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## **Wealth Management**

**Reay Mackay**  
*Vice-Chairman*

***“Growth & Relationship Management”***

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

October 22, 2001  
Toronto



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## **Client centered vision**

**To become the trusted partner of  
private clients worldwide,  
providing personalized,  
comprehensive financial solutions  
delivered in any way they choose.**



## Simple strategy

- Executing a strategy based on this vision
- 3 components:
  - Relationship management.
  - Global focus primarily U.S. & U.K.
  - Comprehensive financial solutions.
- Excellence in execution will ensure the shareholder is well rewarded



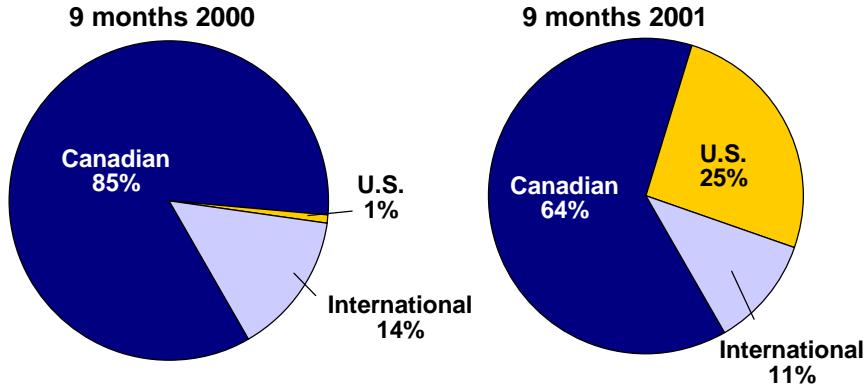
## Focus on relationship management

- Acquired retail distribution and divested non-retail or non-relationship management businesses
- 4 acquisitions:
  - Dain Rauscher
  - Tucker Anthony Sutro
  - E&Y Jersey
  - E&Y Guernsey
- 4 divestitures:
  - RT Group Retirement Services
  - Bull & Bear Securities
  - RT Capital
  - RT Realty



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# Wealth Management presence

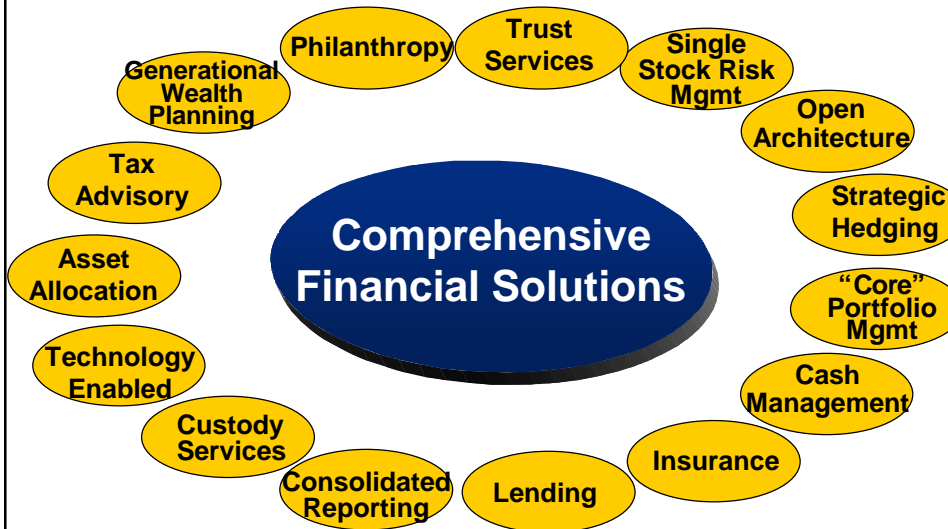


**U.S. Represents 25% of Wealth Management Revenues**



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# Much more than investments





### Canada

- **Maintain #1 or #2 market share positions in all segments largely through organic growth**
- **Better align clients and advisor offerings**
- **Develop leadership in the financial planning segment**



### USA

- **Integrate Tucker Anthony Sutro and enhance returns**
- **Increase market shares in Tucker Anthony Sutro markets (particularly Boston, NY, San Francisco & L.A. areas)**
- **Expand organically in RBC Centura markets**

### Europe

- **Continue to build global private banking (GPB)**



## **Maintain market leadership**

- **Maintain #1 or #2 share in all domestic business units:**
  - **Private Client Division: #1 full service broker**
  - **Private Counsel: #1 Investment Counsellor**
  - **Personal Trust: #1 estate & trust provider**
  - **Action Direct: #2 discount broker**
  - **Royal Mutual Funds: #1 no load manager and #2 overall (launching new load family Oct. 29)**
  - **Global Private Banking: #1 among domestic competition**



## **Aligning clients with advisors**

- **Creating distinct value propositions by business:**
  - **Right relationship management skills**
  - **Appropriate product offerings**
  - **Pricing & minimum fees**
  - **Manage profitability**



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## Create one Financial Planning sales force

- **Significant growth opportunity:**
  - Joint platform between P&CB and RBC Investments
  - \$300BN+ in assets in this market
  - Dominated by non-bank FIs
  - Launch November 1st
  - 1,500 Financial Planners
  - Regulated under RMF Inc. MFDA license



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## Continued focus on growth

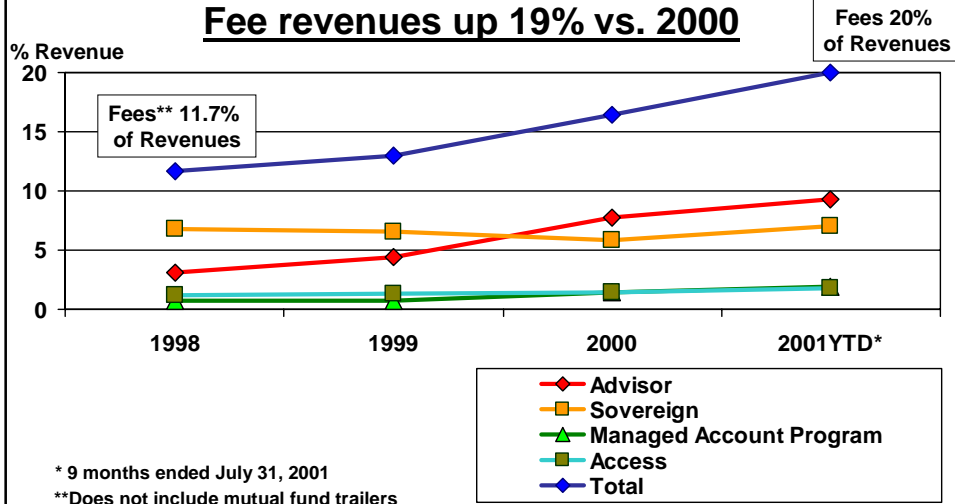
- **U.S.:**
  - Dain Rauscher/Tucker Anthony Sutro
- **U.K.:**
  - Reviewing onshore acquisition to create a consolidation opportunity
  - To provide additional cross-selling, fill product and service gaps and create expense synergy opportunities



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# Private Client Division

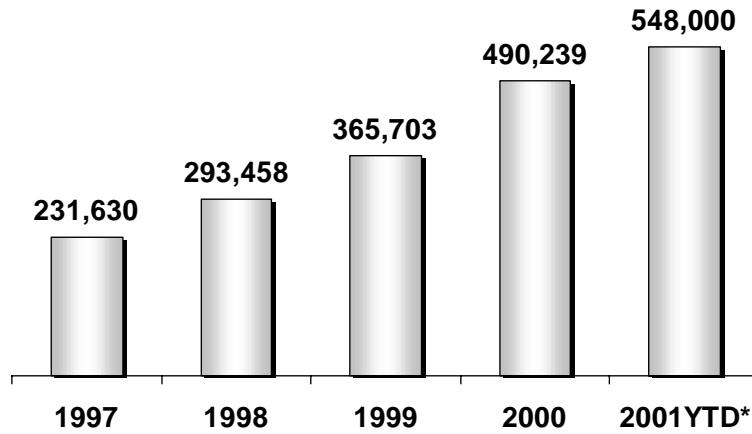
## Fee revenues up 19% vs. 2000



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# Action Direct

## 15% account growth vs. July 2000



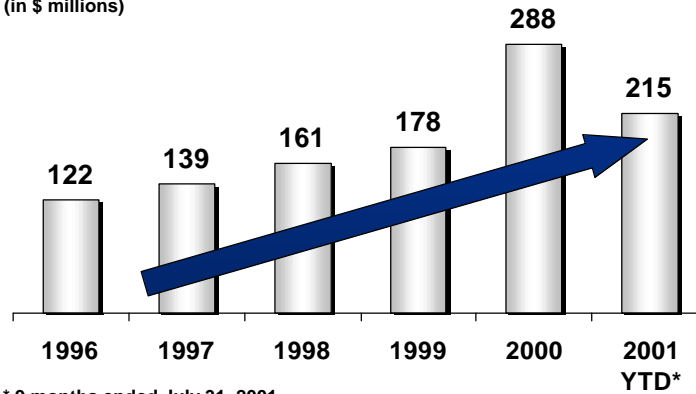


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## Global Private Banking

### 18% compound annual growth rate in fees

Fees & other income  
(in \$ millions)



\* 9 months ended July 31, 2001



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## Global Private Banking

- **New Global Private Banking initiative**
  - ➔ Merging RBC Private Counsel, RBC Private Bank & Trust into Global Private Banking
  - ➔ Significant synergies
  - ➔ Share best practices in investment counselling & relationship management

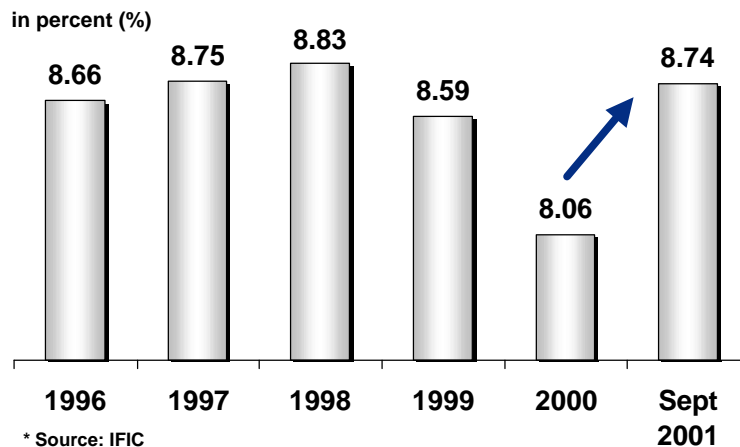




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## Royal Mutual Funds

### Market share up 68 basis points in 2001



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## Continuing to watch costs

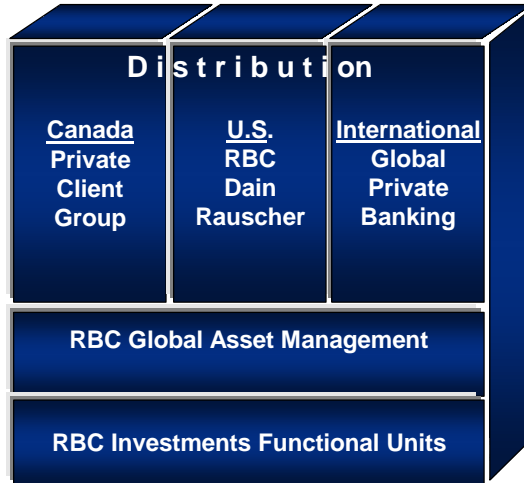
- Cost cutting program well underway to offset market weakness
- Committed to continuing cost management
  - Significant synergies gained via Private Counsel and Personal Trust integration into Global Private Banking
  - Reducing technology, marketing and operations expenses across all business units
  - Rightsizing Action Direct and Private Client Division



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# Diversified businesses

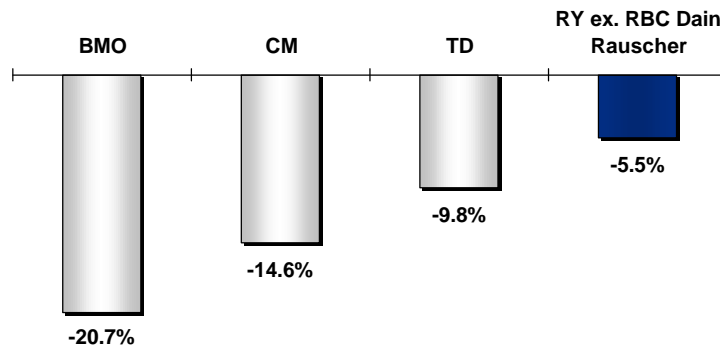
Delivering Shareholder Value through Four Profit Engines



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# Strongest performing wealth management franchise

Cash net income growth for Wealth Management segment<sup>1</sup>  
(9 months 2001 vs. 9 months 2000)



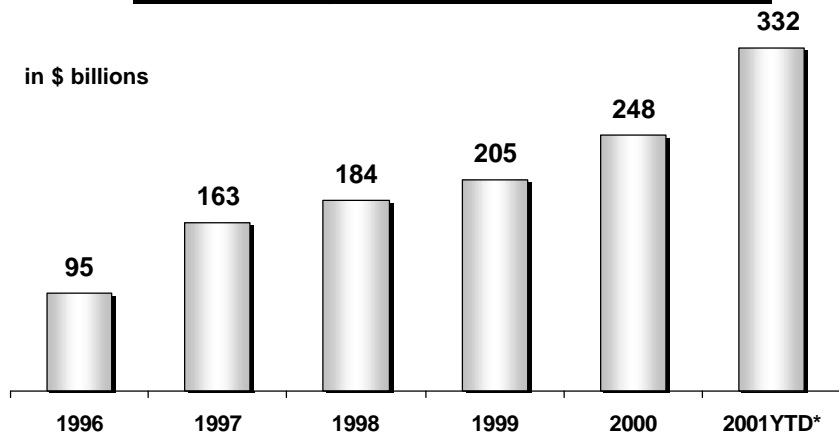
<sup>1</sup> cash earnings (accrual for CM as cash earnings not available); BNS not included as it does not disclose a stand-alone wealth management segment; TD does not include TD Waterhouse and RY results exclude RBC Dain Rauscher, which was not in 2000 results



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## Assets under administration

### AUA have grown by 28% per annum



\* 9 months ended July 31, 2001

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## Long term goals

### By 2010:

- **At least \$1 trillion in private client assets under administration:**
  - ➔ Currently \$332 billion (July 2001)
  - ➔ 13% p.a. growth required
- **At least \$1 billion in profits:**
  - ➔ \$250 million in 9 mos. 2001
  - ➔ 14% p.a. growth required

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## Caution regarding forward-looking statements

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