



RBC Capital Markets

**Chuck Winograd, Vice-Chairman
RBC Capital Markets**

**Meeting with institutional investors
Toronto
June 25, 2003**





A strong and growing corporate and investment bank

Canada

- #1 in foreign exchange, money markets, corporate finance, debt capital markets and corporate lending
- within striking distance of #1 in virtually every other significant business

U.S.

- #1 among Canadian banks in foreign exchange trading
- #5 in program trading volumes
- #10 in 2003 equity league ranking tables (YTD)
- U.S. energy practice ranked #2 (YTD)

International

- #1 Canadian dollar dealer globally
- #17 globally in foreign exchange sales and trading
- #6 in sterling bond underwriting (YTD)





Our goals

Canada:

- **Be recognized as the leading corporate and investment bank**

U.S.:

- **Build a high quality mid-market, industry focused national firm with a broad product portfolio delivered through specific industry expertise**

International

- **Expand specialized global niche businesses**





Business overview

Global Financial Products

Fixed Income
High Yield
Debt and Credit Derivatives
Equity Derivatives
Securitization
Loan Syndication
Structured Finance
Loan Trading

Global Credit

Relative Value Portfolio
Demarket Portfolio
Loan Administration
Mark-to-Market

Alternative Investments

Alternative Assets
RBC Capital Partners – Private
Equity
RBC Capital Partners – Debt
Investments

Global Treasury Services

Foreign Exchange
Money Market
Funding and Balance Sheet
Management

Global Equity

Equity Research
Equity Sales and Trading

Global Investment Banking

Corporate Finance
Mergers and Acquisitions
Equity Capital Markets
Relationship Lending

Chief Operating Officer

Finance
Risk&Compliance
Information Technology
Human Resources
Operations



Canada

- Strong, leading franchise
- Balance business with greater mid-market focus, focus on regaining number one position in equity businesses
- Customer relationship models for cross-selling
- Hedge fund efforts





U.S. Mid-Market

- **Focus on bottom half of S&P with sweet spot of \$US 250 million to \$US 2 billion market cap and working up**
- **Focus on technology, health care, energy, consumer, financial institutions and real estate**
- **Transition from IPO technology co-manager of choice to diversified lead manager with broad product offering**
- **Sales and trading business diversified away from Nasdaq/Technology companies**
- **Business model issues**
- **Capitalizing on talent availability**
- **Challenges and successes**





Specialized Global Businesses

- **Build out (product) and roll out (geography) of equity derivatives**
- **Building onto distribution, growing origination capability into European fixed income and forex activities**
- **Build credit packaging and structuring businesses**
- **Alternative investments efforts**





Some key issues

- 1. Equity/debt market divergence, convergence**
- 2. Credit**
- 3. Costs**
- 4. M&A and associated revenues**
- 5. The return of Canadian dollar product globally**



RBC CM is the only truly global bank in Canada and should be the first stop for all Canadian corporations' international business. We outstrip the competition with sheer volume of international and domestic business.

New Issue Volumes - the Canadian Bank Story

RBC CM outstrips all Canadian banks in 2002 ...

Canadian Banks League Table 2002

(in C\$m equiv)	Canada		Domestic US		International		Total	
	No. deals	Volume	No. deals	Volume	No. deals	Volume	No. deals	Volume
RBC CM	57	14,965	367	25,348	121	32,088	545	72,401
CIBC	48	8,982	57	11,633	29	19,707	134	40,322
TD	50	9,767	6	4,153	97	18,860	153	32,780
BNS	36	7,670	10	2,756	2	6,000	48	16,426

Source: SDC Platinum

Canadian Banks League Table YTD 2003

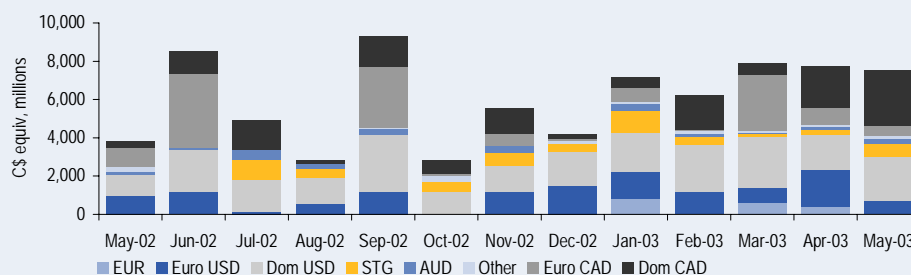
(in C\$m equiv)	Canada		Domestic US		International		Total	
	No. deals	Volume	No. deals	Volume	No. deals	Volume	No. deals	Volume
RBC CM	26	8,145	162	13,294	63	17,976	251	39,415
TD	20	5,465	3	1,821	44	9,355	67	16,641
CIBC	12	1,832	11	4,136	23	6,160	46	12,128
BNS	22	5,146	4	1,880	1	1,266	27	8,292

Source: SDC Platinum, as at end of May 2003

... and looks set to increase market share in 2003.

RBC CM represents a growing bond business across an increasingly diversified product base

RBC CM's New Issue Volume by Currency (May 2002 – May 2003)



Source: RBC CM & SDC Platinum

Activity In the Market

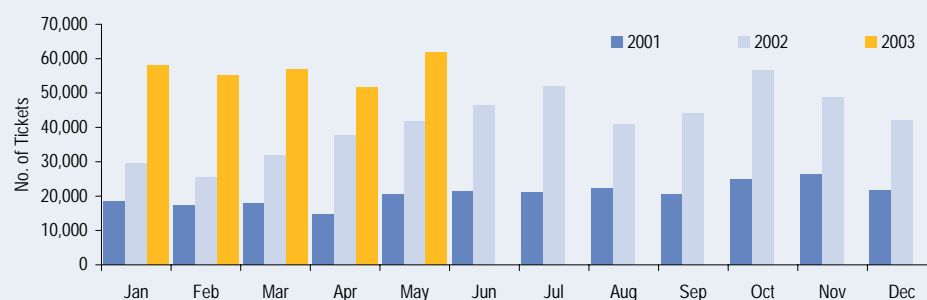
Monthly turnover expanding rapidly, reflecting RBC CM's strong distribution capacity.

Ticket Numbers: May 2003



Source: RBC CM

RBC CM: Eurobond Ticket Numbers



Source: RBC CM

Interesting Trades - major issues for the month

Key Issues – May 2003

Issuer	Market	Issue Date	Size	Term	Coupon	Spread
GE Capital Corporation	Eurodollar	7 May 03	USD500m	4yrs	3.00%	108.2bps
HBOS Treasury Services plc	Sterling	8 May 03	GBP200m	7yrs	4.375%	38bps
55 School Board Trust	C\$ (dom)	14 May 03	CAD891m	30yrs	5.90%	58.7bps
Finning	Sterling	16 May 03	GBP200m	10yrs	5.625%	155bps
Trans Caledon Tunnel Authority	SA Rand	21 May 03	ZAR1bn	Various	9.00%	undisclosed
DaimlerChrysler Canada Finance Inc.	C\$ (dom)	22 May 03	CAD300m	3yrs	5.00%	155bps
CMHC	C\$ (euro)	28 May 03	CAD150m	10yrs	4.63%	17bps

Source: RBC CM

Total New Issues: May 2003

Currency	No. of Deals	Amount (mln)	C\$ equiv (mln)
US\$	22	2,200	2,990
C\$	13	3,432	3,432
£	2	300	650
A\$	2	300	275
ZAR	1	1,000	170
Total	40		7,517

Source: RBC CM & SDC Platinum

Commentary on selected new issues

GE Capital Corporation (Eurodollar)	This transaction demonstrates our growing presence in the Euro-\$ market and our ability to successfully place large deals for high quality corporate issuers through both our institutional and retail client base.
HBOS Trsy Services plc (Sterling)	This is RBC's second lead role in Sterling for HBOS this year, following the successful 2008 transaction launched jointly with CSFB in January. This time we decided to opt for sole-lead, (having outsold CSFB in the first deal), extending HBOS's "retail" sterling curve.
55 School Board Trust (Canadian Dollar)	55 School Board Trust was the largest single school board deal issued in Canada. It has a unique structure that allows each of the 55 school boards to term out some grandfathered short term debt that has been and will continue to be serviced by the Province while at the same time allowing the Province to remove it from their balance sheet. RBC was a joint lead in this very successful transaction. The deal was well oversubscribed and was priced through other like school board debt by virtue of its structure.
Finning (Sterling)	RBC were involved as a senior co-lead in Finning's inaugural sterling bond following their acquisition of Lex Harvey. Having actively promoted sterling with Finning for some time (and as the only Canadian house in the sterling market) we were promoted to a senior level above all other Canadian banks.
TCTA (South African Rand)	TCTA funds various water projects on behalf of South Africa (RSA) and Lesotho. The entity is guaranteed by RSA. After several years of negotiation with government and TCTA, through our operation in Johannesburg, RBC were able to place ZAR1bn (US\$125mln) 13 to 17 year debt with a South African institution.
DaimlerChrysler Canada Finance Inc (Canadian Dollar)	This is DaimlerChrysler's second Canadian domestic transaction this year. RBC acted as the sole bookrunner on this deal which was well received and oversubscribed. The transaction was broadly distributed being placed with more than 30 investors and marked the 56th Canadian domestic issue that RBC has either lead or joint lead since the beginning of the year.
CMHC (EuroCad)	CMHC's first deal off their EMTN programme. This was RBC's fifth 10yr Euro CAD deal this year (7 in total, accounting for CAD1.2bn). The issue has enjoyed broad distribution across Asia and Europe, further cementing our dominance in the 10yr part of the Euro CAD curve.

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Did you know that?

RBC CM's presence in the Sterling bond market has increased significantly in the last few years, with RBC CM now occupying first place in the league table for structured bond issues since 1998 by number of deals.

Sterling Structured Bond League Table 1998-2003

Position	Bookrunner	Issues	Market Share
1	RBC CM	22	10.3%
2	RBS	15	17.2%
3	Morgan Stanley	12	14.2%
4	Barclays	8	6.3%
5	Deutsche	7	12.6%
6	Citigroup	5	10.0%
7	Dresdner	4	5.5%
8	UBS	4	4.7%
9	BNP Paribas	4	1.9%
10	Merrill Lynch	3	6.7%

Source: RBC CM



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