



Reconciliation of non-GAAP earnings to GAAP earnings (Q4/04)

C\$ millions, except per share amounts

	U.S. GAAP	Cdn. GAAP
Net income	\$504	\$518
Business realignment charges	192	192
Goodwill impairment related to RBC Mortgage	130	130
Amortization of other intangibles	16	16
Related income tax	(68)	(68)
Net income, excluding the impact of the items specified above*	\$774	\$788
EPS – diluted	\$0.76	\$0.78
Impact on diluted EPS of items specified above	0.41	0.41
EPS – diluted, excluding the impact of the items specified above*	\$1.17	\$1.19

Note to users: please refer to discussion of the use of non-GAAP financial measures accompanying this table.

* non-GAAP financial measures



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We believe that certain non-GAAP measures, in this case non-GAAP net income excluding certain specified items and the related per share amounts, can provide useful information to investors regarding the company's results of operations. While our management evaluates our earnings primarily on the basis of our results as reported in our consolidated financial statements prepared in accordance with United States generally accepted accounting principles (GAAP), management also evaluates our earnings excluding certain items, which in the fourth quarter of 2004 were business realignment charges and a goodwill impairment charge related to RBC Mortgage, that affect our reported results but that, in our view, are not part of our normal day-to-day operations. We believe that the impact of the business realignment and goodwill impairment charges may obscure or distort trends in the results or in our ongoing operations and that investors evaluating our results may find that earnings measures excluding the impact of these charges may be a useful supplement to GAAP information. In addition, the amortization of other intangibles is a "non-cash" accounting concept that does not deplete our cash and is therefore excluded. However, it should be noted that determining whether an item should be excluded involves judgment by management. The impact of these excluded items were material to our operating results computed in accordance with GAAP in Q4/04.

Readers are cautioned that non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies.