



RBC Dain Rauscher to acquire William R. Hough & Co.

**Announcement date: December 16, 2003
- Fact Sheet -**

Description of William R. Hough & Co.

- NASD-registered broker dealer and SEC-registered investment advisor located in St. Petersburg, Florida
- private company with 239 employees, most located in St. Petersburg
- 2 primary businesses – fixed income (accounting for approximately 85% of revenues) and retail brokerage
 - fixed income: sales and trading of municipal bonds and taxable fixed income products, public finance (Southeast U.S. and Texas), housing financing (working in the low and moderate income housing finance sectors), structured finance (securitization and debt issuances focused on education loan financing) and remarketing (short term desk)
 - retail brokerage: 25 Financial Consultants working in five locations, primarily selling fixed income products
- over the past 40 years, William R. Hough & Co. has underwritten 2,400 new issues (\$69 billion in principal raised) in Florida municipal bonds, the largest amount of any firm in Florida

Strategic Rationale

- extends RBC Dain Rauscher's presence into the RBC Centura and Royal Bank of Canada Global Private Banking Florida footprint; Florida is an attractive market for retail brokerage activities based on high net worth client demographics
- physical presence will enable RBC Dain Rauscher to provide in-market investment services to complement the expansion of private banking operations in Florida and to support referral initiatives among RBC Centura, Royal Bank of Canada Global Private Banking and RBC Dain Rauscher
- provides RBC Dain Rauscher with an entry into attractive Florida public finance market:
 - #4 market in the U.S. for municipal debt underwriting, averaging approximately \$14 billion per year over the last five years
 - only top-6 municipal market where RBC Dain Rauscher does not have a physical public finance presence

- retail investment in municipal securities is well-suited to the high net worth retiree population
- Adding William R. Hough & Co. makes RBC Dain Rauscher a strong top-ten competitor in all key public finance sectors (as measured by number of deals negotiated and lead managed)

Deal Structure and Financial Impact

- agreement to purchase 100% of issued and outstanding shares of William R. Hough & Co.; terms and conditions of the transaction not disclosed
- acquisition expected to be modestly accretive in 2004

Approvals / Closing Date

- approvals required from NASD and NYSE; a notification filing with the U.S. federal antitrust enforcement authorities is also required; no Canadian regulatory approvals required
- expected to close by Spring 2004

Future Plans

- expect to integrate William R. Hough & Co. into RBC Dain Rauscher upon close
 - William R. Hough & Co.'s businesses to roll up under RBC Dain Rauscher's Fixed Income and Private Client groups
 - Robb Hough, William R. Hough & Co.'s president, will continue to run the Florida business