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U.S. Consumer Confidence Brightens Considerably, According To RBC CASH Index

New York, NY, June 9, 2006 — Despite a declining stock market and fears surrounding rising interest rates, consumer confidence levels improved substantially in June after dropping dramatically in May, according to the most recent results of the RBC CASH (Consumer Attitudes and Spending by Household) Index, which measured the attitudes of 1,003 Americans earlier this week. Consumer sentiment brightened considerably across all surveyed areas, with the biggest increases occurring in the areas of economic expectation and job security. As a result, the RBC CASH Index for June, released today by RBC Financial Group, stands at 84.1, compared to 67.1 in May.

"The impressive upswing in US confidence during June is somewhat surprising given the backdrop of perceived inflation threats and rising interest rates," said T.J. Marta, Economic and Senior Currency Strategist for RBC Capital Markets. "However, the rise is consistent with our forecast and Fed rhetoric that growth is merely moderating to a more sustainable pace, with downward pressures on the consumer from higher mortgage rates and gas prices being offset somewhat by rising income and a relatively strong labor market."

The RBC CASH Index is a monthly national survey of consumer attitudes on the current and future state of local economies, personal finance situations, savings and confidence to make large investments. The Index is comprised of four sub-indexes; RBC Current Conditions Index; RBC Expectations Index; RBC Investment Index; and, RBC Jobs Index. The Index is benchmarked to a baseline of 100 assigned at its introduction in January 2002. This month's findings are based on a representative nationwide sample of 1,003 adults polled from June 5-7, 2006 by survey-based research company Ipsos Public Affairs. Highlights of the survey results include:

- Consumers' economic outlook recovered more than two-thirds of the 50-point decline observed in last month's ***RBC Expectations Index***, which now stands at 40.4, a 34 point increased from the 6.3 level in May. Only one in five (20 per cent) Americans believe their local economy will be weaker in the near future, down from 24 per cent last month. Those age 18-29, as well as minorities and urban residents, all reported being more optimistic about the future than they did last month.
- Consumer anxiety over job security reflected in the May 2006 survey has eased and the ***RBC Jobs Index*** for June 2006 stands at 124.1, a nearly 14 point gain that returns consumer job sentiment close to its 12-month peak of 124.5 in April 2006. A full 71 per cent of those age 18-29, 66 per cent of residents of the West and 64 per cent of those with household income in excess of $75K said it is "not likely" they will experience direct job loss in the next six months.
- The ***RBC Investments Index*** stands at 88.4 per cent, reversing a three-month decline, but still down from the February high of 101.5. Consumers' attitudes toward spending increased slightly, but is still down from a 16-month high reached in February 2006. With continuing interest rate hikes likely, Americans are more cautious regarding major purchases with only one third (32 per cent) reporting they are more comfortable in making a major purchase like a home.
- The ***RBC Current Conditions Index*** for June stands at 99.4, up from 90.3 last month, reversing a three-straight-month decline in respondent's perceptions about the strength of their local economies. The upturn in the index is due largely to improved opinions regarding consumers' personal spending and savings –

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respondents are more confident in their ability to make household purchases (40 per cent more confident in June 2006, compared to 35 per cent more confident in May 2006) and their ability to invest in the future (44 per cent more confident, up from 39 per cent more confident in May 2006).

The entire RBC CASH Index report can be viewed at www.rbc.com/newsroom/rbc-cash-index.html.

For more information on this release, please contact:

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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.

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For more information, please visit www.rbc.com.

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