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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.

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GORDON M. NIXON, PRESIDENT & CEO

Good afternoon everyone.

As you can see on slide 4, RBC has once again displayed the strength of our Canadian businesses and demonstrated the value of our diversified business model.

We earned this quarter over one billion dollars, with earnings per share of 73 cents. I would like to highlight items on slide 5 impacting earnings. Excluding these items, our earnings were $1.6 billion, with earnings per share of 1 dollar and 14 cents[1].

Our capital ratios remained strong. Our Tier 1 capital is at 10.6 per cent and tangible common equity to risk adjusted assets is at 6.8 per cent. This reflects capital issuances in the first quarter, our continued focus on managing our risk adjusted assets and the earnings contributions from our businesses.

Our solid financial profile should provide our shareholders and clients with additional confidence in the strength and stability of our organization, and should support the continued growth of our businesses.

Before moving on, I would like to make a few comments about the roughly 1.3 billion dollars of market-related charges we have taken this quarter and describe our approach to valuing illiquid securities in this market.

Unfortunately, fair value accounting rules – while well intended –have their limitations. Today's mark-to-market accounting rules did not anticipate illiquid markets and, as a result, has generated unintended consequences for bank earnings around the world. It has also given rise to a wide range of judgments that can be applied. The result has been significant disparity in how securities are valued and how changes in value are recognized in financial statements. This does make comparisons across institutions more difficult.

Some institutions have chosen to use a more models-based approach to valuation, while others have used a greater level of observable market inputs. This can cause the valuation of the same security to vary. For example, the fair value of exposure hedged by monolines can be determined using market inputs such as credit default swap spreads, or internal models designed to predict long-term recovery levels. These methods will result in different assessments of fair value. Moreover, even with credit default swap spreads, using spot rates versus an average rate can cause different results.

Our approach has been to use market inputs and spot pricing where feasible. While this results in more income volatility than internal models, this is the approach RBC has taken because we, and our auditors, believe it to be more transparent, conservative and in keeping with best practices.

[1] Net income and EPS excluding these items are non-GAAP financial measures, and we believe provide useful information to investors regarding our results of operations. Readers are cautioned that non-GAAP measures do not have any standardized meanings prescribed by Canadian GAAP and, therefore, are unlikely to be comparable to similar measures disclosed by other companies.

In addition, institutions have made different choices on what types of securities are held in trading portfolios versus non-trading portfolios, this again has made comparisons across financial institutions more difficult. As you know, changes in the fair value of assets in available-for-sale or held-to-maturity portfolios generally will not flow through the quarterly income statement. We believe we have been selective in determining which securities should be held in non trading portfolios. While both the use of observable market measures and the holding of securities in our trading portfolios causes greater income volatility, we feel it provides better transparency in reflecting the impact of current market conditions. We don't like this volatility, but, over time, there should be convergence between different methodologies as illiquid assets mature and realized values are determined.

However, notwithstanding these charges, we had a solid quarter and continue to manage the current headwinds effectively.

Canadian Banking continued to drive our results, with strong earnings reflecting volume growth of our businesses and effective cost management. However, the lower interest rate environment impacted our margins and offset much of the volume growth. We had higher provisions for credit losses reflecting both higher loss rates and portfolio growth. The increase is not surprising as we see weakening of the Canadian and Global economy.

In Wealth Management, earnings were down largely reflecting the weak equity markets. We continue to have leading market share in Canadian mutual funds and full service brokerage, and will continue to focus on building our wealth management business by adding experienced consultants. This will position us very well when we begin to see some improvements in the equity markets. Outside of Canada, we have been particularly successful at recruiting advisors and teams who value RBC's competitive position and stability.

Insurance generated solid business growth with net income up from last year.

In International Banking, our U.S. Banking business continued to be impacted by the challenging environment, resulting in higher provisions for credit losses and write-downs on our investment portfolios.

Once again, we continue to generate solid results in our Capital Markets business despite the market environment impacts. I keep referencing the diversity of our businesses but its really seen here when you look at how we continue to produce solid earnings from this segment during the extraordinary environment.

With respect to our dividend, we are maintaining our quarterly common share dividend in the second quarter of 2009, which we believe is prudent in this environment. Over time, our objective is to grow our dividend.

Stepping back and looking at our overall results, the operating environment is certainly challenging but I am proud of how we have managed. It's important that during these times we stay focused on our strategy to navigate through the challenging times ahead.

- We will focus on maintaining a solid capital position,
- We will build on our solid risk management practices,
- We will manage our costs prudently
- And we will utilize our flexibility to build on our core earnings by investing in selected areas that generate value and can generate value for our shareholders

The current market conditions continue to create opportunities for RBC given what has happened to competitors around the world. We will continue to capitalize on our growing global reputation for strength and stability and I believe we will be in an even better position when we return to a more normal market environment, which we believe they will.

With that, I'll turn it over to Morten Friis. Morten.

MORTEN FRIIS, CHIEF RISK OFFICER

I'll start with an update on our credit portfolio.

Looking at slides 11 to 16, we had 747 million dollars in provisions for credit losses in the first quarter, up from 619 million dollars last quarter. This quarter included a general provision of 149 million dollars. This reflects deterioration in our corporate portfolio, higher loss rates and volume growth in our Canadian retail lending portfolio, and higher provisions in our U.S. banking portfolio.

I'll now review specific provisions for credit losses by geography.

Starting in Canada, which represents 78% of our overall portfolio, we had higher specific provisions related to credit cards and personal loans, mainly unsecured credit lines. This reflects both higher loss rates and portfolio growth.

Provisions for wholesale loans increased from the prior quarter largely reflecting a provision in our corporate lending portfolio relating to a specific client in our prime brokerage business. This one item had a large impact on our Specific PCL ratio this quarter. There is no gross impaired loan or allowance for credit loss for this item because as the account became impaired, we took a provision, wrote down the loan, and took over the underlying securities within the quarter. Since taking over the portfolio of securities, we have seen some recovery of losses and have taken steps to reduce the overall size and risk of the portfolio. We have no other prime brokerage accounts of this magnitude and have scaled down this business, while adding further mitigation and control processes.

Turning to the U.S., which represents 15% of our overall portfolio. Compared to last quarter, we had higher provisions for residential mortgages and personal loans reflecting the deepening recession and housing market decline. In the wholesale portfolio, lower provisions related to our U.S. residential builder finance portfolio were largely offset by higher provisions related to our U.S. Banking commercial loan portfolio.

Finally, the remaining 7% of our loan book consists largely of our Caribbean banking operations. In general, our international portfolio continues to be stable.

Turning to slide 16, our total allowance for credit losses is 87 basis points, as measured against total loans and acceptances. This is up from 76 basis points in the prior quarter.

In terms of coverage ratios, our total ratio is 73% and is approximately 107% if you exclude our U.S. Banking operations. The coverage ratio for our U.S. Banking operations is approximately

40%. This mainly due to our U.S. residential builder finance portfolio, which has a coverage ratio of 20% as we believe underlying collateral values will give us reasonable recovery rates over time.

Coverage ratios are a function of portfolio mix, underlying views on recovery rates and the overall quality of the portfolio. It is a bottom up process. The level of coverage is within our expectations based on previous cycles. We believe we are appropriately provisioned at this stage of the cycle.

Turning to slide 17, let's look at global trading Value at Risk. You'll see that there were six days with net trading losses in the quarter, four of which exceeded global trading VaR. Two of these were due to month end valuation adjustments and the remaining two were due to significant volatility in equity and credit markets.

We undertook some risk reduction actions in the quarter that I would like to highlight. As mentioned in the past, we have been winding down the risk in our correlation book. This is a trading portfolio containing CDOs of corporate default swaps. We have sold most of the positions in this book and are managing the residual exposure. In the first quarter, we undertook a series of risk reduction trades and trade assignments. These contributed to our market-related losses this quarter.

I'll finish off by spending a moment on bank-owned life insurance since we have received some questions on this area. We have included some background information in Appendix B of our slides.

We believe the probability that clients will surrender their insurance policies remains low. These policies are intended to hedge our client's long-term benefit liabilities by providing a long-term, tax-free income stream.

If a client surrenders, they would lose this tax-free income and must pay taxes on accumulated tax-free earnings, which we believe is a substantial impediment to surrender. Also, our payment obligations can be reduced by contractual protections relating to portfolio leverage and capital adequacy of the client.

We have one policy with a notional value of 2.5 billion dollars and a fair value of 900 million dollars. After taking into account contractual protections and provisions taken, we estimate that our payment obligation would be approximately 500 million dollars if this contract had been surrendered on January 31.

Where appropriate, we proactively work with clients to restructure contracts. This further reduces the likelihood of surrender. By restructuring rather than surrendering, a client is able to preserve the tax benefits while improving returns.

We are satisfied that the cumulative provisions we have taken are appropriate, and we have not been doing any new business for some time. Our Investor Relations team would be happy to walk through the background information in our slides with you.

At this point, I'll turn the call over to Janice Fukakusa

JANICE FUKAKUSA, CHIEF FINANCIAL OFFICER

As Gord mentioned, net income for the quarter was just over 1 billion dollars which was down 15 percent from the first quarter of 2008 and down 6 percent from last quarter.

We remain focused on managing costs and have been able to manage our expense growth rate while continuing to support enterprise wide business growth. Our expenses are relatively flat compared to last year if you take into account our acquisitions and the stronger US dollar.

Our results were affected by market environment impacts and higher provision for credit losses as Morten discussed. In terms of the market impacts, we had both favourable and unfavourable impacts that collectively reduced revenue by 1.3 billion dollars and net income by 646 million dollars.

The losses related primarily to structured credit and unfavourable increased credit valuation adjustments. The credit valuation adjustments reflected both wider counterparty credit spreads and higher net derivative-related credit exposure to certain of our counterparties.

Up to a year ago, valuations resulting from market- and model- driven inputs were generally the same. More recently, we have seen a divergence of the output from different valuation methods. Accurate valuation is important in managing risk and in properly pricing our trading activities. Our objective is to remain as current as possible in valuing exposures so that trading activities and our view of risk align.

For this reason, we are using credit default swaps based on spot rates with respect to credit valuation adjustments. Provided there is no credit event, these credit valuation adjustments will flow back into income over time.

I'll also briefly comment on MBIA's announcement last week to form separate structured finance and U.S. public finance companies. Both MBIA's CEO and its insurance regulator have publicly stated that each legal entity is adequately capitalized with sufficient resources to pay all expected claims in a timely fashion. As a reminder, we have taken cumulative credit valuation adjustments of $1.1 billion against our MBIA exposure. We believe that, in a realization scenario, we are more than adequately provisioned.

I'll now review the quarterly performance of our five business segments.

Starting with Canadian Banking on slide 19, net income was up 3 percent from last year, reflecting volume growth across all businesses and a favorable adjustment to our credit card customer loyalty rewards program offset by spread compression and higher provision for credit losses and lower mutual fund distribution fees.

On slide 20 you will see net interest margin decreased over the year and the quarter. This reflects the impact of lower interest rates, product mix changes, and a competitive market place. Despite this decline, we grew net interest income by 2% from last year on volume growth across all businesses.

Looking at Wealth Management on Slide 21, net income decreased 29 percent from a year ago due to the impact of capital markets on fee-based client assets and transaction volumes.

Moving on to Insurance on slide 22, net income was up 26 percent over last year. This largely reflects improved Canadian life and health policyholder experience and lower allocated funding costs on capital, partially offset by lower favourable actuarial adjustments.

As shown on slide 23, International Banking had a net loss of 144 million dollars, down 175 million dollars compared to net income of 31 million dollars last year. This decrease was mainly due to performance of our U.S. banking business, which had investment portfolio losses and higher provision for credit losses.

Let me move on to our Capital Markets segment on slide 24. Net income was down 26 percent from last year, largely reflecting the market environment impacts and the provision for credit losses that Morten detailed. Certain trading businesses continued to benefit from the increased market volatility and the lower interest rate environment.

Overall, despite market impacts, we generated solid results this quarter with strength in our Canadian Banking and Insurance segments, as well as certain businesses in Capital Markets.

At this point, I'll turn the call over to the operator to begin questions and answers.