



# Brokerage, Asset Management and Products

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*Toronto, April 22, 2005*



# Market Leadership



| Products                        | Ranking | Balance<br>(C\$ billions) | Growth<br>(%)<br>2003-2004 | Trend vs.<br>Market |
|---------------------------------|---------|---------------------------|----------------------------|---------------------|
| Personal Deposits               | 2       | 91                        | 5                          | ↔                   |
| Mutual Funds                    | 1       | 48                        | 13                         | ↑                   |
| <b>Total Deposits (MF + PD)</b> | 1       | 138                       | 8                          | ↔                   |
| Residential Mortgages           | 1       | 90                        | 11                         | ↑                   |
| Personal Loans                  | 2       | 30                        | 16                         | ↑                   |
| Credit Cards                    | 2       | 9                         | 10                         | ↑                   |
| <b>Total Personal Loans</b>     | 2       | 129                       | 12                         | ↑                   |
| Business Deposits               | 1       | 75                        | 29                         | ↑                   |
| Business Financing              | 1       | 33                        | 5                          | ↔                   |
| Full Service Brokerage          | 1       | 117                       | 8                          | ↔                   |



# Strategic Focus



**Grow High  
Return Areas**  
(RBC DS,  
Asset Mgmt,  
Credit Cards)



**Advice-based  
Products**  
(Homeline,  
Cash Flow  
Funds)



**Better Pricing  
on Negotiated  
Products**  
(Led by Client  
Strategy)

Superior NIAT Growth - Both Client and Shareholder Benefit

*...in order to achieve profitable growth in assets and market share position*



# Growth in High Return Business

## *DS Brokerage*

- Canada's largest full-service retail brokerage business
  - \$117B in AUA; 1,308 IA's
- 39% of revenues in 2004 from fee-based products and services
- 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

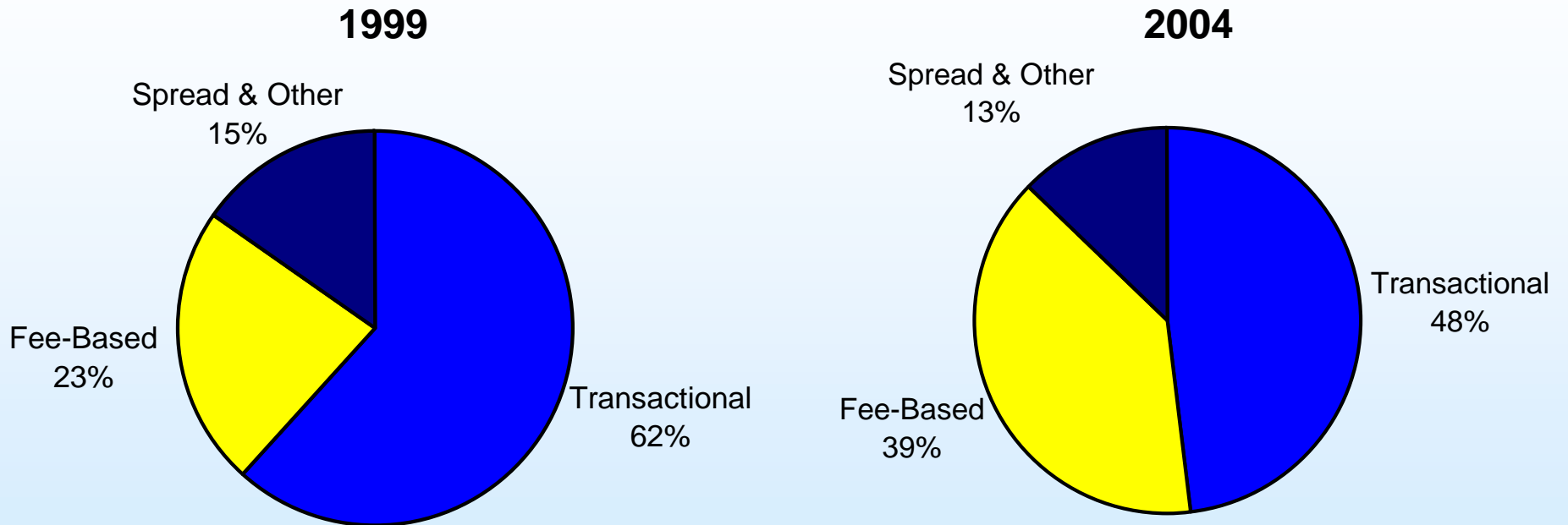


# Growth in High Return Business

## DS Brokerage



Fee-Based Revenue Increased from 23% in 1999 to 39% in 2004





# Growth in High Return Business

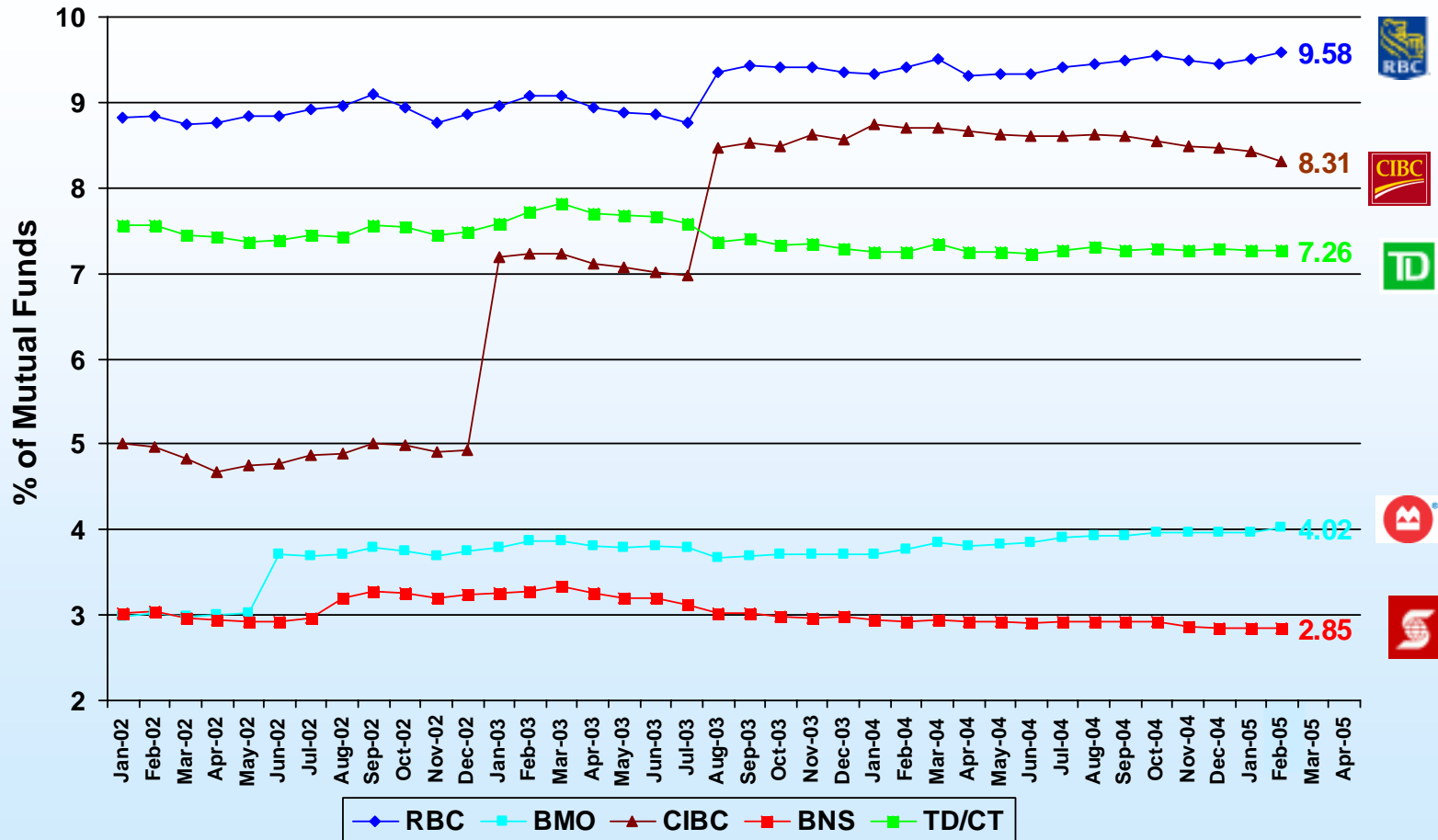
## *Asset Management*

- RBC Asset Management is **largest single fund company in Canada**
- **Growing market share** in both total and long-term assets
  - Industry leading \$4billion of long-term fund net sales in 2004
- Driven by:
  - **Robust multi-channel distribution**
    - Approximately 20% 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** (85% of funds in top quartiles – 3 yrs.), process and people
  - **Long-time commitment to fund governance**, including strong internal RBC support for asset management business



# Growth in High Return Business Asset Management

## RBC Asset Management: Market Share Position - Canada



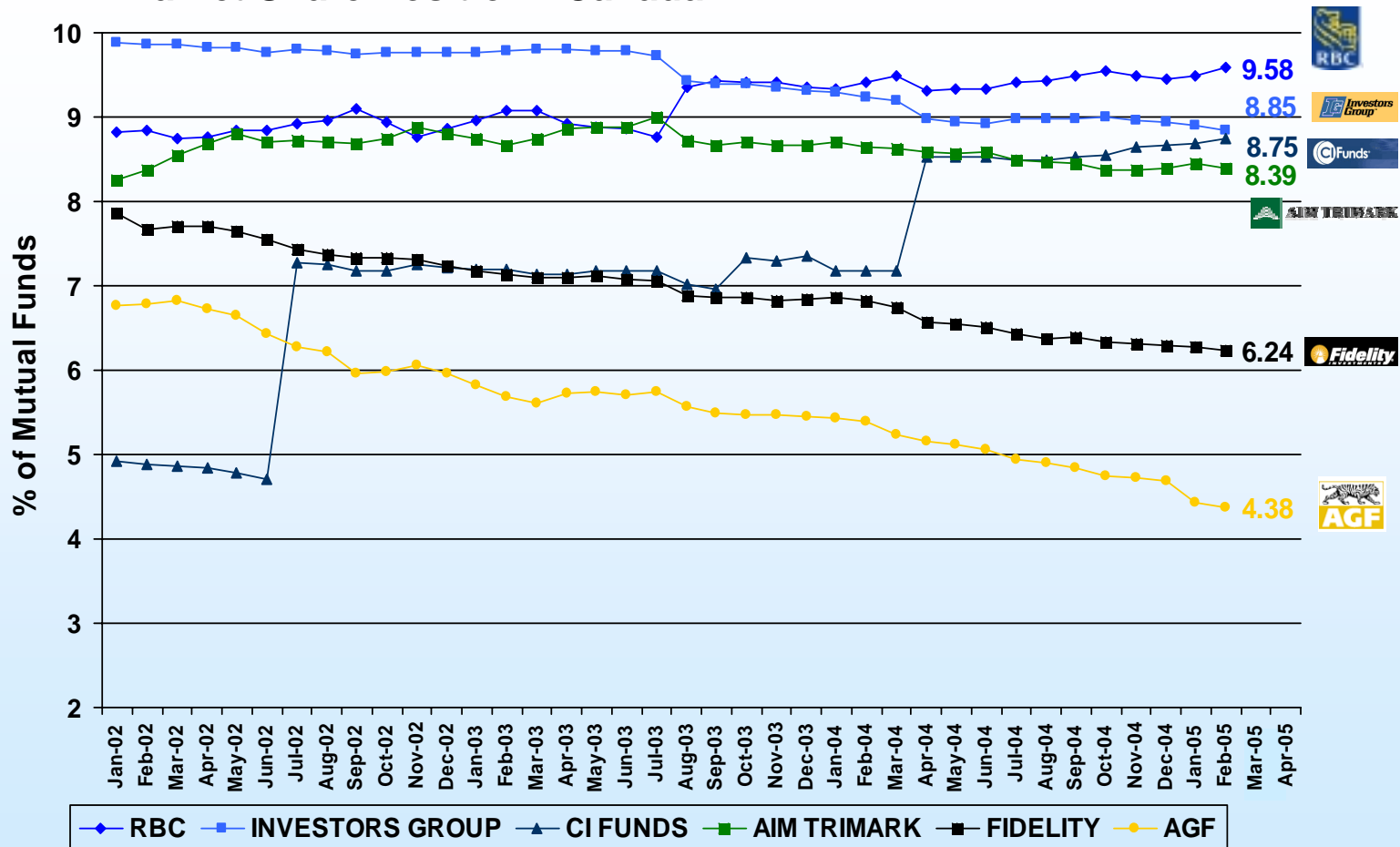
IFIC, Bank of Canada, OSFI – April 2005



# Growth in High Return Business

## Overall Market Share Leader

### RBC Asset Management: Market Share Position - Canada



IFIC, Bank of Canada, OSFI – April 2005



# Growth in High Return Business

## *Credit Cards*

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- Significant growth in purchases and volumes in 2003 and 2004 due to credit line optimization (lending) and rewards-based cards (loyalty)
  - Proprietary credit analysis permits more aggressive optimization strategies and strong credit quality
  - Resurgence of Avion (premium rewards) key driver of purchase volume growth and NIAT
- 2005 Strategy
  - Continued focus on credit line optimization and rewards-based cards
  - New account acquisition and “account activation” programs



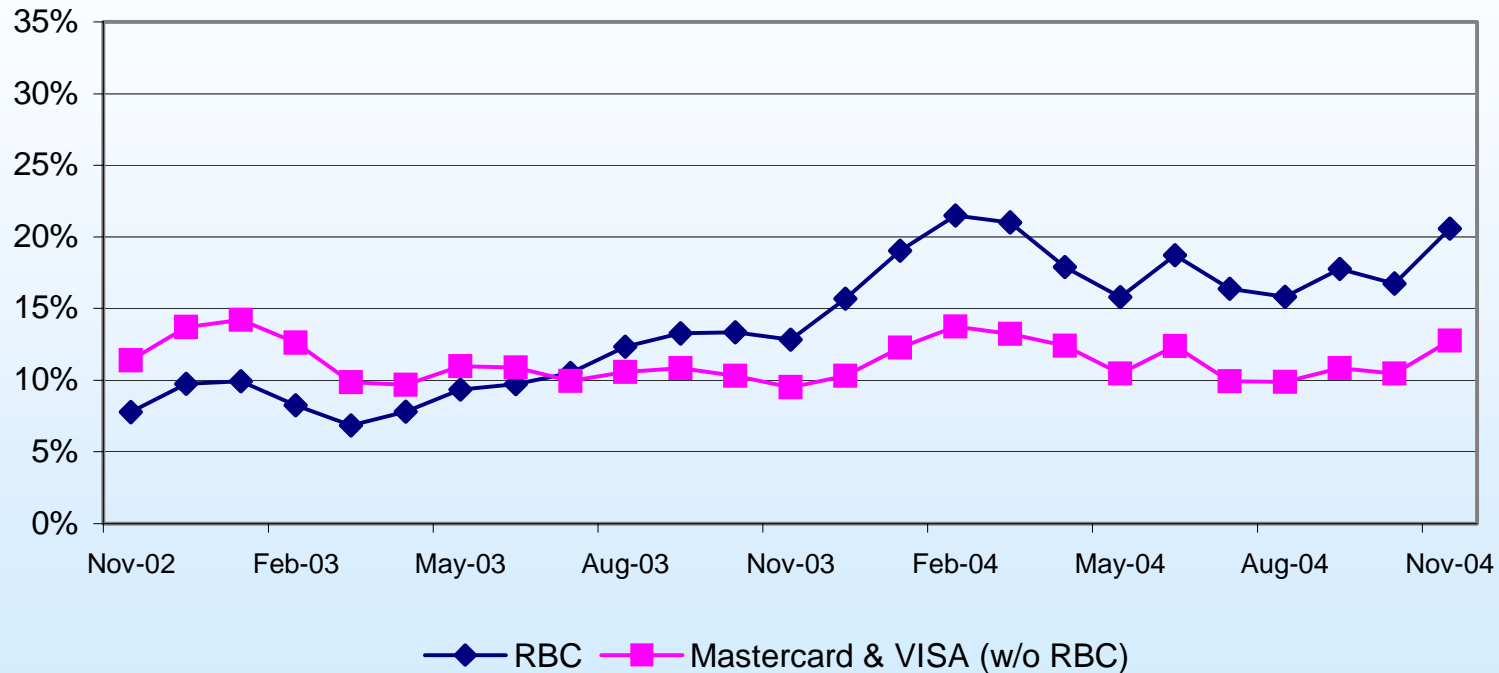
# Growth in High Return Business

## Credit Cards



### Market Growth – Purchases

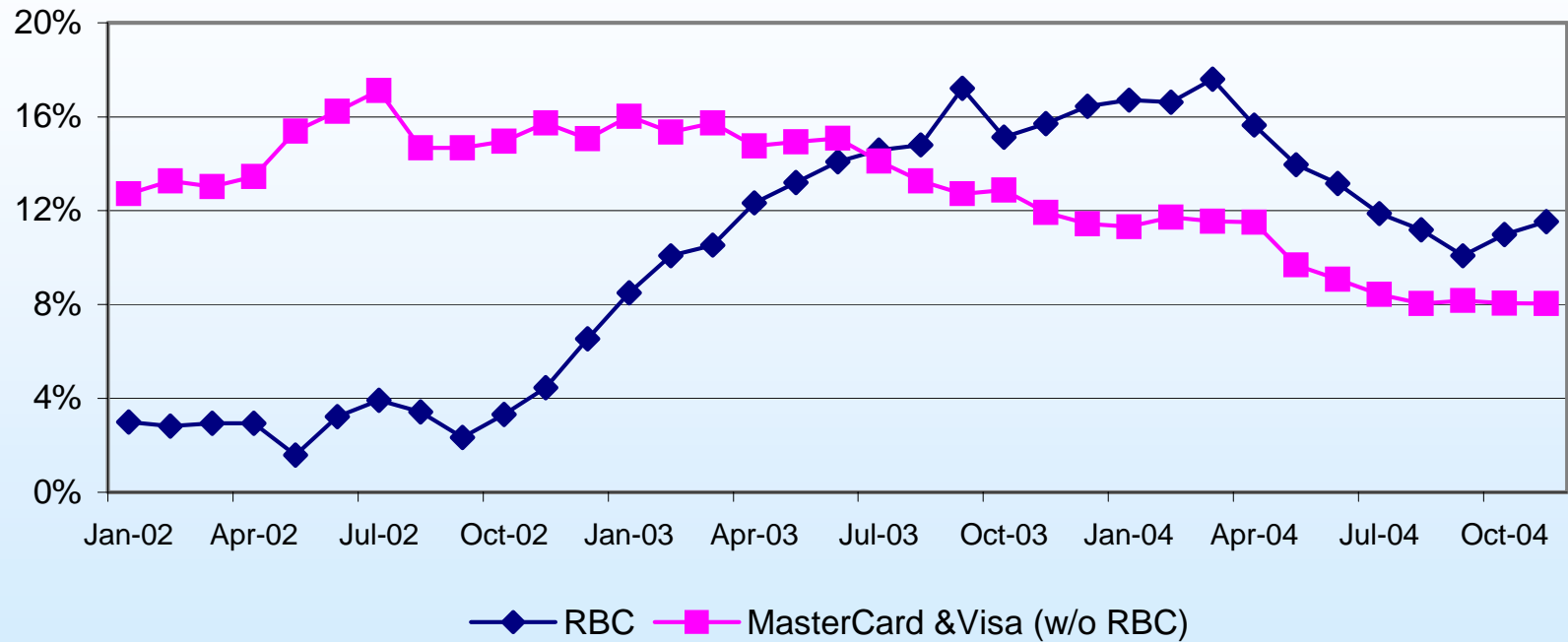
RBC vs. Market (w/o RBC Purchases) Y-o-Y Growth





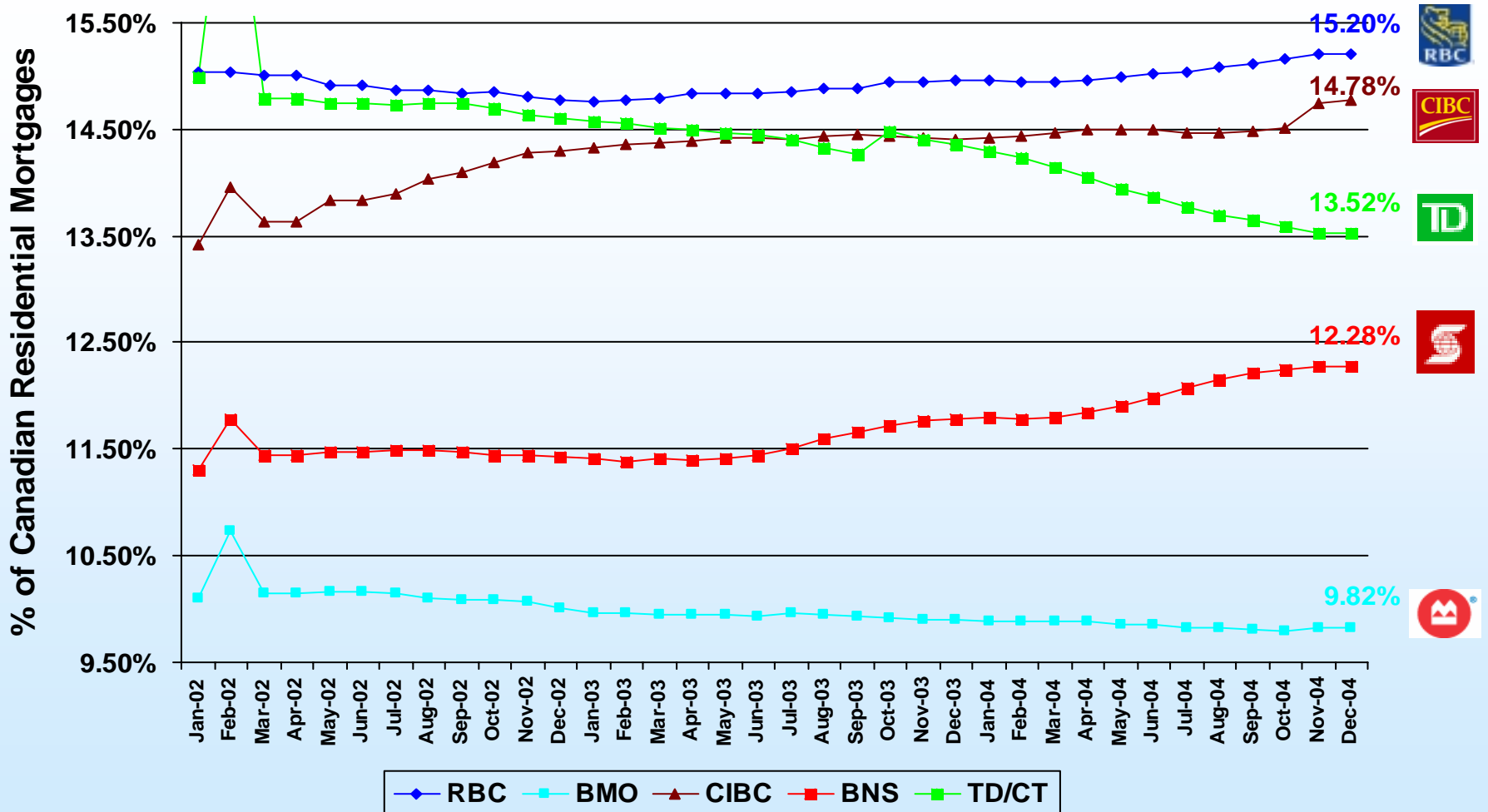
# Growth in High Return Business Credit Cards

## Market Growth – Outstanding Balances RBC vs. Market (w/o RBC Outstanding) Y-o-Y Growth





# Impact of Advice-Based Products Residential Mortgages



CMHC - December 2004

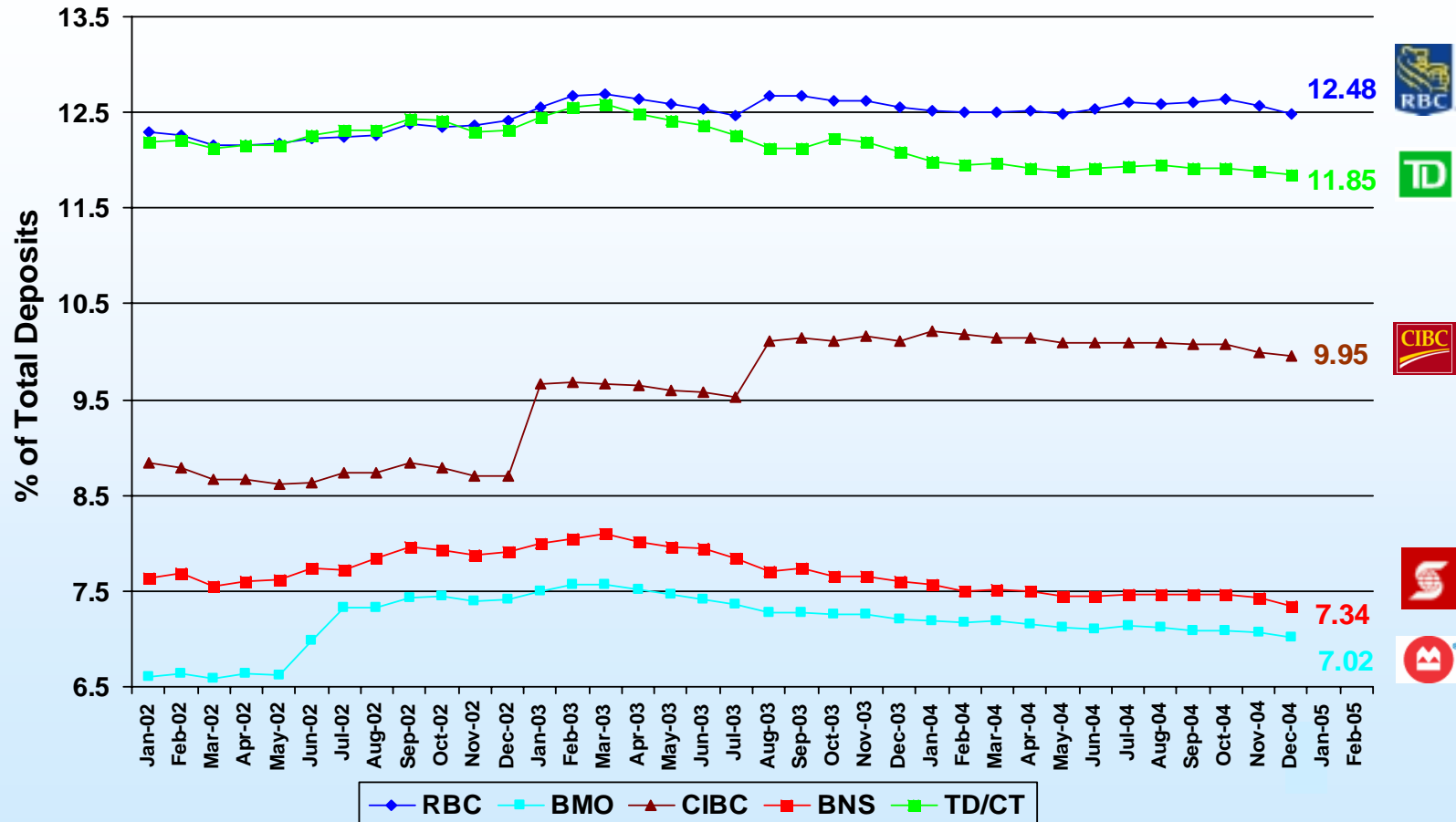


# Overall Market Leader

## Total Personal Deposits



### Total Deposits (Personal Deposits + Mutual Funds) Market Share Position - Canada



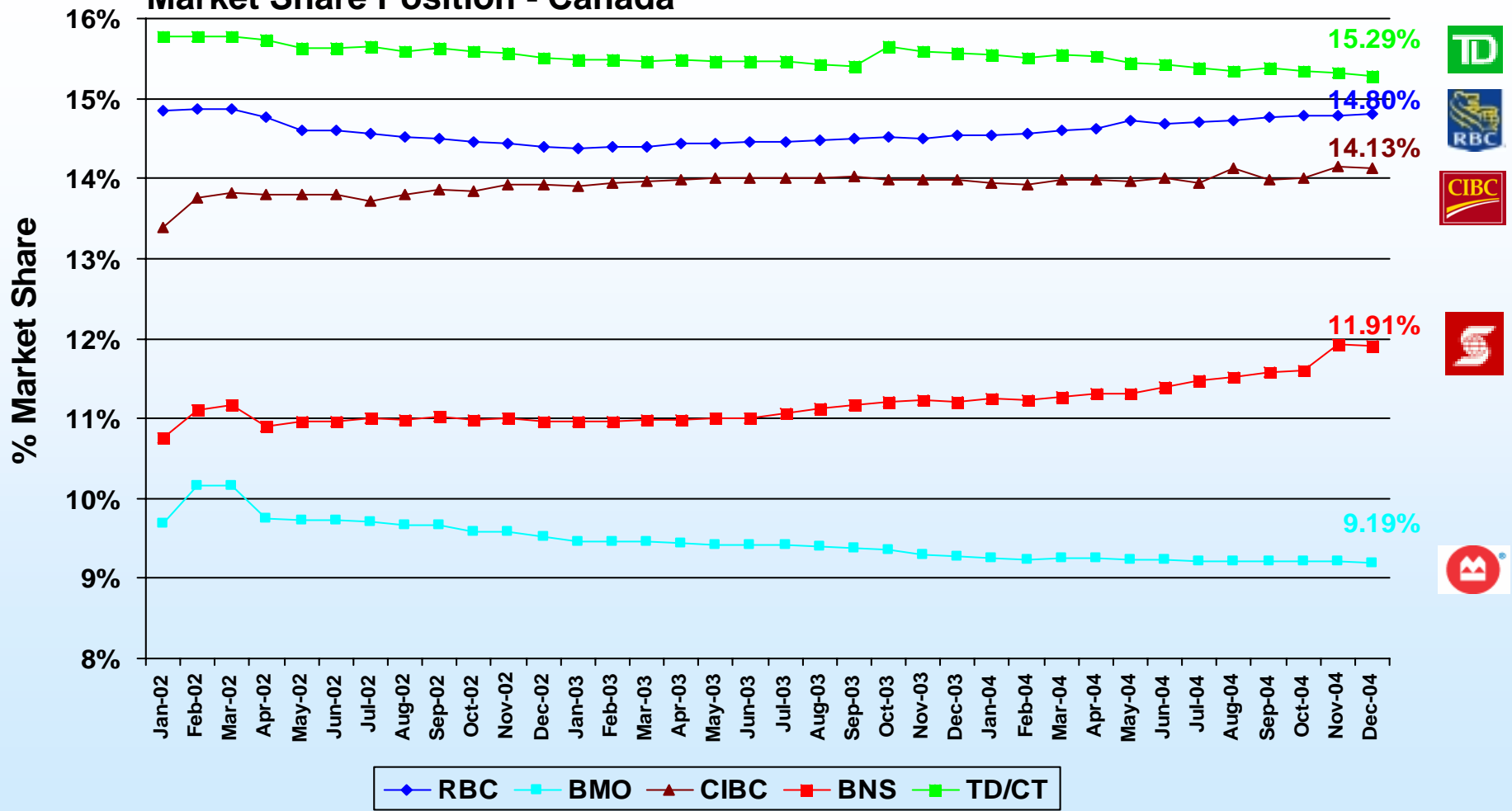


# Overall Market Leader

## Total Personal Lending



### Total Personal Loans, Credit Cards and Residential Mortgages Market Share Position - Canada



Bank of Canada, CBA, OSFI, Visa Canada - December 2004