



ROYAL BANK
OF CANADA

Second Quarter 2001

Highlights of Results

May 23, 2001

Investor Relations

www.royalbank.com/investorrelation



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Financial Overview

Second quarter financial highlights*

- Cash EPS (diluted) of \$1.03, up 14%
- EPS (diluted) of \$0.95, up 9%
- Cash ROE 20.8%, ROE 19.2%
- Revenues up 15%
- Provision for credit losses \$210 million, down from \$248 million in Q1/01
- Specific provisions up, no general provision
- Capital ratios strengthened further

*Growth over Q2/00. There were no special items in Q2/01 or in 2000.



Financial Overview

Key second quarter numbers*

C\$	Q2/01		6 mos.'01	
	US GAAP	CDN GAAP	US GAAP	CDN GAAP
Cash EPS - diluted	\$1.03	\$1.00	\$1.98	\$1.94
Cash EPS growth*	14%	9%	16%	10%
EPS - diluted	\$0.95	\$0.92	\$1.85	\$1.81
EPS growth*	9%	3%	12%	6%
Cash ROE	20.8%	20.3%	20.1%	19.7%
ROE	19.2%	18.7%	18.8%	18.4%
Revenue growth*	15%	14%	16%	17%
Operating expense growth*	16%	18%	18%	20%

*Growth vs. Q2/00 and 6 mos'01. Excluding one-time revenues in Q1/01 of \$89 million (\$77 million after-tax) from the formation of Moneris and \$43 million (\$34 million after-tax) for the sale of Group Retirement Services. Cdn. GAAP also excluded a deferred income tax adjustment of \$(33) million after-tax.

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Financial Overview

Performance vs. objectives – Q2/01 and 6 mos.'01

	3-5 year goal	Target for 2001	Q2/01	6 mos.'01 core
Profitability measures				
ROE (accrual)	20%+	18-20%	19.2%	18.8%
EPS growth – diluted (accrual)	15%+	10-15%	9%	12%
Revenue growth	8-10%	10%+	15%	16%
Operating revenue growth**	-	-	15%	16%
Operating expense growth**	-	< oper. revenue growth	16%	18%
Specific PCL/avg. loans, BAs & repos (Cdn. GAAP)	0.30-0.40%	0.30-0.40%	0.44%	0.40%
Dividend payout ratio	30-40%	-	35%	36%
Capital ratios (OSFI)				
Common equity to risk-adjusted assets	7.0%	-	8.0%	8.0%
Tier 1 capital	8.0%	-	8.8%	8.8%
Total capital	11.0-12.0%	-	12.3%	12.3%

* growth is over a year ago. Excludes one-time revenues in Q1/01 of \$89 million from the formation of Moneris and \$43 million from the sale of Group Retirement Services.

** operating expenses exclude costs of Stock Appreciation Rights, one-time expenses and certain acquisition expenses such as retention compensation and restructuring charges, while operating revenues exclude one-time revenues.

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US GAAP

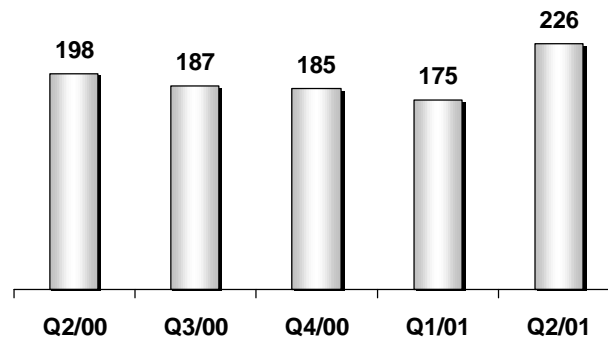


Financial Overview

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 both Q4/00 and Q2/00.

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US GAAP



Business Segment Results

Second quarter operating highlights

Personal & Commercial Banking (P&CB)

- Subsequent to quarter end, Centura shareholders approved Royal Bank's acquisition of Centura Banks, Inc.
- Launched the First-Time Home Buyers Package, which includes a bundle of incentives and information designed to meet the unique needs of this segment

Insurance

- Strengthening brand awareness with new television commercials
- Launched a new website at www.rbcinsurance.com

Wealth Management (WM)

- Created RBC Private Banking, a JV between Wealth Management and P&CB to deliver integrated private banking services across Canada
- Announced that strategic options for the Canadian institutional pension management business, RT Capital Management Inc., were being reviewed
- Announced that JB Oxford Holdings Inc. has agreed to purchase the client lists of Bull & Bear Securities Inc. (with an anticipated closing date in June 2001)

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Business Segment Results

Second quarter operating highlights

Corporate & Investment Banking (C&IB)

- Greenwich Associates' spring survey ranked RBC DS' research #1 again
- March a "milestone" month for RBC DS' FX Direct Internet trading system, with its first 1,000 users, first 1,000 trade week and first 4,000 trade month

Transaction Processing (TP)

- Won an exclusive outsourcing agreement to provide fund accounting and custody services for CI Mutual Funds' \$23 billion portfolio of funds
- Won mandate from Citibank Canada to provide their entire correspondent banking services. Gross revenues from this 5-year contract are estimated to be \$2.5 million the first year, increasing by 20% annually
- Royal Trust ranked #3 in the world overall for service quality and #3 among international investment managers in R&M Consultants' 2001 Global Custody Survey



Business Segment Results

Second quarter 2001

C\$ millions	Cash net income	Cash net income growth*	Net income	Net income growth*
Personal & Commercial Banking	\$ 338	28%	\$ 334	26%
Insurance	48	78	44	63
Wealth Management**	89	(28)	67	(42)
Corporate & Investment Banking**	128	(17)	116	(22)
Transaction Processing	39	26	37	28
Other	32	n.m.	26	n.m.
Total Bank	\$ 674	16%	\$ 624	11%

* growth over Q2/00

** Excluding Dain Rauscher, Wealth Management's cash net income and net income declined 12% and 16% respectively vs. Q2/00, while C&IB's cash net income and net income declined 8% and 7% respectively.



Business Segment Results

6 months 2001

C\$ millions (excluding special items*)				
	Cash net income	Cash net income growth*	Net income	Net income growth*
Personal & Commercial Banking	\$ 635	25%	\$ 626	23%
Insurance	89	65	83	54
Wealth Management**	198	(14)	166	(24)
Corporate & Investment Banking**	281	-	263	(2)
Transaction Processing	78	16	74	17
Other	8	n.m.	(4)	n.m.
Total Bank	\$ 1,289	16%	\$ 1,208	12%

* growth over 6 months 2000, excluding one-time revenues in Q1/01 of \$89 million (\$77 million after-tax) from the formation of Moneris and \$43 million (\$34 million after-tax) from the sale of Group Retirement Services.

** Excluding Dain Rauscher, Wealth Management's cash net income and net income declined 9% and 12% respectively vs. 6 mos.'00, while C&IB's cash net income and net income increased 5% and 7% respectively.

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US GAAP



Business Segment Results

Personal & Commercial Banking

C\$ millions (excluding special items*)					
	Q2/01	Q2/01 vs.		6 mos.'01	6 mos.'00
		Q1/01	Q2/00		
Revenue	\$ 1,632	(3)%	8%	\$ 3,320	11%
NIE	922	(4)	4	1,884	6
Specific PCL	159	1	28	316	20
General PCL	-	n/a	n/a	70	-
Total PCL**	159	(30)	(3)	386	16
Net income	334	14	26	626	23
Cash net income	338	14	28	635	25
Economic Profit	151	45	76	255	77
ROE	25.3%	↑ 410 bp	↑ 450 bp	23.2%	↑ 370 bp
Cash ROE	25.6%	↑ 400 bp	↑ 480 bp	23.6%	↑ 410 bp
Efficiency ratio	56.5%	↓ 50 bp	↓ 210 bp	56.7%	↓ 270 bp

* Excluding one-time revenues in Q1/01 of \$89 million from the formation of Moneris and \$7 million from the sale of Group Retirement Services **\$70 million general provision recorded in Q1/01, \$40 million in Q2/00 and \$30 million in Q1/00

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US GAAP



Business Segment Results

Insurance*

C\$ millions	Q2/01 vs.			6 mos.'01 vs.	
	Q2/01	Q1/01	Q2/00	6 mos.'01	6 mos.'00
Revenue	\$ 150	46%	150%	\$ 253	122%
NIE	93	22	138	169	128
Total PCL	-	n/a	n/a	-	n/a
Net income	44	13	63	83	54
Cash net income	48	17	78	89	65
Economic Profit	17	-	(6)	34	(8)
ROE	19.4%	↓ 300 bp	↓ 2,070 bp	20.7%	↓ 2,140 bp
Cash ROE	21.3%	↓ 230 bp	↓ 1,960 bp	22.3%	↓ 2,010 bp

* Liberty's contribution to Insurance results were for 3 months in Q2/01 and 2 months in Q1/01. Without the addition of Liberty, revenue and NIE would have increased 12% and 3% respectively from Q2/00 and net income and cash net income would have both increased 26% from Q2/00. For 6 mos.'01, net income and cash net income would have both increased 22% from 6 mos.'00.

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US GAAP



Business Segment Results

Wealth Management*

C\$ millions (excluding special items**)	Q2/01 vs.			6 mos.'01 vs.	
	Q2/01	Q1/01	Q2/00	6 mos.'01	6 mos.'00
Revenue	\$ 839	23 %	26 %	\$ 1,520	24 %
NIE	729	36	51	1,264	43
Total PCL	3	n.m.	n.m.	2	n.m.
Net income	67	(32)	(42)	166	(24)
Cash net income	89	(18)	(28)	198	(14)
Economic Profit	17	(74)	(81)	83	(51)
ROE	12.2%	↓2,030 bp	↓ 4,060 bp	19.7%	↓ 3,190 bp
Cash ROE	16.7%	↓1,920 bp	↓ 3,980 bp	23.8%	↓ 3,040 bp

* Dain's contribution to Wealth Management's results were for 3 months in Q2/01 and 3 weeks in Q1/01. Without the addition of Dain, revenue and NIE would have declined 12% and 10% respectively from Q2/00 and net income and cash net income would have declined 16% and 12% respectively from Q2/00. Excluding Dain, Q2/01 ROE would have been 42.6% and Economic Profit \$77 million. For 6 mos.'01 excluding Dain, net income and cash net income would have declined 12% and 9% respectively from 6 mos.'00 and ROE would have been 40.8%.

**Excluding one-time revenue in Q1/01 of \$36 million from the sale of Group Retirement Services.

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US GAAP



Business Segment Results

Corporate & Investment Banking*

C\$ millions

	Q2/01	Q2/01 vs.		6 mos.'01	6 mos.'01 vs. 6 mos.'00
		Q1/01	Q2/00		
Revenue	\$ 702	(3)%	8%	\$ 1,425	22%
NIE	462	2	16	914	28
Specific PCL	53	96	231	80	233
General PCL**	-	n/a	n/a	-	n/a
Total PCL	53	96	231	80	135
Net income	116	(21)	(22)	263	(2)
Cash net income	128	(16)	(17)	281	-
Economic Profit	12	(74)	(84)	59	(52)
ROE	13.5%	↓ 540 bp	↓ 1,340 bp	16.1%	↓ 790 bp
Cash ROE	15.0%	↓ 470 bp	↓ 1,300 bp	17.3%	↓ 790 bp

* Dain's contribution to C&IB's results were for 3 months in Q2/01 and 3 weeks in Q1/01. Without the addition of Dain, revenue and NIE would have declined 4% and 12% respectively from Q2/00 and net income and cash net income would have declined 7% and 8% respectively from Q2/00. Excluding Dain, Q2/01 ROE would have been 20.9% and Economic Profit \$51 million. For 6 mos.'01 excluding Dain, net income and cash net income would have increased 7% and 5% respectively from 6 mos.'00 and ROE would have been 20.8%. **\$10 million in Q1/00.

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US GAAP



Business Segment Results

Transaction Processing

C\$ millions

	Q2/01	Q2/01 vs.		6 mos.'01	6 mos.'01 vs. 6 mos.'00
		Q1/01	Q2/00		
Revenue	\$ 175	-	10%	\$ 350	8%
NIE	114	-	6	228	7
Total PCL	(1)	-	n.m.	(2)	n.m.
Net income	37	-	28	74	17
Cash net income	39	-	26	78	16
Economic Profit	22	5%	38	43	19
ROE	31.4%	↑ 190 bp	↑ 330 bp	30.4%	↑ 130 bp
Cash ROE	33.1%	↑ 190 bp	↑ 300 bp	32.1%	↑ 130 bp
Efficiency ratio	65.1%	-	↓ 280 bp	65.1%	↓ 70 bp

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US GAAP

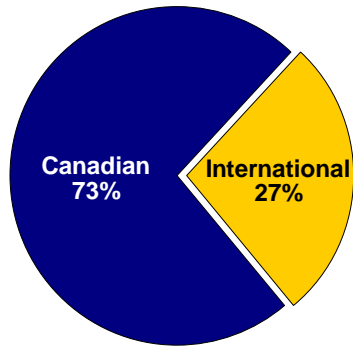


Expansion outside Canada

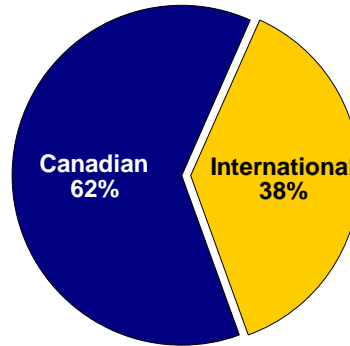
Higher international earnings

Cash net income contribution*

6 months 2000



6 months 2001



* Excluding special items

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US GAAP



U.S. Expansion Strategy

Summary of recent US acquisitions

	<u>Closing Date</u>	<u>Purchase Price</u>	<u>Goodwill</u>	<u>Accretive to Cash EPS</u>
Centura	expected in Q3/01	US\$2.3B*	US\$1.4B*	in Year 2
Dain Rauscher	Jan. 10/01	US\$1.2B	US\$996MM	in Year 2
Liberty	Nov. 1/00	US\$580MM	US\$68MM	in Year 1
Prism	Apr. 20/00	US\$115MM	US\$90MM	in Year 1

* At time of announcement. The Centura acquisition is expected to close during Royal Bank's Q3/01. The purchase price is 1.684 Royal Bank shares for each Centura share. Centura currently has approximately 39.8 million common shares outstanding.

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U.S. Expansion Strategy

Centura acquisition

- Centura shareholders approved transaction on May 3, 2001
- Received U.S. Federal Reserve Board approval on May 21, 2001
- Awaiting Canadian regulatory approval
- Closing expected in Q3/01
- Expect US\$75 million restructuring charge relating to Centura acquisition and integration of 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 in-market synergies

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U.S. Expansion Strategy

Update on Dain Rauscher

- Full quarter of results in Q2/01 (vs. 3 weeks in Q1/01)
- Retention compensation costs of \$57 million (\$29 million in Wealth Management and \$28 million in C&IB)
- Goodwill amortization expenses of \$20 million (\$12 million in Wealth Management and \$8 million in C&IB)

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U.S. Expansion Strategy

Update on Liberty

- Full quarter of results in Q2/01 (vs. 2 months in Q1/01)
- Strong contribution to Insurance earnings
- Work is continuing on a number of pilots to link insurance with other Royal Bank Financial Group platforms in the United States
- Significant planning and efforts are underway to identify new cross-selling initiatives that can be introduced once the acquisition of Centura Banks Inc. has been finalized

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U.S. Expansion Strategy

Update on Prism Financial

- Continuing to benefit from low interest rate environment, resulting in strong loan volumes
- Mortgage originations up 35% over Q1/01 and 117% over Q2/00
- Mortgage Bankers Association now forecasting a 50% increase in mortgage originations in 2001 compared to 2000
- Prism Builder's loan portfolio continues to increase the percentage of higher-margin loans originated in the south and southwest

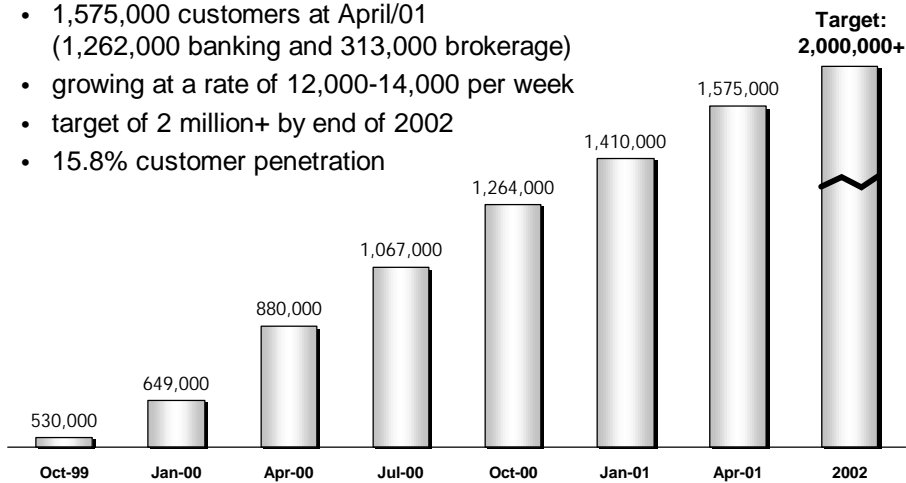
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Online Customers Update

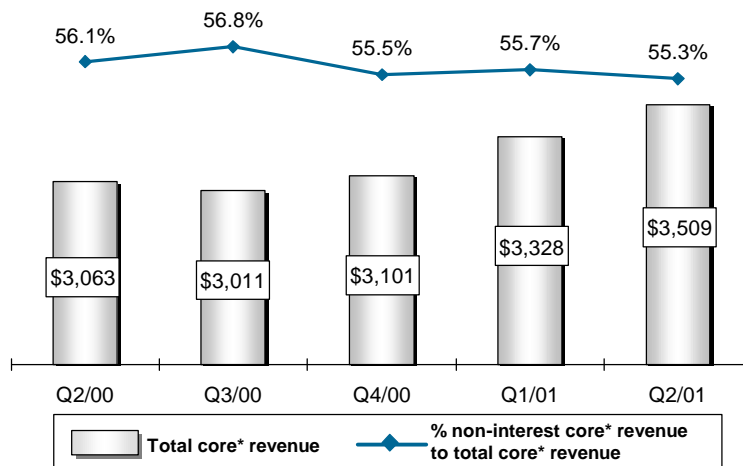
Canadian online customer growth accelerating

- 1,575,000 customers at April/01 (1,262,000 banking and 313,000 brokerage)
- growing at a rate of 12,000-14,000 per week
- target of 2 million+ by end of 2002
- 15.8% customer penetration



Strong Revenue Growth

C\$ millions



*excluding one-time revenues, taxable equivalent basis



Strong Revenue Growth

Non-interest revenue

C\$ millions	Q2/01 vs.				6 mos.'01 vs.	
	Q1/01	Q2/00	Q1/01	Q2/00	6 mos.'00	6 mos.'01
Non-interest revenue growth	\$ (47)	(2)%	\$ 223	13%	\$ 678	21%
Less: one-time items*	(132)		-		132	
Non-interest revenue growth – core	\$ 85	5 %	\$ 223	13%	\$ 546	17%
Due to:						
Insurance**	\$ 26	37 %	\$ 54	126%	\$ 79	89%
Investment management and custodial fees***	42	21	69	40	116	36
Trading revenues***	(137)	(24)	62	17	256	35
Capital market fees***	99	24	15	3	69	8
Mutual fund revenues	(4)	(3)	4	3	17	7
Other***	59	13	19	4	9	1

* in Q1/01, one-time revenues of \$89 million from the formation of Moneris joint venture and \$43 million from the sale of Group Retirement Services **Includes Liberty's revenues in Q2/01 of \$47 million and in Q1/01 of \$6 million ***includes Dain Rauscher's revenues in Q2/01 of \$47 million in investment management and custodial fees, \$101 million in trading revenues, \$143 million in capital market fees and \$20 million in other (in Q1/01, \$13 million, \$40 million, \$54 million and \$8 million respectively).

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US GAAP



Strong Revenue Growth

Wealth Management revenue contributions

C\$ millions	Q2/01	Growth vs. Q2/00
	Private Client Division (Cdn. full service brokerage)	\$ 245
Investment Management*	138	-
Global Private Banking	99	(1)
Action Direct (discount brokerage)	39	(36)
Other	66	(15)
Wealth Management (excluding Dain Rauscher)	\$ 587	(12)%
Dain Rauscher**	252	n/a
Total Wealth Management	\$ 839	26 %

* Includes Royal Mutual Funds.

** Dain Rauscher was purchased in Q1/01.

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US GAAP



Strong Revenue Growth

Capital market fees

C\$ millions

	Q2/01	Q2/01 vs.		6 mos.'01	6 mos.'00
		Q1/01	Q2/00		
Full-service brokerage	\$ 333	29%	19%	\$ 592	18%
Institutional	158	21	(9)	289	2
Discount brokerage	27	(7)	(46)	56	(33)
Total capital market fees*	\$ 518	24%	3%	\$ 937	8%

* Includes Dain Rauscher revenues in Q2/01 of \$102 million in full-service brokerage and \$41 million in institutional (in Q1/01, \$41 million and \$13 million respectively).

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Strong Revenue Growth

Mutual fund assets

C\$ billions

	Assets @ 04/30/01	Asset Growth		Mkt. Share @ 04/30/01
		(3 months)	(12 months)	
1. Investors Group	\$42,602	\$(1,184)	\$1,756	10.38%
2. Royal Mutual Funds	33,949	(92)	238	8.27
3. AIM Funds Group*	33,835	(1,436)	(266)	8.25
4. Fidelity Investments	32,952	(778)	1,665	8.03
5. Mackenzie Financial	31,135	(1,180)	(1,498)	7.59
INDUSTRY	\$410,351			

Continuing to execute on 3-point strategy to grow net sales:

1. Filling in a product gap (i.e. global sector funds launched in January 2001 well-received by investors)
2. Expanding alternative channels (other full-service and discount brokers, insurance companies, financial planners; wholesalers recruited)
3. Promoting Royal Mutual Fund's positive performance

Source: IFIC, excludes reinvested dividends

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Strong Revenue Growth

Margin widens slightly

	Q2/01	Q1/01	Q2/00
Net interest margin	1.97%	1.89%	1.95%
Change in margin		8 b.p.	2 b.p.
Due to:			
Global equity derivatives		8	-
Mortgage spread		5	5
Prime-core deposit spread		(4)	-
Other		(1)	(3)
		<u>8</u>	<u>2</u>
Average Canadian prime rate	6.90%	7.48%	6.85%

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US GAAP



Expense Growth

Operating expenses

C\$ millions	Q2/01	Q1/01	Q2/00
Core NIE	\$ 2,263	\$ 2,144	\$ 1,911
Less:			
• Certain acquisition costs	57	10	-
• Stock Appreciation Rights costs	(16)	10	2
Operating NIE*	\$ 2,222	\$ 2,124	\$ 1,909
Growth vs. Q2/01**		5%	16%

* Operating expenses exclude costs of Stock Appreciation Rights, one-time expenses and certain acquisition costs such as retention compensation and restructuring charges

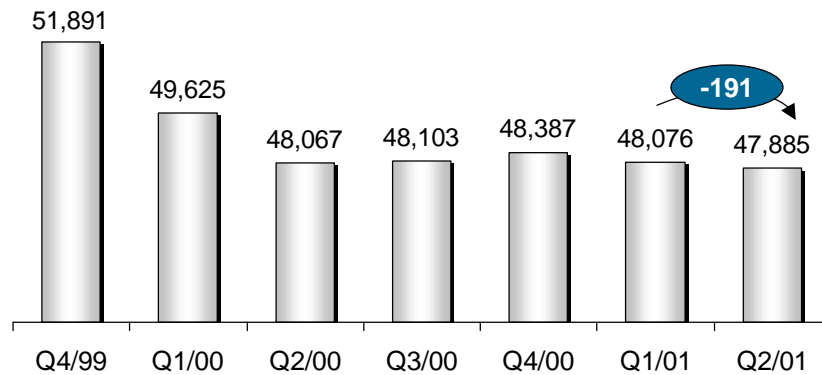
** Largely reflects acquisitions made after Q2/00

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Expense Growth

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

Continuity of restructuring provision

C\$ millions

	<u>Total</u>
Beg. balance - January 31, 1999	\$153
1999 drawdown	(44)
Ending balance - October 31, 1999	\$109
2000 drawdown	(84)
Ending balance - October 31, 2000	\$ 25
Q1/01 drawdown	(5)
Ending balance - January 31, 2001	\$ 20
Q2/01 drawdown	(6)
Ending balance - April 30, 2001	\$ 14

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Solid Balance Sheet

Mortgage growth accelerates

C\$ millions

	April 30, 2001 vs.			
	January 31, 2001		April 30, 2000	
Residential mortgages*	\$ 1,141	2%	\$ 4,060	7%
Personal loans**	(860)	(3)	2,911	11
Credit cards***	(99)	(2)	892	27
Total consumer loans	\$ 182	-	\$ 7,863	9%
Business & government loans	(300)	-	(1,251)	(2)
Total gross loans	\$ (118)	-	\$ 6,612	4%
less: allowance for loan losses	4	-	82	4
Total net loans	\$ (122)	-	\$ 6,530	4%

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

** Decline in personal loans balance from Q1/01 reflects repayment of \$700 million of student loans by the government. Average personal loans were up 1% from Q1/01.

*** Growth before reversal of prior securitizations (\$0.2 billion in Q4/00 and \$0.5 billion in Q3/00).

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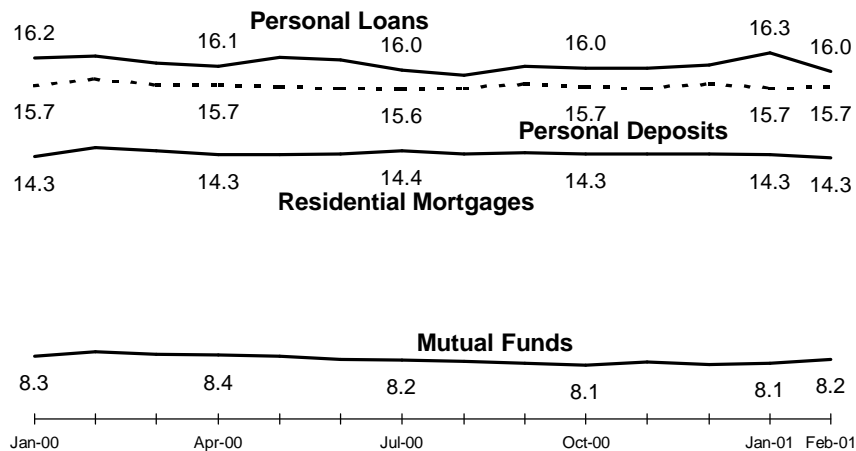
US GAAP



Solid Balance Sheet

Focusing on returns

Market share among all financial institutions in Canada



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Capital Strength

Capital ratios stronger

	<u>3-5 year goal</u>	<u>Q2/01</u>	<u>Q1/01</u>	<u>Q2/00</u>
Common equity/ risk-adjusted assets	7.0%	8.0%	7.6%	7.1%
Tier 1 capital ratio	8.0%	8.8%	8.3%	8.0%
Total capital ratio	11.0-12.0%	12.3%	11.5%	11.1%

Subordinated debentures:

- issued a total of C\$525 million during the quarter through the Canadian Medium Term Note Program
- announced intention to redeem US\$350 million of subordinated debentures due July 2005

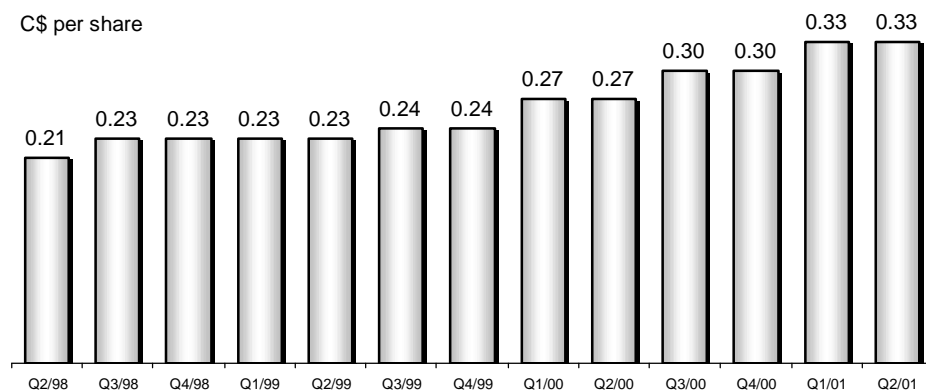
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CDN GAAP



Common share dividends

C\$ per share



- payout ratio of 35%* in Q2/01 (target payout range of 30-40%)
- history of uninterrupted dividend payments

*US GAAP basis

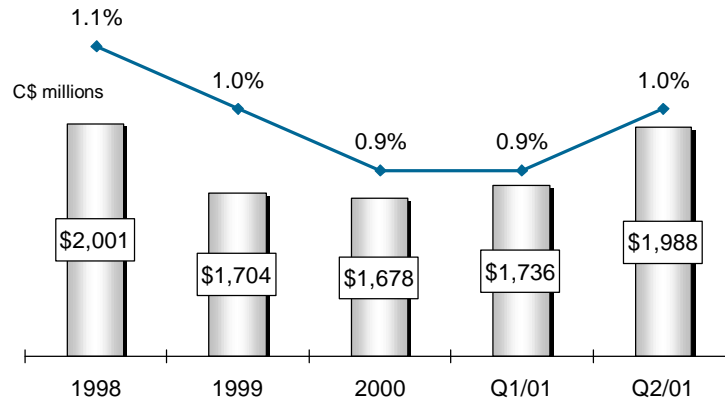
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Asset Quality

Gross impaired (non-accrual) loans

Gross impaired loans ratio*



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



Asset Quality

Gross impaired (non-accrual) loans

C\$ millions

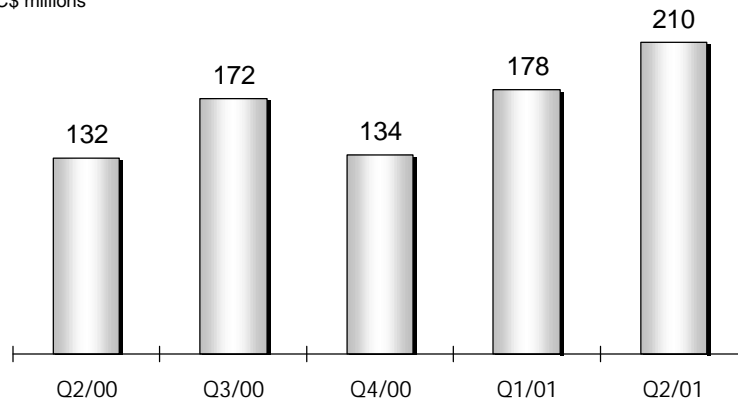
	Q2/01	Q2/01 vs.			
		Q1/01		Q2/00	
Gross impaired loans	\$1,988	\$252	15%	\$316	19%
Comprising:					
Domestic business	\$1,013	\$44	5%	\$140	16%
Domestic consumer	460	1	-	(10)	(2)%
International	515	207	67%	186	57%



Asset Quality

Specific provisions

C\$ millions



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CDN GAAP



Asset Quality

Provision for credit losses (PCL)

C\$ millions

	Q2/01	Q1/01	Q2/00	6 mos.'01	6 mos.'00
Specific provision	\$210	\$178	\$132	\$388	\$265
General provision	-	70	40	70	80
Total PCL	<u>\$210</u>	<u>\$248</u>	<u>\$172</u>	<u>458</u>	<u>345</u>
Specific PCL ratio*	<u>0.44%</u>	<u>0.37%</u>	<u>0.30%</u>	<u>0.40%</u>	<u>0.31%</u>

**In line with target range
of 0.30-0.40%**

* specific provision as a percentage of average loans and acceptances

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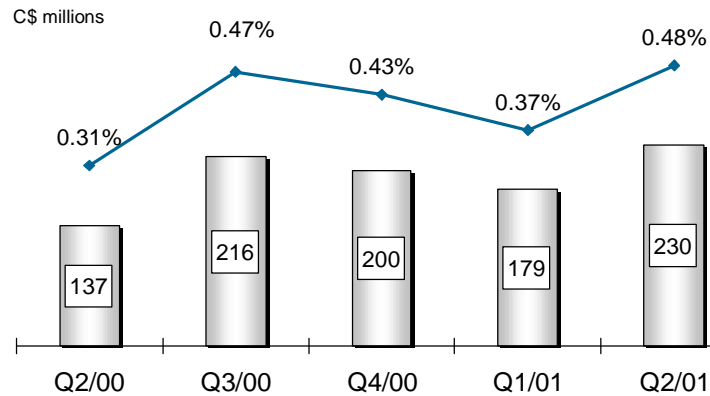
CDN GAAP



Asset Quality

Net write-offs

Net write-off ratio*



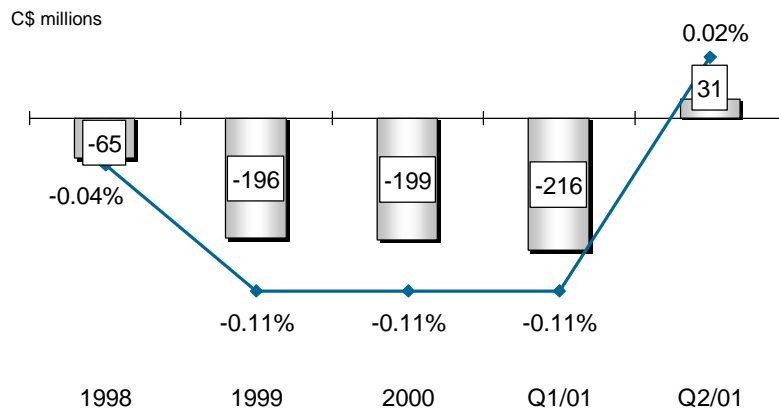
*net write-offs as a percentage of average loans and acceptances



Asset Quality

Net impaired loans

Net impaired loans ratio*



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



Asset Quality

Telecommunication and cable exposure

At April 30, 2001	Total Loans	% total
• Telecommunication & cable loans	\$5.1 billion	
- investment grade	\$3.1 billion	61%
- non-investment grade	\$2.0 billion	39%
• Telecommunication loans only*	\$3.6 billion	
- investment grade	\$2.3 billion	64%
- non-investment grade	\$1.3 billion	36%
• Gross impaired loans		
- telecommunication & cable sector	\$207 million	

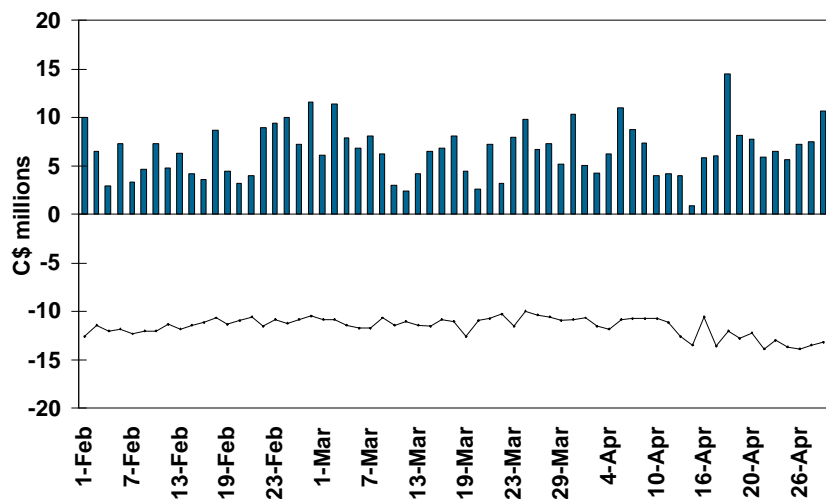
*Includes CLEC exposure of \$340 million (\$85 million investment grade, \$255 million non-investment grade)

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Trading Revenue Performance

Positive performance vs. VaR in Q2/01

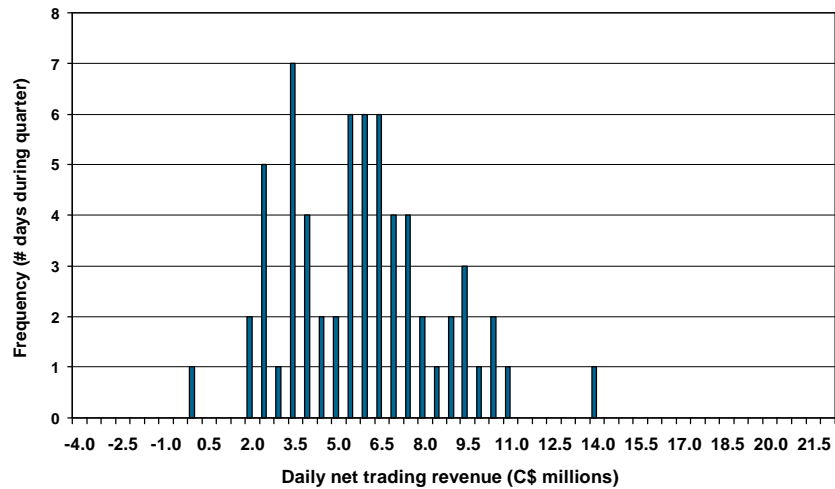


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Trading Revenue Performance

Second quarter – all positive trading days



Caution regarding 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 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.