

August 9, 2006

RBC Centura to acquire Flag Financial Corporation

-Fact sheet-

Company Profile

Description: Flag Financial Corporation is a bank holding company whose wholly owned subsidiary is Flag Bank.

Publicly traded: NASDAQ: FLAG

Head office: Atlanta, Georgia

Distribution:

- 17 full-service branches in central & western Georgia (8 in Atlanta MSA - Metropolitan Statistical Area)
- 5 mortgage/loan production offices
- 10 ATMs

Customers: approx. 22,000 households

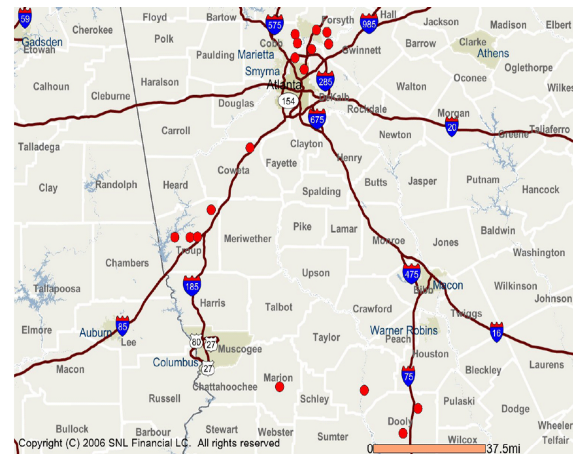
Employees: 370

June 30, 2006
(in USD)

Assets: \$1,794 million
Net Loans: \$1,248 million
Deposits: \$1,350 million
Shareholders' equity: \$212.1 million
Net Income: \$11.2 million (six months)

Deposit market share: Georgia 0.83%, Atlanta MSA 0.97%

Branch Locations



Source: SNL Financial LC.

Flag is an excellent strategic fit with RBC Centura

- Aligned with RBC's strategic goal of building on our strengths in banking in the U.S.
- Flag is the largest community bank headquartered in Atlanta, which is a key growth market for RBC Centura as it extends its footprint into high-growth metropolitan markets in the Southeast
- Immediately adds strength in the Atlanta MSA with 8 branches in addition to RBC Centura's current 30 branches primarily in the Metro Atlanta area.
- Clear alignment with RBC Centura's strategy to serve businesses, business owners and professionals, with Flag's prevalence of small business clients
- Management brings local market and small business expertise and a highly productive business banking sales force
- Introduces new business lines and opportunities: business payroll services (Payroll Solutions) and cash management for associations and management companies (SmartStreet) which is also an excellent deposit gathering vehicle
- Strong cultural alignment: highly entrepreneurial, local market culture is a very good fit
- Adds scale, increasing RBC Centura's deposit base by 12% and loan book by 10%.
- Cost synergy opportunities by leveraging RBC Centura's infrastructure

Transaction Summary

Purchase price:	RBC Centura to acquire 100% of Flag for approximately US\$456 million (or US\$25.50 per share) including net stock option takeout
Form of consideration:	100% Cash
Deal multiple:	20.2 x Flag's 2006 Consensus Net Income, in line with other similar transactions in the Southeast U.S.
Expected closing:	By the end of December 2006
Closing conditions:	Acquisition subject to customary closing conditions, including approval by U.S. and Canadian regulators and by a majority of Flag Financial Corporation shareholders
RBC EPS impact:	Transaction is not material to RBC due to its relative size, and is expected to be neutral to RBC's EPS in Year 1

Future Plans

- Flag Bank branch network to operate under the RBC Centura brand name upon the completion of the transaction
- J. Thomas Wiley, Jr., currently CEO of Flag Bank, will become the Georgia State President of RBC Centura
- RBC Centura to continue de novo growth in Atlanta market

Certain statements contained in this Fact Sheet may be deemed to be forward-looking statements under certain securities laws, including the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities legislation, and RBC intends that such forward-looking statements be subject to the safe-harbor created thereby. 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 assumptions, and inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements, including statements about the proposed acquisition of Flag Financial Corporation (FLAG) by RBC, will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors 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 possibility that the proposed transaction does not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, that the RBC and FLAG may be required to modify the terms and conditions of the proposed transaction to achieve regulatory approval, or that the anticipated benefits of the transaction are not realized as a result of such things as the strength of the economy and competitive factors in the areas where FLAG does business; 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; RBC's ability to complete the acquisition of FLAG and to integrate it with RBC Centura successfully; reputational risks, and other factors that may affect future results of RBC Centura and FLAG including changes in trade policies, timely development and introduction of new products and services, changes in tax laws, and technological and regulatory changes. We caution that the foregoing list of important factors is not exhaustive.

RBC assumes no obligation to update the forward-looking statements contained in this press release.