RBC Financial Group

Second Quarter 2002

Quarterly Results Slides

May 22, 2002

Investor Relations

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Caution regarding forward-looking statements

Royal Bank of Canada, from time to time, makes 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 the bank's objectives for 2002, and the medium and long terms, 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.

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Charts

Financial overview

*Second quarter 2002 financial highlights**

- Net income of $710 MM in Q2/02, up 14% from Q2/01
- EPS (diluted) of $1.01, up 6% from Q2/01
  - EPS down 1% excluding goodwill amortization in Q2/01 of $46 MM or $0.07 per share
- ROE of 16.8%
- Net income from U.S. acquisitions $35 MM vs. $(22) MM in Q2/01
- Operating revenues up 12% (up 1% excluding acquisitions)
- Operating expenses up 11% (down 3% excluding acquisitions)
- Nonaccrual loans down $184 MM or 7% from Q1/02
- Specific provision for credit losses $328 MM or 0.65% of average loans (including reverse repos) and BAs (Cdn. GAAP)
  - specific provision $230 million or 0.45% net of credit derivative gain related to a nonaccrual telecom account

US GAAP

Financial overview

*Key second quarter 2002 numbers**

C$ millions	U.S. GAAP		Cdn. GAAP	
	Q2/02	6 mos.'02	Q2/02	6 mos.'02
Net income	$710	$1,444	$677	$1,399
Net income growth	14%	20%	12%	18%
Net income growth ex. goodwill amort.	6%	13%	5%	11%
EPS - diluted	$1.01	$2.05	$0.96	$1.99
EPS growth	6%	11%	4%	10%
EPS growth ex. goodwill amort.	(1)%	4%	(3)%	4%
ROE	16.8%	16.9%	16.0%	16.5%
Operating rev. growth ex. acqs.**	1%	1%	1%	1%
Operating NIE growth ex. acqs.**	(3)%	(5)%	(3)%	(4)%

* Growth vs. Q2/01 and 6 mos.'01, excluding special items (see chart 7)

** Operating revenue and expense growth excluding recent U.S. acquisitions. Operating expenses exclude special items, costs of SARs, and certain acquisition expenses such as retention compensation, while operating revenues exclude special items

Financial overview

*Impact of new accounting standard**

C$ millions (excluding special items**)	Q2/02	Q1/02	Q2/01	6 mos. 2002	6 mos. 2001
Core net income	$710	$734	$624	1,444	1,208
Goodwill amort. expense***	-	-	46	-	74
Core net income (excl. goodwill amort. expense)	**$710**	**$734**	**$670**	**1,444**	**1,282**
Core EPS - diluted	$1.01	$1.04	$0.95	$2.05	$1.85
Goodwill amort. expense***	-	-	0.07	-	0.12
Core EPS (excl. goodwill amort. expense)	**$1.01**	**$1.04**	**$1.02**	**$2.05**	**$1.97**

* On November 1, 2001, the bank adopted new accounting standards in Canada and the U.S. regarding business combinations under which goodwill is no longer amortized

** Excluding special items (see chart 7) ***Net of tax

Financial overview

Performance vs. objectives – 6 months 2002

	Objectives* for 2002	Performance* 6 mos.'02
Profitability measures		
ROE	17-19%	16.9%
EPS growth - diluted	5-10%	11%
Revenue growth	7-10%	17%
Operating revenue growth**		17%
Operating expense growth**	< op.rev.growth	15%
Specific PCL/avg. loans, BAs & reverse repos (Cdn. GAAP)	0.45-0.55%	0.59% net 0.50%***
Capital ratios (OSFI)		
Tier 1 capital	maintain strong capital ratios	9.0%
Total capital		12.6%

* Excluding special items (for ROE and growth in EPS, revenues and expenses). Growth is over 6 mos.'01

** Operating expenses and revenues defined on chart 4. Excluding recent U.S. acquisitions, operating revenues were up 1% and operating expenses were down 5%

*** Net of credit derivative gain (see chart 38 for details)

Financial overview

Special items – Q1/01 and 6 mos.'01*

C$ millions

	US GAAP	CDN GAAP
Non-interest revenue		
Gain on formation of Moneris (TP)	89	89
Gain on sale of GRS (WM/P&CB**)	43	43
Total impact (pre-tax)	**132**	**132**
Impact (after-tax)	111	111
Deferred income tax adjustment***	-	(33)
Total impact (after-tax)	**111**	**78**
Impact on 6 mos.'01 EPS – diluted	**0.18**	**0.12**

*There were no special items in Q2/02 **$36 million ($28 million after-tax) in WM and $7 million ($6 million after- tax) in P&CB ***$19 million in P&CB, $(2) million in Insurance, $10 million in C&IB and $6 million in Other in Q1/01 under Cdn. GAAP

P&CB = RBC Banking (Personal & Commercial Banking) WM = RBC Investments (Wealth Management) C&IB = RBC Capital Markets (Corporate & Investment Banking) TP = RBC Global Services (Transaction Processing) GRS = Group Retirement Services

Business segment results

Second quarter 2002 operating highlights

RBC Banking (Personal & Commercial Banking)

- RBC Centura announced the acquisition of Eagle Bancshares, Inc. for US$153 million
- RBC Royal Bank launched two marketing programs focused on first time life events – one geared towards First Time Homebuyers and another for First Time Car Buyers

RBC Insurance (Insurance)

- Announced the acquisition of certain assets of Generali Group comprising the operations of Business Men's Assurance Company of America
- Announced that its career sales force will add Royal Mutual Funds and Royal Bank GICs to its product portfolio beginning in 2003, pending regulatory approval

RBC Investments (Wealth Management)

- Realigned the mutual fund business to separate the manager (RBC Funds Inc.) from the dealer (Royal Mutual Funds Inc.)
- RBC Funds reported net sales for the 2002 RRSP season of more than $2.0 billion
- RBC Dain Rauscher successfully integrated Tucker Anthony Sutro into its operations

Business segment results

Second quarter 2002 operating highlights

RBC Capital Markets (Corporate & Investment Banking)

- Led the first and largest income trust offering in the telecom sector since 1997 for the Bell Nordiq Income Fund, raising over $320 million
- Trading, sales and research operations are back to full capacity at One Liberty Plaza, New York, as more than 500 employees returned to the building

RBC Global Services (Transaction Processing)

- Won a significant global custody mandate with J.O. Hambro; was also selected to provide pension services for SaskPower and securities lending services for Spectrum Investments
- R&M Consultants' 2002 Global Custody Survey ranked RBC Global Services 4th in the world for overall service quality and 3rd for service provided to investment managers

Other

- As of April 30, 2002, Royal Bank's online banking and trading services enrollment surpassed our target of over 2 million online clients by the end of 2002, reaching 2.1 million clients

Business segment results

Second quarter 2002

C$ millions	Net income	Net income growth*	Economic Profit	ROE
RBC Banking (Pers. & Comm. Banking)	$ 362	12%	$ 124	18.4%
RBC Insurance (Insurance)	48	9	25	26.6
RBC Investments (Wealth Management)	78	16	(13)	10.2
RBC Capital Markets (Corp. & Inv.Banking)	95	(18)	(28)	9.4
RBC Global Services (Transaction Processing)	40	(15)	21	27.1
Other	87	n.m.	59	n.m.
Total Bank	$ 710	14%	$ 188	16.8%

*Growth over Q2/01

US GAAP

Business segment results

6 months 2002

C$ millions (excluding special items*)	Net income	Net income growth*	Economic Profit	ROE
RBC Banking (Pers. & Comm. Banking)	$ 751	24%	$ 265	18.6%
RBC Insurance (Insurance)	90	8	44	24.8
RBC Investments (Wealth Management)	166	-	(20)	10.7
RBC Capital Markets (Corp. & Inv.Banking)	241	(8)	(15)	11.6
RBC Global Services (Transaction Processing)	80	(14)	41	26.4
Other	116	n.m.	81	n.m.
Total Bank	$1,444	20%	$ 396	16.9%

*Growth over 6 months 2001; excluding special items (see chart 7)

US GAAP

Business segment results

***RBC Banking** (Personal & Commercial Banking)*

C$ millions (excluding special items*)	Q2/02	Q2/02 vs. Q1/02	Q2/02 vs. Q2/01	6 mos.'02	6 mos.'02 vs. 6 mos.'01
Revenue	$ 1,861	(6)%	12%	$ 3,837	14%
NIE	1,108	(3)	14	2,250	15
NIE ex. g/w amort.**	1,108	(3)	15	2,250	15
Specific PCL***	158	(21)	(1)	359	14
Total PCL	158	(21)	(1)	359	(7)
Net income	362	(7)	12	751	24
Net income ex. g/w amortization	362	(7)	11	751	23
Economic Profit	124	(12)	(13)	265	10
ROE	18.4%	↓ 40 bp	↓ 640 bp	18.6%	↓ 420 bp

* See chart 7 for special items

** Goodwill amortization expense was $2 million in Q2/01 and $5 million in 6 mos.'01

*** Includes general provision of $70 million in Q1/01

RBC Centura (which includes RBC Mortgage and Security First Network Bank) contributed 124% of the revenue growth and 116% of the NIE growth from Q2/01. See chart 18 for net income contribution of RBC Centura

US GAAP

Business segment results

RBC Insurance (Insurance)

C$ millions

	Q2/02	Q2/02 vs. Q1/02	Q2/02 vs. Q2/01	6 mos.'02	6 mos.'02 vs. 6 mos.'01
Revenue	$ 137	4%	(9)%	$ 269	6%
NIE	93	(1)	-	187	11
NIE ex. g/w amort.*	93	(1)	4	187	15
Net income	48	14	9	90	8
Net income ex. g/w amortization	48	14	-	90	1
Economic Profit	25	32	47	44	29
ROE	26.6%	↑ 360 bp	↑ 720 bp	24.8%	↑ 410 bp

* Goodwill amortization expense was $4 million in Q2/01 and $6 million in 6 mos.'01

See chart 18 for net income contribution of RBC Liberty Insurance

US GAAP

Business segment results

RBC Investments (Wealth Management)

C$ millions (excluding special items*)

	Q2/02	Q2/02 vs. Q1/02	Q2/02 vs. Q2/01	6 mos.'02	6 mos.'02 vs. 6 mos.'01
Revenue	$ 919	(3)%	16%	$ 1,870	31%
NIE	813	(2)	19	1,641	40
NIE ex. g/w amort.**	813	(2)	23	1,641	43
Specific/total PCL	(1)	-	n.m.	(2)	n.m.
Net income	78	(11)	16	166	-
Net income ex. g/w amortization	78	(11)	(10)	166	(15)
Economic Profit	(13)	(86)	(176)	(20)	(124)
ROE	10.2%	↓ 90 bp	↓ 200 bp	10.7%	↓ 900 bp

* See chart 7 for special items
**Goodwill amortization expense was $21 million in Q2/01 and $30 million in 6 mos.'01

RBC Dain Rauscher (which includes Tucker Anthony Sutro) contributed 128% of the revenue growth and 112% of the NIE growth from Q2/01. See chart 18 for net income contribution of RBC Dain Rauscher (including Tucker Anthony Sutro)

US GAAP

Business segment results

RBC Capital Markets (Corporate & Investment Banking)

C$ millions

	Q2/02	Q2/02 vs. Q1/02	Q2/02 vs. Q2/01	6 mos.'02	6 mos.'02 vs. 6 mos.'01
Revenue	$ 669	(8)%	(5)%	$ 1,395	(2)%
NIE	388	(7)	(16)	806	(12)
NIE ex. g/w amort.*	388	(7)	(14)	806	(10)
Specific/total PCL	175	80	230	272	240
Net income	95	(35)	(18)	241	(8)
Net income ex. g/w amortization	95	(35)	(26)	241	(14)
Economic Profit	(28)	(315)	(333)	(15)	(125)
ROE	9.4%	↓ 430 bp	↓ 410 bp	11.6%	↓ 450 bp

* Goodwill amortization expense was $12 million in Q2/01 and $19 million in 6 mos.'01

Business segment results

RBC Global Services (Transaction Processing)

C$ millions (excluding special items*)

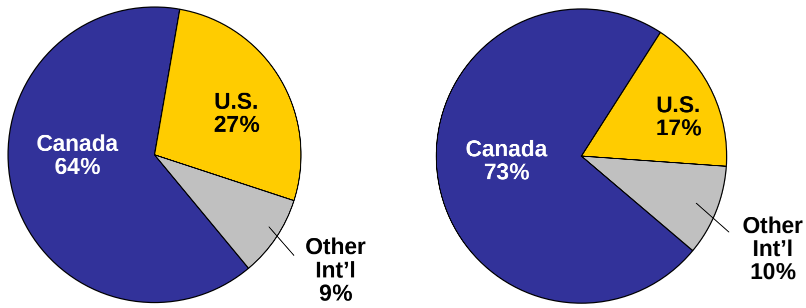
	Q2/02	Q2/02 vs. Q1/02	Q2/02 vs. Q2/01	6 mos.'02	6 mos.'02 vs. 6 mos.'01
Revenue	$ 190	(2)%	3%	$ 384	1%
NIE	128	(4)	13	262	11
NIE ex. g/w amort.**	128	(4)	15	262	13
Specific/total PCL	3	50	n.m.	5	n.m.
Net income	40	-	(15)	80	(14)
Net income ex. g/w amortization	40	-	(18)	80	(18)
Economic Profit	21	5	(30)	41	(28)
ROE	27.1%	↑ 140 bp	↓ 860 bp	26.4%	↓ 790 bp

* See chart 7 for special items
**Goodwill amortization expense was $2 million in Q2/01 and $4 million in 6 mos.'01

Expansion outside Canada

Proportion of U.S. revenues* growing

6 months 2002 revenues | **6 months 2001 revenues***



- U.S. net income was $39 million (3% of total) vs. $66 million (5% of total) in 6 months 2001, reflecting higher U.S. provisions for credit losses this year

*Excluding special items (see chart 7)

U.S. acquisition* contributions

Earnings from U.S. acquisitions up from last year

C$ millions

	Q2/02	Q2/01	6 mos. 2002	6 mos. 2001
RBC Centura**	$ 42	$ 4	$100	$ (2)
RBC Liberty	8	5	10	9
RBC Dain Rauscher***	(15)	(31)	(23)	(26)
Total U.S. acquisitions	$ 35	$(22)	$ 87	$(19)

NOTE: 6 months 2001 numbers included 5 months of results for RBC Liberty Insurance and 3 months and 3 weeks of results for RBC Dain Rauscher

* Does not include Dain Rauscher Wessels, whose operations have been integrated into RBC Capital Markets
** RBC Centura (acquired in Q3/01) includes RBC Mortgage and Security First Network Bank
*** Includes Tucker Anthony Sutro beginning October 31, 2001

Retention compensation costs

Q2/02 lower as forecasted

C$ millions

	Q2/02*		Q1/02*		Q4/01		Q3/01		Q2/01	
	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax
WM	24	15	36	22	26	16	29	18	29	18
C&IB	8	5	20	12	25	15	23	14	28	17
Total	**32**	**20**	**56**	**34**	**51**	**31**	**52**	**32**	**57**	**35**

* Includes Tucker Anthony Sutro ($12 million in WM each quarter, $7 million after-tax)

WM = RBC Investments (Wealth Management) C&IB = RBC Capital Markets (Corporate & Investment Banking)

Retention compensation costs

Retention compensation costs to fall after 2002

C$ millions

	2001 A		2002 F*		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
WM	88	54	110	68	70	43	53	33	30	18
C&IB	88	54	52	32	22	13	5	3	1	1
Total	**176**	**108**	**162**	**100**	**92**	**56**	**58**	**36**	**31**	**19**

- For Q3/02 and Q4/02, retention compensation is expected to be approx. $25 million ($15 million after-tax) each quarter for Wealth Management and $12 million ($7 million after-tax) each quarter for C&IB

* Forecast (based on current C$/US$ exchange rates). Nil in 2006. Tucker Anthony Sutro retention compensation cost forecast, included in Wealth Management, is $12 million each quarter ($7 million after-tax) up to 2004 and $29 million in 2005 ($18 million after-tax)

WM = RBC Investments (Wealth Management) C&IB = RBC Capital Markets (Corporate & Investment Banking)

Disclosure of stock option impact

C$ millions

- **Impact of stock options on net income and EPS disclosed in compliance with FAS 123 under US GAAP in Notes to Financial Statements since 1999**
- **Pro forma net income impact of stock options (see Note 12, p. 77 in 2001 annual report for full disclosure):**

	2001	2000	1999
Pro forma net income impact	**$(20)**	**$(23)**	**$(26)**
% of net income	**0.8%**	**1.0%**	**1.5%**

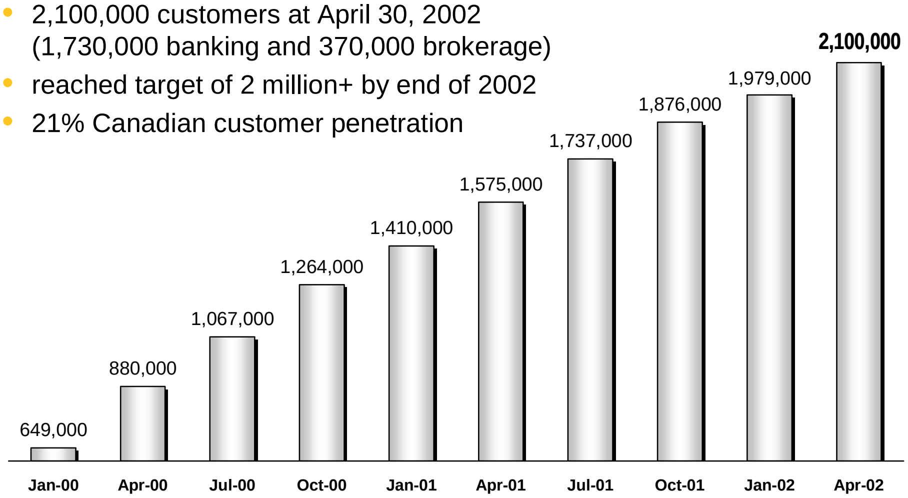
- **U.S. GAAP requires disclosure for all options, whereas new CICA rules effective fiscal 2003 for banks allow for option expenses to be disclosed prospectively (ie. for new option grants)**
- **Stock Appreciation Rights granted in 2000 and 2001 in tandem with options have been expensed on income statements:**

	6 mos.'02	2001	2000
SAR expense (pre-tax)	**$43**	**$23**	**$52**

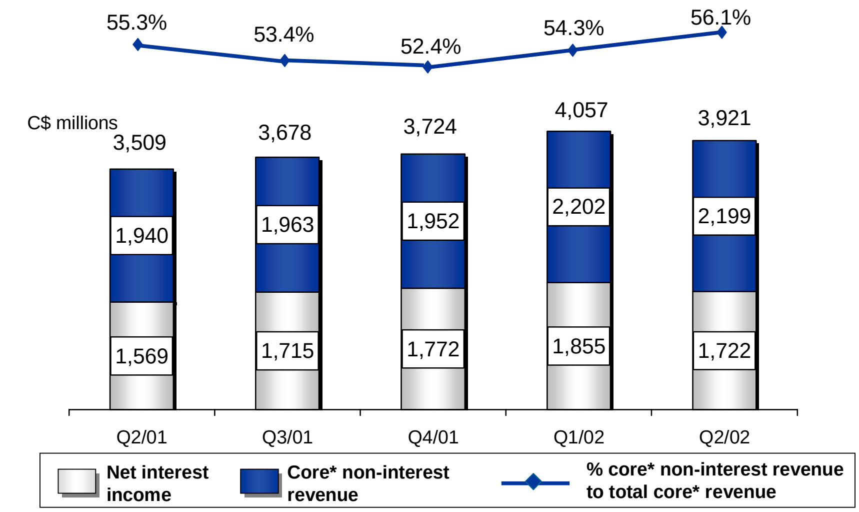
Online customers update

Number of Canadian online customers surpasses target

- 2,100,000 customers at April 30, 2002 (1,730,000 banking and 370,000 brokerage)
- reached target of 2 million+ by end of 2002
- 21% Canadian customer penetration



Revenue growth



*Excluding one-time revenues in Q4/01; taxable equivalent basis

US GAAP

Revenue growth

Non-interest revenue

C$ millions

	Q2/02 vs. Q1/02		Q2/02 vs. Q2/01		6 mos.'02 vs. 6 mos.'01	
Non-interest revenue growth	$ (3)	-	$ 259	13%	$ 474	12%
Less: special items*	-		-		(132)	
Non-interest revenue growth – core	$ (3)	-	$ 259	13%	$ 606	16%
Due to:						
Securitization revenues	$ 25	78 %	$ 38	200 %	$ 51	134%
Mortgage banking	(18)	(25)	(4)	(7)	40	45
Capital market fees	(20)	(3)	53	10	225	24
Investment management and custodial fees	(2)	(1)	2	1	48	11
Insurance	13	23	-	-	7	6
Mutual fund revenues	1	1	6	4	7	3
Trading revenues	(72)	(16)	(73)	(16)	(185)	(18)
Other	70	11	237	53	413	47

*Special items shown in chart 7

US GAAP

Revenue growth

Capital market fees

C$ millions

	Q2/02	Q2/02 vs. Q1/02	Q2/02 vs. Q2/01	6 mos. 2002	6 mos.'02 vs. 6 mos.'01
Full-service brokerage	$ 393	(6)%	18%	$ 810	37%
Institutional	157	3	(1)	309	7
Discount brokerage	21	(5)	(22)	43	(23)
Total capital market fees	$ 571	(3)%	10%	1,162	24%

Revenue growth

Net interest margin

	Q2/02	Q1/02	Q2/01
Net interest margin	1.90%	2.01%	1.97%
Change in margin		(11) b.p.	(7) b.p.
Due to:			
Impact of RBC Centura*		-	9
Global equity derivatives		1	2
Prime-core deposit spread		(2)	(15)
Higher proportion of low yielding assets		(7)	(1)
Other		(3)	(2)
		(11)	(7)
Avg. Canadian prime rate	3.79%	4.10%	6.90%

* RBC Centura includes RBC Mortgage and Security First Network Bank

US GAAP

Cost control

Operating expenses

C$ millions	Q2/02	Q1/02	Q2/01	6 mos. 2002	6 mos. 2001
Core NIE	$ 2,519	$ 2,609	$ 2,263	$ 5,128	$ 4,407
Less:					
• Retention compensation costs	32	56	57	88	73
• Stock Appreciation Rights costs	17	26	(16)	43	(7)
Operating NIE*	**$ 2,470**	**$ 2,527**	**$ 2,222**	**$ 4,997**	**4,341**
Operating NIE growth		**(2)%**	**11%****		**15%****

* Operating expenses defined on chart 4
** Largely reflects acquisitions made after Q2/01

Performance-related costs
- For the total bank, variable compensation was $513 million in Q2/02, $575 million in Q1/02, $548 million in Q2/01, $1,088 million in 6 months 2002 and $1,079 in 6 months 2001.
- Excluding variable compensation costs, operating NIE growth in Q2/02 would have been flat compared to Q1/02 and 17% compared to Q2/01, and in 6 months 2002 would have been 20% compared to 6 months 2001

US GAAP

Cost control

Good cost discipline excluding acquisitions

C$ millions	Q2/02	Q1/02	Q2/01	6 mos. 2002	6 mos. 2001
Operating NIE*	**$ 2,470**	**$ 2,527**	**$ 2,222**	**$ 4,997**	**$ 4,341**
Less: NIE of recent U.S. acqs.**	691	716	382	1,407	550
Operating NIE excl. U.S. acqs.	$ 1,779	$ 1,811	$ 1,840	**$** 3,590	$ 3,791
Growth excl. U.S. acquisitions		**(2)%**	**(3)%**		**(5)%**
Operating revenues*	**$ 3,921**	**$ 4,057**	**$ 3,509**	**$ 7,978**	**$ 6,837**
Less: revenues of recent U.S. acquisitions**	787	852	401	1,639	570
Operating revenues excl. U.S. acquisitions	$ 3,134	$ 3,205	$ 3,108	$ 6,339	$ 6,267
Growth excl. U.S. acquisitions		**(2)%**	**1%**		**1%**

* Operating expenses and revenues defined on chart 4
**Represents NIE (excluding retention compensation costs) and revenues of RBC Centura (includes RBC Mortgage and Security First Network Bank), 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

US GAAP

Cost control

Cost of Stock Appreciation Rights (SARs)

	End of period share price	$ share price appreciation during quarter	SAR expense ($MM)	Impact on EPS ($/share)
Q2/02*	$54.97	+4.97	17*	-0.02*
Q1/02	$50.00	+3.20	26	-0.02
Q4/01	$46.80	-4.16	(20)	+0.02
Q3/01	$50.96	+8.01	50	-0.05
Q2/01	$42.95	-5.25	(16)	+0.01
Q1/01	$48.20	-0.10	9	-
Q4/00	$48.30	+8.65	37	-0.04
Q3/00	$39.65	+4.70	13	-0.01
Q2/00	$34.95	+5.42	2	-

* The SAR expense in Q2/02 under Canadian GAAP was $46 million and the impact on EPS was $0.04. Starting in Q2/02 under U.S. GAAP, the SAR expense is based on an estimate of 40% of all participants exercising SARs and 60% exercising options (based on historical data). Under Canadian GAAP, the SAR expense must be based on 100% of all participants exercising SARs.

US GAAP

Cost control

Impact of SAR expense in Q2/02

C$ millions

U.S. GAAP

	Q2/02	Q1/02	Q2/01
SAR expense	**$ 17**	**$ 26**	**$ (16)**
$ change in SAR expense		-9	+33

Canadian GAAP

	Q2/02	Q1/02	Q2/01
SAR expense	**$ 46**	**$ 26**	**$ (16)**
$ change in SAR expense		+20	+62

Solid balance sheet

Growth in total consumer loans

C$ millions	April 30, 2002 vs.			
	January 31, 2002		April 30, 2001	
Residential mortgages*	$ 1,050	1%	$ 5,439	8%
Personal loans	692	2	2,579	9
Credit cards**	(105)	(2)	300	5
Total consumer loans	**$ 1,637**	**1%**	**$ 8,318**	**8%**
Business & government loans	(1,256)	(2)	2,363	3
Total gross loans	**$ 381**	**-**	**$ 10,681**	**6%**
less: allowance for loan losses	(7)	-	387	20
Total net loans	**$ 388**	**-**	**$ 10,294**	**6%**

* Growth is before the impact of sold and unsold balances of mortgage-backed securities of $4.2 billion at Q2/02, $3.8 billion at Q1/02 and $4.3 billion at Q2/01

** Growth is before the impact of securitized credit card loan balances of $1.8 billion at Q2/02, $2.0 billion at Q1/02 and $1.1 billion at Q2/01

Capital strength

Strengthening capital ratios

Capital ratios:

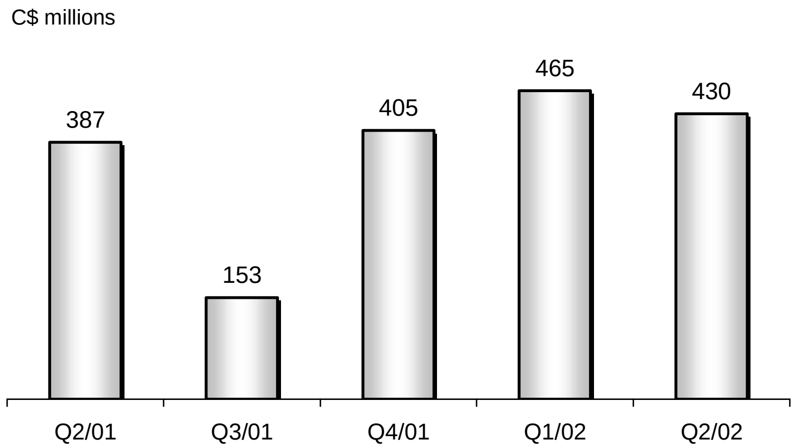
(using OSFI guidelines)

	Q2/02	Q1/02	Q2/01
• Tier 1 ratio:	**9.0%**	8.8%	8.8%
• Total capital ratio:	**12.6%**	12.3%	12.3%

Common shares:

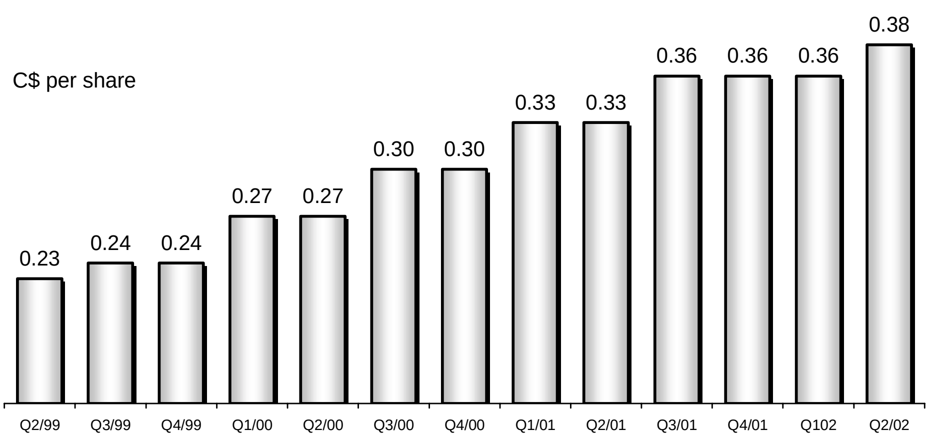
- Under the normal course issuer bid which began in June 2001, repurchased 2.3 million common shares during the quarter for $118 million at an average price of $50.69 per share

Substantial internal capital generation



US GAAP

Common share dividends

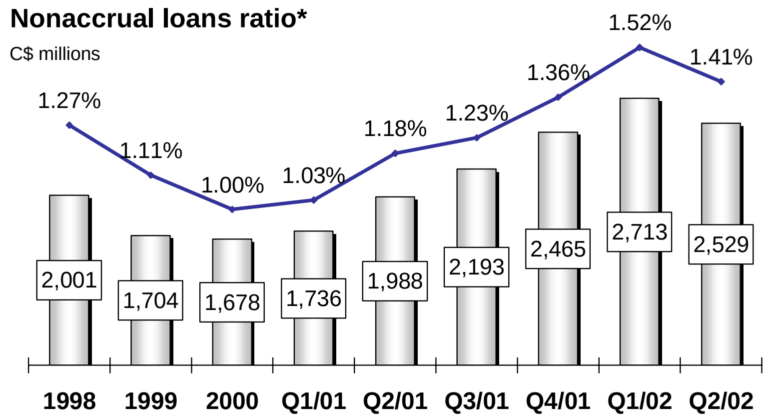


- history of uninterrupted dividend payments
- six increases in 3 years
- payout ratio of 37%* in Q2/02 (target payout range of 30-40%)

*US GAAP

Asset quality

Nonaccrual loans



- The decrease from Q1/02 partly reflects return to performing status of loans previously classified (largely transportation and Argentine loans)

* Nonaccrual loans as a percentage of related loans (including acceptances)

Asset quality

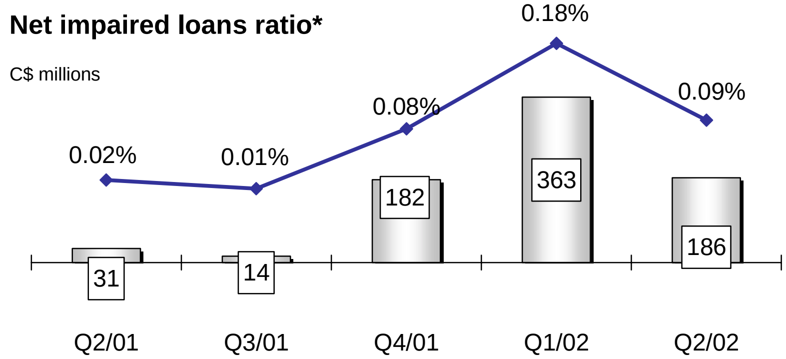
Nonaccrual loans

C$ millions	Q2/02	Q2/02 vs. Q1/02		Q2/02 vs. Q2/01	
Nonaccrual loans	**$2,529**	**$(184)**	**(7)%**	**$541**	**27%**
Nonaccrual loans (ex. RBC Centura)	$2,404	$(178)	(7)%	$416	21%
Comprising:					
Domestic business	$1,037	$(93)	(8)%	$ 24	2%
Domestic consumer	424	(17)	(4)	(36)	(8)
International (ex. RBC Centura)	943	(68)	(7)	428	83
RBC Centura*	125	(6)	(5)	125	n.m.

* RBC Centura (acquired in Q3/01) includes RBC Mortgage and Security First Network Bank

Asset quality

Net impaired loans

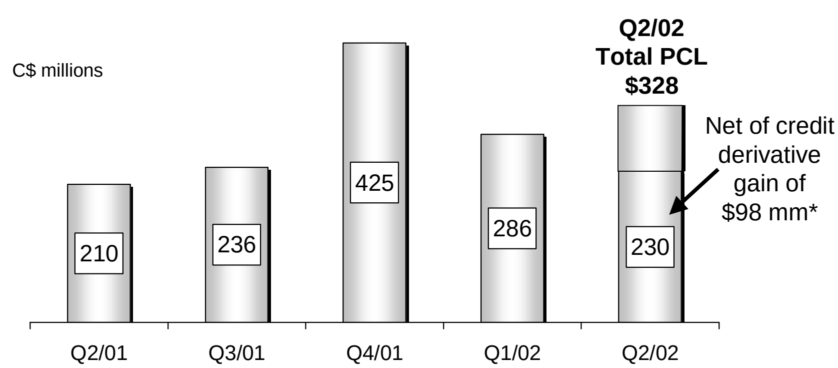


Additional coverage for exceptional loan losses is provided through a 5-year agreement entered into with a AAA rated insurer in October 2000. The agreement requires the reinsurer to purchase up to $200 million in Non-cumulative first preferred shares at the October 27, 2000 market price, should the general allowance for credit losses be drawn below a certain level.

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

Asset quality

Specific provisions



- The $118 million increase in specific PCL from Q2/01 reflects provisions on a new impaired loan (in the telecom sector) and provisions of $24 million for Argentine loans. Net of a $98 million gain on a credit derivative related to the telecom account, the Q2/02 PCL would have been $230 million

* Under U.S. GAAP, $89 million of the credit derivative gain was recorded in Q2/02 and $9 million in Q1/02

Asset quality

Specific provisions

Q2/02 provision for credit losses	**$328**
Less: offset in mark-to-market in derivatives book (reflected in Other income*)	**(98)**
Q2/02 “net” provision for credit losses	**$230**
Q2/02 “net” specific PCL ratio *	**0.45%**

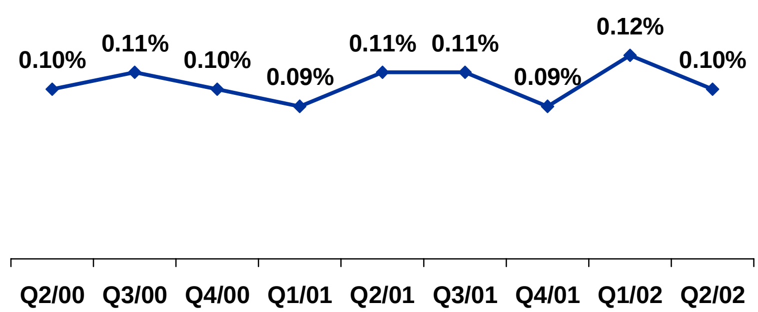
* The mark-to-market gain on a credit derivative (established to mitigate losses) was recorded in other income. If the credit derivative gain were to be netted against the provision for credit losses on the related telecom account, the specific PCL ratio would be 0.45%

CDN GAAP

Asset quality

Stable Canadian consumer loan portfolio

Provision for credit losses
% of outstanding balance*



* Total Canadian consumer loans, excluding student loans

Asset quality

Provision for credit losses (PCL)

C$ millions	Q2/02	Q1/02	Q2/01	6 mos.'02	6 mos.'01
Specific provision	$328	$286	$210	$614	$388
General provision	-	-	-	-	70
Total PCL	$328	$286	$210	$614	$458
Total PCL net of credit derivative gain	$230	$286	$210	$516	$458
Specific PCL ratio*	0.65%	0.54%	0.44%	0.59%	0.40%
Specific PCL ratio* net of credit derivative gain	0.45%	0.54%	0.44%	0.50%	0.40%

2002 objective: specific PCL ratio of 0.45-0.55%

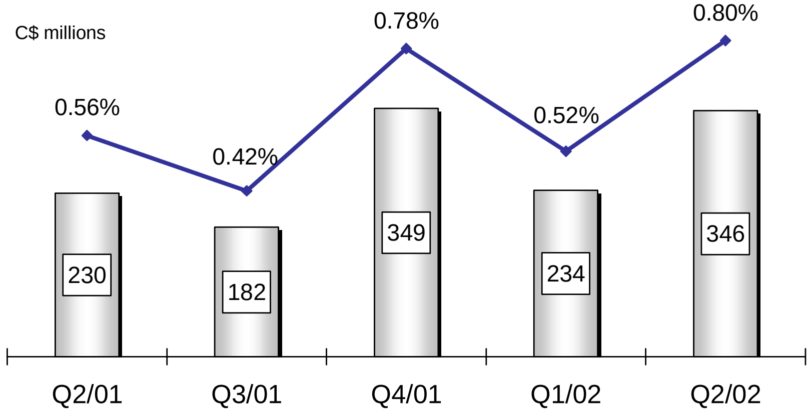
* Specific provision as a percentage of average loans (including reverse repos) and acceptances

CDN GAAP

Asset quality

Net charge-offs

Net charge-off ratio*



* Net charge-offs as a percentage of average loans (including acceptances)

US GAAP

Asset quality

Telecommunication and cable exposure

C$ billions

	Q2/02 Gross	Q2/02 Net	Q1/02 Gross	Q1/02 Net
Total telecom/cable exposure	**2.8**	**2.6**	**2.6**	**2.4**
- investment grade	*1.2*		*1.1*	
- non-investment grade	*1.6*		*1.5*	
Cable loans only	**0.9**	**0.9**	**0.8**	**0.8**
Telecommunication loans only*	**1.9**	**1.7**	**1.8**	**1.6**
- investment grade	*0.9*		*0.7*	
- non-investment grade	*1.0*		*1.1*	

C$ millions

	Q2/02 Gross	Q2/02 Net	Q1/02 Gross	Q1/02 Net
Total telecom/cable impaired loans	**300**	**97**	**280**	**107**
Cable loans only	**-**	**-**	**-**	**-**
Telecommunication loans only	**300**	**97**	**280**	**107**

* Includes CLEC exposure of $130 million in Q2/02 (net of allowances, exposure is $89 million) and $195 million in Q1/02 (net of allowances, exposure is $101 million)

Asset quality

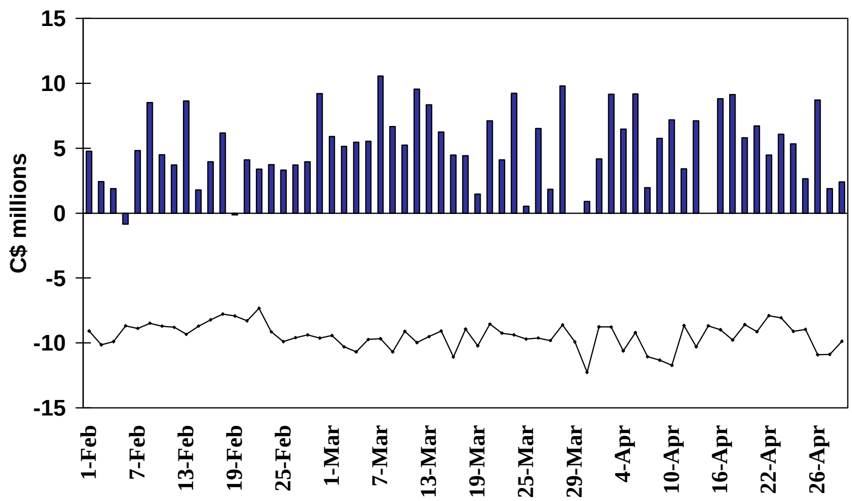
Argentine exposure down

C$ millions

	Q2/02 Gross	Q2/02 Net	Q1/02 Gross	Q1/02 Net	% change (Net)
Corporates	**127**	**101**	**128**	**122**	**(17)**
Banks	**22**	**16**	**30**	**28**	**(43)**
Government	**-**	**-**	**-**	**-**	**-**
Total exposure	**149**	**117**	**158**	**150**	**(22)**
Impaired loans	**108**	**76**	**158**	**150**	**(49)**

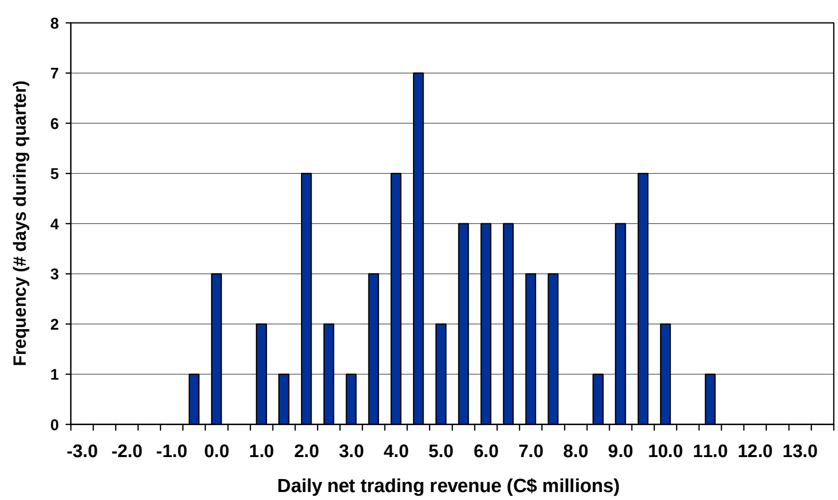
Trading revenue performance

Good performance vs. VAR continues in Q2/02



Trading revenue performance

Second quarter 2002 trading revenue



Risk management

Conclusion

- Improvement in nonaccrual loans despite the classification of a telecom loan partly reflects the return to performing status of loans previously classified (largely relates to transportation sector and Argentine loans)
- Specific PCL increase from Q2/01 reflects $24 million provisioned for Argentine loans and provisions for the newly impaired telecom loan
- If credit derivative gain were netted against Q2/02 PCL, specific PCL down $56 million from Q1/02 (Cdn. GAAP)
- Specific PCL ratio of 0.59% for 6 mos.'02 (or 0.50% if the credit derivative gain related to the telecom loan were to be netted against PCL), compared to 2002 objective of 0.45-0.55% (Cdn. GAAP)
- Net impaired loans down 9% in telecom/cable and 49% in Argentina
- Solid trading performance continues