

Canadian pension plans ride stocks to another double-digit year

Toronto, January 19, 2007 — Buoyant equity markets in the final quarter lifted Canadian pension fund returns into double-digits for the fourth consecutive year, according to a survey just released by RBC Dexia Investor Services, which maintains the industry's most comprehensive universe of Canadian pension plans and money managers.

Within the CAD 340 billion RBC Dexia universe, pension funds earned 7.2 per cent in the quarter ended December 31, 2006, boosting year-end performance to a healthy 12.9 per cent. Almost all the annual gains were concentrated in the final six months.

“With many of the world's major stock markets finishing the year at or near record highs, global equities were the star performers of 2006,” noted Don McDougall, Director Advisory Services, RBC Dexia Investor Services. Market gains and the Euro's 10 per cent rise against the Loonie produced an impressive 21.6 per cent annual increase in Canadian Pension Plans' foreign performance results.

“Since the Canada Revenue Agency lifted foreign content restrictions in 2005, global stock market performance matters more than ever,” added McDougall. “RBC Dexia statistics reveal a growing exposure to foreign equities. At year-end, 29.6 per cent of Canadian pension assets were invested in global stocks, an all-time high.”

Domestic stocks also performed notably. Moreover, by limiting exposure to the weakened energy sector, Canadian pensions beat the S&P TSX Composite benchmark by a full percentage point, gaining 18.3 per cent over the year.

In contrast, Canadian bonds posted their worst annual performance since 1999: 4.1 per cent, matching the Scotia Capital Universe Bond Index.

About RBC Dexia Investor Services

RBC Dexia Investor Services offers a complete range of investor services to institutions worldwide. Established in January 2006, we are a joint venture equally owned by Royal Bank of Canada and Dexia. We rank among the world's top 10 global custodians, with USD 2.2 trillion in client assets under administration. Our innovative products and services help clients maximize operational efficiency, minimize risk and enhance portfolio returns. And our 4,000 professionals in 15 markets offer proven expertise to enhance clients' business performance.

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