



Supplementary Financial Information (U.S. GAAP)

4th Quarter 2003

(UNAUDITED)

Investor Relations Department

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November 25, 2003

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Notes to Users

Changes made to this Document in Q4/03:

Enhancement of insurance disclosure

In recent years, our insurance business has expanded significantly due to acquisitions and organic growth. As a result, in Q4/03, we changed the presentation of our income statement and balance sheet, with no effect on net income, to provide additional disclosures which, we believe, make our disclosure more comparable to disclosure practices of insurance companies and other financial institutions with insurance operations. All comparable information has been appropriately reclassified for prior periods.

Shaded numbers reflect reclassifications as a result of the enhancement of insurance disclosure made in Q4/03.

Income statement items

Note: There is no impact on net income.

Impact on Total revenues

Previously, insurance revenues were reported in net interest income and in the following non-interest income lines:

- insurance revenues (which was shown net of insurance policyholder benefits, claims and acquisition expense),
- investment management and custodial fees,
- foreign exchange revenues other than trading,
- gain/loss on securities, and
- other non-interest income.

We have reclassified insurance revenues by capturing all the insurance revenue items noted above, including the amount previously reported in net interest income, in a single line in non-interest income called "insurance premiums, investment income and fee income". The amount in this new line is no longer net of insurance policyholder benefits, claims and acquisition expense, which is now shown separately.

The amounts previously reported in net interest income related to income earned on investment assets supporting policy benefit liabilities and is more appropriately classified as non-interest income. As a result, there is no net interest income reported for RBC Insurance, and the net interest margin has been restated.

New line: Insurance policyholder benefits, claims and acquisition expense

The costs associated with generating the insurance revenues described above are now captured in this new line. Previously, these costs were netted against the insurance revenues line in non-interest income.

Impact on Non-interest expense

The classification had no impact on non-interest expense. The administrative costs of RBC Insurance continue to be reported in non-interest expense.

The tables on the following two pages of this document show a detailed reconciliation between the previous presentation of insurance results and the new presentation.

Balance sheet items

Discussion of *new line* items

Assets

Reinsurance recoverables were previously included in Other assets and are now reported as a separate line on the Balance Sheet under U.S. GAAP.

Separate account assets were not previously reported on the Balance Sheet and were not material until the acquisition of Business Men's Assurance Company on May 1, 2003. Separate account assets are now reported on the Balance Sheet under U.S. GAAP.

Liabilities

Insurance claims and policy benefit liabilities were previously reported in Other liabilities and are now reported as a separate line on the Balance Sheet.

Separate account liabilities were not previously reported on the Balance Sheet and were not material until the acquisition of Business Men's Assurance Company on May 1, 2003. Separate account liabilities are now reported on the Balance Sheet under U.S. GAAP.

Explanation of Certain Insurance Terms

Policyholder Benefits

The total dollar amount paid or payable in the future by an insurance company for its contractual obligations to the policyholder within a specified period.

Policy Acquisition Expenses

Any costs that an insurer incurs relating to the sale and issue of new insurance policies.

Reinsurance Recoverables

A receivable from reinsurers for their share of policy benefit costs.

Separate Account Assets

Investment accounts maintained for variable insurance products, separate from an insurer's corporate account.

Separate Account Liabilities

The current and future obligations of the products represented within the separate account

Insurance Claims

A request for payment of benefits under the terms of an insurance policy.

Policy Benefit Liabilities

The reserves earmarked to pay future contractual obligations to the policyholder.

ENHANCEMENT TO INSURANCE DISCLOSURE

RBC INCOME STATEMENT (C\$ MM)

| | Q3/03 | | | Q2/03 | | | Q1/03 | | | Q4/02 | | | 2002 | | |
|--|-----------|-------------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|
| | Old Basis | Adjustments | New Basis | Old Basis | Adjustments | New Basis | Old Basis | Adjustments | New Basis | Old Basis | Adjustments | New Basis | Old Basis | Adjustments | New Basis |
| Interest Income | | | | | | | | | | | | | | | |
| Loans | 2,569 | - | 2,569 | 2,486 | - | 2,486 | 2,617 | - | 2,617 | 2,653 | - | 2,653 | 10,463 | - | 10,463 |
| Trading account securities | 466 | - | 466 | 464 | - | 464 | 496 | - | 496 | 515 | - | 515 | 1,945 | - | 1,945 |
| Available for sale securities | 276 | (83) | 193 | 272 | (58) | 214 | 300 | (67) | 233 | 267 | (65) | 202 | 1,130 | (223) | 907 |
| Assets purchased under reverse repurchase agreements | 225 | - | 225 | 184 | - | 184 | 192 | - | 192 | 195 | - | 195 | 651 | - | 651 |
| Deposits with banks | 90 | - | 90 | 95 | - | 95 | 111 | - | 111 | 116 | - | 116 | 482 | - | 482 |
| | 3,626 | (83) | 3,543 | 3,501 | (58) | 3,443 | 3,716 | (67) | 3,649 | 3,746 | (65) | 3,681 | 14,671 | (223) | 14,448 |
| Interest expense | | | | | | | | | | | | | | | |
| Deposits | (1,391) | - | (1,391) | (1,339) | - | (1,339) | (1,433) | - | (1,433) | (1,463) | - | (1,463) | (5,709) | - | (5,709) |
| Other liabilities | (400) | - | (400) | (373) | - | (373) | (384) | - | (384) | (377) | - | (377) | (1,405) | - | (1,405) |
| Subordinated debentures | (94) | - | (94) | (93) | - | (93) | (96) | - | (96) | (98) | - | (98) | (406) | - | (406) |
| | (1,885) | - | (1,885) | (1,805) | - | (1,805) | (1,913) | - | (1,913) | (1,938) | - | (1,938) | (7,520) | - | (7,520) |
| Net interest income | 1,741 | (83) | 1,658 | 1,696 | (58) | 1,638 | 1,803 | (67) | 1,736 | 1,808 | (65) | 1,743 | 7,151 | (223) | 6,928 |
| Non-interest income | | | | | | | | | | | | | | | |
| Insurance premiums, investment and fee income <i>(new line)</i> | - | 505 | 505 | - | 466 | 466 | - | 526 | 526 | - | 527 | 527 | - | 1,910 | 1,910 |
| Deposit & payment service charges | 270 | - | 270 | 261 | - | 261 | 279 | - | 279 | 275 | - | 275 | 1,041 | - | 1,041 |
| Capital market fees | 496 | - | 496 | 397 | - | 397 | 400 | - | 400 | 426 | - | 426 | 1,866 | - | 1,866 |
| Trading revenues | 543 | - | 543 | 481 | - | 481 | 544 | - | 544 | 486 | - | 486 | 1,766 | - | 1,766 |
| Investment management and custodial fees | 278 | - | 278 | 278 | - | 278 | 282 | (1) | 281 | 278 | - | 278 | 1,179 | (2) | 1,177 |
| Mutual fund revenues | 168 | - | 168 | 161 | - | 161 | 169 | - | 169 | 170 | - | 170 | 723 | - | 723 |
| Card service revenues | 82 | - | 82 | 63 | - | 63 | 73 | - | 73 | 74 | - | 74 | 285 | - | 285 |
| Foreign exchange revenues, other than trading | 75 | - | 75 | 59 | 4 | 63 | 67 | (1) | 66 | 70 | (2) | 68 | 277 | (3) | 274 |
| Credit fees | 58 | - | 58 | 63 | - | 63 | 63 | - | 63 | 52 | - | 52 | 223 | - | 223 |
| Insurance revenues <i>(deleted line)</i> | 66 | (66) | - | 84 | (84) | - | 65 | (65) | - | 61 | (61) | - | 255 | (255) | - |
| Securitization revenues | 29 | - | 29 | 41 | - | 41 | 34 | - | 34 | 45 | - | 45 | 172 | - | 172 |
| Gain (loss) on sale of securities | (6) | (5) | (11) | 48 | (1) | 47 | (26) | (4) | (30) | (98) | (15) | (113) | (95) | (17) | (112) |
| Gain from divestitures | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gain (loss) on disposal of premises and equip. | - | - | - | (2) | - | (2) | - | - | - | (7) | - | (7) | 15 | - | 15 |
| Mortgage banking revenues | 63 | - | 63 | 59 | - | 59 | 70 | - | 70 | 57 | - | 57 | 240 | - | 240 |
| Other | 104 | (16) | 88 | 60 | (15) | 45 | 141 | (17) | 124 | 214 | (29) | 185 | 632 | (80) | 552 |
| Total non-interest income | 2,226 | 418 | 2,644 | 2,053 | 370 | 2,423 | 2,161 | 438 | 2,599 | 2,103 | 420 | 2,523 | 8,579 | 1,553 | 10,132 |
| Total revenues | 3,967 | 335 | 4,302 | 3,749 | 312 | 4,061 | 3,964 | 371 | 4,335 | 3,911 | 355 | 4,266 | 15,730 | 1,330 | 17,060 |
| Provision for credit losses | (167) | - | (167) | (211) | - | (211) | (200) | - | (200) | (235) | - | (235) | (1,065) | - | (1,065) |
| Insurance policyholder benefits, claims and acquisition expense <i>(new line)</i> | - | (335) | (335) | - | (312) | (312) | - | (371) | (371) | - | (355) | (355) | - | (1,330) | (1,330) |
| Non-interest expense | | | | | | | | | | | | | | | |
| Human resources | (1,621) | - | (1,621) | (1,558) | - | (1,558) | (1,631) | - | (1,631) | (1,512) | - | (1,512) | (6,263) | - | (6,263) |
| Occupancy | (199) | - | (199) | (190) | - | (190) | (194) | - | (194) | (201) | - | (201) | (788) | - | (788) |
| Equipment | (178) | - | (178) | (199) | - | (199) | (184) | - | (184) | (201) | - | (201) | (752) | - | (752) |
| Communications | (180) | - | (180) | (193) | - | (193) | (178) | - | (178) | (210) | - | (210) | (790) | - | (790) |
| Professional fees | (113) | - | (113) | (106) | - | (106) | (113) | - | (113) | (133) | - | (133) | (419) | - | (419) |
| Amortization | (16) | - | (16) | (20) | - | (20) | (19) | - | (19) | (20) | - | (20) | (72) | - | (72) |
| Other | (274) | - | (274) | (248) | - | (248) | (240) | - | (240) | (324) | - | (324) | (1,160) | - | (1,160) |
| | (2,581) | - | (2,581) | (2,514) | - | (2,514) | (2,559) | - | (2,559) | (2,601) | - | (2,601) | (10,244) | - | (10,244) |
| Income taxes | (413) | - | (413) | (304) | - | (304) | (410) | - | (410) | (315) | - | (315) | (1,415) | - | (1,415) |
| Non-controlling interest in net income of subsidiaries | (30) | - | (30) | (31) | - | (31) | (28) | - | (28) | (28) | - | (28) | (108) | - | (108) |
| Net income | 776 | - | 776 | 689 | - | 689 | 767 | - | 767 | 732 | - | 732 | 2,898 | - | 2,898 |

RBC INSURANCE INCOME STATEMENT

| | | | | | | | | | | | | | | | |
|---|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|
| Net interest income | 83 | (83) | - | 58 | (58) | - | 67 | (67) | - | 65 | (65) | - | 223 | (223) | - |
| Non-interest income | 87 | 418 | 505 | 96 | 370 | 466 | 88 | 438 | 526 | 107 | 420 | 527 | 357 | 1,553 | 1,910 |
| Total revenues | 170 | 335 | 505 | 154 | 312 | 466 | 155 | 371 | 526 | 172 | 355 | 527 | 580 | 1,330 | 1,910 |
| Provision for credit losses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Insurance policyholder benefits, claims and acquisition expense <i>(new line)</i> | - | (335) | (335) | - | (312) | (312) | - | (371) | (371) | - | (355) | (355) | - | (1,330) | (1,330) |
| Non-interest expense | (117) | - | (117) | (98) | - | (98) | (101) | - | (101) | (121) | - | (121) | (399) | - | (399) |
| Other | 4 | - | 4 | - | - | - | - | - | - | - | - | - | 9 | - | 9 |
| Net income | 57 | - | 57 | 56 | - | 56 | 54 | - | 54 | 51 | - | 51 | 190 | - | 190 |

Other statistics

| | | | | | | | | | | | | | | | |
|---|-------|------|-------|-------|-----|-------|-------|-----|-------|-------|------|-------|---------|------|---------|
| Non-interest income | | | | | | | | | | | | | | | |
| Net earned premiums | 372 | - | 372 | 380 | - | 380 | 406 | - | 406 | 424 | - | 424 | 1,564 | - | 1,564 |
| Investment income <i>(new line)</i> | - | 104 | 104 | - | 57 | 57 | - | 77 | 77 | - | 46 | 46 | - | 188 | 188 |
| Fee income | 34 | (5) | 29 | 26 | 3 | 29 | 48 | (5) | 43 | 74 | (17) | 57 | 179 | (21) | 158 |
| Insurance Policyholder benefits, claims and acquisition expense | | | | | | | | | | | | | | | |
| Policyholder benefits and claims | (264) | (16) | (280) | (244) | (2) | (246) | (315) | (5) | (320) | (319) | 36 | (283) | (1,081) | 56 | (1,025) |
| Policy acquisition expense | (55) | - | (55) | (66) | - | (66) | (51) | - | (51) | (72) | - | (72) | (305) | - | (305) |

ENHANCEMENT TO INSURANCE DISCLOSURE

| BALANCE SHEET (C\$ MM) | Q3/03 | | | Q2/03 | | | Q1/03 | | | Q4/02 | | | 2002 | | |
|---|-----------|-------------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|-----------|-------------|-----------|
| | Old Basis | Adjustments | New Basis | Old Basis | Adjustments | New Basis | Old Basis | Adjustments | New Basis | Old Basis | Adjustments | New Basis | Old Basis | Adjustments | New Basis |
| Period-end balances | | | | | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | | | | | |
| Cash resources | 21,247 | - | 21,247 | 21,931 | - | 21,931 | 20,360 | - | 20,360 | 21,293 | - | 21,293 | 21,293 | - | 21,293 |
| Securities | 108,420 | - | 108,420 | 104,530 | - | 104,530 | 99,532 | - | 99,532 | 95,353 | - | 95,353 | 95,353 | - | 95,353 |
| Assets purchased under reverse repurchase agreements | 41,868 | - | 41,868 | 37,087 | - | 37,087 | 37,874 | - | 37,874 | 35,831 | - | 35,831 | 35,831 | - | 35,831 |
| Loans | | | | | | | | | | | | | | | |
| Residential mortgage | 77,201 | - | 77,201 | 74,431 | - | 74,431 | 73,417 | - | 73,417 | 72,842 | - | 72,842 | 72,842 | - | 72,842 |
| Personal | 33,171 | - | 33,171 | 32,451 | - | 32,451 | 31,956 | - | 31,956 | 31,956 | - | 31,956 | 31,956 | - | 31,956 |
| Credit card | 5,625 | - | 5,625 | 5,327 | - | 5,327 | 5,214 | - | 5,214 | 4,914 | - | 4,914 | 4,914 | - | 4,914 |
| Business and government | 57,242 | - | 57,242 | 57,908 | - | 57,908 | 60,020 | - | 60,020 | 61,811 | - | 61,811 | 61,811 | - | 61,811 |
| Total loans | 173,239 | - | 173,239 | 170,117 | - | 170,117 | 170,607 | - | 170,607 | 171,523 | - | 171,523 | 171,523 | - | 171,523 |
| Allowance for loan losses | (2,156) | - | (2,156) | (2,226) | - | (2,226) | (2,267) | - | (2,267) | (2,203) | - | (2,203) | (2,203) | - | (2,203) |
| Total loans, net of allowance for loan losses | 171,083 | - | 171,083 | 167,891 | - | 167,891 | 168,340 | - | 168,340 | 169,320 | - | 169,320 | 169,320 | - | 169,320 |
| Customers' liability under acceptances | 6,391 | - | 6,391 | 7,088 | - | 7,088 | 7,292 | - | 7,292 | 8,051 | - | 8,051 | 8,051 | - | 8,051 |
| Derivative-related amounts | 35,782 | - | 35,782 | 37,127 | - | 37,127 | 37,300 | - | 37,300 | 31,250 | - | 31,250 | 31,250 | - | 31,250 |
| Premises and equipment | 1,563 | - | 1,563 | 1,570 | - | 1,570 | 1,612 | - | 1,612 | 1,639 | - | 1,639 | 1,639 | - | 1,639 |
| Goodwill | 4,778 | - | 4,778 | 4,844 | - | 4,844 | 5,095 | - | 5,095 | 5,040 | - | 5,040 | 5,040 | - | 5,040 |
| Other intangibles | 624 | - | 624 | 654 | - | 654 | 681 | - | 681 | 665 | - | 665 | 665 | - | 665 |
| Reinsurance recoverables <i>(new line)</i> | - | 3,390 | 3,390 | - | 1,629 | 1,629 | - | 1,662 | 1,662 | - | 1,946 | 1,946 | - | 1,946 | 1,946 |
| Separate account assets <i>(new line)</i> | - | 317 | 317 | - | 66 | 66 | - | 70 | 70 | - | 68 | 68 | - | 68 | 68 |
| Other assets | 17,331 | (3,390) | 13,941 | 15,463 | (1,629) | 13,834 | 14,140 | (1,662) | 12,478 | 13,490 | (1,946) | 11,544 | 13,490 | (1,946) | 11,544 |
| Total assets | 409,087 | 317 | 409,404 | 398,185 | 66 | 398,251 | 392,226 | 70 | 392,296 | 381,932 | 68 | 382,000 | 381,932 | 68 | 382,000 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | | | | | | | |
| Deposits | | | | | | | | | | | | | | | |
| Canada | | | | | | | | | | | | | | | |
| Non-interest-bearing | 23,507 | - | 23,507 | 22,652 | - | 22,652 | 21,904 | - | 21,904 | 23,222 | - | 23,222 | 23,222 | - | 23,222 |
| Interest-bearing | 130,421 | - | 130,421 | 125,504 | - | 125,504 | 119,863 | - | 119,863 | 119,737 | - | 119,737 | 119,737 | - | 119,737 |
| International | | | | | | | | | | | | | | | |
| Non-interest-bearing | 3,148 | - | 3,148 | 2,744 | - | 2,744 | 2,833 | - | 2,833 | 2,969 | - | 2,969 | 2,969 | - | 2,969 |
| Interest-bearing | 100,657 | - | 100,657 | 100,666 | - | 100,666 | 104,031 | - | 104,031 | 99,112 | - | 99,112 | 99,112 | - | 99,112 |
| Total deposits | 257,733 | - | 257,733 | 251,566 | - | 251,566 | 248,631 | - | 248,631 | 245,040 | - | 245,040 | 245,040 | - | 245,040 |
| Acceptances | 6,391 | - | 6,391 | 7,088 | - | 7,088 | 7,292 | - | 7,292 | 8,051 | - | 8,051 | 8,051 | - | 8,051 |
| Obligations related to securities sold short | 20,238 | - | 20,238 | 23,389 | - | 23,389 | 18,923 | - | 18,923 | 17,990 | - | 17,990 | 17,990 | - | 17,990 |
| Obligations related to assets sold under repurchase agreements | 24,589 | - | 24,589 | 22,104 | - | 22,104 | 23,387 | - | 23,387 | 21,109 | - | 21,109 | 21,109 | - | 21,109 |
| Derivative-related amounts | 36,367 | - | 36,367 | 37,365 | - | 37,365 | 38,433 | - | 38,433 | 32,737 | - | 32,737 | 32,737 | - | 32,737 |
| Insurance claims and policy benefit liabilities <i>(new line)</i> | - | 8,840 | 8,840 | - | 4,699 | 4,699 | - | 4,841 | 4,841 | - | 4,747 | 4,747 | - | 4,747 | 4,747 |
| Separate account liabilities <i>(new line)</i> | - | 317 | 317 | - | 66 | 66 | - | 70 | 70 | - | 68 | 68 | - | 68 | 68 |
| Other liabilities | 37,111 | (8,840) | 28,271 | 29,286 | (4,699) | 24,587 | 27,963 | (4,841) | 23,122 | 29,821 | (4,747) | 25,074 | 29,821 | (4,747) | 25,074 |
| Subordinated debentures | 6,780 | - | 6,780 | 6,828 | - | 6,828 | 6,885 | - | 6,885 | 6,960 | - | 6,960 | 6,960 | - | 6,960 |
| Non-controlling interest in subsidiaries | 1,454 | - | 1,454 | 1,475 | - | 1,475 | 1,445 | - | 1,445 | 1,469 | - | 1,469 | 1,469 | - | 1,469 |
| Shareholders' equity | | | | | | | | | | | | | | | |
| Capital stock | | | | | | | | | | | | | | | |
| Preferred | 822 | - | 822 | 1,472 | - | 1,472 | 1,502 | - | 1,502 | 1,515 | - | 1,515 | 1,515 | - | 1,515 |
| Common | 7,001 | - | 7,001 | 7,012 | - | 7,012 | 7,029 | - | 7,029 | 6,963 | - | 6,963 | 6,963 | - | 6,963 |
| Additional paid-in capital | 86 | - | 86 | 78 | - | 78 | 80 | - | 80 | 76 | - | 76 | 76 | - | 76 |
| Retained earnings | 11,278 | - | 11,278 | 11,053 | - | 11,053 | 10,910 | - | 10,910 | 10,473 | - | 10,473 | 10,473 | - | 10,473 |
| Accumulated other comprehensive income | (763) | - | (763) | (531) | - | (531) | (254) | - | (254) | (272) | - | (272) | (272) | - | (272) |
| Total shareholders' equity | 18,424 | - | 18,424 | 19,084 | - | 19,084 | 19,267 | - | 19,267 | 18,755 | - | 18,755 | 18,755 | - | 18,755 |
| Total liabilities and shareholders' equity | 409,087 | 317 | 409,404 | 398,185 | 66 | 398,251 | 392,226 | 70 | 392,296 | 381,932 | 68 | 382,000 | 381,932 | 68 | 382,000 |

Notes to Users (Continued)

This document is not audited and should be read in conjunction with the Q4/03 Report to Shareholders, Q4/03 Quarterly Results slides, the consolidated financial statements for the year ended October 31, 2003 and the Explanation of Certain Terms on page 1 of this document.

Changes made to this Document in Q4/03 (continued):

Page 4: RBC Insurance

Due to the enhancement of the insurance disclosure discussed on the previous page, a new line "**Investment Income**" in Other Statistics has been added.

Page 15: Non-interest income

Capital market fees in non-interest income have been broken out into the following two new lines to provide additional disclosure:

Underwriting and Other Advisory Fees
Securities Brokerage Commissions

Page 15: Securities Brokerage Commissions Table

The capital market fees table has been replaced with a Securities Brokerage Commissions Table due to the break out of capital market fees into the new lines discussed above. The amounts relating to underwriting and other advisory services reported in the previous Institutional line have been moved to ***Underwriting and Other Advisory Fees***, while the amounts related to Institutional brokerage activities are reported in the ***Institutional Brokerage*** line in this table.

Page 16: Non-interest expense

A new line has been added to non-interest expense:

Outsourced Item Processing

This line was previously reported in other non-interest expense.

Non-GAAP financial measures

General Caution

We believe the use of non-GAAP financial measures, such as core earnings, cash earnings, economic profit, and average balances, can provide useful information to investors regarding the company's financial condition and results of operations. 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. Further explanations of non-GAAP financial measures are provided in the **Explanation of Certain Terms on page 1**.

Special Items/Core Earnings

Our management evaluates our performance 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) as well as on a "core" basis (i.e., excluding "special items", which are transactions or events that affect our reported results but that, in our view, are not part of our normal day-to-day business operations). We believe that the impact of special items may obscure or distort trends in the results of our ongoing operations and that investors evaluating our results may find core earnings information, which excludes such impact, to be a useful supplement to GAAP information. However, it should be noted that determining whether an item is a "special item" involves judgment by management. The impact of special items could be material to our operating results computed in accordance with GAAP in a period.

Cash Basis Measures

Cash basis measures, such as cash earnings, and cash ROE, are computed by adding back to net income the after-tax amount of amortization of goodwill and other intangibles (and other non-cash charges such as depreciation). We believe that some investors can find it useful to review cash basis measures because non-cash charges such as the amortization of goodwill and other intangibles are accounting concepts that do not deplete an issuer's cash reserves. We believe these measures provide additional information on our ability to meet our fixed charges and present them solely as supplemental measures.

Common Equity

GAAP does not prescribe a method for allocating equity to business segments. For management and reporting purposes, we attribute common equity to 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. The methodology used to allocate capital involves judgment by management, is revised from time to time, and significantly impacts other measures such as business segment ROE and Economic Profit.

Economic Profit

Economic Profit is calculated using cash operating earnings (i.e., net income available to common shareholders excluding the after-tax impact of special items and amortization of goodwill and other intangibles), less a charge for the cost of common equity. We disclose Economic Profit as it is used by our management to evaluate the performance of our business segments and because some investors may also find it useful in evaluating our financial performance and analyzing trends in our businesses. It should be recognized that this measure reflects numerous judgments by management, including those related to the cost of capital and the allocation of common equity among business segments. Page 26 of our 2002 Annual Report provides a discussion of Economic Profit.

Table of Contents

| | Page | | Page |
|---|------|--|------|
| Explanation of Certain Terms | 1 | Securities brokerage commissions | 15 |
| Income Statement | 2 | Assets under administration and management | 15 |
| Profitability Measures | 2 | Non-interest expense (NIE) | 16 |
| Common Share Information | 2 | Balance sheet (period-end balances) | 17 |
| Results by business segment - RBC Banking | 3 | Balance sheet (selected average balances) | 18 |
| Results by business segment - RBC Insurance | 4 | Retained earnings | 18 |
| Results by business segment - RBC Investments | 5 | Loan securitization | 19 |
| Results by business segment - RBC Capital Markets | 6 | Capital | 20 |
| Results by business segment - RBC Global Services | 7 | Risk adjusted assets | 21 |
| Results by business segment - Other | 8 | Loans and acceptances | 22 |
| Results by business segment - Total | 9 | U.S. loans and acceptances | 23 |
| Results by geographic segment | 10 | Provision for credit losses (PCL) | 24 |
| Cash basis measures by segments | 11 | Nonaccrual loans | 24 |
| Cash basis measures by geography | 12 | Changes in nonaccrual loans | 25 |
| Economic Profit | 13 | Nonaccrual loans formations and charge-offs | 25 |
| Net interest income | 14 | Allowance for credit losses | 26 |
| Revenue from trading activities | 14 | Net charge-offs | 26 |
| Interest rate sensitivity position | 14 | Special Items - Net Income and Earnings Per Share and income taxes | 27 |
| Non-interest income | 15 | Special Items - Geographic Net Income, Non-interest income, PCL, and NIE | 28 |

Explanation of Certain Terms

Average assets

Calculated using methods intended to approximate the average of the daily balances for the period.

Average deposits

Calculated using methods intended to approximate the average of the daily balances for the period.

Average common equity

For RBC, calculated as the average of the month-end common equity balances for the period. For the segments, calculated using methods intended to approximate the average of the daily common equity balances for the period. Attributed to the segments as discussed under "Common Equity" in Notes to Users.

Average earning assets

Calculated using methods intended to approximate the average of the daily earning asset balances for the period. Earning assets include deposits with other banks, securities, assets purchased under reverse repurchase agreements and loans.

Average loans and acceptances

Calculated using methods intended to approximate the average of the daily loans and acceptances for the period.

Cash Basis Measures

Computed by adding back to net income the after-tax amount of amortization of goodwill and intangibles.

Economic Capital

An estimate of the amount of equity required to underpin risks consistent with the bank's desired solvency standard and debt rating. Specifically, Economic Capital is determined based on an assessment of credit, insurance, goodwill and intangible, trading market, operational, business, fixed asset and non-trading market risks taken to generate profits in a particular business segment.

Economic Profit

Net income available to common shareholders excluding the after-tax impact of special items and amortization of goodwill and other intangibles, less a charge for the cost of common equity. See "Economic Profit" in "Notes to Users".

Efficiency ratio

Non-interest expenses as a percentage of total revenues.

Market capitalization

End of period shares outstanding multiplied by the closing share price.

Net interest margin

Net interest income divided by average assets, or by average earning assets.

Regulation G

A regulation under the United States Securities Exchange Act of 1934, which requires certain disclosure when a company provides financial information that is calculated and presented on the basis of methodologies other than in accordance with GAAP.

Reported Basis

Based on information found in the financial statements prepared in accordance with United States generally accepted accounting principles (GAAP).

Return on assets

Net income divided by average assets.

Return on equity (ROE)

Net income available to common shareholders divided by average common equity for the period.

Special items

Certain transactions or events that affect our reported results that in management's view are not part of our normal day-to-day business operations. See "Special Items/Core Earnings" in "Notes to Users".

INCOME STATEMENT¹

(C\$ MM)

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|---------|
| Interest income | 3,416 | 3,543 | 3,443 | 3,649 | 3,681 | 3,599 | 3,403 | 3,765 | 4,118 | 14,051 | 14,448 | 17,101 | 16,025 | 14,153 |
| Interest expense | (1,800) | (1,885) | (1,805) | (1,913) | (1,938) | (1,893) | (1,733) | (1,956) | (2,413) | (7,403) | (7,520) | (10,810) | (10,830) | (9,083) |
| Net interest income | 1,616 | 1,658 | 1,638 | 1,736 | 1,743 | 1,706 | 1,670 | 1,809 | 1,705 | 6,648 | 6,928 | 6,291 | 5,195 | 5,070 |
| Non-interest income | 2,633 | 2,644 | 2,423 | 2,599 | 2,523 | 2,491 | 2,623 | 2,495 | 2,627 | 10,299 | 10,132 | 9,514 | 7,536 | 6,070 |
| Total revenues | 4,249 | 4,302 | 4,061 | 4,335 | 4,266 | 4,197 | 4,293 | 4,304 | 4,332 | 16,947 | 17,060 | 15,805 | 12,731 | 11,140 |
| Provision for credit losses (PCL) | (137) | (167) | (211) | (200) | (235) | (216) | (328) | (286) | (425) | (715) | (1,065) | (1,119) | (691) | (760) |
| Insurance policyholder benefits, claims and acquisition expense | (386) | (335) | (312) | (371) | (355) | (336) | (381) | (258) | (307) | (1,404) | (1,330) | (1,153) | (772) | (532) |
| Non-interest expense | (2,582) | (2,581) | (2,514) | (2,559) | (2,601) | (2,515) | (2,519) | (2,609) | (2,636) | (10,236) | (10,244) | (9,641) | (7,628) | (7,141) |
| Income taxes | (316) | (413) | (304) | (410) | (315) | (381) | (329) | (390) | (256) | (1,443) | (1,415) | (1,350) | (1,412) | (974) |
| Non-controlling interest | (24) | (30) | (31) | (28) | (28) | (27) | (26) | (27) | (28) | (113) | (108) | (107) | (20) | (8) |
| Net income | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 680 | 3,036 | 2,898 | 2,435 | 2,208 | 1,725 |
| Preferred dividends | (11) | (12) | (22) | (23) | (24) | (25) | (24) | (25) | (31) | (68) | (98) | (135) | (134) | (157) |
| Net income available to common shareholders | 793 | 764 | 667 | 744 | 708 | 697 | 686 | 709 | 649 | 2,968 | 2,800 | 2,300 | 2,074 | 1,568 |
| Net income, excluding special items | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 680 | 3,036 | 2,898 | 2,231 | 2,208 | 1,813 |
| Effective tax rate | 27.6% | 33.9% | 29.7% | 34.0% | 29.3% | 33.7% | 30.9% | 33.9% | 26.6% | 31.4% | 32.0% | 34.7% | 38.8% | 36.0% |

PROFITABILITY MEASURES

| | | | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Earnings per share (EPS) - basic | \$1.21 | \$1.16 | \$1.00 | \$1.12 | \$1.06 | \$1.04 | \$1.02 | \$1.05 | \$0.95 | \$4.48 | \$4.16 | \$3.58 | \$3.42 | \$2.50 |
| - diluted | \$1.19 | \$1.14 | \$0.99 | \$1.10 | \$1.05 | \$1.02 | \$1.01 | \$1.04 | \$0.94 | \$4.43 | \$4.12 | \$3.55 | \$3.40 | \$2.48 |
| - diluted, excl. special items ² | \$1.19 | \$1.14 | \$0.99 | \$1.10 | \$1.05 | \$1.02 | \$1.01 | \$1.04 | \$0.60 | \$4.43 | \$4.12 | \$3.24 | \$3.40 | \$2.63 |
| Return on common equity (ROE) | 18.0% | 17.4% | 15.4% | 16.9% | 16.3% | 16.1% | 16.8% | 17.1% | 15.7% | 17.0% | 16.6% | 16.6% | 19.3% | 15.3% |
| ROE, excl. special items ² | 18.0% | 17.4% | 15.4% | 16.9% | 16.3% | 16.1% | 16.8% | 17.1% | 9.9% | 17.0% | 16.6% | 15.1% | 19.3% | 16.1% |
| Return on assets | 0.78% | 0.77% | 0.71% | 0.77% | 0.76% | 0.78% | 0.78% | 0.79% | 0.78% | 0.76% | 0.78% | 0.73% | 0.78% | 0.64% |
| Return on assets after preferred dividends | 0.77% | 0.75% | 0.68% | 0.74% | 0.73% | 0.75% | 0.76% | 0.77% | 0.74% | 0.74% | 0.75% | 0.69% | 0.73% | 0.58% |
| Return on risk adjusted assets | 1.91% | 1.82% | 1.71% | 1.82% | 1.76% | 1.70% | 1.72% | 1.72% | 1.58% | 1.82% | 1.73% | 1.47% | 1.44% | 1.14% |

COMMON SHARE INFORMATION

| | | | | | | | | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Shares outstanding (000s) - end of period | 656,021 | 658,612 | 662,427 | 666,439 | 665,257 | 671,671 | 673,860 | 673,596 | 674,021 | 656,021 | 665,257 | 674,021 | 602,398 | 617,768 |
| - average (basic) | 656,952 | 660,810 | 664,634 | 666,006 | 668,868 | 673,787 | 673,751 | 674,465 | 681,758 | 662,080 | 672,571 | 641,516 | 606,389 | 626,158 |
| - average (diluted) | 664,450 | 668,133 | 671,991 | 674,035 | 676,010 | 680,712 | 680,336 | 679,729 | 687,334 | 669,625 | 679,153 | 647,216 | 609,865 | 632,305 |
| Shares repurchased - (000s) | 3,569 | 5,011 | 5,074 | 885 | 6,963 | 3,275 | 2,346 | 1,709 | 9,702 | 14,539 | 14,293 | 10,927 | 19,737 | 5,243 |
| - (C\$ MM) | 214 | 296 | 293 | 49 | 368 | 169 | 119 | 108 | 448 | 852 | 764 | 509 | 99 | 52 |
| Market capitalization (C\$ MM) | 41,644 | 38,792 | 39,613 | 36,854 | 36,197 | 35,901 | 37,042 | 33,680 | 31,544 | 41,644 | 36,197 | 31,544 | 29,096 | 19,599 |
| Common share price - High (intraday) | \$65.00 | \$61.64 | \$59.91 | \$59.86 | \$57.55 | \$58.89 | \$57.07 | \$52.45 | \$53.25 | \$65.00 | \$58.89 | \$53.25 | \$48.88 | \$42.13 |
| - Low (intraday) | \$57.50 | \$56.75 | \$53.26 | \$53.91 | \$48.80 | \$45.05 | \$46.36 | \$46.81 | \$41.60 | \$53.26 | \$45.05 | \$41.60 | \$27.25 | \$29.65 |
| - Close | \$63.48 | \$58.90 | \$59.80 | \$55.30 | \$54.41 | \$53.45 | \$54.97 | \$50.00 | \$46.80 | \$63.48 | \$54.41 | \$46.80 | \$48.30 | \$31.73 |
| Dividends per share | \$0.46 | \$0.43 | \$0.43 | \$0.40 | \$0.40 | \$0.38 | \$0.38 | \$0.36 | \$0.36 | \$1.72 | \$1.52 | \$1.38 | \$1.14 | \$0.94 |
| Dividend yield | 3.0% | 2.9% | 3.0% | 2.8% | 3.0% | 2.9% | 2.9% | 2.9% | 3.0% | 2.9% | 2.9% | 2.9% | 3.0% | 2.6% |
| Dividend payout ratio | 38% | 37% | 43% | 36% | 38% | 37% | 37% | 34% | 38% | 38% | 37% | 39% | 33% | 37% |
| Common dividends paid (C\$ MM) | 301 | 284 | 285 | 267 | 266 | 256 | 256 | 244 | 244 | 1,137 | 1,022 | 897 | 689 | 588 |
| Preferred dividends paid (C\$ MM) | 11 | 12 | 22 | 23 | 24 | 25 | 24 | 25 | 31 | 68 | 98 | 135 | 134 | 157 |
| P/E ratio (4-quarters trailing earnings) ³ | 13.8 | 13.8 | 13.6 | 13.6 | 12.9 | 13.0 | 14.4 | 14.1 | 13.3 | 13.3 | 12.6 | 13.4 | 11.2 | 14.5 |
| Book value per share | \$26.38 | \$26.73 | \$26.59 | \$26.66 | \$25.91 | \$25.71 | \$25.13 | \$24.70 | \$24.06 | \$26.38 | \$25.91 | \$24.06 | \$18.75 | \$16.89 |
| Market price/book value | 241% | 220% | 225% | 207% | 210% | 208% | 219% | 202% | 195% | 241% | 210% | 195% | 258% | 188% |

¹As a result of adopting FASB standards on Business Combinations (FAS 141) and Goodwill and Other Intangible Assets (FAS 142) net income, diluted EPS and ROE exclude goodwill amortization effective Q1/02.

²Special items are shown on pages 27-28.

³Average of high and low common share price divided by diluted earnings per share.

Shaded numbers reflect reclassifications as a result of the enhancement of insurance disclosure made in Q4/03.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| RBC Banking | | | | | | | | | | | | | | |
| Personal and Commercial Banking | | | | | | | | | | | | | | |
| Income Statement | | | | | | | | | | | | | | |
| Net interest income | 1,378 | 1,422 | 1,352 | 1,394 | 1,426 | 1,365 | 1,339 | 1,427 | 1,440 | 5,546 | 5,557 | 5,343 | 4,699 | 4,401 |
| Non-interest income | 487 | 538 | 516 | 565 | 505 | 524 | 517 | 544 | 516 | 2,106 | 2,090 | 1,873 | 1,569 | 1,386 |
| Total revenues | 1,865 | 1,960 | 1,868 | 1,959 | 1,931 | 1,889 | 1,856 | 1,971 | 1,956 | 7,652 | 7,647 | 7,216 | 6,268 | 5,787 |
| Provision for credit losses | (131) | (135) | (158) | (130) | (122) | (145) | (158) | (201) | (171) | (554) | (626) | (732) | (649) | (575) |
| Non-interest expense | (1,148) | (1,163) | (1,153) | (1,178) | (1,161) | (1,109) | (1,108) | (1,142) | (1,181) | (4,642) | (4,520) | (4,388) | (3,776) | (3,837) |
| Other ¹ | (207) | (248) | (208) | (239) | (246) | (242) | (228) | (239) | (271) | (902) | (955) | (922) | (779) | (583) |
| Net income - total | 379 | 414 | 349 | 412 | 402 | 393 | 362 | 389 | 333 | 1,554 | 1,546 | 1,174 | 1,064 | 792 |
| - U.S. (included in total) | 1 | 41 | 39 | 60 | 57 | 49 | 42 | 58 | 11 | 141 | 206 | (36) | n/a | n/a |
| Contribution to total RBC net income | 47% | 53% | 51% | 54% | 55% | 54% | 51% | 53% | 49% | 51% | 53% | 48% | 48% | 46% |
| ROE | 20.5% | 22.6% | 18.8% | 21.5% | 19.8% | 19.9% | 18.4% | 18.8% | 14.6% | 20.8% | 19.2% | 16.8% | 19.5% | 17.0% |
| Efficiency ratio ² | 61.6% | 59.3% | 61.7% | 60.1% | 60.1% | 58.7% | 59.7% | 57.9% | 60.4% | 60.7% | 59.1% | 60.8% | 60.2% | 66.3% |
| Income Statement (excluding special items)³ | | | | | | | | | | | | | | |
| Net interest income | 1,378 | 1,422 | 1,352 | 1,394 | 1,426 | 1,365 | 1,339 | 1,427 | 1,440 | 5,546 | 5,557 | 5,343 | 4,699 | 4,401 |
| Non-interest income | 487 | 538 | 516 | 565 | 505 | 524 | 517 | 544 | 516 | 2,106 | 2,090 | 1,866 | 1,569 | 1,358 |
| Total revenues | 1,865 | 1,960 | 1,868 | 1,959 | 1,931 | 1,889 | 1,856 | 1,971 | 1,956 | 7,652 | 7,647 | 7,209 | 6,268 | 5,759 |
| Provision for credit losses | (131) | (135) | (158) | (130) | (122) | (145) | (158) | (201) | (171) | (554) | (626) | (732) | (649) | (540) |
| Non-interest expense | (1,148) | (1,163) | (1,153) | (1,178) | (1,161) | (1,109) | (1,108) | (1,142) | (1,181) | (4,642) | (4,520) | (4,297) | (3,776) | (3,787) |
| Other ¹ | (207) | (248) | (208) | (239) | (246) | (242) | (228) | (239) | (262) | (902) | (955) | (910) | (779) | (607) |
| Net income - total | 379 | 414 | 349 | 412 | 402 | 393 | 362 | 389 | 342 | 1,554 | 1,546 | 1,270 | 1,064 | 825 |
| - U.S. (included in total) | 1 | 41 | 39 | 60 | 57 | 49 | 42 | 58 | 11 | 141 | 206 | 21 | n/a | n/a |
| Contribution to total RBC net income | 47% | 53% | 51% | 54% | 55% | 54% | 51% | 53% | 78% | 51% | 53% | 57% | 48% | 46% |
| ROE | 20.5% | 22.6% | 18.8% | 21.5% | 19.8% | 19.9% | 18.4% | 18.8% | 15.0% | 20.8% | 19.2% | 18.3% | 19.5% | 17.8% |
| Efficiency ratio ² | 61.6% | 59.3% | 61.7% | 60.1% | 60.1% | 58.7% | 59.7% | 57.9% | 60.4% | 60.7% | 59.1% | 59.6% | 60.2% | 65.8% |
| Average Balances | | | | | | | | | | | | | | |
| Assets | 165,800 | 162,300 | 160,700 | 160,600 | 159,300 | 154,900 | 155,800 | 156,000 | 155,600 | 162,400 | 156,500 | 143,000 | 129,700 | 122,500 |
| Earning assets | 157,800 | 154,200 | 152,200 | 151,900 | 150,400 | 146,400 | 146,800 | 146,800 | 146,200 | 154,000 | 147,600 | 135,200 | 122,900 | 116,000 |
| Loans and acceptances | 153,600 | 149,800 | 147,800 | 147,000 | 146,300 | 143,200 | 144,000 | 144,300 | 143,900 | 149,600 | 144,400 | 135,400 | 125,700 | 118,500 |
| Deposits | 131,100 | 129,600 | 128,000 | 127,400 | 125,200 | 122,300 | 121,800 | 122,400 | 121,100 | 129,000 | 122,900 | 111,400 | 98,900 | 94,600 |
| Common equity | 7,300 | 7,250 | 7,400 | 7,500 | 7,850 | 7,650 | 7,850 | 8,000 | 8,700 | 7,350 | 7,850 | 6,700 | 5,100 | 4,300 |
| Other Statistics | | | | | | | | | | | | | | |
| Net interest margin (average assets) | 3.30% | 3.48% | 3.45% | 3.44% | 3.55% | 3.50% | 3.52% | 3.63% | 3.67% | 3.42% | 3.55% | 3.74% | 3.62% | 3.59% |
| Net interest margin (average earning assets) | 3.46% | 3.66% | 3.64% | 3.64% | 3.76% | 3.70% | 3.74% | 3.86% | 3.91% | 3.60% | 3.76% | 3.95% | 3.82% | 3.79% |
| Amortization of other intangibles ⁴ | 8 | 8 | 13 | 12 | 12 | 12 | 10 | 14 | 13 | 41 | 48 | 26 | 3 | - |
| Number of employees (FTE) | 37,475 | 37,089 | 36,012 | 36,003 | 35,014 | 35,069 | 34,175 | 34,580 | 34,845 | 37,475 | 35,014 | 34,845 | 31,246 | 34,303 |
| Credit Quality | | | | | | | | | | | | | | |
| Nonaccrual loans | | | | | | | | | | | | | | |
| Domestic - Residential mortgages | 110 | 101 | 102 | 103 | 102 | 106 | 128 | 141 | 142 | 110 | 102 | 142 | 185 | n/a |
| - Personal | 213 | 229 | 240 | 257 | 270 | 282 | 292 | 296 | 305 | 213 | 270 | 305 | 243 | n/a |
| - Commercial | 471 | 454 | 508 | 499 | 534 | 584 | 614 | 632 | 657 | 471 | 534 | 657 | 593 | n/a |
| U.S. and Other International | 213 | 242 | 246 | 233 | 251 | 245 | 187 | 189 | 197 | 213 | 251 | 197 | 48 | n/a |
| Total nonaccrual loans | 1,007 | 1,026 | 1,096 | 1,092 | 1,157 | 1,217 | 1,221 | 1,258 | 1,301 | 1,007 | 1,157 | 1,301 | 1,069 | n/a |
| Net charge-offs | | | | | | | | | | | | | | |
| Domestic - Residential mortgages | 1 | 2 | 2 | 1 | 2 | 2 | 3 | 3 | 5 | 6 | 10 | 15 | 11 | n/a |
| - Personal | 106 | 113 | 139 | 100 | 99 | 121 | 127 | 133 | 112 | 458 | 480 | 478 | 457 | n/a |
| - Commercial | 36 | 35 | 28 | 16 | 50 | 44 | 50 | 45 | 62 | 115 | 189 | 193 | 180 | n/a |
| U.S. and Other International | 25 | 14 | 15 | 15 | 16 | 17 | 15 | 17 | 29 | 69 | 65 | 38 | 4 | n/a |
| Total net charge-offs | 168 | 164 | 184 | 132 | 167 | 184 | 195 | 198 | 208 | 648 | 744 | 724 | 652 | n/a |
| Net charge-offs as a percentage of average loans and acceptances | 0.43% | 0.43% | 0.51% | 0.36% | 0.45% | 0.51% | 0.56% | 0.54% | 0.57% | 0.43% | 0.52% | 0.53% | 0.52% | n/a |

¹Includes income taxes and non-controlling interest.

²Defined on page 1.

³Special items are shown on pages 27-28.

⁴After-tax amount. Excludes goodwill.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

RBC Insurance
Insurance
Income Statement

Net interest income

Non-interest income

Total revenues

Provision for credit losses

Insurance policyholder benefits, claims and acquisition expense

Non-interest expense

 Other¹

Net income - total

- U.S. (included in total)

Contribution to total RBC net income

ROE

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net interest income | - | - | - | - | - | - | - | - | - |
| Non-interest income | 548 | 505 | 466 | 526 | 527 | 475 | 518 | 390 | 455 |
| Total revenues | 548 | 505 | 466 | 526 | 527 | 475 | 518 | 390 | 455 |
| Provision for credit losses | - | - | - | - | - | - | - | - | - |
| Insurance policyholder benefits, claims and acquisition expense | (386) | (335) | (312) | (371) | (355) | (336) | (381) | (258) | (307) |
| Non-interest expense | (108) | (117) | (98) | (101) | (121) | (91) | (93) | (94) | (103) |
| Other ¹ | 7 | 4 | - | - | - | 1 | 4 | 4 | (2) |
| Net income - total | 61 | 57 | 56 | 54 | 51 | 49 | 48 | 42 | 43 |
| - U.S. (included in total) | - | 6 | 11 | 10 | 9 | 10 | 11 | 5 | 12 |
| Contribution to total RBC net income | 8% | 7% | 8% | 7% | 7% | 7% | 7% | 6% | 6% |
| ROE | 26.4% | 24.4% | 28.6% | 26.8% | 26.7% | 26.6% | 26.6% | 23.0% | 18.6% |

| | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---------|---------|---------|-------|-------|
| Net interest income | - | - | - | - | - |
| Non-interest income | 2,045 | 1,910 | 1,695 | 1,019 | 753 |
| Total revenues | 2,045 | 1,910 | 1,695 | 1,019 | 753 |
| Provision for credit losses | - | - | - | - | - |
| Insurance policyholder benefits, claims and acquisition expense | (1,404) | (1,330) | (1,153) | (772) | (532) |
| Non-interest expense | (424) | (399) | (375) | (173) | (133) |
| Other ¹ | 11 | 9 | 6 | 29 | 20 |
| Net income - total | 228 | 190 | 173 | 103 | 108 |
| - U.S. (included in total) | 27 | 35 | 39 | n/a | n/a |
| Contribution to total RBC net income | 8% | 7% | 7% | 5% | 6% |
| ROE | 26.4% | 25.7% | 20.0% | 38.6% | 56.0% |

Income Statement (excluding special items)²

Net interest income

Non-interest income

Total revenues

Provision for credit losses

Insurance policyholder benefits, claims and acquisition expense

Non-interest expense

 Other¹

Net income - total

- U.S. (included in total)

Contribution to total RBC net income

ROE

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net interest income | - | - | - | - | - | - | - | - | - |
| Non-interest income | 548 | 505 | 466 | 526 | 527 | 475 | 518 | 390 | 455 |
| Total revenues | 548 | 505 | 466 | 526 | 527 | 475 | 518 | 390 | 455 |
| Provision for credit losses | - | - | - | - | - | - | - | - | - |
| Insurance policyholder benefits, claims and acquisition expense | (386) | (335) | (312) | (371) | (355) | (336) | (381) | (258) | (307) |
| Non-interest expense | (108) | (117) | (98) | (101) | (121) | (91) | (93) | (94) | (103) |
| Other ¹ | 7 | 4 | - | - | - | 1 | 4 | 4 | (2) |
| Net income - total | 61 | 57 | 56 | 54 | 51 | 49 | 48 | 42 | 43 |
| - U.S. (included in total) | - | 6 | 11 | 10 | 9 | 10 | 11 | 5 | 12 |
| Contribution to total RBC net income | 8% | 7% | 8% | 7% | 7% | 7% | 7% | 6% | 10% |
| ROE | 26.4% | 24.4% | 28.6% | 26.8% | 26.7% | 26.6% | 26.6% | 23.0% | 18.6% |

| | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---------|---------|---------|-------|-------|
| Net interest income | - | - | - | - | - |
| Non-interest income | 2,045 | 1,910 | 1,695 | 1,019 | 753 |
| Total revenues | 2,045 | 1,910 | 1,695 | 1,019 | 753 |
| Provision for credit losses | - | - | - | - | - |
| Insurance policyholder benefits, claims and acquisition expense | (1,404) | (1,330) | (1,153) | (772) | (532) |
| Non-interest expense | (424) | (399) | (375) | (173) | (133) |
| Other ¹ | 11 | 9 | 6 | 29 | 20 |
| Net income - total | 228 | 190 | 173 | 103 | 108 |
| - U.S. (included in total) | 27 | 35 | 39 | n/a | n/a |
| Contribution to total RBC net income | 8% | 7% | 8% | 5% | 6% |
| ROE | 26.4% | 25.7% | 20.0% | 38.6% | 56.0% |

Average Balances

Assets

Loans and acceptances

Common equity

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 |
|-----------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| Assets | 11,600 | 8,900 | 7,500 | 7,700 | 7,100 | 7,000 | 7,000 | 6,800 | 7,400 |
| Loans and acceptances | 900 | 700 | 300 | 300 | 400 | 400 | 400 | 400 | 400 |
| Common equity | 900 | 900 | 800 | 800 | 750 | 700 | 700 | 700 | 900 |

| | 2003 | 2002 | 2001 | 2000 | 1999 |
|-----------------------|-------|-------|-------|-------|-------|
| Assets | 8,900 | 7,000 | 6,400 | 2,300 | 1,500 |
| Loans and acceptances | 600 | 400 | 300 | - | n/a |
| Common equity | 850 | 700 | 800 | 300 | 200 |

Other Statistics

Net interest margin

 Amortization of other intangibles³

Net-interest income

Net earned premiums

Investment income

Fee income

Insurance policyholder benefits, claims and acquisition expense

Policyholder benefits and claims

Policy acquisition expense

Premiums & deposits

Number of employees (FTE)

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net interest margin | - | - | - | - | - | - | - | - | - |
| Amortization of other intangibles ³ | - | - | - | - | - | - | - | - | - |
| Net-interest income | 418 | 372 | 380 | 406 | 424 | 423 | 438 | 279 | 373 |
| Net earned premiums | 79 | 104 | 57 | 77 | 46 | 13 | 53 | 76 | 31 |
| Investment income | 51 | 29 | 29 | 43 | 57 | 39 | 27 | 35 | 51 |
| Fee income | (320) | (280) | (246) | (320) | (283) | (260) | (304) | (178) | (271) |
| Policyholder benefits and claims | (66) | (55) | (66) | (51) | (72) | (76) | (77) | (80) | (36) |
| Policy acquisition expense | 646 | 556 | 478 | 534 | 549 | 536 | 459 | 479 | 465 |
| Premiums & deposits | 2,883 | 2,856 | 2,738 | 2,712 | 2,641 | 2,668 | 2,632 | 2,649 | 2,583 |
| Number of employees (FTE) | | | | | | | | | |

| | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---------|---------|-------|-------|-------|
| Net interest margin | - | - | - | - | - |
| Amortization of other intangibles ³ | - | - | - | - | - |
| Net-interest income | 1,576 | 1,564 | 1,419 | | |
| Net earned premiums | 317 | 188 | 159 | | |
| Investment income | 152 | 158 | 117 | | |
| Fee income | | | | | |
| Insurance policyholder benefits, claims and acquisition expense | (1,166) | (1,025) | (925) | | |
| Policyholder benefits and claims | (238) | (305) | (228) | | |
| Policy acquisition expense | 2,214 | 2,023 | 1,812 | 1,208 | 894 |
| Premiums & deposits | 2,883 | 2,641 | 2,583 | 1,318 | 1,154 |
| Number of employees (FTE) | | | | | |

¹Includes income taxes and non-controlling interest.

²Special items are shown on pages 27-28.

³After-tax amount. Excludes goodwill.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

RBC Investments
Wealth Management
Income Statement

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|---------|---------|---------|
| Net interest income | 93 | 103 | 107 | 116 | 96 | 91 | 86 | 98 | 91 | 419 | 371 | 384 | 359 | 267 |
| Non-interest income | 821 | 801 | 721 | 768 | 784 | 806 | 833 | 853 | 928 | 3,111 | 3,276 | 2,859 | 1,958 | 1,513 |
| Total revenues | 914 | 904 | 828 | 884 | 880 | 897 | 919 | 951 | 1,019 | 3,530 | 3,647 | 3,243 | 2,317 | 1,780 |
| Provision for credit losses | 2 | - | - | - | (1) | - | 1 | 1 | 1 | 2 | 1 | (2) | 1 | - |
| Non-interest expense | (722) | (733) | (731) | (725) | (733) | (770) | (813) | (828) | (676) | (2,911) | (3,144) | (2,510) | (1,666) | (1,385) |
| Other ¹ | (68) | (58) | (28) | (55) | (50) | (43) | (29) | (36) | (86) | (209) | (158) | (223) | (239) | (123) |
| Net income - total | 126 | 113 | 69 | 104 | 96 | 84 | 78 | 88 | 258 | 412 | 346 | 508 | 413 | 272 |
| - U.S. (included in total) | 35 | 31 | 9 | 13 | 11 | 11 | (15) | (8) | (22) | 88 | (1) | (81) | n/a | n/a |
| Contribution to total RBC net income | 16% | 15% | 10% | 14% | 13% | 12% | 11% | 12% | 38% | 14% | 12% | 21% | 19% | 16% |
| ROE | 19.0% | 16.7% | 9.8% | 14.7% | 12.2% | 10.7% | 10.2% | 11.1% | 49.1% | 15.1% | 11.1% | 27.0% | 47.8% | 57.7% |

Income Statement (excluding special items)²

| | | | | | | | | | | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|---------|---------|---------|
| Net interest income | 93 | 103 | 107 | 116 | 96 | 91 | 86 | 98 | 91 | 419 | 371 | 384 | 359 | 267 |
| Non-interest income | 821 | 801 | 721 | 768 | 784 | 806 | 833 | 853 | 615 | 3,111 | 3,276 | 2,510 | 1,958 | 1,513 |
| Total revenues | 914 | 904 | 828 | 884 | 880 | 897 | 919 | 951 | 706 | 3,530 | 3,647 | 2,894 | 2,317 | 1,780 |
| Provision for credit losses | 2 | - | - | - | (1) | - | 1 | 1 | 1 | 2 | 1 | (2) | 1 | - |
| Non-interest expense | (722) | (733) | (731) | (725) | (733) | (770) | (813) | (828) | (676) | (2,911) | (3,144) | (2,510) | (1,666) | (1,385) |
| Other ¹ | (68) | (58) | (28) | (55) | (50) | (43) | (29) | (36) | (24) | (209) | (158) | (148) | (239) | (123) |
| Net income - total | 126 | 113 | 69 | 104 | 96 | 84 | 78 | 88 | 7 | 412 | 346 | 234 | 413 | 272 |
| - U.S. (included in total) | 35 | 31 | 9 | 13 | 11 | 11 | (15) | (8) | (22) | 88 | (1) | (81) | n/a | n/a |
| Contribution to total RBC net income | 16% | 15% | 10% | 14% | 13% | 12% | 11% | 12% | 2% | 14% | 12% | 10% | 19% | 15% |
| ROE | 19.0% | 16.7% | 9.8% | 14.7% | 12.2% | 10.7% | 10.2% | 11.1% | 0.6% | 15.1% | 11.1% | 11.9% | 47.8% | 57.7% |

Average Balances

| | | | | | | | | | | | | | | |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| Assets | 16,600 | 17,600 | 18,300 | 17,800 | 17,500 | 16,300 | 15,100 | 11,500 | 11,800 | 17,600 | 15,100 | 11,300 | 8,000 | 8,900 |
| Loans and acceptances | 3,500 | 3,500 | 4,300 | 4,600 | 4,500 | 4,500 | 4,100 | 3,700 | 4,000 | 4,000 | 4,200 | 4,000 | 2,600 | n/a |
| Deposits | 18,400 | 18,100 | 17,800 | 17,700 | 16,700 | 15,700 | 15,900 | 15,900 | 15,900 | 18,000 | 16,100 | 15,600 | 14,400 | n/a |
| Common equity | 2,600 | 2,650 | 2,700 | 2,700 | 3,000 | 2,950 | 2,950 | 2,950 | 2,100 | 2,650 | 3,000 | 1,800 | 800 | 500 |

Other Statistics

| | | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| Net interest margin | 2.22% | 2.32% | 2.40% | 2.59% | 2.18% | 2.21% | 2.34% | 3.38% | 3.06% | 2.38% | 2.46% | 3.40% | 4.49% | 3.00% |
| Amortization of other intangibles ³ | 4 | 3 | 4 | 4 | 4 | 3 | 3 | 2 | 4 | 15 | 12 | 10 | 8 | - |
| Number of employees (FTE) | 10,464 | 10,563 | 10,886 | 11,151 | 12,001 | 12,169 | 12,261 | 12,885 | 10,512 | 10,464 | 12,001 | 10,512 | 7,553 | 6,764 |

Credit Quality

| | | | | | | | | | | | | | | |
|--|-------|---|-------|---|-------|-------|----|----|----|-------|-------|-------|---|-----|
| Nonaccrual loans | | | | | | | | | | | | | | |
| Domestic - Personal | - | - | 1 | 3 | 5 | 4 | 4 | 4 | 5 | - | 5 | 5 | 4 | n/a |
| - Commercial | - | - | - | - | - | 4 | 4 | 4 | 4 | - | - | 4 | - | n/a |
| U.S. and Other International | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 2 | 2 | n/a |
| Total nonaccrual loans | 1 | 2 | 3 | 5 | 7 | 10 | 10 | 10 | 11 | 1 | 7 | 11 | 6 | n/a |
| Total net charge-offs | 2 | - | 2 | - | 4 | 1 | - | - | - | 4 | 5 | 1 | - | n/a |
| Net charge-offs as a percentage of average loans and acceptances | 0.23% | - | 0.19% | - | 0.35% | 0.09% | - | - | - | 0.10% | 0.12% | 0.03% | - | n/a |

¹Includes income taxes and non-controlling interest.

²Special items are shown on pages 27-28.

³After-tax amount. Excludes goodwill.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

RBC Capital Markets
Corporate and Investment Banking
Income Statement

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|---------|---------|
| Net interest income | 113 | 85 | 103 | 109 | 104 | 109 | 141 | 178 | 151 | 410 | 532 | 408 | 21 | 376 |
| Non-interest income | 519 | 603 | 515 | 578 | 540 | 536 | 523 | 543 | 506 | 2,215 | 2,142 | 2,352 | 2,287 | 1,588 |
| Total revenues | 632 | 688 | 618 | 687 | 644 | 645 | 664 | 721 | 657 | 2,625 | 2,674 | 2,760 | 2,308 | 1,964 |
| Provision for credit losses | (15) | (39) | (58) | (77) | (117) | (76) | (175) | (97) | (259) | (189) | (465) | (407) | (91) | (223) |
| Non-interest expense | (431) | (420) | (394) | (426) | (407) | (414) | (388) | (418) | (455) | (1,671) | (1,627) | (1,804) | (1,456) | (1,305) |
| Other ¹ | (55) | (82) | (69) | (68) | (24) | (53) | (6) | (60) | 43 | (274) | (143) | (200) | (259) | (135) |
| Net income - total | 131 | 147 | 97 | 116 | 96 | 102 | 95 | 146 | (14) | 491 | 439 | 349 | 502 | 301 |
| - U.S. (included in total) | 54 | 19 | 25 | 24 | (9) | 33 | (36) | (24) | (115) | 122 | (36) | (77) | n/a | n/a |
| Contribution to total RBC net income | 16% | 19% | 14% | 15% | 13% | 14% | 13% | 20% | (2%) | 16% | 15% | 14% | 23% | 17% |
| ROE | 13.5% | 15.9% | 9.8% | 11.1% | 9.3% | 9.6% | 9.4% | 13.7% | (2.4%) | 12.6% | 10.5% | 9.6% | 20.8% | 15.3% |

Income Statement (excluding special items)²

| | | | | | | | | | | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|---------|---------|
| Net interest income | 113 | 85 | 103 | 109 | 104 | 109 | 141 | 178 | 151 | 410 | 532 | 408 | 21 | 376 |
| Non-interest income | 519 | 603 | 515 | 578 | 540 | 536 | 523 | 543 | 506 | 2,215 | 2,142 | 2,352 | 2,287 | 1,588 |
| Total revenues | 632 | 688 | 618 | 687 | 644 | 645 | 664 | 721 | 657 | 2,625 | 2,674 | 2,760 | 2,308 | 1,964 |
| Provision for credit losses | (15) | (39) | (58) | (77) | (117) | (76) | (175) | (97) | (259) | (189) | (465) | (407) | (91) | (168) |
| Non-interest expense | (431) | (420) | (394) | (426) | (407) | (414) | (388) | (418) | (455) | (1,671) | (1,627) | (1,804) | (1,456) | (1,222) |
| Other ¹ | (55) | (82) | (69) | (68) | (24) | (53) | (6) | (60) | 46 | (274) | (143) | (173) | (259) | (195) |
| Net income - total | 131 | 147 | 97 | 116 | 96 | 102 | 95 | 146 | (11) | 491 | 439 | 376 | 502 | 379 |
| - U.S. (included in total) | 54 | 19 | 25 | 24 | (9) | 33 | (36) | (24) | (115) | 122 | (36) | (77) | n/a | n/a |
| Contribution to total RBC net income | 16% | 19% | 14% | 15% | 13% | 14% | 13% | 20% | (2%) | 16% | 15% | 17% | 23% | 21% |
| ROE | 13.5% | 15.9% | 9.8% | 11.1% | 9.3% | 9.6% | 9.4% | 13.7% | (2.0%) | 12.6% | 10.5% | 10.5% | 20.8% | 19.7% |

Average Balances

| | | | | | | | | | | | | | | |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Assets | 192,800 | 205,400 | 199,400 | 199,600 | 187,400 | 177,500 | 176,000 | 181,600 | 161,900 | 199,300 | 180,700 | 159,500 | 131,900 | 127,300 |
| Loans and acceptances | 22,400 | 22,500 | 25,800 | 26,700 | 27,100 | 27,600 | 29,200 | 31,300 | 30,200 | 24,300 | 28,800 | 30,700 | 31,400 | n/a |
| Deposits | 79,600 | 79,700 | 77,300 | 83,900 | 84,000 | 78,800 | 79,900 | 81,500 | 74,400 | 80,100 | 81,100 | 73,600 | 61,900 | n/a |
| Common equity | 3,700 | 3,650 | 3,950 | 3,950 | 3,850 | 4,000 | 3,900 | 4,050 | 3,500 | 3,800 | 3,950 | 3,300 | 2,300 | 1,800 |

Other Statistics

| | | | | | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net interest margin | 0.23% | 0.16% | 0.21% | 0.22% | 0.22% | 0.24% | 0.33% | 0.39% | 0.37% | 0.21% | 0.29% | 0.26% | 0.02% | 0.30% |
| Amortization of other intangibles ³ | - | - | - | - | 1 | - | - | - | - | - | 1 | - | - | - |
| Number of employees (FTE) | 2,912 | 2,943 | 2,903 | 2,874 | 2,938 | 2,966 | 2,931 | 2,922 | 2,954 | 2,912 | 2,938 | 2,954 | 2,541 | 2,651 |

Credit Quality

| | | | | | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
| Nonaccrual loans | | | | | | | | | | | | | | |
| Domestic corporate | 270 | 312 | 450 | 350 | 361 | 367 | 419 | 494 | 510 | 270 | 361 | 510 | 344 | n/a |
| U.S. and Other International corporate | 448 | 538 | 592 | 898 | 733 | 716 | 818 | 883 | 604 | 448 | 733 | 604 | 216 | n/a |
| Total nonaccrual loans | 718 | 850 | 1,042 | 1,248 | 1,094 | 1,083 | 1,237 | 1,377 | 1,114 | 718 | 1,094 | 1,114 | 560 | n/a |
| Net charge-offs | | | | | | | | | | | | | | |
| Domestic corporate | 18 | 32 | - | - | 15 | 44 | 7 | - | 8 | 50 | 66 | 44 | (3) | n/a |
| U.S. and Other International corporate | 32 | 38 | 44 | 14 | 119 | 127 | 152 | 46 | 141 | 128 | 444 | 188 | 53 | n/a |
| Total net charge-offs | 50 | 70 | 44 | 14 | 134 | 171 | 159 | 46 | 149 | 178 | 510 | 232 | 50 | n/a |
| Net charge-offs as a percentage of average loans and acceptances | 0.89% | 1.23% | 0.70% | 0.21% | 1.96% | 2.46% | 2.23% | 0.58% | 1.96% | 0.73% | 1.77% | 0.76% | 0.16% | n/a |

¹Includes income taxes and non-controlling interest.

²Special items are shown on pages 27-28.

³After-tax amount. Excludes goodwill.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

RBC Global Services
Transaction Processing
Income Statement

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net interest income | 41 | 42 | 36 | 45 | 33 | 36 | 33 | 34 | 39 | 164 | 136 | 148 | 160 | 168 |
| Non-interest income | 175 | 176 | 162 | 167 | 170 | 176 | 166 | 160 | 159 | 680 | 672 | 710 | 691 | 619 |
| Total revenues | 216 | 218 | 198 | 212 | 203 | 212 | 199 | 194 | 198 | 844 | 808 | 858 | 851 | 787 |
| Provision for credit losses | - | - | (2) | - | (3) | (2) | (3) | (2) | - | (2) | (10) | 2 | 21 | (6) |
| Non-interest expense | (159) | (149) | (143) | (144) | (137) | (140) | (137) | (134) | (125) | (595) | (548) | (485) | (547) | (535) |
| Other ¹ | (13) | (20) | (16) | (20) | (19) | (21) | (19) | (18) | (24) | (69) | (77) | (109) | (140) | (104) |
| Net income - total | 44 | 49 | 37 | 48 | 44 | 49 | 40 | 40 | 49 | 178 | 173 | 266 | 185 | 142 |
| - U.S. (included in total) | 2 | 2 | 1 | 2 | 1 | 2 | 4 | 2 | 3 | 7 | 9 | 17 | n/a | n/a |
| Contribution to total RBC net income | 5% | 6% | 5% | 6% | 6% | 7% | 6% | 5% | 7% | 6% | 6% | 11% | 8% | 8% |
| ROE | 27.0% | 30.4% | 23.2% | 30.2% | 29.6% | 32.4% | 27.1% | 25.7% | 36.5% | 27.7% | 28.7% | 49.3% | 39.5% | 29.8% |

Income Statement (excluding special items)²

| | | | | | | | | | | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net interest income | 41 | 42 | 36 | 45 | 33 | 36 | 33 | 34 | 39 | 164 | 136 | 148 | 160 | 168 |
| Non-interest income | 175 | 176 | 162 | 167 | 170 | 176 | 166 | 160 | 159 | 680 | 672 | 621 | 691 | 619 |
| Total revenues | 216 | 218 | 198 | 212 | 203 | 212 | 199 | 194 | 198 | 844 | 808 | 769 | 851 | 787 |
| Provision for credit losses | - | - | (2) | - | (3) | (2) | (3) | (2) | - | (2) | (10) | 2 | 21 | (6) |
| Non-interest expense | (159) | (149) | (143) | (144) | (137) | (140) | (137) | (134) | (125) | (595) | (548) | (485) | (547) | (535) |
| Other ¹ | (13) | (20) | (16) | (20) | (19) | (21) | (19) | (18) | (24) | (69) | (77) | (97) | (140) | (104) |
| Net income - total | 44 | 49 | 37 | 48 | 44 | 49 | 40 | 40 | 49 | 178 | 173 | 189 | 185 | 142 |
| - U.S. (included in total) | 2 | 2 | 1 | 2 | 1 | 2 | 4 | 2 | 3 | 7 | 9 | 17 | n/a | n/a |
| Contribution to total RBC net income | 5% | 6% | 5% | 6% | 6% | 7% | 6% | 5% | 11% | 6% | 6% | 8% | 8% | 8% |
| ROE | 27.0% | 30.4% | 23.2% | 30.2% | 29.6% | 32.4% | 27.1% | 25.7% | 36.5% | 27.7% | 28.7% | 34.7% | 39.5% | 29.8% |

Average Balances

| | | | | | | | | | | | | | | |
|-----------------------|--------|--------|--------|--------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|
| Assets | 1,800 | 1,900 | 2,000 | 2,300 | 2,500 | 2,400 | 2,400 | 2,400 | 2,500 | 2,000 | 2,400 | 2,400 | 1,600 | 1,800 |
| Loans and acceptances | 1,200 | 1,300 | 1,400 | 1,700 | 1,900 | 1,900 | 1,800 | 1,900 | 2,100 | 1,400 | 1,900 | 2,000 | 1,200 | n/a |
| Deposits | 11,600 | 11,300 | 10,700 | 10,900 | 8,700 | 8,100 | 8,200 | 8,200 | 8,200 | 11,100 | 8,300 | 7,700 | 7,600 | n/a |
| Common equity | 650 | 650 | 650 | 600 | 600 | 600 | 600 | 600 | 500 | 650 | 600 | 500 | 400 | 400 |

Other Statistics

| | | | | | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|
| Net interest margin | 9.04% | 8.77% | 7.38% | 7.76% | 5.24% | 5.95% | 5.64% | 5.62% | 6.19% | 8.20% | 5.67% | 6.17% | 10.00% | 9.33% |
| Amortization of other intangibles ³ | 1 | - | - | - | 1 | - | - | - | - | 1 | 1 | - | - | - |
| Number of employees (FTE) | 2550 | 2,601 | 2,556 | 2,582 | 2,571 | 2,552 | 2,503 | 2,541 | 2,557 | 2,550 | 2,571 | 2,557 | 2,425 | 2,360 |

Credit Quality

| | | | | | | | | | | | | | | |
|--|----|----|-------|----|---------|----|----|----|---|-------|---------|-------|-------|-----|
| Nonaccrual loans | | | | | | | | | | | | | | |
| Domestic | - | - | - | - | - | - | - | - | - | - | - | - | - | n/a |
| U.S. and Other International | 19 | 21 | 22 | 29 | 30 | 28 | 31 | 39 | 8 | 19 | 30 | 8 | 15 | n/a |
| Total nonaccrual loans | 19 | 21 | 22 | 29 | 30 | 28 | 31 | 39 | 8 | 19 | 30 | 8 | 15 | n/a |
| Total net charge-offs - International | - | - | 5 | - | (1) | - | - | - | - | 5 | (1) | 7 | 2 | n/a |
| Net charge-offs as a percentage of average loans and acceptances | - | - | 1.46% | - | (0.21%) | - | - | - | - | 0.36% | (0.05%) | 0.35% | 0.17% | n/a |

¹Includes income taxes and non-controlling interest.

²Special items are shown on pages 27-28.

³After-tax amount. Excludes goodwill.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

Other
Income Statement

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--------------------------------------|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|-------|
| Net interest income | (9) | 6 | 40 | 72 | 84 | 105 | 71 | 72 | (16) | 109 | 332 | 8 | (44) | (142) |
| Non-interest income | 83 | 21 | 43 | (5) | (3) | (26) | 66 | 5 | 63 | 142 | 42 | 25 | 12 | 211 |
| Total revenues | 74 | 27 | 83 | 67 | 81 | 79 | 137 | 77 | 47 | 251 | 374 | 33 | (32) | 69 |
| Provision for credit losses | 7 | 7 | 7 | 7 | 8 | 7 | 7 | 13 | 4 | 28 | 35 | 20 | 27 | 44 |
| Non-interest expense | (14) | 1 | 5 | 15 | (42) | 9 | 20 | 7 | (96) | 7 | (6) | (79) | (10) | 54 |
| Other ¹ | (4) | (39) | (14) | (56) | (4) | (50) | (77) | (68) | 56 | (113) | (199) | (9) | (44) | (57) |
| Net income - total | 63 | (4) | 81 | 33 | 43 | 45 | 87 | 29 | 11 | 173 | 204 | (35) | (59) | 110 |
| - U.S. (included in total) | (1) | (2) | - | - | (3) | - | - | - | - | (3) | (3) | - | n/a | n/a |
| Contribution to total RBC net income | 8% | - | 12% | 4% | 6% | 6% | 12% | 4% | 2% | 5% | 7% | (1%) | (3%) | 7% |
| ROE | 10.4% | (0.8%) | 14.9% | 6.3% | 14.0% | 14.0% | 47.2% | 85.7% | 4.7% | 7.7% | 25.0% | (5.3%) | (3.7%) | 2.2% |

Income Statement (excluding special items)²

| | | | | | | | | | | | | | | |
|--------------------------------------|-------|--------|-------|------|-------|-------|-------|-------|------|-------|-------|--------|--------|--------|
| Net interest income | (9) | 6 | 40 | 72 | 84 | 105 | 71 | 72 | (16) | 109 | 332 | 8 | (44) | (142) |
| Non-interest income | 83 | 21 | 43 | (5) | (3) | (26) | 66 | 5 | 63 | 142 | 42 | 25 | 12 | 134 |
| Total revenues | 74 | 27 | 83 | 67 | 81 | 79 | 137 | 77 | 47 | 251 | 374 | 33 | (32) | (8) |
| Provision for credit losses | 7 | 7 | 7 | 7 | 8 | 7 | 7 | 13 | 4 | 28 | 35 | 20 | 27 | 44 |
| Non-interest expense | (14) | 1 | 5 | 15 | (42) | 9 | 20 | 7 | (96) | 7 | (6) | (79) | (10) | 91 |
| Other ¹ | (4) | (39) | (14) | (56) | (4) | (50) | (77) | (68) | 56 | (113) | (199) | 15 | (44) | (40) |
| Net income - total | 63 | (4) | 81 | 33 | 43 | 45 | 87 | 29 | 11 | 173 | 204 | (11) | (59) | 87 |
| - U.S. (included in total) | (1) | (2) | - | - | (3) | - | - | - | - | (3) | (3) | - | n/a | n/a |
| Contribution to total RBC net income | 8% | - | 12% | 4% | 6% | 6% | 12% | 4% | 1% | 5% | 7% | 0% | (3%) | 4% |
| ROE | 10.4% | (0.8%) | 14.9% | 6.3% | 14.0% | 14.0% | 47.2% | 85.7% | 4.7% | 7.7% | 25.0% | (2.2%) | (3.7%) | (1.5%) |

Average Balances

| | | | | | | | | | | | | | | |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|-------|
| Assets | 17,900 | 6,300 | 11,800 | 9,400 | 8,500 | 9,400 | 14,900 | 8,200 | 7,200 | 11,800 | 10,100 | 9,100 | 10,700 | 8,100 |
| Loans and acceptances | (2,700) | (1,700) | (2,000) | (1,900) | (2,200) | (2,200) | (2,100) | (2,500) | (2,600) | (2,100) | (2,200) | (300) | (900) | n/a |
| Deposits | 11,600 | 12,800 | 14,900 | 14,200 | 14,200 | 13,700 | 13,700 | 14,000 | 13,300 | 13,500 | 13,900 | 13,100 | 13,300 | n/a |
| Common equity | 2,300 | 2,350 | 2,200 | 1,950 | 1,150 | 1,250 | 750 | 150 | 700 | 2,200 | 800 | 800 | 1,800 | 3,200 |

Other Statistics

| | | | | | | | | | | | | | | |
|--|---------|-------|-------|-------|-------|-------|-------|-------|---------|-------|-------|-------|---------|---------|
| Net interest margin | (0.20%) | 0.38% | 1.39% | 3.04% | 3.92% | 4.43% | 1.95% | 3.48% | (0.88%) | 0.92% | 3.29% | 0.09% | (0.41%) | (1.75%) |
| Amortization of other intangibles ³ | - | 2 | (1) | 1 | (1) | 1 | 1 | 1 | - | 2 | 2 | - | - | - |
| Number of employees (FTE) | 4,528 | 4,569 | 4,480 | 4,448 | 4,384 | 4,364 | 4,261 | 4,167 | 4,117 | 4,528 | 4,384 | 4,117 | 4,149 | 4,659 |

Credit Quality

| | | | | | | | | | | | | | | |
|--|-------|-------|-------|-------|---------|-------|-------|-------|-------|-------|---------|-------|-------|-----|
| Nonaccrual loans | | | | | | | | | | | | | | |
| Domestic | - | - | - | - | - | - | - | - | - | - | - | - | - | n/a |
| U.S. and Other International | - | - | - | - | - | 33 | 30 | 29 | 31 | - | - | 31 | 28 | n/a |
| Total nonaccrual loans | - | - | - | - | - | 33 | 30 | 29 | 31 | - | - | 31 | 28 | n/a |
| Total net charge-offs ⁴ | (9) | (7) | (7) | (6) | 26 | (7) | (8) | (10) | (8) | (29) | 1 | (24) | (27) | n/a |
| Net charge-offs as a percentage of average loans and acceptances | 1.32% | 1.63% | 1.44% | 1.25% | (4.69%) | 1.26% | 1.56% | 1.59% | 1.22% | 1.38% | (0.05%) | 8.00% | 3.00% | n/a |

¹Includes income taxes and non-controlling interest.

²Special items are shown on pages 27-28.

³After-tax amount. Excludes goodwill.

⁴Charge-offs are impacted by securitizations. In Q4/02, included \$33 million for LDC loans.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

Total
Income Statement

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|---------|---------|---------|
| Net interest income | 1,616 | 1,658 | 1,638 | 1,736 | 1,743 | 1,706 | 1,670 | 1,809 | 1,705 | 6,648 | 6,928 | 6,291 | 5,195 | 5,070 |
| Non-interest income | 2,633 | 2,644 | 2,423 | 2,599 | 2,523 | 2,491 | 2,623 | 2,495 | 2,627 | 10,299 | 10,132 | 9,514 | 7,536 | 6,070 |
| Total revenues | 4,249 | 4,302 | 4,061 | 4,335 | 4,266 | 4,197 | 4,293 | 4,304 | 4,332 | 16,947 | 17,060 | 15,805 | 12,731 | 11,140 |
| Provision for credit losses | (137) | (167) | (211) | (200) | (235) | (216) | (328) | (286) | (425) | (715) | (1,065) | (1,119) | (691) | (760) |
| Insurance policyholder benefits, claims and acquisition expense | (386) | (335) | (312) | (371) | (355) | (336) | (381) | (258) | (307) | (1,404) | (1,330) | (1,153) | (772) | (532) |
| Non-interest expense | (2,582) | (2,581) | (2,514) | (2,559) | (2,601) | (2,515) | (2,519) | (2,609) | (2,636) | (10,236) | (10,244) | (9,641) | (7,628) | (7,141) |
| Other ¹ | (340) | (443) | (335) | (438) | (343) | (408) | (355) | (417) | (284) | (1,556) | (1,523) | (1,457) | (1,432) | (982) |
| Net income - total | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 680 | 3,036 | 2,898 | 2,435 | 2,208 | 1,725 |
| - U.S. (included in total) | 91 | 97 | 85 | 109 | 66 | 105 | 6 | 33 | (111) | 382 | 210 | (138) | 71 | n/a |
| ROE | 18.0% | 17.4% | 15.4% | 16.9% | 16.3% | 16.1% | 16.8% | 17.1% | 15.7% | 17.0% | 16.6% | 16.6% | 19.3% | 15.3% |

Income Statement (excluding special items)²

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|---------|---------|---------|
| Net interest income | 1,616 | 1,658 | 1,638 | 1,736 | 1,743 | 1,706 | 1,670 | 1,809 | 1,705 | 6,648 | 6,928 | 6,291 | 5,195 | 5,070 |
| Non-interest income | 2,633 | 2,644 | 2,423 | 2,599 | 2,523 | 2,491 | 2,623 | 2,495 | 2,314 | 10,299 | 10,132 | 9,069 | 7,536 | 5,965 |
| Total revenues | 4,249 | 4,302 | 4,061 | 4,335 | 4,266 | 4,197 | 4,293 | 4,304 | 4,019 | 16,947 | 17,060 | 15,360 | 12,731 | 11,035 |
| Provision for credit losses | (137) | (167) | (211) | (200) | (235) | (216) | (328) | (286) | (425) | (715) | (1,065) | (1,119) | (691) | (670) |
| Insurance policyholder benefits, claims and acquisition expense | (386) | (335) | (312) | (371) | (355) | (336) | (381) | (258) | (307) | (1,404) | (1,330) | (1,153) | (772) | (532) |
| Non-interest expense | (2,582) | (2,581) | (2,514) | (2,559) | (2,601) | (2,515) | (2,519) | (2,609) | (2,636) | (10,236) | (10,244) | (9,550) | (7,628) | (6,971) |
| Other ¹ | (340) | (443) | (335) | (438) | (343) | (408) | (355) | (417) | (210) | (1,556) | (1,523) | (1,307) | (1,432) | (1,049) |
| Net income - total | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 441 | 3,036 | 2,898 | 2,231 | 2,208 | 1,813 |
| - U.S. (included in total) | 91 | 97 | 85 | 109 | 66 | 105 | 6 | 33 | (111) | 382 | 210 | (81) | 71 | n/a |
| ROE | 18.0% | 17.4% | 15.4% | 16.9% | 16.3% | 16.1% | 16.8% | 17.1% | 9.9% | 17.0% | 16.6% | 15.1% | 19.3% | 16.1% |

Average Balances

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Assets | 406,500 | 402,400 | 399,700 | 397,400 | 382,300 | 367,500 | 371,200 | 366,500 | 346,400 | 402,000 | 371,800 | 331,700 | 284,200 | 270,100 |
| Loans and acceptances | 178,900 | 176,100 | 177,600 | 178,400 | 178,000 | 175,400 | 177,400 | 179,100 | 178,000 | 177,800 | 177,500 | 172,100 | 160,000 | 155,600 |
| Deposits | 252,300 | 251,500 | 248,700 | 254,100 | 248,800 | 238,600 | 239,500 | 242,000 | 232,900 | 251,700 | 242,300 | 221,400 | 196,100 | 184,800 |
| Common equity | 17,450 | 17,450 | 17,700 | 17,500 | 17,200 | 17,150 | 16,750 | 16,450 | 16,400 | 17,500 | 16,900 | 13,900 | 10,700 | 10,300 |

Other Statistics

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Net interest margin (average assets) | 1.58% | 1.63% | 1.68% | 1.73% | 1.81% | 1.84% | 1.85% | 1.96% | 1.95% | 1.65% | 1.86% | 1.90% | 1.83% | 1.88% |
| Amortization of other intangibles ³ | 13 | 13 | 16 | 17 | 17 | 16 | 14 | 17 | 17 | 59 | 64 | 36 | 11 | - |
| Number of employees (FTE) - Canada | 44,950 | 45,361 | 44,821 | 44,880 | 44,639 | 44,570 | 43,989 | 44,343 | 44,384 | 44,950 | 44,639 | 44,384 | 44,256 | 48,270 |
| - U.S. | 12,159 | 11,512 | 11,028 | 11,124 | 11,104 | 11,375 | 11,213 | 11,612 | 9,508 | 12,159 | 11,104 | 9,508 | 1,650 | 754 |
| - Other | 3,703 | 3,748 | 3,726 | 3,766 | 3,806 | 3,843 | 3,561 | 3,789 | 3,676 | 3,703 | 3,806 | 3,676 | 3,326 | 2,867 |
| - Total | 60,812 | 60,621 | 59,575 | 59,770 | 59,549 | 59,788 | 58,763 | 59,744 | 57,568 | 60,812 | 59,549 | 57,568 | 49,232 | 51,891 |

Credit Quality

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Nonaccrual loans | | | | | | | | | | | | | | |
| Domestic - Residential mortgages | 110 | 101 | 102 | 103 | 102 | 106 | 128 | 141 | 142 | 110 | 102 | 142 | 185 | 173 |
| - Personal | 213 | 229 | 241 | 260 | 275 | 286 | 296 | 300 | 310 | 213 | 275 | 310 | 247 | 236 |
| - Commercial ⁴ | 471 | 454 | 508 | 499 | 534 | 588 | 618 | 636 | 661 | 471 | 534 | 661 | 593 | n/a |
| - Corporate ⁴ | 270 | 312 | 450 | 350 | 361 | 367 | 419 | 494 | 510 | 270 | 361 | 510 | 344 | n/a |
| U.S. and Other International | 681 | 803 | 862 | 1,162 | 1,016 | 1,024 | 1,068 | 1,142 | 842 | 681 | 1,016 | 842 | 309 | 317 |
| Total nonaccrual loans | 1,745 | 1,899 | 2,163 | 2,374 | 2,288 | 2,371 | 2,529 | 2,713 | 2,465 | 1,745 | 2,288 | 2,465 | 1,678 | 1,704 |
| Net charge-offs | | | | | | | | | | | | | | |
| Domestic - Residential mortgages | 1 | 2 | 2 | 1 | 2 | 3 | 3 | 3 | 5 | 6 | 11 | 15 | 11 | 12 |
| - Personal | 97 | 106 | 134 | 94 | 92 | 114 | 119 | 123 | 104 | 431 | 448 | 454 | 430 | 260 |
| - Commercial ⁴ | 36 | 35 | 28 | 16 | 53 | 44 | 50 | 45 | 62 | 115 | 192 | 194 | 180 | n/a |
| - Corporate ⁴ | 18 | 32 | - | - | 15 | 44 | 7 | - | 8 | 50 | 66 | 44 | (3) | n/a |
| U.S. and Other International | 59 | 52 | 64 | 29 | 168 | 144 | 167 | 63 | 170 | 204 | 542 | 233 | 59 | 228 |
| Total net charge-offs ⁴ | 211 | 227 | 228 | 140 | 330 | 349 | 346 | 234 | 349 | 806 | 1,259 | 940 | 677 | 958 |
| Net charge-offs as a percentage of average loans and acceptances | 0.47% | 0.51% | 0.53% | 0.31% | 0.74% | 0.79% | 0.80% | 0.52% | 0.78% | 0.45% | 0.71% | 0.55% | 0.42% | 0.62% |

¹Includes income taxes and non-controlling interest.

²Special items are shown on pages 27-28.

³After-tax amount. Excludes goodwill.

⁴In 1999, nonaccrual domestic commercial and corporate loans totalled \$978 million while domestic commercial and corporate charge-offs totalled \$458 million. These amounts were not separated into commercial and corporate components.

RESULTS BY GEOGRAPHIC
SEGMENT

(C\$ MM)

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|---------|
| Canada | | | | | | | | | | | | |
| Net interest income | 1,251 | 1,304 | 1,259 | 1,376 | 1,391 | 1,349 | 1,317 | 1,409 | 1,360 | 5,190 | 5,466 | 5,493 |
| Non-interest income | 1,348 | 1,336 | 1,195 | 1,229 | 1,043 | 1,115 | 1,333 | 1,255 | 1,490 | 5,108 | 4,746 | 5,279 |
| Total revenues | 2,599 | 2,640 | 2,454 | 2,605 | 2,434 | 2,464 | 2,650 | 2,664 | 2,850 | 10,298 | 10,212 | 10,772 |
| Provision for credit losses | (107) | (130) | (181) | (103) | (84) | (142) | (151) | (152) | (168) | (521) | (529) | (757) |
| Insurance policyholder benefits, claims and acquisition expense | (143) | (118) | (118) | (173) | (68) | (59) | (115) | (126) | (73) | (552) | (368) | (345) |
| Non-interest expense | (1,458) | (1,496) | (1,442) | (1,428) | (1,429) | (1,425) | (1,425) | (1,468) | (1,565) | (5,824) | (5,747) | (6,214) |
| Other ¹ | (305) | (379) | (262) | (363) | (311) | (344) | (371) | (392) | (389) | (1,309) | (1,418) | (1,499) |
| Net income | 586 | 517 | 451 | 538 | 542 | 494 | 588 | 526 | 655 | 2,092 | 2,150 | 1,957 |
| Special items ² | - | - | - | - | - | - | - | - | (239) | - | - | (261) |
| Net income, excluding special items | 586 | 517 | 451 | 538 | 542 | 494 | 588 | 526 | 416 | 2,092 | 2,150 | 1,696 |
| U.S. | | | | | | | | | | | | |
| Net interest income | 277 | 294 | 302 | 314 | 299 | 281 | 265 | 261 | 215 | 1,187 | 1,106 | 371 |
| Non-interest income | 844 | 861 | 806 | 917 | 978 | 917 | 861 | 940 | 806 | 3,428 | 3,696 | 2,777 |
| Total revenues | 1,121 | 1,155 | 1,108 | 1,231 | 1,277 | 1,198 | 1,126 | 1,201 | 1,021 | 4,615 | 4,802 | 3,148 |
| Provision for credit losses | (25) | (27) | (13) | (41) | (105) | (52) | (152) | (131) | (248) | (106) | (440) | (379) |
| Insurance policyholder benefits, claims and acquisition expense | (109) | (113) | (88) | (104) | (130) | (100) | (100) | (101) | (98) | (414) | (431) | (261) |
| Non-interest expense | (858) | (868) | (867) | (911) | (958) | (881) | (892) | (939) | (865) | (3,504) | (3,670) | (2,712) |
| Other ¹ | (38) | (50) | (55) | (66) | (18) | (60) | 24 | 3 | 79 | (209) | (51) | 66 |
| Net income | 91 | 97 | 85 | 109 | 66 | 105 | 6 | 33 | (111) | 382 | 210 | (138) |
| Special items ² | - | - | - | - | - | - | - | - | - | - | - | 57 |
| Net income, excluding special items | 91 | 97 | 85 | 109 | 66 | 105 | 6 | 33 | (111) | 382 | 210 | (81) |
| Other International | | | | | | | | | | | | |
| Net interest income | 88 | 60 | 77 | 46 | 53 | 76 | 88 | 139 | 130 | 271 | 356 | 427 |
| Non-interest income | 441 | 447 | 422 | 453 | 502 | 459 | 429 | 300 | 331 | 1,763 | 1,690 | 1,458 |
| Total revenues | 529 | 507 | 499 | 499 | 555 | 535 | 517 | 439 | 461 | 2,034 | 2,046 | 1,885 |
| Provision for credit losses | (5) | (10) | (17) | (56) | (46) | (22) | (25) | (3) | (9) | (88) | (96) | 17 |
| Insurance policyholder benefits, claims and acquisition expense | (134) | (104) | (106) | (94) | (157) | (177) | (166) | (31) | (136) | (438) | (531) | (547) |
| Non-interest expense | (266) | (217) | (205) | (220) | (214) | (209) | (202) | (202) | (206) | (908) | (827) | (715) |
| Other ¹ | 3 | (14) | (18) | (9) | (14) | (4) | (8) | (28) | 26 | (38) | (54) | (24) |
| Net income | 127 | 162 | 153 | 120 | 124 | 123 | 116 | 175 | 136 | 562 | 538 | 616 |
| Special items ² | - | - | - | - | - | - | - | - | - | - | - | - |
| Net income, excluding special items | 127 | 162 | 153 | 120 | 124 | 123 | 116 | 175 | 136 | 562 | 538 | 616 |
| Total | | | | | | | | | | | | |
| Net interest income | 1,616 | 1,658 | 1,638 | 1,736 | 1,743 | 1,706 | 1,670 | 1,809 | 1,705 | 6,648 | 6,928 | 6,291 |
| Non-interest income | 2,633 | 2,644 | 2,423 | 2,599 | 2,523 | 2,491 | 2,623 | 2,495 | 2,627 | 10,299 | 10,132 | 9,514 |
| Total revenues | 4,249 | 4,302 | 4,061 | 4,335 | 4,266 | 4,197 | 4,293 | 4,304 | 4,332 | 16,947 | 17,060 | 15,805 |
| Provision for credit losses | (137) | (167) | (211) | (200) | (235) | (216) | (328) | (286) | (425) | (715) | (1,065) | (1,119) |
| Insurance policyholder benefits, claims and acquisition expense | (386) | (335) | (312) | (371) | (355) | (336) | (381) | (258) | (307) | (1,404) | (1,330) | (1,153) |
| Non-interest expense | (2,582) | (2,581) | (2,514) | (2,559) | (2,601) | (2,515) | (2,519) | (2,609) | (2,636) | (10,236) | (10,244) | (9,641) |
| Other ¹ | (340) | (443) | (335) | (438) | (343) | (408) | (355) | (417) | (284) | (1,556) | (1,523) | (1,457) |
| Net income | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 680 | 3,036 | 2,898 | 2,435 |
| Special items ² | - | - | - | - | - | - | - | - | (239) | - | - | (204) |
| Net income, excluding special items | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 441 | 3,036 | 2,898 | 2,231 |

¹Includes non-controlling interest and income taxes.

²Special items are shown on pages 27-28.

CASH BASIS MEASURES¹

(C\$ MM)

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| RBC Banking | | | | | | | | | | | | | | |
| Net income | 379 | 414 | 349 | 412 | 402 | 393 | 362 | 389 | 333 | 1,554 | 1,546 | 1,174 | 1,064 | 792 |
| After-tax impact of goodwill and other intangibles ² | 8 | 8 | 13 | 12 | 12 | 12 | 10 | 14 | 40 | 41 | 48 | 80 | 9 | 1 |
| Cash net income | 387 | 422 | 362 | 424 | 414 | 405 | 372 | 403 | 373 | 1,595 | 1,594 | 1,254 | 1,073 | 793 |
| Special items ³ | - | - | - | - | - | - | - | - | 9 | - | - | 96 | - | 33 |
| Cash net income, excluding special items | 387 | 422 | 362 | 424 | 414 | 405 | 372 | 403 | 382 | 1,595 | 1,594 | 1,350 | 1,073 | 826 |
| Cash ROE | 20.9% | 23.1% | 19.5% | 22.1% | 20.4% | 20.6% | 18.9% | 19.5% | 16.4% | 21.4% | 19.9% | 18.0% | 19.6% | n/a |
| Cash ROE, excluding special items | 20.9% | 23.1% | 19.5% | 22.1% | 20.4% | 20.6% | 18.9% | 19.5% | 16.9% | 21.4% | 19.9% | 19.5% | 19.6% | n/a |
| RBC Insurance | | | | | | | | | | | | | | |
| Net income | 61 | 57 | 56 | 54 | 51 | 49 | 48 | 42 | 43 | 228 | 190 | 173 | 103 | 108 |
| After-tax impact of goodwill and other intangibles ² | - | - | - | - | - | - | - | - | 7 | - | - | 15 | - | 2 |
| Cash net income | 61 | 57 | 56 | 54 | 51 | 49 | 48 | 42 | 50 | 228 | 190 | 188 | 103 | 110 |
| Special items ³ | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash net income, excluding special items | 61 | 57 | 56 | 54 | 51 | 49 | 48 | 42 | 50 | 228 | 190 | 188 | 103 | 110 |
| Cash ROE | 26.4% | 24.4% | 28.6% | 26.8% | 26.7% | 26.6% | 26.6% | 23.0% | 21.9% | 26.4% | 25.7% | 21.9% | 39.4% | n/a |
| Cash ROE, excluding special items | 26.4% | 24.4% | 28.6% | 26.8% | 26.7% | 26.6% | 26.6% | 23.0% | 21.9% | 26.4% | 25.7% | 21.9% | 39.4% | n/a |
| RBC Investments | | | | | | | | | | | | | | |
| Net income | 126 | 113 | 69 | 104 | 96 | 84 | 78 | 88 | 258 | 412 | 346 | 508 | 413 | 272 |
| After-tax impact of goodwill and other intangibles ² | 4 | 3 | 4 | 4 | 4 | 3 | 3 | 2 | 58 | 15 | 12 | 118 | 24 | 14 |
| Cash net income | 130 | 116 | 73 | 108 | 100 | 87 | 81 | 90 | 316 | 427 | 358 | 626 | 437 | 286 |
| Special items ³ | - | - | - | - | - | - | - | - | (251) | - | - | (274) | - | - |
| Cash net income, excluding special items | 130 | 116 | 73 | 108 | 100 | 87 | 81 | 90 | 65 | 427 | 358 | 352 | 437 | 286 |
| Cash ROE | 19.6% | 17.3% | 10.4% | 15.3% | 12.7% | 11.1% | 10.5% | 11.5% | 60.3% | 15.6% | 11.5% | 33.5% | 50.8% | n/a |
| Cash ROE, excluding special items | 19.6% | 17.3% | 10.4% | 15.3% | 12.7% | 11.1% | 10.5% | 11.5% | 11.8% | 15.6% | 11.5% | 18.4% | 50.8% | n/a |
| RBC Capital Markets | | | | | | | | | | | | | | |
| Net income | 131 | 147 | 97 | 116 | 96 | 102 | 95 | 146 | (14) | 491 | 439 | 349 | 502 | 301 |
| After-tax impact of goodwill and other intangibles ² | - | - | - | - | 1 | - | - | - | 12 | - | 1 | 41 | 25 | 25 |
| Cash net income | 131 | 147 | 97 | 116 | 97 | 102 | 95 | 146 | (2) | 491 | 440 | 390 | 527 | 326 |
| Special items ³ | - | - | - | - | - | - | - | - | 3 | - | - | 27 | - | 78 |
| Cash net income, excluding special items | 131 | 147 | 97 | 116 | 97 | 102 | 95 | 146 | 1 | 491 | 440 | 417 | 527 | 404 |
| Cash ROE | 13.5% | 15.9% | 9.8% | 11.1% | 9.3% | 9.6% | 9.4% | 13.7% | (1.0%) | 12.6% | 10.5% | 11.0% | 22.0% | n/a |
| Cash ROE, excluding special items | 13.5% | 15.9% | 9.8% | 11.1% | 9.3% | 9.6% | 9.4% | 13.7% | (0.6%) | 12.6% | 10.5% | 11.8% | 22.0% | n/a |
| RBC Global Services | | | | | | | | | | | | | | |
| Net income | 44 | 49 | 37 | 48 | 44 | 49 | 40 | 40 | 49 | 178 | 173 | 266 | 185 | 142 |
| After-tax impact of goodwill and other intangibles ² | 1 | - | - | - | 1 | - | - | - | 2 | 1 | 1 | 8 | 8 | 9 |
| Cash net income | 45 | 49 | 37 | 48 | 45 | 49 | 40 | 40 | 51 | 179 | 174 | 274 | 193 | 151 |
| Special items ³ | - | - | - | - | - | - | - | - | - | - | - | (77) | - | - |
| Cash net income, excluding special items | 45 | 49 | 37 | 48 | 45 | 49 | 40 | 40 | 51 | 179 | 174 | 197 | 193 | 151 |
| Cash ROE | 27.2% | 30.6% | 23.4% | 30.3% | 29.7% | 32.5% | 27.3% | 25.9% | 37.6% | 27.9% | 28.8% | 50.8% | 39.5% | n/a |
| Cash ROE, excluding special items | 27.2% | 30.6% | 23.4% | 30.3% | 29.7% | 32.5% | 27.3% | 25.9% | 37.6% | 27.9% | 28.8% | 36.2% | 39.5% | n/a |
| Other | | | | | | | | | | | | | | |
| Net income | 63 | (4) | 81 | 33 | 43 | 45 | 87 | 29 | 11 | 173 | 204 | (35) | (59) | 110 |
| After-tax impact of goodwill and other intangibles ² | - | 2 | (1) | 1 | (1) | 1 | 1 | 1 | 4 | 2 | 2 | 24 | 22 | 16 |
| Cash net income | 63 | (2) | 80 | 34 | 42 | 46 | 88 | 30 | 15 | 175 | 206 | (11) | (37) | 126 |
| Special items ³ | - | - | - | - | - | - | - | - | - | - | - | 24 | - | (23) |
| Cash net income, excluding special items | 63 | (2) | 80 | 34 | 42 | 46 | 88 | 30 | 15 | 175 | 206 | 13 | (37) | 103 |
| Cash ROE | 10.4% | (0.8%) | 14.8% | 6.3% | 14.0% | 14.0% | 47.7% | 88.3% | 6.3% | 7.7% | 25.2% | (2.5%) | (2.4%) | n/a |
| Cash ROE, excluding special items | 10.4% | (0.8%) | 14.8% | 6.3% | 14.0% | 14.0% | 47.7% | 88.3% | 6.3% | 7.7% | 25.2% | 0.5% | (2.4%) | n/a |

¹Cash basis measures are defined on page 1.

²As a result of adopting FASB standards on Business Combinations (FAS 141) and Goodwill and Other Intangible Assets (FAS 142), effective Q1/02 goodwill is no longer amortized as impairment testing will take place on an annual basis.

³Special items are shown on pages 27-28.

CASH BASIS MEASURES¹

(C\$ MM)

Total Bank

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net income | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 680 |
| After-tax impact of goodwill and other intangibles ² | 13 | 13 | 16 | 17 | 17 | 16 | 14 | 17 | 123 |
| Cash net income | 817 | 789 | 705 | 784 | 749 | 738 | 724 | 751 | 803 |
| Preferred dividends | (11) | (12) | (22) | (23) | (24) | (25) | (24) | (25) | (31) |
| Cash net income available to common shareholders | 806 | 777 | 683 | 761 | 725 | 713 | 700 | 726 | 772 |

Profitability measures

| | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|----------|
| EPS - diluted | \$1.19 | \$1.14 | \$0.99 | \$1.10 | \$1.05 | \$1.02 | \$1.01 | \$1.04 | \$0.94 |
| After-tax impact of goodwill and other intangibles ² | \$0.02 | \$0.02 | \$0.03 | \$0.03 | \$0.02 | \$0.03 | \$0.02 | \$0.03 | \$0.18 |
| Cash EPS - diluted | \$1.21 | \$1.16 | \$1.02 | \$1.13 | \$1.07 | \$1.05 | \$1.03 | \$1.07 | \$1.12 |
| Special items ³ | - | - | - | - | - | - | - | - | (\$0.34) |
| Cash EPS, excluding special items | \$1.21 | \$1.16 | \$1.02 | \$1.13 | \$1.07 | \$1.05 | \$1.03 | \$1.07 | \$0.78 |
| Cash ROE | 18.3% | 17.6% | 15.8% | 17.2% | 16.7% | 16.5% | 17.1% | 17.5% | 18.6% |
| Cash ROE, excluding special items | 18.3% | 17.6% | 15.8% | 17.2% | 16.7% | 16.5% | 17.1% | 17.5% | 12.9% |

Canada

| | | | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| Net income | 586 | 517 | 451 | 538 | 542 | 494 | 588 | 526 | 655 |
| After-tax impact of goodwill and other intangibles ² | 3 | 4 | 2 | - | - | 1 | 6 | 4 | 57 |
| Cash net income | 589 | 521 | 453 | 538 | 542 | 495 | 594 | 530 | 712 |
| Special items ³ | - | - | - | - | - | - | - | - | (239) |
| Cash net income, excluding special items | 589 | 521 | 453 | 538 | 542 | 495 | 594 | 530 | 473 |

U.S.

| | | | | | | | | | |
|---|----|-----|----|-----|----|-----|----|----|-------|
| Net income | 91 | 97 | 85 | 109 | 66 | 105 | 6 | 33 | (111) |
| After-tax impact of goodwill and other intangibles ² | 7 | 7 | 12 | 14 | 13 | 11 | 8 | 12 | 61 |
| Cash net income | 98 | 104 | 97 | 123 | 79 | 116 | 14 | 45 | (50) |
| Special items ³ | - | - | - | - | - | - | - | - | - |
| Cash net income, excluding special items | 98 | 104 | 97 | 123 | 79 | 116 | 14 | 45 | (50) |

Other International

| | | | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Net income | 127 | 162 | 153 | 120 | 124 | 123 | 116 | 175 | 136 |
| After-tax impact of goodwill and other intangibles ² | 3 | 2 | 2 | 3 | 4 | 4 | - | 1 | 5 |
| Cash net income | 130 | 164 | 155 | 123 | 128 | 127 | 116 | 176 | 141 |
| Special items ³ | - | - | - | - | - | - | - | - | - |
| Cash net income, excluding special items | 130 | 164 | 155 | 123 | 128 | 127 | 116 | 176 | 141 |

| | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|--------|--------|----------|--------|--------|
| Net income | 3,036 | 2,898 | 2,435 | 2,208 | 1,725 |
| After-tax impact of goodwill and other intangibles ² | 59 | 64 | 286 | 88 | 67 |
| Cash net income | 3,095 | 2,962 | 2,721 | 2,296 | 1,792 |
| Preferred dividends | (68) | (98) | (135) | (134) | (157) |
| Cash net income available to common shareholders | 3,027 | 2,864 | 2,586 | 2,162 | 1,635 |
| EPS - diluted | \$4.43 | \$4.12 | \$3.55 | \$3.40 | \$2.48 |
| After-tax impact of goodwill and other intangibles ² | \$0.09 | \$0.10 | \$0.45 | \$0.15 | \$0.12 |
| Cash EPS - diluted | \$4.52 | \$4.22 | \$4.00 | \$3.55 | \$2.60 |
| Special items ³ | - | - | (\$0.31) | - | \$0.14 |
| Cash EPS, excluding special items | \$4.52 | \$4.22 | \$3.69 | \$3.55 | \$2.74 |
| Cash ROE | 17.3% | 17.0% | 18.6% | 20.2% | 15.9% |
| Cash ROE, excluding special items | 17.3% | 17.0% | 17.1% | 20.2% | 16.9% |
| Net income | 2,092 | 2,150 | 1,957 | 1,623 | |
| After-tax impact of goodwill and other intangibles ² | 9 | 11 | 119 | 70 | |
| Cash net income | 2,101 | 2,161 | 2,076 | 1,693 | |
| Special items ³ | - | - | (261) | - | |
| Cash net income, excluding special items | 2,101 | 2,161 | 1,815 | 1,693 | |
| Net income | 382 | 210 | (138) | 71 | |
| After-tax impact of goodwill and other intangibles ² | 40 | 44 | 154 | 7 | |
| Cash net income | 422 | 254 | 16 | 78 | |
| Special items ³ | - | - | 57 | - | |
| Cash net income, excluding special items | 422 | 254 | 73 | 78 | |
| Net income | 562 | 538 | 616 | 514 | |
| After-tax impact of goodwill and other intangibles ² | 10 | 9 | 13 | 11 | |
| Cash net income | 572 | 547 | 629 | 525 | |
| Special items ³ | - | - | - | - | |
| Cash net income, excluding special items | 572 | 547 | 629 | 525 | |

¹Cash basis measures are defined on page 1.

²As a result of adopting FASB standards on Business Combinations (FAS 141) and Goodwill and Other Intangible Assets (FAS 142), effective Q1/02 goodwill is no longer amortized as impairment testing will take place on an annual basis.

³Special items are shown on pages 27-28.

ECONOMIC PROFIT¹

(C\$ MM)

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|---------|---------|---------|---------|
| RBC Banking | | | | | | | | | | | | | | |
| Net income | 379 | 414 | 349 | 412 | 402 | 393 | 362 | 389 | 333 | 1,554 | 1,546 | 1,174 | 1,064 | 792 |
| Attributed preferred dividends | (9) | (9) | (9) | (9) | (10) | (10) | (10) | (10) | (24) | (36) | (40) | (73) | (56) | (65) |
| Net income available to common shareholders | 370 | 405 | 340 | 403 | 392 | 383 | 352 | 379 | 309 | 1,518 | 1,506 | 1,101 | 1,008 | 727 |
| Special items ² | - | - | - | - | - | - | - | - | 9 | - | - | 96 | - | 33 |
| Amortization of goodwill and other intangibles | 8 | 8 | 13 | 12 | 12 | 12 | 10 | 14 | 40 | 41 | 48 | 80 | 9 | 1 |
| Capital charge ³ | (183) | (182) | (181) | (218) | (227) | (221) | (239) | (253) | (273) | (764) | (940) | (858) | (699) | (574) |
| Economic Profit | 195 | 231 | 172 | 197 | 177 | 174 | 123 | 140 | 85 | 795 | 614 | 419 | 318 | 187 |
| RBC Insurance | | | | | | | | | | | | | | |
| Net income | 61 | 57 | 56 | 54 | 51 | 49 | 48 | 42 | 43 | 228 | 190 | 173 | 103 | 108 |
| Attributed preferred dividends | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (2) | (4) | (4) | (8) | (4) | (3) |
| Net income available to common shareholders | 60 | 56 | 55 | 53 | 50 | 48 | 47 | 41 | 41 | 224 | 186 | 165 | 99 | 105 |
| Special items ² | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Amortization of goodwill and other intangibles | - | - | - | - | - | - | - | - | 7 | - | - | 15 | - | 2 |
| Capital charge ³ | (25) | (23) | (19) | (22) | (22) | (20) | (22) | (22) | (28) | (89) | (86) | (108) | (32) | (25) |
| Economic Profit | 35 | 33 | 36 | 31 | 28 | 28 | 25 | 19 | 20 | 135 | 100 | 72 | 67 | 82 |
| RBC Investments | | | | | | | | | | | | | | |
| Net income | 126 | 113 | 69 | 104 | 96 | 84 | 78 | 88 | 258 | 412 | 346 | 508 | 413 | 272 |
| Attributed preferred dividends | (3) | (3) | (3) | (3) | (4) | (4) | (4) | (4) | (6) | (12) | (16) | (20) | (8) | (8) |
| Net income available to common shareholders | 123 | 110 | 66 | 101 | 92 | 80 | 74 | 84 | 252 | 400 | 330 | 488 | 405 | 264 |
| Special items ² | - | - | - | - | - | - | - | - | (251) | - | - | (274) | - | - |
| Amortization of goodwill and other intangibles | 4 | 3 | 4 | 4 | 4 | 3 | 3 | 2 | 58 | 15 | 12 | 118 | 24 | 14 |
| Capital charge ³ | (66) | (66) | (67) | (79) | (87) | (86) | (90) | (93) | (65) | (278) | (356) | (235) | (120) | (66) |
| Economic Profit | 61 | 47 | 3 | 26 | 9 | (3) | (13) | (7) | (6) | 137 | (14) | 97 | 309 | 212 |
| RBC Capital Markets | | | | | | | | | | | | | | |
| Net income | 131 | 147 | 97 | 116 | 96 | 102 | 95 | 146 | (14) | 491 | 439 | 349 | 502 | 301 |
| Attributed preferred dividends | (5) | (5) | (5) | (5) | (5) | (5) | (5) | (5) | (10) | (20) | (20) | (37) | (26) | (27) |
| Net income available to common shareholders | 126 | 142 | 92 | 111 | 91 | 97 | 90 | 141 | (24) | 471 | 419 | 312 | 476 | 274 |
| Special items ² | - | - | - | - | - | - | - | - | 3 | - | - | 27 | - | 78 |
| Amortization of goodwill and other intangibles | - | - | - | - | 1 | - | - | - | 12 | - | 1 | 41 | 25 | 25 |
| Capital charge ³ | (92) | (92) | (97) | (115) | (113) | (116) | (118) | (128) | (110) | (396) | (475) | (424) | (307) | (242) |
| Economic Profit | 34 | 50 | (5) | (4) | (21) | (19) | (28) | 13 | (119) | 75 | (55) | (44) | 194 | 135 |
| RBC Global Services | | | | | | | | | | | | | | |
| Net income | 44 | 49 | 37 | 48 | 44 | 49 | 40 | 40 | 49 | 178 | 173 | 266 | 185 | 142 |
| Attributed preferred dividends | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (4) | (4) | (4) | (4) | (6) |
| Net income available to common shareholders | 43 | 48 | 36 | 47 | 43 | 48 | 39 | 39 | 48 | 174 | 169 | 262 | 181 | 136 |
| Special items ² | - | - | - | - | - | - | - | - | - | - | - | (77) | - | - |
| Amortization of goodwill and other intangibles | 1 | - | - | - | 1 | - | - | - | 2 | 1 | 1 | 8 | 8 | 9 |
| Capital charge ³ | (17) | (15) | (15) | (18) | (16) | (17) | (18) | (19) | (16) | (65) | (70) | (71) | (66) | (57) |
| Economic Profit | 27 | 33 | 21 | 29 | 28 | 31 | 21 | 20 | 34 | 110 | 100 | 122 | 123 | 88 |
| Other | | | | | | | | | | | | | | |
| Net income | 63 | (4) | 81 | 33 | 43 | 45 | 87 | 29 | 11 | 173 | 204 | (35) | (59) | 110 |
| Attributed preferred dividends | 8 | 7 | (3) | (4) | (3) | (4) | (3) | (4) | 12 | 8 | (14) | 7 | (36) | (48) |
| Net income available to common shareholders | 71 | 3 | 78 | 29 | 40 | 41 | 84 | 25 | 23 | 181 | 190 | (28) | (95) | 62 |
| Special items ² | - | - | - | - | - | - | - | - | - | - | - | 24 | - | (23) |
| Amortization of goodwill and other intangibles | - | 2 | (1) | 1 | (1) | 1 | 1 | 1 | 4 | 2 | 2 | 24 | 22 | 16 |
| Capital charge ³ | (57) | (62) | (53) | (56) | (34) | (37) | (25) | (3) | (26) | (228) | (99) | (103) | (224) | (422) |
| Economic Profit | 14 | (57) | 24 | (26) | 5 | 5 | 60 | 23 | 1 | (45) | 93 | (83) | (297) | (367) |
| Total Bank | | | | | | | | | | | | | | |
| Net income | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 680 | 3,036 | 2,898 | 2,435 | 2,208 | 1,725 |
| Attributed preferred dividends | (11) | (12) | (22) | (23) | (24) | (25) | (24) | (25) | (31) | (68) | (98) | (135) | (134) | (157) |
| Net income available to common shareholders | 793 | 764 | 667 | 744 | 708 | 697 | 686 | 709 | 649 | 2,968 | 2,800 | 2,300 | 2,074 | 1,568 |
| Special items ² | - | - | - | - | - | - | - | - | (239) | - | - | (204) | - | 88 |
| Amortization of goodwill and other intangibles | 13 | 13 | 16 | 17 | 17 | 16 | 14 | 17 | 123 | 59 | 64 | 286 | 88 | 67 |
| Capital charge ³ | (440) | (440) | (432) | (508) | (499) | (497) | (512) | (518) | (518) | (1,820) | (2,026) | (1,799) | (1,448) | (1,386) |
| Economic Profit | 366 | 337 | 251 | 253 | 226 | 216 | 188 | 208 | 15 | 1,207 | 838 | 583 | 714 | 337 |
| Cost of Equity | 10.0% | 10.0% | 10.0% | 11.5% | 11.5% | 11.5% | 12.5% | 12.5% | 12.5% | 10.4% | 12.0% | 12.9% | 13.5% | 13.5% |

¹Economic Profit is defined on page 1.

²Special items are shown on pages 27-28.

³The capital charge is derived by multiplying the cost of equity by the amount of average common equity. Average common equity is attributed to the business segments based on methodologies designed to measure the capital necessary to underpin the risks of the businesses in each segment. The cost of equity is a proxy for the after-tax return required by shareholders for the use of their capital.

**NET INTEREST INCOME
(C\$ MM)**

Net interest income

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Net interest income | 1,616 | 1,658 | 1,638 | 1,736 | 1,743 | 1,706 | 1,670 | 1,809 | 1,705 | 6,648 | 6,928 | 6,291 | 5,195 | 5,070 |
| Net interest income as a % of average assets | 1.58% | 1.63% | 1.68% | 1.73% | 1.81% | 1.84% | 1.85% | 1.96% | 1.95% | 1.65% | 1.86% | 1.90% | 1.83% | 1.88% |
| Net interest income as a % of average earning assets | 1.90% | 1.97% | 2.04% | 2.07% | 2.16% | 2.17% | 2.20% | 2.33% | 2.29% | 2.00% | 2.22% | 2.22% | 2.10% | 2.17% |

REVENUE FROM TRADING ACTIVITIES

Total trading revenues

| | | | | | | | | | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-------|-------|-------|-------|
| Net interest income | 36 | - | 10 | 27 | 2 | 15 | 38 | 72 | 13 | 73 | 127 | (68) | (365) | 5 |
| Non-interest income | 441 | 543 | 481 | 544 | 486 | 440 | 384 | 456 | 388 | 2,009 | 1,766 | 1,820 | 1,540 | 1,106 |
| Total | 477 | 543 | 491 | 571 | 488 | 455 | 422 | 528 | 401 | 2,082 | 1,893 | 1,752 | 1,175 | 1,111 |

Trading revenues by product

| | | | | | | | | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-------|-------|-------|-------|
| Equity | 159 | 141 | 128 | 186 | 184 | 192 | 172 | 205 | 146 | 614 | 753 | 684 | 495 | 325 |
| Fixed income and money markets | 253 | 333 | 276 | 305 | 245 | 184 | 190 | 257 | 175 | 1,167 | 876 | 726 | 378 | 492 |
| Foreign exchange contracts ¹ | 65 | 69 | 87 | 80 | 59 | 79 | 60 | 66 | 80 | 301 | 264 | 342 | 302 | 294 |
| Total | 477 | 543 | 491 | 571 | 488 | 455 | 422 | 528 | 401 | 2,082 | 1,893 | 1,752 | 1,175 | 1,111 |

INTEREST RATE SENSITIVITY POSITION²

After tax impact of 1% increase in rates on:

| | | | | | | | | | |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Net interest income using simulation | 73 | 92 | 79 | 57 | 61 | 60 | 27 | 29 | 56 |
| Common shareholders' equity | (269) | (285) | (219) | (243) | (181) | (193) | (228) | (274) | (228) |

After tax impact of 1% decrease in rates on:

| | | | | | | | | | |
|--------------------------------------|------|------|------|------|------|------|------|------|------|
| Net interest income using simulation | (80) | (97) | (87) | (92) | (89) | (91) | (68) | (52) | (63) |
| Common shareholders' equity | 166 | 154 | 92 | 121 | 85 | 122 | 130 | 185 | 150 |

¹Includes commodity and precious metals.

²Incorporates management assumptions based on empirical research on consumer behaviour relating to the exercise of embedded options and on the rate paid on liabilities not linked to market rates.

All interest rate measures are based upon our current exposures at a specific time. The exposures change continually as a result of day-to-day business activities and our risk management initiatives.

NON-INTEREST INCOME

(C\$ MM)

Deposit & payment service charges:

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Deposit accounts | 199 | 202 | 196 | 214 | 206 | 203 | 192 | 199 | 196 |
| Other payment services | 69 | 68 | 65 | 65 | 69 | 59 | 58 | 55 | 54 |
| | 268 | 270 | 261 | 279 | 275 | 262 | 250 | 254 | 250 |
| Insurance premiums, investment and fee income | 548 | 505 | 466 | 526 | 527 | 475 | 518 | 390 | 455 |
| Underwriting and other advisory fees | 201 | 197 | 143 | 130 | 157 | 174 | 145 | 167 | 143 |
| Securities brokerage commissions | 285 | 299 | 254 | 270 | 269 | 290 | 326 | 338 | 233 |
| Trading revenues | 441 | 543 | 481 | 544 | 486 | 440 | 384 | 456 | 388 |
| Investment management and custodial fees | 306 | 278 | 278 | 281 | 278 | 314 | 298 | 287 | 275 |
| Mutual fund revenues | 175 | 168 | 161 | 169 | 170 | 188 | 183 | 182 | 171 |
| Card service revenues | 85 | 82 | 63 | 73 | 74 | 78 | 61 | 72 | 68 |
| Foreign exchange revenues, other than trading | 75 | 75 | 63 | 66 | 68 | 75 | 66 | 65 | 77 |
| Credit fees | 43 | 58 | 63 | 63 | 52 | 57 | 53 | 61 | 59 |
| Securitization revenues | 61 | 29 | 41 | 34 | 45 | 38 | 57 | 32 | 49 |
| Gain (loss) on sale of available for sale securities | 13 | (11) | 47 | (30) | (113) | (11) | 16 | (4) | (36) |
| Gain from divestitures ¹ | - | - | - | - | - | - | - | - | 313 |
| Gain (loss) on disposal of premises and equip. ² | (3) | - | (2) | - | (7) | 7 | 7 | 8 | 37 |
| Mortgage banking revenues ³ | (12) | 63 | 59 | 70 | 57 | 55 | 55 | 73 | 57 |
| Other ⁴ | 147 | 88 | 45 | 124 | 185 | 49 | 204 | 114 | 88 |
| Total | 2,633 | 2,644 | 2,423 | 2,599 | 2,523 | 2,491 | 2,623 | 2,495 | 2,627 |
| Special items ⁵ | - | - | - | - | - | - | - | - | 313 |
| Total, excluding special items | 2,633 | 2,644 | 2,423 | 2,599 | 2,523 | 2,491 | 2,623 | 2,495 | 2,314 |
| Non-interest income as a % of total revenues | 62.0% | 61.5% | 59.7% | 60.0% | 59.1% | 59.4% | 61.1% | 58.0% | 60.6% |

| <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-------------|-------------|-------------|-------------|-------------|
| 811 | 800 | 689 | 569 | 505 |
| 267 | 241 | 198 | 187 | 183 |
| 1,078 | 1,041 | 887 | 756 | 688 |
| 2,045 | 1,910 | 1,695 | 1,019 | 753 |
| 671 | 643 | 478 | 600 | 403 |
| 1,108 | 1,223 | 1,045 | 938 | 625 |
| 2,009 | 1,766 | 1,820 | 1,540 | 1,106 |
| 1,143 | 1,177 | 1,094 | 857 | 649 |
| 673 | 723 | 692 | 624 | 556 |
| 303 | 285 | 290 | 420 | 362 |
| 279 | 274 | 291 | 299 | 243 |
| 227 | 223 | 237 | 212 | 189 |
| 165 | 172 | 125 | 104 | 220 |
| 19 | (112) | (130) | (16) | 27 |
| - | - | 445 | - | - |
| (5) | 15 | 22 | (16) | 90 |
| 180 | 240 | 206 | - | - |
| 404 | 552 | 317 | 199 | 159 |
| 10,299 | 10,132 | 9,514 | 7,536 | 6,070 |
| - | - | 445 | - | 105 |
| 10,299 | 10,132 | 9,069 | 7,536 | 5,965 |
| 60.8% | 59.4% | 60.2% | 59.2% | 54.5% |

SECURITIES BROKERAGE COMMISSIONS

| | | | | | | | | | |
|--------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Retail full-service brokerage | 211 | 222 | 184 | 197 | 187 | 215 | 249 | 266 | 213 |
| Institutional brokerage ⁶ | 50 | 57 | 54 | 52 | 65 | 59 | 56 | 50 | |
| Discount brokerage | 24 | 20 | 16 | 21 | 17 | 16 | 21 | 22 | 20 |
| Total | 285 | 299 | 254 | 270 | 269 | 290 | 326 | 338 | 233 |

| | | | | |
|-------|-------|-------|-----|-----|
| 814 | 917 | 946 | 793 | 549 |
| 213 | 230 | | | |
| 81 | 76 | 99 | 145 | 76 |
| 1,108 | 1,223 | 1,045 | 938 | 625 |

ASSETS UNDER ADMINISTRATION AND UNDER MANAGEMENT

| | | | | | | | | | |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Institutional | 1,133,400 | 1,091,100 | 1,029,300 | 1,083,200 | 1,005,000 | 1,034,400 | 1,051,200 | 1,034,500 | 970,200 |
| Personal | 314,700 | 317,400 | 305,000 | 316,900 | 326,700 | 343,300 | 353,700 | 355,100 | 337,500 |
| Retail mutual funds | 35,800 | 35,500 | 33,900 | 34,100 | 34,200 | 35,400 | 37,900 | 37,000 | 34,800 |
| Total assets under administration | 1,483,900 | 1,444,000 | 1,368,200 | 1,434,200 | 1,365,900 | 1,413,100 | 1,442,800 | 1,426,600 | 1,342,500 |
| Institutional | 20,200 | 19,800 | 18,600 | 19,800 | 19,100 | 19,100 | 19,100 | 15,100 | 17,700 |
| Personal | 32,000 | 33,900 | 36,200 | 37,700 | 37,500 | 39,700 | 39,200 | 51,200 | 47,800 |
| Retail mutual funds | 36,700 | 35,500 | 33,900 | 34,100 | 34,200 | 35,400 | 37,900 | 37,000 | 34,500 |
| Total assets under management | 88,900 | 89,200 | 88,700 | 91,600 | 90,800 | 94,200 | 96,200 | 103,300 | 100,000 |

| | | | | |
|-----------|-----------|-----------|-----------|---------|
| 1,133,400 | 1,005,000 | 970,200 | 932,800 | 779,900 |
| 314,700 | 326,700 | 337,500 | 207,200 | 157,300 |
| 35,800 | 34,200 | 34,800 | 35,200 | 30,600 |
| 1,483,900 | 1,365,900 | 1,342,500 | 1,175,200 | 967,800 |
| 20,200 | 19,100 | 17,700 | 36,700 | 32,700 |
| 32,000 | 37,500 | 47,800 | 21,500 | 18,300 |
| 36,700 | 34,200 | 34,500 | 34,100 | 30,600 |
| 88,900 | 90,800 | 100,000 | 92,300 | 81,600 |

¹In Q4/01, we sold RT Capital Management for a gain of \$313 million (\$251 million after tax).

²In Q4/01, we sold land leases for \$39 million.

³Associated with mortgages originated with the intent to sell. This relates to U.S. mortgage operations.

⁴Includes net gains (losses) on credit derivatives of \$14 million in Q1/03, \$13 million in Q4/02, \$(51) million in Q3/02 and \$75 million in Q2/02.

⁵Special items are shown on pages 27-28.

⁶Amounts for 1999-2001 included in retail full-service brokerage.

NON-INTEREST EXPENSE

(C\$ MM)

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Human resources | | | | | | | | | | | | | | |
| Salaries | 792 | 805 | 801 | 849 | 812 | 804 | 770 | 803 | 774 | 3,247 | 3,189 | 2,747 | 2,319 | 2,507 |
| Variable compensation | 529 | 565 | 479 | 511 | 449 | 550 | 517 | 579 | 467 | 2,084 | 2,095 | 2,056 | 1,839 | 1,078 |
| Acquisition retention compensation | 21 | 15 | 18 | 30 | 36 | 34 | 32 | 56 | 51 | 84 | 158 | 176 | - | - |
| Benefits ¹ | 227 | 224 | 242 | 232 | 212 | 203 | 189 | 179 | 235 | 925 | 783 | 694 | 485 | 511 |
| Stock compensation ² | 18 | 12 | 18 | 9 | 3 | (12) | 21 | 26 | (20) | 57 | 38 | 23 | 52 | - |
| Total Human resources | 1,587 | 1,621 | 1,558 | 1,631 | 1,512 | 1,579 | 1,529 | 1,643 | 1,507 | 6,397 | 6,263 | 5,696 | 4,695 | 4,096 |
| Occupancy | | | | | | | | | | | | | | |
| Premises rent | 142 | 157 | 146 | 147 | 151 | 149 | 160 | 147 | 155 | 592 | 607 | 575 | 397 | 321 |
| Rental income from properties | (5) | (5) | (6) | (5) | (5) | (6) | (4) | (5) | (7) | (21) | (20) | (22) | (13) | (11) |
| Premises repairs and maintenance | 17 | 17 | 19 | 19 | 20 | 21 | 13 | 16 | 20 | 72 | 70 | 55 | 68 | 88 |
| Depreciation | 23 | 23 | 24 | 25 | 27 | 27 | 25 | 24 | 27 | 95 | 103 | 91 | 81 | 92 |
| Property taxes | 3 | 2 | 3 | 3 | 3 | 3 | 2 | 3 | 2 | 11 | 11 | 6 | 15 | 41 |
| Energy | 4 | 5 | 4 | 5 | 5 | 4 | 5 | 3 | 4 | 18 | 17 | 11 | 22 | 33 |
| Total Occupancy | 184 | 199 | 190 | 194 | 201 | 198 | 201 | 188 | 201 | 767 | 788 | 716 | 570 | 564 |
| Equipment | | | | | | | | | | | | | | |
| Depreciation | 73 | 71 | 70 | 71 | 70 | 71 | 70 | 74 | 87 | 285 | 285 | 296 | 288 | 297 |
| Computer rental and maintenance | 114 | 94 | 115 | 100 | 120 | 103 | 99 | 98 | 91 | 423 | 420 | 375 | 340 | 348 |
| Office equipment rental and maintenance | 18 | 13 | 14 | 13 | 11 | 11 | 11 | 14 | 9 | 58 | 47 | 42 | 36 | 32 |
| Total Equipment | 205 | 178 | 199 | 184 | 201 | 185 | 180 | 186 | 187 | 766 | 752 | 713 | 664 | 677 |
| Communications | | | | | | | | | | | | | | |
| Telecommunications | 79 | 77 | 79 | 80 | 89 | 88 | 90 | 83 | 79 | 315 | 350 | 283 | 225 | 225 |
| Postage and courier | 24 | 30 | 29 | 30 | 33 | 28 | 30 | 30 | 30 | 113 | 121 | 108 | 170 | 157 |
| Marketing and public relations | 62 | 48 | 57 | 45 | 61 | 51 | 51 | 48 | 46 | 212 | 211 | 180 | 173 | 188 |
| Stationery and printing | 28 | 25 | 28 | 23 | 27 | 26 | 29 | 26 | 24 | 104 | 108 | 108 | 127 | 129 |
| Total Communications | 193 | 180 | 193 | 178 | 210 | 193 | 200 | 187 | 179 | 744 | 790 | 679 | 695 | 699 |
| Professional fees | | | | | | | | | | | | | | |
| | 134 | 113 | 106 | 113 | 133 | 100 | 83 | 103 | 117 | 466 | 419 | 411 | 267 | 274 |
| Outsourced item processing | | | | | | | | | | | | | | |
| | 73 | 69 | 76 | 74 | 74 | 74 | 77 | 81 | 90 | 292 | 306 | 303 | - | - |
| Amortization | | | | | | | | | | | | | | |
| Amortization of goodwill ³ | - | - | - | - | - | - | - | - | 107 | - | - | 252 | 80 | 70 |
| Amortization of other intangibles | 16 | 16 | 20 | 19 | 20 | 18 | 17 | 17 | 17 | 71 | 72 | 36 | 11 | - |
| Total Amortization | 16 | 16 | 20 | 19 | 20 | 18 | 17 | 17 | 124 | 71 | 72 | 288 | 91 | 70 |
| Other | | | | | | | | | | | | | | |
| Business and capital taxes | 36 | 45 | 31 | 32 | 25 | 31 | 36 | 37 | 44 | 144 | 129 | 171 | 134 | 114 |
| Travel and relocation | 38 | 35 | 33 | 34 | 45 | 37 | 32 | 30 | 31 | 140 | 144 | 121 | 85 | 90 |
| Employee training | 10 | 9 | 12 | 8 | 16 | 10 | 11 | 9 | 14 | 39 | 46 | 43 | 38 | 48 |
| Donations | 9 | 9 | 9 | 11 | 13 | 9 | 9 | 10 | 15 | 38 | 41 | 35 | 26 | 29 |
| Other | 97 | 107 | 87 | 81 | 151 | 81 | 144 | 118 | 127 | 372 | 494 | 465 | 363 | 480 |
| Total Other | 190 | 205 | 172 | 166 | 250 | 168 | 232 | 204 | 231 | 733 | 854 | 835 | 646 | 761 |
| Total non-interest expense | 2,582 | 2,581 | 2,514 | 2,559 | 2,601 | 2,515 | 2,519 | 2,609 | 2,636 | 10,236 | 10,244 | 9,641 | 7,628 | 7,141 |
| Special items ⁴ | - | - | - | - | - | - | - | - | - | - | - | 91 | - | 170 |
| Total NIE, excluding special items | 2,582 | 2,581 | 2,514 | 2,559 | 2,601 | 2,515 | 2,519 | 2,609 | 2,636 | 10,236 | 10,244 | 9,550 | 7,628 | 6,971 |

¹ Includes pension expense of \$64 million in Q4/03 (\$49 million in Q3/03, and \$48 million in Q4/02).

² Stock compensation includes the cost of stock options, stock appreciation rights and performance deferred shares.

³ As a result of adopting FASB standards on Business Combinations (FAS 141) and Goodwill and Other Intangible Assets (FAS 142), effective Q1/02 goodwill is no longer amortized as impairment testing will take place on an annual basis. In Q4/01, as part of the reorganization of the Global Private Banking business, a \$38 million write-down of goodwill relating to Connor Clark was recorded.

⁴ Special items are shown on pages 27-28.

BALANCE SHEET

(C\$ MM)

Period-end balances
ASSETS

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Cash resources | 17,520 | 21,247 | 21,931 | 20,360 | 21,293 | 19,495 | 19,794 | 15,620 | 17,516 | 17,520 | 21,293 | 17,516 | 16,408 | 23,042 |
| Securities ¹ | 116,797 | 108,420 | 104,530 | 99,532 | 95,353 | 91,708 | 90,311 | 88,300 | 81,100 | 116,797 | 95,353 | 81,100 | 63,461 | 52,736 |
| Assets purchased under reverse repurchase agreements | 36,289 | 41,868 | 37,087 | 37,874 | 35,831 | 34,938 | 33,373 | 30,503 | 35,870 | 36,289 | 35,831 | 35,870 | 18,303 | 20,272 |
| Loans ¹ | | | | | | | | | | | | | | |
| Residential mortgage ² | 78,819 | 77,201 | 74,431 | 73,417 | 72,842 | 70,641 | 70,118 | 69,438 | 67,444 | 78,819 | 72,842 | 67,444 | 62,984 | 59,242 |
| Personal | 34,003 | 33,171 | 32,451 | 31,956 | 31,956 | 32,222 | 32,292 | 31,600 | 32,511 | 34,003 | 31,956 | 32,511 | 28,019 | 25,255 |
| Credit card ³ | 4,816 | 5,625 | 5,327 | 5,214 | 4,914 | 4,774 | 4,445 | 4,338 | 4,283 | 4,816 | 4,914 | 4,283 | 4,666 | 2,666 |
| Business and government | 54,909 | 57,242 | 57,908 | 60,020 | 61,811 | 64,187 | 63,602 | 64,285 | 66,939 | 54,909 | 61,811 | 66,939 | 60,515 | 57,630 |
| Total loans | 172,547 | 173,239 | 170,117 | 170,607 | 171,523 | 171,824 | 170,457 | 169,661 | 171,177 | 172,547 | 171,523 | 171,177 | 156,184 | 144,793 |
| Allowance for loan losses | (2,055) | (2,156) | (2,226) | (2,267) | (2,203) | (2,218) | (2,338) | (2,345) | (2,278) | (2,055) | (2,203) | (2,278) | (1,871) | (1,884) |
| Total loans, net of allowance for loan losses | 170,492 | 171,083 | 167,891 | 168,340 | 169,320 | 169,606 | 168,119 | 167,316 | 168,899 | 170,492 | 169,320 | 168,899 | 154,313 | 142,909 |
| Customers' liability under acceptances: | 5,943 | 6,391 | 7,088 | 7,292 | 8,051 | 7,550 | 8,484 | 9,057 | 9,923 | 5,943 | 8,051 | 9,923 | 11,628 | 9,257 |
| Derivative-related amounts | 36,640 | 35,782 | 37,127 | 37,300 | 31,250 | 31,168 | 21,963 | 26,731 | 28,642 | 36,640 | 31,250 | 28,642 | 19,334 | 15,151 |
| Premises and equipment | 1,655 | 1,563 | 1,570 | 1,612 | 1,639 | 1,618 | 1,570 | 1,590 | 1,598 | 1,655 | 1,639 | 1,598 | 1,216 | 1,274 |
| Goodwill | 4,633 | 4,778 | 4,844 | 5,095 | 5,040 | 5,115 | 4,933 | 4,975 | 4,952 | 4,633 | 5,040 | 4,952 | 693 | 660 |
| Other intangibles | 580 | 624 | 654 | 681 | 665 | 689 | 595 | 606 | 619 | 580 | 665 | 619 | 208 | - |
| Reinsurance recoverables | 3,321 | 3,390 | 1,629 | 1,662 | 1,946 | 1,288 | 1,273 | 1,255 | 1,074 | 3,321 | 1,946 | 1,074 | 422 | 324 |
| Separate account assets | 224 | 317 | 66 | 70 | 68 | 75 | 82 | 84 | 79 | 224 | 68 | 79 | 119 | 108 |
| Other assets | 18,497 | 13,941 | 13,834 | 12,478 | 11,544 | 14,361 | 10,832 | 12,447 | 12,290 | 18,497 | 11,544 | 12,290 | 8,068 | 7,673 |
| Total assets | 412,591 | 409,404 | 398,251 | 392,296 | 382,000 | 377,611 | 361,329 | 358,484 | 362,562 | 412,591 | 382,000 | 362,562 | 294,173 | 273,406 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Deposits | | | | | | | | | | | | | | |
| Canada | | | | | | | | | | | | | | |
| Non-interest-bearing | 24,388 | 23,507 | 22,652 | 21,904 | 23,222 | 22,954 | 23,205 | 22,855 | 22,397 | 24,388 | 23,222 | 22,397 | 22,011 | 16,876 |
| Interest-bearing | 130,135 | 130,421 | 125,504 | 119,863 | 119,737 | 115,847 | 115,920 | 117,007 | 118,161 | 130,135 | 119,737 | 118,161 | 116,113 | 112,430 |
| International ⁴ | | | | | | | | | | | | | | |
| Non-interest-bearing | 3,183 | 3,148 | 2,744 | 2,833 | 2,969 | 2,937 | 2,640 | 2,375 | 2,461 | 3,183 | 2,969 | 2,461 | 863 | 666 |
| Interest-bearing | 102,812 | 100,657 | 100,666 | 104,031 | 99,112 | 104,302 | 95,986 | 94,035 | 92,668 | 102,812 | 99,112 | 92,668 | 67,250 | 57,925 |
| Total deposits | 260,518 | 257,733 | 251,566 | 248,631 | 245,040 | 246,040 | 237,751 | 236,272 | 235,687 | 260,518 | 245,040 | 235,687 | 206,237 | 187,897 |
| Acceptances | 5,943 | 6,391 | 7,088 | 7,292 | 8,051 | 7,550 | 8,484 | 9,057 | 9,923 | 5,943 | 8,051 | 9,923 | 11,628 | 9,257 |
| Obligations related to securities sold short | 22,743 | 20,238 | 23,389 | 18,923 | 17,990 | 15,826 | 17,145 | 16,815 | 16,037 | 22,743 | 17,990 | 16,037 | 12,873 | 18,740 |
| Obligations related to assets sold under repurchase agreements | 23,735 | 24,589 | 22,104 | 23,387 | 21,109 | 19,630 | 22,240 | 17,412 | 20,864 | 23,735 | 21,109 | 20,864 | 9,005 | 9,396 |
| Derivative-related amounts | 38,427 | 36,367 | 37,365 | 38,433 | 32,737 | 33,360 | 23,392 | 27,284 | 29,448 | 38,427 | 32,737 | 29,448 | 18,574 | 15,219 |
| Insurance claims and policy benefit liabilities: | 8,630 | 8,840 | 4,699 | 4,841 | 4,747 | 4,041 | 4,009 | 3,955 | 3,881 | 8,630 | 4,747 | 3,881 | 588 | 113 |
| Separate account liabilities | 224 | 317 | 66 | 70 | 68 | 75 | 82 | 84 | 79 | 224 | 68 | 79 | 119 | 108 |
| Other liabilities ¹ | 26,199 | 28,271 | 24,587 | 23,122 | 25,074 | 23,384 | 20,911 | 20,512 | 20,098 | 26,199 | 25,074 | 20,098 | 15,324 | 15,569 |
| Subordinated debentures | 6,581 | 6,780 | 6,828 | 6,885 | 6,960 | 7,318 | 7,245 | 7,340 | 6,861 | 6,581 | 6,960 | 6,861 | 5,825 | 4,596 |
| Non-controlling interest in subsidiaries: | 1,474 | 1,454 | 1,475 | 1,445 | 1,469 | 1,444 | 1,466 | 1,440 | 1,479 | 1,474 | 1,469 | 1,479 | 703 | 103 |
| Shareholders' equity | | | | | | | | | | | | | | |
| Capital stock | | | | | | | | | | | | | | |
| Preferred | 813 | 822 | 1,472 | 1,502 | 1,515 | 1,673 | 1,668 | 1,675 | 1,990 | 813 | 1,515 | 1,990 | 2,001 | 1,973 |
| Common | 6,999 | 7,001 | 7,012 | 7,029 | 6,963 | 7,017 | 7,012 | 6,950 | 6,926 | 6,999 | 6,963 | 6,926 | 3,074 | 3,063 |
| Additional paid-in capita ⁴ | 88 | 86 | 78 | 80 | 76 | 45 | 41 | 37 | 33 | 88 | 76 | 33 | - | - |
| Retained earnings | 11,591 | 11,278 | 11,053 | 10,910 | 10,473 | 10,326 | 10,019 | 9,683 | 9,311 | 11,591 | 10,473 | 9,311 | 8,314 | 7,495 |
| Accumulated other comprehensive income | (1,374) | (763) | (531) | (254) | (272) | (118) | (136) | (32) | (55) | (1,374) | (763) | (55) | (92) | (123) |
| Total shareholders' equity | 18,117 | 18,424 | 19,084 | 19,267 | 18,755 | 18,943 | 18,604 | 18,313 | 18,205 | 18,117 | 18,755 | 18,205 | 13,297 | 12,408 |
| Total liabilities and shareholders' equity | 412,591 | 409,404 | 398,251 | 392,296 | 382,000 | 377,611 | 361,329 | 358,484 | 362,562 | 412,591 | 382,000 | 362,562 | 294,173 | 273,406 |
| Cash resources and securities as a % of total assets | 33% | 32% | 32% | 31% | 31% | 29% | 30% | 29% | 27% | 33% | 31% | 27% | 27% | 28% |

¹Centura Banks was acquired in June 2001. Centura assets acquired were \$5.1 billion of securities, \$1.0 billion of residential mortgage loans, \$3.0 billion of personal loans, \$.1 billion of credit card loans and \$8.2 billion of business and government loans. Centura liabilities acquired were \$7.9 billion of personal deposits, \$3.3 billion of business and government deposits, and \$5.6 billion of other liabilities.

²Reflects securitizations of \$0.8 billion in Q4/03 which was transferred to securities.

³Reflects securitizations of \$1.0 billion in Q4/03. Also, reflects the reversal of prior securitizations of \$.1 billion in Q3/02, \$.2 billion in Q2/02 and \$.1 billion in Q1/02.

⁴Previously referred to as contributed surplus. Reflects amounts pertaining to renounced Stock Appreciation Rights and options granted on acquisitions.

BALANCE SHEET

(C\$ MM)

Selected average balances¹

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Securities | 108,141 | 104,831 | 100,541 | 98,575 | 89,995 | 93,576 | 95,018 | 90,461 | 81,157 | 102,769 | 92,214 | 75,100 | 61,197 | 50,836 |
| Assets purchased under reverse repurchase agreements | 40,521 | 40,608 | 40,984 | 44,130 | 41,444 | 35,305 | 32,465 | 32,540 | 29,253 | 41,565 | 35,463 | 29,591 | 21,729 | 21,769 |
| Total loans ² | 172,590 | 169,525 | 170,283 | 171,200 | 170,175 | 167,366 | 168,641 | 169,683 | 168,444 | 170,916 | 168,949 | 162,246 | 149,676 | 146,127 |
| Residential mortgages | 77,922 | 75,131 | 73,439 | 73,212 | 71,588 | 69,311 | 69,181 | 68,531 | 67,444 | 74,944 | 69,656 | 65,159 | 60,877 | 58,610 |
| Personal | 33,403 | 32,748 | 32,198 | 31,800 | 31,994 | 30,854 | 30,532 | 30,728 | 31,626 | 32,538 | 31,031 | 30,671 | 27,532 | 24,943 |
| Credit card | 5,552 | 5,492 | 5,245 | 5,143 | 4,863 | 4,586 | 4,284 | 4,368 | 4,290 | 5,360 | 4,527 | 4,695 | 3,559 | 2,297 |
| Business and government | 55,713 | 56,154 | 59,401 | 61,045 | 61,730 | 62,615 | 64,644 | 66,056 | 65,084 | 58,074 | 63,735 | 61,721 | 57,708 | 60,277 |
| Customers' liability under acceptances | 6,334 | 6,545 | 7,326 | 7,244 | 7,829 | 7,998 | 8,797 | 9,445 | 9,598 | 6,838 | 8,515 | 9,890 | 10,281 | 9,508 |
| Earning assets ³ | 338,272 | 333,417 | 329,981 | 332,995 | 319,437 | 311,971 | 310,735 | 307,405 | 295,007 | 333,010 | 312,352 | 283,532 | 247,102 | 233,719 |
| Total assets | 406,500 | 402,400 | 399,700 | 397,400 | 382,300 | 367,500 | 371,200 | 366,500 | 346,400 | 402,000 | 371,800 | 331,700 | 284,200 | 270,100 |
| Deposits | 252,314 | 251,506 | 248,709 | 254,112 | 248,828 | 238,647 | 239,470 | 242,013 | 232,928 | 251,659 | 242,269 | 221,419 | 196,066 | 184,796 |
| Common equity | 17,454 | 17,475 | 17,697 | 17,512 | 17,223 | 17,139 | 16,770 | 16,459 | 16,450 | 17,481 | 16,880 | 13,899 | 10,725 | 10,268 |
| Total equity | 18,271 | 18,453 | 19,184 | 19,026 | 18,855 | 18,800 | 18,445 | 18,210 | 18,497 | 18,666 | 18,562 | 15,935 | 12,703 | 12,481 |

RETAINED EARNINGS

| | | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|-------|-------|---------|---------|-------|-------|-------|
| Balance at beginning of period | 11,278 | 11,053 | 10,910 | 10,473 | 10,326 | 10,019 | 9,683 | 9,311 | 9,259 | 10,473 | 9,311 | 8,314 | 7,495 | 6,803 |
| Net income | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 680 | 3,036 | 2,898 | 2,435 | 2,208 | 1,725 |
| Preferred dividends | (11) | (12) | (22) | (23) | (24) | (25) | (24) | (25) | (31) | (68) | (98) | (135) | (134) | (157) |
| Common dividends | (301) | (284) | (285) | (267) | (266) | (256) | (256) | (244) | (244) | (1,137) | (1,022) | (897) | (689) | (588) |
| Premium paid on common shares purchased for cancellation | (176) | (243) | (239) | (40) | (294) | (134) | (94) | (90) | (348) | (698) | (612) | (397) | (562) | (281) |
| Issuance costs, net of related income taxes | (3) | (12) | - | - | (1) | - | - | (3) | (5) | (15) | (4) | (9) | (4) | (7) |
| Balance at end of period | 11,591 | 11,278 | 11,053 | 10,910 | 10,473 | 10,326 | 10,019 | 9,683 | 9,311 | 11,591 | 10,473 | 9,311 | 8,314 | 7,495 |

¹Calculated using methods intended to approximate the average of the daily balances for the period. For RBC average common equity, calculated as the average of the month-end balances for the period.

²Average loans are reported on a gross basis (before deducting the allowance for loan losses).

³Average earning assets are defined on page 1.

**BALANCE SHEET
(C\$ MM)**

LOAN SECURITIZATION

Credit card loans

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Opening balance | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,817 | 2,029 | 2,100 | 2,100 |
| Securitized | 1,000 | - | - | - | - | - | - | - | - |
| Reversal of prior securitizations | - | - | - | - | - | (142) | (212) | (71) | - |
| Closing balance | 2,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,675 | 1,817 | 2,029 | 2,100 |

Commercial mortgages

| | | | | | | | | | |
|-----------------|-----|-----|---|---|---|---|---|---|---|
| Opening balance | 131 | - | - | - | - | - | - | - | - |
| Securitized | - | 131 | - | - | - | - | - | - | - |
| Closing balance | 131 | 131 | - | - | - | - | - | - | - |

Mortgage-backed securities - sold

| | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Opening balance | 2,834 | 2,586 | 2,365 | 2,416 | 2,340 | 1,764 | 1,174 | 1,361 | 1,265 |
| Sold | - | 300 | 310 | - | 200 | 758 | 750 | - | 223 |
| Proceeds reinvested in revolving securitizations | 385 | 481 | 294 | 156 | 98 | 68 | 85 | 50 | 10 |
| Amortization | (283) | (533) | (383) | (207) | (222) | (250) | (245) | (237) | (137) |
| Closing balance | 2,936 | 2,834 | 2,586 | 2,365 | 2,416 | 2,340 | 1,764 | 1,174 | 1,361 |

Mortgage-backed securities - retained¹

| | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Opening balance | 3,135 | 3,231 | 3,104 | 3,065 | 2,781 | 2,418 | 2,638 | 3,079 | 3,274 |
| Created | 836 | 1,318 | 1,339 | 591 | 1,105 | 1,665 | 924 | 40 | 225 |
| Sold | - | (300) | (310) | - | (200) | (758) | (750) | - | (223) |
| Proceeds reinvested in revolving securitizations | (385) | (481) | (294) | (156) | (98) | (68) | (85) | (50) | (10) |
| Amortization | (310) | (633) | (608) | (396) | (523) | (476) | (309) | (431) | (187) |
| Closing balance | 3,276 | 3,135 | 3,231 | 3,104 | 3,065 | 2,781 | 2,418 | 2,638 | 3,079 |

Impact on income statement

| | | | | | | | | | |
|----------------------------------|------|------|------|------|------|------|------|------|------|
| Net interest income | (42) | (31) | (31) | (29) | (30) | (29) | (32) | (33) | (35) |
| Non-interest income ² | 33 | 36 | 19 | 18 | 31 | 27 | 51 | 21 | 34 |
| Provision for credit losses | 8 | 8 | 7 | 6 | 7 | 8 | 9 | 9 | 9 |
| Total impact | (1) | 13 | (5) | (5) | 8 | 6 | 28 | (3) | 8 |

| <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|-------------|-------------|-------------|-------------|-------------|
| 1,675 | 2,100 | 1,100 | 2,300 | 2,600 |
| 1,000 | - | 1,000 | - | - |
| - | (425) | - | (1,200) | (300) |
| 2,675 | 1,675 | 2,100 | 1,100 | 2,300 |
| - | - | - | - | - |
| 131 | - | - | - | - |
| - | 131 | - | - | - |
| 131 | - | - | - | - |
| 2,416 | 1,361 | 1,014 | 1,209 | 1,436 |
| 610 | 1,708 | 723 | - | - |
| 1,316 | 301 | 13 | - | - |
| (1,406) | (954) | (389) | (195) | (227) |
| 2,936 | 2,416 | 1,361 | 1,014 | 1,209 |
| 3,065 | 3,079 | 3,681 | 3,625 | 600 |
| 4,084 | 3,734 | 800 | 500 | 3,231 |
| (610) | (1,708) | (723) | - | - |
| (1,316) | (301) | (13) | - | - |
| (1,947) | (1,739) | (666) | (444) | (206) |
| 3,276 | 3,065 | 3,079 | 3,681 | 3,625 |
| (133) | (124) | (102) | (123) | (200) |
| 106 | 130 | 102 | 81 | 152 |
| 29 | 33 | 25 | 27 | 41 |
| 2 | 39 | 25 | (15) | (7) |

¹Mortgage-backed securities - retained are reported as securities on the Balance Sheet.

²Excludes the impact of liquidity, credit and administration fees earned on the securitization of client or third-party assets that are recorded in securitization revenues.

CAPITAL**(C\$ MM)**

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Tier 1 capital¹ | | | | | | | | | | | | | | |
| Common shareholders' equity | 17,098 | 17,602 | 17,612 | 17,765 | 17,240 | 17,270 | 16,936 | 16,608 | 16,214 | 17,098 | 17,240 | 16,214 | 11,352 | 10,520 |
| Non-cumulative preferred shares | 813 | 822 | 1,472 | 1,502 | 1,515 | 1,673 | 1,668 | 1,675 | 1,990 | 813 | 1,515 | 1,990 | 2,001 | 1,973 |
| Non-controlling interest in subsidiaries | 2,523 | 2,537 | 1,641 | 1,655 | 1,661 | 1,664 | 1,617 | 1,619 | 1,619 | 2,523 | 1,661 | 1,619 | 673 | 22 |
| Deferred tax asset long-term | (796) | (685) | (688) | (694) | (892) | (750) | (750) | (750) | (732) | (796) | (892) | (732) | (775) | (518) |
| Goodwill and other intangibles | (5,026) | (5,189) | (5,303) | (5,569) | (5,495) | (5,591) | (5,315) | (5,365) | (5,274) | (5,026) | (5,495) | (5,274) | (842) | (663) |
| Non-financial investments | (40) | (39) | (37) | (37) | (37) | (34) | (31) | n/a | n/a | (40) | (37) | n/a | n/a | n/a |
| Total Tier 1 capital | 14,572 | 15,048 | 14,697 | 14,622 | 13,992 | 14,232 | 14,125 | 13,787 | 13,817 | 14,572 | 13,992 | 13,817 | 12,409 | 11,334 |
| Tier 2 capital¹ | | | | | | | | | | | | | | |
| Permanent subordinated debentures | 396 | 421 | 430 | 456 | 467 | 475 | 471 | 476 | 477 | 396 | 467 | 477 | 457 | 441 |
| Non-permanent subordinated debentures | 5,847 | 6,019 | 6,044 | 6,115 | 6,147 | 6,568 | 6,554 | 6,570 | 5,935 | 5,847 | 6,147 | 5,935 | 5,138 | 4,040 |
| Eligible allowance for credit losses | 1,407 | 1,416 | 1,413 | 1,422 | 1,420 | 1,414 | 1,412 | 1,412 | 1,410 | 1,407 | 1,420 | 1,410 | 1,200 | 1,065 |
| Non-controlling interest in subsidiaries | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 2 |
| Total Tier 2 capital | 7,650 | 7,856 | 7,887 | 7,993 | 8,034 | 8,457 | 8,437 | 8,458 | 7,822 | 7,650 | 8,034 | 7,822 | 6,796 | 5,548 |
| Total regulatory capital¹ | | | | | | | | | | | | | | |
| Total Tier 1 and Tier 2 capital | 22,222 | 22,904 | 22,584 | 22,615 | 22,026 | 22,689 | 22,562 | 22,245 | 21,639 | 22,222 | 22,026 | 21,639 | 19,205 | 16,882 |
| Investment in associated corporations | (2,262) | (2,360) | (2,382) | (2,456) | (2,402) | (2,549) | (2,495) | (2,564) | (2,502) | (2,262) | (2,402) | (2,502) | (1,307) | (891) |
| Total regulatory capital | 19,960 | 20,544 | 20,202 | 20,159 | 19,624 | 20,140 | 20,067 | 19,681 | 19,137 | 19,960 | 19,624 | 19,137 | 17,898 | 15,991 |
| Risk adjusted assets¹ | | | | | | | | | | | | | | |
| On-balance sheet assets | 121,708 | 127,308 | 125,400 | 125,792 | 125,563 | 128,895 | 128,651 | 129,522 | 130,941 | 121,708 | 125,563 | 130,941 | 117,901 | 108,655 |
| Off-balance sheet financial instruments | 35,895 | 33,379 | 31,807 | 32,734 | 33,084 | 34,190 | 35,333 | 35,416 | 35,563 | 35,895 | 33,084 | 35,563 | 35,226 | 37,124 |
| Market risk | 9,134 | 8,775 | 7,976 | 8,486 | 6,283 | 4,955 | 4,841 | 4,608 | 4,684 | 9,134 | 6,283 | 4,684 | 5,467 | 3,758 |
| Total ² | 166,737 | 169,462 | 165,183 | 167,012 | 164,930 | 168,040 | 168,825 | 169,546 | 171,188 | 166,737 | 164,930 | 171,188 | 158,594 | 149,537 |
| Capital ratios¹ | | | | | | | | | | | | | | |
| Tier 1 | 8.7% | 8.9% | 8.9% | 8.8% | 8.5% | 8.5% | 8.4% | 8.1% | 8.1% | 8.7% | 8.5% | 8.1% | 7.8% | 7.6% |
| Total | 12.0% | 12.1% | 12.2% | 12.1% | 11.9% | 12.0% | 11.9% | 11.6% | 11.2% | 12.0% | 11.9% | 11.2% | 11.3% | 10.7% |
| Common equity as a % of total assets | 4.1% | 4.3% | 4.4% | 4.5% | 4.5% | 4.6% | 4.7% | 4.6% | 4.5% | 4.1% | 4.5% | 4.5% | 3.9% | 3.8% |
| Common equity as a % of risk adjusted assets ² | 10.3% | 10.4% | 10.7% | 10.6% | 10.5% | 10.3% | 10.0% | 9.8% | 9.5% | 10.3% | 10.5% | 9.5% | 7.2% | 7.0% |
| Capital generation | | | | | | | | | | | | | | |
| Internal capital generation ³ | 492 | 480 | 382 | 477 | 442 | 442 | 430 | 465 | 405 | 1,831 | 1,779 | 1,403 | 1,385 | 980 |
| External capital generation: | | | | | | | | | | | | | | |
| - common shares | (178) | (254) | (256) | 26 | (376) | (128) | (31) | (66) | (435) | (662) | (601) | 3,465 | (551) | 140 |
| - contributed capital | 2 | 8 | (2) | 4 | 31 | 4 | 4 | 4 | 4 | 12 | 43 | 33 | - | - |
| - preferred shares ⁴ | - | (634) | - | - | (149) | - | - | (318) | (300) | (634) | (467) | (50) | - | (104) |
| - subordinated debentures ⁵ | (100) | - | - | - | (400) | - | (60) | 593 | (15) | (100) | 133 | 445 | 1,180 | 577 |
| Total external capital generation before TruCS | (276) | (880) | (258) | 30 | (894) | (124) | (87) | 213 | (746) | (1,384) | (892) | 3,893 | 629 | 613 |
| RBC TruCS issued | - | 900 | - | - | - | - | - | - | - | 900 | - | 750 | 650 | - |
| Total external capital generation | (276) | 20 | (258) | 30 | (894) | (124) | (87) | 213 | (746) | (484) | (892) | 4,643 | 1,279 | 613 |
| Total capital generation | 216 | 500 | 124 | 507 | (452) | 318 | 343 | 678 | (341) | 1,347 | 887 | 6,046 | 2,664 | 1,593 |

¹ Using guidelines issued by the Board of Governors of the Federal Reserve System in the United States and U.S. GAAP financial information.² Increase over 2000 due to Centura acquisition.³ Internal capital generation is net income available to common shareholders less common dividends.⁴ In Q3/03, we redeemed First Preferred Shares Series J and K for \$300 million and US \$250 million respectively. In Q4/02, we redeemed First Preferred Shares Series E for \$150 million.⁵ In Q1/02, we redeemed First Preferred Shares Series I for US \$200 million.⁶ In Q4/03, we redeemed \$100 million of subordinated debentures. In Q4/02, we redeemed \$400 million of subordinated debentures and in Q1/02 issued US \$400 million of subordinated debentures under the European Medium Term Note program.

RISK ADJUSTED ASSETS¹
(C\$ MM)

| | Balance Sheet Amount | Risk Adjusted Balance | | | Variance Q4/03 vs Q3/03 | |
|---|-----------------------------|-----------------------------|------------------------------|-----------------------|----------------------------|----------------------------|
| | | Q4/03 | Q3/03 | Q4/02 | | |
| On-balance sheet assets | | | | | | |
| Cash resources | 17,520 | 2,026 | 2,510 | 2,054 | (484) | |
| Securities | 116,797 | 4,970 | 6,676 | 5,422 | (1,706) | |
| Residential mortgages ² | | | | | | |
| Insured | 36,310 | 377 | 374 | 379 | 3 | |
| Conventional | 42,472 | 21,930 | 21,187 | 19,696 | 743 | |
| Other loans and acceptances ² | | | | | | |
| Issued or guaranteed by Canadian or other OECD governments | 20,141 | 3,778 | 3,810 | 3,098 | (32) | |
| Other | 113,801 | 82,169 | 86,377 | 89,836 | (4,208) | |
| Other assets | 65,550 | 6,458 | 6,374 | 5,078 | 84 | |
| Total | 412,591 | 121,708 | 127,308 | 125,563 | (5,600) | |
| Off-balance sheet credit instruments | | | | | | |
| | Contract Amount | Credit Conversion Factor | Credit Equivalent Amount | Risk Adjusted Balance | | Variance Q4/03 vs Q3/03 |
| | | | | Q4/03 | Q3/03 | Q4/02 |
| Guarantees and standby letters of credit | | | | | | |
| - Financial (excluding securities lending) | 14,504 | 100% | 14,504 | 13,201 | 7,447 | 8,560 |
| - Non-financial | 3,038 | 50% | 1,519 | 1,519 | 1,417 | 1,609 |
| Documentary and commercial letters of credit | 2,014 | 20% | 403 | 399 | 372 | 150 |
| Securities lending | 17,520 | 100% | 17,520 | 1,087 | 733 | 646 |
| Commitments to extend credit: | | | | | | |
| Less than/equal to 1 year | 40,432 | 0% | - | - | - | - |
| Greater than 1 year | 28,182 | 50% | 14,091 | 13,357 | 16,969 | 15,638 |
| Uncommitted amounts | 59,801 | 0% | - | - | - | - |
| Note issuance/Revolving underwriting facilities | 24 | 50% | 12 | 12 | 13 | 12 |
| Total | 165,515 | | 48,049 | 29,575 | 26,951 | 26,615 |
| Derivatives | | | | | | |
| | Contract Amount | Current Balance | Credit Equivalent Balance | Risk Adjusted Balance | | Variance Q4/03 vs Q3/03 |
| | | | | Q4/03 | Q3/03 | Q4/02 |
| Interest rate agreements | 1,289,140 | 4,240 | 7,343 | 1,169 | 1,472 | 1,692 |
| Foreign exchange rate contracts | 740,642 | 7,579 | 15,017 | 3,774 | 3,626 | 3,390 |
| Precious metals, commodities, equity linked contracts and credit derivatives | 107,976 | 1,459 | 4,292 | 1,377 | 1,330 | 1,387 |
| Total³ | 2,137,758 | 13,278 | 26,652 | 6,320 | 6,428 | 6,469 |
| Market risk | | | | | | |
| | Minimum Capital Required | Multiplier | Risk Adjusted Balance | | Variance Q4/03 vs Q3/03 | |
| | | | Q4/03 | Q3/03 | Q4/02 | |
| Total specific and general market risk | 730.7 | 12.5 | 9,134 | 8,775 | 6,283 | |
| Total risk adjusted assets | | | 166,737 | 169,462 | 164,930 | (2,725) |

¹Using guidelines issued by the Board of Governors of the Federal Reserve System in the United States and U.S. GAAP financial information.

²Amounts are shown net of the allowance for loan losses.

³Amounts reflect impact of master netting agreements. Exclusion of master netting agreements results in the following total derivative amounts: current balance of \$36,480 million; credit equivalent balance of \$56,323 million; and risk adjusted balance of \$14,092 million at October 31, 2003.

LOANS AND ACCEPTANCES¹

(C\$ MM)

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Canada | | | | | | | | | | | | | | |
| Consumer | | | | | | | | | | | | | | |
| Residential mortgage | 73,978 | 71,654 | 69,596 | 68,543 | 67,700 | 66,763 | 66,474 | 65,864 | 64,066 | 73,978 | 67,700 | 64,066 | 61,444 | 58,524 |
| Personal | 28,262 | 27,542 | 26,769 | 26,046 | 25,918 | 25,963 | 26,150 | 26,099 | 27,202 | 28,262 | 25,918 | 27,202 | 27,207 | 24,353 |
| Credit card | 4,663 | 5,466 | 5,166 | 5,041 | 4,740 | 4,600 | 4,274 | 4,160 | 4,110 | 4,663 | 4,740 | 4,110 | 4,666 | 2,666 |
| | 106,903 | 104,662 | 101,531 | 99,630 | 98,358 | 97,326 | 96,898 | 96,123 | 95,378 | 106,903 | 98,358 | 95,378 | 93,317 | 85,543 |
| Business and government loans and acceptances | | | | | | | | | | | | | | |
| Small business | 9,705 | 9,518 | 9,448 | 9,231 | 9,470 | 9,560 | 9,729 | 9,751 | 9,788 | 9,705 | 9,470 | 9,788 | 11,701 | 10,334 |
| Agriculture | 4,546 | 4,546 | 4,498 | 4,526 | 4,427 | 4,704 | 4,691 | 4,722 | 4,758 | 4,546 | 4,427 | 4,758 | 4,931 | 4,217 |
| Commercial mortgages | 2,616 | 2,527 | 2,543 | 2,520 | 2,468 | 2,446 | 2,483 | 2,523 | 2,635 | 2,616 | 2,468 | 2,635 | 2,961 | 2,635 |
| Consumer goods | 2,183 | 2,408 | 2,006 | 1,839 | 2,238 | 2,221 | 2,290 | 2,058 | 2,447 | 2,183 | 2,238 | 2,447 | 2,874 | 2,086 |
| Commercial real estate | 2,091 | 2,073 | 2,249 | 2,334 | 2,393 | 2,460 | 2,394 | 2,464 | 2,325 | 2,091 | 2,393 | 2,325 | 2,594 | 2,400 |
| Energy | 1,703 | 1,920 | 2,081 | 2,759 | 2,911 | 2,930 | 3,484 | 3,983 | 4,293 | 1,703 | 2,911 | 4,293 | 3,754 | 3,350 |
| Government | 1,629 | 854 | 870 | 994 | 1,039 | 975 | 835 | 1,349 | 1,597 | 1,629 | 1,039 | 1,597 | 1,385 | 2,105 |
| Automotive ² | 1,472 | 1,620 | 1,528 | 1,278 | 1,370 | 1,383 | 625 | 567 | 864 | 1,472 | 1,370 | 864 | 673 | 611 |
| Industrial products | 1,372 | 1,647 | 1,644 | 1,565 | 1,569 | 1,622 | 1,761 | 1,759 | 2,174 | 1,372 | 1,569 | 2,174 | 2,470 | 2,301 |
| Transportation and environment ² | 1,112 | 1,100 | 1,311 | 1,344 | 1,450 | 1,354 | 2,009 | 1,991 | 2,138 | 1,112 | 1,450 | 2,138 | 1,519 | 1,562 |
| Forest products | 956 | 1,203 | 1,222 | 1,138 | 954 | 1,075 | 1,253 | 1,153 | 1,275 | 956 | 954 | 1,275 | 1,362 | 1,151 |
| Financial services | 856 | 2,032 | 2,036 | 2,001 | 3,015 | 3,809 | 3,356 | 2,282 | 3,010 | 856 | 3,015 | 3,010 | 2,218 | 1,567 |
| Media and cable ³ | 839 | 817 | 888 | 888 | 994 | 1,106 | 1,162 | 1,321 | 1,510 | 839 | 994 | 1,510 | 1,120 | 1,135 |
| Mining and metals | 333 | 458 | 498 | 581 | 361 | 487 | 453 | 507 | 636 | 333 | 361 | 636 | 897 | 845 |
| Telecommunication | 169 | 291 | 327 | 461 | 487 | 546 | 458 | 562 | 677 | 169 | 487 | 677 | 1,008 | 525 |
| Information technology | 114 | 119 | 126 | 187 | 191 | 186 | 187 | 188 | 203 | 114 | 191 | 203 | 210 | 191 |
| Other | 4,243 | 4,196 | 4,584 | 4,820 | 5,248 | 4,822 | 4,869 | 4,613 | 5,861 | 4,243 | 5,248 | 5,861 | 6,406 | 4,604 |
| | 35,939 | 37,329 | 37,859 | 38,466 | 40,585 | 41,686 | 42,039 | 41,793 | 46,191 | 35,939 | 40,585 | 46,191 | 48,083 | 41,619 |
| Total Canada | 142,842 | 141,991 | 139,390 | 138,096 | 138,943 | 139,012 | 138,937 | 137,916 | 141,569 | 142,842 | 138,943 | 141,569 | 141,400 | 127,162 |
| International (includes U.S.) | | | | | | | | | | | | | | |
| Consumer | | | | | | | | | | | | | | |
| Residential mortgage | 4,841 | 5,547 | 4,835 | 4,874 | 5,142 | 3,878 | 3,644 | 3,574 | 3,378 | 4,841 | 5,142 | 3,378 | 1,540 | 718 |
| Personal | 5,741 | 5,629 | 5,682 | 5,910 | 6,038 | 6,259 | 6,142 | 5,501 | 5,309 | 5,741 | 6,038 | 5,309 | 812 | 902 |
| Credit card | 153 | 159 | 161 | 173 | 174 | 174 | 171 | 178 | 173 | 153 | 174 | 173 | - | - |
| | 10,735 | 11,335 | 10,678 | 10,957 | 11,354 | 10,311 | 9,957 | 9,253 | 8,860 | 10,735 | 11,354 | 8,860 | 2,352 | 1,620 |
| Business and government loans and acceptances | | | | | | | | | | | | | | |
| Consumer goods | 983 | 1,168 | 1,335 | 1,328 | 1,383 | 1,502 | 1,438 | 1,518 | 1,699 | 983 | 1,383 | 1,699 | 1,111 | 1,411 |
| Commercial real estate | 5,984 | 6,748 | 5,777 | 5,707 | 5,124 | 4,988 | 3,997 | 3,992 | 4,082 | 5,984 | 5,124 | 4,082 | 271 | 464 |
| Energy | 1,872 | 2,452 | 2,872 | 3,169 | 3,731 | 4,422 | 4,640 | 4,941 | 2,994 | 1,872 | 3,731 | 2,994 | 3,051 | 3,887 |
| Government | 126 | 189 | 432 | 126 | 130 | 176 | 137 | 119 | 128 | 126 | 130 | 128 | 167 | 773 |
| Automotive | 323 | 359 | 390 | 342 | 411 | 499 | 397 | 467 | 527 | 323 | 411 | 527 | 513 | 878 |
| Industrial products | 532 | 772 | 1,041 | 1,190 | 1,199 | 1,416 | 1,595 | 1,830 | 2,116 | 532 | 1,199 | 2,116 | 1,749 | 1,325 |
| Transportation and environment | 1,676 | 1,841 | 2,422 | 2,648 | 2,442 | 1,207 | 1,427 | 1,643 | 1,571 | 1,676 | 2,442 | 1,571 | 1,487 | 1,975 |
| Forest products | 193 | 226 | 315 | 266 | 417 | 503 | 555 | 353 | 385 | 193 | 417 | 385 | 468 | 549 |
| Financial services | 7,445 | 6,312 | 6,395 | 7,170 | 6,542 | 7,432 | 8,094 | 9,219 | 9,347 | 7,445 | 6,542 | 9,347 | 7,912 | 6,937 |
| Media and cable ³ | 949 | 1,039 | 1,060 | 1,198 | 1,321 | 1,321 | 1,351 | 1,334 | 1,380 | 949 | 1,321 | 1,380 | 2,033 | 1,909 |
| Mining and metals | 565 | 992 | 858 | 990 | 1,192 | 1,296 | 1,222 | 1,013 | 1,071 | 565 | 1,192 | 1,071 | 901 | 881 |
| Telecommunication | 371 | 448 | 628 | 862 | 1,246 | 1,289 | 1,471 | 1,292 | 1,558 | 371 | 1,246 | 1,558 | 2,244 | 1,206 |
| Information technology | 81 | 116 | 164 | 167 | 180 | 209 | 257 | 336 | 396 | 81 | 180 | 396 | 433 | 709 |
| Other | 3,813 | 3,642 | 3,448 | 3,683 | 3,959 | 3,791 | 3,466 | 3,492 | 3,417 | 3,813 | 3,959 | 3,417 | 1,720 | 2,364 |
| | 24,913 | 26,304 | 27,137 | 28,846 | 29,277 | 30,051 | 30,047 | 31,549 | 30,671 | 24,913 | 29,277 | 30,671 | 24,060 | 25,268 |
| | 35,648 | 37,639 | 37,815 | 39,803 | 40,631 | 40,362 | 40,004 | 40,802 | 39,531 | 35,648 | 40,631 | 39,531 | 26,412 | 26,888 |
| Total International | 178,490 | 179,630 | 177,205 | 177,899 | 179,574 | 179,374 | 178,941 | 178,718 | 181,100 | 178,490 | 179,574 | 181,100 | 167,812 | 154,050 |
| Total loans and acceptances | (2,055) | (2,156) | (2,226) | (2,267) | (2,203) | (2,218) | (2,338) | (2,345) | (2,278) | (2,055) | (2,203) | (2,278) | (1,871) | (1,884) |
| Allowance for loan losses | | | | | | | | | | | | | | |
| Total | 176,435 | 177,474 | 174,979 | 175,632 | 177,371 | 177,156 | 176,603 | 176,373 | 178,822 | 176,435 | 177,371 | 178,822 | 165,941 | 152,166 |

¹ Based on residence of borrower.

² Commencing 2002, certain amounts were reclassified from the transportation and environment sector grouping to the automotive sector.

³ Includes cable loans of \$236 million in Canada in Q4/03 (Q3/03 - \$230 million; Q2/03 - \$262 million; Q1/03 - \$229 million; Q4/02 - \$267 million; Q3/02 - \$285 million; Q2/02 - \$331 million; Q1/02 - \$266 million; Q4/01 - \$330 million; 2003 - \$236 million; 2002 - \$267 million; 2001 - \$330 million; 2000 - \$262 million; 1999 - \$169 million). International cable loans were \$432 million in Q4/03, (Q3/03 - \$458 million; Q2/03 - \$470 million; Q1/03 - \$548 million; Q4/02 - \$634 million; Q3/02 - \$597 million; Q2/02 - \$577 million; Q1/02 - \$494 million; Q4/01 - \$625 million; 2003 - \$432 million; 2002 - \$634 million; 2001 - \$625 million; 2000 - \$1,321 million; 1999 - \$850 million).

U.S. LOANS AND ACCEPTANCES¹

(C\$ MM)

U.S.

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Consumer | | | | | | | | | | | | | |
| Residential mortgage | 4,096 | 4,780 | 4,078 | 4,086 | 4,353 | 3,101 | 2,890 | 2,827 | 2,666 | 4,096 | 4,353 | 2,666 | 845 |
| Personal | 5,015 | 4,899 | 4,974 | 5,145 | 5,269 | 5,495 | 5,373 | 4,695 | 4,621 | 5,015 | 5,269 | 4,621 | 78 |
| Credit card | 107 | 113 | 115 | 124 | 125 | 128 | 127 | 134 | 128 | 107 | 125 | 128 | - |
| | <u>9,218</u> | <u>9,792</u> | <u>9,167</u> | <u>9,355</u> | <u>9,747</u> | <u>8,724</u> | <u>8,390</u> | <u>7,656</u> | <u>7,415</u> | <u>9,218</u> | <u>9,747</u> | <u>7,415</u> | <u>923</u> |
| Business and government loans and acceptances ² | | | | | | | | | | | | | |
| Consumer goods | 816 | 865 | 973 | 937 | 958 | 1,003 | 968 | 1,055 | 1,172 | 816 | 958 | 1,172 | 435 |
| Commercial real estate | 5,480 | 5,798 | 5,146 | 5,206 | 4,531 | 4,426 | 3,724 | 3,750 | 3,773 | 5,480 | 4,531 | 3,773 | 44 |
| Energy | 1,200 | 1,574 | 2,012 | 2,413 | 2,680 | 3,288 | 3,409 | 3,490 | 1,613 | 1,200 | 2,680 | 1,613 | 1,582 |
| Government | 100 | 101 | 91 | 19 | 19 | 17 | 16 | 119 | 23 | 100 | 19 | 23 | - |
| Automotive | 318 | 340 | 382 | 340 | 409 | 475 | 367 | 402 | 408 | 318 | 409 | 408 | 221 |
| Industrial products | 449 | 551 | 844 | 947 | 974 | 978 | 1,209 | 1,477 | 1,513 | 449 | 974 | 1,513 | 1,107 |
| Transportation and environment | 350 | 436 | 430 | 474 | 484 | 350 | 634 | 806 | 788 | 350 | 484 | 788 | 469 |
| Forest products | 123 | 102 | 148 | 108 | 223 | 282 | 261 | 97 | 98 | 123 | 223 | 98 | 181 |
| Financial services | 3,011 | 2,766 | 3,088 | 3,068 | 3,770 | 4,877 | 5,263 | 4,708 | 4,104 | 3,011 | 3,770 | 4,104 | 4,521 |
| Media and cable ³ | 854 | 947 | 951 | 1,024 | 1,107 | 1,115 | 1,105 | 1,054 | 1,038 | 854 | 1,107 | 1,038 | 1,782 |
| Mining and metal | 91 | 105 | 113 | 109 | 70 | 82 | 68 | 44 | 45 | 91 | 70 | 45 | 104 |
| Telecommunication | 315 | 402 | 463 | 594 | 689 | 714 | 928 | 815 | 835 | 315 | 689 | 835 | 1,131 |
| Information technology | 81 | 115 | 164 | 167 | 177 | 206 | 252 | 285 | 299 | 81 | 177 | 299 | 374 |
| Other | 2,745 | 2,888 | 2,812 | 3,068 | 3,354 | 3,201 | 2,922 | 3,035 | 2,820 | 2,745 | 3,354 | 2,820 | 541 |
| | <u>15,933</u> | <u>16,990</u> | <u>17,617</u> | <u>18,474</u> | <u>19,445</u> | <u>21,014</u> | <u>21,126</u> | <u>21,137</u> | <u>18,529</u> | <u>15,933</u> | <u>19,445</u> | <u>18,529</u> | <u>12,492</u> |
| Total U.S. | 25,151 | 26,782 | 26,784 | 27,829 | 29,192 | 29,738 | 29,516 | 28,793 | 25,944 | 25,151 | 29,192 | 25,944 | 13,415 |

¹ Based on residence of borrower.

² Q1/03 restated to reflect more accurate sector allocations.

³ Includes cable loans of \$357 million in Q4/03, (Q3/03 - \$380 million; Q2/03 - \$393 million; Q1/03 - \$435 million; Q4/02 - \$522 million; Q3/02 - \$484 million; Q2/02 - \$445 million; Q1/02 - \$353 million; Q4/01 - \$455 million; 2003 - \$357 million; 2002 - \$522 million; 2001 - \$455 million; 2000 - \$1,162 million).

PROVISION FOR CREDIT LOSSES

(\$ MM)

| | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|------------|------------|
| Allocated specific | 137 | 167 | 211 | 200 | 235 | 216 | 328 | 286 | 425 | 715 | 1,065 | 1,049 | 571 | 530 |
| Allocated general ¹ | 7 | (5) | 2 | 2 | (15) | 4 | - | (11) | 108 | 6 | (22) | 205 | 73 | n/a |
| Total allocated ¹ | 144 | 162 | 213 | 202 | 220 | 220 | 328 | 275 | 533 | 721 | 1,043 | 1,254 | 644 | n/a |
| Unallocated ¹ | (7) | 5 | (2) | (2) | 15 | (4) | - | 11 | (108) | (6) | 22 | (135) | 47 | n/a |
| Total provision for credit losses | 137 | 167 | 211 | 200 | 235 | 216 | 328 | 286 | 425 | 715 | 1,065 | 1,119 | 691 | 760 |
| Provision for credit losses as a % of average loans and acceptances | 0.30% | 0.38% | 0.49% | 0.44% | 0.52% | 0.49% | 0.76% | 0.63% | 0.95% | 0.40% | 0.60% | 0.65% | 0.43% | 0.49% |
| Provision for credit losses as a % of average loans, acceptances and reverse repurchase agreements | 0.25% | 0.31% | 0.40% | 0.36% | 0.42% | 0.41% | 0.64% | 0.54% | 0.81% | 0.33% | 0.50% | 0.55% | 0.38% | 0.43% |
| Allocated specific provision for credit losses as a % of average loans, acceptances and reverse repurchase agreements | 0.25% | 0.31% | 0.40% | 0.36% | 0.42% | 0.41% | 0.64% | 0.54% | 0.81% | 0.33% | 0.50% | 0.52% | 0.31% | 0.30% |

NONACCRUAL LOANS²

| Domestic | | | | | | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Business Loans | | | | | | | | | | | | | | |
| Commercial real estate | 8 | 9 | 8 | 18 | 23 | 56 | 62 | 80 | 95 | 8 | 23 | 95 | 90 | 186 |
| Small business | 193 | 205 | 221 | 209 | 222 | 249 | 260 | 274 | 283 | 193 | 222 | 283 | 264 | 257 |
| Agriculture | 127 | 100 | 105 | 103 | 141 | 155 | 160 | 119 | 111 | 127 | 141 | 111 | 53 | 62 |
| Other | 413 | 452 | 624 | 519 | 509 | 495 | 555 | 657 | 682 | 413 | 509 | 682 | 530 | 473 |
| Total business loans | 741 | 766 | 958 | 849 | 895 | 955 | 1,037 | 1,130 | 1,171 | 741 | 895 | 1,171 | 937 | 978 |
| Residential mortgages | 110 | 101 | 102 | 103 | 102 | 106 | 128 | 141 | 142 | 110 | 102 | 142 | 185 | 173 |
| Personal loans | 213 | 229 | 241 | 260 | 275 | 286 | 296 | 300 | 310 | 213 | 275 | 310 | 247 | 236 |
| Total domestic nonaccrual loans | 1,064 | 1,096 | 1,301 | 1,212 | 1,272 | 1,347 | 1,461 | 1,571 | 1,623 | 1,064 | 1,272 | 1,623 | 1,369 | 1,387 |
| International | | | | | | | | | | | | | | |
| Non-LDC - United States³ | | | | | | | | | | | | | | |
| - Europe, Middle East and Africa | 116 | 167 | 146 | 160 | 115 | 72 | 69 | 82 | 79 | 116 | 115 | 79 | 46 | 58 |
| - Latin America | 109 | 125 | 148 | 193 | 217 | 133 | 121 | 170 | 14 | 109 | 217 | 14 | 9 | 10 |
| - Caribbean | 66 | 72 | 72 | 76 | 71 | 60 | 62 | 58 | 55 | 66 | 71 | 55 | 48 | 47 |
| - Asia Pacific | 29 | 30 | 29 | 30 | 29 | 28 | 28 | 27 | 37 | 29 | 29 | 37 | 33 | 127 |
| LDC | - | - | - | - | - | 33 | 30 | 29 | 31 | - | - | 31 | 28 | 34 |
| Total international nonaccrual loans | 681 | 803 | 862 | 1,162 | 1,016 | 1,024 | 1,068 | 1,142 | 842 | 681 | 1,016 | 842 | 309 | 317 |
| Total nonaccrual loans | 1,745 | 1,899 | 2,163 | 2,374 | 2,288 | 2,371 | 2,529 | 2,713 | 2,465 | 1,745 | 2,288 | 2,465 | 1,678 | 1,704 |
| Total loans and acceptances² | | | | | | | | | | | | | | |
| Domestic | | | | | | | | | | | | | | |
| Residential mortgages | 73,978 | 71,654 | 69,596 | 68,543 | 67,700 | 66,763 | 66,474 | 65,864 | 64,066 | 73,978 | 67,700 | 64,066 | 61,444 | 58,524 |
| Personal loans | 28,262 | 27,542 | 26,769 | 26,046 | 25,918 | 25,963 | 26,150 | 26,099 | 27,202 | 28,262 | 25,918 | 27,202 | 27,207 | 24,353 |
| Credit card loans | 4,663 | 5,466 | 5,166 | 5,041 | 4,740 | 4,600 | 4,274 | 4,160 | 4,110 | 4,663 | 4,740 | 4,110 | 4,666 | 2,666 |
| Business loans | 32,790 | 33,584 | 35,111 | 35,437 | 37,869 | 38,023 | 38,608 | 40,373 | 42,575 | 32,790 | 37,869 | 42,575 | 47,616 | 43,674 |
| Total Domestic | 139,693 | 138,246 | 136,642 | 135,067 | 136,227 | 135,349 | 135,506 | 136,496 | 137,953 | 139,693 | 136,227 | 137,953 | 140,933 | 129,217 |
| U.S. and Other International⁴ | 38,797 | 41,384 | 40,563 | 42,832 | 43,347 | 44,025 | 43,435 | 42,222 | 43,147 | 38,797 | 43,347 | 43,147 | 26,879 | 24,833 |
| Total loans | 178,490 | 179,630 | 177,205 | 177,899 | 179,574 | 179,374 | 178,941 | 178,718 | 181,100 | 178,490 | 179,574 | 181,100 | 167,812 | 154,050 |
| Nonaccrual loans as a % of related loans and acceptances | | | | | | | | | | | | | | |
| Domestic | | | | | | | | | | | | | | |
| Residential mortgages | 0.15% | 0.14% | 0.15% | 0.15% | 0.15% | 0.16% | 0.19% | 0.21% | 0.22% | 0.15% | 0.15% | 0.22% | 0.30% | 0.30% |
| Personal loans | 0.75% | 0.83% | 0.90% | 1.00% | 1.06% | 1.10% | 1.13% | 1.15% | 1.14% | 0.75% | 1.06% | 1.14% | 0.91% | 0.97% |
| Business loans | 2.26% | 2.28% | 2.73% | 2.40% | 2.36% | 2.51% | 2.69% | 2.80% | 2.75% | 2.26% | 2.36% | 2.75% | 1.97% | 2.24% |
| Total Domestic | 0.76% | 0.79% | 0.95% | 0.90% | 0.93% | 1.00% | 1.08% | 1.15% | 1.18% | 0.76% | 0.93% | 1.18% | 0.97% | 1.07% |
| U.S. and Other International | 1.76% | 1.94% | 2.13% | 2.71% | 2.34% | 2.33% | 2.46% | 2.70% | 1.95% | 1.76% | 2.34% | 1.95% | 1.15% | 1.28% |
| Total loans and acceptances | 0.98% | 1.06% | 1.22% | 1.33% | 1.27% | 1.32% | 1.41% | 1.52% | 1.36% | 0.98% | 1.27% | 1.36% | 1.00% | 1.11% |

¹ The allocated general provision and the unallocated provision totalled \$230 million in 1999. These were not separated into the allocated general and unallocated components.

² Nonaccrual loans are shown on a gross basis (before deducting the allowance for specific and country risk). Total loans are also shown on a gross basis.

³ RBC Centura amounts were: in Q4/03 \$147 million, in Q3/03 \$170 million, and in Q4/02 \$180 million.

⁴ RBC Centura amounts were: in Q4/03 \$15,607 million, in Q3/03 \$16,708 million, and in Q4/02 \$16,861 million.

NONACCRUAL LOANS

(C\$ MM)

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Changes in nonaccrual loans | | | | | | | | | | | | | | |
| Nonaccrual loans at beginning of period | 1,899 | 2,163 | 2,374 | 2,288 | 2,371 | 2,529 | 2,713 | 2,465 | 2,193 | 2,288 | 2,465 | 1,678 | 1,704 | 2,001 |
| Nonaccrual loans formation ¹ | 100 | 3 | 58 | 272 | 313 | 235 | 204 | 528 | 675 | 433 | 1,280 | 1,912 | 813 | 743 |
| Charge-offs | (254) | (267) | (269) | (186) | (396) | (393) | (388) | (280) | (403) | (976) | (1,457) | (1,125) | (839) | (1,072) |
| Other & FX adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | 32 |
| Nonaccrual loans at end of period | 1,745 | 1,899 | 2,163 | 2,374 | 2,288 | 2,371 | 2,529 | 2,713 | 2,465 | 1,745 | 2,288 | 2,465 | 1,678 | 1,704 |

**NONACCRUAL LOANS FORMATION
AND CHARGE-OFFS****Q4/03 vs Q3/03**

| | <u>Domestic Business</u> | <u>U.S. and Other International</u> | <u>Total Business</u> | <u>Consumer</u> | <u>Total</u> |
|--|------------------------------|---|---------------------------|-----------------|--------------|
| Q3/03 nonaccrual loans | 766 | 745 | 1,511 | 388 | 1,899 |
| Nonaccrual loans formation ¹ | 42 | (61) | (19) | 119 | 100 |
| Charge-offs | (67) | (46) | (113) | (141) | (254) |
| Other & FX adjustment | - | - | - | - | - |
| Q4/03 nonaccrual loans before allowance | 741 | 638 | 1,379 | 366 | 1,745 |
| Q4/03 specific allowance for loan losses | (297) | (308) | (605) | (152) | (757) |
| Q4/03 nonaccrual loans ² | 444 | 330 | 774 | 214 | 988 |

Q4/03 vs Q4/02

| | | | | | |
|--|-------|-------|-------|-------|-------|
| Q4/02 nonaccrual loans | 895 | 956 | 1,851 | 437 | 2,288 |
| Nonaccrual loans formation ¹ | 65 | (137) | (72) | 505 | 433 |
| Charge-offs | (219) | (181) | (400) | (576) | (976) |
| Other & FX adjustment | - | - | - | - | - |
| Q4/03 nonaccrual loans before allowance | 741 | 638 | 1,379 | 366 | 1,745 |
| Q4/03 specific allowance for loan losses | (297) | (308) | (605) | (152) | (757) |
| Q4/03 nonaccrual loans ² | 444 | 330 | 774 | 214 | 988 |

¹New additions to nonaccrual loans, net of reductions.²Net of specific allowance.

ALLOWANCE FOR CREDIT LOSSES¹

(C\$ MM)

Allowance for credit losses

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Allocated specific | 757 | 849 | 922 | 954 | 894 | 885 | 1,010 | 1,018 | 951 | 757 | 894 | 951 | 747 | 786 |
| Allocated country risk | - | - | - | - | - | 33 | 30 | 29 | 31 | - | - | 31 | 28 | 34 |
| Allocated general | 1,169 | 1,169 | 1,170 | 1,174 | 1,169 | 1,179 | 1,175 | 1,176 | 1,185 | 1,169 | 1,169 | 1,185 | 863 | 790 |
| Total allocated | 1,926 | 2,018 | 2,092 | 2,128 | 2,063 | 2,097 | 2,215 | 2,223 | 2,167 | 1,926 | 2,063 | 2,167 | 1,638 | 1,610 |
| Unallocated | 238 | 247 | 243 | 248 | 251 | 235 | 237 | 236 | 225 | 238 | 251 | 225 | 337 | 290 |
| Total allowance for credit losses¹ | 2,164 | 2,265 | 2,335 | 2,376 | 2,314 | 2,332 | 2,452 | 2,459 | 2,392 | 2,164 | 2,314 | 2,392 | 1,975 | 1,900 |
| Consisting of: | | | | | | | | | | | | | | |
| Allowance for loan losses | 2,055 | 2,156 | 2,226 | 2,267 | 2,203 | 2,218 | 2,338 | 2,345 | 2,278 | 2,055 | 2,203 | 2,278 | 1,871 | 1,884 |
| Allowance for off-balance sheet items | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 98 | - |
| Allowance for tax-exempt securities | - | - | - | - | 2 | 5 | 5 | 5 | 5 | - | 2 | 5 | 6 | 16 |
| Total | 2,164 | 2,265 | 2,335 | 2,376 | 2,314 | 2,332 | 2,452 | 2,459 | 2,392 | 2,164 | 2,314 | 2,392 | 1,975 | 1,900 |
| Allowance for loan losses as a % of total loans and acceptances | 1.2% | 1.2% | 1.3% | 1.3% | 1.2% | 1.2% | 1.3% | 1.3% | 1.3% | 1.2% | 1.2% | 1.3% | 1.1% | 1.2% |
| Allowance for loan losses as a % of total loans, acceptances and reverse repurchase agreements | 1.0% | 1.0% | 1.0% | 1.1% | 1.0% | 1.0% | 1.1% | 1.1% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.1% |
| Changes in the allowance for credit losses | | | | | | | | | | | | | | |
| Balance at beginning of period | 2,265 | 2,335 | 2,376 | 2,314 | 2,332 | 2,452 | 2,459 | 2,392 | 2,283 | 2,314 | 2,392 | 1,975 | 1,900 | 2,066 |
| Provision for credit losses | 137 | 167 | 211 | 200 | 235 | 216 | 328 | 286 | 425 | 715 | 1,065 | 1,119 | 691 | 760 |
| Charge-offs | | | | | | | | | | | | | | |
| Non-LDC | (254) | (267) | (269) | (186) | (363) | (393) | (388) | (280) | (403) | (976) | (1,424) | (1,125) | (839) | (1,068) |
| LDC loans and securities | - | - | - | - | (33) | - | - | - | - | - | (33) | - | - | (4) |
| Recoveries | 43 | 40 | 41 | 46 | 66 | 44 | 42 | 46 | 54 | 170 | 198 | 185 | 162 | 114 |
| At date of acquisition ² | - | - | - | 8 | - | 18 | - | - | - | 8 | 18 | 157 | - | - |
| Other, primarily translation adjustments on provisions denominated in foreign currencies | (27) | (10) | (24) | (6) | 77 | (5) | 11 | 15 | 33 | (67) | 98 | 81 | 61 | 32 |
| Balance at end of period | 2,164 | 2,265 | 2,335 | 2,376 | 2,314 | 2,332 | 2,452 | 2,459 | 2,392 | 2,164 | 2,314 | 2,392 | 1,975 | 1,900 |
| Coverage ratios³ | | | | | | | | | | | | | | |
| Coverage ratio (total) | 118% | 114% | 103% | 95% | 96% | 94% | 93% | 87% | 93% | 118% | 96% | 93% | 112% | 112% |
| Coverage ratio (non-LDC) | 118% | 114% | 103% | 95% | 96% | 94% | 93% | 86% | 93% | 118% | 96% | 93% | 112% | 112% |

NET CHARGE-OFFS

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|-------------|-------------|-------------|
| Domestic | | | | | | | | | | | | | | |
| Residential mortgages | 1 | 2 | 2 | 1 | 2 | 3 | 3 | 3 | 5 | 6 | 11 | 15 | 11 | 12 |
| Personal loans | 97 | 106 | 134 | 94 | 92 | 114 | 119 | 123 | 104 | 431 | 448 | 454 | 430 | 260 |
| Business loans and acceptances | 54 | 67 | 28 | 16 | 68 | 88 | 57 | 45 | 70 | 165 | 258 | 238 | 177 | 458 |
| Total Domestic | 152 | 175 | 164 | 111 | 162 | 205 | 179 | 171 | 179 | 602 | 717 | 707 | 618 | 730 |
| U.S. and Other International | | | | | | | | | | | | | | |
| Non-LDC ⁴ | 59 | 52 | 64 | 29 | 135 | 144 | 167 | 63 | 170 | 204 | 509 | 233 | 59 | 224 |
| LDC exposures | - | - | - | - | 33 | - | - | - | - | - | 33 | - | - | 4 |
| Total U.S. and Other International | 59 | 52 | 64 | 29 | 168 | 144 | 167 | 63 | 170 | 204 | 542 | 233 | 59 | 228 |
| Total net charge-offs | 211 | 227 | 228 | 140 | 330 | 349 | 346 | 234 | 349 | 806 | 1,259 | 940 | 677 | 958 |
| Charge-off ratio | | | | | | | | | | | | | | |
| Total net charge-offs as a % of average loans and acceptances | 0.47% | 0.51% | 0.53% | 0.31% | 0.74% | 0.79% | 0.80% | 0.52% | 0.78% | 0.45% | 0.71% | 0.55% | 0.42% | 0.62% |

¹ RBC Centura amounts in Q4/03 were: \$45 million of the specific allowance (Q3/03 \$49 million and Q4/02 \$52 million); \$112 million of the general allocated allowance (Q3/03 \$111 million and Q4/02 \$109 million) and \$26 million of the unallocated general allowance (Q3/03 \$36 million and Q4/02 \$41 million).

² Acquisition amounts were: Admiralty Bancorp, Inc. \$8 million in Q1/03, Eagle Bancshares, Inc. \$18 million in Q3/02, and Centura \$157 million in 2001.

³ The allowance for loan losses plus the allowance for tax-exempt securities as a percentage of nonaccrual loans.

⁴ For Q4/03 includes \$24 million for RBC Centura (\$12 million in Q3/03; \$14 million in Q4/02) largely consisting of Centura business and government loans.

SPECIAL ITEMS¹ (after-tax amounts)

| (C\$ MM) | Q4/03 | Q3/03 | Q2/03 | Q1/03 | Q4/02 | Q3/02 | Q2/02 | Q1/02 | Q4/01 | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|----------|--------|--------|----------|--------|----------|
| Net income | | | | | | | | | | | | | | |
| Reported | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 680 | 3,036 | 2,898 | 2,435 | 2,208 | 1,725 |
| RBC Banking | | | | | | | | | | | | | | |
| - Gain on sale of Group Retirement Services | - | - | - | - | - | - | - | - | - | - | - | (6) | - | - |
| - Gain on sale of available for sale securities | - | - | - | - | - | - | - | - | - | - | - | - | - | (16) |
| - Provision for credit losses | - | - | - | - | - | - | - | - | - | - | - | - | - | 20 |
| - U.S. retail bank restructuring costs | - | - | - | - | - | - | - | - | - | - | - | 57 | - | - |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | 29 |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | 9 | - | - | 45 | - | - |
| RBC Investments | | | | | | | | | | | | | | |
| - Gain on sale of RT Capital Management | - | - | - | - | - | - | - | - | (251) | - | - | (251) | - | - |
| - Gain on sale of Group Retirement Services | - | - | - | - | - | - | - | - | - | - | - | (28) | - | - |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | - | - | - | 5 | - | - |
| RBC Capital Markets | | | | | | | | | | | | | | |
| - Provision for Credit Losses | - | - | - | - | - | - | - | - | - | - | - | - | - | 31 |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | 47 |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | 3 | - | - | 27 | - | - |
| RBC Global Services | | | | | | | | | | | | | | |
| - Gain on formation of Moneris Joint Venture | - | - | - | - | - | - | - | - | - | - | - | (77) | - | - |
| Other | | | | | | | | | | | | | | |
| - Gain on sale of real estate | - | - | - | - | - | - | - | - | - | - | - | - | - | (54) |
| - Expenses re: sale of real estate | - | - | - | - | - | - | - | - | - | - | - | - | - | 3 |
| - Writedown of MECA & Integriion | - | - | - | - | - | - | - | - | - | - | - | - | - | 10 |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | 11 |
| - Merger costs (RBC/BMO) | - | - | - | - | - | - | - | - | - | - | - | - | - | 7 |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | - | - | - | 24 | - | - |
| Net Income, excluding special items | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 441 | 3,036 | 2,898 | 2,231 | 2,208 | 1,813 |
| Earnings per share - diluted | | | | | | | | | | | | | | |
| Reported | \$1.19 | \$1.14 | \$0.99 | \$1.10 | \$1.05 | \$1.02 | \$1.01 | \$1.04 | \$0.94 | \$4.43 | \$4.12 | \$3.55 | \$3.40 | \$2.48 |
| RBC Banking | | | | | | | | | | | | | | |
| - Gain on sale of Group Retirement Services | - | - | - | - | - | - | - | - | - | - | - | (\$0.01) | - | - |
| - Gain on sale of available for sale securities | - | - | - | - | - | - | - | - | - | - | - | - | - | (\$0.03) |
| - Provision for credit losses | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0.03 |
| - U.S. retail bank restructuring costs | - | - | - | - | - | - | - | - | - | - | - | \$0.09 | - | - |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0.05 |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | \$0.01 | - | - | \$0.07 | - | - |
| RBC Investments | | | | | | | | | | | | | | |
| - Gain on sale of RT Capital Management | - | - | - | - | - | - | - | - | (\$0.36) | - | - | (\$0.38) | - | - |
| - Gain on sale of Group Retirement Services | - | - | - | - | - | - | - | - | - | - | - | (\$0.04) | - | - |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | - | - | - | \$0.01 | - | - |
| RBC Capital Markets | | | | | | | | | | | | | | |
| - Provision for Credit Losses | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0.05 |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0.08 |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | \$0.01 | - | - | \$0.04 | - | - |
| RBC Global Services | | | | | | | | | | | | | | |
| - Gain on formation of Moneris Joint Venture | - | - | - | - | - | - | - | - | - | - | - | (\$0.12) | - | - |
| Other | | | | | | | | | | | | | | |
| - Gain on sale of real estate | - | - | - | - | - | - | - | - | - | - | - | - | - | (\$0.09) |
| - Expenses re: sale of real estate | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0.01 |
| - Writedown of MECA & Integriion | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0.02 |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0.02 |
| - Merger costs (RBC/BMO) | - | - | - | - | - | - | - | - | - | - | - | - | - | \$0.01 |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | - | - | - | \$0.03 | - | - |
| EPS, excluding special items | \$1.19 | \$1.14 | \$0.99 | \$1.10 | \$1.05 | \$1.02 | \$1.01 | \$1.04 | \$0.60 | \$4.43 | \$4.12 | \$3.24 | \$3.40 | \$2.63 |
| Income taxes | | | | | | | | | | | | | | |
| Reported | 316 | 413 | 304 | 410 | 315 | 381 | 329 | 390 | 256 | 1,443 | 1,415 | 1,350 | 1,412 | 974 |
| Tax Impact | | | | | | | | | | | | | | |
| RBC Banking | - | - | - | - | - | - | - | - | - | - | - | 33 | - | (24) |
| RBC Investments | - | - | - | - | - | - | - | - | (62) | - | - | (70) | - | - |
| RBC Capital Markets | - | - | - | - | - | - | - | - | - | - | - | - | - | (60) |
| RBC GS | - | - | - | - | - | - | - | - | - | - | - | (12) | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | 17 |
| Deferred tax adjustments | | | | | | | | | | | | | | |
| RBC Banking | - | - | - | - | - | - | - | - | (9) | - | - | (45) | - | - |
| RBC Investments | - | - | - | - | - | - | - | - | - | - | - | (5) | - | - |
| RBC Capital Markets | - | - | - | - | - | - | - | - | (3) | - | - | (27) | - | - |
| RBC GS | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | (24) | - | - |
| Income taxes, excluding special items | 316 | 413 | 304 | 410 | 315 | 381 | 329 | 390 | 182 | 1,443 | 1,415 | 1,200 | 1,412 | 907 |

¹There were no special items in FY 2003, FY 2002 and FY 2000.

SPECIAL ITEMS¹ (after-tax amounts)

(C\$ MM)

| | <u>Q4/03</u> | <u>Q3/03</u> | <u>Q2/03</u> | <u>Q1/03</u> | <u>Q4/02</u> | <u>Q3/02</u> | <u>Q2/02</u> | <u>Q1/02</u> | <u>Q4/01</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| Geographic Net income | | | | | | | | | | | | | | |
| Reported | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 680 | 3,036 | 2,898 | 2,435 | 2,208 | 1,725 |
| Canada | | | | | | | | | | | | | | |
| - Gain on sale of available for sale securities | - | - | - | - | - | - | - | - | - | - | - | - | - | (16) |
| - Provision for credit losses | - | - | - | - | - | - | - | - | - | - | - | - | - | 20 |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | 118 |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | 12 | - | - | 101 | - | - |
| - Gain on sale of RT Capital Management | - | - | - | - | - | - | - | - | (251) | - | - | (251) | - | - |
| - Gain on sale of Group Retirement Services | - | - | - | - | - | - | - | - | - | - | - | (34) | - | - |
| - Provision for credit losses | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - Gain on formation of Moneris | - | - | - | - | - | - | - | - | - | - | - | (77) | - | - |
| - Gain on sale of real estate | - | - | - | - | - | - | - | - | - | - | - | - | - | (54) |
| - Expenses re: sale of real estate | - | - | - | - | - | - | - | - | - | - | - | - | - | 3 |
| - Writedown of MECA & Integriion | - | - | - | - | - | - | - | - | - | - | - | - | - | 10 |
| - Merger costs (RBC/BMO) | - | - | - | - | - | - | - | - | - | - | - | - | - | 7 |
| - Deferred tax adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| U.S. | | | | | | | | | | | | | | |
| - U.S. retail bank restructuring | - | - | - | - | - | - | - | - | - | - | - | 57 | - | - |
| Other International | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Income, excluding special items | 804 | 776 | 689 | 767 | 732 | 722 | 710 | 734 | 441 | 3,036 | 2,898 | 2,231 | 2,208 | 1,813 |
| Non-interest income | | | | | | | | | | | | | | |
| Reported | 2,633 | 2,644 | 2,423 | 2,599 | 2,523 | 2,491 | 2,623 | 2,495 | 2,627 | 10,299 | 10,132 | 9,514 | 7,536 | 6,070 |
| RBC Banking | | | | | | | | | | | | | | |
| - Gain on sale of available for sale securities | - | - | - | - | - | - | - | - | - | - | - | - | - | (28) |
| - Gain on sale of Group Retirement Services | - | - | - | - | - | - | - | - | - | - | - | (7) | - | - |
| RBC Investments | | | | | | | | | | | | | | |
| - Gain on sale of RT Capital Management | - | - | - | - | - | - | - | - | (313) | - | - | (313) | - | - |
| - Gain on sale of Group Retirement Services | - | - | - | - | - | - | - | - | - | - | - | (36) | - | - |
| RBC Global Services | | | | | | | | | | | | | | |
| - Gain on formation of Moneris | - | - | - | - | - | - | - | - | - | - | - | (89) | - | - |
| Other | | | | | | | | | | | | | | |
| - Gain on sale of real estate | - | - | - | - | - | - | - | - | - | - | - | - | - | (95) |
| - Writedown of MECA & Integriion | - | - | - | - | - | - | - | - | - | - | - | - | - | 18 |
| Non-interest income, excluding special items | 2,633 | 2,644 | 2,423 | 2,599 | 2,523 | 2,491 | 2,623 | 2,495 | 2,314 | 10,299 | 10,132 | 9,069 | 7,536 | 5,965 |
| Provision for credit losses | | | | | | | | | | | | | | |
| Reported | 137 | 167 | 211 | 200 | 235 | 216 | 328 | 286 | 425 | 715 | 1,065 | 1,119 | 691 | 760 |
| RBC Banking | - | - | - | - | - | - | - | - | - | - | - | - | - | (35) |
| RBC Capital Markets | - | - | - | - | - | - | - | - | - | - | - | - | - | (55) |
| Provision for Credit Losses, excl.special items | 137 | 167 | 211 | 200 | 235 | 216 | 328 | 286 | 425 | 715 | 1,065 | 1,119 | 691 | 670 |
| Non-interest expense | | | | | | | | | | | | | | |
| Reported | 2,582 | 2,581 | 2,514 | 2,559 | 2,601 | 2,515 | 2,519 | 2,609 | 2,636 | 10,236 | 10,244 | 9,641 | 7,628 | 7,141 |
| RBC Banking | | | | | | | | | | | | | | |
| - U.S. retail bank restructuring | - | - | - | - | - | - | - | - | - | - | - | (91) | - | - |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | (50) |
| RBC Capital Markets | | | | | | | | | | | | | | |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | (83) |
| Other | | | | | | | | | | | | | | |
| - Restructuring costs | - | - | - | - | - | - | - | - | - | - | - | - | - | (20) |
| - Merger costs (RBC/BMO) | - | - | - | - | - | - | - | - | - | - | - | - | - | (12) |
| - Expenses re: sale of real estate | - | - | - | - | - | - | - | - | - | - | - | - | - | (5) |
| Non Interest Expense, excluding special items | 2,582 | 2,581 | 2,514 | 2,559 | 2,601 | 2,515 | 2,519 | 2,609 | 2,636 | 10,236 | 10,244 | 9,550 | 7,628 | 6,971 |

¹There were no special items in FY 2003, FY 2002 and FY 2000.