



**“RY” on TSX & NYSE**

# ***Strengthening our leadership***

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Chief Operating Officer**

**CIBC World Markets Institutional Investor Conference 2006**

**Montreal  
October 4, 2006**

The financial information in this presentation is in Canadian dollars  
and is based on Canadian GAAP, unless otherwise noted.



## 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 in any applicable Canadian Securities legislation. We may make such statements in this document, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in reports to shareholders or in other communications. These forward-looking statements include, among others, statements with respect to our objectives for 2006, our medium-term goal, and strategies to achieve those objectives and the medium term goal, as well as statements with respect to our beliefs, plans, outlooks, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and words and expressions of similar import are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve numerous factors and assumptions and inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, factors and projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors or assumptions could cause our actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the management of credit, market, liquidity and funding and operational risks; the strength of the Canadian and United States economies and the economies of other countries in which we conduct business; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar and British pound; the effects of changes in monetary policy, including changes in interest rate policies of the Bank of Canada and the Board of Governors of the Federal Reserve System in the United States; the effects of competition in the markets in which we operate; the impact of changes in the laws and regulations regulating financial services and enforcement thereof (including banking, insurance and securities); judicial judgments and legal proceedings; our ability to obtain accurate and complete information from or on behalf of our customers and counterparties; our ability to successfully realign our organization, resources and processes; our ability to complete strategic acquisitions and joint ventures and to integrate our acquisitions and joint ventures successfully; changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; operational and infrastructure risks; reputational risks; and other factors that may affect future results including changes in trade policies, timely development and introduction of new products and services, changes in our estimates relating to reserves and allowances, changes in tax laws, technological changes, unexpected changes in consumer spending and saving habits, natural disasters such as hurricanes, the possible impact on our businesses from public health emergencies, international conflicts and other developments including those relating to the war on terrorism; and our success in anticipating and managing the foregoing risks.

Additional information about these factors can be found under "Risk Management" and "Additional Risks That May Affect Future Results" in our 2005 Annual Report.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Royal Bank of Canada, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. 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.

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## Clearly focused on our strategic goals

To be the undisputed leader in financial services in Canada

To build on our strengths in banking, wealth management and capital markets in the United States

To be a premier provider of selected global financial services

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## Leadership in major product segments in Canada

	Rank <sup>1</sup> #	Market share May-06
Residential mortgages	1	15.49%
Personal loans <sup>2</sup>	2	13.79%
Credit cards <sup>2</sup>	2	15.94%
Total loans ( <i>res.mortgages, pers.loans, credit cards</i> )	1	15.09%
Personal core deposits and investments	1	12.36%
Personal core deposits	2	13.96%
Personal investments (GICs and Mutual funds)	1	11.92%
Full service brokerage (AUA) <sup>3</sup>	1	21.47%
Business loans	1	12.07%
Business deposits <sup>4</sup>	1	20.96%

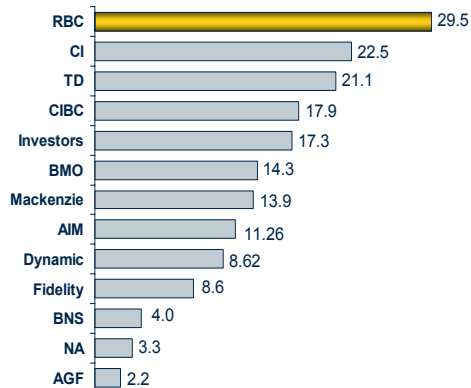
1. Market share rank among financial institutions in Canada. Source: RBC Financial Group.
2. Ranking reflects combined Personal Loans and Credit Cards.
3. Information updated quarterly. Market share as at June 2006.
4. Excludes market share of non-bank financial institutions.

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## Leadership in distribution

### Long Term Mutual Fund Asset growth October '02 – August '06 (\$ Billion)



### Unparalleled breadth & depth of distribution for wealth management

- 1,109 branches staffed with 6,246 licensed mutual fund sales people (PFSRs, AMs, FPs)
- 498 Investment Retirement Planners
- 545,000 Action Direct customers serviced by phone and Internet
- 11 Private Trust Offices, 13 Private Counsel Offices, 25 Private Banking offices
- 1,313 Investment Advisers in our Full Service Brokerage
- Distribution agreements with 17,000 Independent brokers

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## Leadership in Innovation - Insurance

**VISIT**

**CALL**

**CLICK**



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## Leadership in Capital Markets

**Leadership with Canadian clients**

**Best Canadian Debt, Equity and M&A House of the Year, 2006** *Euromoney*

**Dealmaker of the Year for 8<sup>th</sup> consecutive year (2005)** *Financial Post*

**#1 in M&A, 2005** *Thomson, Globe and Mail*

**#1 in Debt, 2005** *Bloomberg, Globe and Mail*

**#1 in Canadian Syndicated Loans, 2005** *Bloomberg, Loan Pricing Corporation*

**#2 in Equity, 2005** *Bloomberg, Globe and Mail*

**Leadership with international issuers & investors**

**Dominant position in C\$ FX trading**

➤ **#1 CAD dealer** *Euromoney*

➤ **Award for Best Bank in Canadian Dollar** *FX Week*

**Largest player in the Maple bond business**

➤ **42% market share of the Canadian Maple Market in 2006**

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**RBC** **Leadership at the enterprise level**

**Credit ratings**

Moody's	S&P	Fitch	DBRS
Aa2	AA-	AA	AA (low)

**Brand**

**CANADIAN BUSINESS** 'Canada's Most Valuable Brand' 2004, 2005

**Risk management & diversification**

**Net income volatility <sup>1</sup>**

Company	Volatility (%)
RY	24%
BNS	27%
NA	27%
BMO	33%
TD	114%
CIBC	162%

(1) Percent standard deviation from mean reported Net Income over 20 consecutive quarters ended July 31, 2006.

**Technology & operations scale**

**GLOBAL TECHNOLOGY & OPERATIONS**  
Making it easy to do business with RBC

- CIO magazine's Top 100 innovative organizations who leverage IT effectively to maximize business value

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**RBC** **Our strategic goals**

To be the undisputed leader in financial services in Canada

To build on our strengths in banking, wealth management and capital markets in the United States

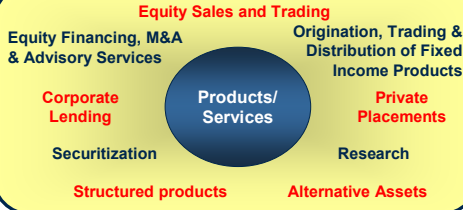
To be a premier provider of selected global financial services

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## Building on our strength in capital markets

Top-tier provider to the US mid-market



Leader in US municipal bonds

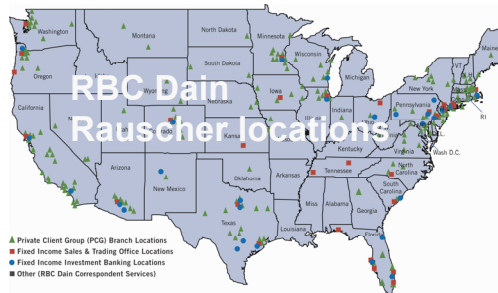
U.S. Municipal League Tables - Lead Manager (1/1/06 to 8/31/06)

Rank	Investment Bank	# of Issues	PAR Amount	Market Share
1	RBC Capital Markets	367	9,756	5.1
2	UBS Securities LLC	357	22,812	11.8
3	Citigroup	196	24,363	12.6
4	Banc of America Securities	182	8,014	4.2
5	Piper Jaffray & Co	181	3,195	1.7
6	AG Edwards & Sons	179	4,202	2.2
7	Morgan Keegan & Co	148	4,158	2.2
8	George K Baum & Company	142	3,209	1.7
9	Merrill Lynch & Co	135	11,359	5.9
10	Lehman Brothers	125	10,039	5.2

Source: Thomson Financial



## Building on our strengths in banking and wealth management





## Our strategic goals

To be the undisputed leader in financial services in Canada

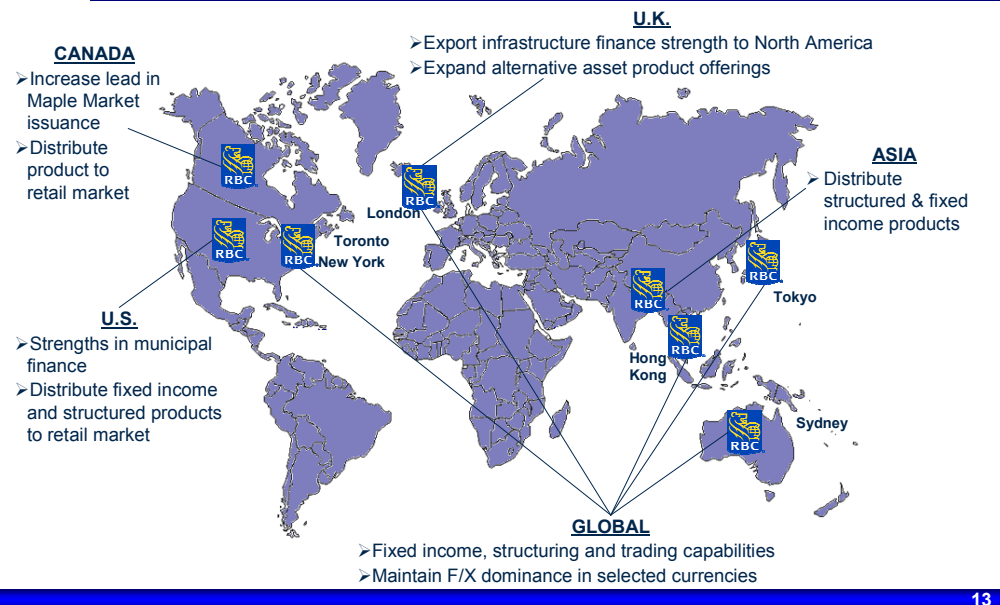
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## RBC Capital Markets' goal: to be a leading global player in fixed income and structured products



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## Global Private Banking: Robust wealth management platform

### Global Ranking

- GPB ranks No. 18 among top private banks worldwide
- With the Abacus acquisition, RBC took the top two spots for best international trust services in the U.K. (*Euromoney*)

### Clients & Locations

- 40% of client base from British Isles (as % of revenue)
- 28,000 HNW clients (target > US\$1MM in investable assets)
- 30 offices in 21 countries

### Trust & Structured Solutions

- Core competence and competitive differentiator
- RBC a top provider worldwide
- Significantly strengthened with British Isles' E&Y trust business

### Growth

- Already met full-year objective of hiring 21 new client relationship professionals (who bring >\$500,000 revenues)
- Opening offices and building scale in technology and operations

### Acquisitions

- Acquired Abacus in the U.K and Channel Islands (Q1 2006)
- Acquired American Guaranty & Trust in Delaware, U.S. (Q4 2006)

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## Delivering financially

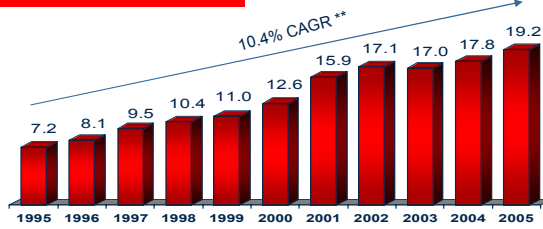
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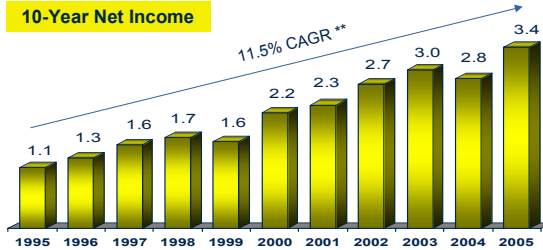
## A track record of revenue & earnings growth

In C\$ billions

### 10-Year Total Revenue \*



### 10-Year Net Income



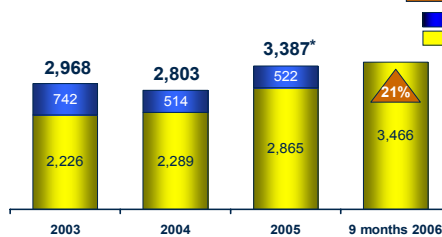
\* From continuing operations \*\* Compound annual growth rate

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## YTD 2006 is another record

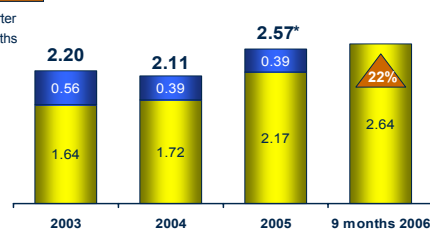
### Net Income (\$ millions)



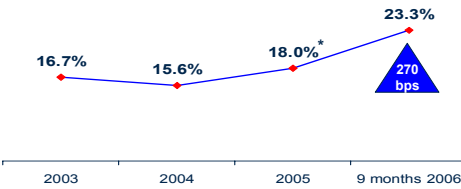
### Growth vs. nine months 2005

■ Fourth quarter  
■ First 9 months

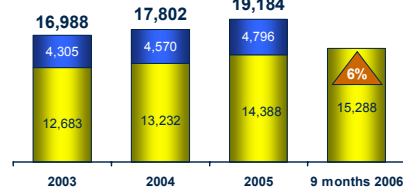
### Diluted EPS (\$)



### Return on equity (ROE)

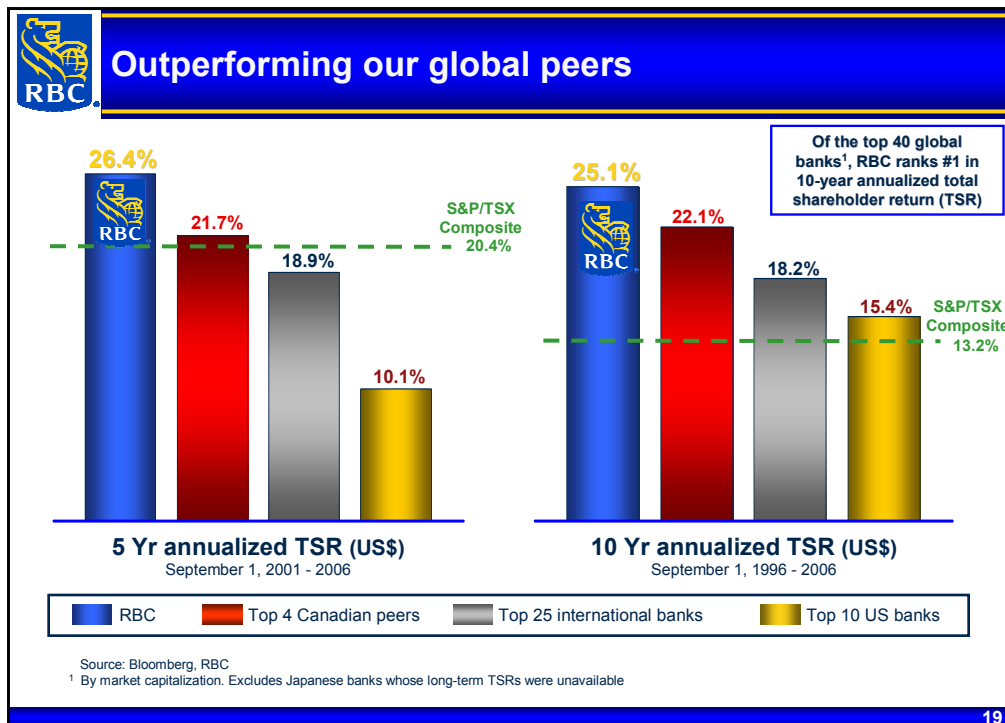
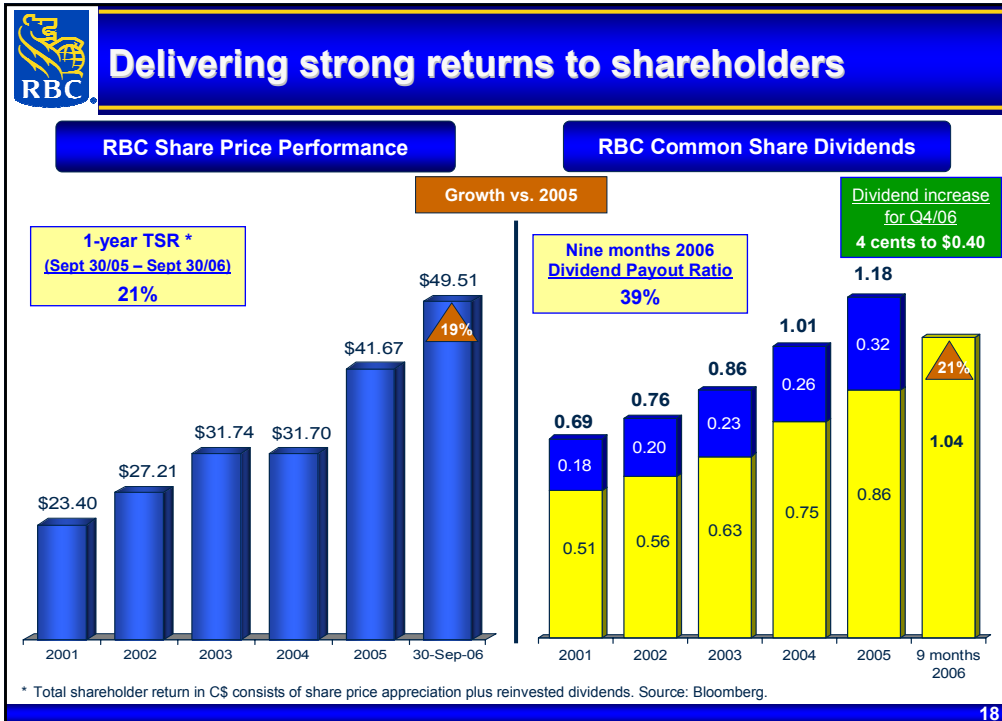


### Total revenue\*\* (\$ millions)



\* Includes provisions of \$591 million (\$326 million after-tax or \$0.25/share) for Enron Corp. litigation and \$203 million (before- and after-tax, or \$0.16/share) for estimated net claims related to hurricanes Katrina, Rita and Wilma.  
\*\* From continuing operations, which exclude the results of our discontinued operations, RBC Mortgage Company

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# Appendix

## All three business segments contributed to our strong earnings growth

Net Income (\$ millions)	Nine months 2006	Growth vs. nine months 2005	
■ RBC Canadian Personal and Business	\$ 2,019	\$ 219	12 %
■ RBC U.S. & International Personal and Business	318	63	25
■ RBC Capital Markets	1,092	275	34
■ Corporate Support	65	43	n.m.
Continuing operations	\$ 3,494	\$ 600	21 %
Discontinued operations	(28)	1	n.m.
Total Net income	\$ 3,466	\$ 601	21 %

**Revenue\* by segment (nine months 2006)**

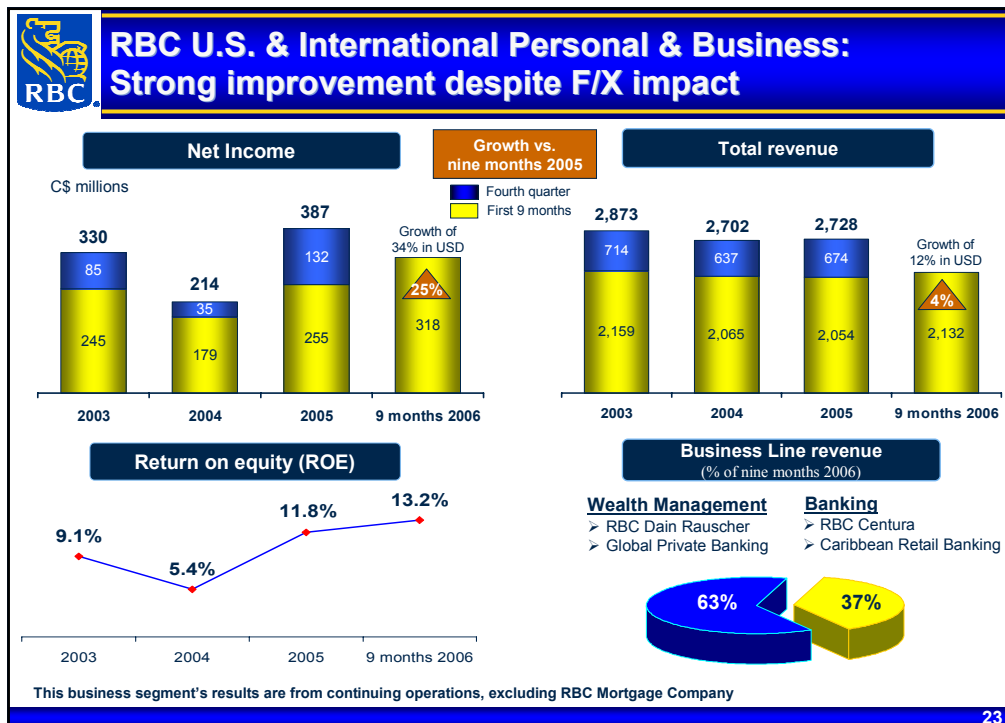
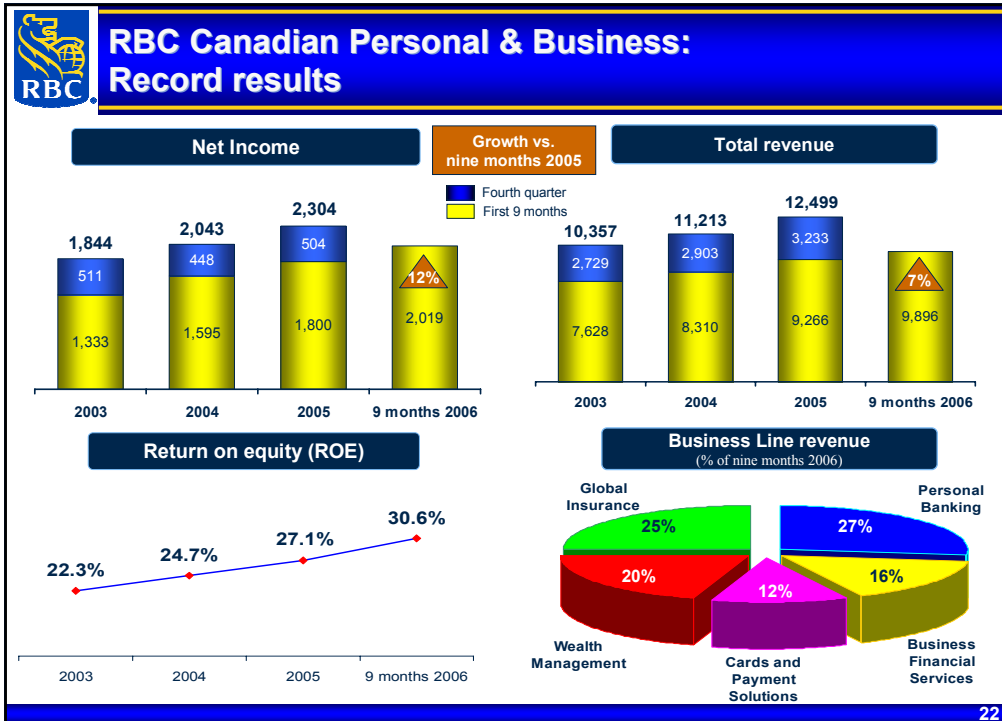
Segment	Percentage
RBC Canadian P&B	65%
RBC U.S. and International P&B	14%
RBC Capital Markets	22%
Corporate Support	1%

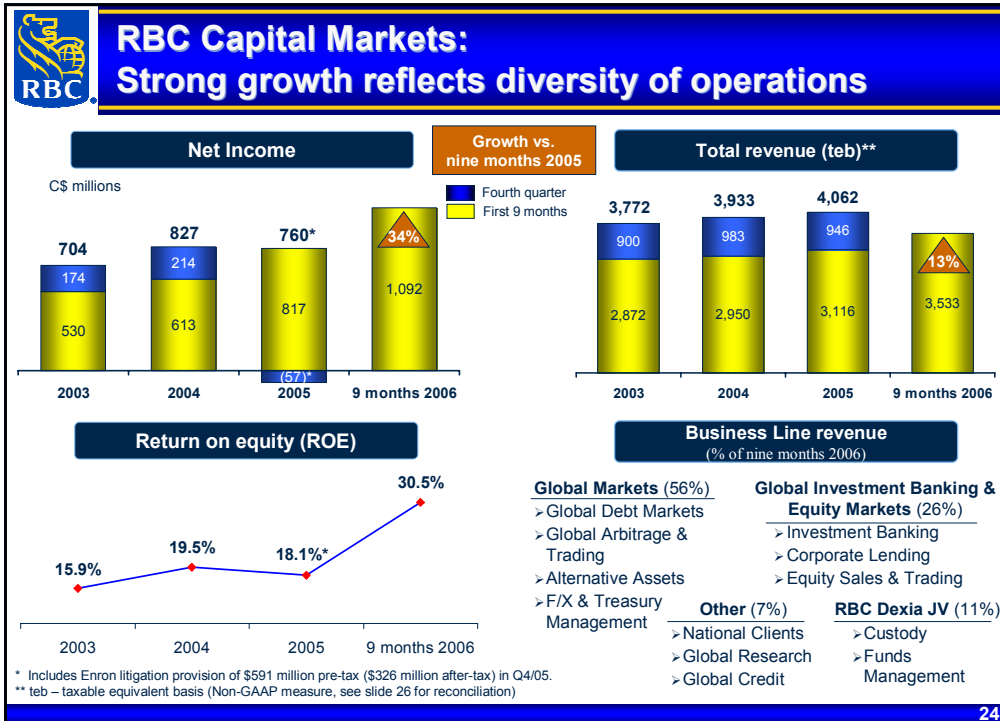
**Net income\* by segment (nine months 2006)**

Segment	Percentage
RBC Canadian P&B	58%
RBC U.S. and International P&B	9%
RBC Capital Markets	31%
Corporate Support	2%

\* From continuing operations, which exclude the results of our discontinued operations, RBC Mortgage Company

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## Tracking well to meet most 2006 objectives

	2006 Objectives	Nine-month Performance
Diluted earnings per share growth <sup>(1)</sup>	20%+	21.7%
Return on common equity (ROE)	20%+	23.3%
Revenue growth	6-8%	6%
Operating leverage <sup>(2)</sup>	>3%	0%
Portfolio quality <sup>(3)</sup>	.40-.50%	.21%
Tier 1 capital ratio	8%+	9.6%
Dividend payout ratio	40-50%	39%

(1) Based on 2005 total reported diluted EPS of \$5.13, which has been restated to \$2.57 to reflect a stock dividend of one common share on each of our issued and outstanding common shares, paid on April 6, 2006.  
(2) Operating leverage is the difference between the revenue growth rate and the non-interest expense growth rate. Our 2006 objective for operating leverage is based on 2005 non-interest expense excluding the provision for Enron Corp. litigation of \$591 million recorded in the fourth quarter of 2005.  
(3) Ratio of specific provisions for credit losses to average loans and acceptances.



## Reconciliation of RBC Capital Markets total revenues (teb)\* and VIEs\*

C\$ millions	Q3/06		Q2/06		Q3/05		Nine months 2006		Nine months 2005	
	GAAP	teb/VIEs	GAAP	teb/VIEs	GAAP	teb/VIEs	GAAP	teb/VIEs	GAAP	teb/VIEs
Net interest income	\$ 6	\$ 6	\$ (13)	\$ (13)	\$ 53	\$ 53	\$ 24	\$ 24	\$ 385	\$ 385
Taxable equivalent basis (teb) adjustment	-	46	-	80	-	25	-	163	-	76
Net interest income	\$ 6	\$ 52	\$ (13)	\$ 67	\$ 53	\$ 78	\$ 24	\$ 187	\$ 385	\$ 461
Non interest income	1,131	1,131	1,270	1,270	935	935	3,346	3,346	2,655	2,655
Total revenue	\$ 1,137	\$ 1,183	\$ 1,257	\$ 1,337	\$ 988	\$ 1,013	\$ 3,370	\$ 3,533	\$ 3,040	\$ 3,116
Negative (positive) revenue impact related to VIEs offset in Non-controlling interest **		32		(35)		(9)		(11)		3
Total revenue excluding VIEs		\$ 1,151		\$ 1,372		\$ 1,022		\$ 3,544		\$ 3,113

\* Non-GAAP financial measure – refer to discussion of the use of non-GAAP financial information on slide 27.

\*\* Represents revenue attributed to other equity investors of consolidated VIEs offset in Non-controlling interest in net income of subsidiaries.

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## Note to users

We use a variety of financial measures to evaluate our performance. In addition to GAAP-prescribed measures, we use certain non-GAAP measures we believe provide useful information to investors regarding our financial condition and results of operations. Readers are cautioned that non-GAAP financial measures such as revenues on a taxable equivalent basis (teb), do not have any standardized meaning prescribed by Canadian GAAP, and therefore, are unlikely to be comparable to similar measures presented by other companies.

Reconciliation of non-GAAP measures to GAAP measures can be found throughout this presentation.

Additional information about our non-GAAP financial measures can be found under "Key Financial Measures (Non-GAAP)" in our Q3 2006 Report to Shareholders.

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