



ROYAL BANK
OF CANADA

First Quarter 2001

Highlights of Results

February 23, 2001

Investor Relations

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US GAAP

Financial Overview

First quarter financial highlights*

- EPS - diluted up 17% to \$0.91
- ROE of 18.3%, cash ROE of 19.3%
- Revenue up 18%
- Operating expenses up 8.5% vs. operating revenue growth of 10.5%
- Specific provision for credit losses ratio of .37%, within 2001 target of .30-.40%
- Nonaccrual loans ratio unchanged from last quarter
- Capital ratios remain in line with goals

*excluding special items in Q1/01; there were no special time items in 2000. Growth over Q1/00.



Financial Overview

Key first quarter numbers*

C\$	U.S. GAAP	CDN. GAAP
EPS - diluted	\$0.91	\$0.90
EPS growth vs. Q1/00	17%	13%
Cash EPS - diluted	\$0.96	\$0.95
Cash EPS growth vs. Q1/00	19%	14%
ROE	18.3%	18.2%
Cash ROE	19.3%	19.2%
Revenue growth vs. Q1/00	18%	19%
Operating expense growth vs. Q1/00	9%	11%
Base expense growth vs. Q1/00	2%	5%

*excluding special items in Q1/01; there were no special items in Q1/00

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Financial Overview

Special items – Q1/01

C\$ millions	US GAAP	CDN GAAP
Non-interest revenue		
Gain on formation of Moneris JV (P&CB)	89	89
Gain on sale of Group Retirement Services (WM, P&CB)*	43	43
Total impact (pre-tax)	132	132
Impact (after-tax)	111	111
Deferred income tax adjustment**	n/a	(33)
Total impact (after-tax)	111	78
Impact on EPS - diluted	+0.17	+0.12

* \$36 million (\$28 million after-tax) in WM and \$7 million (\$6 million after-tax) in P&CB

** relates to proposed change in federal corporate tax rate: \$(19) million in P&CB, \$2 million in Insurance, \$(10) million in C&IB and \$(6) in Other

P&CB = Personal & Commercial Banking WM = Wealth Management C&IB = Corporate & Investment Banking

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US GAAP

Financial Overview

Performance vs. objectives

	3-5 year goal	Target for 2001	Q1/01 reported	Q1/01 core	Q1/00
Profitability measures					
ROE	20%+	18-20%	21.9%	18.3%	18.4%
EPS growth - diluted	15%+	10-15%	38%	17%	22%
Revenue growth	8-10%	10%+	23%	18%	10%
Operating revenue growth**	-	-	n/a	11%	8%
Operating expense growth**	-	< oper. rev. growth	n/a	9%	(5)%
Specific PCL/avg. loans, BAs & repos	0.30-0.40%	0.30-0.40%	0.37%	0.37%	0.30%
Dividend payout ratio	30-40%	-	31%	37%	34%
Capital ratios (OSFI)					
Common equity to risk-adjusted assets	7.0%	-	7.6%	7.6%	7.1%
Tier 1 capital	8.0%	-	8.3%	8.3%	8.1%
Total capital	11.0-12.0%	-	11.5%	11.5%	11.4%

* growth is over a year ago, based on core numbers for Q1/01 & Q1/99. There were no special items in Q1/00.

** operating revenues exclude special items and revenues associated with strategic investments while operating expenses exclude costs of strategic investments, Stock Appreciation Rights and special items.

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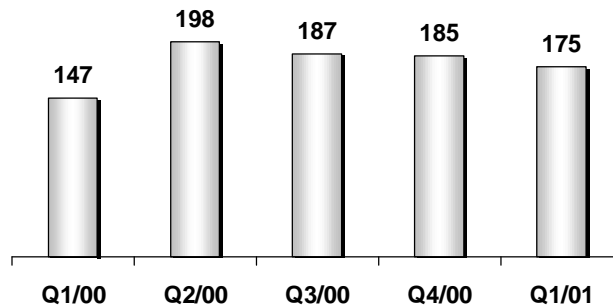
US GAAP

Financial Overview

Economic Profit*

• Cash operating earnings less capital charge

C\$ millions



* includes additions to the general provision for credit losses of \$70 million in Q1/01, and \$40 million in each of Q4/00, Q2/00 & Q1/00

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Business Segment Results

First quarter operating highlights

Personal & Commercial Banking (P&CB)

- Announced merger agreement to acquire Centura Banks, Inc. for approx. US\$2.3 billion (1.684 Royal Bank common shares for each outstanding common share of Centura)
- Launched Moneris, a 50/50 joint venture with Bank of Montreal, to offer North American merchants simplified transaction processing for Visa, MasterCard and debit purchases
- Added four new partnerships (with American Airlines, British Airways, Royal Airlines and Coast Hotels and Resorts) to Avion Gold credit card travel rewards loyalty program

Insurance

- Completed the acquisition of Liberty Life and Liberty Insurance Services
- Liberty Insurance Services strengthened its product offering and global presence by acquiring most of the assets of Genelco Inc.'s software and outsourcing divisions, including their client contracts

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Business Segment Results

First quarter operating highlights

Wealth Management (WM)

- Along with C&IB, completed the acquisition of Dain Rauscher Corporation
- Royal Mutual Funds launched 7 new global equity funds, allowing investors to capitalize on increased foreign content rules
- The Canadian Group Retirement Services business was sold, resulting in an after-tax gain of \$34 million

Corporate & Investment Banking (C&IB)

- Thomson Financial Securities Data ranked RBC Dominion Securities 16th globally for M&A transactions in 2000. Additionally, the Globe and Mail ranked RBC Dominion Securities #1 in Canada for Equity, Corporate Bonds and Government Debt underwriting
- Began trading officially in London, England on Nov.1/00 as a Gilt Edged Market Maker (GEMM) with an opening ranking of 7th out of the industry's 17 GEMMs

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Business Segment Results

First quarter operating highlights

Corporate & Investment Banking (C&IB) – cont'd

- Ranked 8th in FX Week's international rankings based on reported FX trading revenues for the first half of 2000

Transaction Processing (TP)

- Global Securities Services won over \$60 billion in new custody business in Europe
- With its financial institution partners, launched webdoxs, an electronic document presentation service allowing customers to receive and pay bills over the Internet through their financial institution's Web site

Other Highlights

- The quarterly common share dividend was increased by 10% to \$0.33 for shareholders of record on Jan.24/01, payable on Feb.23/01
- Issued 12.3 million common shares in December 2000 at a price of \$46.80/share, for net proceeds of \$553 million



US GAAP

Business Segment Results

First quarter 2001

C\$ millions (excluding special items)

	Net income	Net income contributions	Net income growth*	ROE
Personal & Commercial Banking	\$292	50%	20%	21.2%
Insurance	39	7	44	22.4
Wealth Management	99	17	(4)	32.5
Corporate & Investment Banking	147	25	22	18.9
Transaction Processing	37	6	9	29.5
Other	(30)	(5)	n.m.	(3.9)
Total bank	\$584	100%	13%	18.3%

*growth over Q1/00



US GAAP

Business Segment Results

Personal & Commercial Banking

C\$ millions (excluding special items)

	Q1/01	Q1/01 vs.	
		Q4/00	Q1/00
Revenue	\$1,688	2%	13%
NIE	962	1	7
Specific PCL	157	34	13
General PCL*	<u>70</u>	75	133
Total PCL	227	45	34
Net income	\$ 292	(9)%	20%
Economic Profit	\$ 104	(22)%	79%
ROE	21.2%	↓ 210 bp	↑ 300 bp
Operating efficiency ratio	55.0%	↑ 130 bp	↓ 360 bp

*\$70 million general provision recorded in Q1/01 (\$40 million in Q4/00 and \$30 million in Q1/00)

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US GAAP

Business Segment Results

Insurance

C\$ millions

	Q1/01	Q1/01 vs.	
		Q4/00	Q1/00
Revenue*	\$103	54%	91%
NIE	76	52	117
Total PCL	-	n.m.	n.m.
Net income	\$ 39	56%	44%
Economic Profit	\$ 17	13%	(11)%
ROE	22.4%	↓ 1,210 bp	↓ 2,180 bp

*Q1/01 revenue includes \$25 million from Liberty (for 2 months), acquired in Q1/01

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US GAAP

Business Segment Results

Wealth Management

C\$ millions (excluding special items)

	Q1/01	Q1/01 vs.	
		Q4/00	Q1/00
Revenue*	\$681	4%	21%
NIE	535	7	34
Total PCL	(1)	n.m.	n.m.
Net income	\$ 99	(2)%	(4)%
Economic Profit	\$ 66	(13)%	(14)%
ROE	32.5%	↓ 1,420 bp	↓ 1,790 bp
Operating efficiency ratio	75.6%	↑ 300 bp	↑ 640 bp

*Q1/01 revenue includes \$93 million from Dain Rauscher, acquired in Q1/01

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US GAAP

Business Segment Results

Corporate & Investment Banking

C\$ millions

	Q1/01	Q1/01 vs.	
		Q4/00	Q1/00
Revenue*	\$723	27%	40%
NIE	452	21	45
Specific PCL	27	23	237
General PCL**	-	-	n.m.
Total PCL	27	23	50
Net income	\$147	31%	22%
Economic Profit	\$ 47	47%	-
ROE	18.9%	↑ 130 bp	↓ 220 bp
Operating efficiency ratio	56.6%	↓ 100 bp	↓ 150 bp

* Q1/01 revenue includes \$30 million from Dain Rauscher, acquired in Q1/01

**\$10 million general provision recorded in Q1/00

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US GAAP

Business Segment Results

Transaction Processing

C\$ millions

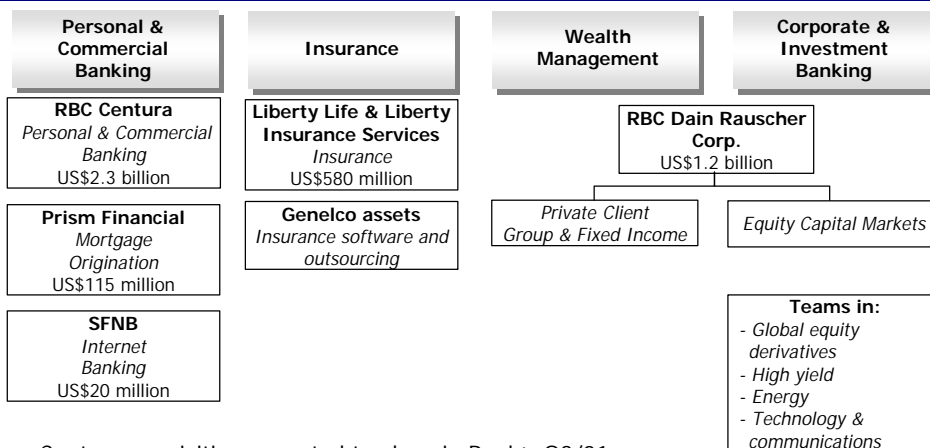
	Q1/01	Q1/01 vs.	
		Q4/00	Q1/00
Revenue	\$175	1%	5%
NIE	114	(10)	8
Total PCL	(1)	n.m.	n.m.
Net income	\$ 37	28%	9%
Economic Profit	\$ 21	31%	5%
ROE	29.5%	↑ 130 bp	↓ 50 bp
Operating efficiency ratio	64.7%	↓ 760 bp	↑ 80 bp

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U.S. Expansion Strategy

Recent US acquisitions



- Centura acquisition expected to close in Bank's Q3/01
- Dain Rauscher acquisition closed on January 10, 2001
- Liberty acquisition closed on November 1, 2000

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U.S. Expansion Strategy

Focused strategy

Current focus on:

- Consolidating recent acquisitions
- Developing cross-selling opportunities

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U.S. Expansion Strategy

Acquisition of Centura - overview

Strategic Rationale

- Leverages RY's retail banking expertise through an integrated US platform
- Provides strong foothold in attractive higher growth Southeastern US markets
- Adds 650,000 customers
- Manageable transaction size – approximately 10% of RY's market capitalization
- Shares common focus on customer relationship management and Economic Profit

Financial Impact

- Accretive to cash EPS by Fiscal Year 2 (2002)
- RY maintains EPS growth objective of 10-15% for 2001
- Maintains strong capital ratios
- Conservative synergy assumptions

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U.S. Expansion Strategy

Steps to consolidate US retail banking platform

- US\$75 million restructuring charge for Centura acquisition
- Integrate Security First Network Bank and Prism into RBC Centura
- Consolidate & centralize key administrative functions (treasury, risk management, marketing & sales, etc.)
- Integrate back offices
- Implement integrated branding
- Provides a platform for follow-on acquisitions permitting future large in-market synergies

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U.S. Expansion Strategy

Update on Dain Rauscher

- Acquisition closed on January 10, 2001
- Updated final closing price: US\$1.2 billion
- Goodwill of US\$996 million being amortized over 20 years
- Cash EPS virtually neutral in 2001, accretive thereafter
- GAAP EPS accretive in 2004. Low dilution of under 3% in 2001 and approx. 2% in 2002 and 1% in 2003
- Operating highlights:
 - Irv Weiser (Dain Rauscher's CEO) has joined Royal Bank's Group Management Committee, and Peter Armenio (previously head of the Canadian Private Client Division of RBC Dominion Securities) has joined Dain Rauscher as President of its Private Client Group
 - Integration proceeding well

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U.S. Expansion Strategy

Update on Liberty

- Acquisition closed on November 1, 2000
- Purchase price US\$580 million
- Goodwill of approx. US\$68 million (US GAAP) being amortized over 15 years
- Accretive to GAAP and cash EPS in 2001
- Operating highlights:
 - In November 2000, Liberty Insurance Services acquired certain assets of Genelco Inc. (St. Louis, Missouri), giving the company new third-party administration expertise in the variable life and variable annuity markets as well as access to insurance-related software and services
 - Co-location pilot in place involving Prism mortgage reps. making mortgage loans in 3 Liberty Life branch offices

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U.S. Expansion Strategy

Update on Prism Financial

- Benefiting from lower interest rate environment
- Mortgage originations up 27% over Q1/00
- Mortgage Bankers Association forecasting a 40% increase in mortgage originations in 2001 compared to 2000
- Following acquisition of AMRESKO's homebuilder lending division in 2000, the Prism Builder division is experiencing good growth & performance
- Prism Builder is in the process of expanding into higher margin target markets (south and southwest USA)

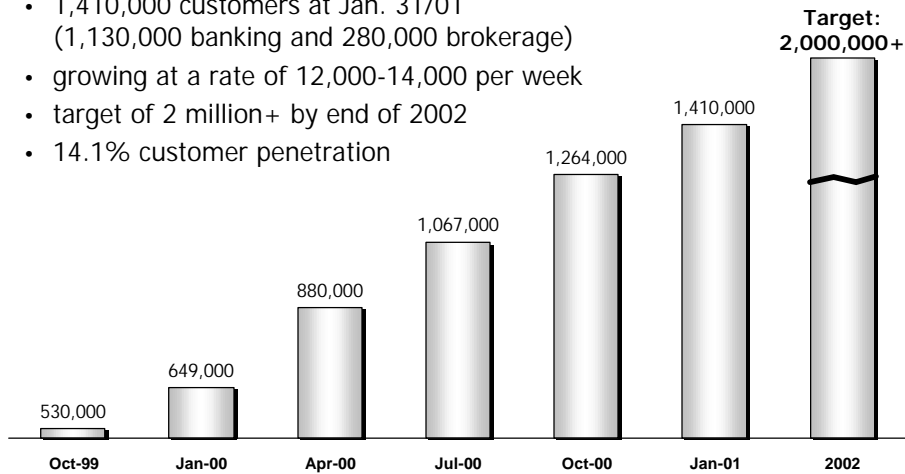
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Online Customers Update

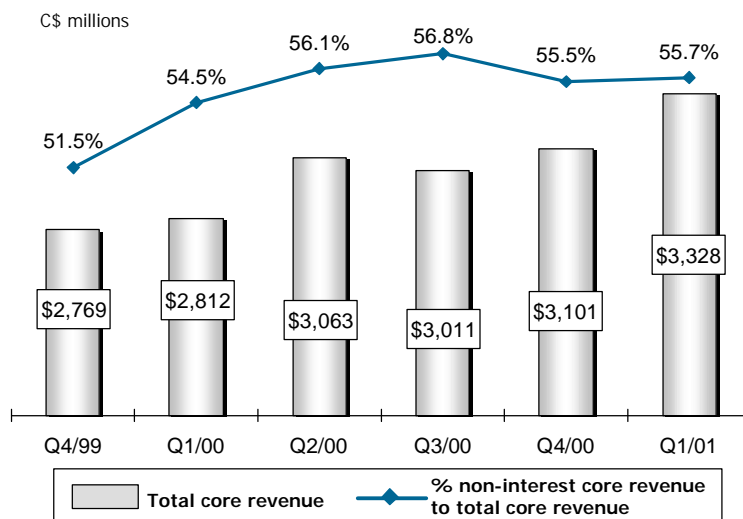
Canadian online customer growth accelerating

- 1,410,000 customers at Jan. 31/01 (1,130,000 banking and 280,000 brokerage)
- growing at a rate of 12,000-14,000 per week
- target of 2 million+ by end of 2002
- 14.1% customer penetration



US GAAP

Strong Revenue Growth





US GAAP

Strong Revenue Growth

Non-interest revenue

C\$ millions	Q1/01 vs.			
	Q4/00		Q1/00	
Non-interest revenue growth	\$267	16%	\$455	30%
Less: special items*	(132)		(132)	
Non-interest revenue growth - core	\$135	8%	\$323	21%
Due to:				
Insurance	\$ 30	73%	\$ 25	54%
Trading revenues**	211	59	194	52
Investment management and custodial fees**	21	12	47	31
Capital market fees**	(94)	(18)	54	15
Mutual fund revenues	-	-	13	10
Other**	(33)	(7)	(10)	(2)

* special items as noted in chart 4. There were no special items in 2000

** includes Dain Rauscher's revenues of \$40 million in trading revenues, \$13 million in investment management and custodial fees, \$54 million in capital market fees and \$8 million in other.

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CDN GAAP

Strong Revenue Growth

Wealth Management contributions

C\$ millions (excluding special items)	Revenue	Rev. growth
	Q1/01	vs. Q1/00
Private Client Division (Cdn. full-service brokerage)	\$236	-
Investment Management*	147	11%
Global Private Banking	97	21
Action Direct (discount brokerage)	41	(5)
Other**	160	n/a
Total WM	\$681	21%

- Action Direct: number of accounts grew to 513,000 from 490,000 in Q4/00, and AUA stable at \$13.9 billion

* includes Royal Mutual Funds (RMF). RMF's assets are administered by the Transaction Processing segment.

** includes Dain Rauscher revenue of \$93 million in Q1/01

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Strong Revenue Growth

Healthy capital market fees

C\$ millions

	Q1/01	Q1/01 vs.	
		Q4/00	Q1/00
Full-service brokerage	\$259	4 %	17 %
Institutional	131	(44)%	19 %
Discount brokerage	29	(9)%	(15)%
Total capital market fees	\$419	(18)%	15 %

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Strong Revenue Growth

Mutual fund assets

C\$ billions

	Assets @	Asset Growth		Mkt. Share @
	01/31/01	(3 months)	(12 months)	01/31/01
1. Investors Group	\$43,786	\$ 573	\$5,506	10.42%
2. AIM Funds Group*	35,271	(719)	3,552	8.40
3. Royal Mutual Funds	34,041	75	2,593	8.10
4. Fidelity Investments	33,730	(150)	6,025	8.03
5. Mackenzie Financial	32,315	(158)	2,059	7.69

INDUSTRY \$420,048

Executing 3-point strategy to grow net sales:

1. Filling in a product gap (global sector funds in Q1/01, Royal Select Choices in 2000)
2. Expanding alternative channels (other full-service and discount brokers, insurance companies, financial planners; wholesalers recruited)
3. Promoting Royal Mutual Fund's positive performance

* AIM AUM includes Trimark assets of \$24.5 billion and AIM assets of \$7.2 billion at January 31, 2000
Source: IFIC, excludes reinvested dividends

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US GAAP

Strong Revenue Growth

Margin widens slightly

	Q1/01	Q4/00	Q1/00
Net interest margin	1.89%	1.87%	1.84%
Change in margin		2 b.p.	5 b.p.
Due to:			
Global equity derivatives		2	(3)
Prime-core deposit spread		-	5
Other		-	3
		2	5
Average Canadian prime rate	7.48%	7.50%	6.45%

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US GAAP

Expense Growth Contained

Base expense level largely unchanged

C\$ millions	Q1/01	Q4/00	Q1/00
Core NIE*	\$2,144	\$2,022	\$1,781
• strategic initiatives**	260	131	54
• Stock Appreciation Rights	10	37	-
Operating NIE:	\$1,874	1,854	1,727
• performance related	487	448	365
Base NIE:	\$1,387	\$1,406	\$1,362

* there were no special items in 2000.
 **related mostly to acquisitions

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US GAAP

Expense Growth Contained

Breakdown of expense growth

	Q1/01 vs.	
	Q4/00	Q1/00
Change in core NIE	6.0%	20.4%
Consisting of:		
• strategic initiatives	6.3	11.6
• Stock Appreciation Rights	(1.3)	0.6
• performance related	1.9	6.8
• Base NIE	(0.9)	1.4
Change in core NIE	6.0%	20.4%

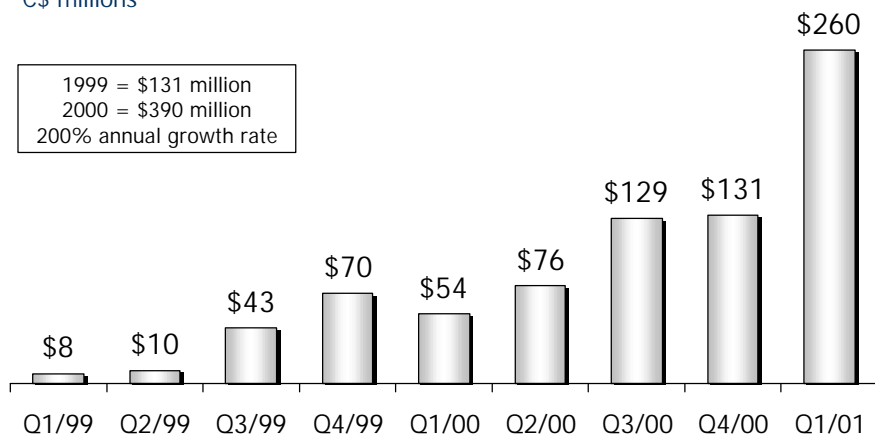


Expense Growth Contained

Accelerated spending on strategic initiatives

C\$ millions

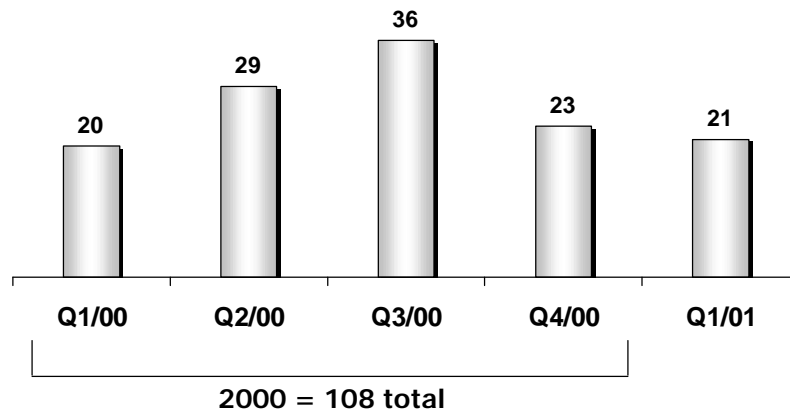
1999 = \$131 million
 2000 = \$390 million
 200% annual growth rate





Expense Growth Contained

Closures of domestic delivery units* continue



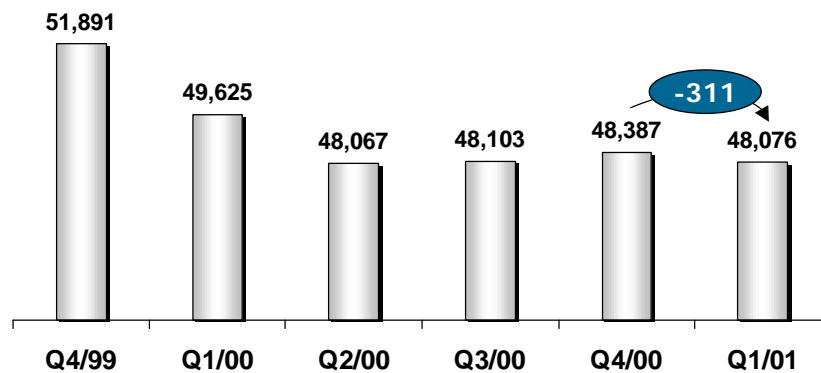
*Royal Bank & Royal Trust branches and business banking centres

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Expense Growth Contained

Number of employees* down



*number of employees on full-time equivalent basis, excluding Prism Financial Corporation which was acquired in April 2000, Liberty Life Insurance Company and Liberty Insurance Services which were acquired in November 2000 and Dain Rauscher which was acquired in January 2001

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Expense Growth Contained

Continuity of restructuring provision

C\$ millions	Total
Beg. balance - January 31, 1999	\$153
1999 drawdown	<u>(44)</u>
Ending balance - October 31, 1999	\$109
2000 drawdown	<u>(84)</u>
Ending balance - October 31, 2000	\$ 25
Q1/01 drawdown	<u>(5)</u>
Ending balance – January 31, 2001	\$20

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US GAAP

Solid Balance Sheet

Consumer loan growth continues

C\$ millions	January 31, 2001 vs.			
	October 31, 2000		January 31, 2000	
Residential mortgages*	\$ 434	1%	\$ 3,883	6%
Personal loans	2,554	9	4,360	17
Credit cards**	295	6	1,071	40
Total consumer loans	\$3,283	3%	\$ 9,314	10%
Business & government loans	(2,120)	(3)	1,329	2
Total gross loans	\$1,163	1%	\$10,643	7%
less: allowance for loan losses	76	4	10	1
Total net loans	\$1,087	1%	\$10,633	7%

* growth before securitizations of \$0.5 billion in Q4/00.

** growth before reversal of prior securitizations (\$0.2 billion in Q4/00, \$0.5 billion in Q3/00, and \$0.5 billion in Q2/00)

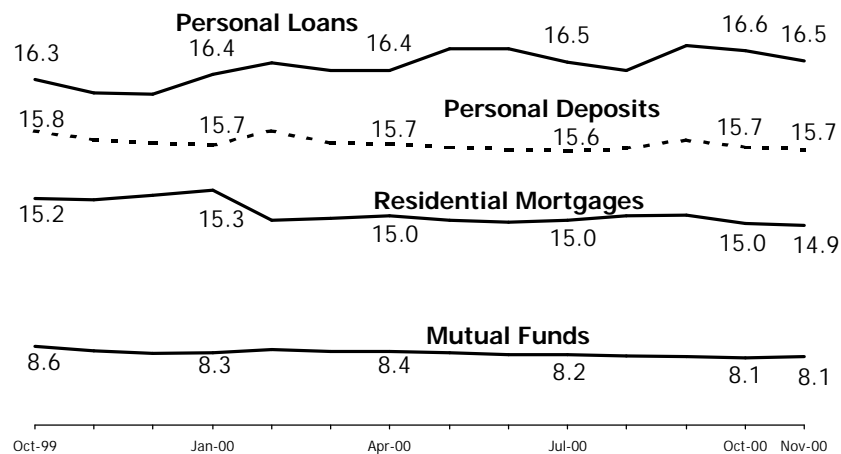
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Solid Balance Sheet

Focusing on returns

Market share among all financial institutions in Canada



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Capital Strength

Capital funding activity – Q1/01

Subordinated debentures

- Issued \$500 million in January
- Issued \$125 million subsequent to end of quarter (February)

Innovative Tier 1 capital (TruCS)

- Issued \$750 million in November

Common shares

- Sold 12.3 million shares at \$46.80 per share in December
- Net proceeds of approximately \$553 million

Centura acquisition:

- will issue 1.684 common shares for each Centura share (39.4 million Centura shares outstanding at December 31, 2000)
- planned repurchase of 20% of the shares issued in this transaction (subject to regulatory approval)

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CDN GAAP

Capital Strength

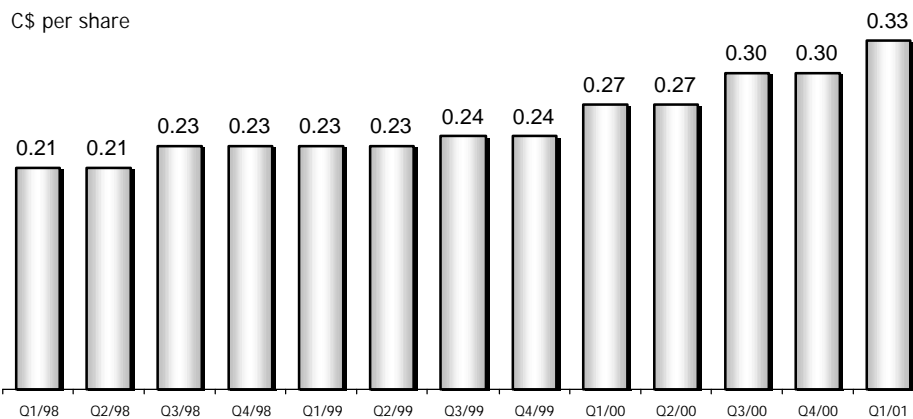
Capital ratios in line with goals

	<u>3-5 year goal</u>	<u>Q1/01</u>	<u>Q4/00</u>	<u>Q1/00</u>
Common equity/ risk-adjusted assets	7.0%	7.6%	7.3%	7.1%
Tier 1 capital ratio	8.0%	8.3%	8.6%	8.1%
Total capital ratio	11.0-12.0%	11.5%	12.0%	11.4%



Common share dividends

Dividends per common share in C\$



- payout ratio of 31% in Q1/01 (target payout range of 30-40%)
- history of uninterrupted dividend payments

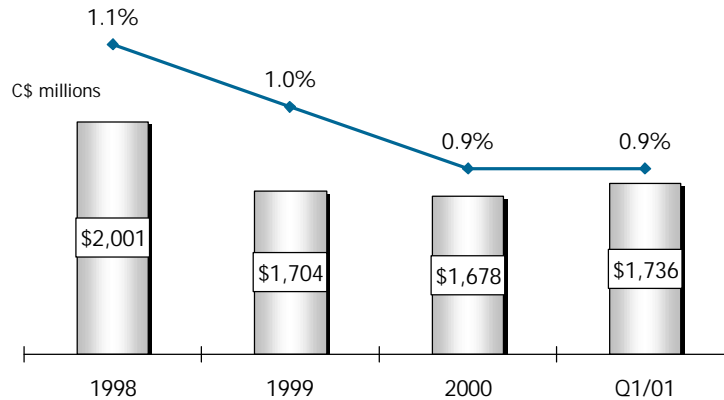


CDN GAAP

Sound Asset Quality

Impaired (nonaccrual) loans ratio stable

Gross impaired loans ratio*



*gross impaired loans as a percentage of total gross loans and bankers' acceptances

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CDN GAAP

Sound Asset Quality

Gross impaired loans

C\$ millions

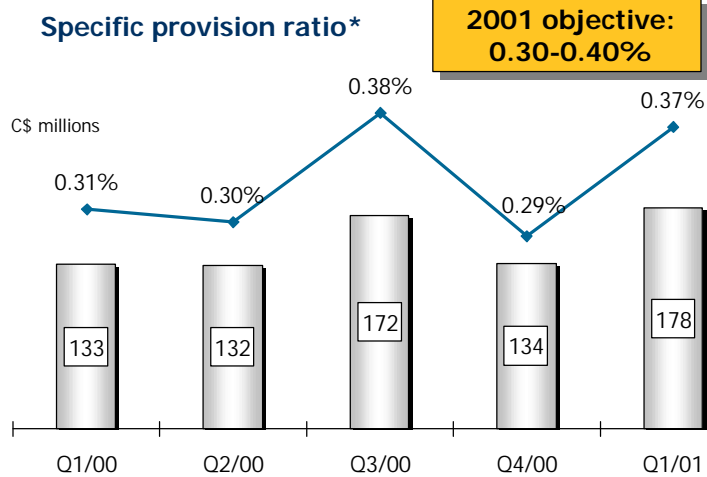
	Q1/01	Q1/01 vs.			
		Q4/00		Q1/00	
Gross impaired loans	\$1,736	\$58	3%	\$122	8%
Comprising:					
Domestic business	\$969	\$32	3%	\$74	8%
Domestic consumer	459	27	6%	56	14%
International	308	(1)	-	(8)	(3)%

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Sound Asset Quality

Specific provision ratio within objective



*specific provision as a percentage of average loans and acceptances



Sound Asset Quality

Provision for credit losses (PCL)

C\$ millions

	Q1/01	Q4/00	Q1/00
Specific provision	\$178	\$134	\$133
General provision*	70	40	40
Total PCL	<u>\$248</u>	<u>\$174</u>	<u>\$173</u>
Specific PCL ratio**	<u>0.37%</u>	<u>0.29%</u>	<u>0.31%</u>

* in Q1/01, \$70 million in P&CB; in Q4/00, \$40 million in P&CB; in Q1/00, \$30 million in P&CB and \$10 million in C&IB

**specific provision as a percentage of average loans and acceptances

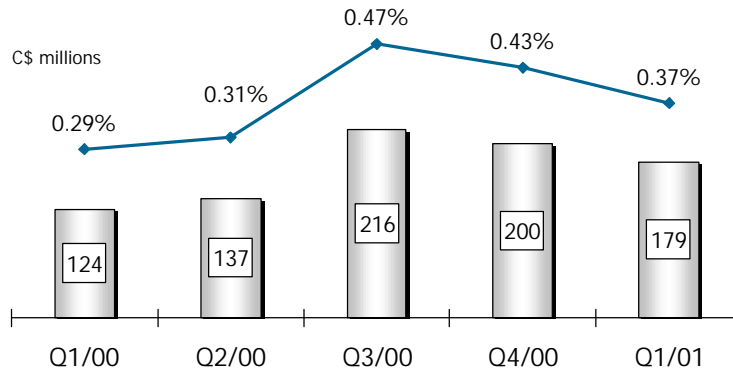


CDN GAAP

Sound Asset Quality

Lower write-off (charge-off) level in Q1/01

Net write-off ratio*



*net write-offs as a percentage of average loans and acceptances

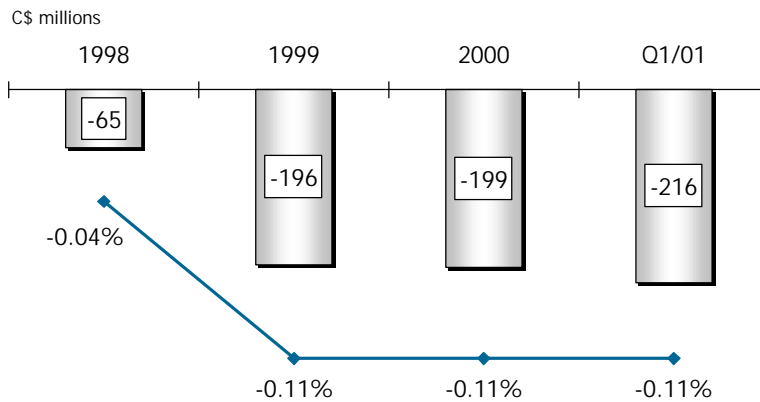


CDN GAAP

Sound Asset Quality

Net impaired loans ratio unchanged

Net impaired loans ratio*

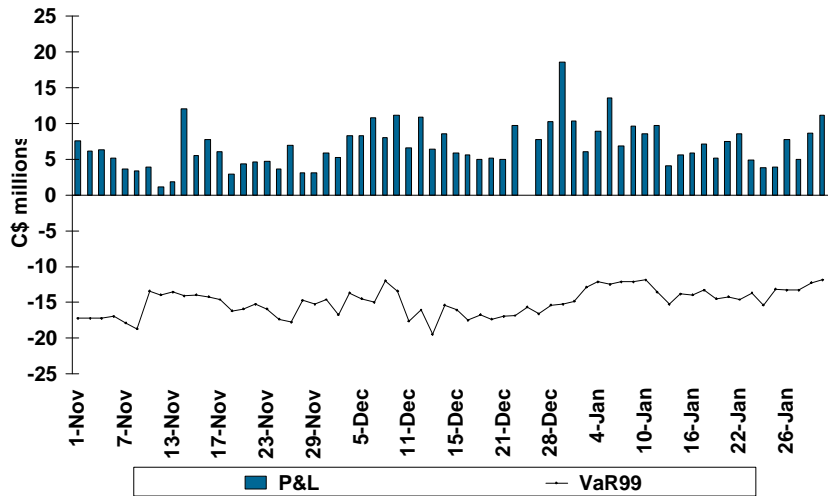


*net impaired loans as a percentage of total net loans and acceptances (net of allowance for loan losses)



Trading Revenue Performance

Positive performance vs. VAR

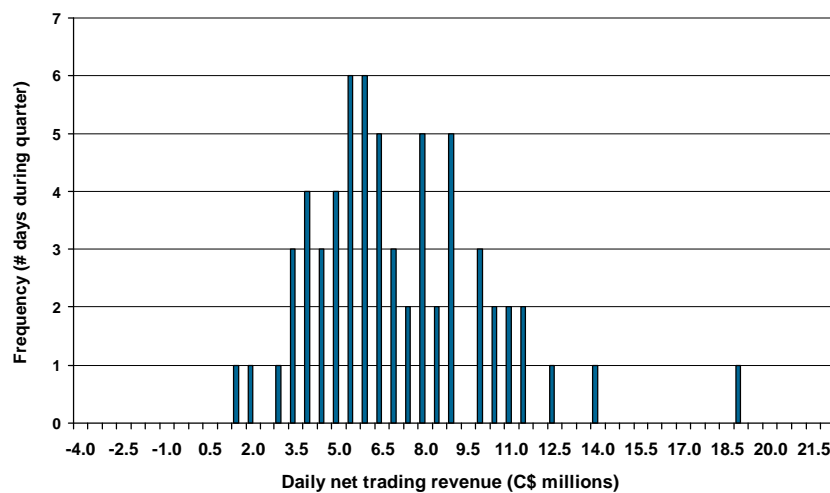


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Trading Revenue Performance

First quarter – all positive trading days



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Forward-looking statements

Royal Bank of Canada, from time to time, makes written and oral forward-looking statements, included in this presentation, the Annual Report, in other filings with Canadian regulators or the US Securities and Exchange Commission, in reports to shareholders and in other communications, which are made pursuant to the "safe harbor" provisions of the United States *Private Securities Litigation Reform Act of 1995*. These forward-looking statements include, among others, statements with respect to the bank's objectives for 2001, and the medium term, and strategies to achieve those objectives, as well as statements with respect to the bank's beliefs, plans, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "anticipate," "estimate," "expect," "intend," "plan," and words and expressions of similar import are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. The bank cautions readers not to place undue reliance on these statements as a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the strength of the Canadian economy in general and the strength of the local economies within Canada in which the bank conducts operations; the strength of the United States economy and the economies of other nations in which the bank conducts significant operations; the effects of changes in



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monetary and fiscal policy, including changes in interest rate policies of the Bank of Canada and the Board of Governors of the Federal Reserve System in the United States; changes in trade policy; the effects of competition in the markets in which the bank operates; inflation; capital market and currency market fluctuations; the timely development and introduction of new products and services by the bank in receptive markets; the impact of changes in the laws and regulations regulating financial services (including banking, insurance and securities); changes in tax laws; technological changes; the ability of the bank to complete strategic acquisitions and to integrate acquisitions; unexpected judicial or regulatory proceedings; unexpected changes in consumer spending and saving habits; and the bank's anticipation of and success in managing the risks implicated by the foregoing.

The bank cautions that the foregoing list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to the bank, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the bank.