually all the individuals inside a 401(k) plan (or sometimes all investors in multiple 401(k) plans) choose to allocate out of their stable value investment and
  - the fixed income portfolio fair value is below the stable value fund notional value:
- RBC's payment obligation extends to investor activities such as investment re-allocation, death, retirement, etc.
- However, RBC has no payment obligation if the investor re-allocations are a result of employer direction to move out of the fund, mergers, acquisitions, etc.

What variables does RBC focus on?

Cash inflows reduce our risk:

- 401(k) participants tend to be on automated investment allocations.
- Monthly contributions and any other cash inflows come into the fund at book value.
- Cash and proceeds from the sale of securities are used to meet any investor redemptions prior to seeking payment from stable value providers.
- In times of volatility, cash inflows tend to increase.
- RBC focuses on cash flow behavior in its risk management and monitoring.

Competitive rates of return reduce our risk:

- If rates of return are competitive, individuals are less likely to allocate out of stable value funds
- In times of volatility, even low rates are attractive compared to other 401(k) offerings.
- Competing investment options within the 401(k) plan are not allowed (e.g., plan cannot offer the choice of both a stable value fund and a money market fund).
- RBC monitors rates of return as a risk indicator.

Description of RBC's 401(k) portfolio

RBC's stable value portfolio

- $15.8 billion in notional
- 96 contracts
- Millions of 401(k) participants

Portfolio cash flows

- Investors continue to maintain or increase their allocations to stable value funds
- Cash flow volatility largely unchanged over past 3 years
- Stable value funds have been the beneficiary of increased market volatility

Rates of return

- Weighted average rate of return is approximately 3.4%
- Representative money market rates of 0.50% to 0.75%
- S&P 500 2008 return of -38.5%

RBC's experience

- No realized losses
- No new activity until market landscape stabilizes

Appendix C – Definitions

Tangible common equity ratio calculation[1]

$ millions	Q1 2009	Page reference in Q1 2009 Supplementary Financial Information
Shareholders' equity	$34,172	16
Add: Qualifying other non-controlling interest in subsidiaries	357	19
Less: Preferred shares (net of treasury shares)	(3,811)	16
Less: Goodwill	(9,948)	14
Less: Other intangibles assets	(2,196)	14
Total tangible common equity	18,574	
Risk adjusted assets	273,561	20
Less: Other intangibles assets	(2,196)	14
Adjusted risk adjusted assets	271,365	
Tangible common equity ratio[2]	**6.8%**	

(1) See slide 41 for definition.

(2) Non-GAAP. See slide 42 for a discussion of non-GAAP measures.

Definitions

Allowance for credit loss (ACL): The amount deemed adequate by management to absorb identified credit losses as well as losses that have been incurred but are not yet identifiable as at the balance sheet date. This allowance is established to cover the lending portfolio including loans, acceptances, guarantees, letters of credit, and unfunded commitments. The allowance is increased by the provision for credit losses, which is charged to income and decreased by the amount of write-offs, net of recoveries in the period.

Auction rate securities (ARS): Securities issued through variable interest entity (VIE) trusts that hold long-term assets funded with long-term debt, with an interest rate reset every week to 35 days via auctions managed by participating financial institutions. In the U.S., these securities are issued by sponsors such as municipalities, student loan authorities or other sponsors through bank-managed auctions.

Credit valuation adjustments (CVA): Adjustments on derivative transactions exposed to changes in derivative counterparty credit quality.

Credit default swaps (CDS): A derivative contract that serves as a form of protection to the CDS purchaser by providing it with a one-time payment should the referenced entity/entities default (or a similar triggering event occur).

Fair value adjustments on RBC debt designated as held-for-trading: The change in fair value of our own credit risk related to deposit liabilities and subordinated debentures designated as held-for-trading. Calculates the present value of the instruments based on the contractual cash flows over the term of the debt by using our effective funding rates at the beginning of the period and at the end of the period with the unrealized change in the present value recorded in net income. It is expected that gains resulting from the widening of our credit spreads will reverse in future periods when our credit spreads tighten or upon debt settlement.

n.m.: Not meaningful.

Note: Please see our Q1 2009 Report to Shareholders for additional definitions.

Definitions

Office of the Superintendent of Financial Institutions Canada (OSFI): The primary regulator of federally chartered financial institutions and federally administered pension plans in Canada. OSFI's mission is to safeguard policyholders, depositors and pension plan members from undue loss.

Personal Core Deposits: Personal deposit accounts not including GICs.

RBC Dexia Investor Services (IS) AUA: Represents the total Assets under Administration of the joint venture as at December 31.

Return on common equity (ROE): Net income less preferred share dividends, expressed as a percentage of average common equity.

Teb: Taxable equivalent basis. Income from certain specified tax-advantaged sources is increased to a level that would make it comparable to income from taxable sources. There is an offsetting adjustment in the tax provision, thereby generating the same after-tax net income.

Tangible common equity (TCE) ratio: Shareholders' equity plus qualifying other non-controlling interest in subsidiaries less preferred shares less goodwill and other intangible assets as a percentage of risk adjusted assets less other intangible assets. TCE ratio is a key measure of capital strength.

VIE: Variable Interest Entity. An entity which either does not have sufficient equity at risk to finance its activities without additional subordinate financial support, or where the holders of the equity at risk lack the characteristics of a controlling financial interest.

Note to users

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 tangible common equity ratio and earnings and EPS excluding certain items, do not have any standardized meanings prescribed by Canadian GAAP, and therefore, are unlikely to be comparable to similar measures disclosed by other companies.

Reconciliations of non-GAAP measures to GAAP measures can be found throughout this presentations.

Additional information about our non-GAAP measures can be found under the "Key performance and non-GAAP measures" section in our 2008 Annual Report to to Shareholders and our Q1 2009 Supplementary Financial Information.

Investor Relations Contacts

Marcia Moffat, Head, Investor Relations	(416) 955-7803
Bill Anderson, Director, Investor Relations	(416) 955-7804
Josie Merenda, Director, Investor Relations	(416) 955-7809
James Colburn, Analyst, Investor Relations	(416) 955-7808

www.rbc.com/investorrelations