RBC Financial Group

Third Quarter 2003

Quarterly Results Slides

August 26, 2003

Investor Relations

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Caution regarding forward-looking statements

From time to time, we make written and oral forward-looking statements, included in this presentation, in other filings with Canadian regulators or the U.S. 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 199*5. These forward-looking statements include, among others, statements with respect to our objectives for 2003, and the medium and long terms, and strategies to achieve those objectives, as well as statements with respect to our 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. We caution 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 we conduct operations; the strength of the United States economy and the economies of other nations in which we conduct 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 we operate; inflation; capital market and currency market fluctuations; the timely development and introduction of new products and services 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; our ability to complete strategic acquisitions and to integrate acquisitions; unexpected judicial or regulatory proceedings; unexpected changes in consumer spending and saving habits; the possible impact on our businesses of international conflicts and other developments including those relating to the war on terrorism; and our anticipation of and success in managing the risks implicated by the foregoing.

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

Note to users

We use a variety of financial measures to evaluate our performance. In addition to GAAP-prescribed measures, we use certain non-GAAP measures we believe provide useful information to investors regarding our financial condition and results of operations. Readers are cautioned that non-GAAP financial measures, such as average common equity and managed asset balances, do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies.

Further explanations of non-GAAP financial measures discussed in this presentation can be found in the "Explanation of certain terms" on chart 53 and reconciliation of non-GAAP measures to GAAP measures can be found throughout this presentation.

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Charts

Financial overview

Third quarter highlights*

- Net income up $54 MM or 7% (up 12% under Cdn. GAAP)
- EPS - diluted up $0.12 or 12% (up 17% under Cdn. GAAP)
- Impact of strengthening CAD vs. USD reduced net income by $25 MM, diluted EPS by $0.04 and ROE by 50 bp
- Net income from U.S. acquisitions was $76 MM vs. $65 MM in Q3/02
- Revenue and expense growth both 3%
- Excluding the $150 MM impact on revenues and the $110 MM impact on expenses of the strengthening CAD vs. USD, revenues and NIE both up 7%**
- Nonaccrual loans down $264 MM or 12% from Q2/03
- Specific provision for credit losses $170 MM (down $41 MM or 19% from Q2/03) or 0.31% of average loans, acceptances and reverse repos (Cdn. GAAP)

*Growth vs. Q3/02 except where noted **see charts 25 and 31

Financial overview

Key third quarter and first 9 mos. numbers*

C$ millions	U.S. GAAP		Cdn. GAAP	
	Q3/03	**9 mos'03**	**Q3/03**	**9 mos'03**
Net income	$776	$2,232	$783	$2,259
Net income growth	7%	3%	12%	8%
EPS - diluted	$1.14	$3.24	$1.16	$3.28
EPS growth	12%	6%	17%	10%
ROE	17.4%	16.6%	17.5%	16.8%
Revenues	$3,967	$11,680	$4,024	$11,875
Revenue growth	3%	(1)%	4%	-
Non-interest expense	$2,581	$7,654	$2,615	$7,785
NIE growth	3%	-	3%	-

*Growth vs. Q3/02 and 9 mos'02

Financial overview

Impact of stronger CAD vs. USD

C$ millions

FX impact on:	Q3/03 vs. Q2/03*	Q3/03 vs. Q3/02*	9 mos'03 vs. 9 mos'02*
Revenues	(85)	(150)	(275)
Non-interest expense	60	110	200
Net income	(15)	(25)	(45)
EPS - diluted ($/share)	$(0.03)	$(0.04)	$(0.07)
ROE	(30) bp	(50) bp	(30) bp

Value of C$1.00 in USD	Q3/03	Q2/03	Q3/02
Average	$0.7280	$0.6841	$0.6483
Closing	$0.7118	$0.6976	$0.6318

* Translating USD denominated results using Q3/03 and 9 mos'03 CAD/USD exchange rates compared to the exchange rates for Q2/03, Q3/02 and 9 mos'02, respectively

Financial overview

Reconciliation of U.S. & Cdn. GAAP EPS

C$ per share	Q3/03	Q2/03	Q3/02	9 months 2003	9 months 2002
U.S. GAAP EPS - diluted	**$1.14**	**$0.99**	**$1.02**	**$3.24**	**$3.07**
Insurance accounting	-	-	(0.04)	(0.02)	(0.08)
Derivatives/hedging activities	0.03	0.03	(0.02)	0.08	(0.05)
Cost of stock apprec. rights	-	(0.01)	0.01	(0.01)	(0.03)
Reclassification of securities*	-	-	-	0.02	-
Other	0.01	0.01	0.01	0.02	0.04
Tax impact of above items	(0.02)	(0.02)	0.01	(0.05)	0.03
Cdn. GAAP EPS - diluted	**$1.16**	**$1.00**	**$0.99**	**$3.28**	**$2.98**
U.S. GAAP EPS less Cdn. GAAP EPS	**$(0.02)**	**$(0.01)**	**$0.03**	**$(0.04)**	**$0.09**

* Relates to a $13 million after-tax write-down of an investment in Q1/03 to recognize other-than-temporary impairment, which is not required under Cdn. GAAP

Financial overview

Performance vs. objectives – first 9 mos. 2003

	Objectives for 2003	Performance 9 mos. 03
Profitability measures		
ROE	17-19%	16.6%
EPS growth - diluted	10-15%	6%
Revenue growth	5-8%	(1)%*
Expense growth	< revenue growth	- **
Specific PCL/avg. loans, accept. & reverse repos (Cdn. GAAP)	0.45-0.55%	0.36% net 0.34%***
Capital ratios (OSFI)		
Tier 1 capital	maintain strong capital ratios	9.6%
Total capital		12.7%
Dividend payout ratio	35-45%	38%

* Revenue growth was 1% excluding impact of CAD/USD exchange rate change (see chart 25)
** Expense growth was 3% excluding impact of CAD/USD exchange rate change (see chart 31)
*** Net of effect of credit derivative gains and losses which are reconciled on chart 42 and explained on chart 53

Business segment results

Third quarter 2003

C$ millions

	Net income	Net income growth*	ROE
RBC Banking	$ 414	5%	22.6%
RBC Insurance	57	16	24.4
RBC Investments	113	35	16.7
RBC Capital Markets	147	44	15.9
RBC Global Services	49	-	30.4
Other	(4)	(109)	(0.8)
Total	$ 776	7%	17.4%

* Growth vs. Q3/02

Note: ROE, and average common equity for the segments, which is used in the ROE calculation, are discussed on chart 53

US GAAP

Business segment results

First nine months 2003

C$ millions

	Net income	Net income growth*	ROE
RBC Banking	$1,175	3%	21.0%
RBC Insurance	167	20	26.4
RBC Investments	286	14	13.8
RBC Capital Markets	360	5	12.2
RBC Global Services	134	4	27.9
Other	110	(32)	6.6
Total	$2,232	3%	16.6%

* Growth vs. 9 mos'02

Note: ROE, and average common equity for the segments, which is used in the ROE calculation, are discussed on chart 53

US GAAP

Business segment results

RBC Banking

C$ millions

	Q3/03	Q3/03 vs. Q2/03	Q3/03 vs. Q3/02	9 mos.03	9 mos.03 vs. 9 mos. 02
Revenues	$ 1,960	5%	4%	$ 5,787	1%
Non-interest expense*	1,163	1	5	3,494	4
Provision for credit losses	135	(15)	(7)	423	(16)
Net income	414	19	5	1,175	3
Return on common equity	22.6%	↑ 380 bp	↑ 270 bp	21.0%	↑ 190 bp
Average common equity	$ 7,250	(2)%	(5)%	$ 7,400	(6)%
Efficiency ratio	59.3%	↓ 240 bp	↑ 60 bp	60.4%	↑ 160 bp

* increase compared to last year largely due to costs associated with higher mortgage origination volumes in the U.S., a $14 million increase in pension and post-retirement benefits, additional salaries relating to the expansion of the sales force (450 FTE) in Canada earlier this year

See chart 19 for net income contribution of RBC Centura (including RBC Mortgage)

Note: ROE and average common equity for the segments are discussed on chart 53

Business segment results

RBC Banking - highlights

	Change Q3/03 vs. Q3/02
Domestic revenues	↑ 5% (↑ 8% vs. Q2/03)
Domestic revenues from:	
Residential mortgages	↑ 14%
Total personal lending	↑ 9%
Business lending	↑ 5%
Revenues from U.S. operations	
- in USD	↑ 13%
- in CAD	flat

Business segment results

RBC Banking - consumer market shares

Market share among all financial institutions in Canada

	Rank*	Δ May-03 vs. Jan-03	Market share May-03	Apr-03	Jan-03
Total deposits:**	#1	↑ 4 bp	12.61%	12.63%	12.57%
Personal deposits		↑ 8 bp	15.12%	15.11%	15.04%
Mutual funds		↓ 8 bp	8.88%	8.93%	8.96%
Residential mortgages	#1	↑ 9 bp	14.82%	14.82%	14.73%
Personal loans & credit cards	#2	↑ 8 bp	13.43%	13.47%	13.35%

* Market share rank among all financial institutions in Canada, at May 31, 2003

** Consists of personal deposits and mutual funds

Business segment results

RBC Insurance

C$ millions

	Q3/03	Q3/03 vs. Q2/03	Q3/03 vs. Q3/02	9 mos.03	9 mos.03 vs. 9 mos. 02
Premiums & deposits	$ 556	16%	4%	$ 1,568	6 %
Revenues	170	10	22	479	17
Non-interest expense	117	19	29	316	14
Net income	57	2	16	167	20
Return on common equity	24.4%	↓ 420 bp	↓ 220 bp	26.4%	↑ 100 bp
Average common equity	$ 900	13%	29 %	$ 850	21 %

See chart 19 for net income contribution of RBC Liberty Insurance

Note: ROE and average common equity for the segments are discussed on chart 53

US GAAP

Business segment results

RBC Investments

C$ millions

	Q3/03	Q3/03 vs. Q2/03	Q3/03 vs. Q3/02	9 mos.03	9 mos.03 vs. 9 mos. 02
Revenues	$ 904	9%	1%	$ 2,616	(5)%
Non-interest expense	733	-	(5)	2,189	(9)
Provision for credit losses	-	-	-	-	n.m.
Net income	113	64	35	286	14
Return on common equity	16.7%	↑ 690 bp	↑ 600 bp	13.8%	↑ 310 bp
Average common equity	$ 2,650	(2)%	(10)%	$ 2,700	(8)%

See chart 19 for net income contribution of RBC Dain Rauscher (including Tucker Anthony Sutro)

Note: ROE and average common equity for the segments are discussed on chart 53

Business segment results

RBC Capital Markets

C$ millions

	Q3/03	Q3/03 vs. Q2/03	Q3/03 vs. Q3/02	9 mos.03	9 mos.03 vs. 9 mos. 02
Revenues	$ 688	11%	7%	$ 1,993	(2)%
Non-interest expense	420	7	1	1,240	2
Provision for credit losses	39	(33)	(49)	174	(50)
Net income	147	52	44	360	5
Return on common equity	15.9%	↑ 610bp	↑ 630 bp	12.2%	↑ 130 bp
Average common equity	$ 3,650	(8)%	(9)%	$ 3,850	(4)%

Note: ROE and average common equity for the segments are discussed on chart 53

Business segment results

RBC Global Services

C$ millions

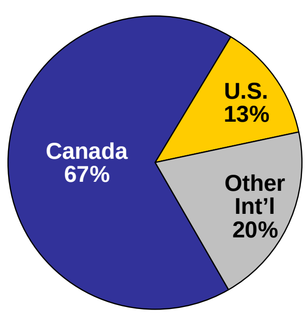
	Q3/03	Q3/03 vs. Q2/03	Q3/03 vs. Q3/02	9 mos.03	9 mos.03 vs. 9 mos. 02
Revenues	$ 218	10%	3%	$ 628	4%
Non-interest expense	149	4	6	436	6
Provision for credit losses	-	n.m.	n.m.	2	(71)
Net income	49	32	-	134	4
Return on common equity	30.4%	↑ 720 bp	↓ 200 bp	27.9%	↓ 50 bp
Average common equity	$ 650	-	8%	$ 650	8%

Note: ROE and average common equity for the segments are discussed on chart 53

Expansion outside Canada

Proportion of U.S. earnings growing

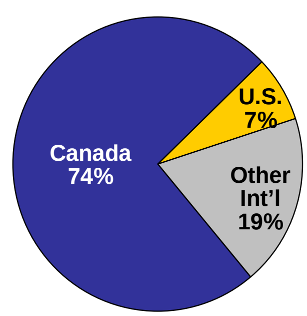
9 mos'03 net income



U.S. net income = $291 million

(U.S. revenues 27% of total)

9 mos'02 net income



U.S. net income = $144 million

(U.S. revenues 27% of total)

U.S. acquisition contributions

Significant growth at RBC Dain Rauscher

	Net income ($ millions)									
	Q3/03		Q2/03		Q3/02		9 mos'03		9 mos'02	
	C$	US$	C$	US$	C$	US$	C$	US$	C$	US$
RBC Centura*	41	30	39	27	49	32	140	95	149	95
RBC Dain Rauscher**	35	26	12	9	10	6	63	44	(13)	(8)
RBC Liberty Insurance	-	-	7	5	6	4	13	9	17	11
Total U.S. acquisitions	76	56	58	41	65	42	216	148	153	98

* RBC Centura (acquired in Q3/01) includes its RBC Mortgage subsidiary

** Excludes Dain Rauscher Wessels, whose operations have been integrated into RBC Capital Markets since early 2002

US GAAP

U.S. acquisition contributions

Comparison of CAD & USD net income growth rates

	Q3/03 vs.				9 mos'03 vs.	
	Q2/03		Q3/02		9 mos'02	
Growth in net income	C$	US$	C$	US$	C$	US$
RBC Centura	5%	11%	(16)%	(6)%	(6)%	-
RBC Dain Rauscher*	192%	189%	250%	333%	n.m.	n.m.
RBC Liberty Insurance*	n.m.	n.m.	n.m.	n.m.	(24)%	(18)%
Total U.S. acquisitions	31%	37%	17%	33%	41%	51%

* Comparisons vs. prior periods marked with "n.m." are not meaningful as RBC Liberty Insurance reported nil net income in Q3/03 and RBC Dain Rauscher reported a loss in 9 mos'03

US GAAP

Retention compensation costs

Q3/03 lower as forecasted

C$ millions

	Q3/03		Q2/03		Q1/03		Q4/02		Q3/02	
	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax
RBCInv*	13	8	15	9	22	13	24	15	23	14
RBCCM	2	1	3	2	8	5	12	7	11	7
Total	**15**	**9**	**18**	**11**	**30**	**18**	**36**	**22**	**34**	**21**

* Includes Tucker Anthony Sutro

RBCInv = RBC Investments   RBCCM = RBC Capital Markets

Retention compensation costs

Costs to fall in 2003

C$ millions

	2001 A		2002 A		2003 F*		2004 F*		2005 F*	
	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax
RBCInv	88	54	107	66	63	39	43	26	20	12
RBCCM	88	54	51	31	15	9	2	1	-	-
Total	**176**	**108**	**158**	**97**	**78**	**48**	**45**	**27**	**20**	**12**

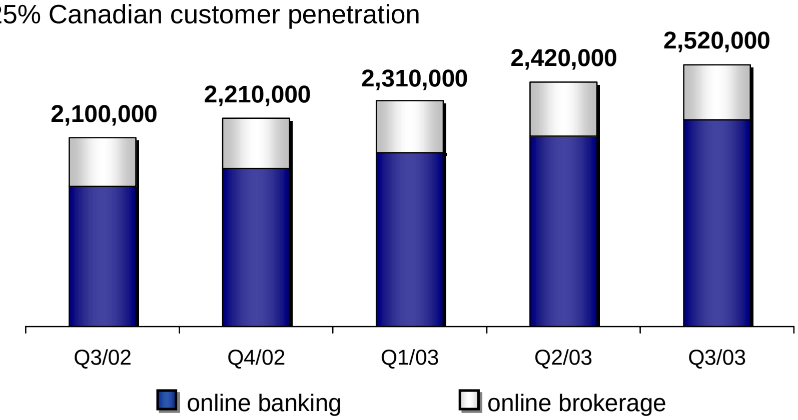
* Forecast. Nil in 2006.

RBCInv = RBC Investments   RBCCM = RBC Capital Markets

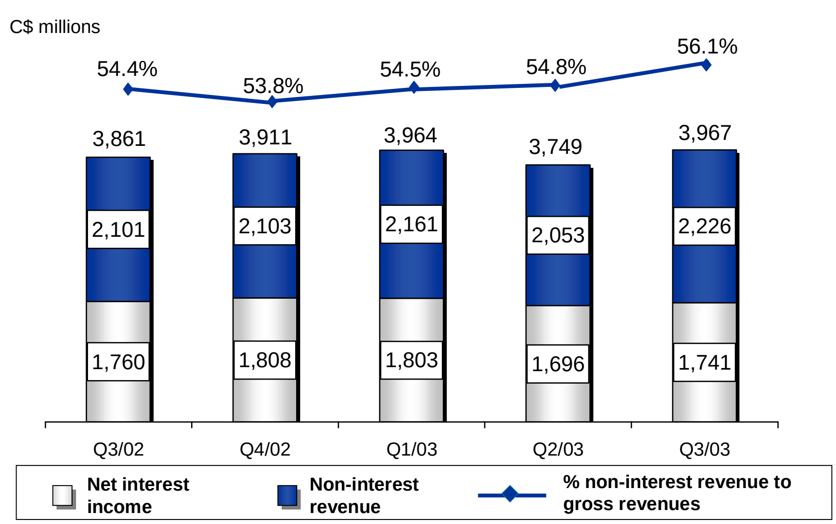
Canadian online customers

Number of online clients continues to increase

- 2,520,000 clients enrolled as at July 31, 2003 (2,200,000 banking and 320,000 brokerage)
- 25% Canadian customer penetration



Revenues



US GAAP

Revenues

Impact of strengthening CAD on revenues

C$ millions

	Q3/03 vs.				9 mos'03 vs.	
	Q2/03		Q3/02		9 mos'02	
Change in gross revenues	**$218**	**6%**	**$106**	**3%**	**$(139)**	**(1)%**
Add back: impact of CAD appreciation vs. USD*	85		150		275	
Change in gross revenues excluding above factor	**$303**	**8%**	**$256**	**7%**	**$136**	**1 %**

* Translating USD denominated results using Q3/03 and 9 mos'03 CAD/USD exchange rates compared to the exchange rates for Q2/03, Q3/02 and 9 mos'02, respectively

US GAAP

Revenues

Net interest margin

	Q3/03	Q2/03	Q3/02
Net interest margin	1.72%	1.74%	1.90%
Avg. Canadian prime rate	4.96%	4.70%	4.20%

	Q3/03 vs.	
	Q2/03	Q3/02
Change in margin	(2) bp	(18) bp
Due to change in:		
Prime-core deposit spread	9	11
Lending spread*	1	(7)
Low-yielding assets**	(9)	(20)
Other	(3)	(2)
	(2) bp	(18) bp

* Largely in commercial and wholesale lending

** Largely relating to higher volumes and funding costs of low interest yielding assets such as securities

US GAAP

Revenues

Non-interest revenue

C$ millions

	Q3/03 vs.				9 mos'03 vs.	
	Q2/03		Q3/02		9 mos'02	
Non-interest revenue growth	$ 173	8%	$ 125	6%	$ (36)	(1)%
Due to:						
Trading revenues	$ 62	13%	$ 103	23%	$ 288	23%
Deposit & payment service charges	9	3	8	3	44	6
Insurance	(18)	(21)	(3)	(4)	21	11
Securities gains (losses)	(54)	(113)	5	n.m.	13	433
Mortgage banking	4	7	8	15	9	5
Securitization revenues	(12)	(29)	(9)	(24)	(23)	(18)
Mutual fund revenues	7	4	(20)	(11)	(55)	(10)
Investment management and custodial fees	-	-	(37)	(12)	(63)	(7)
Capital market fees	99	25	32	7	(147)	(10)
Other*	76	31	38	14	(123)	(12)

* Includes credit derivative gains and losses discussed on charts 42 and 53

US GAAP

Revenues

Capital market fees

C$ millions

	Q3/03	Q3/03 vs.				9 mos'03	9 mos'03 vs.	
		Q2/03		Q3/02			9 mos'02	
Full-service brokerage	$ 293	$ 49	20%	$ 20	7%	$ 791	$ (106)	(12)%
Institutional	183	46	34	8	5	445	(39)	(8)
Discount brokerage	20	4	25	4	25	57	(2)	(3)
Total capital market fees	$ 496	$ 99	25%	$ 32	7%	$ 1,293	$ (147)	(10)%

US GAAP

Revenues

*Revenue growth excluding recent U.S. acquisitions**

C$ millions	Q3/03	Q2/03	Q3/02	9 mos'03	9 mos'02
Revenues	$ 3,967	$ 3,749	$ 3,861	$ 11,680	$ 11,819
Less: revenues of recent U.S. acquisitions*	805	779	784	2,405	2,415
Revenues excl. U.S. acquisitions	$ 3,162	$ 2,970	$ 3,077	$ 9,275	$ 9,404

	Q3/03 vs.				9 mos'03 vs.	
	Q2/03		Q3/02		9 mos'02	
Change in revenues excl. U.S. acquisitions	**$192**	**6%**	**$ 85**	**3%**	**$(129)**	**(1)%**
Add back: impact of CAD appreciation vs. USD**(excl. acqs)	35		50		90	
Change excl. U.S. acqs. and impact of CAD/USD rate change	**$227**	**8%**	**$135**	**4%**	**$ (39)**	**-**

* Represents revenues of RBC Centura (includes its subsidiary RBC Mortgage), RBC Liberty Insurance and RBC Dain Rauscher (includes Tucker Anthony Sutro). Dain Rauscher Wessels is not included as its operations have been integrated into RBC Capital Markets since early 2002

**Translating USD denominated results using Q3/03 and 9 mos'03 CAD/USD exchange rates compared to the exchange rates for Q2/03, Q3/02 and 9 mos'02, respectively

Non-interest expense

Cost discipline maintained

C$ millions	Q3/03	Q2/03	Q3/02	9 mos'03	9 mos.02
Non-interest expense	$ 2,581	$ 2,514	$ 2,515	$ 7,654	$ 7,643
Change vs. Q3/03 and 9 mos'03		3%	3%		-
Includes:					
• Retention compensation expense*	$ 15	$ 18	$ 34	$ 63	$ 122
• Stock compensation expense					
- Stock Appreciation Rights**	-	8	(15)	12	28
- Performance-deferred stock plan	10	9	3	23	7
- Stock options	2	1	-	4	-
• Pension expense	49	53	49	159	120

* Related to the acquisitions of Dain Rauscher, Dain Rauscher Wessels and Tucker Anthony Sutro

** Under Cdn. GAAP, the cost of stock appreciation rights was nil in Q3/03, $15 million in Q2/03, $(21) million in Q3/02, $20 million in in 9 mos'03 and $51 million in 9 mos'02. Since Q2/02, under U.S. GAAP, the expense is based on an estimate of 40% of all participants exercising stock appreciation rights and 60% exercising options (based on past experience). Under Canadian GAAP, the expense must be based on 100% of all participants exercising their stock appreciation rights

Note: In addition to the above categories, variable compensation costs were $565 million in Q3/03, $479 million in Q2/03, $550 million in Q3/02, $1,555 million in 9 mos'03 and $1,646 million in 9 mos'02

Non-interest expense

Impact of strengthening CAD on expenses

C$ millions	Q3/03 vs. Q2/03		Q3/03 vs. Q3/02		9 mos'03 vs. 9 mos'02	
Change in non-interest expense	**$ 67**	**3%**	**$ 66**	**3%**	**$ 11**	**-**
Add back: impact of CAD appreciation vs. USD*	60		110		200	
Change in non-interest expense excluding above factor	**$127**	**5%**	**$176**	**7%**	**$211**	**3%**

* Translating USD denominated results using Q3/03 and 9 mos'03 CAD/USD exchange rates compared to the exchange rates for Q2/03, Q3/02 and 9 mos'02, respectively

Non-interest expense

*Expense growth excluding recent U.S. acquisitions**

C$ millions	Q3/03	Q2/03	Q3/02	9 mos'03	9 mos'02
Non-interest expense	$ 2,581	$ 2,514	$ 2,515	$ 7,654	$ 7,643
Less: NIE of recent U.S. acqs.*	670	666	665	2,019	2,132
NIE excl. U.S. acquisitions	$ 1,911	$ 1,848	$ 1,850	$ 5,635	$ 5,511

	Q3/03 vs. Q2/03		Q3/03 vs. Q3/02		9 mos'03 vs. 9 mos'02	
Change in NIE excl. U.S. acquisitions	**$ 63**	**3%**	**$ 61**	**3%**	**$124**	**2%**
Add back: impact of CAD appreciation vs. USD**(excl. acqs)	20		30		50	
Change excl. U.S. acqs. and impact of CAD/USD rate change	**$ 83**	**4%**	**$ 91**	**5%**	**$174**	**3%**

* Represents NIE (including retention compensation costs) of RBC Centura (includes its subsidiary RBC Mortgage), RBC Liberty Insurance and RBC Dain Rauscher (includes Tucker Anthony Sutro). Dain Rauscher Wessels is not included as its operations have been integrated into RBC Capital Markets since early 2002

** Translating USD denominated results using Q3/03 and 9 mos'03 CAD/USD exchange rates compared to the exchange rates for Q2/03, Q3/02 and 9 mos'02, respectively

Solid balance sheet

Growth in consumer balances

C$ millions

	July 31, 2003 vs.			
	April 30, 2003		July 31, 2002	
Managed residential mortgages*	$ 2,922	4%	$ 7,408	10%
Personal loans	720	2	949	3
Managed credit cards*	298	4	851	13
Total managed consumer loans	**$ 3,940**	**3%**	**$ 9,208**	**8%**
Managed business & gov't loans*	(535)	(1)	(6,814)	(11)
Total managed gross loans	**$ 3,405**	**2%**	**$ 2,394**	**1%**
Allowance for loan losses	(70)	(3)	(62)	(3)
Total managed net loans	**$ 3,475**	**2%**	**$ 2,456**	**1%**
Personal deposits	**$ 933**	**1%**	**$ 5,706**	**6%**

* Managed assets are comprised of sold and unsold balances of mortgage-backed securities, securitized credit card loan balances and securitized commercial mortgages. The use of "managed assets" in the analysis of our balance sheet is discussed on chart 53 and a reconciliation between GAAP and managed balances can be found on chart 34

US GAAP

Solid balance sheet

Impact of securitizations on loan balances

C$ millions

	July 31/03	April 30/03	July 31/02
Residential mortgages	$ 77,201	$ 74,431	$ 70,641
Mortgage-backed securities*	5,969	5,817	5,121
Managed residential mortgages	**$ 83,170**	**$ 80,248**	**$ 75,762**
Credit cards	$ 5,625	$ 5,327	$ 4,774
Credit card securitizations	1,675	1,675	1,675
Managed credit cards	**$ 7,300**	**$ 7,002**	**$ 6,449**
Business & government loans	$ 57,242	$ 57,908	$ 64,187
Commercial mortgage securitizations	131	-	-
Managed business & government loans	**$ 57,373**	**$ 57,908**	**$ 64,187**

* Includes both sold and unsold mortgage-backed securities balances. Unsold balances are reported as securities on the Balance Sheet

US GAAP

Capital strength

Maintaining strong capital ratios

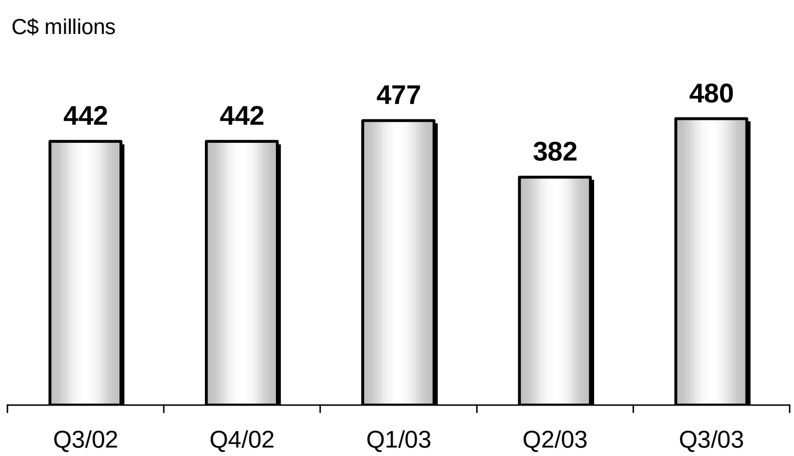
Capital ratios (using OSFI guidelines)

	Q3/03	Q2/03	Q3/02
• Tier 1 ratio:	**9.6%**	9.6%	9.1%
• Total capital ratio:	**12.7%**	12.8%	12.7%

Share repurchases (Q3/03):

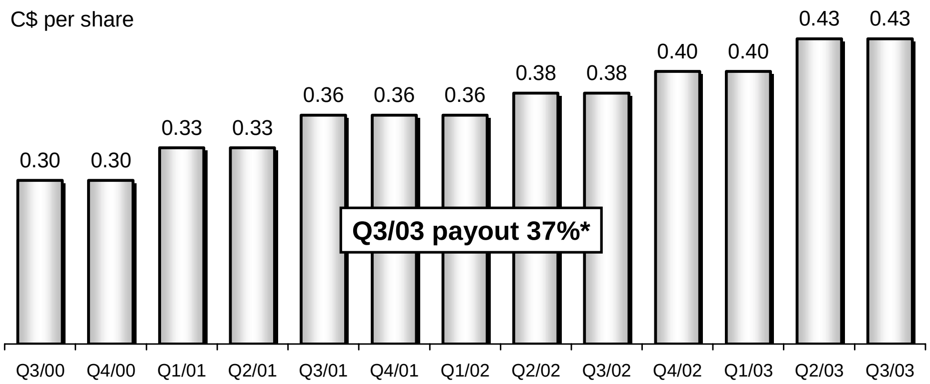
	# of shares	**Average price**	**$ repurchased**
Under program ended June 23/03	2.7 mm	$59.36	$159 mm
Under program commenced June 24/03	2.3 mm	$58.45	$137 mm
Total repurchases	5.0 mm	$58.94	$296 mm

Substantial internal capital generation



Common share dividends

Five increases since Q3/00



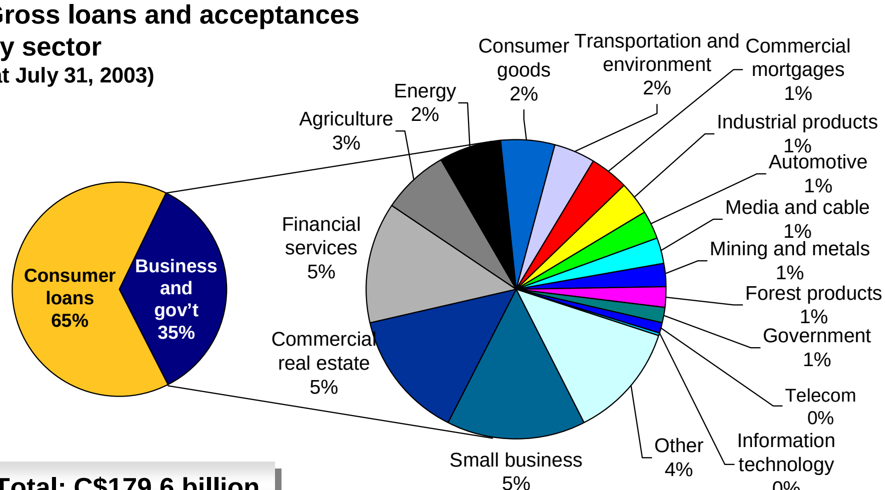
- history of uninterrupted dividend payments
- target dividend payout range: 35-45%

*US GAAP

Asset quality

Diversified loan portfolio

Gross loans and acceptances by sector
(at July 31, 2003)



Total: C$179.6 billion

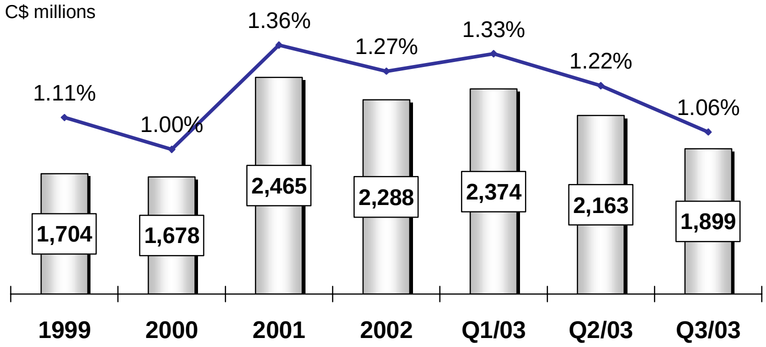
US GAAP

Asset quality

Nonaccrual loans

Nonaccrual loans ratio*

C$ millions



$247 million of the decrease in nonaccrual loans from Q2/03 to Q3/03 occurred in the business and government loan portfolio.

* Nonaccrual loans (before deducting allowance for credit losses) as a percentage of related loans and acceptances

Asset quality

Nonaccrual loans

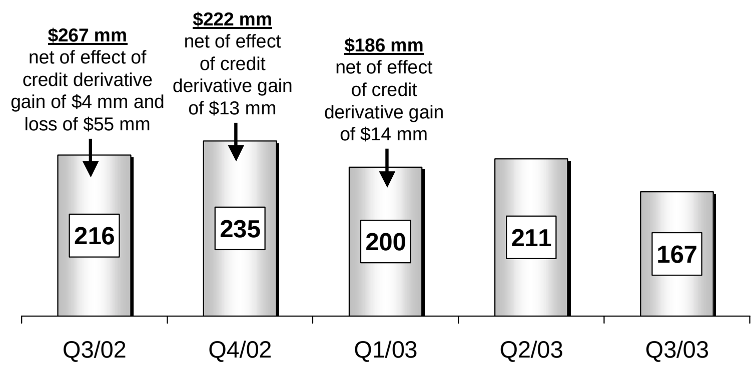
C$ millions

		Q3/03 vs.			
	Q3/03	Q2/03		Q3/02	
Nonaccrual loans	**$ 1,899**	**$ (264)**	**(12)%**	**$ (472)**	**(20)%**
Comprising:					
Canada - consumer	$ 330	$ (13)	(4)%	$ (62)	(16)%
Canada - business	766	(192)	(20)	(189)	(20)
U.S.A.	409	(58)	(12)	(289)	(41)
Other international	394	(1)	-	68	21

Asset quality

Allocated specific provision for credit losses

C$ millions



Please see charts 42 and 53 for reconciliation and further details on these net credit derivative gains.

Asset quality

Impact of credit derivative gains/losses on accounts in default

C$ millions	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	9 mos. 2003	9 mos. 2002
Allocated specific PCL	$167	$211	$200	$235	$216	$578	$830
Credit derivative gains*	-	-	(14)	(13)	(4)	(14)	(102)
Credit derivative losses**	-	-	-	-	55	-	69
Net credit derivative gains/losses	-	-	(14)	(13)	51	(14)	(33)
"Net" allocated specific PCL	$167	$211	$186	$222	$267	$564	$797

* Mark-to-market gains on derivatives purchased to hedge accounts classified as nonaccrual (gains recorded in "non-interest revenue" in accordance with FAS 133). The gains recorded in Q1/03 and Q4/02 related to a European energy account that was classified a s nonaccrual in Q4/02 (this credit derivative settled in Q1/03). Q2/02 and Q3/02 gains related to a telecom account that was classified as nonaccrual in Q2/02 (these credit derivatives settled in Q3/02).

** Mark-to-market losses recorded in "non-interest revenue". We had provided credit protection through derivatives to counterparties in order to obtain exposure to a large U.S. telecommunications company. This company defaulted in Q3/02 and the related credit derivatives settled in Q4/02

Please refer to chart 53 for further details on the use of credit derivatives

Asset quality

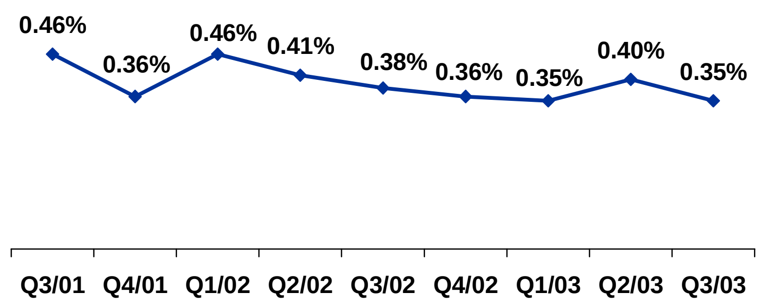
Details on credit protection portfolio

C$ millions, at July 31, 2003	Bought	Sold
Financial services	$ 440	$ 14
Energy	69	24
Telecommunications & Media	76	17
Transportation & Environmental	68	14
Other industries	157	154
	$ 810	$ 223
Investment grade	$ 716	$ 223
Non-investment grade	$ 94	-

Asset quality

Stable Canadian consumer loan portfolio

Provision for credit losses
% of average balances*, annualized

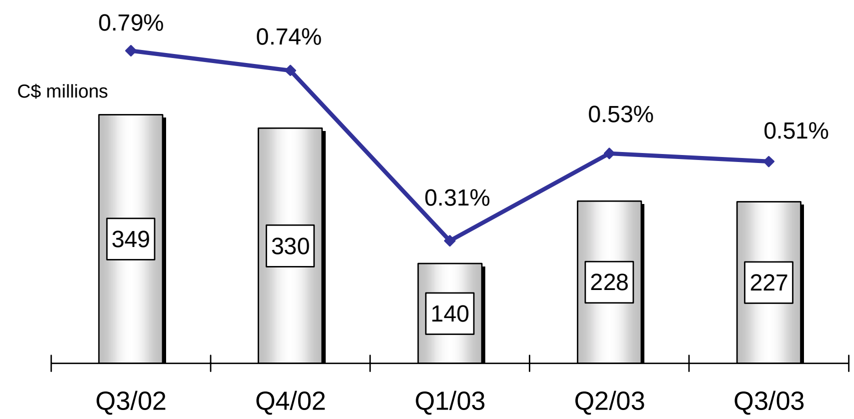


* Total Canadian residential mortgage, personal loan and credit card portfolios. Excludes the student loan portfolio, which has unique portfolio characteristics

Asset quality

Net charge-offs

Net charge-off ratio*



* Net charge-offs as a percentage of average loans and acceptances

US GAAP

Asset quality

Power generation and distribution loans

C$ millions	Q3/03 Inv. grade	Q3/03 Non-inv. grade	Q3/03 Total loans	Q3/03 Impaired Gross	Q3/03 Impaired Net	Q2/03 Total loans	Q2/03 Net impaired
Regulated power transmission/distrib.	56	168	224	-	-	338	-
Diversified generation	5	117	122	89	29	166	30
Diversified utility	436	247	683	8	3	713	3
Generation projects with Offtake*	102	128	230	-	-	210	-
Merchant generation	-	202	202	6	2	207	-
Total sector	**599**	**862**	**1,461**	**103**	**34**	**1,634****	**33**

* Offtake = guarantees, tolling agreements, Power Purchase Agreements and other contractual obligations
**Included $611 million of investment grade and $1,023 million of non-investment grade loans

RBC

Asset quality

Telecommunication and cable loans

C$ millions

	Q3/03					Q2/03	
	Inv. grade	Non-inv. grade	Total loans	Impaired Gross	Impaired Net	Total loans	Net impaired
Telecom	248	491	739	37	16	955	23
Cable	133	555	688	76	67	732	49
Total sector	**381**	**1,046**	**1,427**	**113**	**83**	**1,687****	**72**

* Includes CLEC exposure of $15 million in Q3/03 (net of allowances, exposure was $2 million) and $48 million in Q2/03 (net of allowances, exposure was $38 million)

**Included $542 million of investment grade and $1,145 million of non-investment grade loans

RBC

Asset quality

*Airlines and aerospace loans**

C$ millions

	Q3/03					Q2/03	
	Inv. grade	Non-inv. grade	Total loans	Impaired Gross	Impaired Net	Total loans	Net impaired
Airlines	379	373	752	108	42	802	62
Aerospace	79	124	203	2	2	226	2
Total sector	**458**	**497**	**955**	**110**	**44**	**1,028****	**64**

* Airlines and aerospace loans are included in the “Transportation and environment” sector on chart 38

**Included $566 million of investment grade and $462 million of non-investment grade loans

Asset quality

*Hotels, restaurants & entertainment loans**

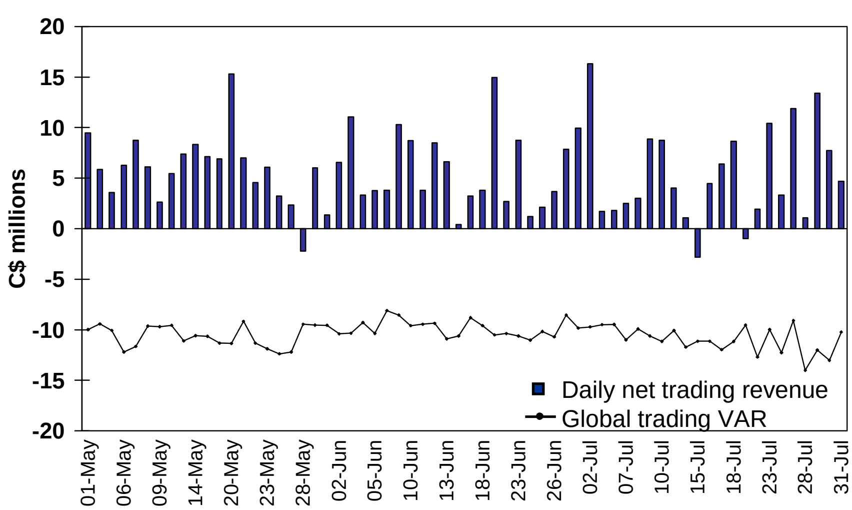
C$ millions

	Q3/03						Q2/03	
	Small business		Corporate & Commercial					
	Inv. grade	Non-inv. grade	Inv. grade	Non-inv. grade	Total loans	Gross Impaired	Total loans	Gross Impaired
Hotels	42	193	216	742	1,193	-	1,169	-
Restaurants	86	369	223	93	771	6	765	6
Entertainment	76	214	127	646	1,063	1	957	4
Total	**204**	**776**	**566**	**1,481**	**3,027**	**7**	**2,891****	**10**

* The small business portion is included in the "Small business" sector and the corporate & commercial portion is included in the "Other" sector on chart 38

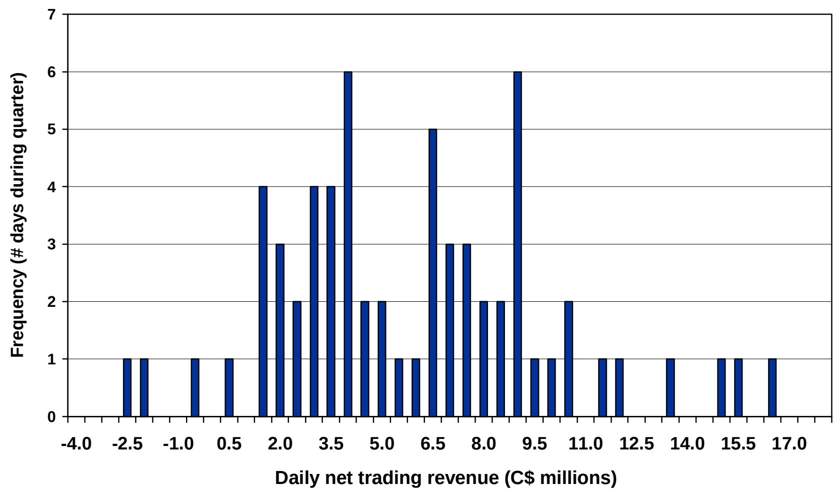
**Included $214 million of investment grade small business, $801 million of non-investment grade small business, $457 million of investment grade corporate/commercial and $1,419 million of non-investment grade corporate/commercial

Trading revenue performance



Trading revenue performance

Distribution of Q3/03 trading revenues



Risk management

Summary

- **Nonaccrual loans down $264 million from Q2/03 due to decreases in the business & government loan portfolio**
- **Allocated specific PCL down $44 million from Q2/03 and $49 million from Q3/02**
- **Total loans down 11%, 15% and 7% from Q2/03 in the power, telecom and airline sectors, respectively**
- **Continued solid trading performance**

US GAAP

Explanation of certain terms

<u>Average common equity</u>: GAAP does not prescribe a method for allocating equity to business segments. For management and reporting purposes, we attribute common equity to each of our business segments (including the "Other" segment) based on methodologies designed to measure the equity capital necessary to underpin the risks of the businesses in each segment, as discussed on page 54 of our 2002 annual report, under the discussion of "Economic Capital". The capital attribution methodologies involve judgment by management, are revised from time to time, and will impact other measures such as business segment ROE. Average common equity is calculated as the average of the month-end balances for the period.

<u>Return on equity (ROE)</u>: ROE is calculated as net income available to common shareholders, as a percent of average common equity for the period.

<u>Managed assets</u>: In addition to the amounts on our balance sheet, we also measure the size of our loan portfolios on a "managed" basis, meaning before the impact of securitizations. We measure managed assets as they are subject to the same underwriting standards and are serviced by the same personnel as our on-balance sheet assets, and we continue to earn a net interest spread on securitized assets, net of funding costs, and/or receive servicing fees on them.

<u>Credit derivatives</u>: In order to mitigate risk on portions of our portfolio, we enter into credit derivative contracts. We believe that an analysis which nets credit derivative gains and losses (which are recorded in "non-interest revenue") on accounts in default against provision for credit losses is useful since it reflects the full loss associated with such accounts and management considers such information when evaluating our credit exposures. We also believe that investors may find this information useful in their assessment of our credit quality and risk management.