

This short form prospectus has been filed under legislation in each of the provinces and territories of 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.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Head, Investor Relations, Royal Bank of Canada, 200 Bay Street, 14th Floor, South Tower, Toronto, Ontario, Canada M5J 2J5, telephone (416) 955-7803, and are also available electronically at www.sedar.com.

Short Form Base Shelf Prospectus

September 23, 2009

New Issue



Royal Bank of Canada

\$15,000,000,000

Debt Securities (Unsubordinated Indebtedness)

Debt Securities (Subordinated Indebtedness)

First Preferred Shares

We may from time to time offer: (i) unsecured unsubordinated debt securities (“**Senior Debt Securities**”); (ii) unsecured subordinated debt securities (“**Subordinated Debt Securities**”); and (iii) first preferred shares (“**First Preferred Shares**”) under this prospectus. We may offer Senior Debt Securities, Subordinated 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 prospectus supplements. We may sell up to \$15 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) until October 22, 2011 while 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.

Senior Debt Securities will be our direct unsecured unsubordinated obligations that rank equally and rateably with all of our other unsecured and unsubordinated debt, including deposit liabilities, other than certain governmental claims in accordance with applicable law.

Subordinated Debt Securities will be our direct unsecured obligations constituting subordinated indebtedness for the purposes of the *Bank Act* (Canada) (the “**Bank Act**”) ranking equally and rateably with all of our other unsubordinated indebtedness from time to time outstanding.

Neither our Senior Debt Securities nor our Subordinated Debt Securities (together, “Debt Securities”) will constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

Unless otherwise disclosed in a prospectus supplement relating to specific Securities, there may be no market through which Securities may be sold and purchasers may not be able to resell Securities purchased under this prospectus. This may affect the pricing of Securities in the secondary market, the transparency and availability of trading prices of Securities, the liquidity of Securities and the extent of issuer regulation. See “Risk Factors”.

Our First Preferred Shares are issuable in series, all of which series rank on parity and are entitled to preference over our second preferred shares and common shares 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. Our outstanding First Preferred Shares are listed on the Toronto Stock Exchange (the “**TSX**”).

Securities may be sold through underwriters or dealers, by us directly pursuant to applicable law 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

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 prospectus, in the documents incorporated by reference in this prospectus, 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, or incorporated by reference in, this document 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 and the effects of which can be difficult to predict – include: credit, market, operational, liquidity and funding risks, and other risks discussed in the Risk, capital and liquidity management section of our management’s discussion and analysis for the three and nine month periods ended July 31, 2009 (the “**Q3 2009 Management’s Discussion and Analysis**”) incorporated by reference herein and in our management’s discussion and analysis for the year ended October 31, 2008 (the “**2008 Management’s Discussion and Analysis**”); market environment impacts, including the impact of the volatility in the financial markets and potential lack of liquidity in certain 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, including recessionary conditions, in Canada, the United States and certain 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 Q3 2009 Management's Discussion and Analysis and in our 2008 Management's Discussion and Analysis incorporated by reference in this prospectus.

Royal Bank of Canada

The Bank and its subsidiaries operate under the master brand name RBC. We are Canada's largest bank as measured by assets and market capitalization, one of North America's leading diversified financial services companies and among the largest banks in the world as measured by market capitalization. We provide personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis. We employ approximately 80,000 full- and part-time employees who serve more than 18 million personal, business, public sector and institutional clients through offices in Canada, the U.S. and 53 other countries.

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 Head, Investor Relations, Royal Bank of Canada, 200 Bay Street, 14th Floor, South Tower, Toronto, Ontario, Canada M5J 2J5, telephone (416) 955-7803 or fax (416) 955-7800.

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 audited consolidated financial statements as at October 31, 2008 and 2007 and for each of the years in the two-year period ended October 31, 2008, prepared in accordance with Canadian generally accepted accounting principles, together with the report of the independent registered chartered accountants thereon (excluding for greater certainty management's report on internal control over financial reporting and the report of the independent registered chartered accountants thereon) together with our 2008 Management's Discussion and Analysis;
- (b) our annual information form dated December 4, 2008;
- (c) our management proxy circular dated January 5, 2009 for our annual meeting of common shareholders held on February 26, 2009; and
- (d) our unaudited interim consolidated financial statements as at July 31, 2009 and 2008 and for each of the three and nine month periods then ended, together with our Q3 2009 Management's Discussion and Analysis.

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 any offering under this prospectus, 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 and management proxy circulars filed prior to the commencement of our financial year with respect to which the new annual information form is filed, and all material change reports filed in such financial year, 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 one or more prospectus supplements containing the specific variable terms of any Securities offered to purchasers of the Securities together with this prospectus and each such prospectus supplement will be deemed to be incorporated by reference into this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and 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.

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 \$20 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, 2009, we had approximately 1.4 billion common shares, 192,500,000 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 selected consolidated financial data set out below are extracted from our consolidated financial statements as at and for the year ended October 31, 2008 and as at and for the three and nine month periods ended July 31, 2009.

	<u>October 31, 2008</u> (\$ millions)	<u>July 31, 2009</u> (\$ millions)
Subordinated debentures	8,131	6,486
Trust capital securities ⁽¹⁾	1,400	1,395
RBC Trust capital securities included in non-controlling interest in subsidiaries ⁽¹⁾	1,731	1,702
Preferred shares	2,663	4,813
Common shares	10,384	12,864
Contributed surplus	242	238
Retained earnings ⁽²⁾	19,816	19,997
Treasury shares – preferred	(5)	(1)
– common	(104)	(97)
Accumulated other comprehensive income (loss)	(2,358)	(2,200)

(1) For more information on the classification of trust capital securities refer to Note 17 of our audited consolidated financial statements for the year ended October 31, 2008.

(2) Opening retained earnings as at November 1, 2006 has been restated. For additional information, refer to Note 1 of our unaudited interim consolidated financial statements for the three month period ended July 31, 2009.

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 our 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 you should rely on the information in the prospectus supplement where it differs from information in this prospectus.

Senior Debt Securities will be our direct unsubordinated obligations that rank equally and rateably with all of our unsecured and unsubordinated debt, including deposit liabilities, other than certain governmental claims in accordance with applicable law.

Subordinated 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 outstanding. In the event of our insolvency or winding-up, our subordinated indebtedness, including any Subordinated 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, including Senior Debt Securities, except those which by their terms rank equally in right of payment with, or are subordinate to, such subordinated indebtedness.

Subject to regulatory capital requirements applicable to us, there is no limit on the amount of Senior Debt Securities or Subordinated Debt Securities we may issue.

If we become insolvent, the Bank Act provides that priorities among payments of our deposit liabilities and payments of all of our other liabilities (including payments in respect of Senior Debt Securities and Subordinated Debt Securities) are to be determined in accordance with the laws governing priorities and, where applicable, by the terms of the indebtedness and liabilities. Because we have subsidiaries, our right to participate in any distribution of the assets of our banking or non-banking subsidiaries, upon a subsidiary's dissolution, winding-up liquidation or reorganization or otherwise, and thus your ability to benefit indirectly from such distribution, is subject to the prior claims of creditors of that subsidiary, except to the extent that we may be a creditor of that subsidiary and our claims are recognized. There are legal limitations on the extent to which some of our subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, us or some of our other subsidiaries.

Neither our Senior Debt Securities nor our Subordinated Debt Securities will constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

The specific terms of Debt Securities that we issue under this prospectus will be described in one or more prospectus supplements and may include, where applicable: the specific designation, aggregate principal amount, the currency or the currency unit for which such 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.

In addition, this prospectus qualifies for issuance Senior Debt Securities in respect of which the payment of principal and/or interest may be determined or linked, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, a currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or other item or formula, or any combination or basket of the foregoing items. The specifics of any such provisions will be described in applicable prospectus supplements. In compliance with applicable Canadian securities laws, we have filed an undertaking with the Commissions that we will not distribute any Debt Securities that are considered novel specified derivatives (as such terms are defined under applicable Canadian securities laws) at the time of distribution without preclearing with the Commissions the disclosure contained in the prospectus supplements pertaining to such Debt Securities.

Debt Securities may be issued up to the aggregate principal amount which may be authorized from time to time by us. We may issue Debt Securities under one or more indentures (in each case between us and a trustee determined by us in accordance with applicable laws) or pursuant to an issue and paying agency agreement (between us and an agent, which agent may be an affiliate of or otherwise non-arm's length to us). Any series of Debt Securities may also be created and issued without a trust indenture or an issue and paying agency agreement. We may also appoint a calculation agent in connection with any Debt Securities issued under this prospectus, which agent may be an affiliate of or otherwise non-arm's length to 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 you should rely on the information in the prospectus supplement where it differs from information in this 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 specific terms and conditions of any series of First Preferred Shares that we issue under this prospectus will be described in one or more prospectus supplements and may include the designation of the particular series, the 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.

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, Securities will be issued through the “book-entry-only system” and must be purchased, transferred or redeemed through financial institutions that participate in the depository service of CDS Clearing and Depository Services Inc. (“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, such Securities will be 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 held in the book-entry-only system, 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 the Securities, through a bank, broker or other financial institution that participates in the depository’s book-entry-only system or holds an interest through a participant. As long as the Securities are held in the book-entry-only system, 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 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; (v) if an event of default has occurred with regard to the Securities and has not been cured or waived; or (vi) as otherwise agreed by the Bank and the depository.

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 having 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 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 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.

Subject to certain exceptions, 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.

Earnings Coverage

The following consolidated earnings coverage ratios are calculated for the 12 months ended October 31, 2008 and July 31, 2009 and give effect to the issue of an aggregate of \$2,150 million of First Preferred Shares (the “**Preferred Share Issuances**”) since such dates:

	<u>October 31, 2008</u>	<u>July 31, 2009</u>
Earnings coverage on subordinated debentures	14.0 times	12.3 times
Dividend coverage on preferred shares	19.5 times	18.8 times
Interest and grossed up dividend coverage on subordinated debentures, trust capital securities and preferred shares.....	7.8 times	7.6 times

Our interest requirements on subordinated debentures amounted to \$455 million for the 12 months ended October 31, 2008 and \$466 million for the 12 months ended July 31, 2009. Our dividend requirements on our outstanding First Preferred Shares after giving effect to the Preferred Share Issuances and adjusted to a before-tax equivalent using an effective income tax rate of 32.5% for the 12 months ended October 31, 2008 and 31.7% for the 12 months ended July 31, 2009, amounted to \$345 million for the 12 months ended October 31, 2008 and \$287 million for the 12 months ended July 31, 2009. Our earnings before interest expense and income tax for the 12 months ended October 31, 2008 were \$6,379 million, 7.8 times our aggregate dividend and interest requirements for the period. Our earnings before interest expense and income tax for the 12 months ended July 31, 2009 were \$5,731 million, 7.6 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 the rates of exchange as at the end of each month. For the 12 months ended October 31, 2008, the average exchange rate was Cdn.\$1.0317 per U.S.\$1.00. For the 12 months ended July 31, 2009, the average exchange rate was Cdn.\$1.1726 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 through underwriters or agents or directly to one or more purchasers pursuant to applicable law. 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 of 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 agent is acting on a reasonable best efforts basis for the period of its appointment.

We may agree to pay underwriters or agents 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 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. See our 2008 Management's Discussion and Analysis and Q3 2009 Management's Discussion and Analysis which are incorporated by reference, and similar disclosure to be incorporated by reference from time to time during the period of effectiveness of this prospectus (see "Documents 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.

Subordinated Debt Securities will be our direct unsecured obligations 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 Subordinated 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 Subordinated 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.

All First Preferred Shares issued under this prospectus 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.

Unless otherwise specified in an applicable prospectus supplement, there may be no market through which Securities may be sold and purchasers may therefore be unable to resell such Securities. This may affect the pricing of the Securities in any secondary market, the transparency and availability of trading prices, and the liquidity of such Securities.

In addition to the foregoing, the terms and conditions of any particular Securities issued under this prospectus may have specific risks and investor concerns which you should carefully consider before making an investment decision. These considerations will be described under "Risk Factors" in the applicable prospectus supplements.

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.

Exemption

In connection with the issue of a receipt for this prospectus, we will be granted an exemption from the disclosure requirements set out in Item 7A to Form 1 to National Instrument 44-101 – Short Form Prospectus Distributions for this prospectus and the prospectus supplements hereto, in any case where we offer a new series of First Preferred Shares, a new series of Subordinated Debt Securities or a new series of Senior Debt Securities.

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 September 22, 2009, 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 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 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 23, 2009

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 prospectus and the supplement(s) as required by the securities legislation of all provinces and territories of Canada.

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

(Signed) "JANICE R. FUKAKUSA"
Chief Administrative Officer
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "VICTOR L. YOUNG"
Director

(Signed) "KATHLEEN P. TAYLOR"
Director

Consent of Independent Registered Chartered Accountants

We have read the short form base shelf prospectus dated September 23, 2009 (the “Prospectus”) relating to the offering of up to \$15,000,000,000 Debt Securities (Unsubordinated Indebtedness), Debt Securities (Subordinated Indebtedness) and First Preferred Shares of Royal Bank of Canada (the “Bank”). We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the use, through incorporation by reference in the above mentioned Prospectus, of our report to the Shareholders of the Bank on the consolidated balance sheets of the Bank as at October 31, 2008 and 2007 and the consolidated statements of income, comprehensive income, changes in shareholders’ equity and cash flows for each of the years in the two-year period ended October 31, 2008. Our report is dated December 4, 2008.

(signed) “*Deloitte & Touche LLP*”
Independent Registered Chartered Accountants
Licensed Public Accountants

Toronto, Canada
September 23, 2009