



RBC CASH Index: Third Consecutive Monthly Increase In Consumer Confidence Signals Optimism For Future

Washington, DC, December 9, 2005 — The busiest shopping season of the year is in full swing and consumer confidence is up for the third consecutive month, according to the December results of the RBC CASH (Consumer Attitudes and Spending by Household) Index. Retailers are likely to react favorably to this upward trend as more optimistic shoppers should equate to strong sales over the holiday season.

The RBC CASH Index, which is derived from telephone interviews held with 1,000 individuals across the U.S. this week, stands at 85.5 for December. This is compared to 66.8 for October – and substantially above the yearly average of 78.7. Buoyed by continuing optimism in future economic conditions, the RBC Expectations Index for December now stands at 53.9, continuing a positive trend after expectations hit rock bottom in September, (when the RBC Expectations Index stood at –13.5). It is also above the yearly average of 40.0.

“There seems to be no stopping this economy and these results show that consumers as a whole are poised to spend, despite the hurricanes and high energy prices,” said Vincent Boberski, director of Fixed Income Research for RBC Dain Rauscher. “This is shaping up to be one of the more solid holiday shopping seasons of recent years.”

More good news for retailers is that four in ten respondents (40 per cent) report that they are more comfortable making household purchases (other than major purchases like a home or a car), an increase from the 35 per cent who reported similar purchasing confidence in October 2005.

This upswing in confidence regarding purchases, also contributed to an increase in the RBC Investment Index for December, which stands at 89.5, up from 82.8 in November. It shows that Americans are gaining confidence in their ability to invest in the future, including the ability to save money for retirement or their children’s education. Currently, four in ten (40 per cent) say they are more confident in investing.

Americans’ expectations for their local economies have also improved substantially. One quarter (26 per cent) expect the economy in their local area to be stronger six months from now. This is supported by a significant decrease in the number of Americans who feel their local economy will weaken over the next six months (16 per cent compared to 28 per cent in October 2005).

The RBC Current Conditions Index for December is holding steady at 92.8. However, despite the consistency of current consumer confidence, Americans’ current financial situations continue to be a source of worry. Compared to September 2005 – when nearly three in ten rated their current financial situation as strong – currently only 25 per cent rate their financial situation as such. As well, 29 per cent rate the strength of their current local economy as weak, compared to only one quarter reporting a weak rating in October 2005. So for now, expectations for the next six months offset current pessimism, and this effect does not appear to impact other facets of economic confidence.

“Looking ahead to 2006, continued strong gains in the labor market should keep the upward momentum on track -- especially as rebuilding along the Gulf Coast gets into full swing during the first half of the year,” said Boberski. “While threats to economic expansion still lurk on the horizon, not least of which are accelerating inflation and the Fed’s response through still- higher interest rates, those look a long way off to shoppers rushing home with their treasures.”



The RBC Jobs Index experienced a slight downturn as it stands at 116.5 for December, a slight decrease from 119.8 in November. Despite this slight decrease in job-related confidence, seven in ten (69 per cent) report no direct job loss experience in the past six months and 52 percent report a low likelihood that they personally, or someone they know, will lose their job in the next six months due to economic conditions.

RBC's Consumer Attitudes and Spending by Household Index is a monthly national survey of consumer attitudes on the current and future state of local economies, personal financial situations, savings, and confidence to make large investments. The Index is benchmarked to the 100 reading assigned in January 2002 when it was first introduced. This month's findings are based on a representative sample of 1,000 adults polled nationwide from November 7 through November 9, 2005, by survey-based research company Ipsos Public Affairs.

For more information on this release, please contact:

Brian Scanlon
Ipsos Public Affairs
brian.scanlon@ipsos-na.com
202.463.2146

About Ipsos Public Affairs

Ipsos Public Affairs is a non-partisan, objective, survey-based research company made up of campaign and political polling veterans as well as seasoned research professionals. The company conducts strategic research initiatives for a diverse number of American and international organizations, based not only on public opinion research but often elite stakeholder, corporate, and media opinion research. It has offices in Chicago, New York City, Ottawa, San Francisco, Seattle, Toronto, Vancouver, and Washington, D.C., with affiliates around the world. Ipsos Public Affairs conducts national and international public opinion polling on behalf of The Associated Press, the world's oldest and largest news organization. Ipsos Public Affairs is an Ipsos company, a leading global survey-based market research group.

To learn more, visit www.ipsos-na.com/pa/us

About Ipsos

Ipsos is a leading global survey-based market research company, owned and managed by research professionals. Ipsos helps interpret, simulate, and anticipate the needs and responses of consumers, customers, and citizens around the world.

Member companies assess market potential and interpret market trends. They develop and build brands. They help clients build long-term relationships with their customers. They test advertising and study audience responses to various media. They measure public opinion around the globe.

Ipsos member companies offer expertise in advertising, customer loyalty, marketing, media, and public affairs research, as well as forecasting, modeling, and consulting. Ipsos has a full line of custom, syndicated, omnibus, panel, and online research products and services, guided by industry experts and bolstered by advanced analytics and methodologies. The company was founded in 1975 and has been publicly traded since 1999. In 2004, Ipsos generated global revenues of € 605.6 million (\$752.8 million U.S.). Visit www.ipsos.com to learn more about Ipsos' offerings and capabilities.

Visit www.ipsos.com to learn more about Ipsos offerings and capabilities.



About RBC Financial Group

Royal Bank of Canada (TSX, NYSE: RY) uses the initials RBC as a prefix for its businesses and operating subsidiaries, which operate under the master brand name of RBC Financial Group. Royal Bank of Canada is Canada's largest bank as measured by assets, and is one of North America's leading diversified financial services companies. It provides personal and commercial banking, wealth management services, insurance, corporate and investment banking, and transaction processing services on a global basis. The company employs approximately 60,000 people who serve more than 14 million personal, business and public sector clients through offices in North America and some 30 countries around the world. For more information, please visit www.rbc.com.

Media contact:

Vince Boberski, RBC Dain Rauscher, (312) 559-1654
Kevin Foster, RBC Capital Markets, (212) 428-6902
Susan Austin, Hubbell Group, (781) 644-2534