



ROYAL BANK
OF CANADA

Fourth Quarter 1999

Highlights of Results

November 19, 1999

Investor Relations



Operating highlights - 4th quarter

- Security First Network Bank (SFNB) was rated #1 among 78 US internet banks by Gomez Advisors (www.gomezadvisors.com) for the 4th consecutive quarter
- Global private banking announced the acquisition of the private client trust & fiduciary services businesses of Ernst & Young in Guernsey, with approximately \$3.7 billion in client assets under administration
- Signed four utilities to an electronic bill presentment pilot operated by e-route inc., owned by Royal Bank and 5 other Canadian FIs
- RBC Insurance launched home & auto insurance in Quebec
- Joined an international group of banks in the establishment of the Global Trust Authority (GTA) to facilitate secure worldwide payments over the internet
- RBC Dominion Securities formed a group in the U.S. to originate, distribute and trade high yield bonds



Financial highlights - 4th quarter

- Core EPS (fully diluted) up 11% from Q4/98 and 5% vs. Q3/99
- Core revenues up 12% in quarter, 7% in year
- Non-interest revenues very strong
- Core international earnings 35% of total in 1999
- Base expenses up 3% in quarter and in year
- Specific provisions down \$170 million from Q3/99
- General provision of \$230 million recorded
- General allowance (accumulated general provisions) of \$1,080 million or 0.72% of risk-adjusted assets vs. 0.54% a year ago
- Impaired loans down 9% during the quarter
- Bought back 4.4 million common shares in Q4/99
- Aggressive objectives for 2000 (see chart 46)



Q4/99 core* financial highlights

	<u>U.S. GAAP</u>	<u>CDN. GAAP</u>
EPS (fully diluted)	\$1.40	\$1.39
EPS growth vs. Q4/98	11%	11%
ROE	16.6%	16.6%
Revenue growth vs. Q4/98	12%	13%
Expense growth vs. Q4/98	14%	14%
“Base” expense growth vs. Q4/98**	3%	2%
Efficiency ratio	68.1%	67.1%
“Base” efficiency ratio	52.9%	51.8%

*excluding one-time items ** “base” expenses are shown in chart 30.



1999 core* financial highlights

	<u>U.S. GAAP</u>	<u>CDN. GAAP</u>
EPS (fully diluted)	\$5.25	\$5.32
EPS growth vs. 1998	1%	-
ROE	16.1%	16.6%
Revenue growth vs. 1998	7%	7%
Expense growth vs. 1998	9%	9%
“Base” expense growth vs. 1998**	3%	2%
Efficiency ratio	66.2%	65.2%
“Base” efficiency ratio	52.8%	51.9%

*excluding one-time items ** “base” expenses are shown in chart 30.



U.S. GAAP

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One-time items impacting quarterly earnings

\$ millions	Q4/99	Q3/99	Q4/98
Non-interest revenue			
Gain on sale of real estate (Other)	95	-	-
Writedowns of investments (Other)	-	(18)	-
	95	(18)	-
Provision for credit losses			
Addition to general provision *	(90)	-	-
Non-interest expenses			
Expenses related to sale of real estate (Other)	(5)	-	-
Merger-related costs (Other)	-	-	(21)
	(5)	-	(21)
Total impact (pre-tax)	-	(18)	(21)
Total impact (after-tax)	-	(10)	(12)
Impact on EPS (fully diluted)	-	(\$0.03)	(\$0.04)

* \$35 mm of addition to general provision allocated to personal & commercial banking, \$55 mm to corporate & investment banking

Other = "Other" segment



CDN. GAAP

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One-time items impacting quarterly earnings

\$ millions	Q4/99	Q3/99	Q4/98
Non-interest revenue			
Gain on sale of real estate (Other)	95	-	-
Writedowns of investments (Other)	-	(18)	-
	95	(18)	-
Provision for credit losses			
Addition to general provision *	(90)	-	-
Non-interest expenses			
Expenses related to sale of real estate (Other)	(5)	-	-
Merger-related costs (Other)	-	-	-
	(5)	-	-
Total impact (pre-tax)	-	(18)	-
Total impact (after-tax)	-	(10)	-
Impact on EPS (fully diluted)	-	(\$0.03)	-

* \$35 mm of addition to general provision allocated to personal & commercial banking, \$55 mm to corporate & investment banking

Other = "Other" segment



One-time items impacting full-year earnings

U.S. GAAP

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\$ millions	1999	1998	
Non-interest revenue			
Gain on sale of securities (P&C)	28	277	
Gain on sale of real estate (Other)	95	-	
Writedown of real estate (Other)	-	(22)	
Writedown of Mecca & Integrion (Other)	(18)	-	
Writedown of Hambros (Other)	-	(8)	
	105	247	
Provision for credit losses			
One-time specific provision (C&IB)	-	(75)	
Addition to general provision (C&IB, P&C)*	(90)	(75)	
	(90)	(150)	
Non-interest expenses			
Expenses related to sale of real estate (Other)	(5)	-	*Addition to general provision of \$90 million in 1999 allocated: \$35 mm to P&C, \$55 mm to C&IB
Back-office restructuring (Other)	-	(62)	
Hambros integration (C&IB)	-	(23)	
Restructuring costs (C&IB, P&C, Other)	(153)	-	
Merger-related costs (Other)	(12)	(31)	
	(170)	(116)	
Total impact (pre-tax)	(155)	(19)	P&C = Personal & commercial banking
Total impact (after-tax)	(88)	(17)	C&IB = Corporate & investment banking
Impact on EPS (fully diluted)	(\$0.28)	(\$0.05)	Other = Other segment



One-time items impacting full-year earnings

CDN. GAAP

8

\$ millions	1999	1998	
Non-interest revenue			
Gain on sale of securities (P&C)	28	277	
Gain on sale of real estate (Other)	95	-	
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Back-office restructuring (Other)	-	(62)	
Hambros integration (C&IB)	-	(23)	
Restructuring costs (C&IB, P&C, Other)	(153)	-	
Merger-related costs (Other)	(36)	(7)	
	(194)	(92)	
Total impact (pre-tax)	(179)	5	P&C = Personal & commercial banking
Total impact (after-tax)	(102)	(3)	C&IB = Corporate & investment banking
Impact on EPS (fully diluted)	(\$0.31)	(\$0.01)	Other = Other segment



Q4/99 and 1999 core* performance vs. objectives

U.S. GAAP

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\$ millions

	3-5 year goal**	Target for 1999	Performance	
			Q4/99	1999
Core Profitability measures				
ROE	17-20%	-	16.6%	16.1%
EPS growth (fully diluted)	-	4-7%	11%	1%
Revenue growth	-	mid-single digits	12%	7%
Expense growth	-	< revenue growth	14%	9%
"Base" expense growth ***	-	-	3%	3%
Efficiency	59.5%	-	68.1%	66.2%
Specific provision for credit losses/ average loans, BAs & repos				
	0.35-0.40%	0.35-0.40%	0.01%	0.30%
Dividend payout ratio	30-40%	-	34%	36%
Capital adequacy ratios (OSFI)				
Common equity to				
risk-adjusted assets	7.0%	-	7.1%	
Tier 1 capital	8.0%	-	8.1%	
Total capital	11.0-12.0%	-	11.2%	

*excluding one-time items. Growth is over year ago. **Goals set in 1998. *** "Base" expenses are shown in chart 30.



Q4/99 and 1999 core* performance vs. objectives

CDN. GAAP

10

\$ millions

	3-5 year goal**	Target for 1999	Performance	
			Q4/99	1999
Core Profitability measures				
ROE	17-20%	-	16.6%	16.6%
EPS growth (fully diluted)	-	4-7%	11%	-
Revenue growth	-	mid-single digits	13%	7%
Expense growth	-	< revenue growth	14%	9%
"Base" expense growth	-	-	2%	2%
Efficiency	59.5%	-	67.1%	65.2%
Specific provision for credit losses/ average loans, BAs & repos				
	0.35-0.40%	0.35-0.40%	0.01%	0.30%
Dividend payout ratio	30-40%	-	34%	35%
Capital adequacy ratios (OSFI)				
Common equity to				
risk-adjusted assets	7.0%	-	7.1%	
Tier 1 capital	8.0%	-	8.1%	
Total capital	11.0-12.0%	-	11.2%	

*excluding one-time items. Growth is over year ago. **Goals set in 1998.



Real estate sale

- 33 non-branch, multi-tenant buildings sold to Oxford Properties Group and OMERS in October for \$827 million (pre-tax)
- the gain on sale is as follows:

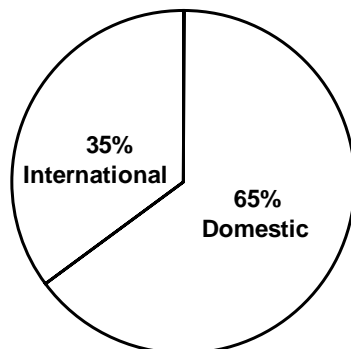
	<u>Pre-tax</u>	<u>After-tax</u>
Net gain realized in Q4/99	\$90*	\$ 51
Net gain to be deferred & amortized over ≈10-year average lease term	255	144
Total net gain on sale	<u>\$345*</u>	<u>\$195</u>

*net of \$5 million of human resource expenses



Solid international core* earnings

for the year ended October 31, 1999



- highest contribution from Europe - strong private banking operations
- profitable Caribbean retail operations
- growing U.S. operations
- focused Latin American & Asian operations

*excluding one-time items



Successful international niche acquisitions and expansion efforts

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Wealth management

- Ernst & Young's private client trust and fiduciary services businesses (Guernsey - 1999)
- Hartley Poynton - increased equity stake to 40% (Australia - 1999)
- British Airways alliance - (U.K. - 1999)
- Coutts Group's offshore European corporate, institutional, trust & fiduciary businesses (U.K. - 1998)
- Credit Suisse private banking (North America - 1998)

Corporate & investment banking

- Hambros' bond business (U.K. - 1998)
 - revenues of \$83 million in 1999, up 65% over last year
- Global equity derivatives team (U.S. - 1995)
 - revenues of \$330 million in 1999, up 140% from 1998

E-commerce

- Security First Network Bank (U.S. - 1998)
- Bull & Bear Securities Inc. (U.S. - 1999)



U.S. expansion strategy

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- SFNB and Bull & Bear - small first steps at attractive prices
- Target of additional 1 million customers in U.S. over next 3 years
 - through internal growth, alliances and acquisitions
- Right businesses → e-commerce, wealth management, segments of personal & commercial banking
- Corporate & investment banking expanding expertise in energy, telecom. & technology
 - hired energy team & formed high-yield group (1999)



Business segment core* results - Q4/99

U.S. GAAP

15

\$ millions

	<u>Net income</u>	<u>Net income contributions</u>	<u>Net income growth**</u>	<u>ROE</u>	<u>Efficiency</u>
Personal & commercial banking	\$340	71%	14%	27.1%	58.5%
Wealth management	89	19%	10%	48.5%	80.6%
Corporate & investment banking	111	23%	68%	22.3%	59.1%
Other	(61)	(13)%	n.m.	n.m.	n.m.
Total	\$479	100%	10%	16.6%	68.1%

*excluding one-time items **growth vs. Q4/98.



Business segment core* results - 1999

U.S. GAAP

16

\$ millions

	<u>Net income</u>	<u>Net income contributions</u>	<u>Net income growth**</u>	<u>ROE</u>	<u>Efficiency</u>
Personal & commercial banking	\$1,101	61%	1%	23.4%	61.2%
Wealth management	322	18%	14%	44.2%	79.0%
Corporate & investment banking	448	25%	52%	21.7%	60.2%
Other	(58)	(4)%	n.m.	n.m.	n.m.
Total	\$1,813	100%	1%	16.1%	66.2%

*excluding one-time items **growth vs. 1998.



Personal & commercial banking - core* results

U.S. GAAP

17

\$ millions

	Q4/99	Q4/99 vs.		1999	1999 vs.
		Q3/99	Q4/98		1998
Revenue	\$1,602	5%	11%	\$6,071	8%
NIE	\$ 937	2%	4%	\$3,714	6%
Net income	\$ 340	25%	14%	\$1,101	1% **
ROE***	27.1%	420 b.p.	(450) b.p.	23.4%	(610) b.p.
Efficiency	58.5%	(200) b.p.	(400) b.p.	61.2%	(110) b.p.

* excluding one-time items

** 5% excluding costs of strategic initiatives

***ROE reductions reflect capital reallocation at the beginning of 1999



Wealth management - core* results

U.S. GAAP

18

\$ millions

	Q4/99	Q4/99 vs.		1999	1999 vs.
		Q3/99	Q4/98		1998
Revenue	\$ 623	6%	13%	\$2,329	7%
NIE	\$ 502	9%	21%	\$1,841	8%
Net income	\$ 89	9%	10%	\$ 322	14%
ROE**	48.5%	540 b.p.	(260) b.p.	44.2%	(260) b.p.
Efficiency	80.6%	240 b.p.	530 b.p.	79.0%	80 b.p.

* excluding one-time items

**ROE reductions reflect capital reallocation at the beginning of 1999



Corporate & investment banking - core* results

U.S. GAAP

19

\$ millions

	Q4/99	Q4/99 vs.		1999	1999 vs.	
		Q3/99	Q4/98		1998	1998
Revenue	\$ 584	2 %	24%	\$2,239	12%	
NIE	\$ 345	(3)%	19% **	\$1,348	15% **	
Net income	\$ 111	(4)%	68%	\$ 448	52%	
ROE	22.3%	(60) b.p.	860 b.p.	21.7%	530 b.p.	
Efficiency	59.1%	(300) b.p.	(210) b.p.	60.2%	150 b.p.	

* excluding one-time items

**excluding acquisition of participating preferred shares of RBC Dominion Securities effective Nov.1/98, NIE growth was 10% over Q4/98 and 6% over 1998.



Strong non-interest revenue growth

U.S. GAAP

20

\$ millions

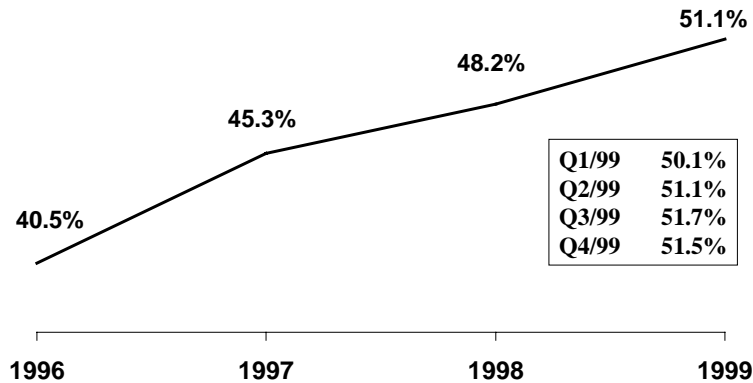
	Q4/99 vs.				1999 vs.	
	Q3/99		Q4/98		1998	
Non-interest revenue - reported	\$163	12%	\$349	30%	\$494	10%
Less one-time items	113		95		(142)	
Non-interest revenue - core*	\$ 50	4%	\$254	22%	\$636	13%
Due to:						
Capital market fees	\$ 22	7%	\$ 95	38%	\$ 91	8%
Card service revenues	18	19	40	56	57	19
Trading revenues	(23)	(8)	56	28	354	47
Insurance	24	71	32	123	61	54
Gain (loss) on available-for-sale securities	24	n.m.	24	n.m.	(48)	(73)
Investment management and custodial fees	14	10	21	16	52	11
Mutual fund revenues	(3)	(2)	9	8	32	7
FX (other than trading)	(2)	(3)	5	8	25	11
Securitization revenues	(24)	(38)	(26)	(39)	(6)	(3)
Other	-	-	(2)	(1)	18	2

*excluding one-time items



Proportion of non-interest revenue (other income) continues to grow

Core non-interest revenue (other income) as a % of total core revenue*



*excluding one-time items. One-time revenue in 1997 was \$115MM and in 1996 was \$83MM.



Holding #2 position in mutual fund assets

\$ millions

	Assets @ 10/31/99	Asset Growth (3 months)	Asset Growth (12 months)	Net Sales (3 months)	Net Sales (12 months)
1. Investors Group	\$36,583	(\$ 353)	\$4,800	\$ 281	\$1,603
2. Royal Mutual Funds	30,634	(116)	3,134	(272)	1,531
3. Mackenzie Financial	28,718	152	4,057	397	2,498
4. Fidelity	24,451	756	7,368	652	5,099
5. Trimark	24,298	(752)	45	(143)	(2,670)
6. Templeton	19,631	(888)	1,552	94	(267)
7. AGF Management	18,043	(25)	3,602	446	2,079
8. Toronto Dominion	16,730	(37)	2,415	(116)	1,181
9. CIBC*	15,634	(46)	3,011	(112)	1,727
10. CI**	15,232	989	4,550	589	2,487
11. Canada Trust	12,993	(322)	1,257	(250)	658
12. AIC	12,058	(324)	1,076	(29)	1,596

Source: IFIC, excludes reinvested dividends

* Excludes the CIBC Imperial Funds balance to ensure consistent comparisons.

**Reflects the acquisition of BPI Financial Corp.



Mutual fund market share

\$ millions

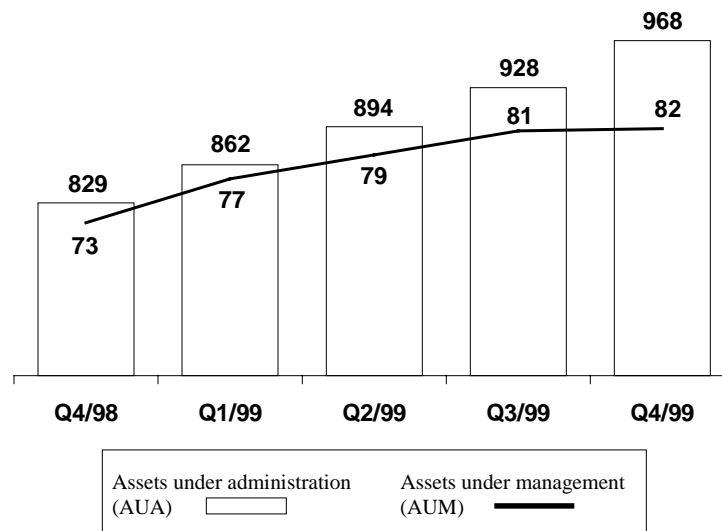
	Assets @ 10/31/99	Mkt. Share @ 10/31/99	Mkt. Share vs. 7/31/99	Mkt. Share vs. 10/31/98
1. Investors Group	\$36,583	10.3%	(3) b.p.	5 b.p.
2. Royal Mutual Funds	30,634	8.6	3	(24)
3. Mackenzie Financial	28,718	8.1	9	13
4. Fidelity	24,451	6.9	25	136
5. Trimark	24,298	6.8	(17)	(98)
6. Templeton	19,631	5.5	(22)	(31)
7. AGF Management	18,043	5.1	3	42
8. Toronto Dominion	16,730	4.7	2	9
9. CIBC	15,634	4.4	1	33
10. CI	15,232	4.3	30	84
11. Canada Trust	12,993	3.6	(7)	(13)
12. AIC	12,058	3.4	(7)	(15)
INDUSTRY	\$356,704			

Source: IFIC, excludes reinvested dividends



AUA up 17% over last year

\$ billions





Strong growth in wealth management businesses

25

in \$ billions

	Revenue	Assets under administration	
	1999 vs. 1998	10/31/99	1999 vs. 1998
Global private banking	12%	\$ 73	51%
Action Direct (discount brokerage)	54	10	38
Global securities services	4	755	14
Private client division	5	93	12
Investment management	4	28	12

- Double-digit earnings growth in global private banking, private client division, global securities services and Action Direct
- Action Direct's number of accounts up 25% over 10/31/98 to 365,000



Margin up from Q3/99

U.S. GAAP 26

	Q4/99	Q3/99	Q4/98
Net interest margin	1.94%	1.86%	1.89%
Change in margin vs. Q4/99		8 b.p.	5 b.p.
Due to:			
Lower non-earning assets		0.01	0.03
Higher proportion of retail loans		0.01	0.04
Prime-core deposit spread		-	(0.04)
Other		0.06	0.02
		0.08	0.05



Consumer loan growth* continues

\$ millions

	October 31, 1999 - vs.			
	July 31, 1999		October 31, 1998	
Residential mortgages*	\$ 1,469	2 %	\$6,006	11%
Personal loans	886	4	2,494	11
Credit cards	473	22	721	37
Total consumer loans	\$ 2,828	3 %	\$9,221	11 %
Business & government loans	(1,989)	(3)	(9,332)	(12)
Total gross loans	\$ 839	1 %	(\$ 111)	-
less: ACL**	(56)	(3)	(142)	(7)
Total net loans	\$ 859	1 %	\$ 31	-

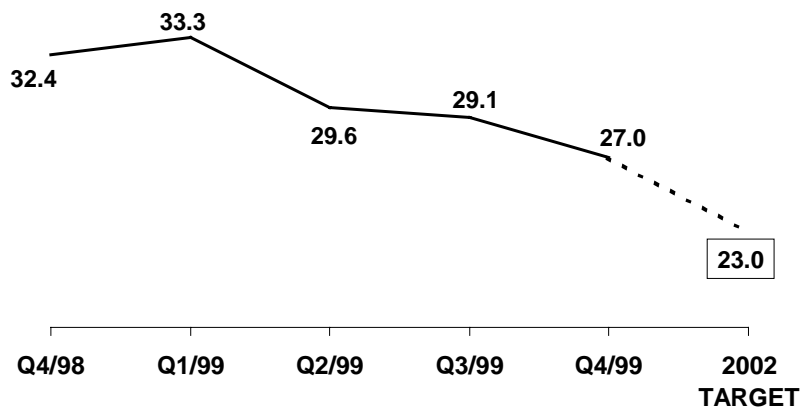
* before mortgage securitizations of \$2.2 billion in Q4/99 and \$3.2 billion in 1999. These balances now appear in securities.

** allowance for credit losses



International corporate lending volumes declining

C\$ billions - includes on- & off-balance sheet items*



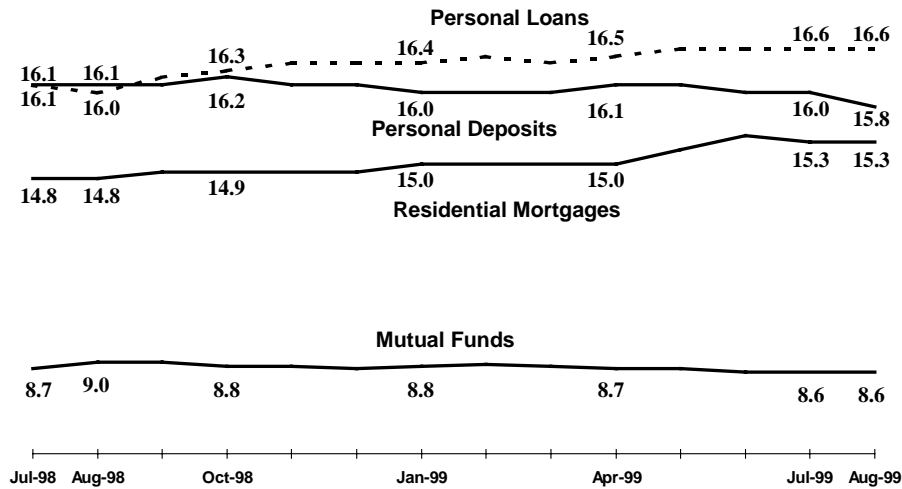
* includes approximately \$5 billion in off-balance sheet assets each quarter



Consumer loan market shares up from April '99

29

Market share among all financial institutions in Canada



"Base" NIE up 3% over 1998

U.S. GAAP

30

\$ millions

	Q4/99	Q3/99	Q4/98	1999	1998
Reported NIE	\$1,892	\$1,722	\$1,675	\$7,141	\$6,510
Consisting of:					
• Performance-related	332	276	221	1,154	956
• Strategic initiatives*	70	43	12	151	27
• Acq. of DS pref. shares**	26	26	-	104	-
• One-time expenses	5	-	21	170	116
• "Base"	\$1,459	\$1,377	\$1,421	\$5,562	\$5,411
Growth in "base" NIE					
vs. Q4/99 and 1999		6.0%	2.7%		2.8%

* mostly SFNB, e-commerce, insurance & wealth management

**impact of acquiring participating preferred shares of RBC Dominion Securities effective Nov.1/98.



“Base” NIE accounts for <25% of total NIE growth rate

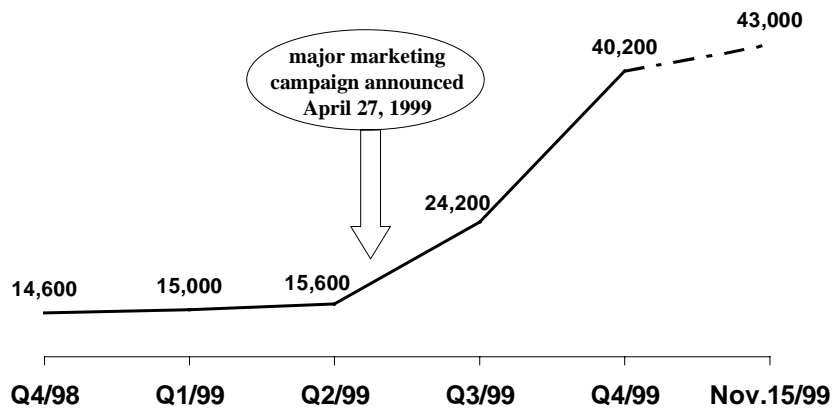
	Q4/99 vs.		1999 vs.
	Q3/99	Q4/98	1998
Reported increase in NIE	9.9%	13.0%	9.7%
Consisting of:			
• performance-related	3.2	6.6	3.1
• strategic initiatives*	1.6	3.5	1.9
• acq. of DS pref. shares**	-	1.6	1.6
• one-time items	0.3	(1.0)	0.8
• “base”	4.8	2.3	2.3

* mostly SFNB, e-commerce, insurance & wealth management
 **impact of acquiring participating preferred shares of RBC Dominion Securities effective Nov.1/98.



Security First Network Bank’s accounts rising

of customer accounts up 175% from last year



- Ranked #1 among 78 U.S. internet banks by Gomez Advisors (www.gomezadvisors.com) for 4th consecutive quarter

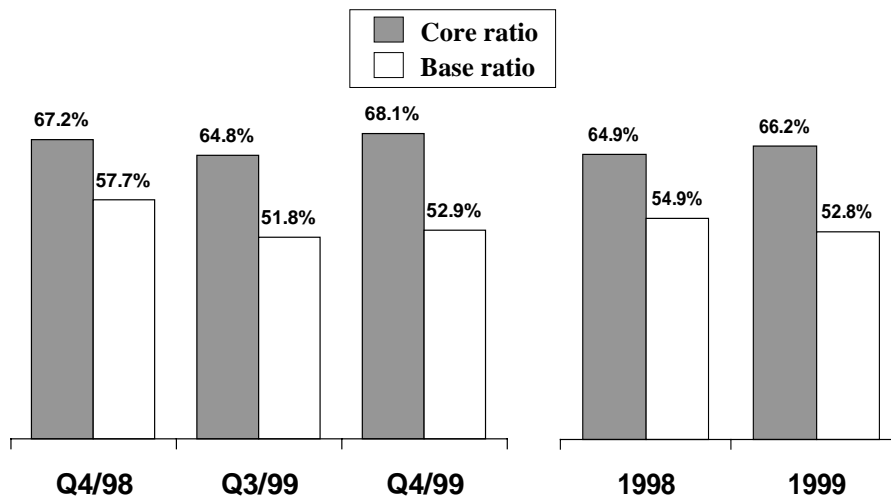


Canadian e-commerce business

- 530,000 online customers at Q4/99
- Goal to achieve over 1 million online customers in Canada by Q4/2000 through:
 - technology of Security First Technologies
 - one-stop banking, brokerage, personalized information
 - customer relationship management
 - segmentation, predictive modelling
 - partnership with AOL
 - 20% equity stake in AOL Canada
 - interactive marketing agreements, choice advertising locations, co-branding & bundling services
 - access to new customers
 - access to deal flow - potential partnerships



Core and “base” efficiency ratios*



*Core ratios exclude one-time items. “Base” ratios exclude one-time items, costs related to strategic initiatives and performance-related expenses.



Efficiency ratio targeted for significant improvement

35

- Continuing to target 59.5% core efficiency ratio exiting Q4/2000 (using Canadian GAAP)
 - will require \$400 million+ of cost savings
 - will allow accelerated spending on new initiatives



Targeting substantial cost savings

36

\$ millions

	<u>Targeted cost savings</u>
1. Reduced overhead functions	\$100+
2. Streamlined service delivery	100
3. Lower costs for purchased goods & services	100
4. Reduction of international corporate lending	75
5. Network reconfiguration	<u>35</u>
TOTAL	≈ \$400



Cost savings initiatives

- | | <u>2000</u> | <u>2001</u> |
|---|-------------|-------------|
| ▸ Expected FTE*
reductions | 3,000-4,000 | 1,000-2,000 |
| ▸ Attrition running at 2,500 people/year | | |
| ▸ Using attrition, carefully managed hiring, phased retirement program and some displacements | | |
| ▸ Direct link between senior executive incentive pay and contribution to cost reduction | | |

*number of employees on full-time equivalent basis (Q4/99 - 52,026)



Gross impaired loans

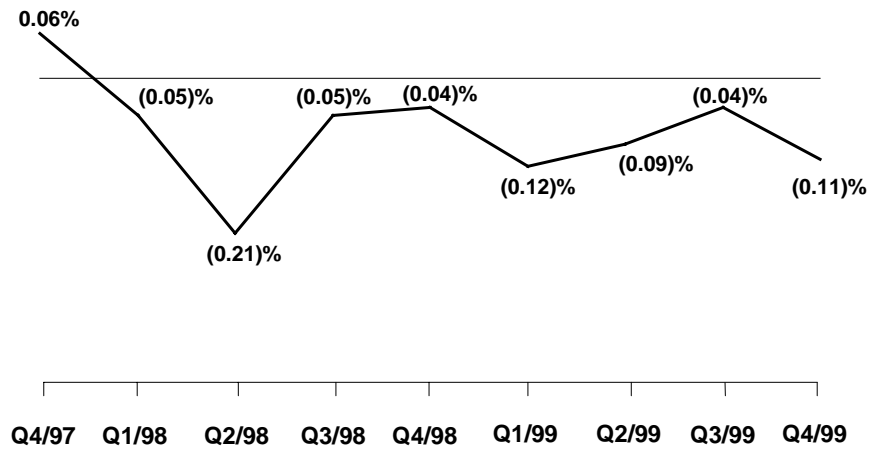
\$ millions

	<u>Q4/99</u>	<u>Q4/99 vs.</u>			
		<u>Q3/99</u>		<u>Q4/98</u>	
Gross impaired loans	\$1,704	(\$173)	(9)%	(\$297)	(15)%
Comprising:					
Domestic business	\$ 978	(\$ 36)	(4)%	(\$149)	(13)%
Domestic retail	409	(39)	(9)	26	7
International	317	(98)	(24)	(174)	(35)



Net impaired loans ratio improves

Net impaired loans as a % of total loans & BAs*



*net of allowance for credit losses



Provision for credit losses (PCL)

\$ millions

	<u>Q4/99</u>	<u>Q3/99</u>	<u>Q4/98</u>	<u>1999</u>	<u>1998</u>
Specific provision	\$ 5	\$175	\$100	\$530	\$555
General provision	230	-	-	230	100
Country risk provision	-	-	-	-	(80)
Total PCL	<u>\$235</u>	<u>\$175</u>	<u>\$100</u>	<u>\$760</u>	<u>\$575</u>
Core PCL*	<u>\$145</u>	<u>\$175</u>	<u>\$100</u>	<u>\$670</u>	<u>\$425</u>
Specific PCL ratio**	0.01%	0.39%	0.22%	0.30%	0.31%

*excluding one-time items. **as percentage of average loans, bankers' acceptances and reverse repos.



Asian exposure down 47% from Q4/98

41

C\$ millions - includes on- & off-balance sheet items

	Q4/99	Q3/99	Q4/98
Japan	\$2,375	\$2,659	\$3,999
South Korea	465	452	620
Hong Kong	330	420	878
Indonesia	94	115	179
Thailand	47	83	198
Other	708	712	1,738
<i>Total gross exposure</i>	\$4,019	\$4,441	\$7,612
less: ACL*	92	129	254
TOTAL NET EXPOSURE	\$3,927	\$4,312	\$7,358
Impaired loans			
before ACL*	\$127	\$198	\$308
after ACL*	\$ 35	\$ 69	\$ 54

*Allowance for credit losses



Latin American exposure down 45% from Q4/98

42

C\$ millions - includes on- & off-balance sheet items

	Q4/99	Q3/99	Q4/98
Mexico	\$677	\$717	\$1,054
Chile	649	696	865
Argentina	440	594	1,002
Colombia	230	309	347
Brazil	162	137	625
Venezuela	41	47	95
Other	3	3	17
<i>Total gross exposure</i>	\$2,202	\$2,503	\$4,005
less: ACL*	(7)	(6)	(3)
TOTAL NET EXPOSURE	\$2,195	\$2,497	\$4,002
Impaired loans			
before ACL*	\$10	\$10	\$4
after ACL*	\$ 3	\$ 4	\$1

*Allowance for credit losses



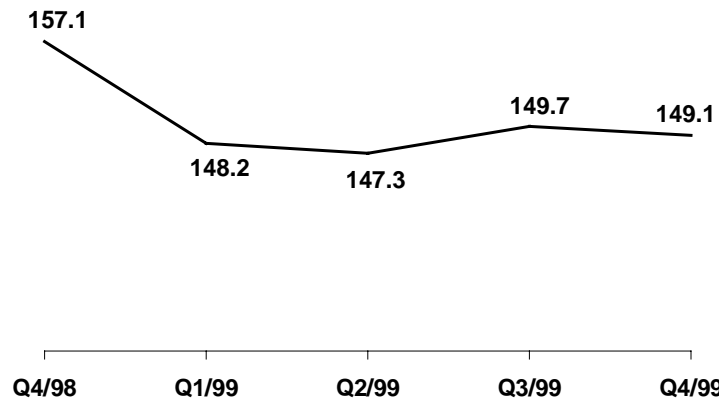
Capital ratios in line with goals

	<u>3-5 year goal</u>	<u>Q4/99</u>	<u>Q3/99</u>	<u>Q4/98</u>
Common equity/ risk adjusted assets	7.0%	7.1%	7.1%	6.2%
Tier 1 capital ratio	8.0%	8.1%	8.4%	7.4%
Total capital ratio	11.0-12.0%	11.2%	11.6%	10.5%



Risk-adjusted assets down 5% from last year

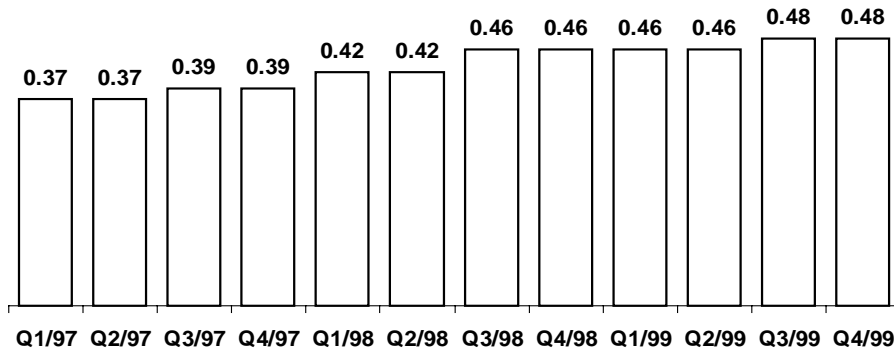
\$ billions





Common share dividends

Dividends per common share in C\$



- core payout ratio of 36% in 1999 (target payout range of 30-40%)
- dividend increase of 4% or \$0.02 per share in Q3/99
- history of uninterrupted dividend payments



Objectives for 2000

- Objective 1:** maintain valuation levels (share price/book value and share price/earnings) that are in the top quartile of the TSE Banks and Trusts Index
- Objective 2:** grow core fully diluted earnings per share (ie. excluding one-time items) by 12-14%
- Objective 3:** achieve an ROE within medium-term goal range of 17-20%
- Objective 4:** achieve revenue growth in the mid-single digits and maintain or enhance market shares in personal banking products and mutual funds
- Objective 5:** contain expenses to a level that allows achievement of a 59.5% efficiency ratio exiting the fourth quarter of 2000 (using Canadian GAAP)
- Objective 6:** achieve a ratio of specific provisions for credit losses to average loans (including reverse repos & BAs) of 0.30%-0.40%
- Objective 7:** maintain strong capital ratios while completing the 3.5% share repurchase program announced in May 1999



Forward looking statements

This presentation contains certain forward looking statements with respect to the Canadian economy, Royal Bank's financial condition, results of operations, and strategies and objectives for the coming year(s). 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. Royal 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, changes in Canadian and/or global economic conditions including fluctuations in currencies, interest rates and inflation, regulatory developments, technological changes, the effects of competition in the geographic and business areas where the bank operates. Royal 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 events.