



Royal Bank of Canada (RY) to acquire Eagle Bancshares, Inc. (NASDAQ: EBSI)

Extension into Atlanta – a high-growth market



March 26, 2002



Caution regarding forward-looking statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are found in various places throughout this presentation and include, without limitation, statements concerning the financial conditions, results of operations and businesses of Royal Bank of Canada and Eagle Bancshares, Inc. and, assuming consummation of the acquisition, a combined Royal Bank and Eagle Bancshares, as well as the expected timing and benefits of the acquisition. While these forward-looking statements represent our judgments and future expectations concerning the development of our business and the timing and benefits of the acquisition, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, those listed in Royal Bank's 2001 Annual Report, Eagle Bancshares' 2001 Annual Report, RBC Centura Banks, Inc.'s 2000 Annual Report and Royal Bank's and Eagle Bancshares' other past and future filings with the US Securities and Exchange Commission; the risk that Eagle Bancshares' shareholders will fail to approve the transaction; the risk that the Royal Bank and Eagle Bancshares businesses will not be successfully integrated; the inability to obtain, or meet conditions imposed for, governmental approvals for the transaction; the risk that anticipated synergies will not be obtained or not obtained within the time anticipated; the risk that competitive pressures among financial institutions may increase significantly and have an effect on pricing, spending, third-party relationships and revenues; the risk that revenues following the merger may be lower than expected; and other key factors, which include, but are not limited to, changes in North American and/or global economic conditions, including fluctuations in currencies, interest rates, securities markets and inflation, regulatory developments, technological changes, and the effects of competition in the geographic and business areas where Royal Bank, RBC Centura and Eagle Bancshares operate.

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Strategic rationale

Strategic rationale - highlights

- Consistent with stated growth strategy
 - expanding Personal & Commercial Banking in southeastern U.S.
 - manageable-sized transaction (purchase price of US\$153 million)
- Gaining footprint in attractive, high-growth metropolitan Atlanta market
 - provides retail distribution to serve high net worth market
 - diversifies U.S. retail network
- Opportunity for cost savings



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Strategic rationale



Continues stated expansion strategy in Personal & Commercial Banking

U.S. acquisitions since April 2000

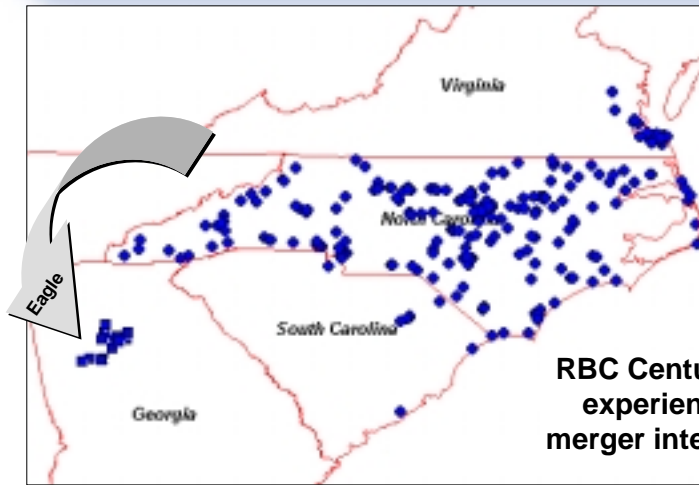
| Personal & Commercial Banking | Insurance | Wealth Management | Corporate & Investment Banking |
|---|---|--|--------------------------------|
| Centura Banks, Inc. US\$2.2 billion June 5, 2001 | Liberty Life & Liberty Insurance Services US\$580 million November 1, 2000 | Dain Rauscher US\$1.2 billion January 10, 2001 | |
| Eagle Bancshares, Inc. approx. US\$153 million expected close: by July 31, 2002 | Genelco assets <i>Insurance software and outsourcing</i> November 17, 2000 | Tucker Anthony Sutro US\$594 million October 31, 2001 | |
| Prism Financial <i>Mortgage Origination</i> US\$115 million April 19, 2000 | | | |



Strategic rationale



Expands RBC Centura's distribution



RBC Centura an experienced merger integrator



■ post-acquisition locations

Strategic rationale



Atlanta is an attractive, deposit-rich market

- Population: approx. 4 million → second largest southern market
- Highest projected population growth rate (12.7%) of the top 10 U.S. markets (2000 to 2005)
- Unemployment rate is one-third lower than the U.S. average
- Compared to the U.S. average, population is younger, better educated and has higher median household income
- Over 35 company headquarter locations (many of which are Fortune 500)
- World's busiest airport (Hartsfield Atlanta International)

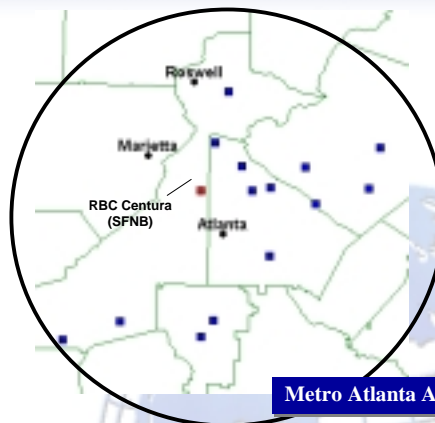


Description of Eagle Bancshares



Presence in Metro Atlanta area

| Overview (Dec-01, in US\$) | |
|----------------------------|------------------------|
| Headquarters: | Tucker, GA |
| Total assets: | \$1.1B |
| Total deposits: | \$0.8B |
| Total loans: | \$0.7B |
| Distribution: | 14 branches 17 ATMs |
| # of accounts: | 90,000 |
| Employees: | 283 |



Description of Eagle Bancshares



Eagle Bancshares' operations

- Thrift holding company incorporated in the State of Georgia
- Savings and loan association branded Tucker Federal Bank (internet operations via www.justrightbank.com)
- Business segments:
 - Community Banking (approx. 90% of earnings)
 - Real Estate Investment (exiting)
 - Mezzanine Financing (exiting)
- Ranked 10th overall in Atlanta MSA deposit market share¹



¹1.4% as at June 30, 2001 in Atlanta Metropolitan Statistical Area

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Future plans for Eagle Bancshares



Future plans for Eagle Bancshares

- To be merged with RBC Centura Banks and to operate under the RBC Centura brand name
- Realize cost savings
- Build on Eagle's strong foundation
 - introduce small business and commercial banking through Eagle branches and commercial banking team
 - introduce sales processes in branches for personal and small business banking



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Transaction summary



Key transaction terms

| | |
|-----------------------|--|
| Purchase price | <ul style="list-style-type: none">→ per share ● US\$26.00→ aggregate ● Approximately US\$153 million (fully diluted) |
| Transaction structure | <ul style="list-style-type: none">● Cash● Purchase accounting<ul style="list-style-type: none">→ goodwill of approx. US\$90 million→ other intangibles of US\$15 million (amortized over 10 years) |
| Expected closing | ● By July 31, 2002 |
| Due diligence | ● Credit, financial, operational completed |
| Required approvals | <ul style="list-style-type: none">● U.S. and Canadian regulatory approvals (see chart A7)● Majority of Eagle Bancshares shareholders |



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Transaction summary



EPS accretion in line with stated objectives

- **Accretive to diluted EPS in Year 1¹ and RY's fiscal 2003**
 - neutral in RY's fiscal 2002
- **Targeting cost savings of 25% of Eagle's cost base² (\$7+ million)**
 - achieve full run-rate savings in approximately 12 months
 - centralization of head office functions and call centre operations



¹ first 12 months

² nine-month expenses to December 31, 2001 annualized

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Transaction summary



Valuation in line with other deals

| | Eagle Bancshares | | U.S. thrift deal multiples (25 recent transactions) ¹ | | |
|---------------------------------|-----------------------|----------|---|-------|-------|
| | Value | Multiple | High | Low | Mean |
| Tangible book | US\$84mm ² | 1.82x | 4.28x | 1.04x | 1.85x |
| Earnings per share ³ | US\$1.18 | 22.0x | 57.8x | 12.0x | 22.6x |

¹ U.S. thrift merger transaction values of \$25+ million since January 1, 2001 (source: SNL Financial)

² as at December 31, 2001

³ based on last 12 months' earnings; for Eagle, represents analyst consensus estimates for fiscal 2002, ending March 31, 2002 (nine months EPS was \$0.89)



Appendix



Appendix: Acquisition details



Purchase price details

(US\$ million, except share information)

| | |
|--|--------------|
| Expected shares outstanding at close (in millions) | 5.7 |
| Purchase price per share | \$26 |
| Purchase price before option take-out | \$148 |
| Take-out of Eagle Bancshares options (pre-tax) | \$5 |
| Purchase price | \$153 |
| Expected book value of equity ¹ | \$76 |
| Goodwill and other intangibles ² | \$106 |

¹ estimated at time of closing and includes adjustments to Eagle's balance sheet prior to closing

² consists of purchase price less expected book value of equity plus an expected write down of certain assets on Eagle's balance sheet and capitalized merger costs (i.e., US\$153 million less US\$76 million plus \$29 million). This includes estimated other intangibles (deposit premium) of US\$15 million.



A1



Appendix: Eagle Bancshares facts



Eagle Bancshares facts

| | |
|--|--|
| Closing price (03/25/02) | US\$17.50 |
| Shares outstanding (12/31/01) | 5.7 million |
| Shares outstanding (expected at close) | 5.7 million |
| Market cap (03/25/02) | US\$100 million |
| Stock symbol | EBSI |
| Stock exchange | NASDAQ |
| Headquarters | Tucker, GA |
| Founded | 1956 |
| Branches | 14 |
| Website | www.eaglebancshares.com |
| SEC filings | www.sec.gov/cgi-bin/srch-edgar?0000783604 |



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Appendix: Eagle Bancshares facts



Eagle Bancshares financial results

(US\$millions, except for % and earnings per share data)

| | Dec-01 ¹ | 2001 ² | 2000 | 1999 | 1998 |
|----------------------------|---------------------|-------------------|---------|---------|---------|
| Gross revenues | \$32.8 | \$49.2 | \$56.5 | \$58.7 | \$48.2 |
| Provision for loan losses | \$1.8 | \$5.9 | \$0.9 | \$2.2 | \$2.6 |
| Total expenses | \$23.6 | \$45.4 | \$41.6 | \$41.4 | \$35.4 |
| Net income before-taxes | \$7.4 | \$(2.1) | \$14.0 | \$15.1 | \$10.2 |
| Net income | \$5.1 | \$(1.4) | \$9.5 | \$10.2 | \$7.2 |
| EPS (diluted) | \$0.89 | \$(0.24) | \$1.69 | \$1.74 | \$1.23 |
| Return on average equity | 8.3% | (1.75)% | 13.1% | 13.5% | 10.0% |
| Book value per share | 14.76 | \$13.65 | \$13.21 | \$13.43 | \$13.03 |
| Total assets | \$1,149 | \$1,209 | \$1,245 | \$1,230 | \$1,149 |
| Total shareholders' equity | \$83.8 | \$76.9 | \$74.5 | \$74.8 | \$74.7 |

¹ nine months ended December 31, 2001; fiscal year-end is March 31st

² net income from ongoing operations (i.e. excluding the mortgage segment which Eagle exited in Q4/01 and other one-time charges) was \$8.2 million or \$1.45 per diluted share and ROE was 11.1%



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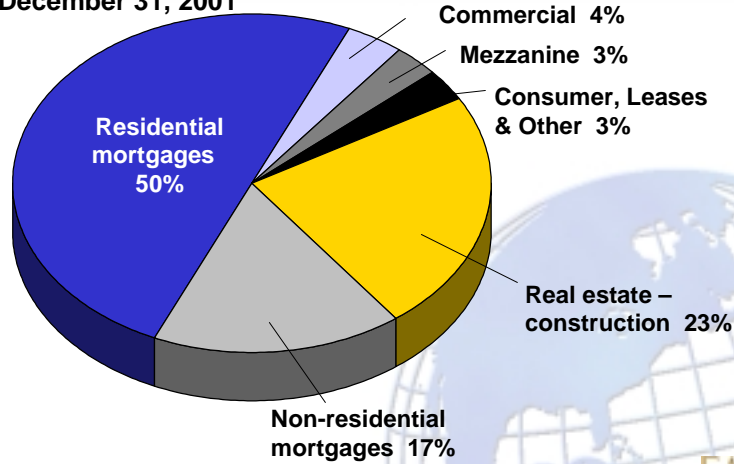


Appendix: Eagle Bancshares facts



Eagle Bancshares' loan portfolio

As at December 31, 2001



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Appendix: RY facts



RY Canada's largest & most profitable financial institution

- Market capitalization of US\$22 billion (03/25/02)
- Net income of C\$2,181 million in 2001 was the highest among the Canadian banks (Q1/02 net income of C\$722 million)
- Insurance – #1 Canadian bank-owned insurer, #1 in Canada in travel & creditor insurance
- Transaction Processing – #1 in Canada in custody, correspondent banking, payments, trade finance & cash management
- Wealth Management – #1 in Canada in full-service brokerage (by assets), private banking and trust businesses, and #1 in mutual funds among Canadian banks (#2 overall)
- Corporate & Investment Banking – top ranked securities underwriter in Canada for past 12 years and among top M&A advisors in Canada
- Personal & Commercial Banking – 10 million Canadian individual and business clients and strong positions in all product lines



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Appendix: RY facts



RY financial highlights

Financial highlights^{1,2} (US\$ millions, except for EPS)

| | Q1/02 | 2001 |
|--------------------------------|-----------|-----------|
| • Gross revenue | \$2,550 | \$9,248 |
| • Net income after-tax | \$461 | \$1,448 |
| • Earnings per share (diluted) | \$0.65 | \$2.10 |
| • Return on common equity | 17.1% | 15.1% |
| • Loans | \$112,467 | \$114,021 |
| • Assets | \$225,541 | \$228,219 |

Business segments – Q1/02

| Segment | NIAT | ROE |
|--------------------------------|-------|-------|
| Personal & Commercial Banking | \$245 | 18.8% |
| Insurance | \$ 26 | 23.0% |
| Wealth Management | \$ 55 | 11.1% |
| Corporate & Investment Banking | \$ 92 | 13.7% |
| Transaction Processing | \$ 25 | 25.7% |



¹ C\$1 = US\$0.6495 for 12 months ended 10/31/01 and C\$1 = US\$0.6286 for 3 months ended 01/31/02; C\$1 = US\$0.6296 at 10/31/01 and C\$1 = US\$0.6293 at 01/31/02

² excluding special items

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Required approvals

- **In Canada:**
 - approval of Minister of Finance, Canada
- **In the US:**
 - formal approval of the Federal Reserve
 - North Carolina and Georgia state bank regulatory approvals might be required
- **Eagle Bancshares shareholder approval (majority)**