

***Royal Bank of Canada (RY)
agrees to acquire
Tucker Anthony Sutro (TA)***



Highlights for the investment community
August 1, 2001



Further expanding US wealth management platform



Caution concerning forward-looking statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are found in various places throughout this presentation and include, without limitation, statements concerning the financial conditions, results of operations and businesses of Royal Bank of Canada and Tucker Anthony Sutro and, assuming consummation of the acquisition, a combined Royal Bank and Tucker Anthony Sutro, as well as the expected timing and benefits of the acquisition. While these forward-looking statements represent our judgements and future expectations concerning the development of our business and the timing and benefits of the acquisition, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, those listed in Royal Bank's 2000 Annual Report, Tucker Anthony Sutro's 2000 Annual Report and Royal Bank's and Tucker Anthony Sutro's other past and future filings with the US Securities and Exchange Commission; the risk that Tucker Anthony Sutro's shareholders will fail to approve the transaction; the risk that the Royal Bank and Tucker Anthony Sutro businesses will not be successfully integrated; the inability to obtain, or meet conditions imposed for, governmental approvals for the transaction; the risk that anticipated synergies will not be obtained or not obtained within the time anticipated; the risk that competitive pressures among financial institutions may increase significantly and have an effect on pricing, spending, third-party relationships and revenues; the risk that revenues following the merger may be lower than expected; and other key factors, which include, but are not limited to, changes in North American and/or global economic conditions, including fluctuations in currencies, interest rates, securities markets and inflation, regulatory developments, technological changes, and the effects of competition in the geographic and business areas where Royal Bank and Tucker Anthony Sutro operate.

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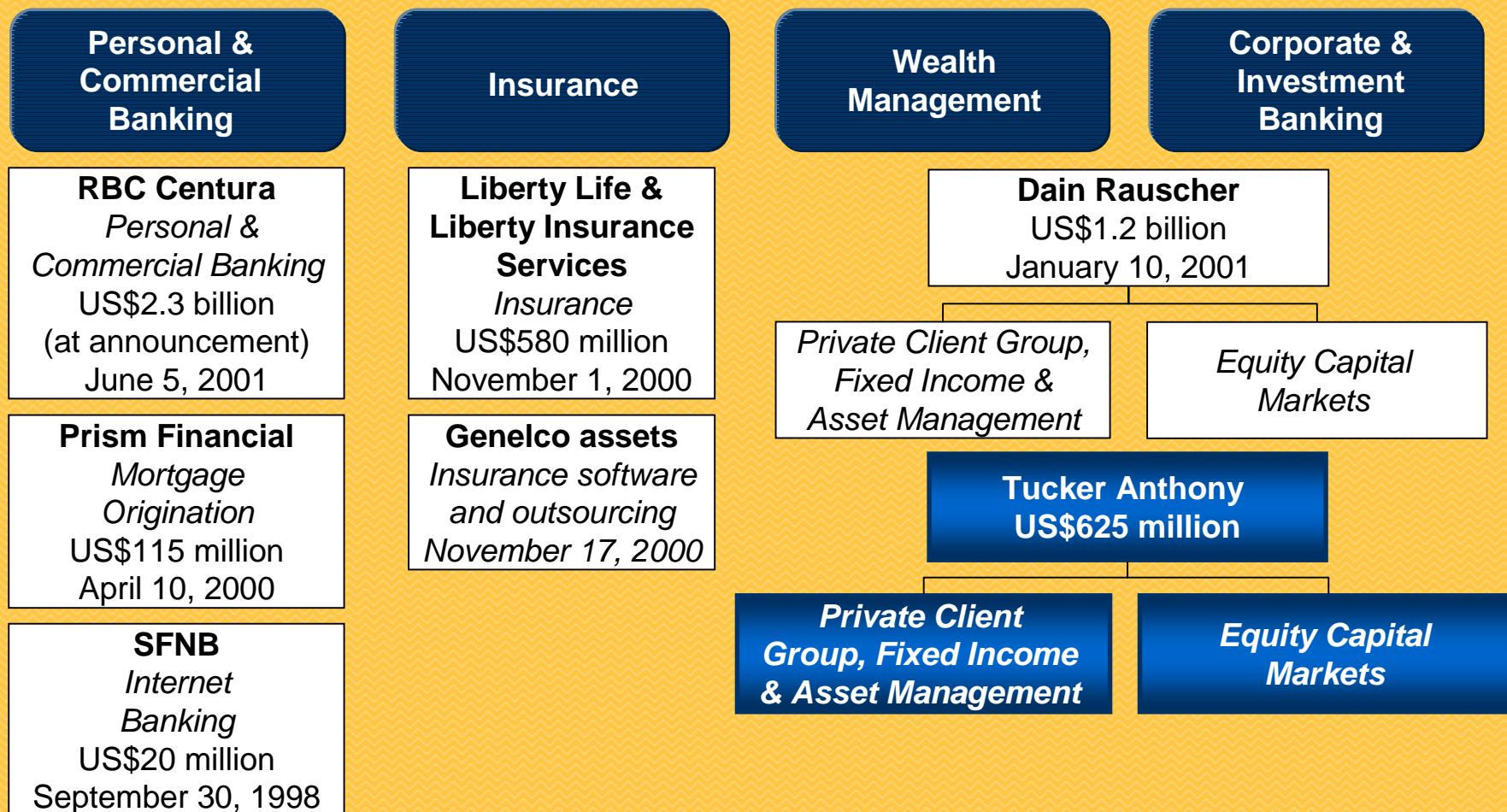


Strategic rationale – highlights

- Acquisition is next step in US expansion strategy (see chart 4)
- Further increases US customer base (see chart 5)
- Retail Brokerage:
 - ➔ Creates a top-10 US and North American full service brokerage firm (see chart 6)
 - ➔ Virtually doubles size of existing US platform (see chart 7)
 - ➔ Provides national coverage – TA’s bi-coastal operations complement Dain Rauscher’s markets (see chart 8)
- Fixed Income:
 - ➔ Creates top-five municipal underwriter (see chart 9)
- Equity Capital Markets:
 - ➔ Establishes middle-market M&A business, plus strengthens other groups including Financial Institutions and Consumer (see chart 9)
- Expect costs savings through integration of TA’s operations, technology & support functions



Continuing targeted US expansion





Further expands US customer base

	# of customers
Liberty Insurance	700,000+ households
Centura Banks	650,000
Dain Rauscher	500,000 accounts
Tucker Anthony	300,000 accounts
Recent US acquisitions	2,150,000+



#9 in US full service brokerage¹

<u>Rank</u>	<u>Company</u>	<u># of US Brokers</u>
1	Merrill Lynch	18,100
2	Morgan Stanley Dean Witter	13,072
3	Salomon Smith Barney	12,069
4	Paine Webber Group	8,497
5	A.G. Edwards	6,682
6	First Union Securities	6,604
7	Prudential Securities	6,398
8	Edward Jones	6,088
9	Dain Rauscher/Tucker Anthony	2,070
10	Legg Mason	1,181
11	US Bancorp Piper Jaffray	1,089
12	Raymond James	903
13	Janney Montgomery Scott	787
14	Robert W. Baird	753
15	Hilliard Lyons	750

¹ numbers as at January 1, 2000 – source: SIA Yearbook 2000-2001



Virtually doubles size of existing US retail brokerage platform

(June 30, 2001)

	<u>Dain Rauscher</u>	<u>TA Retail</u>	<u>New US Platform</u>	<u>RY Private Client¹</u>	<u>New RY North American Platform</u>
Number of investment advisors	1,100	990	2,090	1,450	3,540
Assets under administration (US\$)	\$63BN	\$48BN	\$111BN	\$66BN	\$177BN
Number of brokerage offices	85	80	165	129	294
Number of active customer accounts	500,000	300,000	800,000	700,000	1,500,000
Net revenues (last 12 months, US\$ million)	\$544	\$393	\$937	\$665	\$1,602

¹ as at April 30, 2001 for RY Private Client



Provides national coverage – retail operations complement each other



- ✓ 165 locations
- ✓ 2,090 IEs
- ✓ Minimal overlap
- ✓ New affluent markets
- ✓ New recruiting opportunities
- ✓ Leverage back office and technology platforms
- ✓ Facilitates expansion in the Southeast



Other benefits

Fixed Income:

- Combined revenues of US\$200 million – one of the largest shops outside Wall Street
- Would become a top-5 municipal underwriter¹ with an expanded franchise in large markets on the East and West coasts

Equity Capital Markets:

- Enhances Dain's middle-market M&A business – combined team ranks in the top-10 nationally²
- Strengthen Dain's Financial Institutions and Consumer groups with strong banking and research professionals
- Achieve synergies by integrating duplicate research, sales, trading and support functions

Asset Management:

- Combined US\$26 billion in assets under management, including money market funds

Other:

- Cost savings from integration of TA's operations, technology and support functions

¹ based on dollar amount of transactions (full credit to each) in 2000 – source: Thompson Financial Services

² based on number of completed transactions in 2000 – source: Mergerstat



Key transaction terms

- **Purchase price**
 - **Per share** - US\$24.00
 - **Aggregate** - Approximately US\$625 million
- **Transaction structure**
 - 100% cash
 - Purchase accounting, with goodwill of US\$324 million (no amortization assumed)
 - Break-up provision largely in form of RY having option to purchase 19.9% of the common stock of TA under certain circumstances if the transaction is not consummated
 - Funds controlled by Thomas H. Lee, which own approximately 19% of TA shares, support the transaction
- **Retention pool** - US\$125 million paid out over 4 years
- **Expected closing** - October/November 2001
- **Required approvals**
 - US and Canadian regulatory approvals (see chart 20)
 - TA shareholders
- **Senior management**
 - Senior management, including John Goldsmith (Chairman & CEO) and Jack Luikart (President & COO) signed up to contracts to join Dain Rauscher management team



EPS accretion in line with stated objectives

- Cash EPS

- Low dilution of approximately 1% in fiscal year 1 (2002), virtually neutral in Fiscal Year 2 (2003) and accretive thereafter (RY's objective for acquisitions is to be accretive in 2-3 years)

- Identifiable cost savings of approximately US\$60 million

- 33% in 2002 → 100% in 2003

- Estimated restructuring charge of US\$60 million at close (pre-tax)

- Capital ratios¹

	<u>Actual</u> <u>4/30/01</u>	<u>Pro forma</u> <u>4/30/01</u>	<u>RY</u> <u>3-5 year</u> <u>goals</u>
→ Tier 1 capital ratio	8.8%	8.5%	8.0%
→ Total capital ratio	12.3%	11.9%	11-12%
→ Tangible common equity/ risk-adjusted assets	6.6%	6.5%	N/A

¹ represent capital ratios under guidelines issued by the Office of the Superintendent of Financial Institutions Canada (OSFI), calculated based on Canadian GAAP financial information. Pro forma numbers include the impacts of the acquisitions of Centura Banks, Inc. (which closed June 5, 2001) and TA. The latter is based on risk-adjusted assets of approximately US\$1 billion for TA and goodwill of approximately US\$400 million, including goodwill of approximately US\$80 million already on TA's books.



Valuation attractive compared to other deals

	TA		Retail Deals Since 1997		
	Value	Multiple	High	Median	Low
Tangible Book ¹	US\$270mm	2.3x	4.1x	3.0x	2.0x
Net Revenue (LTM)	US\$655mm	1.0x	3.1x	1.3x	0.8x
EPS (LTM) ²	US\$1.13	21.2x	20.6x	15.8x	6.8x
2000A EPS	US\$1.94	12.4x	20.6x	15.8x	6.8x

¹ as of June 30, 2001

² excludes restructuring charge



TA's operations

- 14th largest US brokerage with operations in Northeastern and Western US
- Headquartered in Boston, MA
- To be merged with Dain Rauscher and combined entity to be re-branded RBC Dain Rauscher

Retail Brokerage:

- 14th largest full-service retail broker in the US with 990 brokers, 300,000 accounts and US\$48 billion of assets under administration
- 80 branches in 22 states concentrated in the Northeast (principally New York, Massachusetts, Pennsylvania and Virginia) and West coast (principally California). Branches typically have a long history within their communities
- Clearing currently outsourced

Fixed Income Capital Markets:

- Tax-exempt underwriting business in California, Pennsylvania, New Jersey and Colorado
- Institutional Sales & Trading, primarily located in California, New York, New Jersey, Pennsylvania and Massachusetts

Equity Capital Markets:

- Sector expertise in financial institutions, consumer, technology & healthcare
- Institutional sales & trading
- Middle-market M&A business

Asset Management:

- Proprietary money market funds for retail operations (AUM US\$5 billion)
- Institutional group (AUM US\$3 billion)
- High net worth business (AUM US\$3 billion)

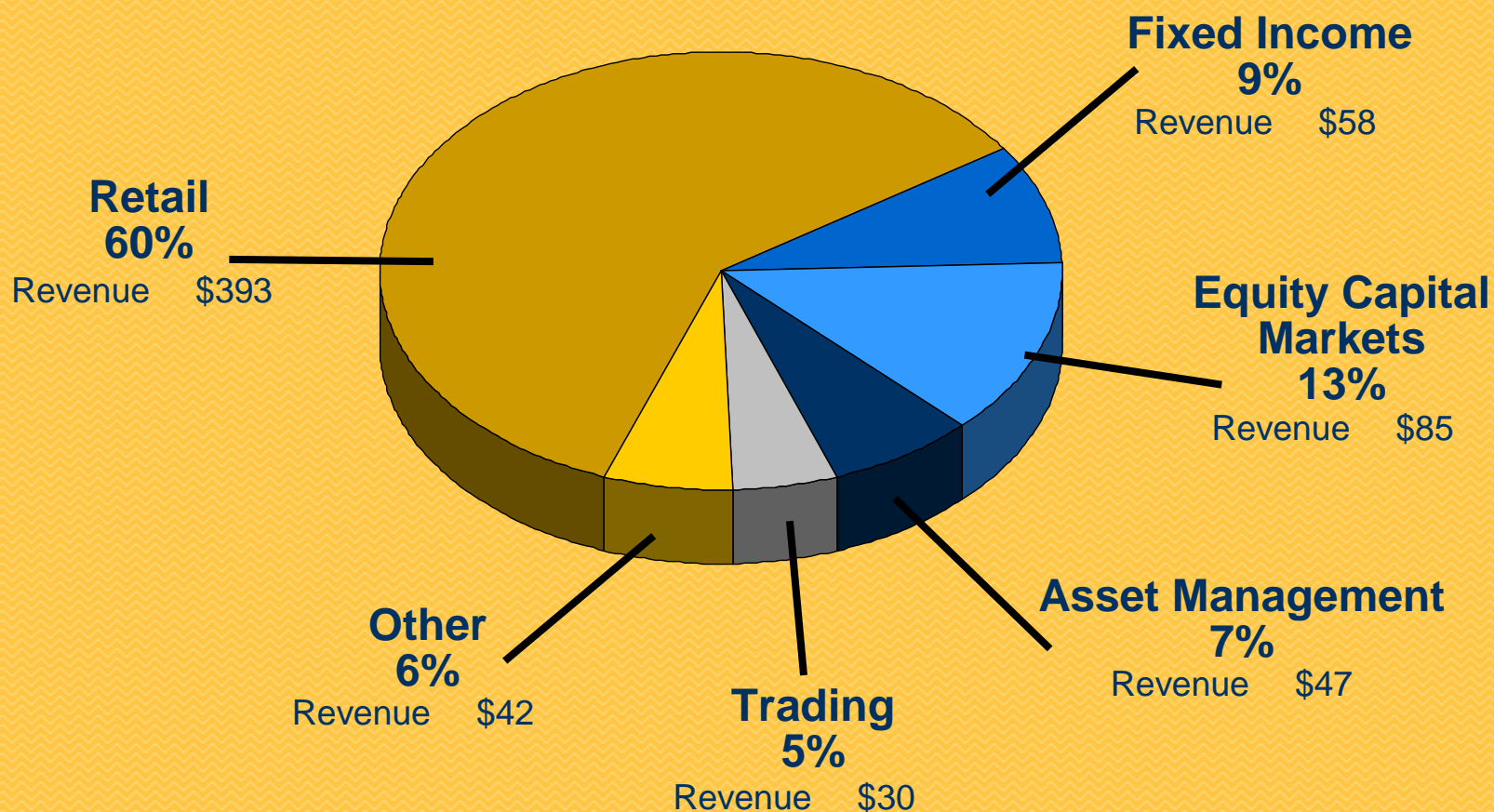
Trading:

- Hill Thompson, Magid & Co. – Market maker for over 8,000 small cap, OTC and pink sheet equities, located in Jersey City, NJ
- Proprietary trading businesses including tender option bond, risk arbitrage and convertible arbitrage



Well-diversified businesses

TA's last 12 months net revenue
(US\$ million, except for %)





Purchase price details

(US\$ million, except per share information)

Expected shares outstanding at close (in millions)	25.1
Purchase price per share	\$24.00
Purchase price before option take-out	\$602
Take-out of TA options ¹	\$23
Purchase price	\$625
Expected book value of equity ²	\$278
Goodwill ³	\$324

¹ net of tax-shield for option take-out

² estimated at time of closing and is net of TA option take-out amount

³ consists of purchase price before option take-out less expected book value of equity (i.e., US\$602 less US\$278). No goodwill amortization assumed starting Q1/02



TA facts

● Closing price (07/31/01)	US\$23.95
● Shares outstanding (06/30/01)	24.2 million
● Shares outstanding (expected at close)	25.1 million
● Market cap (07/31/01) ¹	US\$593 million
● Stock symbol	TA
● Stock exchange	NYSE
● Headquarters	Boston, Massachusetts
● Founded	1892
● Employees (full time equivalent)	2,700
● Retail offices	80
● Investment Executives	990
● Website	www.tuckeranthonysutro.com
● SEC filings	www.corporate-ir.net/ireye/ir_site.zhtml?ticker=TA&script=1901

¹ source: Bloomberg



TA financial highlights¹

(US\$ millions, except for % and earnings per share data)

	<u>1st Half</u> <u>2001</u>	<u>Last 12</u> <u>Months</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Net revenue	\$325	\$655	\$758	\$572	\$455	\$385	\$363
Total expenses	\$301	\$607	\$679	\$522	\$409	\$351	\$339
Net income before-tax	\$23	\$48	\$79	\$50	\$46	\$34	\$29
Net income ¹	\$14	\$28	\$48	\$31	\$28	\$20	\$14
EPS (diluted) ¹	\$0.55	\$1.13	\$1.94	\$1.43	\$1.36	\$1.29	N/A
Cash EPS (diluted) ¹	\$0.68	\$1.38	\$2.21	\$1.60	\$1.56	\$1.42	N/A
Return on average equity ¹	8.2%	8.5%	15.3%	13.1%	15.0%	21.9%	9.0%
Book value per share	\$14.36	\$14.36	\$13.84	\$12.26	\$10.86	\$6.79	\$5.45
Tangible book value per share	\$11.15	\$11.15	\$10.47	\$8.41	\$9.19	\$5.19	\$3.60
Total assets	\$718	\$718	\$798	\$826	\$612	\$749	\$521
Total shareholders' equity	\$348	\$348	\$331	\$277	\$227	\$106	\$83

¹ excluding nonrecurring items. Reported fully diluted cash EPS were: 1st Half 2001, \$0.46; Last 12 months, \$0.92; and 1998, \$1.49



RY: Canada's largest & most profitable financial institution

- **Market capitalization of US\$22.7 billion (07/31/01)**
- **#1 wealth management organization in Canada**
- **#1 rated investment bank in Canada (Reuters 2000 survey), consistently top-ranked equity & debt underwriter in Canada, and Canadian leader in M&A (#1 advisor in Canada and #15 globally in 2000)**
- **#1 business financing and deposits, and #2 residential mortgages and personal deposits in Canada**
- **Largest bank-owned insurance operation in Canada**
- **Largest processing bank in Canada**



RY financial highlights

Last twelve months financial highlights^{1,2}
(US\$ millions, except for EPS)

● Gross revenue	\$8,574
● Cash net income after-tax	\$1,635
● Cash earnings per share (diluted)	\$3.82
● Cash return on common equity	20.1%
● Loans	\$110,010
● Assets	\$207,791

Business segments

Description	Cash NIAT	Cash ROE
Personal & Commercial Banking ²	\$827	22.5%
Insurance	\$91	25.5%
Wealth Management ²	\$269	32.1%
Corporate & Investment Banking	\$349	18.0%
Transaction Processing	\$101	34.3%

¹ Cdn. \$1.00 = US\$0.6621 for 12 months ended 04/30/01 and Cdn. \$1.00 = US\$0.6515 at 04/30/01

² Excluding special items of gains on sales totaling US\$73 million after-tax, US\$55 million allocated to Personal & Commercial Banking and US\$18 million allocated to Wealth Management in Q1/01



Required approvals

- **Approvals required include:**
 - ➔ **Minister of Finance (Canada) on the recommendation of OSFI (Canadian regulator)**
 - ➔ **TA shareholders (for merger)**
 - ➔ **SEC and stock exchanges (NYSE, TSE)**
 - ➔ **Hart-Scott-Rodino**

- **Notices required include:**
 - ➔ **Federal Reserve**