



Highlights of Fourth Quarter and Full Year 2006 Results

November 30, 2006

Financial information is in Canadian dollars and is based on Canadian GAAP, unless otherwise indicated.

Caution regarding forward-looking statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. We may make such statements in this presentation, in other filings with Canadian regulators or the United States Securities and Exchange Commission (SEC), in reports to shareholders or in other communications. These forward-looking statements include, among others, statements with respect to our medium-term goal and 2007 objectives, and strategies to achieve our objectives, as well as statements with respect to our beliefs, outlooks, plans, objectives, expectations, anticipations, estimates and intentions. 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 factors and assumptions, and are subject to inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements 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 expectations expressed in such forward-looking statements. These factors include credit, market, operational and other risks identified and discussed under the Risk management section in our 2006 management discussion and analysis; general business and economic conditions in Canada, the United States and other countries in which we conduct business; the impact of the movement of the Canadian dollar relative to other currencies, particularly the U.S. dollar and British pound; the effects of changes in government monetary and other policies; the effects of competition in the markets in which we operate; the impact of changes in laws and regulations, including tax laws; judicial or regulatory judgments and legal proceedings; the accuracy and completeness of information concerning our clients and counterparties; successful execution of our strategy; our ability to complete and integrate strategic acquisitions and joint ventures successfully; changes in accounting standards, policies and estimates; and our ability to attract and retain key employees and executives. Other factors that may affect future results include the timely and successful development of new products and services; technological changes; unexpected changes in consumer spending and saving habits; the possible impact on our business from disease or illness that affects local, national or global economies; disruptions to public infrastructure, including transportation, communication, power and water; the possible impact on our businesses of international conflicts and other political developments including those relating to the war on terrorism; and our success in anticipating and managing the associated risks.

Additional information about these factors can be found under the "Risk management" section and the "Additional risks that may affect future results" section in our 2006 management's discussion and analysis.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. We do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Overview

Gordon M. Nixon
President & CEO

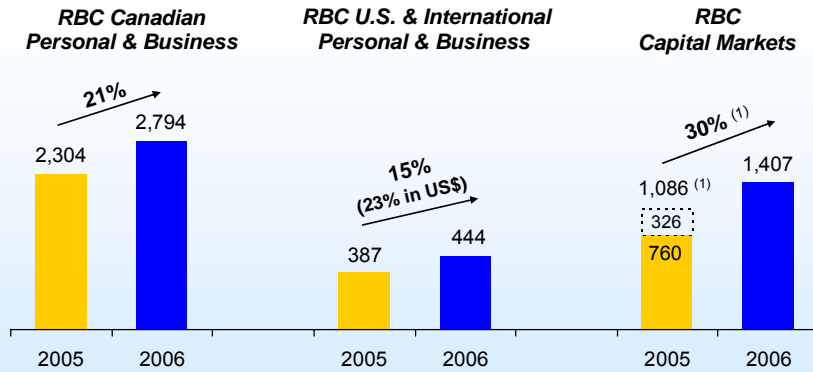
Earnings Review

	2006	2005	Change vs. 2005	Change vs. 2005 (excl. Enron provision) ⁽¹⁾
Total revenue (mm)	\$20,637	\$19,184	8%	8%
Net income (mm)	\$ 4,728	\$ 3,387	40%	27%
Diluted EPS	\$ 3.59	\$ 2.57	40%	27%
ROE	23.5%	18.0%	550 bps	380 bps

Record earnings on 8% revenue growth

Business Segment Earnings

\$ millions



All 3 business segments contributed to earnings increase

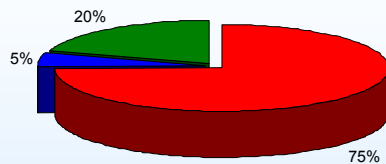
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(1) Excludes Enron provision. Refer to slide 47 for a reconciliation. Growth is 85% based on reported results.

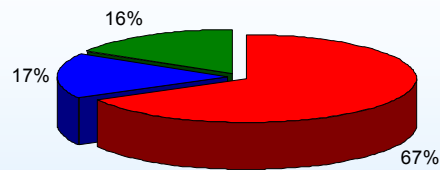


Earnings by Geography

2002 Net income from continuing operations⁽¹⁾



2006 Net income from continuing operations⁽¹⁾



■ Canada ■ U.S. ■ Other International

- 33% of our earnings came from outside Canada in 2006, as compared to 25% in 2002

Our business continues to become more global

6

(1) Continuing operations exclude the results of our discontinued operations, RBC Mortgage Company.



2006 Performance Compared to Objectives

	2006 Objectives	2006 Performance
Diluted EPS growth ⁽¹⁾	20%+	40% (27% excl. Enron provision) ⁽⁴⁾
Return on common equity (ROE)	20%+	23.5%
Revenue growth	6–8%	8%
Operating leverage ^{(2) (3)}	> 3%	1% (2.5% after adjustments) ⁽⁴⁾
Portfolio quality ⁽³⁾	.40–.50%	.23%
Tier 1 capital ratio	8%+	9.6%
Dividend payout ratio	40–50%	40%

Met or exceeded most 2006 objectives

- (1) Based on 2005 diluted EPS of \$2.57 (adjusted from \$5.13 for the 1-for-1 stock dividend on April 6, 2006)
 (2) 2006 objective for operating leverage is based on 2005 NIE excluding the Enron provision.
 (3) Refer to slide 51 for definitions.
 (4) Non-GAAP financial measures. For a further discussion, refer to slide 47 and 50.

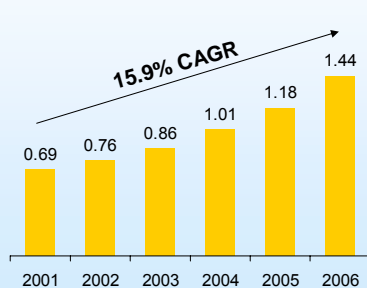
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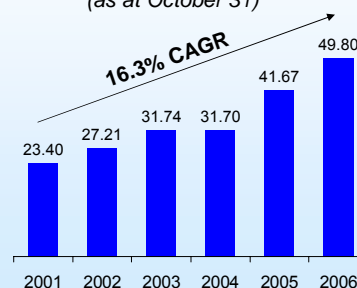
Total Shareholder Returns (TSR)

Total Shareholder Returns:	C\$	US\$
	1-year	23%
5-year	20%	28%
10-year	20%	22%

Common Share Dividends (C\$)



Share Price Performance (C\$)
(as at October 31)



TSRs among the highest of largest global banks

8



Looking Ahead

2007 Objectives	
Diluted EPS growth	10%+
Adjusted operating leverage ⁽¹⁾	> 3%
Return on common equity (ROE)	20%+
Tier 1 capital ratio	8%+
Dividend payout ratio	40–50%

Medium-term Objective	
Total shareholder return	Top quartile ⁽²⁾

**2007 objectives set to achieve
top quartile returns for our shareholders**

(1) Adjusted operating leverage is the difference between our revenue growth (as adjusted) and non-interest expense growth rate (as adjusted). Refer to slide 51 for definitions

(2) Versus seven large Canadian financial institutions and 13 U.S. financial institutions.

9



Our Strategic Goals

To be the undisputed leader in financial services in Canada

To build on our strengths in banking, wealth management and capital markets in the United States

To be a premier provider of selected global financial services

10



To be the undisputed leader in financial services in Canada

2006 Highlights

- Extended market share leadership for personal and business clients
 - Largest provider of major consumer lending products
 - Fastest growing mutual fund company
 - Continued enhancement of product offering (e.g., segregated funds)
 - Expanded branch network (opened 14 new branches)
- Leadership in capital markets recognized
 - #1 in fixed income including #1 in Maple Market, and named top M&A house in Canada (*Euromoney*)
 - Key roles in largest M&A and equity deals for 2006
- Named safest bank in Canada and 4th safest in North America (*Global Finance*)
- Named Canada's most valuable brand (*Interbrand*)

11



To be the undisputed leader in financial services in Canada

2007 Priorities

- Improve the client experience
 - Continuously enhance service and products, and problem resolution
- Extend retail distribution strength
 - Increase contact points and improve integration to differentiate ourselves and extend our leadership position
- Simplify processes and structures
 - Make it easier for clients to do business with us and deliver cost-effective and efficient solutions
- Advance our capital markets leadership position in Canada
 - Provide corporate and institutional clients with more of our global expertise
 - Deepen our penetration of the Canadian mid-market

12



To build on our strengths in banking, wealth management and capital markets in the U.S.

2006 Highlights

- Further developed RBC Centura's branch network
 - Opened 10 de novo branches
 - Agreed to acquire Flag Financial (17 branches) and 39 AmSouth branches ⁽¹⁾
- Expanded wealth management distribution and product capabilities
 - Opened 10 new RBC Dain Rauscher offices
 - Higher productivity of financial consultants
 - Acquired American Guaranty & Trust Company
- Increased U.S. investment banking and fixed income capabilities
 - Recognized as a top investment bank in U.S. middle market
 - #1 for Senior Manager: Small issues in municipal finance (Jan-Sept/06, Thomson)
 - Agreed to acquire Carlin Financial Group and Daniels & Associates ⁽¹⁾

13 (1) Announced November 2006



To build on our strengths in banking, wealth management and capital markets in the U.S.

2007 Priorities

- Continue banking focus on businesses, business owners and professionals in the Southeast
- Through RBC Dain Rauscher, become the wealth management advisor of first choice to more retail investors
- Expand U.S. private banking footprint
- Further develop our U.S. insurance capabilities through enhanced products and services
- Grow our fixed income and municipal products businesses
- Expand mid-market investment banking and capital markets activities
- Successfully integrate new acquisitions and businesses

14



 **To be a premier provider
of selected global financial services**

2006 Highlights

- Expanded capital markets strength
 - #1 Canadian dollar trader and best leading manager of non-core currency bonds
 - Awarded Nomad status on the Alternative Investment Market (AIM)
 - Extended global infrastructure finance platform
- Increased scale in global private banking
 - Acquired Abacus Financial Services Group
 - Added over 110 client facing employees globally
 - Recognized as one of the top 20 private banks in the world
- Achieved strong revenue growth in Caribbean banking
- Expanded our presence in China
 - Upgraded our representative banking office in Beijing to branch status
 - Co-lead manager of institutional tranche for Industrial and Commercial Bank of China's IPO

15 

 **To be a premier provider
of selected global financial services**

2007 Priorities

- Continue to expand distribution of structured and fixed income products into Asian markets
- Further expand infrastructure and project finance offering from U.K. to other international and U.S. markets
- Continue to build our global energy and mining capabilities to enhance our offering to clients
- Grow organically to build on strength in Caribbean banking
- Expand private banking market share among high net worth individuals through relationships with centres of influence
- Build client relationships in China

16 



Fourth Quarter 2006 Financial and Asset Quality Review

Barbara Stymiest
Chief Operating Officer

The following results are from continuing operations, which exclude the results of our discontinued operations, RBC Mortgage Company

Fourth Quarter Results

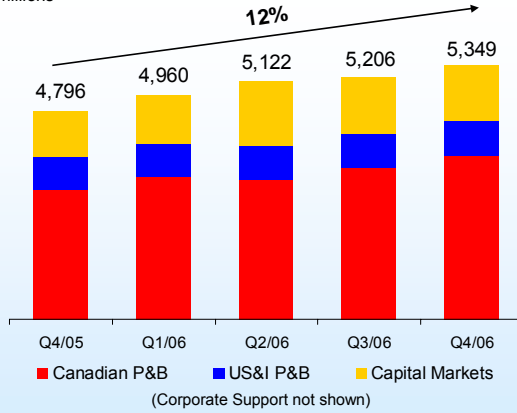
	Q4 2006	Q4 2005	Change vs. Q4 2005	Change vs. Q4 2005 (excl. Enron provision) ⁽¹⁾
Total revenue (mm)	\$ 5,349	\$ 4,796	12%	12%
Net income (mm)	\$ 1,263	\$ 543	133%	45%
Diluted EPS	\$ 0.96	\$ 0.41	134%	45%
ROE	23.6%	10.9%	1270 bps	610 bps

Record quarterly revenue and earnings in Q4 2006



Total Revenue

\$ millions



Increases from Q4/05 to Q4/06

Canadian P&B	8%
U.S. & International	10% (16% in US\$)
Capital Markets (teb)	23%
RBC Total Revenue	12%

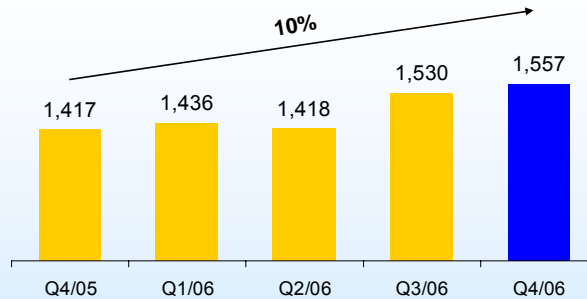
**Consistent revenue growth
across all business segments**



19

Canadian P&B Net Interest Income

\$ millions

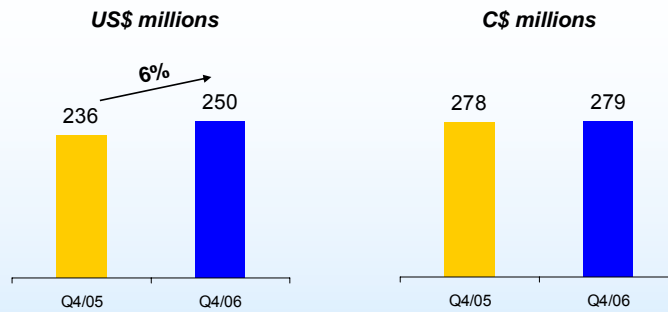


**Increase due to strong loan growth
and improved deposit spreads**



20

US&I P&B Net Interest Income

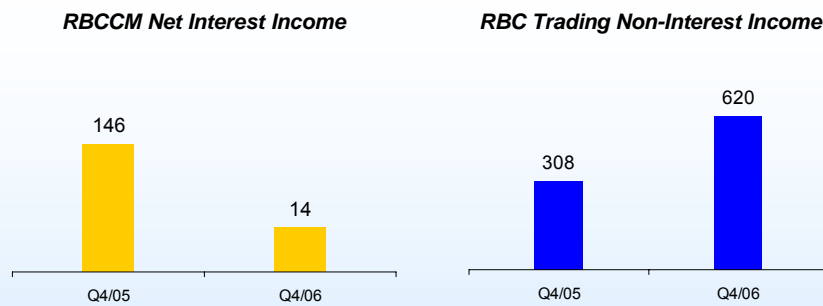


Increase driven by higher loan and deposit volumes



Capital Markets Net Interest Income

\$ millions

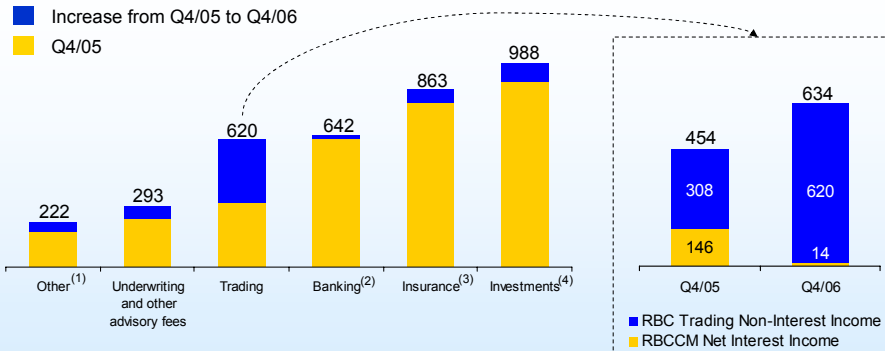


NII declined due to higher funding of trading assets to support trading revenue growth



Non-Interest Income

\$ millions



Growth in every category

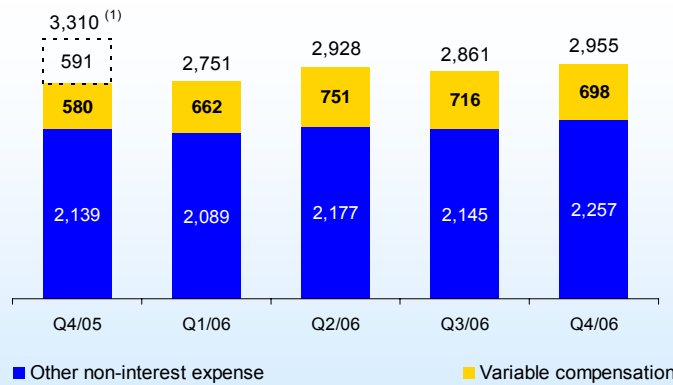
- (1) Includes other non-interest income, gain/ loss on securities sales and securitization.
 (2) Includes service charges, foreign exchange other than trading, card services and credit fees
 (3) Includes premiums, investment and fee income
 (4) Includes brokerage, investment management and mutual funds

23



Non-Interest Expense

\$ millions



Higher variable compensation on stronger performance in addition to investing to support business development

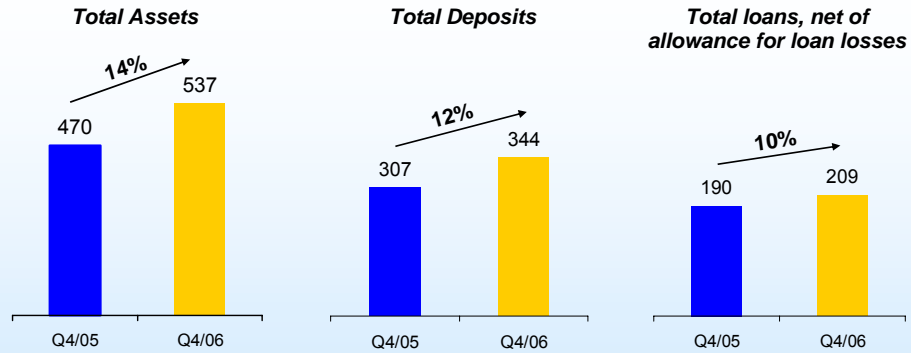
24

- (1) Includes Enron provision. Refer to slide 47 for a reconciliation.



Balance Sheet Strength

\$ billions



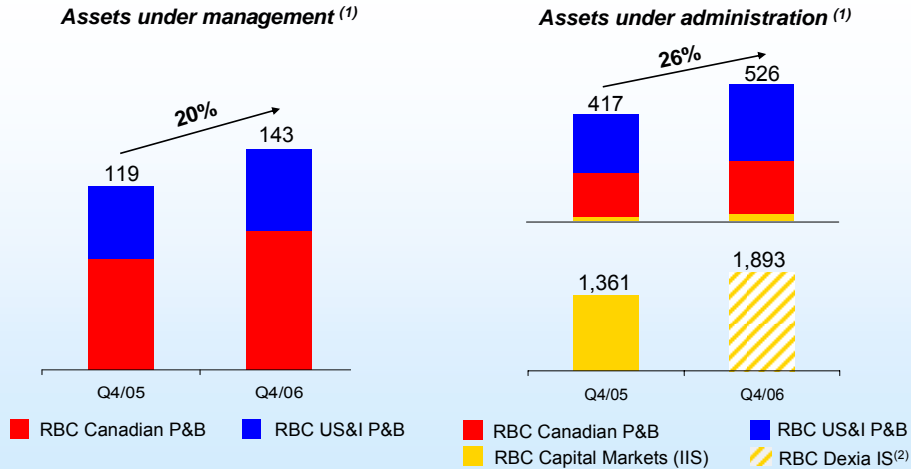
Growing balance sheet drives earnings growth



25

Growing Client Assets

\$ billions



Over 20% increase in P&B segments



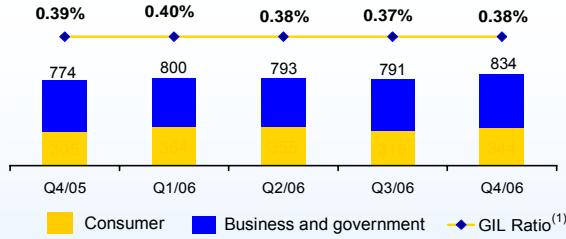
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(1) Restated. Refer to slide 51 for description.
 (2) Refer to slide 51 for AUA and AUM disclosure

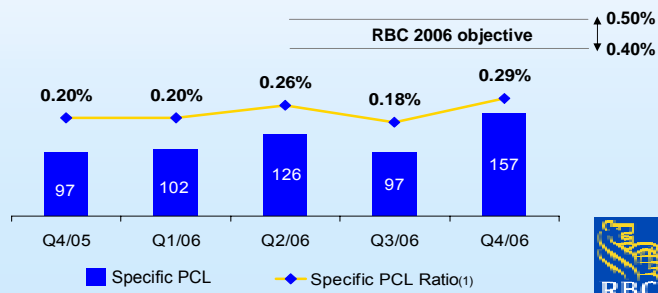
Maintaining Credit Quality

\$ millions

Gross impaired loans ratio remains low



Specific PCL ratio remains better than objective

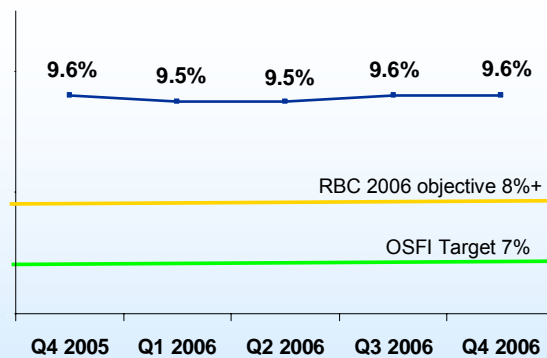


27

(1) Refer to slide 51 for definitions



Tier 1 Capital Ratio



Tier 1 capital ratio of 9.6% remains well above our objective

28





RBC Canadian Personal and Business segment ("RBC Canadian P&B")

Jim Westlake

Group Head, RBC Canadian Personal and Business

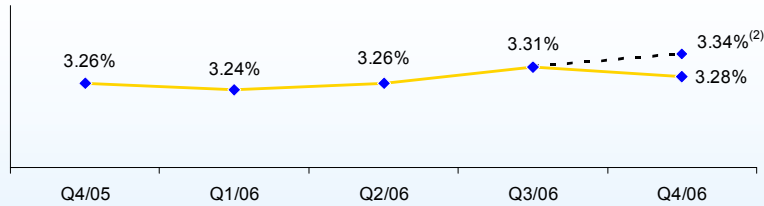
Q4 2006 Performance

\$ millions	Q4 2006	Change vs. Q4 2005	2006	Change vs. 2005
Total revenues	\$ 3,485	8%	\$ 13,381	7%
Non-interest expense (NIE)	1,566	4	6,140	5
Provision for credit losses (PCL)	173	25	604	11
Insurance policyholder benefits, claims & acquisition expense	611	(17)	2,509	(4)
Net income	\$ 775	54%	\$ 2,794	21%

- Strong earnings growth for Q4 and 2006. Excluding hurricane and actuarial adjustment impacts⁽¹⁾, growth is 19% for Q4 and 15% for 2006.
- Strong revenue growth supported by all our businesses in Q4 and full year 2006.
- NIE: Higher variable compensation, sales personnel and costs for infrastructure, and advertising and marketing in support of business growth.



RBC Canadian P&B Net Interest Margin (1)



NIM Analysis

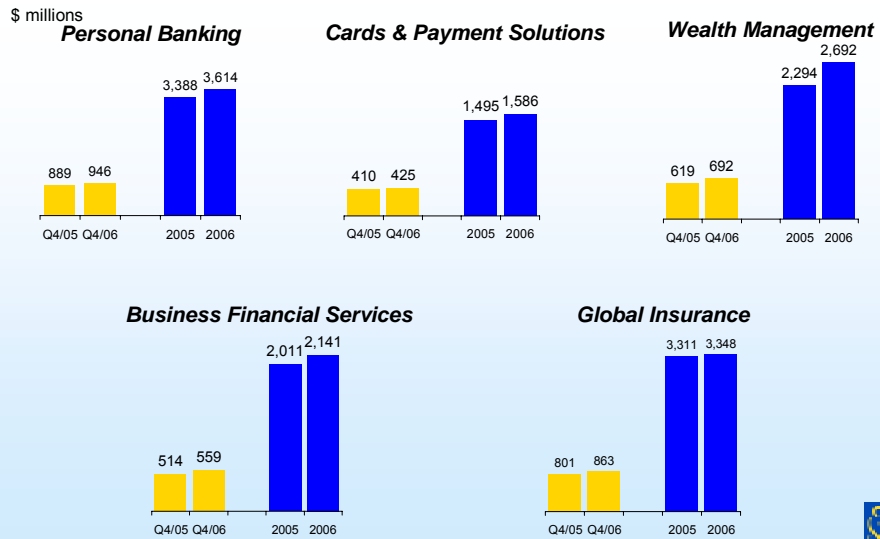
- Stable Net interest margin with an increasing trend driven by improved deposit and investment spreads.
- Q4/06 was impacted by an accrual for a cumulative interest rate payment adjustment. Excluding the accrual, NIM would be up from Q3 2006.

31

(1) NIM (average earning assets). Refer to slide 51 for definition
 (2) Excludes an accrual for a cumulative interest rate payment adjustment



RBC Canadian P&B Revenue



Broad-based revenue growth

32



RBC Canadian P&B Product Balances

C\$ millions	Q4 2006 Balances ⁽¹⁾	Growth over Q4 2005	Market Share (as at August, 2006)	Rank ⁽²⁾
Residential mortgages ⁽³⁾	\$ 105,100	12%	15.7%	1
Personal loans	37,100	11%	14.1%	2
Credit cards ⁽³⁾	10,600	16%	16.2%	2
Personal core deposits	32,400	0%	13.6%	2
Personal investments (GICs + Mutual funds)	\$ 126,700	14%	12.0%	1
<i>GICs</i>	58,200	3%	13.9%	2
<i>Mutual Funds</i>	68,500	25%	10.8%	2
Brokerage assets under administration (AUA) ⁽⁴⁾	168,300	16%	22.0%	1
Business deposits and investments ⁽⁵⁾	\$51,600	17%	21.0%	1
Business loans ⁽³⁾	37,000	11%	12.5%	1
Creditor insurance ⁽⁶⁾			28%	1
Individual living benefits ⁽⁴⁾			33%	1

Strong volume expansion in product balances

- (1) Average balances except for Personal investments and brokerage AUA, which are spot balances.
(2) Market share rank among financial institutions in Canada. Source: RBC Financial Group.
(3) Includes securitized assets
(4) Market share as at September 2006
(5) Excludes market share on non-bank financial institutions
(6) As at July 2006

33



RBC Canadian P&B Q4 Highlights

- Expanded and refurbished our branch network
 - To extend distribution and improve the client experience
- Introduced RBC Insurance Guaranteed Investment Funds (GIFs)
 - To meet client needs including estate preservation and retirement planning
- RBC Direct Investing introduced market leading pricing for active investors
 - Significantly enhanced its online capabilities
- RBC Direct Investing introduced its Online Security Guarantee

34





RBC U.S. and International Personal and Business segment ("RBC U.S. & International")

Peter Armenio
Group Head, RBC U.S. & International

This business segment's results are from continuing operations

Q4 2006 Performance

US\$ millions	Q4 2006	Change vs. Q4 2005	2006	Change vs. 2005
Total revenues	\$ 663	16%	\$ 2,537	13%
Non-interest expense (NIE)	517	21	1,997	13
Provision for credit losses (PCL)	4	n.m.	22	n.m.
Net income	\$ 114	2%	\$ 393	23%

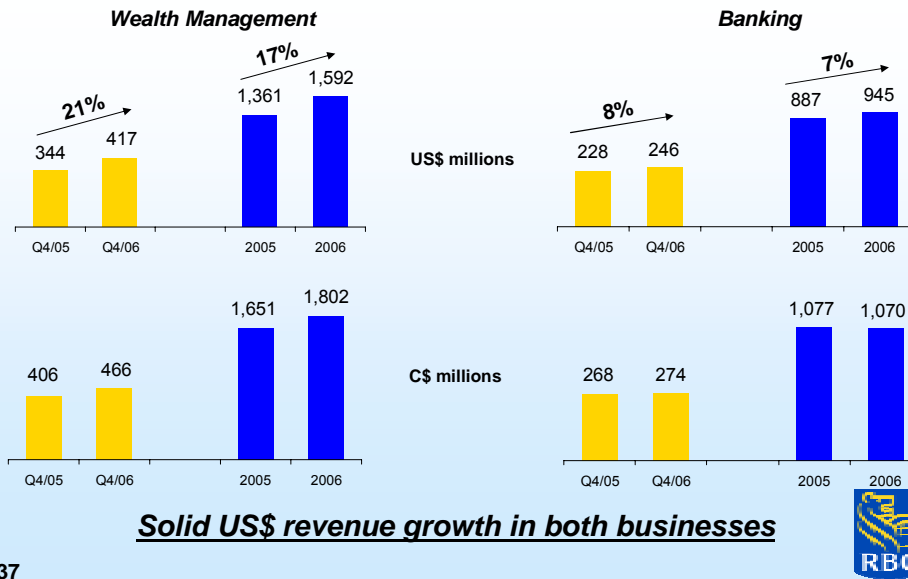
C\$ millions	Q4 2006	Change vs. Q4 2005	2006	Change vs. 2005
Total revenues	\$ 740	10%	\$ 2,872	5%
Non-interest expense (NIE)	575	14	2,260	5
Provision for credit losses (PCL)	5	25	26	(49)
Net income	\$ 126	(5)%	\$ 444	15%

Drivers versus Q4 2005 (in US\$)

- Strong revenue growth in Wealth Management and solid revenue growth in Banking.
- NIE: Higher variable compensation, inclusion of Abacus and higher stock-based compensation.
- Q4 2005 included positive impact of US\$13 million (before- and after-tax) intangible amortization adjustment.



RBC U.S. & International Revenue



RBC U.S. & International Q4 Highlights

- RBC Centura agreed to acquire Atlanta-based Flag Financial (17 branches) and 39 branches owned by AmSouth in Alabama⁽¹⁾
- Global Private Banking acquired American Guaranty & Trust
 - Enables us to better provide U.S. trust solutions to high net worth clients
- RBC Dain Rauscher grew AUA to record US\$132B, up 14%
 - Driven by solid equity market performance, recruiting experienced financial consultants and executing on our primary advisor strategy
- RBC Centura increased new personal accounts by 37% and new business accounts by 20% (Q2 through Q4)
 - Following the launch of our new streamlined suite of chequing accounts in Q1
- Caribbean Banking achieved strong revenue growth
 - Enhanced sales management and improved client satisfaction



RBC Capital Markets

Chuck Winograd
Group Head, RBC Capital Markets

Q4 2006 Performance

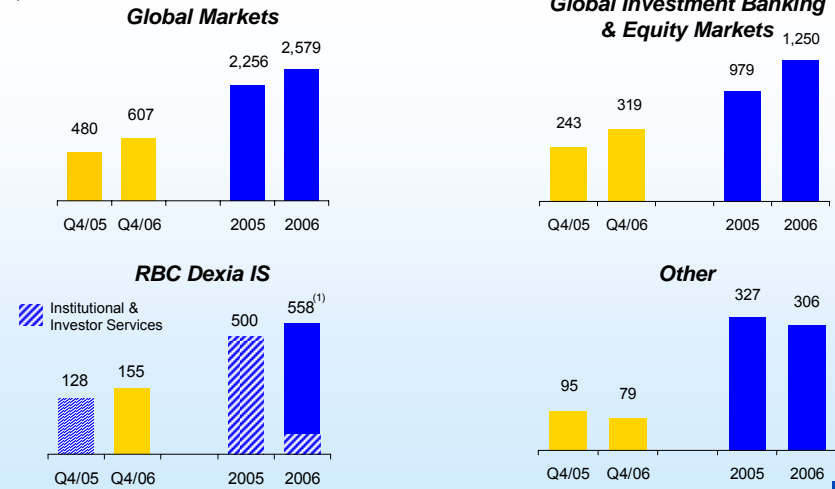
\$ millions	Q4 2006	Change vs. Q4 2005	2006	Change vs. 2005
Total revenue (teb) ⁽¹⁾	\$ 1,160	23%	\$ 4,693	16%
Non-interest expense (NIE)	770	(39)	3,058	(7)
<i>NIE (excl. Enron provision)</i>		16		14
Recovery of credit losses	0	n.m.	(115)	n.m.
Net income	\$ 315	n.m.	\$ 1,407	85%
<i>Net income (excl. Enron provision) ⁽²⁾</i>				30%

Drivers versus Q4 2005

- Stronger trading results, higher M&A fees and a lower effective income tax rate
- NIE: higher variable compensation on improved performance, certain accounting adjustments related to RBC Dexia IS (offset in revenue), and higher costs in support of business growth

RBC Capital Markets Revenue

Teb \$ millions



Strong rise in revenue across major business lines

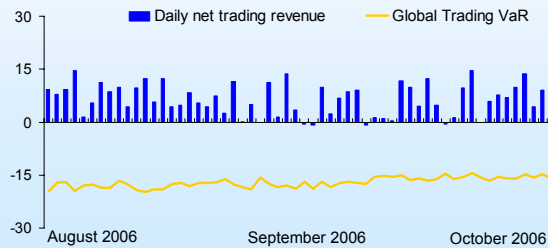
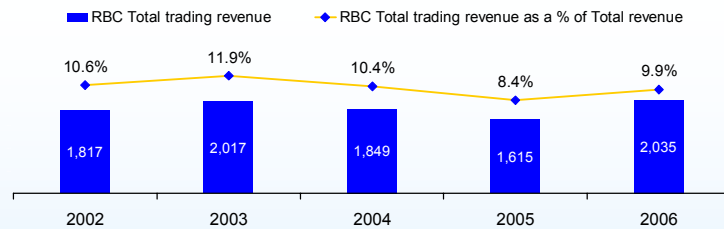
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(1) Represents two months of revenue from IIS business, plus our share of RBC Dexia IS for nine months ended September 30, 2006



RBC Total Trading Revenue and VaR

\$ millions



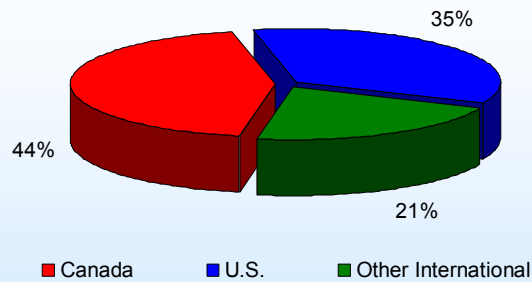
Total trading revenue and VaR remain stable

42



RBC Capital Markets Revenue by Geography

2006 Revenue (teb)



Majority of revenue from outside of Canada



43

RBC Capital Markets Q4 Highlights

- Agreed to acquire Carlin Financial Group
 - Provides leading edge electronic execution services to clients
- Agreed to acquire Daniels & Associates ⁽¹⁾
 - Will enhance mid-market M&A expertise in the communications, technology, media and entertainment industries
- Expanded global platform for infrastructure finance business
 - Awarded financing mandates for key transactions, including Macquarie's winning bid to purchase Thames Water from RWE Group for GBP 8 billion
- Granted Approved Nominated Advisor (Nomad) status to London's Alternative Investment Market (AIM)
- Co-lead manager of Industrial and Commercial Bank of China (ICBC) IPO
 - Reflects growing capabilities in China and ability to deliver globally for our clients



44

(1) Announced in November 2006.

Appendix

Details on credit protection portfolio

Industry (\$millions)	Buy ⁽¹⁾	Sell ⁽¹⁾
Automotive	272	5
Consumer goods	-	92
Energy	273	7
Financial services	463	-
Industrial products	-	35
Mining & metals	95	-
Other services	56	-
Telecommunication and media	6	11
Transportation & environmental	177	-
Other	464	142
Total	1,806	292
Total Investment grade	1,593	292
Total Non-investment grade	213	-

Reconciliation of 2005 Results excluding Enron litigation provision

C\$ millions except EPS

RBC Consolidated	Reported	Enron	Excluding Enron⁽¹⁾	Reported	Enron	Excluding Enron⁽¹⁾
Continuing operations	<i>For the three months ended Oct 31, 2005</i>			<i>For the twelve months ended Oct 31, 2005</i>		
Non-interest expense	\$ 3,310	\$ 591	\$ 2,719	\$ 11,357	\$ 591	\$ 10,766
Income taxes	90	265	355	1,278	265	1,543
Net income from continuing operations	\$ 543	\$ 326	\$ 869	\$ 3,437	\$ 326	\$ 3,763
Net income	\$ 522	\$ 326	\$ 848	\$ 3,387	\$ 326	\$ 3,713
Earnings per share from continuing operations - diluted	\$ 0.41	\$ 0.25	\$ 0.66	\$ 2.61	\$ 0.25	\$ 2.86
Earnings per share - diluted	\$ 0.39	\$ 0.25	\$ 0.64	\$ 2.57	\$ 0.25	\$ 2.82
RBC Capital Markets	Reported	Enron	Excluding Enron⁽¹⁾	Reported	Enron	Excluding Enron⁽¹⁾
Continuing operations	<i>For the three months ended Oct 31, 2005</i>			<i>For the twelve months ended Oct 31, 2005</i>		
Non-interest expense	\$ 1,254	\$ 591	\$ 663	\$ 3,274	\$ 591	\$ 2,683
Income taxes	(195)	265	70	137	265	402
Net income from continuing operations	\$ (57)	\$ 326	\$ 269	\$ 760	\$ 326	\$ 1,086

47 (1) Enron litigation provision. Non-GAAP financial measure – refer to discussion of the use of non-GAAP financial information on slide 52.



Reconciliation of RBC Canadian P&B Net income excl. hurricane and actuarial adjustment impact

C\$ millions	Q4 2006	Q4 2005	2006	2005
Revenue	\$ 3,485	\$ 3,233	\$ 13,381	\$ 12,499
Non-interest expense	1,566	1,511	6,140	5,872
PCL	173	138	604	542
Business realignment charges	-	6	-	7
Insurance policyholder benefits, claims and acquisition expense – reported	611	740	2,509	2,625
Hurricane impact	-	(203)	(61)	(203)
Actuarial adjustment impact	-	85	25	50
Insurance policyholder benefits, claims and acquisition expense – <i>excluding impacts</i>	\$ 611	\$ 622	\$ 2,473	\$ 2,472
Net income before tax – reported	\$ 1,135	\$ 838	\$ 4,128	\$ 3,453
Net income before tax – <i>excluding impacts</i>	\$ 1,135	\$ 956	\$ 4,164	\$ 3,606
Net income – reported	\$ 775	\$ 504	\$ 2,794	\$ 2,304
Growth	54%		21%	
Net income – <i>excluding impacts</i>	\$ 775	\$ 652	\$ 2,839	\$ 2,475
Growth	19%		15%	

48



Reconciliation of RBC Capital Markets' total revenue (teb) excluding VIEs⁽¹⁾

C\$ millions	Q4 2006	Q3 2006	Q4 2005	2006	2005
Continuing operations	<i>For the three months ended</i>			<i>For the twelve months ended</i>	
Total revenue (teb)	\$ 1,160	\$ 1,183	\$ 946	\$ 4,693	\$ 4,062
Revenue related to VIEs offset in Non-controlling interest ⁽²⁾	4	32	(27)	(7)	(24)
Total revenue (teb)⁽¹⁾ excluding VIEs	\$ 1,156	\$ 1,151	\$ 973	\$ 4,700	\$ 4,086

(1) Refer to slide 51 for definitions

(2) Represents revenue attributed to other equity investors of consolidated VIEs offset in Non-controlling interest in net income of subsidiaries.

49



Reconciliation of Operating Leverage after adjustments

C\$ millions	2006	2005	Increase / (decrease)	Operating leverage	Adjusted operating leverage
Total revenue	\$ 20,637	\$ 19,184	\$ 1,453	7.6%	
add: teb adjustment	213	109	104		
less: Revenue related to VIEs	(7)	(24)	17		
less: Gross insurance revenue	3,348	3,311	37		
Total revenue (adjusted)	\$ 17,509	\$ 16,006	\$ 1,503		9.4%
Non-interest expense	\$ 11,495	\$ 11,357	\$ 138		
less: 2005 Enron provision	-	591	(591)		
Non-interest expense excluding the Enron provision	\$ 11,495	\$ 10,766	\$ 729	6.8%	
less: insurance non-interest expense	517	501	16		
Non-interest expense (adjusted)	\$ 10,978	\$ 10,265	\$ 713		6.9%
Operating leverage				0.8%	
Adjusted operating leverage					2.5%

50



Definitions

Adjusted operating leverage: Revenue is based on teb basis and excludes consolidated variable interest entities (VIEs), certain accounting adjustments related to the new Financial Instruments Standard, and all insurance-related revenue. Non-interest expense excludes all insurance-related expense. This is a non-GAAP financial measure, refer to slide 52.

GIL ratio: Gross impaired loans as a percentage of related loans and acceptances.

Net interest margin (average assets): Net interest income divided by average assets.

Net interest margin (average earning assets): Net interest income divided by average earning assets.

n.m.: not meaningful

Operating leverage: Difference between revenue growth rate and non-interest expense growth rate.

Portfolio quality: Ratio of specific provisions for credit losses to average loans and acceptances.

RBC Dexia IS AUA: Represents AUA belonging to RBC Dexia IS of which RBC has a 50% ownership interest. As part of the creation of RBC Dexia IS, RBC Capital Markets AUA were transferred to RBC Dexia on January 2, 2006. RBC Dexia reports on a 1 month lag basis.

Specific PCL ratio: Specific provision for credit losses as % of average loans and acceptances.

Teb: Taxable equivalent basis.

VIE: Variable Interest Entity. Starting in Q1 2005, we consolidated certain entities in accordance with AcG 15. Revenue and expense from certain consolidated VIEs have been included in RBC Capital Markets results.

Restatement of AUA and AUM: During Q4/06, certain client owned assets reported as AUA and AUM were determined to be either incorrectly classified or qualified for classification under both terms. We reclassified certain portfolios to conform to our current definition.



51

Note to users

We use a variety of financial measures to evaluate our performance. In addition to GAAP-prescribed measures, we use certain non-GAAP measures we believe provide useful information to investors regarding our financial condition and results of operations. Readers are cautioned that non-GAAP financial measures, such as RBC Capital Markets' revenue excluding VIEs and adjusted operating leverage do not have any standardized meaning prescribed by Canadian GAAP, and therefore, are unlikely to be comparable to similar measures presented by other companies.

Reconciliation of non-GAAP measures to GAAP measures can be found throughout this presentation.

Additional information about our non-GAAP financial measures can be found under the "Key Financial Measures (Non-GAAP)" section in our 2006 Annual Report.

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52