RBC Canadian Personal & Business

Sustaining Out Performance in the Canadian Market

Jim Westlake

Group Head, RBC Canadian Personal & Business

Presentation to Analysts & Institutional Investors

Toronto, April 25, 2006

Capitalizing on our integrated platform to outperform the competition

Strategic Priorities

1. **Optimize Distribution**

   RBC has greater breadth and depth of distribution than any of our competitors. We will leverage the economics of our distribution by aligning employees and clients to deliver the right product through the right channel at the right time.

2. **Simplify Processes and Structures**

   Canadian Personal and Business will focus on simplifying structures and streamlining processes for everything from account opening to credit decisioning - making it easier for clients to do business with us and improving our efficiency.

3. **Focus on High Return Products, Markets and Clients**

   Expand and focus on operations that have above average growth potential such as insurance, asset management, credit cards, brokerage, urban markets and high value client markets.

Experienced and focused team accountable for outperforming the competition

Jim Westlake
Group Head

Cathy Honor
Cards & Payment Solutions

David McKay
Personal Banking

Anne Lockie
Sales

George Lewis
Wealth Management

Ann Louise Vehovec
Strategy & Marketing

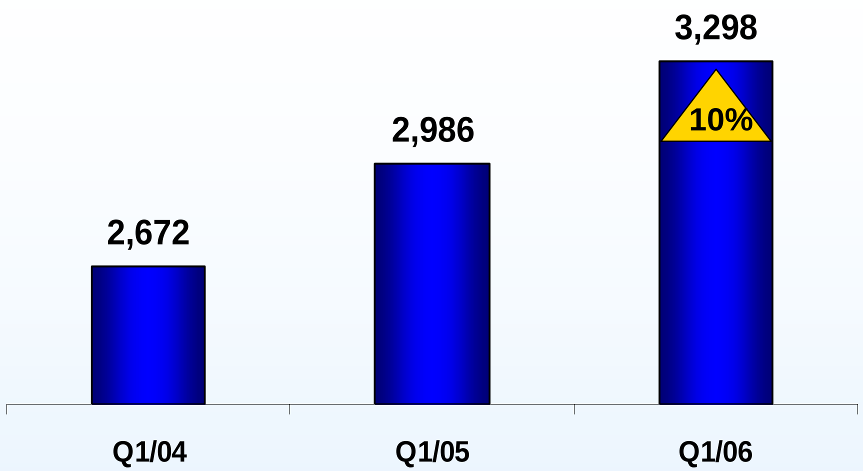
Neil Skelding
Global Insurance

Shauneen Bruder
Business and Commercial

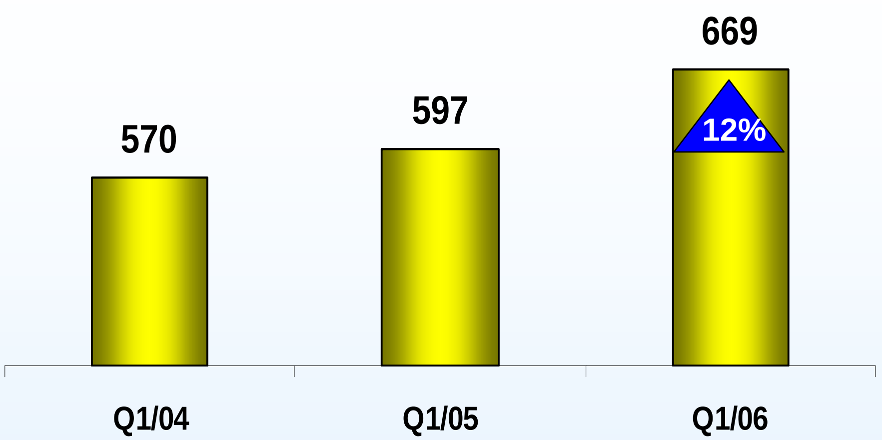
Generating strong revenue and earnings growth

C$ millions

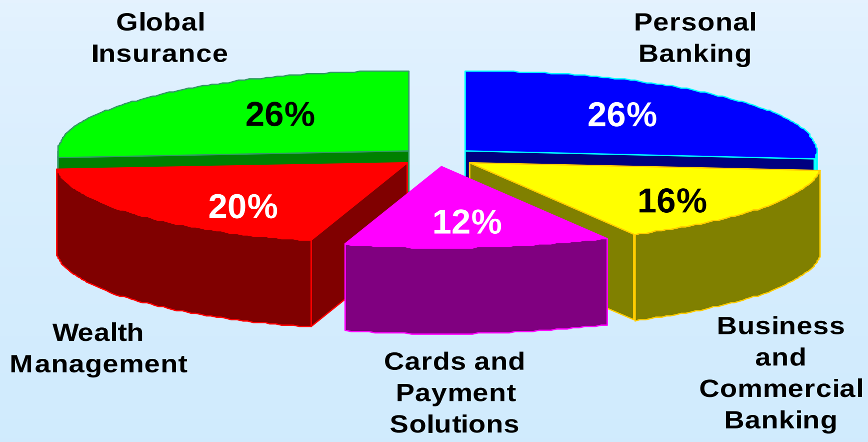
Total revenue



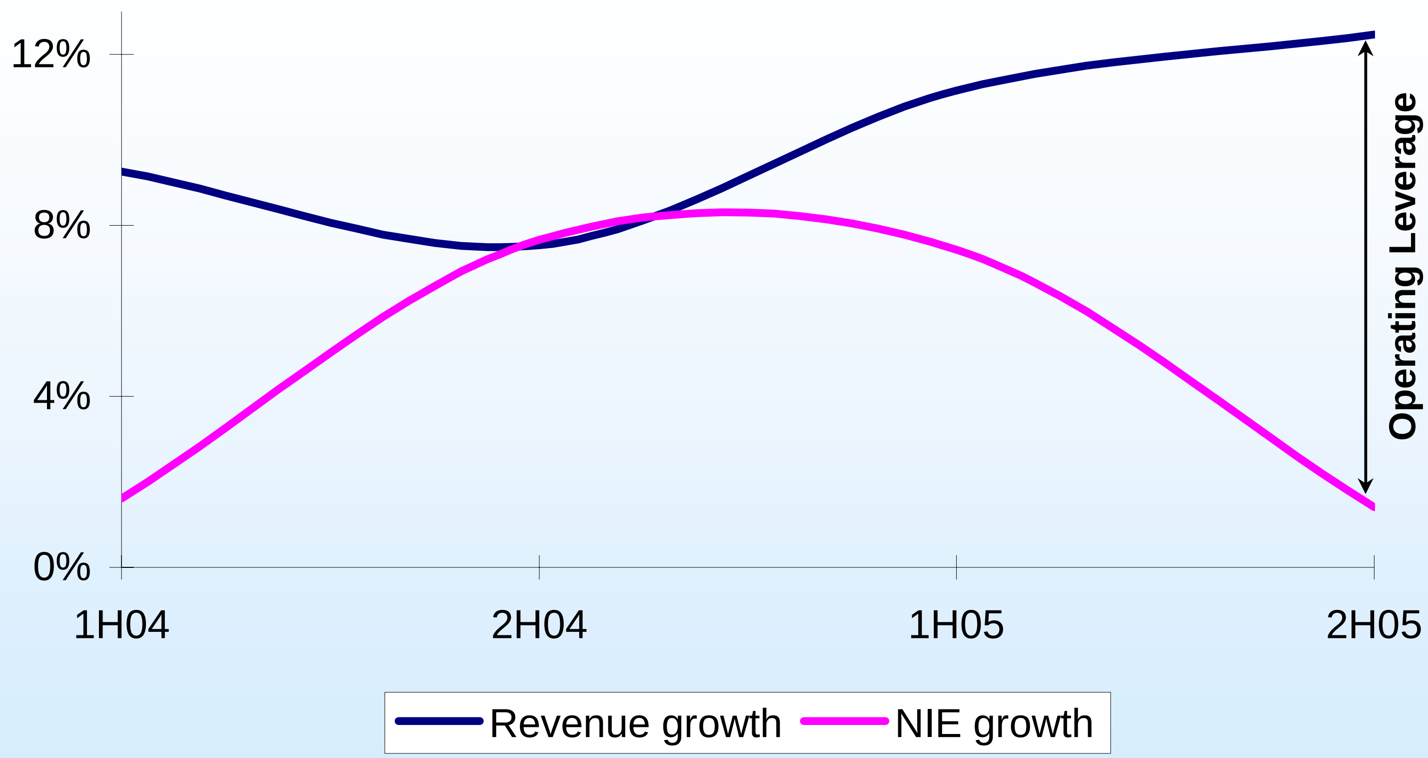
Net Income



Business Line revenue (%) Q1/06



Operating leverage consistent with profitable revenue growth



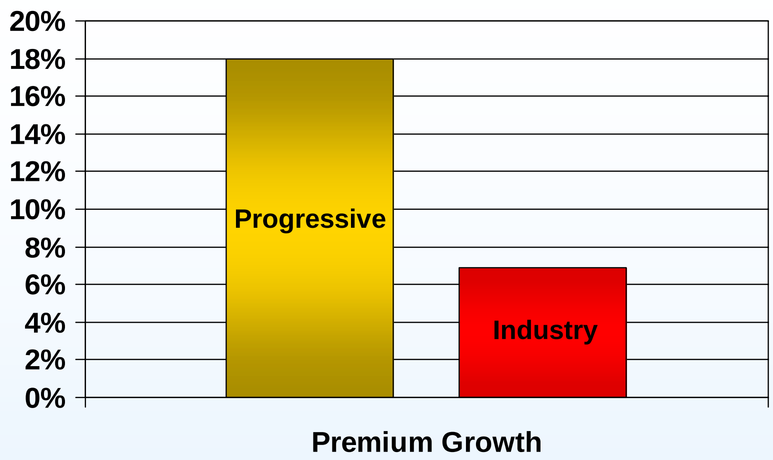
<u>Q1 2006</u>

Rev. Growth 10%

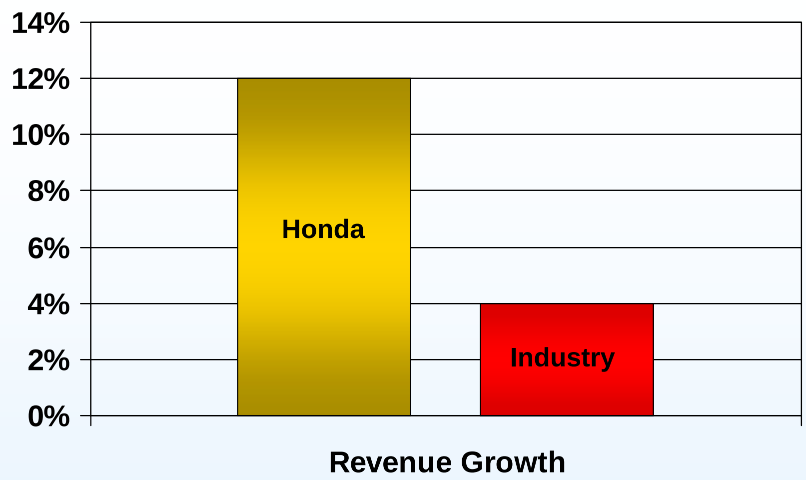
NIE Growth 6%

Accelerated growth is possible in a mature market

Progressive ™ relative to U.S. Domestic P&C Industry [1]



Honda™ relative to U.S. Domestic Auto Manufacturers [2]



Other Examples:

Wal-Mart™

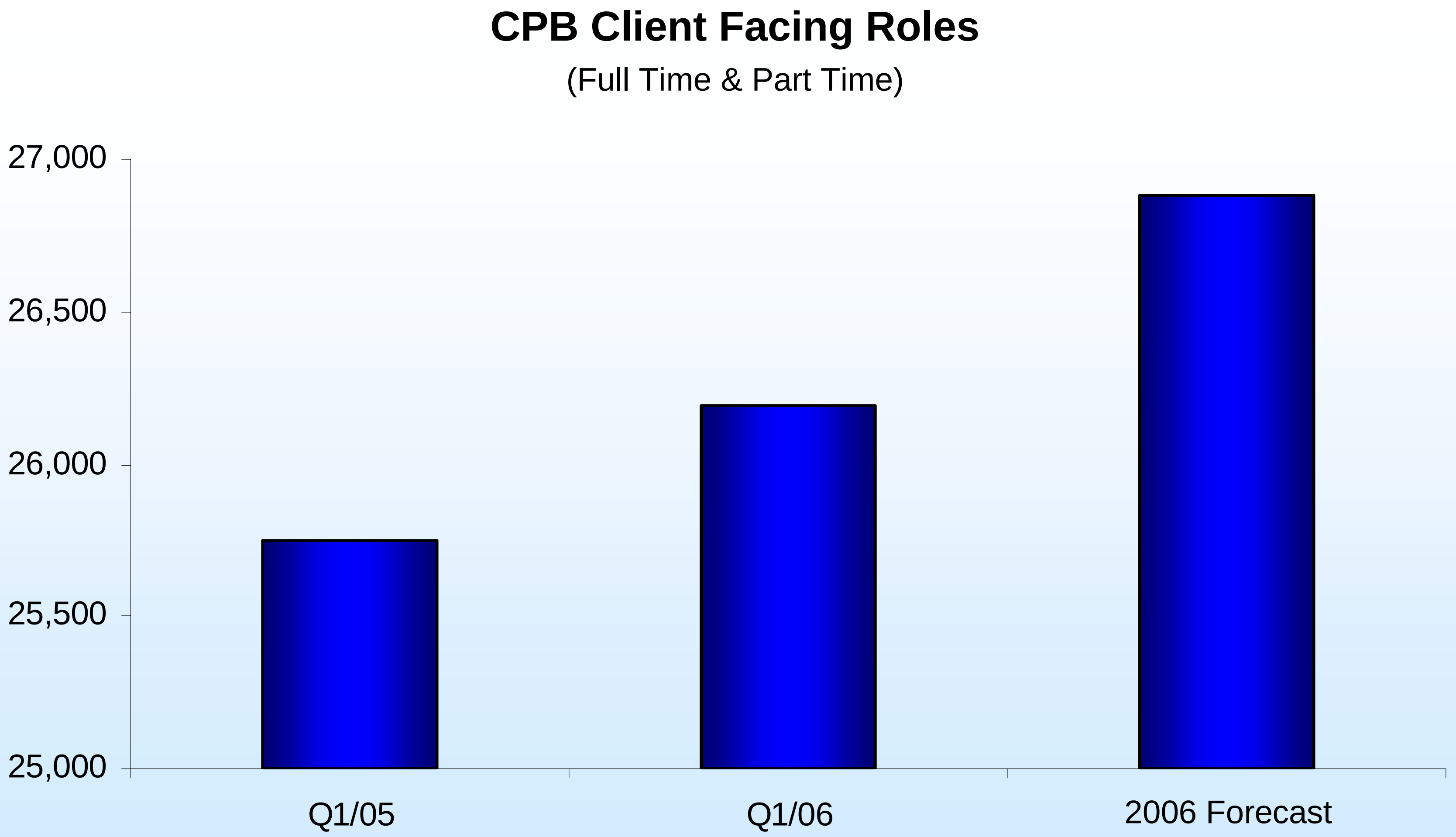
- 13% average annual revenue growth over the last five years – outpacing other retailers. Increased U.S. market share from 9% in 1987 to 27% in 1995 [3]
- Leveraged distribution strength focusing on sales force productivity, supply chain and distribution channel optimization, and adding new product lines to existing channels

Whole Foods™

- 20.7% average annual sales growth versus traditional supermarkets single digit growth driven by new store growth, small acquisitions and same store sales growth [4]
- Differentiated itself by becoming a unique, upscale supermarket catering to young urban professionals and baby boomers

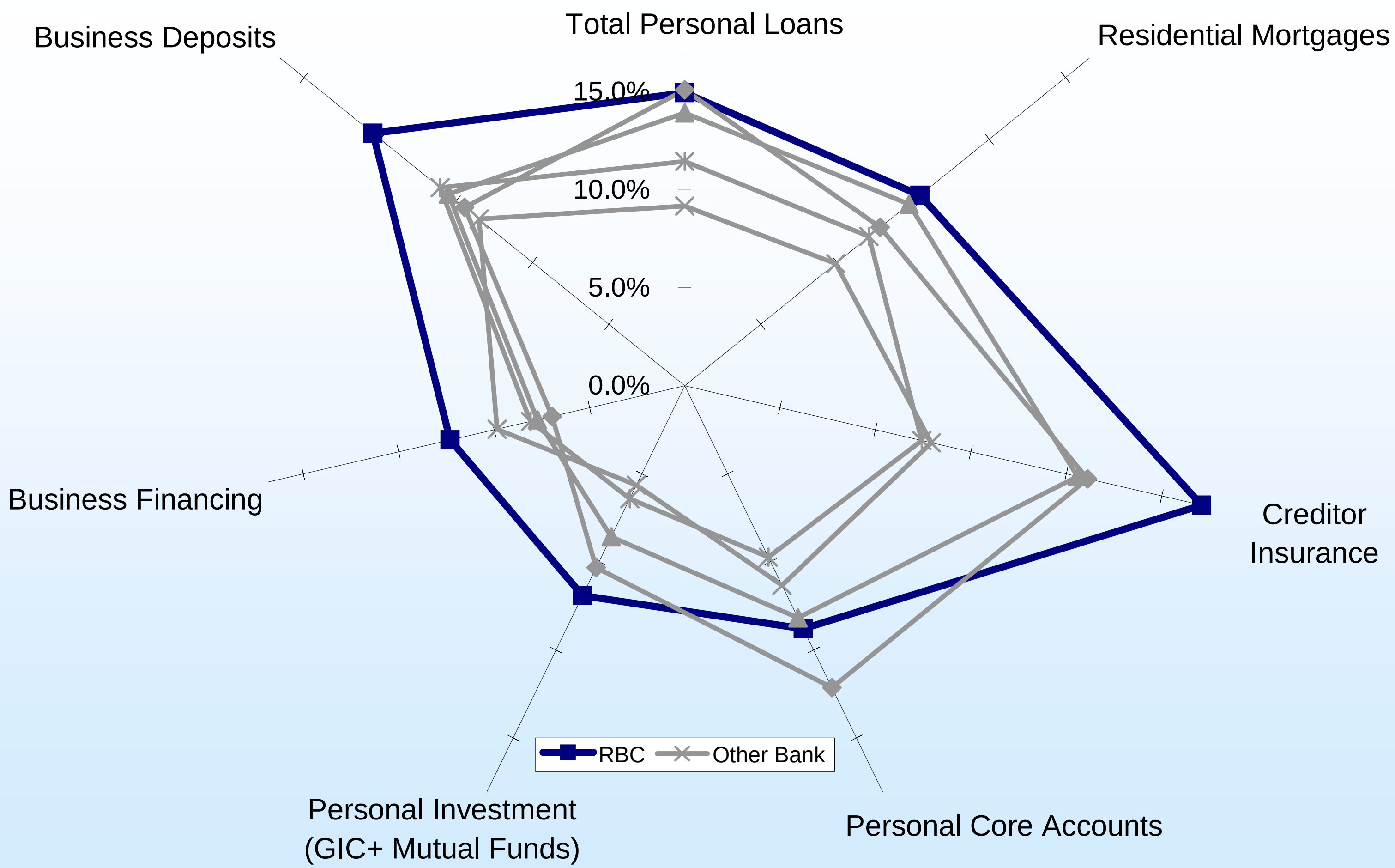
[1] Source: Industry data - A.M. Best (2001 - 2006); [2] Source: Company reports 2001-2005; [3/4] Source – Company reports

Continued investment in client facing roles



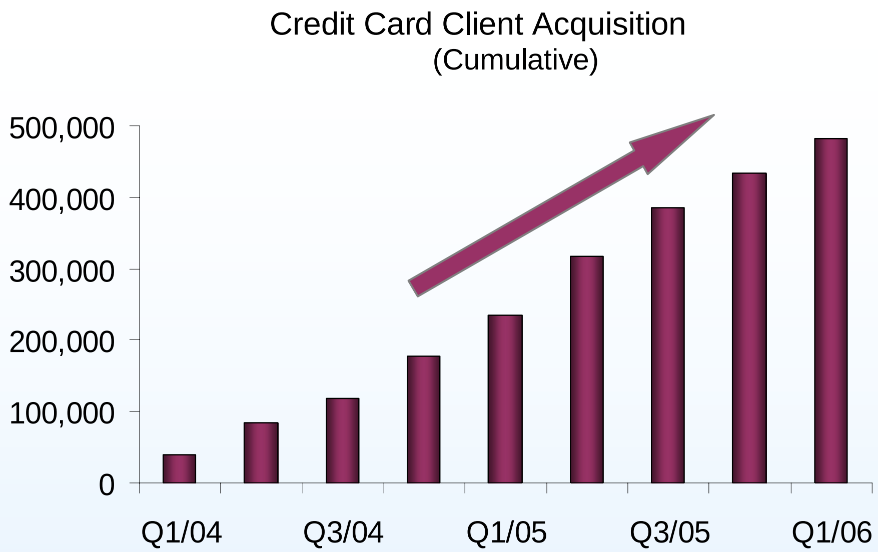
We plan to continue to grow our #1 or #2 position in high value markets

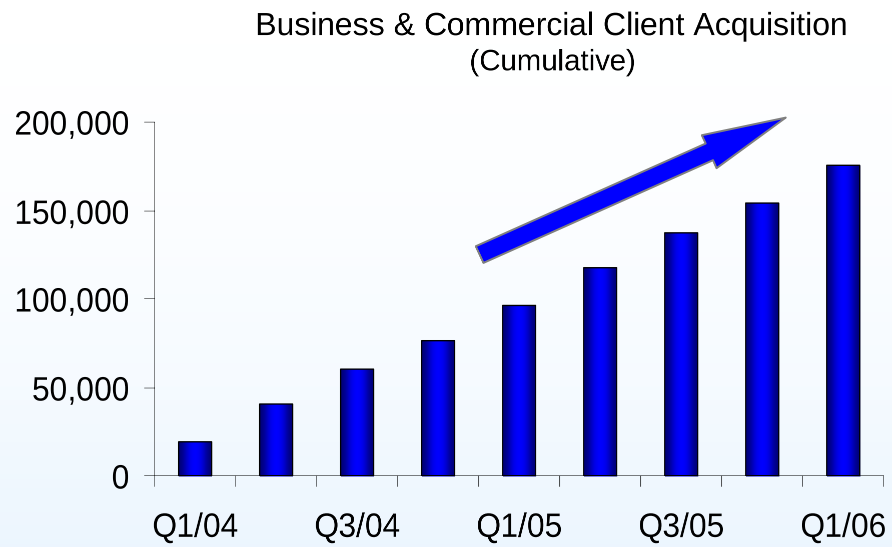
Market Share by Product - November 2005

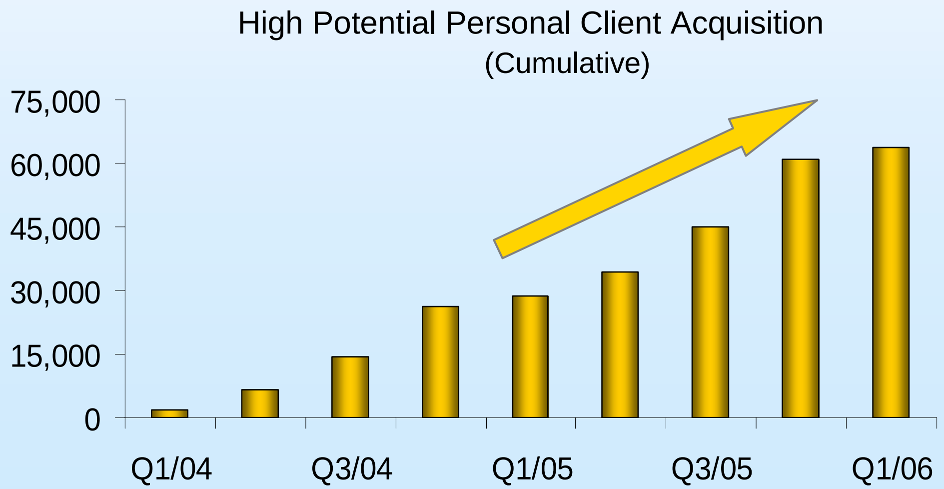


Notes: Source – OSFI. Total Personal Loans include Personal Loans, Cards & Residential Mortgages. TD's mortgage market share is understated due to classification of HELOC as Loans. All data for November 2005, except Creditor Insurance (October 2005). Business Loans and Deposits include CPB, US&I and Global Capital Markets. Credit Cards market shares are not available.

Attracting and retaining high value/high potential clients is key to driving profitable growth







Simplifying processes and structures continues to be a strategic priority

- Reduced time required to open a core account by more than 50% through process re-engineering and automation

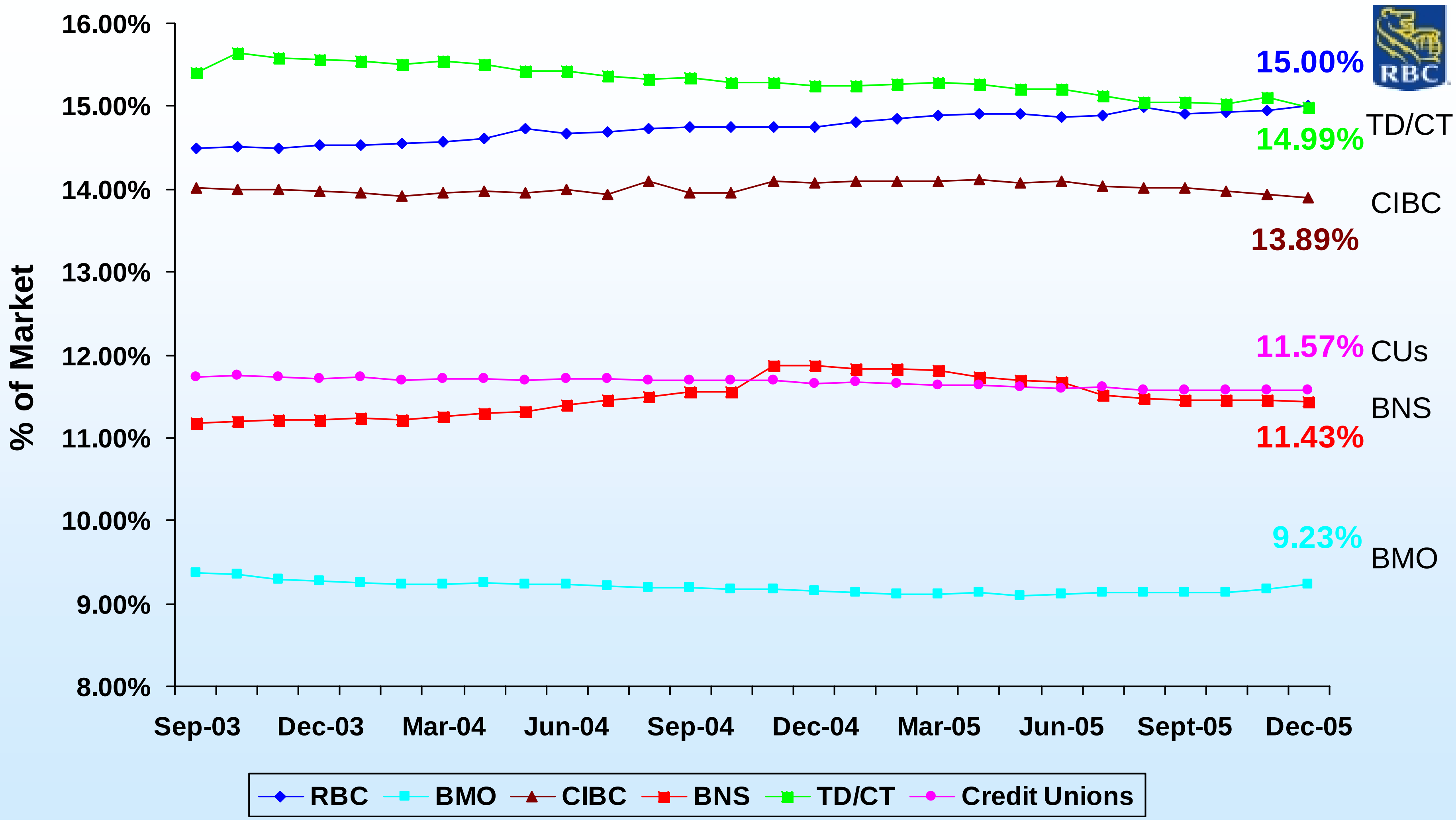
- Increased the origination limit for Small Business and simplified the documentation making it a faster, more client friendly experience

- Enhanced our online capabilities - allowing clients to get online insurance quotes 24/7

- Systematic identification and elimination of our top client irritants to further improve the Client Experience

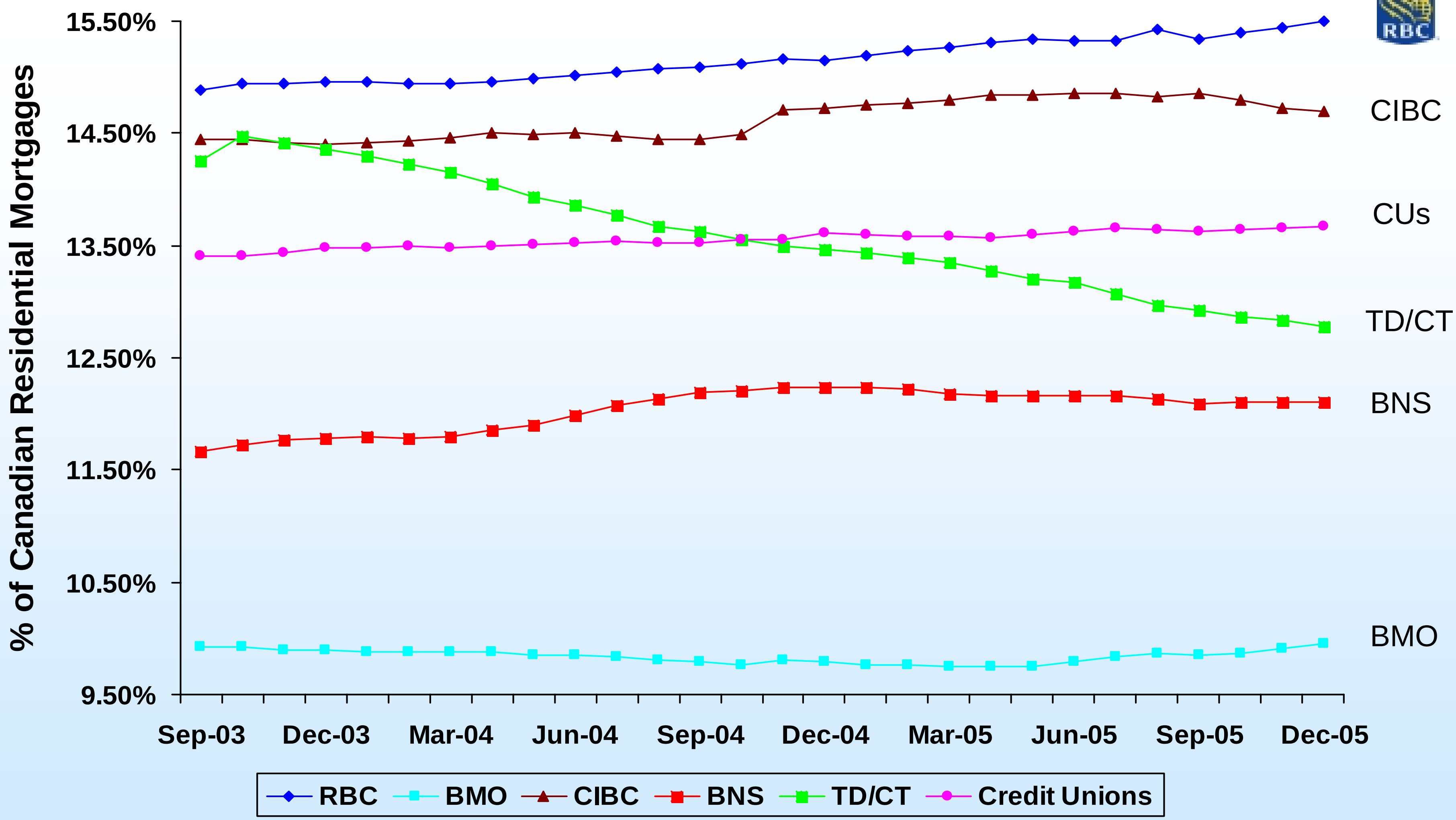
Business Reviews

#1 market share in total Personal Loans, Cards & Residential Mortgages combined



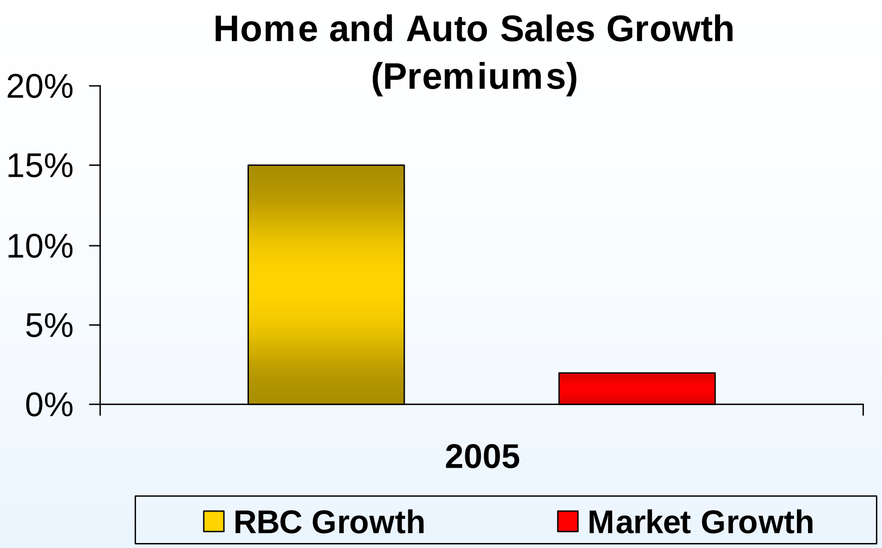
Source: OSFI

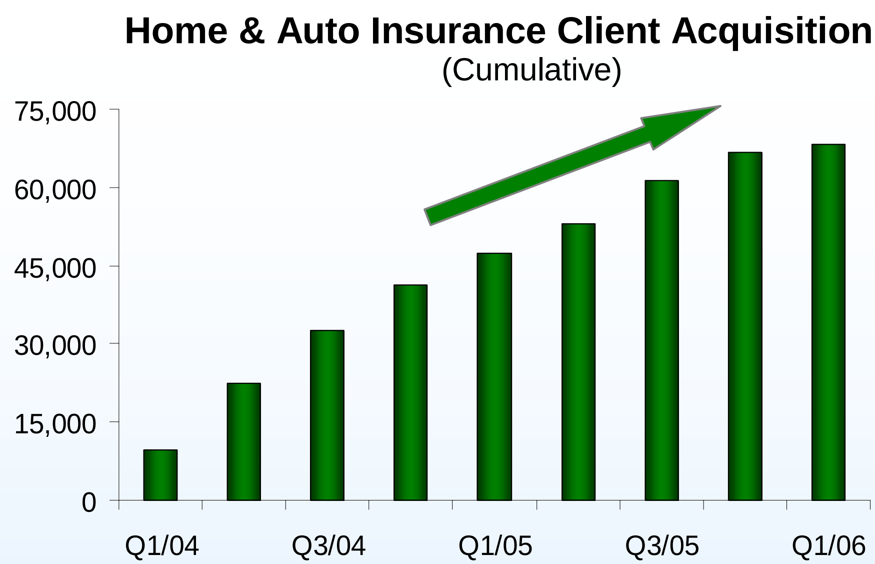
Increasing leadership in Residential Mortgages



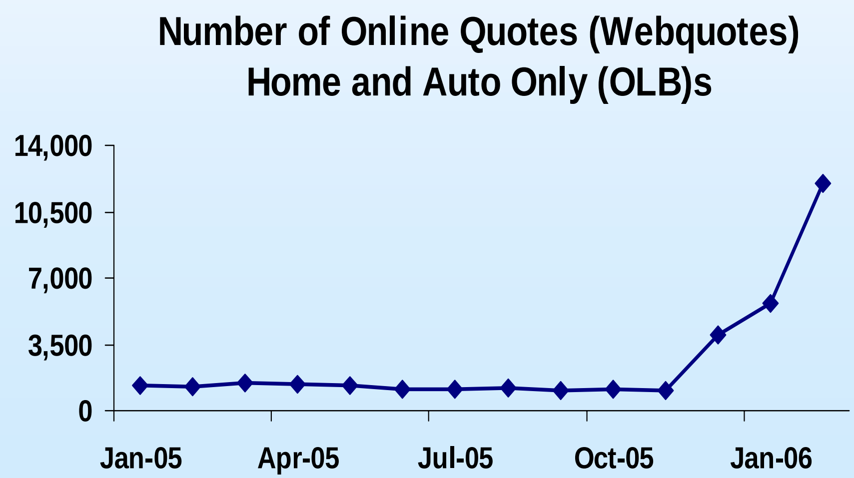
Notes: Source – OSFI. Total Personal Loans include Personal Loans, Cards & Residential Mortgages. TD's mortgage market share is understated due to classification of HELOC as Loans. All data for November 2005.

Growing Home & Auto Insurance

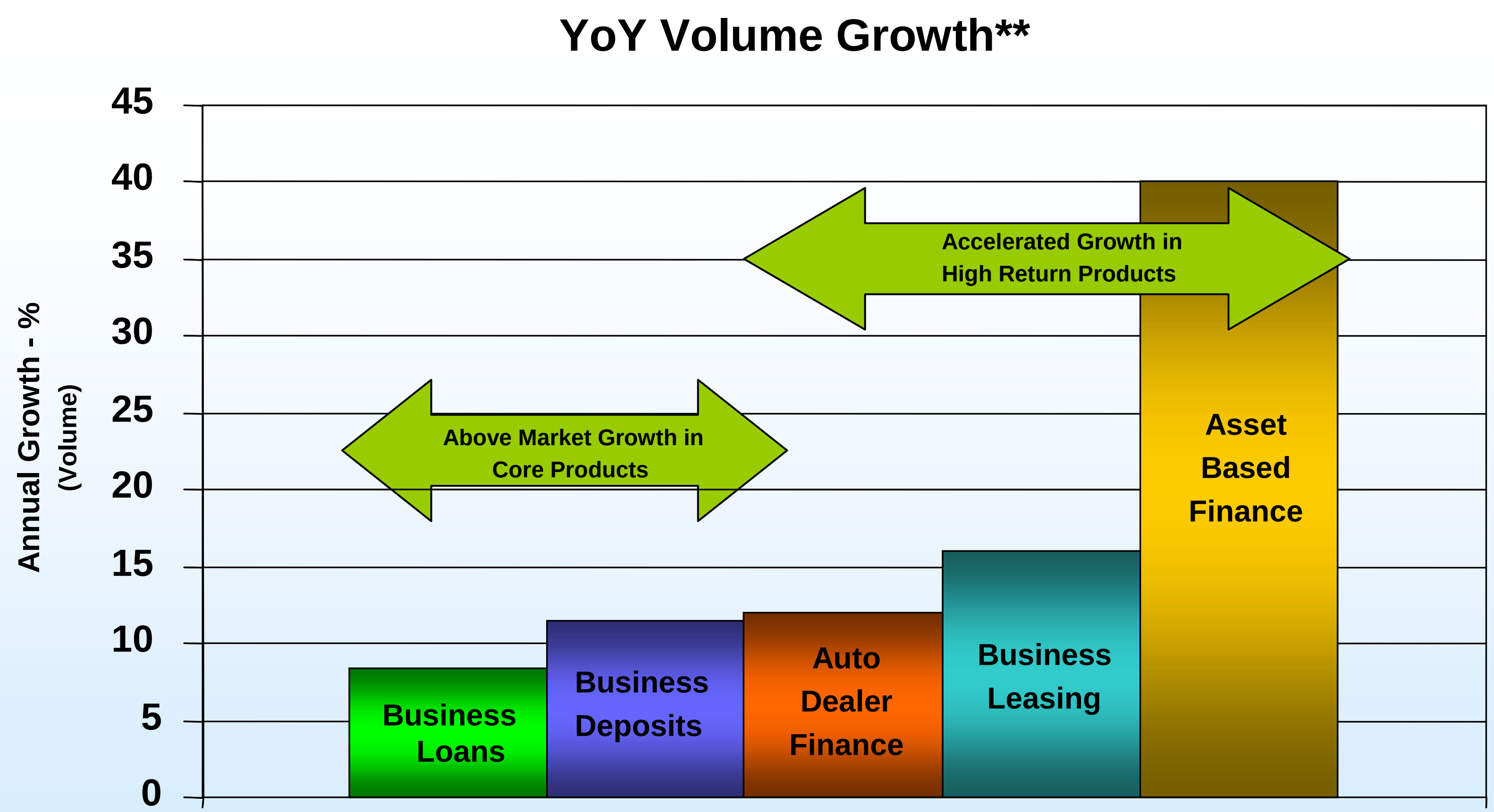




- Significant Growth in Home and Auto Insurance sales
- Growing direct mass market presence in Home & Auto
- Adjacent Insurance Office provides additional opportunity to attract clients



#1 market share in business loans and deposits*



* Based of OSFI reported balances as of November 2005

** Business Loans and Deposits Q1/06, Auto Dealer, Business Leasing and ABF Q4/05

Optimize Distribution

Anne Lockie

Head – Sales

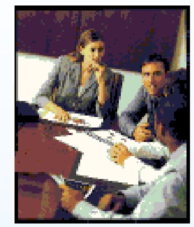
Our full product and service capabilities are offered through Canada's largest distribution network*

CAREER SALES FORCES

- 376 Career Sales Insurance Representatives
- 996 Mortgage Specialists
- 456 Investment Retirement Planners
- 10 Investment & Insurance Specialists

THIRD PARTY DISTRIBUTION

- Third Party Distribution for Life & Health - 17,000 Broker Relationships
- Travel - 4,000 3rd Party Distributors
- 4,000 Indirect Lending Dealers



SPECIALIZED SALES

- 77 Business & Commercial Specialized Financing
- 69 Cash Management
- 54 Foreign Exchange
- 22 Global Trade
- 26 Sales Managers – Indirect Lending

13 Million Clients

FULL SERVICE BROKERAGE

- 81 Branch offices
- 1,313 Investment Advisors

ENTERPRISE DISTRIBUTION

Branch Network

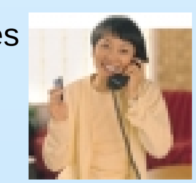
- 1,105 branches
- 95 Business Banking Centres (definition change Q1 2006)
- 19 Career Sales Force Insurance Offices
- 4 Retail Insurance Offices

Automated Teller Machines

- 2,242 on-site ATMs
- 1,676 off-site ATMs

On-Line Banking and Telephone

- 3.6MM On-line clients
- 4 Contact Centres
- 1,765 Contact Centre Representatives
- 466 VISA Representatives
- 144 Action Direct Representatives



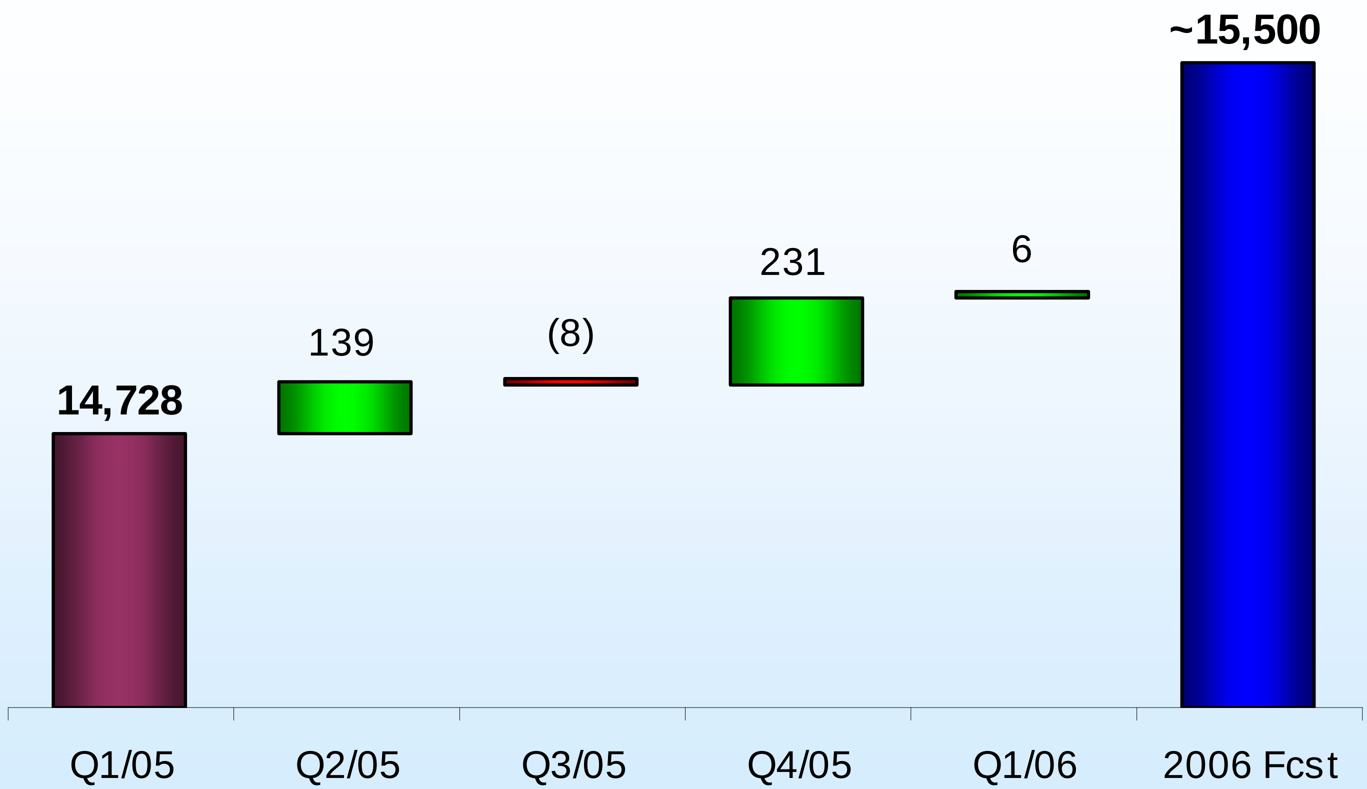
Private Client Group

- 11 Private Trust Offices
- 12 Private Counsel Offices
- 25 Private Banking Offices
- 93 Professionals

* As of Q1 2006

Continued investment in client facing roles

Client Facing – Full Time Employees*



* Excludes commissioned sales force, RBC DS, part-time sales force, National Office, call centres

Enabling local market leadership through performance management

Objectives

Create a winning sales environment and franchise for the long term

Identify and share key drivers of performance

Enable our Leaders to attract, retain and motivate employees

Enabled Through

Activities

- Removed one layer of sales management - only one role between Regional President and branches
- Focus on bottom line accountabilities and decision making
- Streamline measures of success…provide direct lines of sight
- Peer grouping and benchmarking
- Pay for performance…**differentiate** pay for top performers

Q1 2006 results versus Q4 2005 are positive

- Client Profitability up 4%
- Most Branches tracking to +2% growth in number of clients dealing with multiple RBC businesses
- Increased focus on Customer Loyalty with top performing branches achieving 40-80% in client loyalty top box rating

Optimize Distribution

Jennifer Tory
Regional President – Greater Toronto

Expansion of footprint in high growth areas

- Expanding physical presence in high growth, urban areas:
  - Greater Toronto Area
    - 50 Branches over 3 yrs
  - National expansion in urban centres
    - Additional 62 Branches over 5 yrs
  - Adjacent Insurance locations in select markets
    - Evaluating opportunities nationally
    - Portfolio to reach 10-15 locations by the end of 2006
- Refreshing and redesigning the existing network to improve client experience, productivity and community awareness

Extensive review of client facing roles

- Sales roles being redesigned to:
  - Enhance the client experience
  - Improve employee engagement and capability
  - Reduce turn-over
- Client Service Representatives role redesign recently completed:
  - Increased training and skill development opportunities
  - Refreshed recruitment strategy
  - Enhanced total rewards package
  - Modified work arrangements

Focus on winning on every street corner

- As a result of all these great initiatives there is a focus on clients like never before
  - Sales leadership is now closer to local market leaders with high visibility and offering a collaborative approach
  - Local market leaders are empowered and engaged to win in their market – ownership of their unit and accountable for the performance
  - Client facing staff are focussed on servicing clients needs and looking for opportunities to deepen clients' relationship with RBC

RBC Financial Group

Focus on High Return Businesses

Cathy Honor

Head – Cards and Payment Solutions

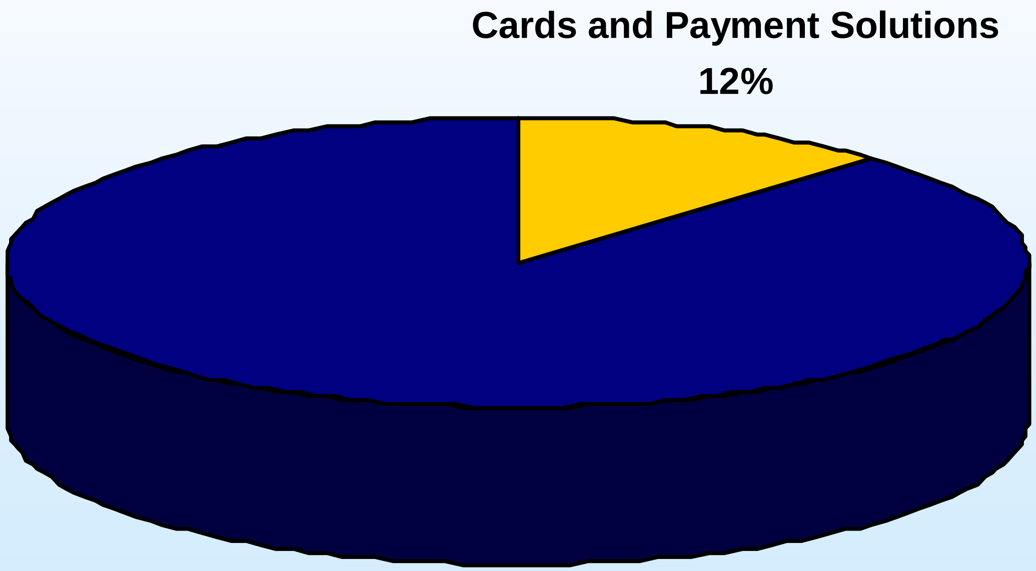
Taking an enterprise view of payments

- Unique enterprise wide payments strategy – debit, credit, acquiring, plus comprehensive view of all business and personal payment products
- RBC has over 5MM credit card accounts & 7MM debit cardholders in Canada
- Moneris Acquiring Business Services has 275M active Canadian merchant locations, representing 170M business clients

Cards and Payment Solutions is a significant contributor to the success of Canadian P&B

Total Canadian P&B Q1 2006 Revenue

$3,298MM



Implementing key strategies to grow our Cards Business

RBC Rewards – Key Driver of Growth

- Comprehensive suite of aspirational (travel), functional (merchandise & retail gift certificates), and pragmatic (RBC RRSP/RESP & charity)
- Utilize co-brand partnerships to access 3rd party distribution channels, and to enhance the RBC Rewards value proposition

Proprietary Credit Analysis Tools

- Analysis tools and industry leading CRM and client segmentation capabilities permit us to more aggressively optimize pricing and credit line strategies – driving growth and ensuring strong credit quality.

Account Usage and Growth Strategy

- Leveraging a multi-channel approach to drive response and usage - DM, Statement, Call Centre and Branch → drives higher response, increased spend, high usage, balance growth of existing cardholders and product upsell.

Acquisition Strategy

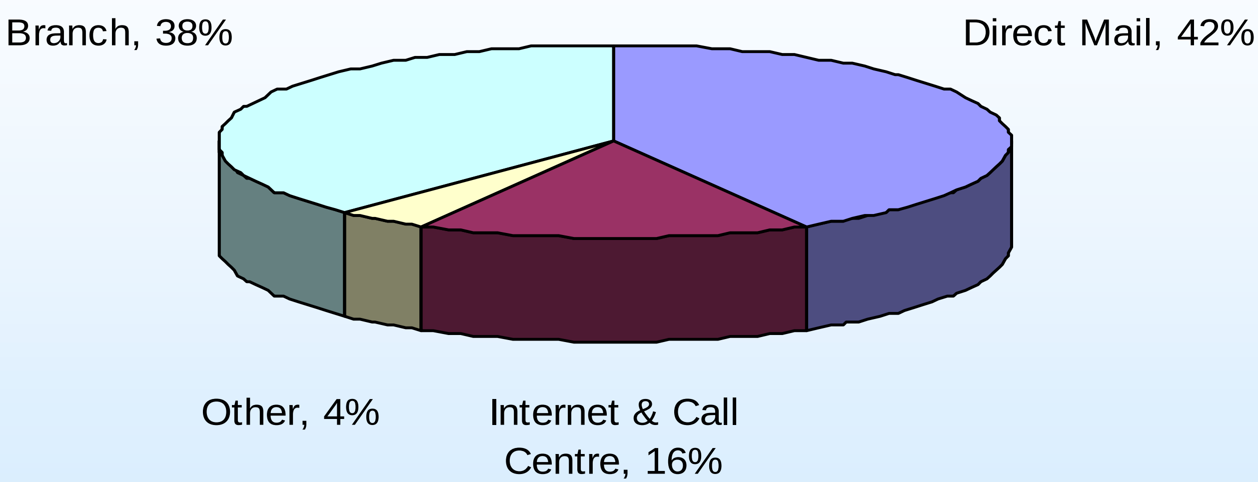
- Dedicated Acquisition team focused on acquisition strategies covering multi channel distribution: Direct Marketing, monthly Visa statements, call centres, branches, activation IVR, partner channels.

Product Innovation

- Continuously striving to innovate - products, services and partnerships - to create industry leading products and services

Integrated distribution driving new account acquisition

Credit Card Acquisition by Channel



A leader in innovation

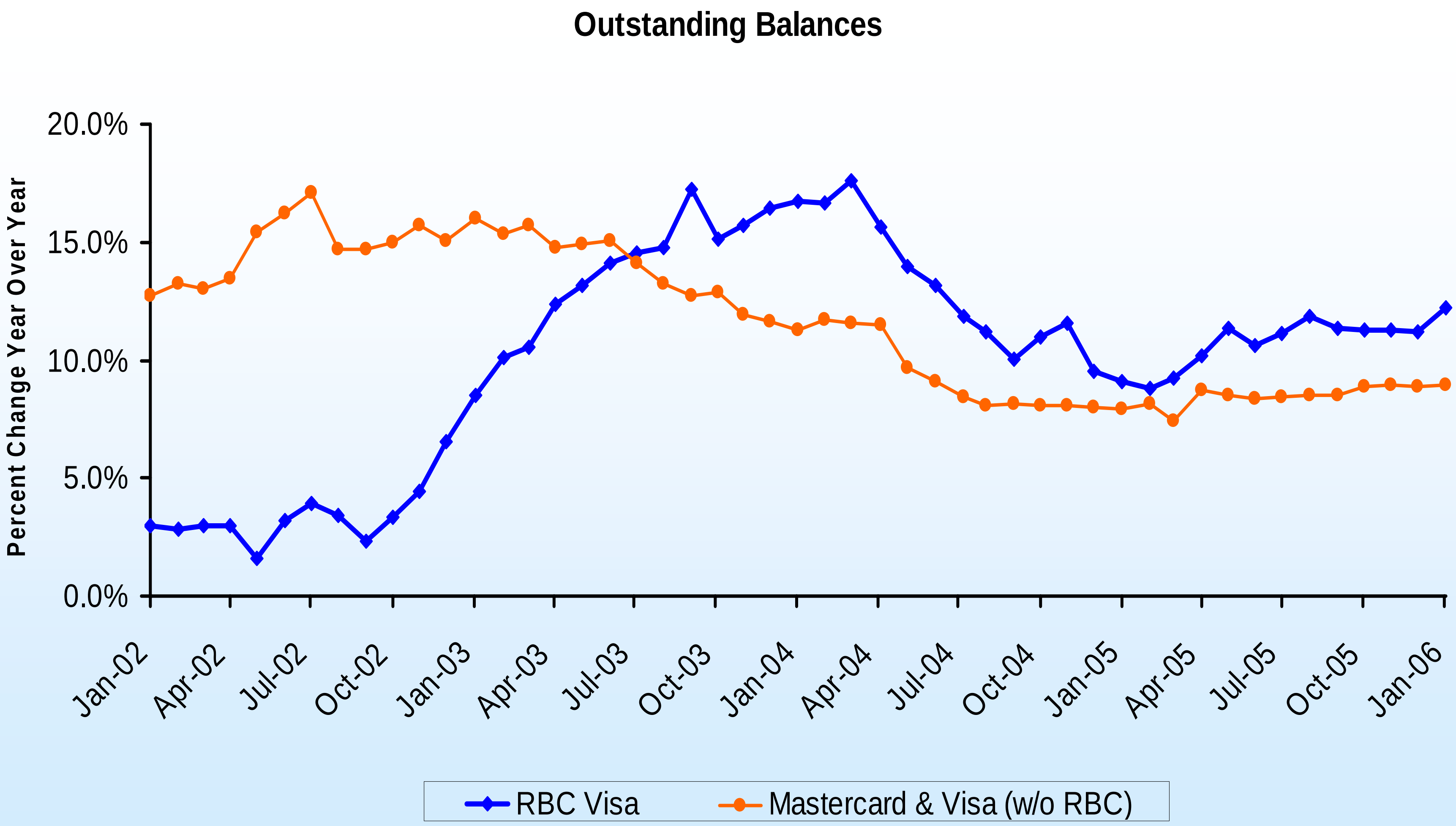
- RBC Rewards – Huge growth since launch in March 2003 – world class rewards program. Innovative awards and point transfer and redemption partners.
- Launched Canada's 1st *VISA* powered by chip technology – AVION (>400M cards) (2003).
- Leading edge statement marketing functionality (via Symcor™).
- Most experienced Canadian card issuer - leverage Total Systems™ for credit card processing & product development efficiency.
- Moneris -Real-time Loyalty hosting provided by Ernex Marketing Technologies ™. First credit card chip readers in Canada in 2006.
- Innovative Co-Brand Products – Excellent track record of co-brand partnerships – British Airways™, Cathay Pacific™, Starbucks™, Esso™, Mike Weir.
- Launched I Debit 2005 / Debit Speedpass™ 2006.
- Launched Canada's 1st duel function *Visa* and Stored Value Card with Starbucks™ – 2005.

Growing faster than the market

	RBC Market Share (Jan 06)	Annual Growth Rate as of January 31 2006		
		RBC VISA	Canadian Credit Card Market	Visa Canada Credit Card Market
Outstanding Balances	16%	**11%**	9%	9%
Purchase Volume	20%	**17%**	12%	11%

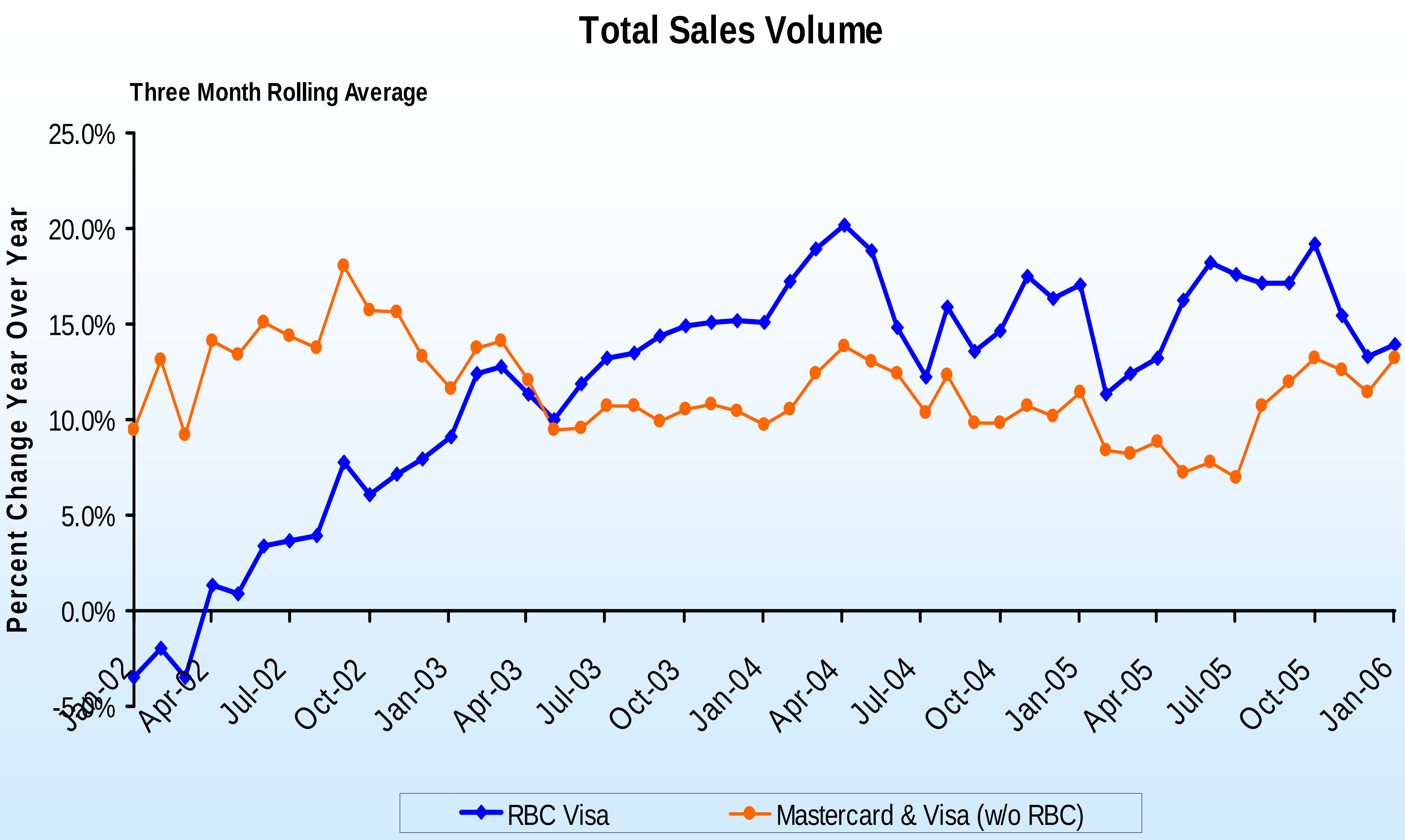
Growing faster than the market in terms of outstanding balances and purchase volume

Outperforming the market in growth of outstanding balances...



Bank of Canada, CBA, OSFI, Visa Canada – January 2006

...and in sales volume



Bank of Canada, CBA, OSFI, Visa Canada – January 2006

Moneris has #1 market share in Canada

Strategic Objective

Maintain leading market share through aligned issuing and acquiring strategies. Continued penetration of RBC business client base

- Moneris is a 50/50 Joint Venture between RBC and BMO, formed in December 2000
  - Credit and Debit card transaction processing (Visa, MasterCard, Interac, Amex, Diners) and settlement services to merchants
  - Point of Sale activation solutions (stand-alone terminals, integrated solutions, e-commerce, commercial card, private IP network)
  - Customized merchant reporting
  - Gift Card and Loyalty programs
- Number One Marketshare in Canada
- 13% penetration of RBC total business client base, the majority of which are RBC Small Business and Business clients
- Moneris Clients are more profitable, maintain higher current account balances, have more products and services and longer tenure.

Focusing on key priorities for 2006

1. **Continued Focus on Client Acquisition and Usage**
   - Aggressive advertising, direct marketing, new product launches, RBC Reward enhancements and new co-brand partners

2. **Grow Client Share of Wallet / Cross Sell**
   - Increase Business Client penetration now at 20%. Leverage credit at account opening
   - Dynamic customer based pricing and credit line strategies
   - Increase Moneris client penetration now at 13%

3. **Payments Innovation**
   - Chip – Credit and debit infrastructure build. 2007 launch

Well positioned for continued strong growth

- Superior multi-channel distribution power of RBC
- Un-matched strength of the RBC and *VISA* brands
- Power of RBC Rewards: Since introducing *RBC Rewards* in March 2003, client surveys reveal year over year gains on Likelihood to Recommend, Card Use & Increase Spend
- Unique and expanding Co-branding Partnerships
- Proven acquisition and usage capabilities leveraging proprietary credit analysis tools
- Double digit growth in total spend and purchases in each of the past 3 years – exceeding the marketplace. - Focus on rewards and loyalty

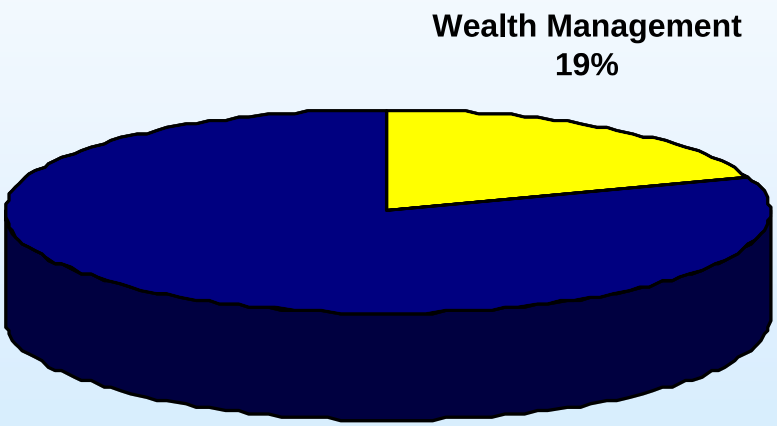
Focus on High Return Businesses

George Lewis
Head – Wealth Management

Wealth Management consists of diverse businesses and is a significant contributor to Canadian P&B

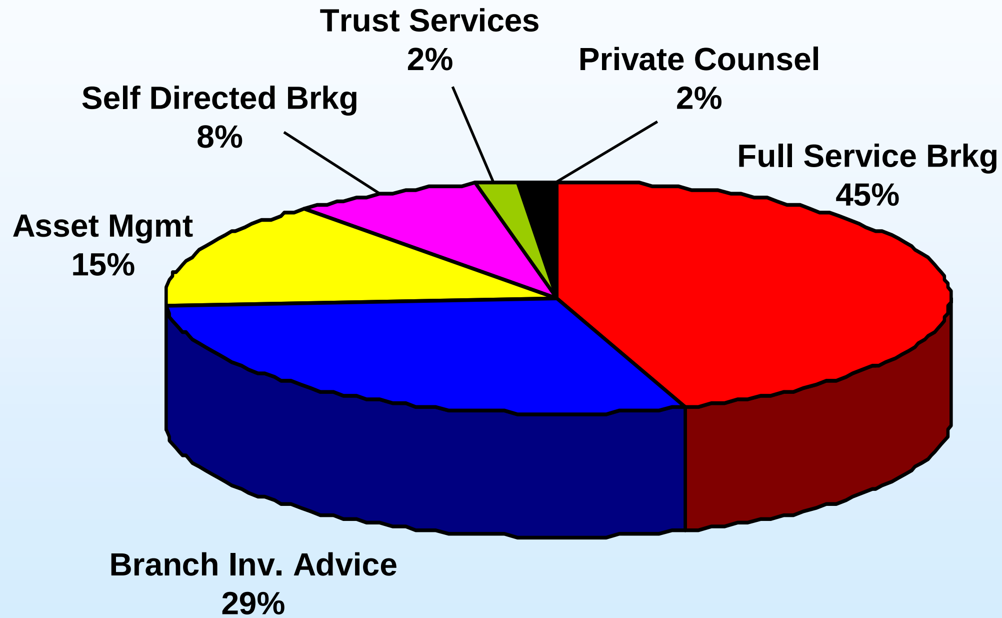
Total Canadian P&B Q1 2006 Revenue

$3,298MM



Wealth Management Q1 2006 Revenue

$641MM



Canadian Wealth Management sector growth expected to exceed the financial services market as a whole

	Total Market ($B)	2004 RBC ($B)	2004 RBC Mkt Share (%)	Industry CAGR 2004-2014
Wealth Market	**1,922**	**268**	**14**	**7.7**
Advice Channels	**1,165**	**174**	**15**	**9.6**
Branch Advice	201	47	23	11.9
Financial Advisors	329	-	-	2.5
Full-Service Brokerage	512	113	22	10.8
Private Client Management	123	14	12	13.4
Direct Channels	**699**	**94**	**13**	**4.3**
Branch Direct	548	75	14	3.5
Online/Discount Brokers	121	19	16	7.9
Direct Sellers of funds	30	-	-	1.3
Directly Held	**58**	-	-	

Investor Economics, Household Balance Sheet Report 2005

Well positioned in the Canadian Wealth Management market to grow faster than our competitors

- **RBC has strength and/or focus in fastest growing channels of wealth management distribution** (Advice – Branch (FP/IRP), Full-Service Brokers (DS) and Private Client Management (PC/DS))

- **Opportunity to take share from MFDA* firms (Financial Advisors) is expected by industry observers → Invest in Branch Advice / Full-Service**

- **Branch Direct** balance growth is expected to slow except for independent MFDA firms but this is due to large share of lower-growth GIC business → **still a revenue vs. balance growth opportunity** for RBC by increasing mix of mutual funds

* Mutual Fund Dealers Association

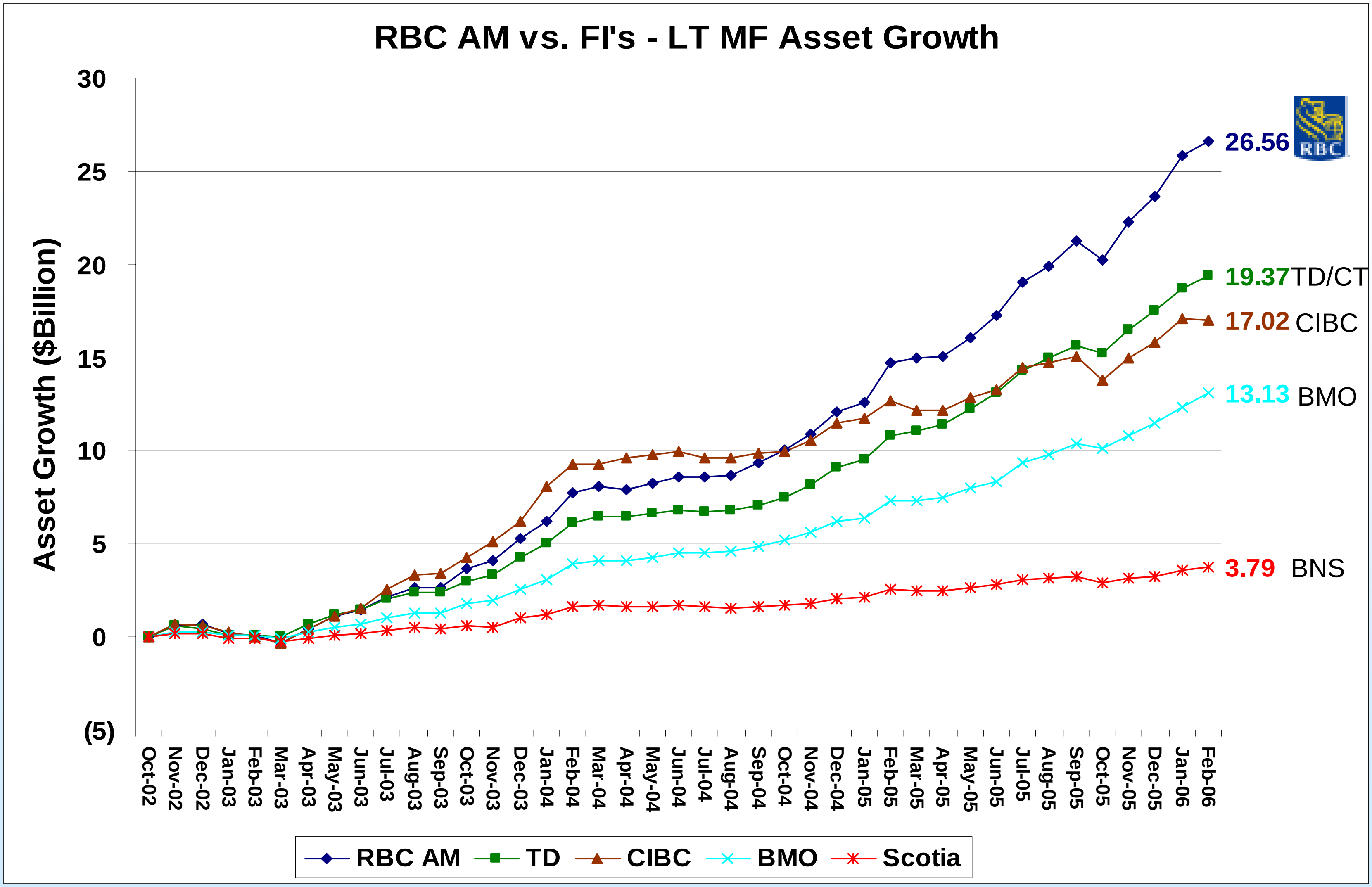
Key priorities for 2006 – Client and advisor acquisition orientation to force momentum

1. **New Personal Investment Clients (Branch/RBC Asset Management)**
   - Continue: Maximizing Retirement Income, Portfolio Products
   - New: RBC Managed Portfolios → affluent market opportunity
   - Leverage: Investment & Retirement Planners and Financial Planners
2. **Acquisition and Retention of Advisors (Dominion Securities/Counsel)**
   - RBC DS increasingly perceived internally and externally as attractive model (best products/services, management team, culture, positioning within larger enterprise)
   - Execution/stability of High Net Worth strategy will allow for recruitment into Private Counsel
3. **Acquisition and Retention of Active Investing Clients (Self-Directed)**
4. **Acquisition of Agent-for-Executor Clients (Trust)**
   - Raising awareness and number of executions to 300/annum

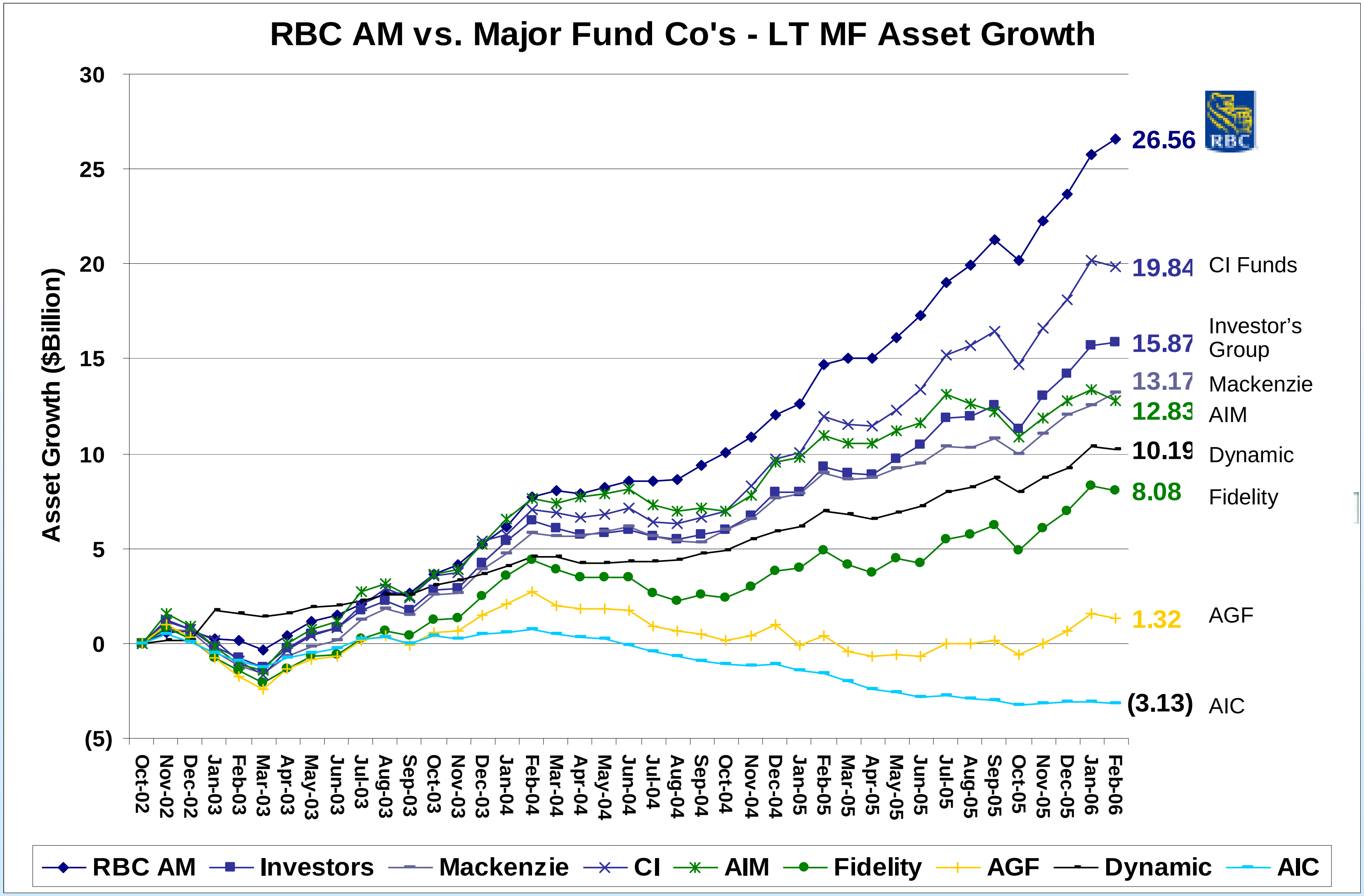
Growing Asset Management – a high return business

- RBC Asset Management is **largest single fund company in Canada** in terms of AUM
- **Growing market share** in both total and long-term assets with more than $60 billion in AUM
  - Industry leading $6 billion of long-term fund net sales in 2005
- Driven by:
  - **Robust multi-channel distribution**
    - Approximately 25% of net long term sales from outside branch network / outselling "traditional" leaders in brokerage/independent channel
  - **High-value to clients** (98% of Management Expense Ratios below average) and advisors
  - **Superior product** offering focussed on client needs and advice
  - **Excellent investment performance** (89% of funds in top two quartiles – 3 yrs.), process and people
  - **Long-time commitment to fund governance**, including strong internal RBC support for asset management business
  - **New Product Development**, 60% of 2005 net sales attributable to products launched within 5 years
    - Maximizing Retirement Income → RBC Managed Portfolios

Growing long-term mutual fund assets faster than other banks….



...and faster than the major fund companies



Successfully growing RBC DS – another high return business

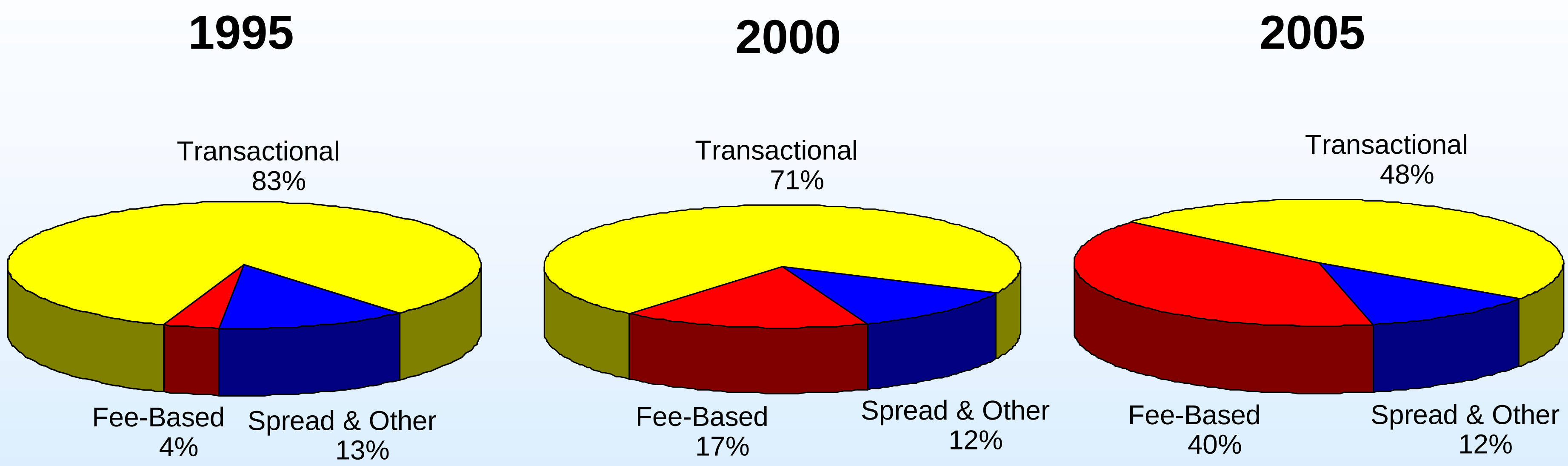
- Canada's largest full-service retail brokerage business
  - Q1/06 → $135B in AUA; 1,372 IA's
- 40% of revenues in 2005 from fee-based products and services
- Growing proportion of recurring revenue, positive client experience, higher ROE
- Six elements of strategy:

  1. Client Experience
  2. IA Experience
  3. Wealth Management
  4. Money Management → Synergies with RBC AM
  5. RBC DS Culture
  6. Portfolio Management

- RBC reorganization reinforces RBC DS Strategy

Significant growth in fee-based revenue at RBC DS

Fee-Based Revenue Increased from 4% in 1995 to 40% in 2005



RBC Financial Group

Jim Westlake

Group Head – RBC Canadian Personal and Business

RBC Canadian Personal & Business Segment

Summary:

1. Strong performance through 2005
2. Significant growth opportunities in 2006 and beyond
3. Ignited by leveraging our leading distribution capabilities and focus on high return/high potential businesses

RBC Financial Group

Question & Answer Period