



“RY” on TSX & NYSE

Positioned for further growth

Gordon M. Nixon
President & CEO

Scotia Capital Financials Summit 2006

Toronto
September 12, 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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Agenda

- **Strong financial performance**
- Our strategic goals
- Business segment performance and initiatives
- Growing returns to our shareholders

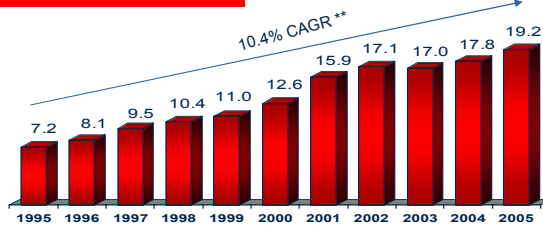
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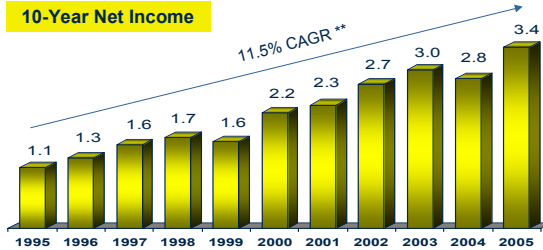
Long-term revenue & earnings growth

In C\$ billions

10-Year Total Revenue *



10-Year Net Income



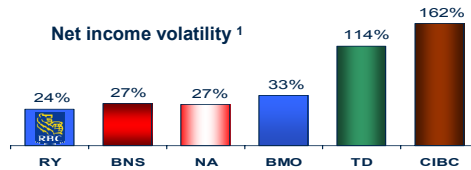
* From continuing operations ** Compound annual growth rate

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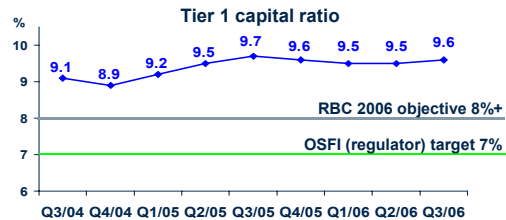
Financial strength and stability

Stable long-term earnings



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

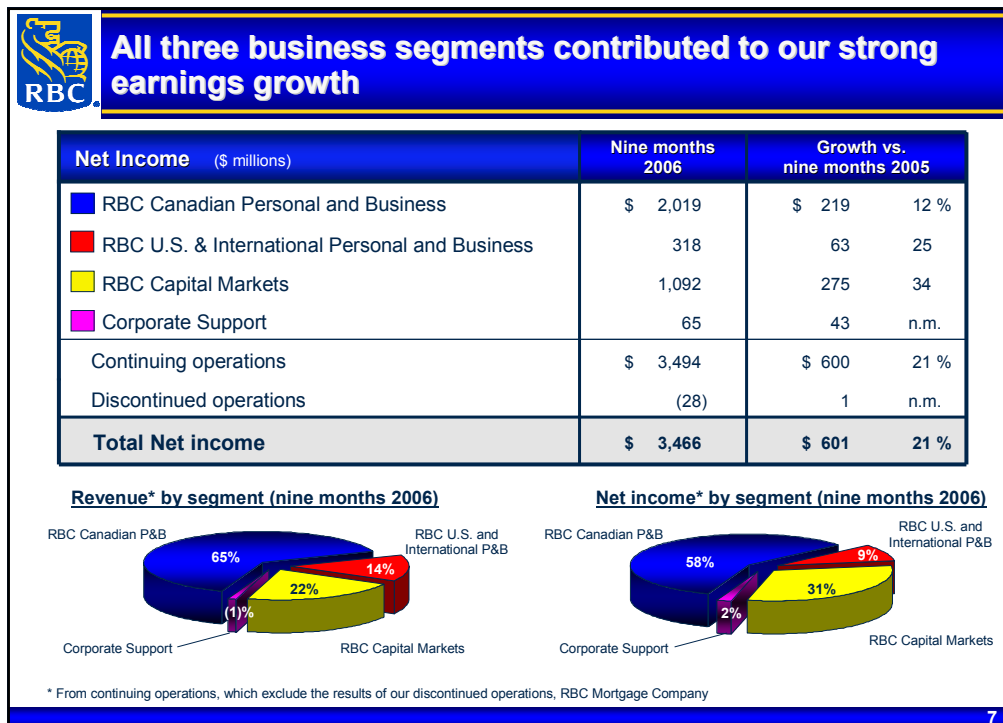
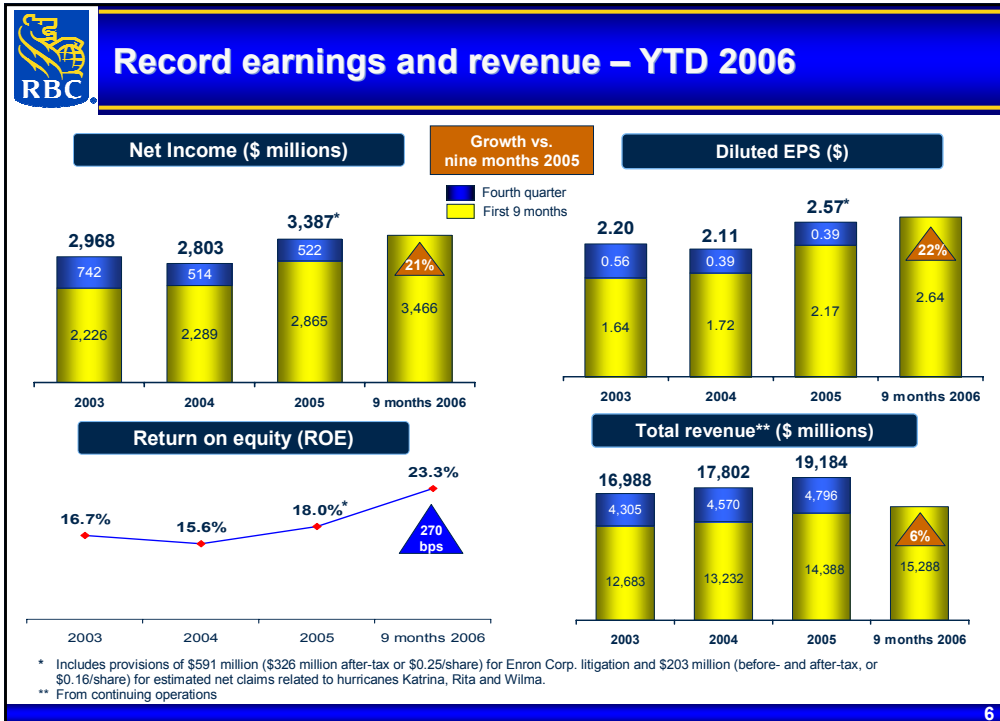
Strong capital position

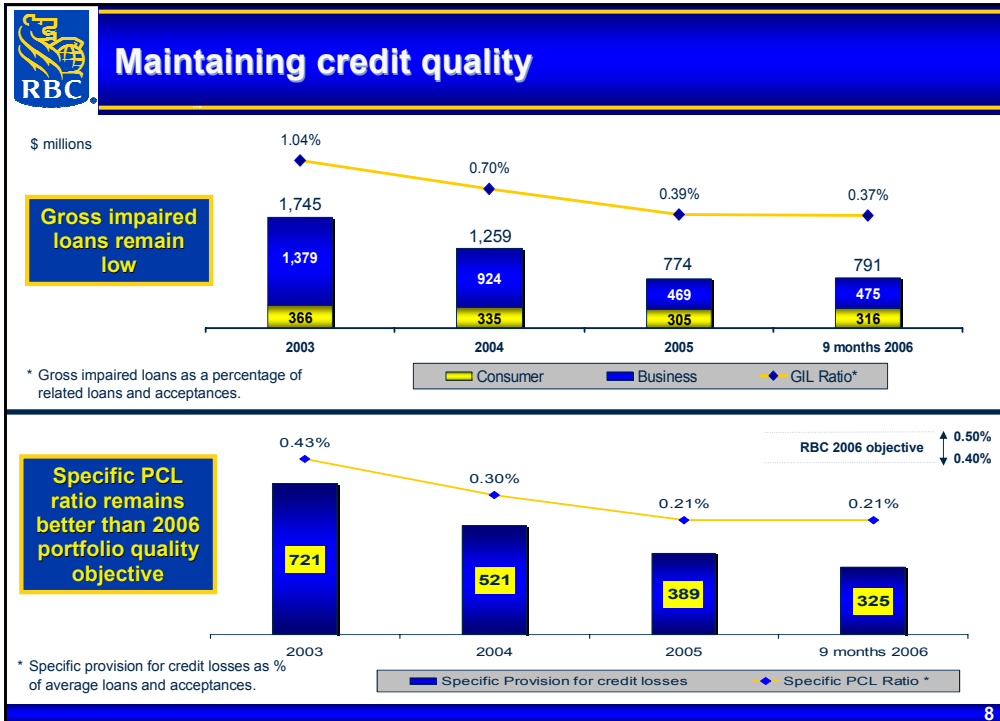


Excellent credit ratings

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

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Tracking well to meet most 2006 objectives

	2006 Objectives	Nine-month Performance
Diluted earnings per share growth ⁽¹⁾	20%+	21.7%
Return on common equity (ROE)	20%+	23.3%
Revenue growth	6-8%	6%
Operating leverage ⁽²⁾	>3%	0%
Portfolio quality ⁽³⁾	.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.



Agenda

- Strong financial performance
- **Our strategic goals**
- Business performance and initiatives
- Growing returns to our shareholders

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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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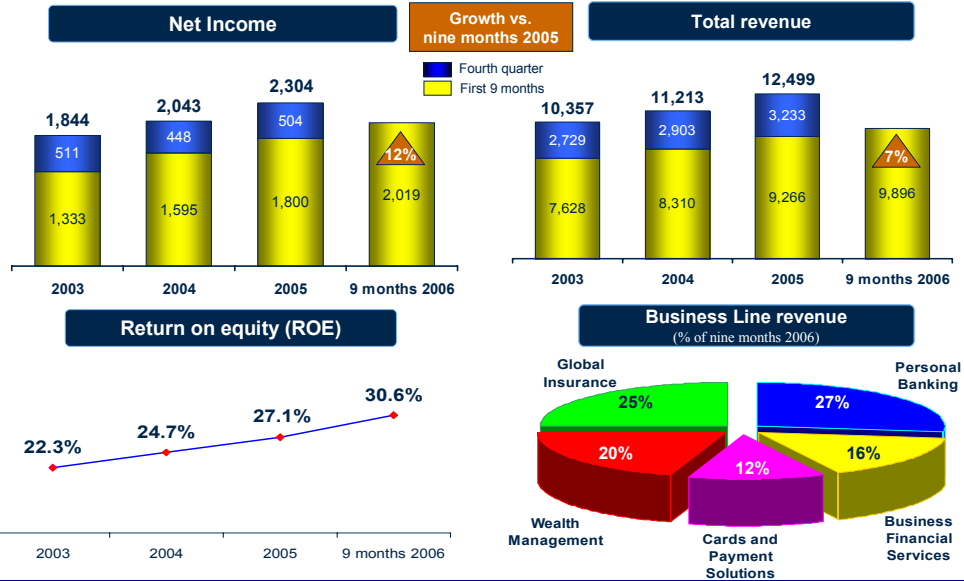
Agenda

- Strong financial performance
- Our strategic goals
- **Business segment performance and initiatives**
- Growing returns to our shareholders

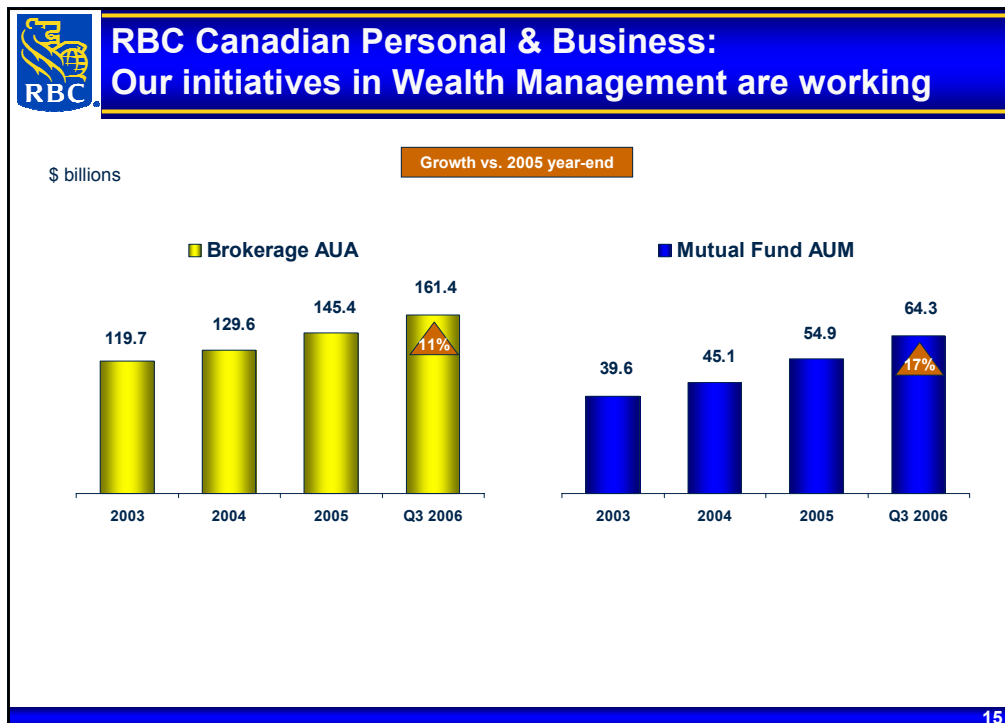
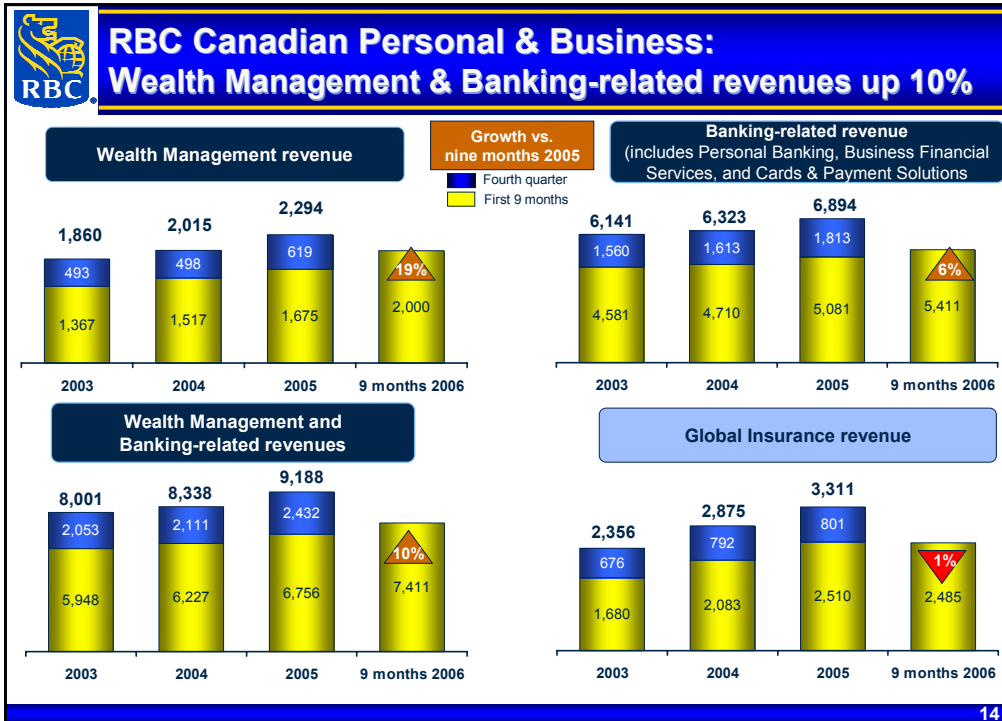
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RBC Canadian Personal & Business: Record results



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Good volume growth in Canada

\$ millions	Q3/06 Balances *	Growth over Q3/05
Residential mortgages**	\$ 102,300	↑ 14%
Personal loans	34,800	↑ 12%
Credit cards**	10,100	↑ 13%
Personal core deposits	32,700	↑ 1%
Personal investments (GICs + Mutual funds)	\$ 122,100	↑ 10%
<i>GICs</i>	\$ 57,800	↑ 1%
<i>Mutual funds (AUM)</i>	\$ 64,300	↑ 20%
Brokerage (AUA)	161,400	↑ 13%
Business deposits and GICs	\$ 49,700	↑ 16%
Business loans**	36,400	↑ 12%

* Average balances except for Personal investments (GICs and mutual fund assets under management) and brokerage assets under administration, which are spot balances.

** Includes securitized assets.

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#1 or #2 position in key products in Canada

	Rank ¹ #	Market share May-06
Residential mortgages	1	15.49%
Personal loans ²	2	13.79%
Credit cards ²	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) ³	1	21.47%
Business loans	1	12.07%
Business deposits ⁴	1	20.96%
	Rank #	Market share Apr-06
Creditor Insurance	1	28%
Individual Living Benefits ³	1	33% ³

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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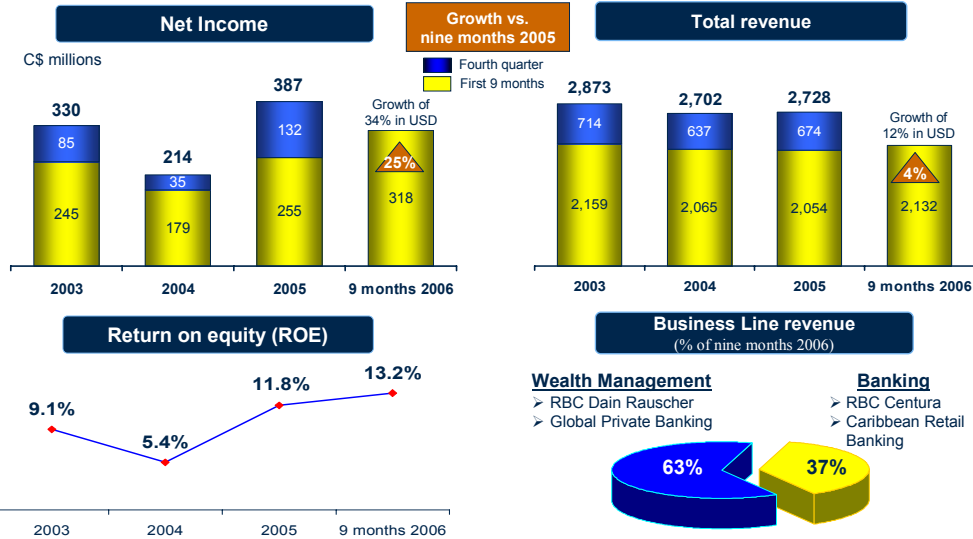
RBC Canadian Personal & Business: Segment strategies to grow earnings

Optimize Distribution	Simplify Processes & Structures	Focus on High Return Markets
<ul style="list-style-type: none"> ➤ We are forecast to add over 400 full-time client facing employees in 2006 (excludes commissioned sales force, RBC DS, part-time sales force, National office and call centres) ➤ RBC Insurance has opened a total of seven branches to make it easy for clients who prefer face-to-face contact with a licensed insurance advisor. Also opened its first representative office in Beijing, China. 	<ul style="list-style-type: none"> ➤ We improved the credit approval process and enabled same day new account openings for business clients across the country ➤ We introduced new consolidated RBC statements providing clients detailed information for multiple accounts, and also introduced the RBC No Limit Account to offer significant savings to those who rely on the convenience of debit cards. 	<ul style="list-style-type: none"> ➤ RBC Asset Management, an industry leader in long-term fund net sales for the 11 straight quarters, made changes including a reduction in management fees and balance requirements. ➤ We launched the new RBC Rewards Visa Gold card with no annual fee, and a new Esso Speedpass with debit capability to pay instantly without using their actual cards.

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RBC U.S. & International Personal & Business: Strong improvement despite F/X impact



This business segment's results are from continuing operations, excluding RBC Mortgage Company

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RBC U.S. & International Personal & Business: Strategy to grow Wealth Management

RBC Global Private Banking

1. Continued to enhance client solutions' product and service capability
2. Expanded distribution: added almost 100 client-facing professionals around the world so far this year (half from Abacus acquisition). Office openings include Montreal, Houston and Beijing.
3. Acquired Abacus at beginning of the year
4. Announced intention to acquire American Guaranty & Trust

RBC Dain Rauscher

1. Continued to implement our primary advisor strategy – Financial Consultants deepening relationships with existing clients (e.g. expanded credit and lending capabilities)
2. Expanded distribution: accelerated recruiting of experienced financial consultants (with higher average production). Opened six new offices including Washington, Texas, California, Connecticut and New York (2).
3. Client AUA reached a record US\$125 billion with strong growth in fee-based assets.

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RBC U.S. & International Personal & Business: Growing Banking

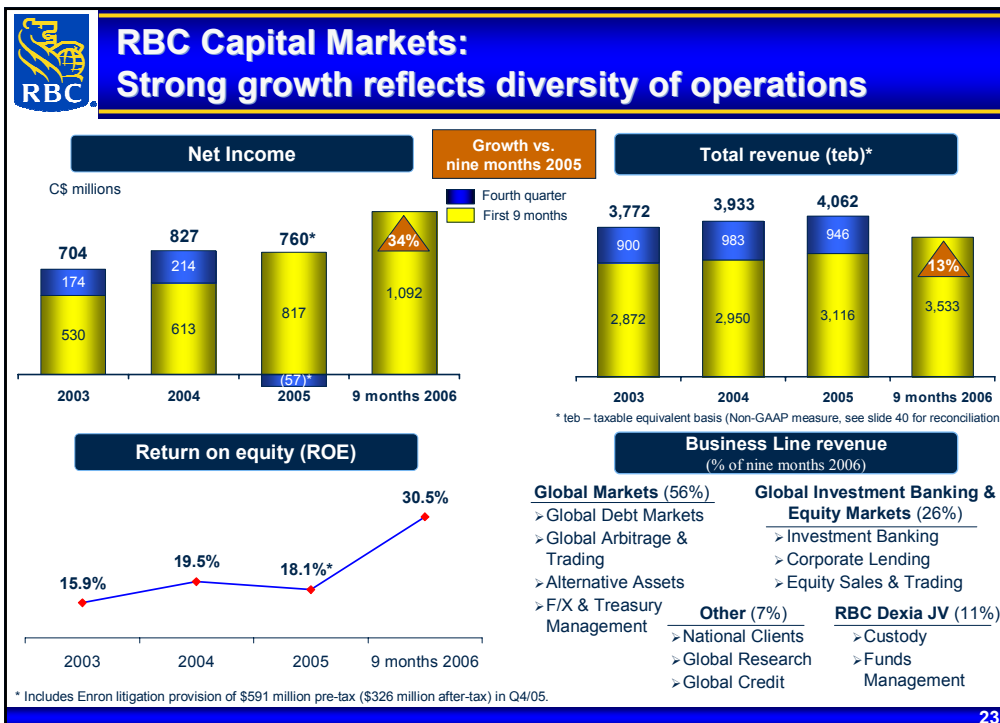
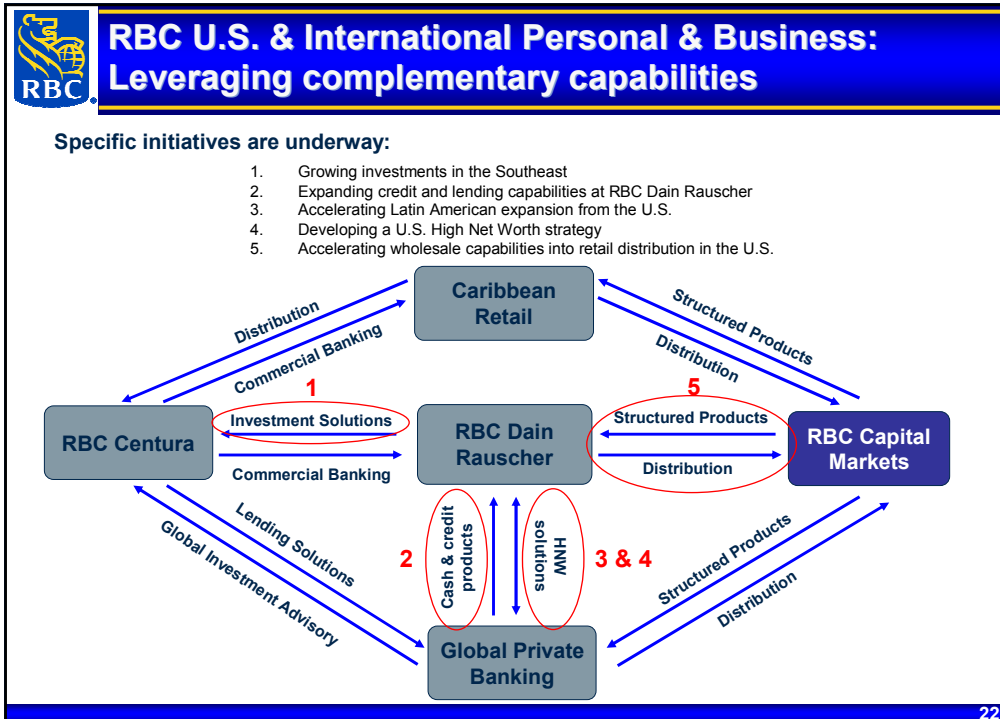
RBC Centura

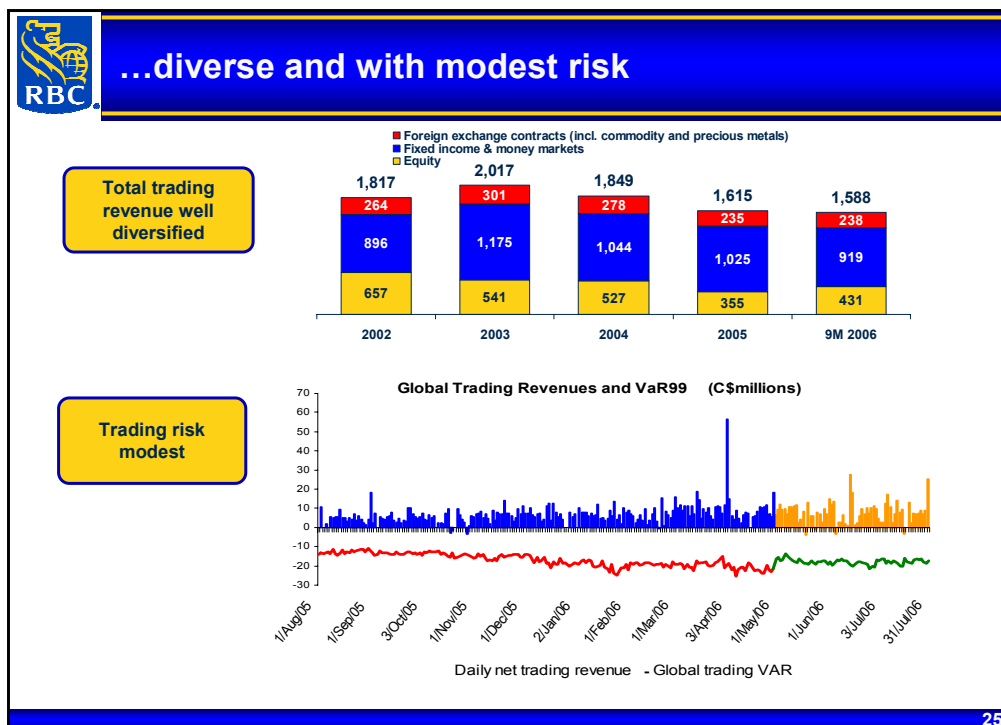
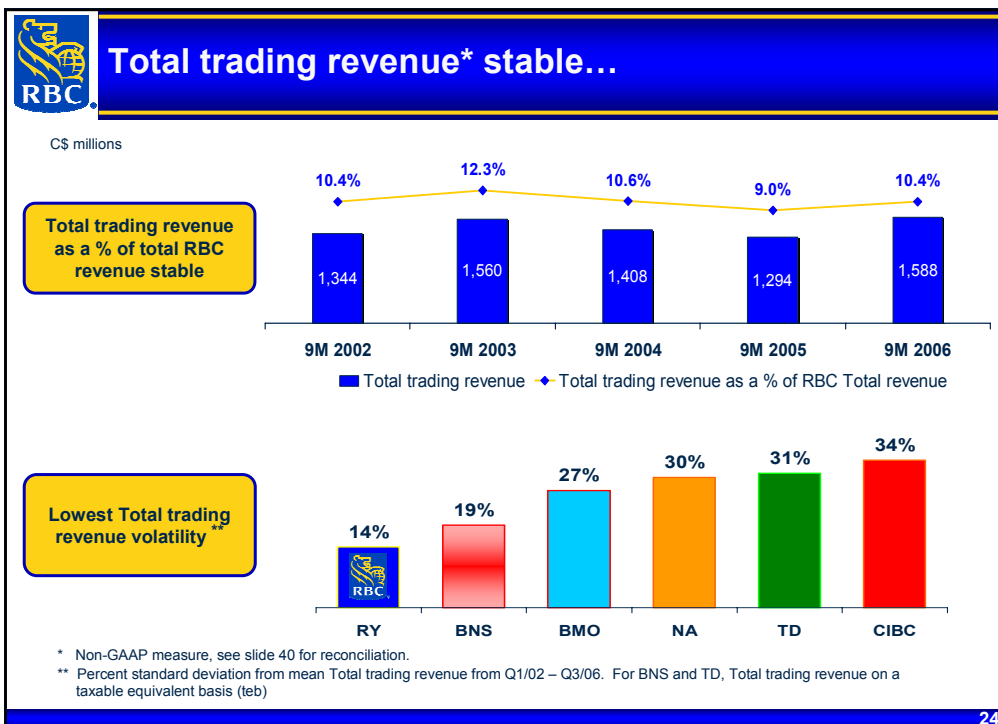
1. Built operational, risk and compliance infrastructure to support our growing business
2. Closed product and service gaps, and implemented small business delivery model
3. Rebuilt sales management process, and implementing local accountability business model
4. Opened 32 new branches over last three years and expect to open another 12–16 over next twelve months.
5. Announced intention to acquire Flag Financial based in Atlanta, Georgia

Caribbean banking

1. Continued to generate strong revenue growth by leveraging client relationships, service excellence and expanding product capability
2. Improving employee engagement and leadership capability
3. Opened new branch in George Town, Exuma, Bahamas

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RBC Capital Markets: Goal – Undisputed leader in Canada

Priorities

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

Euromoney

Dealmaker of the Year for the 8th Consecutive Year
(1998-2005) *Financial Post*

#1 in M&A, 2005

Thomson & Globe and Mail

#1 in Debt, 2005

Bloomberg and Globe and Mail

#1 in Canadian Syndicated Loans, 2005

Bloomberg & Loan Pricing Corporation

#2 in Equity, 2005

Bloomberg & Globe and Mail

We intend to increase our lead in the Canadian market by focusing on:

- Hiring and keeping the best talent
- Alignment of resources (origination, sales, trading, research)
- Leveraging the loan book to gain other fee-based business
- Providing Canadian clients with differentiated service:
 - Cross-border M&A capability
 - Global fixed income distribution
- Clear leadership of Canadian mid-market (through our National Clients group)

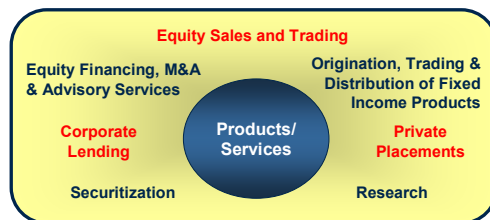
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RBC Capital Markets: Goal – Top-tier provider to U.S. mid-market

Priorities

- Calendar YTD 2006, RBC CM is ranked #13 in U.S. equity league tables¹ as measured by total amount raise (USD\$ 10,358MM)
- In the U.S., RBC CM offers a wide collection of capital markets products



- Increase multi-product and cross-border transactions
- Increase origination in equity and M&A
- Build relationships with financial sponsors
- Leverage and grow our fixed income capabilities

¹ Source: Dealogic. Includes IPOs, follow-ons and unit offerings greater than \$15 million as of August 31, 2006. Excludes closed-end funds, 144a and PIPE offerings.

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RBC Capital Markets: Goal – Global structurer and trader

Our Strengths

- Clear Canadian leader
- Deep relationships with issuers and investors
- Global distribution capabilities
- Diversified business by product and region
- Regional, exportable strengths

Priorities

- Meet increasing institutional demand for balance sheet risk management and differentiating yield
- Meet increasing retail demand for outcome-specific investment products
- Continue to lead in Canada

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RBC Capital Markets: Goal – Leading global fixed income bank

#1 in Debt in Canada, 2005

Globe and Mail, National Post

Best Debt House of the Year, 2006

Euromoney

Top Ten performance in all global project finance league tables, 2005 *Project Finance International*

#1 Senior Manager by number of Negotiated Middle Market issues (< US\$50MM) calendar YTD 2006 *Thomson*

#6 U.S. Municipal Lead Managed Bonds, 2005

Thomson

Priorities

U.K.

- Export infrastructure finance strength to North America
- Expand alternative asset product offerings for clients

Canada

- Increase lead in Maple Market issuance

Asia

- Distribute structured and fixed income products

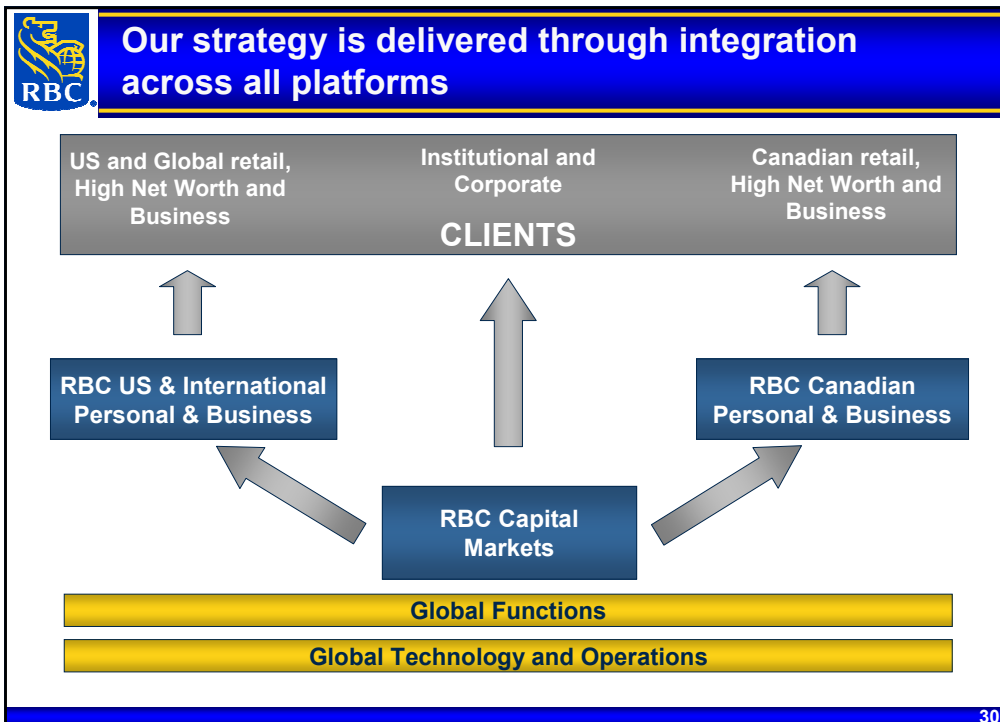
U.S.

- Advance strengths in municipal finance and build infrastructure finance franchise
- Distribute fixed income and structured products to retail market

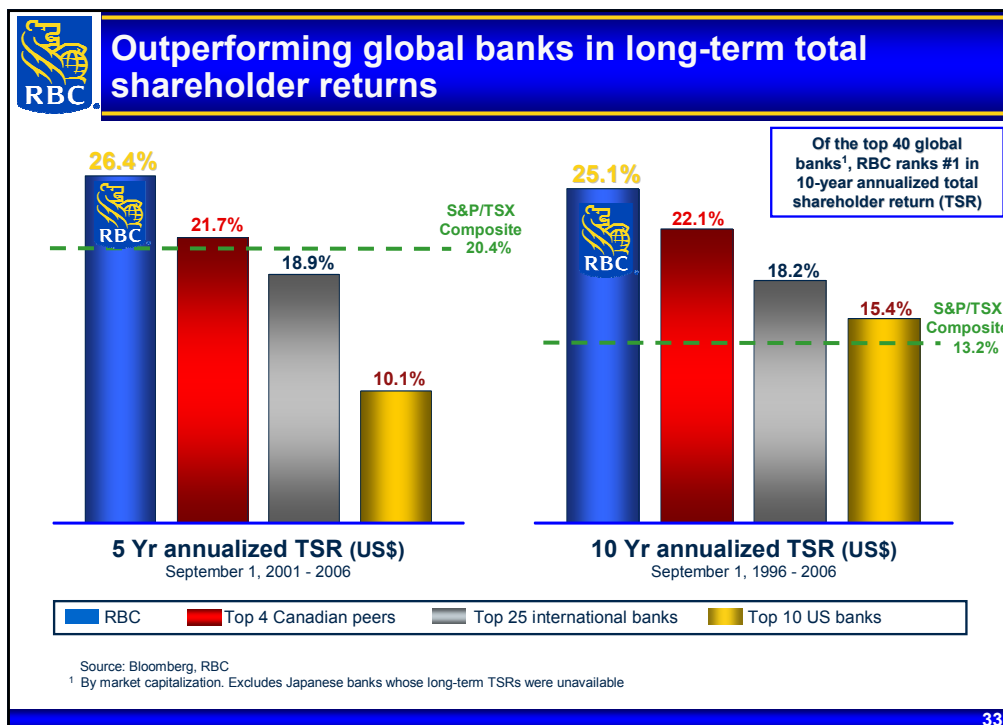
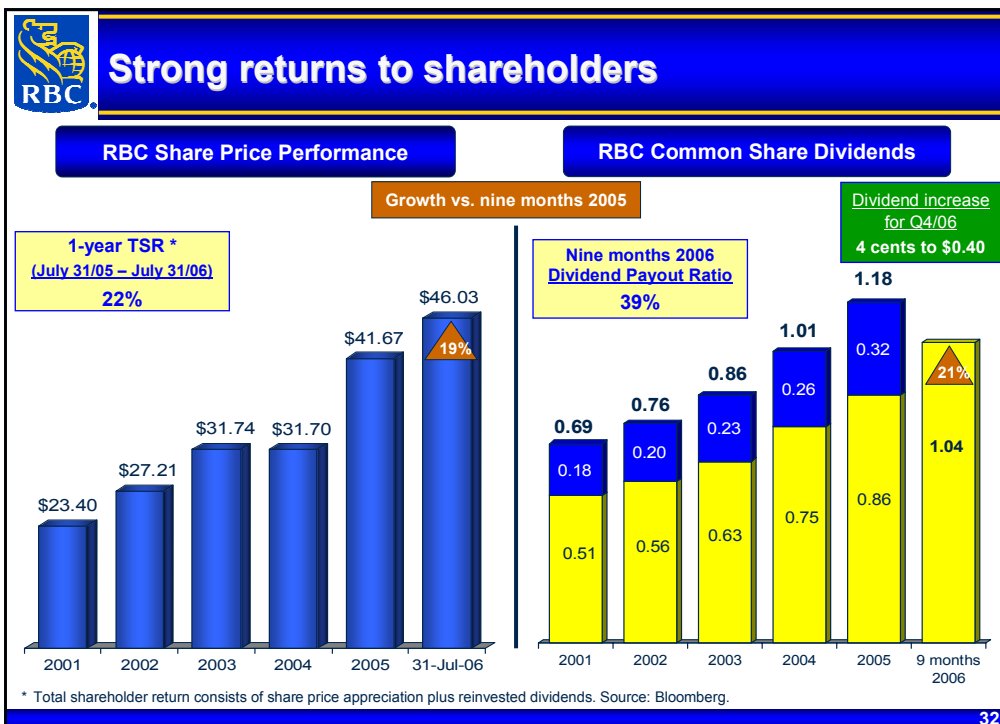
Global

- Build fixed income, structuring and trading capabilities
- Maintain F/X dominance in selected currencies

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- Agenda**
- Strong financial performance
 - Our strategic goals &
 - Business performance and strategic priorities
 - **Growing returns to our shareholders**
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Appendix

 RBC Canadian Personal & Business	
Business Lines	Highlights
Personal Banking	<ul style="list-style-type: none"> ❖ #1 or #2 market share in most personal banking products ❖ Largest distribution network in Canada with over 1,100 branches and 4,000 ABMs
Business Financial Services	<ul style="list-style-type: none"> ❖ #1 market share in business loans and business deposits ❖ Extensive distribution with 95 business banking centres
Cards & Payment Solutions	<ul style="list-style-type: none"> ❖ 20% market share of Canada's credit card purchase volume ❖ Over 5 million credit card accounts and 7 million debit cardholders
Wealth Management	<ul style="list-style-type: none"> ❖ Largest single fund company in Canada with more than \$60 billion in Assets under Management ❖ 9,000 licensed mutual fund salespeople ❖ #1 market share in full-service retail brokerage with 1,372 investment advisors
Global Insurance	<ul style="list-style-type: none"> ❖ Range of products with #1 market positions in creditor, travel and living benefits insurance ❖ 17,000 independent broker relationships in Canada and approximately 650 career sales representatives in North America



RBC U.S. & International Personal & Business

Wealth Management

Highlights

Global Private Banking

- ❖ 30 offices in 21 countries
- ❖ Top 20 global private banking business
- ❖ 28,000 High Net Worth clients and Assets Under Care > US\$140 Billion

RBC Dain Rauscher

- ❖ 8th largest full-service securities firm in the U.S. with 1,650 Financial Consultants servicing affluent clients
- ❖ 3,000 Correspondent brokers
- ❖ 155 branch offices in 40 states

Banking

Caribbean Retail Banking

- ❖ 44 Branches in 8 countries
- ❖ 1,290 employees
- ❖ 2nd or 3rd position in most markets

RBC Centura

- ❖ 5 States in the Southeast U.S.
- ❖ Large and growing market
- ❖ 276 full service branches
- ❖ 3,700 employees

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RBC Capital Markets

Business Lines

Highlights

Global Markets

- ❖ Origination, trading and distribution of fixed income, F/X and derivative products
- ❖ 42% market share of Canadian Maple Market in 2006 (Jan–Apr)
- ❖ Top 10 in U.S. Municipal Lead Managed Bonds in 2005

Global Investment Banking and Equity Markets

- ❖ Investment banking, corporate lending, equity sales and trading
- ❖ Dealmaker of the Year in Canada for 8 straight years
- ❖ Top 15 in U.S. Equity League Tables in 2006 (Jan–Apr)

RBC Dexia IS

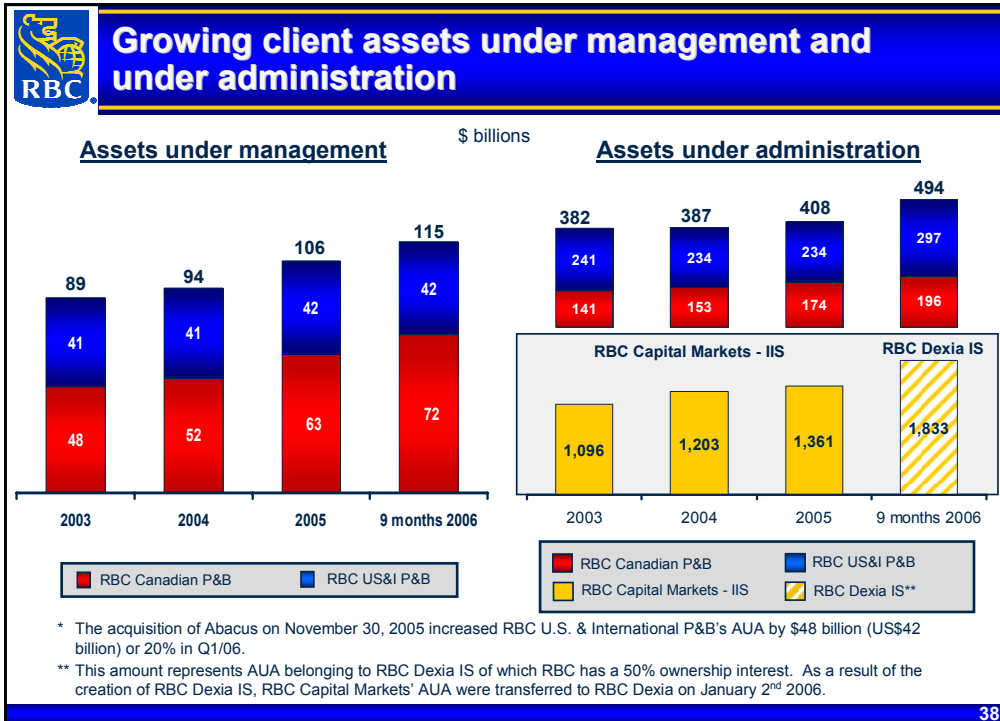
- ❖ 50% interest in top 10 global custodian
- ❖ Approximately US \$1.8 trillion* in client assets under custody as at April 30, 2006.

Other

- ❖ Consists of National Clients to serve Canadian upper mid-market clients, Global Research, and Global Credit (incl. Global FIs, non-strategic lending portfolio and management of core lending portfolios).

* This amount represents AUA belonging to RBC Dexia IS of which RBC has a 50% ownership interest.

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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

13 Million Clients

SPECIALIZED SALES

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

FULL SERVICE BROKERAGE

- 81 Branch offices
- 1,313 Investment Advisors

Branch Network

- 1,105 branches
- 95 Business Banking Centres
- 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



Reconciliation of RBC Capital Markets total revenues (teb)* and VIEs*, and Total trading revenue*

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

C\$ millions	Q3/06	Q2/06	Q3/05	Nine months 2006	Nine months 2005
Net interest income - related to trading activities	\$ (146)	\$ (138)	\$ (76)	\$ (366)	\$ 8
Non-interest income – Trading revenue	683	724	452	1,954	1,286
Total trading revenue	\$ 537	\$ 586	\$ 376	\$ 1,588	\$ 1,294

* Non-GAAP financial measure – refer to discussion of the use of non-GAAP financial information on slide 42.

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

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Impact of C\$ vs. US\$ change

RBC – FX Impact on	Q3/06 vs. Q2/06	Q3/06 vs. Q3/05	Nine months 2006 vs. 2005
Total revenues *	↓ 35	↓ 160	↓ 335
Non-interest expense *	↓ 15	↓ 75	↓ 170
Net income *	↓ 8	↓ 45	↓ 95
Net income (total)	↓ 8	↓ 44	↓ 93
EPS – diluted * (\$/share)	↓ 0.01	↓ 0.03	↓ 0.07
EPS – diluted (\$/share)	↓ 0.01	↓ 0.03	↓ 0.07

US and International P&B Q3/06 (C\$ millions)	vs. Q2/06	vs. Q3/05	vs. nine months 2005
<i>Impact of U.S. vs. Canadian dollar translation</i>			
Total revenues*	\$ (12)	\$ (57)	\$ (129)
Net income*	\$ (2)	\$ (10)	\$ (21)

Value of C\$1.00 in USD	Q3/06	Q2/06	Q3/05
Average	\$0.896	\$0.877	\$0.810
Period end	\$0.884	\$0.894	\$0.817

Translating US\$ denominated results using average C\$/US\$ exchange rates for respective periods.

* From continuing operations.

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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 Total trading revenues, 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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www.rbc.com/investorrelations

Gord Nixon's Prepared Speaker Notes
Scotia Capital Financials Summit
Toronto, September 12, 2006

[Slide 2] Before we begin, I should note that my remarks, including those made during the question period, may contain forward-looking statements which have inherent risks and uncertainties. Slide 2 contains our "Caution regarding forward-looking statements", which describes factors that could cause our actual results to differ materially from what is expressed in these statements.

[Slide 3] At this conference a year ago, I highlighted a number of our competitive advantages and strengths that we were leveraging to grow our business. These included our distribution, brand, range of products and services, superior risk management, and our set of well-established U.S. and international businesses. I outlined our focus on operational effectiveness across each of our businesses as well as the deployment of capital that we would utilize through asset growth in our businesses combined with acquisitions, dividend increases and share buybacks.

Today, I am pleased to say that we are continuing to successfully execute our growth initiatives for the benefit of our clients, employees, and shareholders. Over the past year, we have grown our client base domestically and abroad. Our employees have been more engaged in addressing our clients' needs and have provided positive feedback on all of our initiatives. And our shareholders have benefited from a 25% total return over the last 12 months.

Over the next 20 minutes or so, I would like to provide an overview of our financial performance year-to-date but primarily focus on what we are doing to achieve our strategic goals, which will enable us to continue to deliver strong returns to our shareholders.

[Slide 4] First, I would like to remind you of RBC's good track record of delivering long term growth. From 1995 to 2005, our revenues and earnings have risen at compound annual growth rates of 10.4% and 11.5%, respectively.

Gord Nixon's Prepared Speaker Notes
Scotia Capital Financials Summit
Toronto, September 12, 2006

[Slide 5] Our financial strength and stability are reflected in the lowest earnings volatility over the last 5 years compared to our Canadian peers, strong capital ratios and excellent credit ratings. In fact, *Global Finance* magazine ranks RBC as the 4th safest North American bank behind Citigroup, Wells Fargo and Bank of America in their annual ranking of the World's Top 50 Safest Banks.

[Slide 6] We are pleased that we have been able to continue our history of strong earnings growth by delivering record results in the first nine months of 2006. These results reflect the significant progress we made with our "Client First" strategy, including accelerating revenue growth and controlling our costs across the organization.

[Slide 7] Our performance reflects the strength and diversity of our businesses. All three of our business segments contributed to our strong earnings growth, and we are proud of both the quality and consistency of our financial performance.

RBC Canadian Personal & Business delivered record earnings in the first nine months of the year, driven by strong growth in our wealth management and banking businesses as well as successful cost management efforts.

In RBC U.S. & International Personal & Business, we have been very encouraged by the progress made as net income from continuing operations grew 25% despite the negative impact of a strengthening Canadian dollar. This improvement was driven by revenue growth in both wealth management and banking businesses.

RBC Capital Markets is also having a good year so far with stronger results across each of its businesses, reflecting the geographic and product diversity of this division.

[Slide 8] We maintained our solid credit quality once again. Gross impaired loans, in both dollar and percentage terms, continued to remain low in the current favourable credit conditions. The total provision for credit losses also remained low and our

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specific PCL ratio of 21 basis points year-to-date, shown on the bottom half of the slide, remains comfortably below our 40 – 50 basis points objective for 2006.

[Slide 9] In fact, we are on track to meet most of our objectives for 2006. One exception is our operating leverage, which remains flat and below our objective for several reasons including having a higher proportion of variable compensation due to business mix and lower revenue from our insurance operations. In addition, in light of our high level of earnings in the first nine months of this year, you will notice that our dividend payout ratio of 39% is falling slightly short of our target. That's one of the reasons why we recently announced a dividend increase of 4 cents to 40 cents per share in the fourth quarter.

[Slide 10] I would now like to talk about our future prospects and how we intend to leverage our strengths to sustain our momentum.

I will first discuss our strategic goals, and then highlight our business segments' performance and initiatives they have undertaken that align with these goals.

[Slide 11] Our three strategic goals are not new. They are:

1. To be the undisputed leader in financial services in Canada
2. To build on our strengths in banking, wealth management, and capital markets in the United States
3. To be a premier provider of selected financial services globally

In Canada, we have chosen to compete across all aspects of the financial markets. Our peers have made similar choices, but we believe we have a broader range of products and stronger distribution capabilities.

In the U.S., we are focused on banking, wealth management, and the mid-market segment in capital markets. We remain focused on enhancing RBC Centura's

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operating performance to regional peer levels and have taken steps to accelerate expansion. We are building scale in RBC Dain Rauscher and delivering a broader suite of products to its clients. In RBC Capital Markets, we are integrating mid-market origination and distribution capabilities in order to leverage our product and sector strengths.

Outside of North America, we remain focused on a small number of niche businesses where we excel, such as Global Private Banking, Caribbean banking, RBC Dexia, and Capital Markets businesses where we are globally competitive.

We already have a global distribution network that is very distinct from our Canadian peers, and we intend to continue growing that capability and investing in each of these businesses. Last year, our earnings outside of Canada would have exceeded \$1.1 billion leading to a 19% compounded annual growth rate since 2002 when you exclude the one-time litigation provision and the hurricane-related provision we took in 2005.

We have been very selective on the acquisition front, and have focused on Personal and Business operations. In the past year, we closed the acquisition of Abacus in the U.K., and we announced our intention to acquire two smaller companies in the U.S.:

- Flag Financial Corporation, a small bank headquartered in Atlanta, Georgia, which is a key growth market for us; and
- American Guaranty & Trust, based in Delaware, which gives us the ability to provide U.S. trust solutions to high net worth clients

All of these are excellent strategic fits that complement our growth strategies and continue our trend of utilizing our capital to increase dividends, underpin our asset growth, make strategic investments and to buy back stock.

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I would like to point out that our RBC brand has been recognized as the most valuable in Canada, and this is something we are also looking to leverage. A global brand is an enabler of global growth and we are taking steps to raise the awareness of our brand in the U.S. and key international markets.

[Slide 12] Moving on to our business segments.

[Slide 13] Slide 13 gives you a picture of the consistent growth in RBC Canadian Personal & Business earnings, revenue and return on equity. 2006 has been an excellent year for this segment, driven by strong growth in our Canadian wealth management and banking businesses. In fact, our earnings growth was 12% despite the fact that the prior year included a favourable accounting adjustment of \$37 million (before and after-tax) related to an investment. Excluding this amount, our growth exceeds 15%.

As many of you know, one of our key objectives with "Client First" was to get closer to our customers. We streamlined our organizational structure and processes to make us more efficient and better able to serve our customers. Over the past two years this has allowed us to invest in client-facing roles and expand our distribution to reach more clients with our full range of high-value products and services.

[Slide 14] This strategy is enabling us to deliver solid growth in Canadian retail revenues, shown here.

Two observations from this slide:

- First, our Canadian Wealth Management operations is positioned for strong growth, with year-to-date revenues growing 19% this year.
- Second, excluding our insurance business, revenues from our core banking and wealth management business were up 10%. The decline in insurance revenues was due to several factors, including lower investment income on our clients' policies and the negative impact of

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the translated value of our US Life business results. These factors are both largely offset in the Policyholder Benefits and Expenses line, which also declined. We also reduced exposure in our property catastrophe reinsurance business.

[Slide 15] RBC Dominion Securities, our full-service brokerage business, has been successful in recruiting experienced investment advisors and executing all elements of its strategy, contributing to the 11% growth in brokerage assets under administration in just nine months. And the composition of its revenues, with 40% now derived from fee-based products and services, contributes to our steady growth in revenue and to reducing exposure to capital market conditions.

RBC Asset Management has led the industry in long-term fund net sales growth each quarter for almost three years, contributing to the 17% growth in AUM since October 2005. We have done this by leveraging our strengths including multiple channels of distribution, excellent investment performance, strong fund governance, new product development and lower-than-average management expense ratios.

[Slide 16] In fact, the impact of our initiatives in Canada can be seen in our volume growth across all of our products over the last year where we experienced double-digit growth in seven out of eight product categories. While personal core deposit growth is lower than we would like and slightly below the industry average, it is an area of prime focus. To improve, we are opening new branches and leveraging our distribution channels, we are investing in people and technology to make dealing with RBC even easier, and we are implementing strategies to improve our marketing and our product line-up such as the launch of the RBC No Limit account in July.

[Slide 17] Our volume growth has ensured that we maintain our leading position in many of our markets today.

[Slide 18] In RBC Canadian Personal & Business, we will continue to focus on executing initiatives aligned with our 3 strategic priorities that are designed to help us

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achieve profitable revenue growth, top-tier client loyalty, leading client acquisition rates, deeper client relationships and strengthening of our leadership position in all markets. This slide provides some of our latest initiatives.

For example, we continued to maximize distribution effectiveness by investing in client-facing employees, and by opening our 6th insurance branch in Ontario. We have opened 7 insurance branches in the past 15 months and are exploring additional opportunities as they become available, and expect that we could have up to 20 branches open across Canada within the next year.

We found ways to make banking simpler for our clients, such as speeding up the credit approval process and accounting opening process for our business clients.

In our mutual fund business, we continued to lead the industry in long-term net sales for 11 straight quarters. We also continued to offer our retail clients new products such as the no fee RBC Rewards Visa Gold card. We will continue to focus on initiatives that help our employees innovate and provide better products and services for our clients in Canada.

[Slide 19]

Moving on to our RBC U.S. & International Personal & Business segment, results have significantly improved across all businesses despite the negative impact of the strengthening of the Canadian dollar.

We have seen solid contributions from both our Wealth Management and Banking businesses, resulting from effective execution of our growth initiatives. The inclusion of Abacus, which we acquired last November also contributed to our revenue growth.

[Slide 20] We are executing initiatives in each business to build on our momentum.

In Global Private Banking, we are improving our products and services. We also continue to hire sales staff aggressively. After the first six months of 2006, we had

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already met our full year objective with every client relationship professional having the potential to bring in more than \$500,000 in annual revenues and some with the potential to bring in much larger amounts. We are opening offices and building more scale in our technology and operations platforms around the world. We will only look at acquisition opportunities in key markets where there is value and strategic fit, such as Abacus and American Guaranty & Trust.

RBC Dain Rauscher is expanding relationships with clients by developing customized training, support and resources for a range of FC business models to help our advisors work more effectively with their clients, and developing its product and service opportunities with our other RBC businesses. RBC Dain Rauscher has also accelerated its recruiting efforts of higher producing financial consultants, and has opened six new offices.

Our initiatives are working, as total client AUA and fee-based assets have grown this year to record levels.

[Slide 21] At RBC Centura, we have invested time and resources in building an operational foundation to support our growing business. We have filled product gaps and improved the competitiveness of our retail product suite, while re-engineering consumer banking and lending processes.

For our business clients we have completely redesigned and implemented a new small business delivery model focused on meeting the needs of businesses, and have created a dedicated sales force for business clients.

We have opened 32 branches in the last 3 years. We are now accelerating our de novo branch build-out and expect to open 12 to 16 new branches over the next 12 months primarily in the Atlanta and Florida markets. Our announced intention to acquire Flag Financial complements this de novo strategy in a key growth market.

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In the Caribbean, we are reinforcing our current position through organic growth and operational improvement, while exploring opportunities to expand our footprint in faster growing regions. We have been successful in growing revenues by expanding our client relationships and improving product offerings and client service.

[Slide 22] As you've heard before, we have strong, complementary linkages between our U.S. and International businesses and with our partners in Capital Markets.

The focused nature of our individual business strategies facilitates our ability to leverage the capabilities of one business to the advantage of another, and we are pleased with the progress on all of these so far.

[Slide 23] RBC Capital Markets recorded excellent earnings and revenue growth for the first nine months of 2006, supported by more favourable conditions in most of our businesses as well as the expansion of our operations. In fact, with the exception of the 4th quarter of 2005 which included a \$591 million litigation provision, we have had stable and consistent growth in this segment, reflecting the strength and diversity of our capital markets operations globally. In addition, this slide highlights the diversity of businesses that make up this division of the bank which includes numerous products and revenue streams including our National mid-market clients and our RBC Dexia joint venture.

[Slide 24] As a percentage of RBC's total revenue, trading revenue continues to be in line with our historical average of approximately 10%.

I would also like to note that our total trading revenue continues to be less volatile than our peers.

[Slide 25] The low volatility and the consistent growth of our trading revenue is a reflection of our broad product and geographic diversity. The bottom graph of daily trading revenue and VaR shows that RBC has modest trading risk.

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[Slide 26] Since we have a different profile in each geography, we have designed the segment's goals around each. RBC Capital Markets has four goals.

The first goal is to be the undisputed leader in Canada.

The left side of the slide sets out rankings of our major businesses in Canada.

We focus on ranking first in all major business lines, because being first enhances our franchise value and our access to more business at better margins. A stronger position in Canada is also key to exporting our brand and expertise to the global marketplace and hiring top talent.

Our Canadian corporate clients are increasingly going global so we are enhancing our cross-border capabilities, particularly in M&A and debt markets.

With the removal of the foreign content limits, we have more global issuers coming to the Canadian market and we are successfully exploiting this growth opportunity.

In addition, our focus on the Canadian mid-market has been a great success for us and we want to be the undisputed leader here as well. Profits in this group is expected to more than double in just 2 years. We are acquiring new clients and improving our cross-sell of capital markets and other bank products to this group. As our smaller clients grow and become active equity issuers, they're graduating to Global Investment Banking. We moved 15 clients this year, the vast majority being energy companies.

[Slide 27] For our second goal of being a top-tier provider to the U.S. mid-market, we have been building our capabilities on both the investment banking and the debt side. Our ability to leverage this product platform, seen on the right side of the slide, will define our success in the US.

We see a great deal of growth opportunity in aligning and leveraging our resources, not just across investment banking and debt markets, but also across geographic

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regions. In this way we will increase cross-border transactions, as well as increase origination in equity and M&A.

We will continue to focus on building relationships with financial sponsors and hedge funds. And finally, we will focus on growing our fixed income strength in the US market.

[Slide 28] We are also taking steps to become a global structurer and trader. With a leadership position in Canada, we have had to look outside of our domestic market for growth.

We have a number of strengths and competitive advantages that serve as foundations for business expansion. These include:

- our leadership in Canada and our C\$ dominance, giving us strong credentials with issuers and investors around the world
- our global distribution capabilities, which is unique among Canadian banks
- our diversification by product and by region so that we can withstand market changes
- our ability to recognize and cultivate regional strengths, and leveraging them globally, and
- our size and strong internal partnerships with our retail and private banking businesses, which allow us to respond quickly to new opportunities.

[Slide 29] Our progress in our global fixed income business is reflected in our rankings. As we evolve and diversify our fixed income, structuring and trading capabilities, our focus is on integrating regional capabilities into a seamless global offering for our clients.

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[Slide 30] Having taken you through our strategies and priorities of our individual business segments, I want to emphasize that these are part of an integrated strategy to enable us to continue our history of strong revenue and earnings growth.

Our businesses are supported by a Global Technology and Operations team that drives the innovative process and technology improvements that maintain safety and soundness while keeping us ahead of the competition. In addition, our Global Functions group effectively manages the changing risk and compliance profile of RBC, and cost effectively funds the balance sheet. It also refines business strategy as it monitors trends and measures performance.

[Slide 31] I would like to conclude with a few comments on our commitment to generate strong returns for our shareholders.

[Slide 32] We implemented "Client First" at the end of 2004 because we needed change and we needed to energize our focus on clients, our employees, and our shareholders. Since that time, our share price performance has been strong. Client First is not over, and today, I gave you examples of more initiatives we are working on to help RBC grow even further in Canada and around the world. We are maintaining a Transformation Management Office to help initiate, monitor and measure our initiatives in order to ensure there is accountability against our business plan.

We remain focused on achieving our dividend payout ratio, and as I mentioned earlier, we announced a dividend increase of 4 cents to 40 cents a share.

[Slide 33] We have one medium-term objective, which is to generate top quartile shareholder returns.

I'd like to leave you with a picture of our 5 and 10-year total shareholder returns compared to 39 other largest global banks by market value. RBC ranks #1 in 10-year TSR, well above well-reputed global banks and I would highlight the strength of our

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performance relative to the top international and U.S. banks over five and ten years. In fact, Canadian banks tend to be underestimated in their ability to innovate, perform and remain best-in-class while operating in what I believe is one of the most competitive domestic markets in the world.

It is certainly our intention to keep adapting and to keep growing so we can continue to generate the kind of returns that our shareholders have come to expect.