



RBC Dain Rauscher

Irv Weiser

Chairman, President & CEO

“Positioned for Growth & Leverage”

***Presentation to
Analysts & Institutional Investors***

October 22, 2001
Toronto



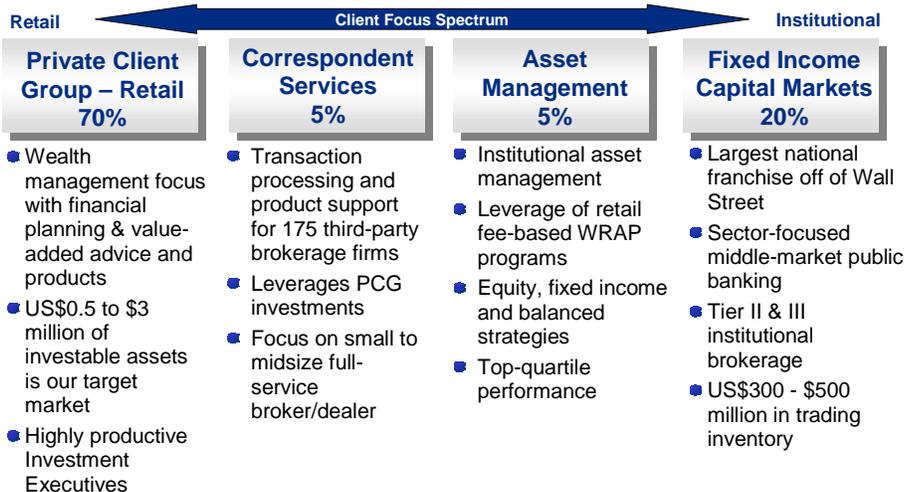
Who we are

- A Minneapolis-based, full-service, regional brokerage and investment banking firm
- 3,900 employees with a strong management team and entrepreneurial culture
- Building the firm:
 - 1909: Kalman & Co. is founded in St. Paul, MN
 - 1929: J.M. Dain & Co. is founded in Minneapolis, MN
 - 1933: Rauscher, Pierce & Co. is founded in Dallas, TX
 - 1972: Dain, Kalman & Quail (DKQ) holds its IPO
 - 1973: DKQ acquires Bosworth Sullivan of Denver, CO
 - 1981: Interra Financial Group (IFG), Dain Bosworth's parent company, acquires Rauscher, Pierce, Refsnes
 - 1981: IFG, later Dain Rauscher Corp. (DRC), is listed on the NYSE
 - 1985: Irv Weiser joins the firm as President and is named CEO in 1990
 - 1998: Dain Bosworth and Rauscher Pierce Refsnes merge
 - 1999: Wessels, Arnold, Henderson & Co. of Minneapolis acquired
 - 2000: RBC acquires Dain Rauscher (DRC)
 - 2001: RBC Dain Rauscher acquires Tucker Anthony Sutro (TA)

A firm built on strong values:

- Clients first
- Trust through integrity
- Excellent service to clients and each other
- Great people working together to win
- Leadership in our communities and industry

Wealth management business lines and current revenue mix:





Strategic priorities

- **Grow RBC's U.S. wealth management platform:**
 - Integrate Tucker Anthony Sutro
 - Increase market share in chosen markets
 - Investigate organic Southeast expansion (RBC Centura markets)
- **Leverage the support infrastructure**
- **Contain costs in a difficult market environment**
- **Position for market recovery**



Entering phase II of U.S. expansion strategy

Phase I – RBC Dain Rauscher

- RBC foothold in the U.S.
- Focused on geography, customers, returns and management

Phase II – Tucker Anthony Sutro

- Follow on acquisitions to complement existing capabilities and generate cost savings
- Leverage lower cost base and enhance returns
- Implement cross-selling initiatives and other revenue growth strategies

Time



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Tucker Anthony Sutro: Executing the U.S. strategy

Retail expansion consistent with strategic initiatives:



- 1,100 IEs
- 500,000 Accounts
- 85 Offices in Central and Western U.S.
- US\$55 billion AUA



- 900 IEs
- 300,000 Accounts
- 80 Offices in Northeast and West Coast
- US\$45 billion AUA



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Tucker Anthony Sutro: Executing the U.S. strategy

Retail expansion consistent with strategic initiatives:

- National in Scope, Regional in Spirit
- Top-10 U.S. full-service retail brokerage
- Leverages back office, technology, and product investments
- Generates RBC brand awareness

- Pro-forma Statistics:
 - ✓ 2,000 IEs
 - ✓ 800,000 accounts
 - ✓ 160 offices in 36 states
 - ✓ US\$100 billion AUA



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Tucker Anthony Sutro: Executing the U.S. strategy

TAS strengthens fixed income & asset management units as well:

Fixed Income Capital Markets

- RBC Dain Rauscher becomes a top-5 middle-market municipal underwriter
- Adds presence in PA, NY, and CA, all top-5 issuers of municipal securities
- Diversifies business mix:
 - ✓ Fixed income market counter-cyclical to equities
 - ✓ FICM having record year in 2001 (>20% pre-tax margins)
 - ✓ Nearly US\$200 million in pro-forma net revenues projected for fiscal 2001

Asset Management

AUM: US\$ in billions	RBC Dain	Tucker Anthony	Total
Institutional	\$7.2	\$2.8	\$10.0
High Net Worth	0.4	1.3	1.7
Retail Cash	6.8	4.7	11.5
Total:	14.4	8.8	23.2

- Leverages money market mutual fund complex
- Expands pool of assets for retail WRAP program internalization

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Cost containment & leverage

TAS integration is right time to “right-size” the platform:



- Over US\$60 million in fixed cost synergies identified
- Synergies to be fully included in fiscal 2003 results
- Moving TAS from a third-party clearing firm to RBC Dain Rauscher's self-clearing platform
- RBC Dain compensation plans to reduce TAS comp. rate by more than 100 basis points
- US\$30 million of cost containment initiatives identified and realized in 2001
- Staff area headcount is down 3% YTD
- Additional headcount and cost reductions planned for 2002
- Approximately 70% increase in revenue and production activities with only 20% growth in support headcount
- Committed to a flat management structure
- Will pare back unprofitable business units and branches during 2002
- Permanent cost takeouts expand margins and ROE



North-South leverage

- Peter Armenio, President & COO of RBC Dain Rauscher came from RBC Investments
- Working with Canadian colleagues in Global Private Banking to provide solutions for Dain's ultra high net worth clients
- Benefiting from RBC's strong balance sheet
- Increasing efficiency by leveraging RBC's technology and other capabilities:
 - Strategic sourcing
 - ✓ Procurement leverage
 - ✓ Real estate
 - Common U.S. employee benefit plans



East-West leverage

Cross-selling: Phase II growth opportunity

- The Fixed Income Group has worked with RBC Centura partners on sourcing and selling business
- PCG is in discussions to manage part of Centura's existing securities business
- Voyageur Asset Management has had discussions to manage assets for RBC's Canadian clients and Centura
- Leveraging RBC Centura banking products and capabilities is yet another potential opportunity

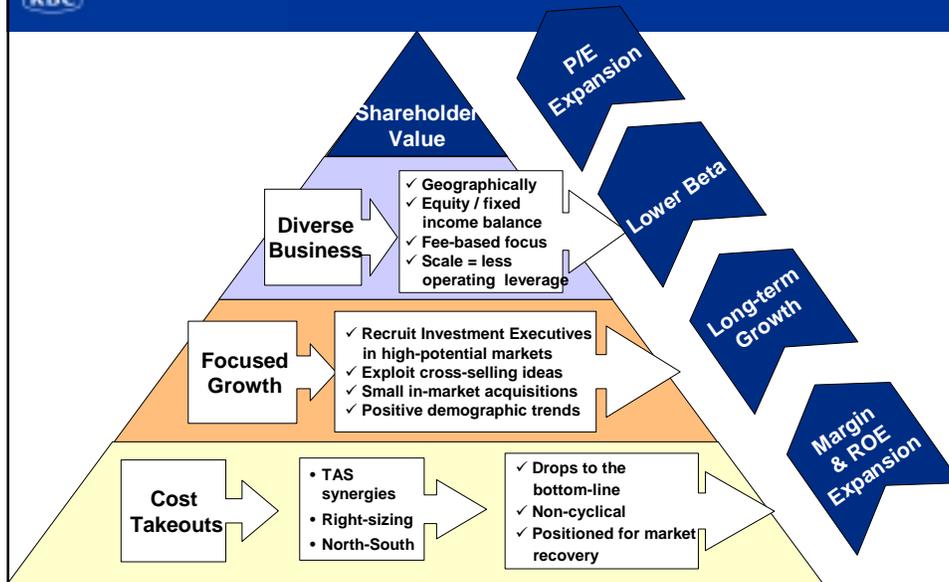
Growth opportunities

Right Markets: Focused on in-market growth via recruiting and wallet share

Pro-forma Top Markets	IEs	Branches	Gross Prod. (US\$ mil.)
Minnesota	232	10	\$83
California	209	24	\$76
Texas	178	12	\$70
New York	125	10	\$51
Massachusetts	108	9	\$51

- ✓ Increasing market share in CA, TX, NY, and MA markets is a strategic focus and a huge opportunity
- ✓ Open to small in-market acquisitions to grow presence in high potential areas
- ✓ Investigate potential organic growth in the Southeast via Tucker Anthony and/or RBC Centura

Shareholder value chain



- **Tucker Anthony Sutro integration is the #1 priority**
- **On target to meet fiscal 2002 acquisition financial goals despite deteriorating market conditions through aggressive cost cutting**
- **Confident that when the markets recover, RBC Dain Rauscher will deliver solid performance for RY shareholders**

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