



Supplementary Financial Information (Canadian GAAP)

2nd Quarter 2004

(UNAUDITED)

Investor Relations Department

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May 27, 2004

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This document is not audited and should be read in conjunction with the Q2/04 Report to Shareholders, Q2/04 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 Q2/04**Page 5, 8-10: Geographic reclassifications**

During the quarter, we revisited our geographic reporting and reclassified certain amounts to more appropriately reflect the way management reviews these results and our basis of allocation. Within RBC Insurance, certain reinsurance results were reclassified from United States and Canada to Other International. Within the Other segment, an \$18 million consolidated pre-tax adjustment (\$11 million after-tax) related to the sale of RBC Centura's merchant acquiring card portfolio to Moneris Solutions, Inc in the first quarter of 2004, was reclassified from Canada to the United States.

Page 15: Assets Under Management

This quarter, \$17 billion of Assets Under Management relating to Minneapolis-based Voyageur Asset Management was reclassified from "Personal" to "Retail mutual funds". Amounts for the prior quarters have similarly been reclassified. This reclassification does not impact the total AUM balance which has been reported.

Page 17, 21: Certificates of Deposit-Trading

This quarter, we reviewed the presentation of certain items on our consolidated balance sheet and decided to reclassify certificates of deposit held for trading purposes totalling \$5.1 billion at January 31, 2004, \$5.7 billion at October 31, 2003 and \$6.5 billion at April 30, 2003 from interest-bearing deposits with banks to Trading account securities in order to more appropriately reflect the nature and substance of these instruments.

Page 17, 21: Cash Resources

Effective this quarter, Cash Resources is no longer reported and is being replaced by the following two lines:

- Cash and due from banks
- Interest-bearing deposits with banks

Changes made to this document in Q1/04**Pages 2-10, 14-15: Net Interest Income**

We updated our disclosure for derivatives that are economic hedges but do not qualify for hedge accounting such that the income, expenses and fair value changes are now all recorded in one income statement line in the financial statements. As a result, we have reclassified \$68 million of realized gains and losses on these derivatives from net interest income to non-interest income-other for 2003. There was no effect on net income.

Pages 17-18, 22-23, 27: Loans Information

In Q1/04, we improved our categorization of certain loan products. Accordingly, we reclassified \$2.9 billion of personal loans and associated interest revenue to business and government loans. Amounts for prior periods have been reclassified. Also, in Q4/03 \$3.2 billion of business and government loans and associated interest revenue was reclassified to reverse repurchase agreements. Amounts for prior periods was reclassified. The reclassifications had no effect on total assets or net interest income in any period.

Pages 17 & 18: Shareholders' Equity

We have enhanced the disclosure for Shareholders' Equity by disclosing foreign currency translation adjustments separately from Retained Earnings.

Pages 2, 17, 20: Treasury stock

Effective Q1/04, we updated our financial statement presentation for treasury stock. Refer to Note 1 of the Q1/04 financial statements for additional details.

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 2003 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.

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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, acceptances, and reverse repurchase agreements

Calculated using methods intended to approximate the average of the daily loans, acceptances and reverse repurchase agreement balances 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 Canadian 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.

INCOME STATEMENT¹

(C\$ MM)

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Interest income	3,239	3,406	3,389	3,540	3,430	3,626	3,682	3,599	3,403	6,645	7,056	13,985	14,449	17,101	16,025
Interest expense	(1,683)	(1,745)	(1,783)	(1,891)	(1,810)	(1,927)	(1,942)	(1,895)	(1,719)	(3,428)	(3,737)	(7,411)	(7,514)	(10,790)	(10,830)
Net interest income	1,556	1,661	1,606	1,649	1,620	1,699	1,740	1,704	1,684	3,217	3,319	6,574	6,935	6,311	5,195
Non-interest income	2,985	2,705	2,754	2,799	2,545	2,746	2,528	2,547	2,693	5,690	5,291	10,844	10,320	9,765	7,503
Total revenues	4,541	4,366	4,360	4,448	4,165	4,445	4,268	4,251	4,377	8,907	8,610	17,418	17,255	16,076	12,698
Provision for credit losses (PCL)															
Specific provision for credit losses	(149)	(125)	(140)	(170)	(211)	(200)	(235)	(216)	(328)	(274)	(411)	(721)	(1,065)	(1,049)	(571)
General provision for credit losses	-	150	-	-	-	-	-	-	-	150	-	-	-	(70)	(120)
Insurance policyholder benefits, claims and acquisition expense	(508)	(452)	(513)	(424)	(351)	(408)	(420)	(389)	(448)	(960)	(759)	(1,696)	(1,535)	(1,344)	(687)
Non-interest expense ²	(2,747)	(2,807)	(2,624)	(2,615)	(2,560)	(2,610)	(2,634)	(2,547)	(2,583)	(5,554)	(5,170)	(10,409)	(10,420)	(9,755)	(7,581)
Income taxes	(337)	(300)	(300)	(425)	(315)	(420)	(285)	(375)	(315)	(637)	(735)	(1,460)	(1,365)	(1,340)	(1,445)
Non-controlling interest	(37)	(42)	(37)	(31)	(31)	(28)	(28)	(27)	(26)	(79)	(59)	(127)	(108)	(107)	(20)
Net income	763	790	746	783	697	779	666	697	677	1,553	1,476	3,005	2,762	2,411	2,274
Preferred dividends	(11)	(11)	(11)	(12)	(22)	(23)	(24)	(25)	(24)	(22)	(45)	(68)	(98)	(135)	(134)
Net income available to common shareholders	752	779	735	771	675	756	642	672	653	1,531	1,431	2,937	2,664	2,276	2,140
Effective tax rate	29.6%	26.5%	27.7%	34.3%	30.2%	34.2%	29.1%	34.1%	31.0%	28.1%	32.4%	31.8%	32.2%	34.7%	38.6%

PROFITABILITY MEASURES

Earnings per share (EPS) -basic	\$1.16	\$1.20	\$1.12	\$1.17	\$1.01	\$1.14	\$0.96	\$1.00	\$0.97	\$2.36	\$2.15	\$4.44	\$3.96	\$3.55	\$3.53
-diluted	\$1.14	\$1.18	\$1.11	\$1.16	\$1.00	\$1.12	\$0.95	\$0.99	\$0.96	\$2.33	\$2.13	\$4.39	\$3.93	\$3.52	\$3.51
Return on common equity (ROE)	16.8%	17.8%	16.5%	17.5%	15.7%	17.1%	14.8%	15.6%	16.0%	17.3%	16.4%	16.7%	15.8%	16.4%	19.8%
Return on assets	0.71%	0.75%	0.74%	0.78%	0.72%	0.79%	0.70%	0.76%	0.76%	0.73%	0.75%	0.76%	0.75%	0.74%	0.81%
Return on assets after preferred dividends	0.70%	0.74%	0.73%	0.77%	0.70%	0.76%	0.67%	0.73%	0.73%	0.72%	0.73%	0.74%	0.73%	0.70%	0.76%
Return on risk adjusted assets	1.73%	1.80%	1.77%	1.83%	1.73%	1.84%	1.60%	1.64%	1.64%	1.74%	1.80%	1.79%	1.64%	1.45%	1.49%

COMMON SHARE INFORMATION

Shares outstanding (000s) - end of period ³	653,280	655,963	656,021	658,612	662,427	666,439	665,257	671,671	673,860	653,280	662,427	656,021	665,257	674,021	602,398
- average (basic)	648,676	650,044	656,952	660,810	664,634	666,006	668,868	673,787	673,751	649,085	665,331	662,080	672,571	641,516	606,389
- average (diluted)	657,520	658,738	663,841	667,543	671,398	673,400	674,840	679,168	678,751	657,818	672,409	669,016	678,120	647,216	609,865
Shares repurchased - (000s)	3,780	1,512	3,569	5,011	5,074	885	6,963	3,275	2,346	5,292	5,959	14,539	14,293	10,927	19,737
- (\$ MM)	237	94	214	296	293	49	368	169	119	331	342	852	764	509	99
Market capitalization (\$ MM)	39,817	41,450	41,644	38,792	39,613	36,854	36,197	35,901	37,042	39,817	39,613	41,644	36,197	31,544	29,096
Common share price - High (intraday)	\$65.64	\$65.90	\$65.00	\$61.64	\$59.91	\$59.86	\$57.55	\$58.89	\$57.07	\$65.90	\$59.91	\$65.00	\$58.89	\$53.25	\$48.88
- Low (intraday)	\$60.56	\$60.26	\$57.50	\$56.75	\$53.26	\$53.91	\$48.80	\$45.05	\$46.36	\$60.26	\$53.26	\$53.26	\$45.05	\$41.60	\$27.25
- Close	\$60.95	\$63.19	\$63.48	\$58.90	\$59.80	\$55.30	\$54.41	\$53.45	\$54.97	\$60.95	\$59.80	\$63.48	\$54.41	\$46.80	\$48.30
Dividends per share	\$0.52	\$0.46	\$0.46	\$0.43	\$0.43	\$0.40	\$0.40	\$0.38	\$0.38	\$0.98	\$0.83	\$1.72	\$1.52	\$1.38	\$1.14
Dividend yield	3.3%	2.9%	3.0%	2.9%	3.0%	2.8%	3.0%	2.9%	2.9%	3.1%	2.9%	2.9%	2.9%	2.9%	3.0%
Dividend payout ratio	45%	38%	41%	37%	42%	35%	41%	38%	39%	41%	39%	39%	38%	39%	32%
Common dividends paid (\$ MM)	336	298	301	284	285	267	266	256	256	634	552	1,137	1,022	897	689
Preferred dividends paid (\$ MM)	11	11	11	12	22	23	24	25	24	22	45	68	98	135	134
P/E ratio (4-quarters trailing earnings) ⁴	13.7	14.2	14.0	14.0	13.9	14.2	13.5	13.4	14.4	13.7	13.9	13.5	13.2	13.5	10.8
Book value per share	\$28.44	\$27.55	\$26.74	\$26.88	\$26.53	\$26.62	\$25.91	\$25.56	\$25.04	\$28.44	\$26.53	\$26.74	\$25.91	\$23.95	\$19.10
Market price/book value	214%	229%	237%	219%	225%	208%	210%	209%	220%	214%	225%	237%	210%	195%	253%

¹As a result of adopting CICA standards on Business Combinations and Goodwill and Other Intangible Assets, net income, diluted EPS and ROE exclude goodwill amortization effective 2002.

²Q1/04 non-interest expense includes Rabobank settlement costs.

³Included is Treasury stock (shares acquired and held by subsidiaries for reasons other than cancellation): 4,243,196 in Q2/04 and 6,951,478 in Q1/04.

⁴Average of high and low common share price divided by diluted earnings per share.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
RBC Banking															
Personal and Commercial Banking															
Income Statement															
Net interest income	1,356	1,357	1,378	1,422	1,352	1,394	1,426	1,365	1,339	2,713	2,746	5,546	5,557	5,343	4,699
Non-interest income	524	512	488	540	535	564	509	505	514	1,036	1,099	2,127	2,073	1,869	1,570
Total revenues	1,880	1,869	1,866	1,962	1,887	1,958	1,935	1,870	1,853	3,749	3,845	7,673	7,630	7,212	6,269
Specific provision for credit losses	(148)	(141)	(131)	(135)	(158)	(130)	(122)	(145)	(158)	(289)	(288)	(554)	(626)	(662)	(539)
General provision for credit losses	-	76	-	-	-	-	-	-	-	76	-	-	-	(70)	(110)
Non-interest expense	(1,202)	(1,153)	(1,152)	(1,163)	(1,156)	(1,179)	(1,161)	(1,117)	(1,108)	(2,355)	(2,335)	(4,650)	(4,528)	(4,389)	(3,752)
Other ¹	(185)	(222)	(206)	(248)	(215)	(239)	(247)	(231)	(227)	(407)	(454)	(908)	(945)	(910)	(790)
Net income - total	345	429	377	416	358	410	405	377	360	774	768	1,561	1,531	1,181	1,078
- U.S. (included in total)	(17)	6	2	42	50	60	60	37	40	(11)	110	154	195	(36)	n/a
Contribution to total RBC net income	45%	54%	51%	53%	51%	53%	61%	54%	53%	50%	52%	52%	55%	49%	47%
ROE	20.1%	24.5%	20.4%	22.7%	19.3%	21.4%	20.0%	19.1%	18.3%	22.3%	20.4%	21.0%	19.1%	16.9%	19.7%
Efficiency ratio ²	63.9%	61.7%	61.7%	59.3%	61.3%	60.2%	60.0%	59.7%	59.8%	62.8%	60.7%	60.6%	59.3%	60.9%	59.9%
Average Balances															
Assets	169,800	167,300	165,800	162,300	160,700	160,600	159,300	154,900	155,800	168,600	160,700	162,400	156,500	143,100	129,700
Earning assets	160,900	158,200	156,700	153,200	151,100	150,900	149,400	145,400	145,700	159,500	151,000	153,000	146,600	134,100	121,700
Loans, accept. and reverse repurch. agreements	155,800	154,000	151,500	148,400	146,300	145,600	144,800	141,600	142,400	154,900	145,900	147,900	142,800	134,900	125,600
Deposits	135,400	133,400	131,100	129,600	128,000	127,400	125,200	122,300	121,800	134,400	127,700	129,000	122,900	111,400	98,900
Common equity	6,900	6,950	7,300	7,250	7,400	7,500	7,850	7,650	7,850	6,950	7,450	7,350	7,850	6,700	5,100
Other Statistics															
Net interest margin (average assets)	3.25%	3.23%	3.30%	3.48%	3.45%	3.44%	3.55%	3.50%	3.52%	3.24%	3.45%	3.42%	3.55%	3.73%	3.62%
Net interest margin (average earning assets)	3.43%	3.41%	3.49%	3.68%	3.67%	3.67%	3.79%	3.72%	3.77%	3.42%	3.67%	3.62%	3.79%	3.98%	3.86%
Amortization of other intangibles ³	10	9	9	8	13	12	13	12	10	19	25	42	49	26	3
Number of employees (FTE)	37,061	37,221	37,475	37,089	36,012	36,003	35,014	35,069	34,175	37,061	36,012	37,475	35,014	34,845	31,246
Credit Quality															
Net impaired loans⁴															
Domestic - Residential mortgages	93	95	98	89	90	87	87	92	111	93	90	98	87	120	157
- Personal	85	81	84	89	92	96	111	116	119	85	92	84	111	128	54
- Commercial	262	275	278	240	271	252	291	304	312	262	271	278	291	343	305
U.S. and Other International	162	150	149	173	176	165	179	185	138	162	176	149	179	159	25
Total net impaired loans	602	601	609	591	629	600	668	697	680	602	629	609	668	750	541
Net write-offs															
Domestic - Residential mortgages	1	1	1	2	2	1	2	2	3	2	3	6	10	15	11
- Personal	128	103	106	113	139	100	99	121	127	231	239	458	480	478	457
- Commercial	20	16	36	35	28	16	50	44	50	36	44	115	189	193	180
U.S. and Other International	17	15	25	14	15	15	16	17	15	32	30	69	65	38	4
Total net write-offs	166	135	168	164	184	132	167	184	195	301	316	648	744	724	652
Net write-offs as a percentage of average loans, acceptances and reverse repurchase agreements	0.43%	0.35%	0.44%	0.44%	0.52%	0.36%	0.46%	0.52%	0.56%	0.39%	0.44%	0.44%	0.52%	0.54%	0.52%

¹Includes income taxes and non-controlling interest.

²Defined on page 1.

³After-tax amount. Excludes goodwill.

⁴Net of specific allowance.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

	<u>Q2/04</u>	<u>Q1/04</u>	<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>2004</u> 6 months	<u>2003</u> 6 months	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
RBC Investments															
Wealth Management															
Income Statement															
Net interest income	104	104	93	103	107	116	96	91	86	208	223	419	371	385	359
Non-interest income	877	825	821	801	721	767	783	807	832	1,702	1,488	3,110	3,274	2,861	1,958
Total revenues	981	929	914	904	828	883	879	898	918	1,910	1,711	3,529	3,645	3,246	2,317
Specific provision for credit losses	(1)	(1)	2	-	-	-	(1)	-	1	(2)	-	2	1	(2)	1
General provision for credit losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-interest expense	(771)	(728)	(722)	(733)	(732)	(725)	(733)	(772)	(813)	(1,499)	(1,457)	(2,912)	(3,146)	(2,507)	(1,658)
Other ¹	(69)	(60)	(68)	(58)	(28)	(55)	(48)	(43)	(29)	(129)	(83)	(209)	(157)	(224)	(244)
Net income - total	140	140	126	113	68	103	97	83	77	280	171	410	343	513	416
- U.S. (included in total)	30	32	34	31	9	13	11	11	(16)	62	22	87	(2)	(81)	n/a
Contribution to total RBC net income	18%	18%	17%	14%	10%	13%	15%	12%	11%	18%	12%	14%	12%	21%	18%
ROE	22.3%	21.4%	18.9%	16.7%	9.8%	14.7%	12.2%	10.6%	10.1%	21.9%	12.2%	15.0%	11.0%	27.2%	48.2%
Average Balances															
Assets	16,900	17,100	16,600	17,600	18,300	17,800	17,400	16,300	15,100	17,000	18,000	17,600	15,100	11,200	8,000
Loans, accept. and reverse repurch. agreements	7,500	5,800	5,800	6,500	6,900	6,700	6,500	6,500	5,100	6,600	6,800	6,500	5,500	4,000	2,600
Deposits	19,600	18,800	18,400	18,100	17,800	17,700	16,700	15,700	15,900	19,200	17,700	18,000	16,100	15,600	14,400
Common equity	2,500	2,550	2,600	2,650	2,700	2,700	3,000	2,950	2,950	2,550	2,700	2,650	3,000	1,800	800
Other Statistics															
Net interest margin	2.50%	2.42%	2.22%	2.32%	2.40%	2.59%	2.19%	2.21%	2.34%	2.46%	2.50%	2.38%	2.46%	3.44%	4.49%
Amortization of other intangibles ²	9	4	5	3	4	4	3	3	3	13	8	16	12	10	8
Number of employees (FTE)	10,678	10,463	10,464	10,563	10,886	11,151	12,001	12,169	12,261	10,678	10,886	10,464	12,001	10,512	7,553
Credit Quality															
Net impaired loans ³															
Domestic - Residential mortgages	-	-	-	-	-	-	-	-	(1)	-	-	-	-	(2)	-
- Personal	-	-	-	-	(1)	(1)	1	1	1	-	(1)	-	1	1	(3)
- Commercial	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-
U.S. and Other International	-	-	1	-	(1)	(1)	(1)	(1)	(1)	-	(1)	1	(1)	-	(1)
Total net impaired loans	-	-	1	-	(2)	(2)	-	-	-	-	(2)	1	-	(1)	(4)
Total net write-offs	1	1	2	-	2	-	4	1	-	2	2	4	5	1	-
Net write-offs as a percentage of average loans, acceptances and reverse repurchase agreements	0.05%	0.07%	0.14%	-	0.12%	-	0.24%	0.06%	-	0.06%	0.06%	0.06%	0.09%	0.03%	-

¹Includes income taxes and non-controlling interest.

²After-tax amount. Excludes goodwill.

³Net of specific allowance.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

	<u>Q2/04</u>	<u>Q1/04</u>	<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>2004</u> 6 months	<u>2003</u> 6 months	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
RBC Insurance															
Insurance															
Income Statement															
Net interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-interest income	675	613	676	595	511	574	549	506	571	1,288	1,085	2,356	2,043	1,824	973
Total revenues	675	613	676	595	511	574	549	506	571	1,288	1,085	2,356	2,043	1,824	973
Insurance policyholder benefits, claims and acquisition expense	(508)	(452)	(513)	(424)	(351)	(408)	(420)	(389)	(448)	(960)	(759)	(1,696)	(1,535)	(1,344)	(687)
Non-interest expense	(111)	(108)	(112)	(120)	(105)	(123)	(130)	(102)	(103)	(219)	(228)	(460)	(437)	(375)	(173)
Other ¹	2	3	7	5	-	4	17	13	12	5	4	16	46	28	19
Net income - total	58	56	58	56	55	47	16	28	32	114	102	216	117	133	132
- U.S. (included in total)	(6)	(2)	(6)	-	8	2	(8)	(7)	-	(8)	10	4	(19)	(4)	n/a
Contribution to total RBC net income	8%	7%	8%	7%	8%	6%	2%	4%	5%	7%	7%	7%	4%	6%	6%
ROE	24.1%	21.9%	24.9%	24.1%	28.3%	23.1%	8.5%	14.6%	17.7%	23.0%	25.7%	25.0%	15.7%	15.0%	49.0%
Average Balances															
Assets	8,600	8,100	8,200	7,000	5,700	5,800	5,700	5,700	5,700	8,300	5,800	6,700	5,600	5,300	2,100
Loans, accept. and reverse repurch. agreements	800	800	900	700	300	300	400	400	400	800	300	600	400	300	-
Common equity	950	1,000	900	900	800	800	750	700	700	1,000	800	850	700	800	300
Other Statistics															
Net interest margin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-interest income															
Net earned premiums	568	488	580	476	437	472	480	473	492	1,056	909	1,965	1,767	1,548	
Investment income	88	106	72	98	51	77	32	9	53	194	128	298	167	159	
Fee income	19	19	24	21	23	25	37	24	26	38	48	93	109	117	
Insurance policyholder benefits, claims and acquisition expense															
Policyholder benefits and claims	(415)	(379)	(434)	(349)	(265)	(337)	(339)	(303)	(363)	(794)	(602)	(1,385)	(1,197)	(993)	
Policy acquisition expense	(93)	(73)	(79)	(75)	(86)	(71)	(81)	(86)	(85)	(166)	(157)	(311)	(338)	(351)	
Premiums & deposits	633	565	646	556	478	534	549	536	459	1,198	1,012	2,214	2,023	1,812	1,208
Number of employees (FTE)	2,932	2,919	2,883	2,856	2,738	2,712	2,641	2,668	2,632	2,932	2,738	2,883	2,641	2,583	1,318

¹Includes income taxes and non-controlling interest

RESULTS BY BUSINESS SEGMENT

(CS MM)

RBC Capital Markets
Corporate and Investment Banking
Income Statement

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Net Interest Income ¹	99	170	100	87	101	105	103	110	141	269	206	393	532	409	21
Non-interest income	615	548	528	599	515	621	516	520	541	1,163	1,136	2,263	2,112	2,346	2,287
Total revenues	714	718	628	686	616	726	619	630	682	1,432	1,342	2,656	2,644	2,755	2,308
Specific provision for credit losses	(13)	7	(18)	(42)	(58)	(77)	(117)	(76)	(175)	(6)	(135)	(195)	(465)	(407)	(81)
General provision for credit losses	-	60	-	-	-	-	-	-	-	60	-	-	-	-	(10)
Non-interest expense ²	(475)	(635)	(431)	(420)	(394)	(426)	(407)	(414)	(388)	(1,110)	(820)	(1,671)	(1,627)	(1,804)	(1,445)
Other ³	(52)	(15)	(52)	(82)	(69)	(79)	(15)	(47)	(13)	(67)	(148)	(282)	(135)	(208)	(264)
Net income - total ⁴	174	135	127	142	95	144	80	93	106	309	239	508	417	336	508
- U.S. (included in total)	59	(71)	56	16	22	26	(10)	29	(36)	(12)	48	120	(40)	(77)	n/a
Contribution to total RBC net income	23%	17%	17%	18%	14%	18%	12%	13%	16%	20%	16%	17%	15%	14%	22%
ROE	20.2%	15.4%	13.0%	15.4%	9.7%	13.9%	7.7%	8.7%	10.6%	17.8%	11.9%	13.0%	10.0%	9.3%	21.1%

Average Balances

Assets	228,300	216,500	198,400	198,700	198,800	198,100	185,900	175,700	174,100	222,300	198,500	198,500	178,200	156,400	131,900
Loans, accept. and reverse repurch. agreements	56,300	57,000	59,900	59,400	63,400	68,100	65,800	60,100	59,800	56,700	65,800	62,700	61,400	59,600	53,000
Deposits	82,900	85,000	79,400	79,300	76,800	82,400	82,400	76,900	77,900	83,900	79,600	79,500	79,200	70,500	61,900
Common equity	3,450	3,450	3,700	3,650	3,950	3,950	3,850	4,000	3,900	3,450	3,950	3,800	3,950	3,300	2,300

Other Statistics

Net interest margin	0.18%	0.31%	0.20%	0.17%	0.21%	0.21%	0.22%	0.25%	0.33%	0.24%	0.21%	0.20%	0.30%	0.26%	0.02%
Amortization of other intangibles ⁵	1	-	-	-	-	-	1	-	-	1	-	-	1	-	-
Number of employees (FTE)	2,918	2,893	2,912	2,943	2,903	2,874	2,938	2,966	2,931	2,918	2,903	2,912	2,938	2,954	2,541

Credit Quality

Net impaired loans ⁶															
Domestic corporate	127	129	166	193	320	271	276	296	327	127	320	166	276	420	283
U.S. and Other International corporate	252	288	207	260	287	542	439	448	465	252	287	207	439	317	84
Total net impaired loans	379	417	373	453	607	813	715	744	792	379	607	373	715	737	367
Net write-offs															
Domestic corporate	19	(29)	21	35	-	-	15	44	7	(10)	-	56	66	44	(3)
U.S. and Other International corporate	88	24	32	38	44	14	119	127	152	112	58	128	444	188	53
Total net write-offs	107	(5)	53	73	44	14	134	171	159	102	58	184	510	232	50
Net write-offs as a percentage of average loans, acceptances and reverse repurchase agreements	0.77%	(0.03)%	0.35%	0.49%	0.28%	0.08%	0.81%	1.13%	1.09%	0.36%	0.18%	0.29%	0.83%	0.39%	0.09%

¹Includes losses recorded on equity linked notes of \$23 million in Q2/04 and a cumulative gain on equity linked notes of \$30 million in Q1/04.

²Includes costs of Rabobank settlement in Q1/04.

³Includes income taxes and non-controlling interest.

⁴Includes \$74 million after-tax cost of Rabobank settlement in Q1/04.

⁵After-tax amount. Excludes goodwill.

⁶Net of specific allowance.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

RBC Global Services
Transaction Processing
Income Statement

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Net interest income	40	45	42	42	37	45	34	36	33	85	82	166	137	147	160
Non-interest income	223	208	211	214	198	201	207	211	197	431	399	824	820	851	691
Total revenues	263	253	253	256	235	246	241	247	230	516	481	990	957	998	851
Specific provision for credit losses	3	-	-	-	(2)	-	(3)	(2)	(3)	3	(2)	(2)	(10)	2	21
General provision for credit losses	-	14	-	-	-	-	-	-	-	14	-	-	-	-	-
Non-interest expense	(181)	(181)	(187)	(180)	(176)	(171)	(166)	(168)	(162)	(362)	(347)	(714)	(668)	(599)	(547)
Other ¹	(29)	(29)	(23)	(27)	(20)	(27)	(27)	(29)	(26)	(58)	(47)	(97)	(108)	(138)	(140)
Net income - total	56	57	43	49	37	48	45	48	39	113	85	177	171	263	185
- U.S. (included in total)	2	4	1	3	2	2	1	2	4	6	4	8	10	17	n/a
Contribution to total RBC net income	7%	7%	6%	6%	5%	6%	7%	7%	6%	7%	6%	6%	6%	11%	8%
ROE	35.6%	36.0%	26.6%	30.2%	23.0%	30.1%	29.7%	31.8%	26.8%	35.8%	26.6%	27.5%	28.4%	48.9%	39.5%

Average Balances

Assets	2,100	2,000	1,900	2,000	2,100	2,400	2,600	2,500	2,400	2,000	2,200	2,100	2,500	2,400	1,600
Loans, accept. and reverse repurch. agreements	1,300	1,300	1,200	1,300	1,400	1,600	1,900	1,900	1,800	1,300	1,500	1,400	1,900	2,000	1,200
Deposits	12,100	11,900	11,600	11,300	10,700	10,900	8,700	8,100	8,200	12,000	10,800	11,100	8,300	7,700	7,600
Common equity	650	650	650	650	650	600	600	600	600	650	650	650	600	500	400

Other Statistics

Net interest margin	7.75%	8.95%	8.77%	8.33%	7.23%	7.44%	5.19%	5.71%	5.64%	8.55%	7.52%	7.90%	5.48%	6.13%	10.00%
Amortization of other intangibles ²	-	-	1	-	-	-	1	-	-	-	-	1	1	-	-
Number of employees (FTE)	2,489	2,488	2,550	2,601	2,556	2,582	2,571	2,552	2,503	2,489	2,556	2,550	2,571	2,557	2,425

Credit Quality

Net impaired loans ³															
Domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
U.S. and Other International	(3)	6	5	6	7	9	11	12	17	(3)	7	5	11	-	(1)
Total net impaired loans	(3)	6	5	6	7	9	11	12	17	(3)	7	5	11	-	(1)
Total net write-offs - International	7	-	-	-	5	-	(1)	-	-	7	5	5	(1)	7	2
Net write-offs as a percentage of average loans, acceptances and reverse repurchase agreements	2.19%	-	-	-	1.46%	-	(0.21%)	-	-	1.08%	0.67%	0.36%	(0.05%)	0.35%	0.17%

¹Includes income taxes and non-controlling interest.

²After-tax amount. Excludes goodwill.

³Net of specific allowance.

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

Other
Income Statement

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Net interest income	(43)	(15)	(7)	(5)	23	39	81	102	85	(58)	62	50	338	27	(44)
Non-interest income	71	(1)	30	50	65	19	(36)	(2)	38	70	84	164	(2)	14	24
Total revenues	28	(16)	23	45	88	58	45	100	123	12	146	214	336	41	(20)
Specific provision for credit losses	10	10	7	7	7	7	8	7	7	20	14	28	35	20	27
General provision for credit losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-interest expense	(7)	(2)	(20)	1	3	14	(37)	26	(9)	(9)	17	(2)	(14)	(81)	(6)
Other ¹	(41)	(19)	5	(46)	(14)	(52)	7	(65)	(58)	(60)	(66)	(107)	(174)	5	(46)
Net income - total	(10)	(27)	15	7	84	27	23	68	63	(37)	111	133	183	(15)	(45)
- U.S. (included in total)	(3)	(10)	-	(2)	-	-	(3)	-	-	(13)	-	(2)	(3)	-	n/a
Contribution to total RBC net income	(1%)	(3%)	1%	2%	12%	4%	3%	10%	9%	(2%)	7%	4%	8%	(1%)	(1%)
ROE	(1.3%)	(4.1%)	2.0%	1.0%	15.5%	4.9%	7.3%	23.4%	37.6%	(2.5%)	10.5%	5.6%	24.4%	(2.8%)	(2.9%)

Average Balances

Assets	9,700	8,500	8,200	9,400	10,200	8,900	6,800	7,800	13,200	9,200	9,500	9,100	9,400	8,700	8,600
Loans, accept. and reverse repurch. agreements	(2,800)	(2,900)	(2,100)	(1,900)	(2,000)	(2,000)	(2,200)	(2,200)	(2,000)	(2,900)	(2,000)	(2,100)	(1,400)	(1,000)	(2,600)
Deposits	16,600	12,100	10,500	12,400	15,000	14,700	14,300	13,900	13,700	14,400	14,900	13,200	13,900	13,200	11,000
Common equity	3,700	2,800	2,450	2,400	2,150	1,950	1,100	1,150	700	3,200	2,000	2,250	700	700	1,900

Other Statistics

Net interest margin	(1.80%)	(0.70%)	(0.34%)	(0.21%)	0.92%	1.74%	4.73%	5.19%	2.64%	(1.27%)	1.32%	0.55%	3.60%	0.31%	(0.51%)
Amortization of other intangibles ²	(2)	-	(2)	2	(1)	1	(1)	1	1	(2)	-	-	1	-	-
Number of employees (FTE)	4,697	4,689	4,528	4,569	4,480	4,448	4,384	4,364	4,261	4,697	4,480	4,528	4,384	4,117	4,149

Credit Quality

Net impaired loans ³															
Domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	-
U.S. and Other International	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	-
Total net impaired loans	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	-
Total net write-offs ⁴	(10)	(10)	(9)	(7)	(7)	(6)	26	(7)	(8)	(20)	(13)	(29)	1	(24)	(27)
Net write-offs as a percentage of average loans, acceptances and reverse repurchase agreements	1.45%	1.37%	1.70%	1.46%	1.44%	1.19%	(4.69%)	1.26%	1.64%	1.39%	1.31%	1.38%	(0.07%)	2.40%	1.04%

¹Includes income taxes and non-controlling interest.

²After-tax amount. Excludes goodwill.

³Net of specific and country risk allowances.

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

RESULTS BY BUSINESS SEGMENT

(C\$ MM)

Total
Income Statement

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Net interest income	1,556	1,661	1,606	1,649	1,620	1,699	1,740	1,704	1,684	3,217	3,319	6,574	6,935	6,311	5,195
Non-interest income	2,985	2,705	2,754	2,799	2,545	2,746	2,528	2,547	2,693	5,690	5,291	10,844	10,320	9,765	7,503
Total revenues	4,541	4,366	4,360	4,448	4,165	4,445	4,268	4,251	4,377	8,907	8,610	17,418	17,255	16,076	12,698
Provision for credit losses (PCL)															
Specific provision for credit losses	(149)	(125)	(140)	(170)	-211	-200	-235	-216	-328	-274	-411	(721)	-1,065	-1,049	-571
General provision for credit losses	-	150	-	-	-	-	-	-	-	150	-	-	-	-70	-120
Insurance policyholder benefits, claims and acquisition expense	(508)	(452)	(513)	(424)	-351	-408	-420	-389	-448	-960	-759	(1,696)	-1,535	-1,344	-687
Non-interest expense ¹	(2,747)	(2,807)	(2,624)	(2,615)	-2,560	-2,610	-2,634	-2,547	-2,583	-5,554	-5,170	(10,409)	-10,420	-9,755	-7,581
Other ²	(374)	(342)	(337)	(456)	-346	-448	-313	-402	-341	-716	-794	(1,587)	-1,473	-1,447	-1,465
Net income - total	763	790	746	783	697	779	666	697	677	1,553	1,476	3,005	2,762	2,411	2,274
- U.S. (included in total)	65	(41)	87	90	91	103	51	72	-8	24	194	371	141	-181	71
ROE	16.8%	17.8%	16.5%	17.5%	15.7%	17.1%	14.8%	15.6%	16.0%	17.3%	16.4%	16.7%	15.8%	16.4%	19.8%

Average Balances

Assets	435,400	419,500	399,100	397,000	395,800	393,600	377,700	362,900	366,300	427,400	394,700	396,400	367,300	327,100	281,900
Loans, accept. and reverse repurch. agreements	218,900	216,000	217,200	214,400	216,300	220,300	217,200	208,300	207,500	217,400	218,300	217,000	210,600	199,800	179,800
Deposits	266,600	261,200	251,000	250,700	248,300	253,100	247,300	236,900	237,500	263,900	250,700	250,800	240,400	218,400	193,800
Common equity	18,150	17,400	17,600	17,500	17,650	17,500	17,150	17,050	16,700	17,800	17,550	17,550	16,800	13,800	10,800

Other Statistics

Net interest margin (average assets)	1.45%	1.58%	1.60%	1.65%	1.68%	1.71%	1.83%	1.86%	1.89%	1.51%	1.70%	1.66%	1.89%	1.93%	1.84%
Amortization of other intangibles ³	18	13	13	13	16	17	17	16	14	31	33	59	64	36	11
Number of employees (FTE) - Canada	44,829	45,022	44,950	45,361	44,821	44,880	44,639	44,570	43,989	44,829	44,821	44,950	44,639	44,384	44,256
- U.S.	12,248	11,964	12,159	11,512	11,028	11,124	11,104	11,375	11,213	12,248	11,028	12,159	11,104	9,508	1,650
- Other	3,698	3,687	3,703	3,748	3,726	3,766	3,806	3,843	3,561	3,698	3,726	3,703	3,806	3,676	3,326
- Total	60,775	60,673	60,812	60,621	59,575	59,770	59,549	59,788	58,763	60,775	59,575	60,812	59,549	57,568	49,232

Credit Quality

Net impaired loans ⁴															
Domestic - Residential mortgages	93	95	98	89	90	87	87	92	110	93	90	98	87	118	157
- Personal	85	81	84	89	91	95	112	117	120	85	91	84	112	129	51
- Commercial	262	275	278	240	271	252	291	304	313	262	271	278	291	340	303
- Corporate	127	129	166	193	320	271	276	296	327	127	320	166	276	420	283
U.S. and Other International	411	444	362	439	469	715	628	644	619	411	469	362	628	476	107
Total	978	1,024	988	1,050	1,241	1,420	1,394	1,453	1,489	978	1,241	988	1,394	1,483	903
Net write-offs															
Domestic - Residential mortgages	1	1	1	2	2	1	2	3	3	2	3	6	11	15	11
- Personal	118	93	97	106	134	94	92	114	119	211	228	431	448	454	430
- Commercial	20	16	36	35	28	16	53	44	50	36	44	115	192	194	180
- Corporate	19	(29)	21	35	-	-	15	44	7	(10)	-	56	66	44	-3
U.S. and Other International	113	40	59	52	64	29	168	144	167	153	93	204	542	233	59
Total net write-offs	271	121	214	230	228	140	330	349	346	392	368	812	1,259	940	677
Net write-offs as a percentage of average loans, acceptances and reverse repurchase agreements	0.50%	0.22%	0.39%	0.43%	0.43%	0.25%	0.60%	0.66%	0.68%	0.36%	0.34%	0.37%	0.60%	0.47%	0.38%

¹Q1/04 non-interest expense includes Rabobank settlement costs.

²Includes income taxes and non-controlling interest.

³After-tax amount. Excludes goodwill.

⁴Net of specific and country risk allowances.

RESULTS BY GEOGRAPHIC
SEGMENT

(C\$ MM)

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001
Canada														
Net interest income	1,201	1,307	1,237	1,299	1,246	1,346	1,388	1,346	1,331	2,508	2,592	5,128	5,472	5,512
Non-interest income	1,557	1,383	1,363	1,431	1,287	1,345	1,052	1,195	1,397	2,940	2,632	5,426	4,956	5,503
Total revenues	2,758	2,690	2,600	2,730	2,533	2,691	2,440	2,541	2,728	5,448	5,224	10,554	10,428	11,015
Specific provision for credit losses	(123)	(82)	(110)	(133)	(181)	(103)	(84)	(142)	(151)	(205)	(284)	(527)	(529)	(689)
General provision for credit losses	-	71	-	-	-	-	-	-	-	71	-	-	-	(68)
Insurance policyholder benefits, claims and acquisition expense	(182)	(182)	(161)	(146)	(155)	(207)	(102)	(86)	(162)	(364)	(362)	(669)	(489)	(465)
Non-interest expense	(1,627)	(1,495)	(1,502)	(1,533)	(1,488)	(1,469)	(1,460)	(1,456)	(1,488)	(3,122)	(2,957)	(5,992)	(5,921)	(6,325)
Other ¹	(314)	(356)	(301)	(388)	(260)	(367)	(290)	(358)	(362)	(670)	(627)	(1,316)	(1,405)	(1,509)
Net income	512	646	526	530	449	545	504	499	565	1,158	994	2,050	2,084	1,959
U.S.														
Net interest income	229	249	277	294	303	314	299	281	265	478	617	1,188	1,106	371
Non-interest income	1,022	929	933	906	807	913	974	876	848	1,951	1,720	3,559	3,632	2,751
Total revenues	1,251	1,178	1,210	1,200	1,110	1,227	1,273	1,157	1,113	2,429	2,337	4,747	4,738	3,122
Specific provision for credit losses	(22)	(54)	(25)	(27)	(13)	(43)	(105)	(52)	(152)	(76)	(56)	(108)	(440)	(377)
General provision for credit losses	-	54	-	-	-	2	-	-	-	54	2	2	-	(2)
Insurance policyholder benefits, claims and acquisition expense	(227)	(203)	(204)	(164)	(79)	(96)	(146)	(110)	(104)	(430)	(175)	(543)	(465)	(292)
Non-interest expense	(906)	(1,069)	(857)	(865)	(868)	(921)	(958)	(883)	(892)	(1,975)	(1,789)	(3,511)	(3,674)	(2,715)
Other ¹	(31)	53	(37)	(54)	(59)	(66)	(13)	(40)	27	22	(125)	(216)	(18)	83
Net income	65	(41)	87	90	91	103	51	72	(8)	24	194	371	141	(181)
Other International														
Net interest income	126	105	92	56	71	39	53	77	88	231	110	258	357	428
Non-interest income	406	393	458	462	451	488	502	476	448	799	939	1,859	1,732	1,511
Total revenues	532	498	550	518	522	527	555	553	536	1,030	1,049	2,117	2,089	1,939
Specific provision for credit losses	(4)	11	(5)	(10)	(17)	(54)	(46)	(22)	(25)	7	(71)	(86)	(96)	17
General provision for credit losses	-	25	-	-	-	(2)	-	-	-	25	(2)	(2)	-	-
Insurance policyholder benefits, claims and acquisition expense	(99)	(67)	(148)	(114)	(117)	(105)	(172)	(193)	(182)	(166)	(222)	(484)	(581)	(587)
Non-interest expense	(214)	(243)	(265)	(217)	(204)	(220)	(216)	(208)	(203)	(457)	(424)	(906)	(825)	(715)
Other ¹	(29)	(39)	1	(14)	(27)	(15)	(10)	(4)	(6)	(68)	(42)	(55)	(50)	(21)
Net income	186	185	133	163	157	131	111	126	120	371	288	584	537	633
Total														
Net interest income	1,556	1,661	1,606	1,649	1,620	1,699	1,740	1,704	1,684	3,217	3,319	6,574	6,935	6,311
Non-interest income	2,985	2,705	2,754	2,799	2,545	2,746	2,528	2,547	2,693	5,690	5,291	10,844	10,320	9,765
Total revenues	4,541	4,366	4,360	4,448	4,165	4,445	4,268	4,251	4,377	8,907	8,610	17,418	17,255	16,076
Specific provision for credit losses	(149)	(125)	(140)	(170)	(211)	(200)	(235)	(216)	(328)	(274)	(411)	(721)	(1,065)	(1,049)
General provision for credit losses	-	150	-	-	-	-	-	-	-	150	-	-	-	(70)
Insurance policyholder benefits, claims and acquisition expense	(508)	(452)	(513)	(424)	(351)	(408)	(420)	(389)	(448)	(960)	(759)	(1,696)	(1,535)	(1,344)
Non-interest expense	(2,747)	(2,807)	(2,624)	(2,615)	(2,560)	(2,610)	(2,634)	(2,547)	(2,583)	(5,554)	(5,170)	(10,409)	(10,420)	(9,755)
Other ¹	(374)	(342)	(337)	(456)	(346)	(448)	(313)	(402)	(341)	(716)	(794)	(1,587)	(1,473)	(1,447)
Net income	763	790	746	783	697	779	666	697	677	1,553	1,476	3,005	2,762	2,411

¹Includes non-controlling interest and income taxes.

CASH BASIS MEASURES¹

(C\$ MM)

	<u>Q2/04</u>	<u>Q1/04</u>	<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>2004</u> 6 months	<u>2003</u> 6 months	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
RBC Banking															
Net income	345	429	377	416	358	410	405	377	360	774	768	1,561	1,531	1,181	1,078
After-tax impact of goodwill and other intangibles ²	10	9	9	8	13	12	13	12	10	19	25	42	49	80	9
Cash net income	355	438	386	424	371	422	418	389	370	793	793	1,603	1,580	1,261	1,087
Cash ROE	20.7%	25.0%	20.8%	23.1%	20.0%	22.0%	20.6%	19.7%	18.8%	22.9%	21.1%	21.5%	19.7%	18.1%	19.9%
RBC Investments															
Net income	140	140	126	113	68	103	97	83	77	280	171	410	343	513	416
After-tax impact of goodwill and other intangibles ²	9	4	5	3	4	4	3	3	3	13	8	16	12	115	21
Cash net income	149	144	131	116	72	107	100	86	80	293	179	426	355	628	437
Cash ROE	23.8%	22.0%	19.5%	17.3%	10.3%	15.2%	12.7%	11.0%	10.5%	22.9%	12.8%	15.6%	11.4%	33.6%	50.9%
RBC Insurance															
Net income	58	56	58	56	55	47	16	28	32	114	102	216	117	133	132
After-tax impact of goodwill and other intangibles ²	-	-	-	-	-	-	-	-	-	-	-	-	-	13	-
Cash net income	58	56	58	56	55	47	16	28	32	114	102	216	117	146	132
Cash ROE	24.1%	21.9%	24.9%	24.1%	28.3%	23.1%	8.5%	14.6%	17.7%	23.0%	25.7%	25.0%	15.7%	16.8%	49.7%
RBC Capital Markets															
Net income	174	135	127	142	95	144	80	93	106	309	239	508	417	336	508
After-tax impact of goodwill and other intangibles ²	1	-	-	-	-	-	1	-	-	1	-	-	1	43	24
Cash net income	175	135	127	142	95	144	81	93	106	310	239	508	418	379	532
Cash ROE	20.3%	15.4%	13.0%	15.4%	9.7%	13.9%	7.7%	8.7%	10.6%	17.8%	11.9%	13.0%	10.0%	10.5%	22.2%
RBC Global Services															
Net income	56	57	43	49	37	48	45	48	39	113	85	177	171	263	185
After-tax impact of goodwill and other intangibles ²	-	-	1	-	-	-	1	-	-	-	-	1	1	8	8
Cash net income	56	57	44	49	37	48	46	48	39	113	85	178	172	271	193
Cash ROE	35.9%	36.2%	26.8%	30.4%	23.2%	30.3%	29.8%	32.0%	27.0%	36.0%	26.8%	27.7%	28.6%	50.4%	39.5%
Other															
Net income	(10)	(27)	15	7	84	27	23	68	63	(37)	111	133	183	(15)	(45)
After-tax impact of goodwill and other intangibles ²	(2)	-	(2)	2	(1)	1	(1)	1	1	(2)	-	-	1	23	22
Cash net income	(12)	(27)	13	9	83	28	22	69	64	(39)	111	133	184	8	(23)
Cash ROE	(1.4%)	(4.0%)	2.0%	1.1%	15.4%	4.9%	7.3%	23.4%	38.2%	(2.6%)	10.4%	5.6%	24.6%	0.1%	(1.7%)

¹Cash basis measures are defined on page 1.

²As a result of adopting CICA standards on Business Combinations and Goodwill and Other Intangible Assets, effective 2002, goodwill is no longer amortized as impairment testing takes place on an annual basis.

CASH BASIS MEASURES¹

(C\$ MM)

	<u>Q2/04</u>	<u>Q1/04</u>	<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>2004</u> 6 months	<u>2003</u> 6 months	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Total Bank															
Net income	763	790	746	783	697	779	666	697	677	1,553	1,476	3,005	2,762	2,411	2,274
After-tax impact of goodwill and other intangibles ²	18	13	13	13	16	17	17	16	14	31	33	59	64	282	84
Cash net income	781	803	759	796	713	796	683	713	691	1,584	1,509	3,064	2,826	2,693	2,358
Preferred dividends	(11)	(11)	(11)	(12)	(22)	(23)	(24)	(25)	(24)	(22)	(45)	(68)	(98)	(135)	(134)
Cash net income available to common shareholders	770	792	748	784	691	773	659	688	667	1,562	1,464	2,996	2,728	2,558	2,224
Profitability measures															
EPS - diluted	\$1.14	\$1.18	\$1.11	\$1.16	\$1.00	\$1.12	\$0.95	\$0.99	\$0.96	\$2.33	\$2.13	\$4.39	\$3.93	\$3.52	\$3.51
After-tax impact of goodwill and other intangibles ²	\$0.03	\$0.02	\$0.02	\$0.01	\$0.03	\$0.03	\$0.03	\$0.02	\$0.02	\$0.05	\$0.05	\$0.09	\$0.09	\$0.43	\$0.14
Cash EPS - diluted	\$1.17	\$1.20	\$1.13	\$1.17	\$1.03	\$1.15	\$0.98	\$1.01	\$0.98	\$2.38	\$2.18	\$4.48	\$4.02	\$3.95	\$3.65
Cash ROE	17.3%	18.1%	16.8%	17.8%	16.0%	17.5%	15.2%	16.0%	16.4%	17.7%	16.8%	17.1%	16.2%	18.5%	20.6%
Canada															
Net income	512	646	526	530	449	545	504	499	565	1,158	994	2,050	2,084	1,959	1,672
After-tax impact of goodwill and other intangibles ²	1	2	2	4	1	1	-	1	6	3	2	8	11	112	66
Cash net income	513	648	528	534	450	546	504	500	571	1,161	996	2,058	2,095	2,071	1,738
U.S.															
Net income	65	(41)	87	90	91	103	51	72	(8)	24	194	371	141	(181)	71
After-tax impact of goodwill and other intangibles ²	13	8	8	7	12	11	13	11	8	21	23	38	43	156	7
Cash net income	78	(33)	95	97	103	114	64	83	-	45	217	409	184	(25)	78
Other International															
Net income	186	185	133	163	157	131	111	126	120	371	288	584	537	633	531
After-tax impact of goodwill and other intangibles ²	4	3	3	2	3	5	4	4	-	7	8	13	10	14	11
Cash net income	190	188	136	165	160	136	115	130	120	378	296	597	547	647	542

¹Cash basis measures are defined on page 1.

²As a result of adopting CICA standards on Business Combinations and Goodwill and Other Intangible Assets, effective 2002, goodwill is no longer amortized as impairment testing takes place on an annual basis.

ECONOMIC PROFIT¹

(\$ MM)

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
RBC Banking															
Net income	345	429	377	416	358	410	405	377	360	774	768	1,561	1,531	1,181	1,078
Attributed preferred dividends	(9)	(9)	(9)	(9)	(9)	(9)	(10)	(10)	(10)	(18)	(18)	(36)	(40)	(73)	(56)
Net income available to common shareholders	336	420	368	407	349	401	395	367	350	756	750	1,525	1,491	1,108	1,022
Special items ²	-	-	-	-	-	-	-	-	-	-	-	-	-	84	-
Amortization of goodwill and other intangibles	10	9	9	8	13	12	13	12	10	19	25	42	49	80	9
Capital charge ³	(170)	(174)	(183)	(182)	(182)	(217)	(229)	(221)	(239)	(344)	(399)	(764)	(941)	(860)	(700)
Economic Profit	176	255	194	233	180	196	179	158	121	431	376	803	599	412	331
RBC Investments															
Net income	140	140	126	113	68	103	97	83	77	280	171	410	343	513	416
Attributed preferred dividends	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(6)	(6)	(12)	(16)	(20)	(8)
Net income available to common shareholders	137	137	123	110	65	100	93	79	73	274	165	398	327	493	408
Special items ²	-	-	-	-	-	-	-	-	-	-	-	-	-	(274)	-
Amortization of goodwill and other intangibles	9	4	5	3	4	4	3	3	3	13	8	16	12	115	21
Capital charge ³	(62)	(65)	(67)	(66)	(67)	(78)	(86)	(86)	(90)	(127)	(145)	(278)	(356)	(233)	(119)
Economic Profit	84	76	61	47	2	26	10	(4)	(14)	160	28	136	(17)	101	310
RBC Insurance															
Net income	58	56	58	56	55	47	16	28	32	114	102	216	117	133	132
Attributed preferred dividends	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(4)	(4)	(8)	(4)
Net income available to common shareholders	57	55	57	55	54	46	15	27	31	112	100	212	113	125	128
Special items ²	-	-	-	-	-	-	-	-	-	-	-	-	-	(2)	-
Amortization of goodwill and other intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	13	-
Capital charge ³	(24)	(26)	(23)	(23)	(19)	(23)	(20)	(21)	(22)	(50)	(42)	(88)	(86)	(106)	(32)
Economic Profit	33	29	34	32	35	23	(5)	6	9	62	58	124	27	30	96
RBC Capital Markets															
Net income	174	135	127	142	95	144	80	93	106	309	239	508	417	336	508
Attributed preferred dividends	(4)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(8)	(10)	(20)	(20)	(37)	(26)
Net income available to common shareholders	170	131	122	137	90	139	75	88	101	301	229	488	397	299	482
Special items ²	-	-	-	-	-	-	-	-	-	-	-	-	-	28	-
Amortization of goodwill and other intangibles	1	-	-	-	-	-	1	-	-	1	-	-	1	43	24
Capital charge ³	(85)	(86)	(94)	(92)	(96)	(114)	(112)	(116)	(118)	(171)	(210)	(396)	(474)	(426)	(309)
Economic Profit	86	45	28	45	(6)	25	(36)	(28)	(17)	131	19	92	(76)	(56)	197
RBC Global Services															
Net income	56	57	43	49	37	48	45	48	39	113	85	177	171	263	185
Attributed preferred dividends	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(4)	(4)	(4)	(4)
Net income available to common shareholders	55	56	42	48	36	47	44	47	38	111	83	173	167	259	181
Special items ²	-	-	-	-	-	-	-	-	-	-	-	-	-	(77)	-
Amortization of goodwill and other intangibles	-	-	1	-	-	-	1	-	-	-	-	1	1	8	8
Capital charge ³	(15)	(15)	(16)	(16)	(15)	(18)	(18)	(17)	(17)	(30)	(33)	(65)	(70)	(69)	(65)
Economic Profit	40	41	27	32	21	29	27	30	21	81	50	109	98	121	124
Other															
Net income	(10)	(27)	15	7	84	27	23	68	63	(37)	111	133	183	(15)	(45)
Attributed preferred dividends	7	7	8	7	(3)	(4)	(3)	(4)	(3)	14	(7)	8	(14)	7	(36)
Net income available to common shareholders	(3)	(20)	23	14	81	23	20	64	60	(23)	104	141	169	(8)	(81)
Special items ²	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-
Amortization of goodwill and other intangibles	(2)	-	(2)	2	(1)	1	(1)	1	1	(2)	-	-	1	23	22
Capital charge ³	(90)	(71)	(62)	(62)	(52)	(57)	(31)	(34)	(23)	(161)	(109)	(233)	(89)	(95)	(235)
Economic Profit	(95)	(91)	(41)	(46)	28	(33)	(12)	31	38	(186)	(5)	(92)	81	(69)	(294)
Total Bank															
Net income	763	790	746	783	697	779	666	697	677	1,553	1,476	3,005	2,762	2,411	2,274
Attributed preferred dividends	(11)	(11)	(11)	(12)	(22)	(23)	(24)	(25)	(24)	(22)	(45)	(68)	(98)	(135)	(134)
Net income available to common shareholders	752	779	735	771	675	756	642	672	653	1,531	1,431	2,937	2,664	2,276	2,140
Special items ²	-	-	-	-	-	-	-	-	-	-	-	-	-	(230)	-
Amortization of goodwill and other intangibles	18	13	13	13	16	17	17	16	14	31	33	59	64	282	84
Capital charge ³	(446)	(437)	(445)	(441)	(431)	(507)	(496)	(495)	(509)	(883)	(938)	(1,824)	(2,016)	(1,789)	(1,460)
Economic Profit	324	355	303	343	260	266	163	193	158	679	526	1,172	712	539	764
Cost of Equity	10.0%	10.0%	10.0%	10.0%	10.0%	11.5%	11.5%	11.5%	12.5%	10.0%	10.8%	10.4%	12.0%	12.9%	13.5%

¹Economic Profit is defined on page 1.

²Special items in 2001 are detailed on page 29.

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)

	<u>Q2/04</u>	<u>Q1/04</u>	<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>2004</u> <u>6 months</u>	<u>2003</u> <u>6 months</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Net interest income															
Net interest income	1,556	1,661	1,606	1,649	1,620	1,699	1,740	1,704	1,684	3,217	3,319	6,574	6,935	6,311	5,195
Net interest income as a % of average assets	1.45%	1.58%	1.60%	1.65%	1.68%	1.71%	1.83%	1.86%	1.89%	1.51%	1.78%	1.66%	1.89%	1.93%	1.84%
Net interest income as a % of average earning assets	1.75%	1.87%	1.89%	1.97%	2.01%	2.03%	2.17%	2.18%	2.24%	1.82%	2.02%	1.97%	2.23%	2.25%	2.13%

REVENUE FROM TRADING ACTIVITIES

Total trading revenues															
Net interest income	21	84	36	-	10	27	2	15	38	105	37	73	127	(68)	(365)
Non-interest income	429	440	441	543	481	544	486	440	384	869	1,025	2,009	1,766	1,820	1,540
Total	450	524	477	543	491	571	488	455	422	974	1,062	2,082	1,893	1,752	1,175

Trading revenues by product

Equity	146	151	159	141	128	186	184	192	172	297	314	614	753	684	495
Fixed income and money markets	232	299	253	333	276	305	245	184	190	531	581	1,167	876	726	378
Foreign exchange contracts ¹	72	74	65	69	87	80	59	79	60	146	167	301	264	342	302
Total	450	524	477	543	491	571	488	455	422	974	1,062	2,082	1,893	1,752	1,175

SECURITIES MARKET VALUE SURPLUSES

	<u>Q2/2004</u>			
	Book Value	Fair Value	Fair Value of Hedging Derivatives	Fair Value over (under) Book Value
Government Debt	21,139	21,246	(88)	19
Mortgage-backed securities	6,385	6,430	-	45
Corporate Debt	4,906	4,985	(24)	55
Other Debt	3,546	3,601	-	55
Equity	1,170	1,213	(23)	20
Total	37,146	37,475	(135)	194

	<u>Q1/2004</u>			
	Book Value	Fair Value	Fair Value of Hedging Derivatives	Fair Value over (under) Book Value
	21,702	21,893	(138)	53
	5,598	5,671	-	73
	4,699	4,759	(25)	35
	3,679	3,762	-	83
	1,594	1,657	(25)	38
Total	37,272	37,742	(188)	282

	<u>2003</u>			
	Book Value	Fair Value	Fair Value of Hedging Derivatives	Fair Value over (under) Book Value
Government Debt	19,426	19,522	(89)	7
Mortgage-backed securities	5,512	5,543	-	31
Corporate Debt	3,056	3,107	(13)	38
Other Debt	6,276	6,289	-	13
Equity	1,293	1,330	(20)	17
Total	35,563	35,791	(122)	106

	<u>2002</u>			
	Book Value	Fair Value	Fair Value of Hedging Derivatives	Fair Value over (under) Book Value
	10,192	10,434	(121)	121
	8,308	8,465	-	157
	3,447	3,511	(14)	50
	2,253	2,273	1	21
	1,272	1,240	(21)	(53)
Total	25,472	25,923	(155)	296

¹ Includes commodity and precious metals.

NON-INTEREST INCOME

(C\$ MM)

Deposit & payment service charges:

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Deposit accounts	199	193	199	202	196	214	206	203	192	392	410	811	800	689	569
Other payment services	70	64	69	68	65	65	69	59	58	134	130	267	241	198	187
	269	257	268	270	261	279	275	262	250	526	540	1,078	1,041	887	756
Insurance premiums, investment and fee income	675	613	676	595	511	574	549	506	571	1,288	1,085	2,356	2,043	1,824	973
Underwriting and other advisory fees	233	181	204	194	143	130	157	174	145	414	273	671	643	478	600
Securities brokerage commissions	365	347	285	299	254	270	269	290	326	712	524	1,108	1,223	1,045	938
Trading revenues	429	440	441	543	481	544	486	440	384	869	1,025	2,009	1,766	1,820	1,540
Investment management and custodial fees	323	303	306	278	278	281	278	314	298	626	559	1,143	1,177	1,094	857
Mutual fund revenues	214	202	175	168	161	169	170	188	183	416	330	673	723	692	624
Card service revenues	124	126	144	137	113	124	129	137	109	250	237	518	496	458	420
Foreign exchange revenues, other than trading	112	73	75	75	63	66	68	72	69	185	129	279	276	303	299
Credit fees	55	50	43	58	63	63	52	57	53	105	126	227	223	237	212
Securitization revenues	59	63	60	30	41	34	45	38	58	122	75	165	174	123	115
Gain (loss) on sale of investment account securities	14	4	11	(13)	47	(14)	(113)	(11)	17	18	33	31	(111)	(130)	(16)
Gain from divestitures ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	445	-
Gain (loss) on disposal of premises and equip. ²	26	-	(3)	-	(2)	-	(7)	7	7	26	(2)	(5)	15	22	(16)
Mortgage banking revenues ³	46	2	(12)	63	78	69	60	36	53	48	147	198	222	206	-
Other ⁴	41	44	81	102	53	157	110	37	170	85	210	393	409	261	201
Total	2,985	2,705	2,754	2,799	2,545	2,746	2,528	2,547	2,693	5,690	5,291	10,844	10,320	9,765	7,503
Non-interest income as a % of total revenues	65.7%	62.0%	63.2%	62.9%	61.1%	61.8%	59.2%	59.9%	61.5%	63.9%	61.5%	62.3%	59.8%	60.7%	59.1%

SECURITIES BROKERAGE COMMISSIONS

Retail full-service brokerage	271	263	211	222	184	197	187	215	249	511	381	814	917	946	793
Institutional brokerage ⁵	65	55	50	57	54	52	65	59	56	143	106	213	230	230	145
Self-directed brokerage	29	29	24	20	16	21	17	16	21	58	37	81	76	99	145
Total	365	347	285	299	254	270	269	290	326	712	524	1,108	1,223	1,045	938

**ASSETS UNDER ADMINISTRATION
AND UNDER MANAGEMENT**

Institutional	1,227,600	1,202,700	1,133,400	1,091,100	1,029,300	1,083,200	1,005,000	1,034,400	1,051,200	1,227,600	1,029,300	1,133,400	1,005,000	970,200	932,800
Personal	355,100	336,400	314,700	317,400	305,000	316,900	326,700	343,300	353,700	355,100	305,000	314,700	326,700	337,500	207,200
Retail mutual funds	37,500	36,600	35,800	35,500	33,900	34,100	34,200	35,400	37,900	37,500	33,900	35,800	34,200	34,800	35,200
Total assets under administration	1,620,200	1,575,700	1,483,900	1,444,000	1,368,200	1,434,200	1,365,900	1,413,100	1,442,800	1,620,200	1,368,200	1,483,900	1,365,900	1,342,500	1,175,200
Institutional	20,600	19,600	20,200	19,800	18,600	19,800	19,100	19,100	19,100	20,600	18,600	20,200	19,100	17,700	36,700
Personal	16,900	17,100	17,700	18,700	20,100	21,000	20,300	22,000	22,100	16,900	20,100	17,700	20,300	36,000	21,500
Retail mutual funds	57,700	55,600	51,000	50,700	50,000	50,800	51,400	53,100	55,000	57,700	50,000	51,000	51,400	46,300	34,100
Total assets under management	95,200	92,300	88,900	89,200	88,700	91,600	90,800	94,200	96,200	95,200	88,700	88,900	90,800	100,000	92,300

¹In 2001, we sold RT Capital Management for a gain of \$313 million (\$251 million after tax). For other special items in 2001, refer to page 29.

²Includes gain of \$27 million in Q2/04 on the sale of our ownership interest in an office complex.

³Associated with mortgages originated with the intent to sell. This relates to U.S. mortgage operations. Q2/03 includes an \$18 million amount due to a one-time difference in the timing of recognition of mortgage commitments in RBC Mortgage.

⁴Includes net gains (losses) on credit derivatives of \$29 million in Q1/03, (\$51 million) in Q3/02 and \$84 million in Q2/02.

⁵Amounts for 2000 & 2001 included in retail full-service brokerage.

NON-INTEREST EXPENSE

(C\$ MM)

	<u>Q2/04</u>	<u>Q1/04</u>	<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>2004</u> <u>6 months</u>	<u>2003</u> <u>6 months</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	
Human resources																
Salaries	824	827	800	814	810	858	820	812	778	1,651	1,668	3,282	3,224	2,770	2,319	
Variable compensation	606	546	529	565	479	511	449	550	517	1,152	990	2,084	2,095	2,056	1,839	
Acquisition retention compensation	9	13	21	15	18	30	36	34	32	22	48	84	158	176	-	
Benefits ¹	273	274	227	224	242	232	212	203	189	547	474	925	783	698	441	
Stock compensation ²	17	16	26	12	25	10	(3)	(18)	50	33	35	73	55	23	52	
Total Human resources	1,729	1,676	1,603	1,630	1,574	1,641	1,514	1,581	1,566	3,405	3,215	6,448	6,315	5,723	4,651	
Occupancy																
Premises rent	97	91	85	96	93	96	95	95	109	188	189	370	395	356	265	
Premises repairs and maintenance	50	50	51	48	44	49	49	43	41	100	93	192	177	184	137	
Depreciation	23	23	23	23	24	25	27	27	25	46	49	95	103	91	81	
Property taxes	19	17	20	26	20	16	23	23	19	36	36	82	84	73	73	
Total Occupancy	189	181	179	193	181	186	194	188	194	370	367	739	759	704	556	
Equipment																
Depreciation	69	75	76	75	76	76	75	84	71	144	152	303	304	298	289	
Computer rental and maintenance	138	133	126	107	128	112	132	108	113	271	240	473	469	433	340	
Office equipment rental and maintenance	19	15	25	21	25	23	20	23	20	34	48	94	84	60	50	
Total Equipment	226	223	227	203	229	211	227	215	204	449	440	870	857	791	679	
Communications																
Telecommunications	63	68	83	81	82	82	92	90	93	131	164	328	361	290	225	
Postage and courier	31	21	24	30	29	30	33	28	30	52	59	113	121	108	170	
Marketing and public relations	58	40	62	48	57	45	61	51	51	98	102	212	211	180	173	
Stationery and printing	28	24	28	25	28	23	27	26	29	52	51	104	108	108	127	
Total Communications	180	153	197	184	196	180	213	195	203	333	376	757	801	686	695	
Professional fees	124	97	134	113	106	113	133	100	83	221	219	466	419	412	267	
Outsourced item processing	79	69	73	69	76	74	74	74	77	148	150	292	306	303	-	
Amortization																
Amortization of goodwill ³	-	-	-	-	-	-	-	-	-	-	-	-	-	248	76	
Amortization of other intangibles	21	16	16	16	20	19	20	18	17	37	39	71	72	36	11	
Total Amortization	21	16	16	16	20	19	20	18	17	37	39	71	72	284	87	
Other																
Business and capital taxes	39	34	36	45	31	32	25	31	36	73	63	144	129	171	134	
Travel and relocation	36	30	38	35	33	34	45	37	32	66	67	140	144	121	85	
Employee training	10	7	10	9	12	8	16	10	11	17	20	39	46	43	38	
Donations	8	12	9	9	9	11	13	9	9	20	20	38	41	35	26	
Other ⁴	106	309	102	109	93	101	160	89	151	415	194	405	531	482	363	
Total Other	199	392	195	207	178	186	259	176	239	591	364	766	891	852	646	
Total non-interest expense	2,747	2,807	2,624	2,615	2,560	2,610	2,634	2,547	2,583	5,554	5,170	10,409	10,420	9,755	7,581	

¹Includes pension expense of \$83 million in Q2/04 (\$85 million in Q1/04, and \$60 million in Q2/03).

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

³As a result of adopting CICA standards on Business Combinations and Goodwill and Other Intangible Assets, effective 2002, goodwill is no longer amortized as impairment testing takes place on an annual basis. In 2001, as part of the reorganization of the Global Private Banking business, a \$38 million write-down of goodwill relating to Connor Clark was recorded.

⁴In Q2/04, includes a \$33 million valuation allowance against certain mortgage loans, and a \$29 million goods and services tax recovery. In Q1/04, includes costs of Rabobank settlement, before a reduction of compensation expenses which were recorded in variable compensation.

BALANCE SHEET

(C\$ MM)

Period-end balances
ASSETS

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Cash and due from banks	3,763	3,342	2,887	2,474	2,669	3,001	2,534	2,227	1,823	3,763	2,669	2,887	2,534	1,792	947
Interest-bearing deposits with banks	10,007	10,944	8,962	13,101	12,817	11,177	11,516	10,777	12,051	10,007	12,817	8,962	11,516	8,443	10,086
Securities ¹															
Trading account	95,938	94,413	87,532	77,622	82,271	77,906	75,601	75,100	70,175	95,938	82,271	87,532	75,601	65,492	50,852
Investment account	36,842	36,960	35,238	35,499	28,297	28,288	25,078	23,308	23,319	36,842	28,297	35,238	25,078	21,877	14,266
Loan Substitute	304	312	325	336	382	372	394	401	417	304	382	325	394	438	465
Total Securities	133,084	131,685	123,095	113,457	110,950	106,566	101,073	98,809	93,911	133,084	110,950	123,095	101,073	87,807	65,583
Assets purchased under reverse repurchase agreements	37,187	32,612	36,289	43,371	38,879	39,396	37,085	37,708	35,883	37,187	38,879	36,289	37,085	37,401	18,303
Loans ¹															
Residential mortgage ²	80,199	78,575	78,817	77,199	74,429	73,415	72,840	70,639	70,116	80,199	74,429	78,817	72,840	67,442	62,984
Personal	33,586	31,924	31,167	30,394	29,758	29,367	29,371	29,635	29,710	33,586	29,758	31,167	29,371	29,901	25,201
Credit card ³	5,917	5,403	4,816	5,625	5,327	5,214	4,914	4,774	4,445	5,917	5,327	4,816	4,914	4,283	4,666
Business and government	62,284	59,603	57,649	58,461	58,755	61,024	63,082	63,955	63,626	62,284	58,755	57,649	63,082	68,231	63,364
Total loans	181,986	175,505	172,449	171,679	168,269	169,020	170,207	169,003	167,897	181,986	168,269	172,449	170,207	169,857	156,215
Allowance for loan losses	(1,739)	(1,846)	(2,055)	(2,156)	(2,226)	(2,267)	(2,203)	(2,218)	(2,338)	(1,739)	(2,226)	(2,055)	(2,203)	(2,278)	(1,871)
Total loans, net of allowance for loan losses	180,247	173,659	170,394	169,523	166,043	166,753	168,004	166,785	165,559	180,247	166,043	170,394	168,004	167,579	154,344
Customers' liability under acceptances	6,191	5,693	5,943	6,391	7,088	7,292	8,051	7,550	8,484	6,191	7,088	5,943	8,051	9,923	11,628
Derivative-related amounts	34,328	38,350	35,612	34,740	36,084	36,716	30,258	30,168	20,965	34,328	36,084	35,612	30,258	27,240	19,155
Premises and equipment	1,775	1,753	1,670	1,576	1,583	1,627	1,653	1,631	1,581	1,775	1,583	1,670	1,653	1,602	1,249
Goodwill	4,986	4,754	4,587	4,735	4,808	5,059	5,004	5,082	4,900	4,986	4,808	4,587	5,004	4,919	648
Other intangibles	594	580	580	624	654	681	665	689	595	594	654	580	665	619	208
Other assets	21,276	13,072	13,014	13,987	10,513	11,536	11,113	12,015	10,565	21,276	10,513	13,014	11,113	11,935	7,589
Total assets	433,438	416,444	403,033	403,979	392,088	389,804	376,956	373,441	356,317	433,438	392,088	403,033	376,956	359,260	289,740
LIABILITIES AND SHAREHOLDERS' EQUITY															
Deposits ¹															
Personal	111,758	109,116	106,709	106,776	105,845	105,293	101,892	101,072	99,990	111,758	105,845	106,709	101,892	101,381	89,632
Business and government	131,793	130,098	129,860	123,032	122,638	114,894	119,591	116,965	115,290	131,793	122,638	129,860	119,591	107,141	93,618
Bank	27,759	25,752	22,576	26,643	22,672	27,986	22,003	26,418	20,598	27,759	22,672	22,576	22,003	24,925	19,646
Total deposits	271,310	264,966	259,145	256,451	251,155	248,173	243,486	244,455	235,878	271,310	251,155	259,145	243,486	233,447	202,896
Acceptances	6,191	5,693	5,943	6,391	7,088	7,292	8,051	7,550	8,484	6,191	7,088	5,943	8,051	9,923	11,628
Obligations related to securities sold short	25,576	24,632	22,855	21,792	22,254	19,489	19,110	16,688	16,360	25,576	22,254	22,855	19,110	16,443	13,419
Obligations related to assets sold under repurchase agreements	25,726	20,361	23,735	24,589	22,104	23,387	21,109	19,630	22,240	25,726	22,104	23,735	21,109	20,864	9,005
Derivative-related amounts	37,512	40,607	37,775	35,721	36,795	38,099	32,137	32,794	22,806	37,512	36,795	37,775	32,137	28,646	18,574
Insurance claims and policy benefit liabilities	5,512	5,243	5,256	5,442	3,001	3,232	2,825	2,776	2,740	5,512	3,001	5,256	2,825	2,589	144
Other liabilities ¹	31,563	26,435	21,318	26,252	22,665	22,841	23,372	22,190	20,747	31,563	22,665	21,318	23,372	21,191	14,005
Subordinated debentures	8,423	7,639	6,243	6,440	6,474	6,571	6,614	7,043	7,025	8,423	6,474	6,243	6,614	6,513	5,825
Non-controlling interest in subsidiaries	2,469	2,397	2,388	2,355	1,475	1,445	1,469	1,444	1,466	2,469	1,475	2,388	1,469	1,479	703
Shareholders' equity															
Preferred stock	832	832	832	841	1,502	1,532	1,545	1,704	1,699	832	1,502	832	1,545	2,024	2,037
Common stock	7,058	7,055	7,018	7,019	7,030	7,046	6,979	7,033	7,027	7,058	7,030	7,018	6,979	6,940	3,076
Additional paid-in capital ⁴	140	130	85	84	80	81	78	45	41	140	80	85	78	33	-
Retained earnings	11,953	11,734	11,333	11,075	10,835	10,684	10,235	10,153	9,871	11,953	10,835	11,333	10,235	9,206	8,464
Treasury stock	(257)	(431)	-	-	-	-	-	-	-	(257)	-	-	-	-	-
Foreign currency translation adjustments	(570)	(849)	(893)	(473)	(370)	(68)	(54)	(64)	(67)	(570)	(370)	(893)	(54)	(38)	(36)
Total shareholders' equity	19,156	18,471	18,375	18,546	19,077	19,275	18,783	18,871	18,571	19,156	19,077	18,375	18,783	18,165	13,541
Total liabilities and shareholders' equity	433,438	416,444	403,033	403,979	392,088	389,804	376,956	373,441	356,317	433,438	392,088	403,033	376,956	359,260	289,740
Cash, deposits with banks and securities as a % of total assets	34%	35%	33%	32%	32%	31%	31%	30%	30%	34%	32%	33%	31%	27%	26%
Personal deposits as a % of total deposits	41%	41%	41%	42%	42%	42%	42%	41%	42%	41%	42%	41%	42%	43%	44%

¹Centura Bank was acquired in 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 \$1.8 billion in Q2/04 of which \$8 billion was transferred to securities.

³Reflects the reversal of prior securitizations of \$4 billion in Q2/04, \$1 billion in Q1/04, \$1 billion in Q3/02 and \$2 billion in Q2/02

⁴Previously referred to as contributed surplus. Reflects amounts pertaining to renounced Stock Appreciation Rights, options granted on acquisitions, certain stock-based compensation awards and other treasury stock transactions.

BALANCE SHEET

(C\$ MM)

Selected average balances¹

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Securities	137,652	130,307	113,809	110,560	107,268	104,950	96,400	98,922	98,921	133,939	106,196	109,217	98,287	79,384	62,726
Assets purchased under reverse repurchase agreements	36,575	39,215	41,273	42,256	42,641	45,518	43,456	37,945	34,765	37,910	44,106	42,779	37,494	30,357	21,729
Total loans ²	176,418	170,962	169,632	165,613	166,307	167,509	165,883	162,395	163,969	173,660	166,917	167,427	164,637	159,540	147,790
Residential mortgage ²	78,462	78,673	77,920	75,129	73,437	73,210	71,586	69,309	69,179	78,569	73,322	74,942	69,654	65,158	60,877
Personal ²	33,264	30,422	30,596	30,013	29,557	29,213	29,408	28,251	27,940	31,828	29,373	29,842	28,438	27,957	25,131
Credit card ²	5,564	5,158	5,552	5,492	5,245	5,143	4,863	4,604	4,284	5,358	5,193	5,360	4,527	4,695	3,559
Business and government ²	60,947	58,747	57,692	57,186	60,326	62,182	62,249	62,511	64,887	59,835	61,275	59,489	64,298	63,759	60,149
Customers' liability under acceptances	5,897	5,788	6,334	6,545	7,326	7,244	7,829	7,998	8,797	5,842	7,270	6,838	8,515	9,890	10,281
Earning assets ³	360,514	353,732	337,600	331,873	329,872	332,070	318,590	310,335	308,146	355,956	330,991	332,887	310,633	280,734	244,036
Total assets	435,410	419,500	399,100	397,000	395,800	393,600	377,700	362,900	366,300	427,367	394,700	396,400	367,300	327,100	281,900
Deposits	266,591	261,180	250,986	250,659	248,274	253,105	247,258	236,918	237,479	263,856	250,729	250,777	240,397	218,425	193,762
Common equity	18,139	17,386	17,623	17,506	17,667	17,500	17,170	17,055	16,681	17,780	17,561	17,551	16,809	13,843	10,814
Total equity	18,970	18,217	18,459	18,509	19,184	19,044	18,833	18,747	18,387	18,611	19,091	18,761	18,522	15,916	12,789

FOREIGN CURRENCY TRANSLATION ADJUSTMENTS

Balance at beginning of period	(849)	(893)	(473)	(370)	(68)	(54)	(64)	(67)	(45)	(893)	(54)	(54)	(38)	(36)	(38)
Change in unrealized foreign currency translation gains and losses	623	265	(1,814)	(234)	(785)	(155)	(159)	238	(71)	888	(940)	(2,988)	(59)	473	(2)
Impact of hedging unrealized foreign currency translation gains and losses, net of related income taxes	(344)	(221)	1,394	131	483	141	169	(235)	49	(565)	624	2,149	43	(475)	4
Balance at end of period	(570)	(849)	(893)	(473)	(370)	(68)	(54)	(64)	(67)	(570)	(370)	(893)	(54)	(38)	(36)

RETAINED EARNINGS

Balance at beginning of period	11,734	11,333	11,075	10,835	10,684	10,235	10,153	9,871	9,569	11,333	10,235	10,235	9,206	8,464	7,579
Net income	763	790	746	783	697	779	666	697	677	1,553	1,476	3,005	2,762	2,411	2,274
Preferred dividends	(11)	(11)	(11)	(12)	(22)	(23)	(24)	(25)	(24)	(22)	(45)	(68)	(98)	(135)	(134)
Common dividends	(336)	(298)	(301)	(284)	(285)	(267)	(266)	(256)	(256)	(634)	(552)	(1,137)	(1,022)	(897)	(689)
Cumulative effect of initial adoption of Employee Future Benefits Accounting Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	(221)	-
Premium paid on common stock purchased for cancellation	(197)	(78)	(176)	(243)	(239)	(40)	(294)	(134)	(94)	(275)	(279)	(698)	(612)	(397)	(562)
Issuance costs, net of related income taxes	-	-	-	(4)	-	-	-	-	(1)	-	-	(4)	(1)	(19)	(4)
Cumulative effect of adopting AcG 17, Equity-linked Deposit Contracts, net of related income taxes	-	(2)	-	-	-	-	-	-	-	(2)	-	-	-	-	-
Balance at end of period	11,953	11,734	11,333	11,075	10,835	10,684	10,235	10,153	9,871	11,953	10,835	11,333	10,235	9,206	8,464

¹ Calculated 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.

² Average total loans are reported net of allowance for loan losses. Average residential mortgage, personal, credit card and business and government balances are reported on a gross basis (before deducting allowance for loan losses).

³ Average earning assets are defined on page 1.

BALANCE SHEET

(C\$ MM)

LOAN SECURITIZATION

	<u>Q2/04</u>	<u>Q1/04</u>	<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>2004</u> <u>6 months</u>	<u>2003</u> <u>6 months</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Credit card loans															
Opening balance	2,546	2,675	1,675	1,675	1,675	1,675	1,675	1,817	2,029	2,675	1,675	1,675	2,100	1,100	2,300
Securitized	-	-	1,000	-	-	-	-	-	-	-	-	1,000	-	1,000	-
Reversal of prior securitizations	(388)	(129)	-	-	-	-	-	(142)	(212)	(517)	-	-	(425)	-	(1,200)
Closing balance	2,158	2,546	2,675	1,675	1,675	1,675	1,675	1,675	1,817	2,158	1,675	2,675	1,675	2,100	1,100
Commercial mortgages															
Opening balance	131	131	131	-	-	-	-	-	-	131	-	-	-	-	-
Securitized	-	-	-	131	-	-	-	-	-	-	-	131	-	-	-
Closing balance	131	131	131	131	-	-	-	-	-	131	-	131	-	-	-
Mortgage-backed securities - sold															
Opening balance	3,756	2,936	2,834	2,586	2,365	2,416	2,340	1,764	1,174	2,936	2,416	2,416	1,361	1,014	1,209
Sold	1,000	775	-	300	310	-	200	758	750	1,775	310	610	1,708	723	-
Proceeds reinvested in revolving securitizations	209	228	385	481	294	156	98	68	85	437	450	1,316	301	13	-
Amortization	(268)	(183)	(283)	(533)	(383)	(207)	(222)	(250)	(245)	(451)	(590)	(1,406)	(954)	(389)	(195)
Closing balance	4,697	3,756	2,936	2,834	2,586	2,365	2,416	2,340	1,764	4,697	2,586	2,936	2,416	1,361	1,014
Mortgage-backed securities - retained¹															
Opening balance	3,180	3,276	3,135	3,231	3,104	3,065	2,781	2,418	2,638	3,276	3,065	3,065	3,079	3,681	3,625
Created	1,795	1,077	836	1,318	1,339	591	1,105	1,665	924	2,872	1,930	4,084	3,734	800	500
Sold	(1,000)	(775)	-	(300)	(310)	-	(200)	(758)	(750)	(1,775)	(310)	(610)	(1,708)	(723)	-
Proceeds reinvested in revolving securitizations	(209)	(228)	(385)	(481)	(294)	(156)	(98)	(68)	(85)	(437)	(450)	(1,316)	(301)	(13)	-
Amortization	(216)	(170)	(310)	(633)	(608)	(396)	(523)	(476)	(309)	(386)	(1,004)	(1,947)	(1,739)	(666)	(444)
Closing balance	3,550	3,180	3,276	3,135	3,231	3,104	3,065	2,781	2,418	3,550	3,231	3,276	3,065	3,079	3,681
Impact on income statement															
Net interest income	(50)	(47)	(42)	(31)	(31)	(29)	(30)	(29)	(32)	(97)	(60)	(133)	(124)	(102)	(123)
Non-interest income ²	58	39	33	36	19	18	31	27	52	97	37	106	132	100	92
Provision for credit losses	10	10	8	8	7	6	7	8	9	20	13	29	33	25	27
Total impact	18	2	(1)	13	(5)	(5)	8	6	29	20	(10)	2	41	23	(4)

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

² Excludes 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)

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Tier 1 capital¹															
Common shareholders' equity	18,324	17,639	17,543	17,705	17,575	17,743	17,238	17,167	16,872	18,324	17,575	17,543	17,238	16,141	11,504
Non-cumulative preferred shares	832	832	832	841	1,502	1,532	1,545	1,704	1,699	832	1,502	832	1,545	2,024	2,037
Non-controlling interest in subsidiaries	2,326	2,287	2,327	2,328	1,428	1,429	1,429	1,429	1,429	2,326	1,428	2,327	1,429	1,428	673
Goodwill	(4,836)	(4,610)	(4,443)	(4,563)	(4,649)	(4,890)	(4,832)	(4,906)	(4,727)	(4,836)	(4,649)	(4,443)	(4,832)	(4,742)	(647)
Total Tier 1 capital	16,646	16,148	16,259	16,311	15,856	15,814	15,380	15,394	15,273	16,646	15,856	16,259	15,380	14,851	13,567
Tier 2 capital¹															
Permanent subordinated debentures	412	397	396	421	430	456	467	475	471	412	430	396	467	477	457
Non-permanent subordinated debentures	7,978	7,242	5,847	6,019	6,044	6,115	6,147	6,568	6,554	7,978	6,044	5,847	6,147	5,935	5,138
General allowances	1,269	1,264	1,407	1,416	1,413	1,422	1,420	1,414	1,412	1,269	1,413	1,407	1,420	1,410	1,188
Non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Total Tier 2 capital	9,659	8,903	7,650	7,856	7,887	7,993	8,034	8,457	8,437	9,659	7,887	7,650	8,034	7,822	6,784
Total regulatory capital¹															
Total Tier 1 and Tier 2 capital	26,305	25,051	23,909	24,167	23,743	23,807	23,414	23,851	23,710	26,305	23,743	23,909	23,414	22,673	20,351
Excess non-cumulative preferred shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in associated corporations	(3,132)	(2,631)	(2,535)	(2,630)	(2,606)	(2,456)	(2,402)	(2,549)	(2,495)	(3,132)	(2,606)	(2,535)	(2,402)	(2,502)	(1,307)
Total regulatory capital	23,173	22,420	21,374	21,537	21,137	21,351	21,012	21,302	21,215	23,173	21,137	21,374	21,012	20,171	19,044
Risk adjusted assets¹															
On-balance sheet assets	131,093	124,951	121,882	127,611	125,889	126,387	126,192	129,111	128,801	131,093	125,889	121,882	126,192	130,800	117,671
Off-balance sheet financial instruments	37,833	40,300	35,895	33,379	31,807	32,734	33,084	34,190	35,333	37,833	31,807	35,895	33,084	35,563	35,226
Market risk	10,566	9,134	9,134	8,775	7,976	8,486	6,283	4,955	4,841	10,566	7,976	9,134	6,283	4,684	5,467
Total ²	179,492	174,385	166,911	169,765	165,672	167,607	165,559	168,256	168,975	179,492	165,672	166,911	165,559	171,047	158,364
Capital ratios¹															
Tier 1	9.3%	9.3%	9.7%	9.6%	9.6%	9.4%	9.3%	9.1%	9.0%	9.3%	9.6%	9.7%	9.3%	8.7%	8.6%
Total	12.9%	12.9%	12.8%	12.7%	12.8%	12.7%	12.7%	12.7%	12.6%	12.9%	12.8%	12.8%	12.7%	11.8%	12.0%
Common equity as a % of total assets	4.2%	4.2%	4.4%	4.4%	4.5%	4.6%	4.6%	4.6%	4.7%	4.2%	4.5%	4.4%	4.6%	4.5%	4.0%
Common equity as a % of risk adjusted assets ²	10.2%	10.1%	10.5%	10.4%	10.6%	10.6%	10.4%	10.2%	10.0%	10.2%	10.6%	10.5%	10.4%	9.4%	7.3%
Capital generation															
Internal capital generation ³	416	481	434	487	390	490	376	417	397	897	880	1,801	1,643	1,379	1,451
External capital generation:															
- common stock	(194)	(41)	(177)	(254)	(255)	27	(378)	(127)	(31)	(235)	(228)	(659)	(602)	3,465	(551)
- additional paid in capital	10	45	1	4	(1)	3	33	4	4	55	2	7	45	33	-
- preferred stock ⁴	-	-	-	(645)	-	-	(150)	-	-	-	-	(645)	(468)	(50)	-
- treasury stock	174	(431)	-	-	-	-	-	-	-	(257)	-	-	-	-	-
- subordinated debentures ⁵	730	1,388	(100)	-	-	-	(400)	-	(60)	2,118	-	(100)	133	445	1,180
Total external capital generation before TruCS	720	961	(276)	(895)	(256)	30	(895)	(123)	(87)	1,681	(226)	(1,397)	(892)	3,893	629
RBC TruCS issued	-	-	-	900	-	-	-	-	-	-	-	900	-	750	650
Total external capital generation	720	961	(276)	5	(256)	30	(895)	(123)	(87)	1,681	(226)	(497)	(892)	4,643	1,279
Total capital generation	1,136	1,442	158	492	134	520	(519)	294	310	2,578	654	1,304	751	6,022	2,730

¹ Using guidelines issued by the Superintendent of Financial Institutions Canada (OSFI).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 Q2/04, we issued \$1.0 billion and redeemed \$350 million of subordinated debentures. In Q1/04, we issued two series of subordinated debentures, totalling \$1.5 billion.

In Q4/03 and Q4/02, we redeemed \$100 million and \$400 million respectively of subordinated debentures.

RISK ADJUSTED ASSETS¹
(C\$ MM)

	Balance Sheet Amount ²	Risk Adjusted Balance			Variance Q2/04 vs Q1/04		
		Q2/04	Q1/04	Q2/03			
On-balance sheet assets							
Cash and due from banks	3,930	510	400	361	110		
Interest-bearing deposits with banks	10,007	1,831	1,988	2,057	(157)		
Securities	128,836	5,627	5,824	5,780	(197)		
Residential mortgages ³							
Insured	35,694	384	381	374	3		
Conventional	44,478	22,929	22,271	20,703	658		
Other loans and acceptances ³							
Issued or guaranteed by Canadian or other OECD governments	19,245	3,657	3,349	3,621	308		
Other	124,208	88,309	84,919	87,198	3,390		
Other assets	56,932	7,846	5,819	5,795	2,027		
Total	423,330	131,093	124,951	125,889	6,142		
Off-balance sheet credit instruments							
	Contract Amount	Credit Conversion Factor	Credit Equivalent Amount	Risk Adjusted Balance		Variance Q2/04 vs Q1/04	
				Q2/04	Q1/04	Q2/03	
Guarantees and standby letters of credit							
- Financial (excluding securities lending)	17,602	100%	17,602	14,601	15,512	7,631	(911)
- Non-financial	3,187	50%	1,594	1,595	1,558	1,495	37
Documentary and commercial letters of credit	733	20%	147	141	178	132	(37)
Securities lending	26,668	100%	26,668	1,287	1,550	541	(263)
Commitments to extend credit:							
Less than/equal to 1 year	43,611	0%	-	-	-	-	-
Greater than 1 year	27,631	50%	13,815	13,158	14,199	15,537	(1,041)
Uncommitted amounts	57,059	0%	-	-	-	-	-
Note issuance/Revolving underwriting facilities	29	50%	15	15	13	-	2
Total	176,520		59,841	30,797	33,010	25,336	(2,213)
Derivatives							
	Contract Amount	Current Balance	Credit Equivalent Balance	Risk Adjusted Balance		Variance Q2/04 vs Q1/04	
				Q2/04	Q1/04	Q2/03	
Interest rate agreements	1,737,637	4,124	7,258	1,262	1,192	1,237	70
Foreign exchange rate contracts	988,760	6,995	16,529	4,105	4,106	3,817	(1)
Precious metals, commodities, equity linked contracts and credit derivatives	141,127	1,488	4,737	1,669	1,992	1,417	(323)
Total⁴	2,867,524	12,607	28,524	7,036	7,290	6,471	(254)
Market risk							
	Minimum Capital Required	Multiplier	Risk Adjusted Balance		Variance Q2/04 vs Q1/04		
			Q2/04	Q1/04	Q2/03		
Total specific and general market risk	845.3	12.5	10,566	9,134	7,976	1,432	
Total risk adjusted assets			179,492	174,385	165,672	5,107	

¹Using guidelines issued by the Superintendent of Financial Institutions Canada (OSFI).

²Risk adjusted assets are prepared using settlement date accounting basis.

³Amounts are shown net of the allowance for loan losses.

⁴Amounts reflect impact of master netting agreements. Exclusion of master netting agreements results in the following total derivative amounts: current balance of \$34,691 million; credit equivalent balance of \$59,065 million; and risk adjusted balance of \$14,872 million at April 30, 2004.

**LOANS, ACCEPTANCES, AND REVERSE
REPURCHASE AGREEMENTS¹**
(C\$ MM)

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Canada															
Consumer															
Residential mortgage	74,948	74,686	73,978	71,654	69,596	68,543	67,700	66,763	66,474	74,948	69,596	73,978	67,700	64,066	61,444
Personal	27,198	25,845	25,426	24,765	24,076	23,457	23,333	23,376	23,568	27,198	24,076	25,426	23,333	24,592	24,389
Credit card	5,753	5,245	4,663	5,466	5,166	5,041	4,740	4,600	4,274	5,753	5,166	4,663	4,740	4,110	4,666
	107,899	105,776	104,067	101,885	98,838	97,041	95,773	94,739	94,316	107,899	98,838	104,067	95,773	92,768	90,499
Business and government loans and acceptances															
Small business	9,900	9,636	9,705	9,518	9,448	9,231	9,470	9,560	9,729	9,900	9,448	9,705	9,470	9,788	11,701
Agriculture	4,363	4,493	4,526	4,525	4,498	4,526	4,427	4,704	4,691	4,363	4,498	4,526	4,427	4,758	4,931
Commercial mortgages	2,750	2,653	2,616	2,527	2,550	2,529	2,485	2,446	2,483	2,750	2,550	2,616	2,485	2,635	2,961
Consumer goods	2,134	1,936	2,394	2,464	2,047	1,881	2,280	2,152	2,199	2,134	2,047	2,394	2,280	2,447	2,874
Commercial real estate	2,149	2,061	2,086	2,073	2,230	2,310	2,327	2,384	2,298	2,149	2,230	2,086	2,327	2,325	2,594
Energy	1,894	1,699	1,702	1,921	2,092	2,766	2,919	2,838	3,346	1,894	2,092	1,702	2,919	4,293	3,754
Government	1,967	1,949	1,805	854	841	961	1,006	944	802	1,967	841	1,805	1,006	1,597	1,385
Automotive ²	1,766	1,649	1,630	1,660	1,560	1,334	1,376	1,340	600	1,766	1,560	1,630	1,376	864	673
Industrial products	1,534	1,467	1,503	1,707	1,709	1,631	1,642	1,571	1,691	1,534	1,709	1,503	1,642	2,174	2,470
Transportation and environment ³	1,002	1,129	1,111	1,170	1,387	1,419	1,524	1,311	1,929	1,002	1,387	1,111	1,524	2,138	1,519
Forest products	1,002	1,031	1,052	1,223	1,243	1,160	975	1,042	1,203	1,002	1,243	1,052	975	1,275	1,362
Financial services	640	652	947	2,034	2,030	1,994	2,245	2,546	2,266	640	2,030	947	2,245	3,010	2,218
Media and cable ³	641	748	839	820	889	890	996	1,072	1,162	641	889	839	996	1,510	1,120
Mining and metals	259	335	369	468	505	588	369	472	435	259	505	369	369	636	897
Telecommunication	158	158	169	291	328	462	488	546	458	158	328	169	488	677	1,008
Information technology	110	100	126	120	127	193	197	180	179	110	127	126	197	203	210
Other	6,452	5,339	5,015	5,184	5,846	6,309	8,076	8,776	8,421	6,452	5,846	5,015	8,076	9,592	9,255
	38,721	37,035	37,595	38,559	39,330	40,184	42,802	43,884	43,892	38,721	39,330	37,595	42,802	49,922	50,932
Reverse repurchase agreements	16,545	13,660	14,996	20,156	17,830	19,820	19,116	20,187	21,004	16,545	17,830	14,996	19,116	22,860	12,094
Total Canada	163,165	156,471	156,658	160,600	155,998	157,045	157,691	158,810	159,212	163,165	155,998	156,658	157,691	165,550	153,525
International (includes U.S.)															
Consumer															
Residential mortgage	5,251	3,889	4,839	5,545	4,833	4,872	5,140	3,876	3,642	5,251	4,833	4,839	5,140	3,376	1,540
Personal	6,388	6,079	5,741	5,629	5,682	5,910	6,038	6,259	6,142	6,388	5,682	5,741	6,038	5,309	812
Credit card	164	158	153	159	161	173	174	174	171	164	161	153	174	173	-
	11,803	10,126	10,733	11,333	10,676	10,955	11,352	10,309	9,955	11,803	10,676	10,733	11,352	8,858	2,352
Business and government loans and acceptances															
Consumer goods	1,032	1,138	1,009	1,168	1,335	1,328	1,383	1,480	1,482	1,032	1,335	1,009	1,383	1,699	1,111
Commercial real estate	6,181	6,435	5,984	6,748	5,777	5,707	5,124	4,970	4,256	6,181	5,777	5,984	5,124	4,082	271
Energy	1,518	1,842	1,872	2,452	2,872	3,169	3,731	4,288	4,470	1,518	2,872	1,872	3,731	2,994	3,051
Government	195	170	130	189	432	126	130	172	135	195	432	130	130	128	167
Automotive	296	323	335	359	390	342	411	492	414	296	390	335	411	527	513
Industrial products	448	587	557	772	1,041	1,190	1,199	1,380	1,565	448	1,041	557	1,199	2,116	1,749
Transportation and environment	974	1,874	1,676	1,841	2,422	2,648	2,442	1,176	1,395	974	2,422	1,676	2,442	1,571	1,487
Forest products	199	210	204	226	315	266	417	491	546	199	315	204	417	385	468
Financial services	13,050	9,715	8,244	6,312	5,792	6,475	5,614	5,380	5,761	13,050	5,792	8,244	5,614	6,647	7,912
Media and cable ³	679	836	949	1,039	1,059	1,198	1,320	1,282	1,357	679	1,059	949	1,320	1,380	2,033
Mining and metals	599	686	622	992	858	990	1,192	1,256	1,175	599	858	622	1,192	1,071	901
Telecommunication	208	195	371	448	628	862	1,246	1,288	1,475	208	628	371	1,246	1,558	2,244
Information technology	116	112	86	116	164	167	179	203	253	116	164	86	179	396	433
Other	4,259	4,138	3,958	3,631	3,428	3,664	3,943	3,763	3,934	4,259	3,428	3,958	3,943	3,678	1,720
	29,754	28,261	25,997	26,293	26,513	28,132	28,331	27,621	28,218	29,754	26,513	25,997	28,331	28,232	24,060
Reverse repurchase agreements	20,642	18,952	21,293	23,215	21,049	19,576	17,969	17,521	14,879	20,642	21,049	21,293	17,969	14,541	6,209
Total International	62,199	57,339	58,023	60,841	58,238	58,663	57,652	55,451	53,052	62,199	58,238	58,023	57,652	51,631	32,621
Total loans, acceptances, and reverse repurchase agreements	225,364	213,810	214,681	221,441	214,236	215,708	215,343	214,261	212,264	225,364	214,236	214,681	215,343	217,181	186,146
Allowance for loan losses	(1,739)	(1,846)	(2,055)	(2,156)	(2,226)	(2,267)	(2,203)	(2,218)	(2,338)	(1,739)	(2,226)	(2,055)	(2,203)	(2,278)	(1,871)
Total	223,625	211,964	212,626	219,285	212,010	213,441	213,140	212,043	209,926	223,625	212,010	212,626	213,140	214,903	184,275

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 \$167 million in Canada in Q2/04 (Q1/04 - \$184 million; Q4/03 - \$236 million; Q3/03 - \$230 million; Q2/03 - \$262 million; Q1/03 - \$229 million; Q4/02 - \$267 million; Q3/02 - \$285 million; Q2/02 - \$331 million; 2003 - \$236 million; 2002 - \$267 million; 2001 - \$330 million; 2000 - \$262 million). International cable loans were \$225 million in Q2/04 (\$410 million in Q1/04, Q4/03 - \$432 million; Q3/03 - \$458 million; Q2/03 - \$470 million; Q1/03 - \$548 million; Q4/02 - \$634 million; Q3/02 - \$597 million; Q2/02 - \$577 million; 2003 - \$432 million; 2002 - \$634 million; 2001 - \$625 million; 2000 - \$1,321 million).

**U.S. LOANS, ACCEPTANCES, AND REVERSE
REPURCHASE AGREEMENTS¹**
(C\$ MM)

U.S.

	<u>Q2/04</u>	<u>Q1/04</u>	<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>
Consumer									
Residential mortgage	4,440	3,126	4,094	4,778	4,076	4,084	4,351	3,099	2,888
Personal	5,524	5,000	5,015	4,899	4,974	5,145	5,269	5,495	5,373
Credit card	116	112	107	113	115	124	125	128	127
	10,080	8,238	9,216	9,790	9,165	9,353	9,745	8,722	8,388
Business and government loans and acceptances ²									
Consumer goods	830	939	824	865	973	937	958	996	1,031
Commercial real estate	5,771	6,023	5,480	5,798	5,146	5,207	4,531	4,425	3,994
Energy	882	1,074	1,200	1,574	2,012	2,413	2,680	3,189	3,287
Government	173	144	100	101	91	19	19	17	18
Automotive	285	316	329	340	382	340	409	469	385
Industrial products	407	488	466	551	844	947	974	956	1,194
Transportation and environment	293	341	350	436	430	474	484	345	633
Forest products	101	98	127	102	148	108	223	277	264
Financial services	6,641	4,342	3,330	2,766	2,787	2,723	3,200	3,360	3,546
Media and cable ³	599	756	854	947	951	1,024	1,107	1,082	1,111
Mining and metal	28	44	97	105	113	109	70	79	67
Telecommunication	166	156	315	402	463	594	689	714	932
Information technology	116	112	86	115	164	167	177	200	249
Other	2,793	3,037	2,773	2,877	2,791	3,059	3,348	3,195	3,413
	19,085	17,870	16,331	16,979	17,295	18,121	18,869	19,304	20,124
Reverse repurchase agreements	7,354	9,720	5,721	6,252	3,323	3,918	4,512	3,948	3,688
Total U.S.	36,519	35,828	31,268	33,021	29,783	31,392	33,126	31,974	32,200

<u>2004</u>	<u>2003</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>6 months</u>	<u>6 months</u>				
4,440	4,076	4,094	4,351	2,664	845
5,524	4,974	5,015	5,269	4,621	78
116	115	107	125	128	-
10,080	9,165	9,216	9,745	7,413	923
830	973	824	958	1,172	435
5,771	5,146	5,480	4,531	3,773	44
882	2,012	1,200	2,680	1,613	1,582
173	91	100	19	23	-
285	382	329	409	408	221
407	844	466	974	1,513	1,107
293	430	350	484	788	469
101	148	127	223	98	181
6,641	2,787	3,330	3,200	2,754	4,521
599	951	854	1,107	1,038	1,782
28	113	97	70	45	104
166	463	315	689	835	1,131
116	164	86	177	299	374
2,793	2,791	2,773	3,348	3,089	541
19,085	17,295	16,331	18,869	17,448	12,492
7,354	3,323	5,721	4,512	5,199	2,524
36,519	29,783	31,268	33,126	30,060	15,939

¹ Based on residence of borrower.

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

³ Includes cable loans of \$145 million in Q2/04, (Q1/04 - \$330 million; Q4/03 - \$357 million; Q3/03 - \$380 million; Q2/03 - \$393 million; Q1/03 - \$435 million; Q4/02 - \$522 million; Q3/02 - \$484 million; Q2/02 - \$445 million; 2003 - \$357 million; 2002 - \$522 million; 2001 - \$455 million; 2000 - \$1,162 million).

PROVISION FOR CREDIT LOSSES

(C\$ MM)

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Specific	149	125	140	170	211	200	235	216	328	274	411	721	1,065	1,049	571
General															
Allocated	(24)	(130)	7	(5)	2	2	(15)	4	-	(154)	4	6	(22)	205	73
Unallocated	24	(20)	(7)	5	(2)	(2)	15	(4)	-	4	(4)	(6)	22	(135)	47
Total general	-	(150)	-	-	-	-	-	-	-	(150)	-	-	-	70	120
Total provision for credit losses	149	(25)	140	170	211	200	235	216	328	124	411	721	1,065	1,119	691
Provision for credit losses as a % of average loans, acceptances and reverse repurchase agreements	0.28%	(0.05%)	0.26%	0.31%	0.40%	0.36%	0.43%	0.41%	0.65%	0.11%	0.38%	0.33%	0.51%	0.56%	0.38%
Specific provision for credit losses as a % of average loans, acceptances and reverse repurchase agreements	0.28%	0.23%	0.26%	0.31%	0.40%	0.36%	0.43%	0.41%	0.65%	0.25%	0.38%	0.33%	0.51%	0.53%	0.32%

GROSS IMPAIRED LOANS (GILs)
GILs by geographic area and type of business
Domestic

Business loans															
Commercial real estate	10	8	8	9	8	18	23	56	62	10	8	8	23	95	90
Small business	180	170	193	205	221	209	222	249	260	180	221	193	222	283	264
Agriculture	109	133	127	100	105	103	141	155	160	109	105	127	141	111	53
Other	365	394	413	452	624	519	509	495	555	365	624	413	509	682	530
Total business loans	664	705	741	766	958	849	895	955	1,037	664	958	741	895	1,171	937
Residential mortgages	105	108	110	101	102	103	102	106	128	105	102	110	102	142	185
Personal loans	205	207	213	229	241	260	275	286	296	205	241	213	275	310	247
Total domestic GILs	974	1,020	1,064	1,096	1,301	1,212	1,272	1,347	1,461	974	1,301	1,064	1,272	1,623	1,369
International															
Non-LDC - United States ¹	486	466	361	409	467	703	584	698	758	486	467	361	584	626	145
- Europe, Middle East and Africa	57	123	116	167	146	160	115	72	69	57	146	116	115	79	46
- Latin America	51	88	109	125	148	193	217	133	121	51	148	109	217	14	9
- Caribbean	68	67	66	72	72	76	71	60	62	68	72	66	71	55	48
- Asia Pacific	2	32	29	30	29	30	29	28	28	2	29	29	29	37	33
LDC	-	-	-	-	-	-	-	33	30	-	-	-	-	31	28
Total international GILs	664	776	681	803	862	1,162	1,016	1,024	1,068	664	862	681	1,016	842	309
Total GILs	1,638	1,796	1,745	1,899	2,163	2,374	2,288	2,371	2,529	1,638	2,163	1,745	2,288	2,465	1,678
Total non-LDC GILs	1,638	1,796	1,745	1,899	2,163	2,374	2,288	2,338	2,499	1,638	2,163	1,745	2,288	2,434	1,650

Change in GILs

GILs at beginning of period	1,796	1,745	1,899	2,163	2,374	2,288	2,371	2,529	2,713	1,745	2,288	2,288	2,465	1,678	1,704
Impaired loans formation ²	158	245	103	6	58	272	313	235	204	403	330	439	1,280	1,912	813
Write-offs	(316)	(194)	(257)	(270)	(269)	(186)	(396)	(393)	(388)	(510)	(455)	(982)	(1,457)	(1,125)	(839)
GILs at end of period	1,638	1,796	1,745	1,899	2,163	2,374	2,288	2,371	2,529	1,638	2,163	1,745	2,288	2,465	1,678
Gross loans and reverse repurchase agreements	219,173	208,117	208,738	215,050	207,148	208,416	207,292	206,711	203,780	219,173	207,148	208,738	207,292	207,258	174,518
Gross acceptances	6,191	5,693	5,943	6,391	7,088	7,292	8,051	7,550	8,484	6,191	7,088	5,943	8,051	9,923	11,628
Gross loans, acceptances and reverse repurchase agreements	225,364	213,810	214,681	221,441	214,236	215,708	215,343	214,261	212,264	225,364	214,236	214,681	215,343	217,181	186,146
GILs as a % of gross loans, acceptances and reverse repurchase agreements	0.7%	0.8%	0.8%	0.9%	1.0%	1.1%	1.1%	1.1%	1.2%	0.7%	1.0%	0.8%	1.1%	1.1%	0.9%

¹ RBC Centura amounts: Q2/04 \$167 million, Q1/04 \$149 million, Q2/03 \$174 million.

² New additions to impaired loans, net of reductions. At time of acquisition, Eagle Bancshares, Inc. added \$28 million in Q3/02 and Centura added \$119 million in 2001.

IMPAIRED LOANS FORMATION

(C\$ MM)

Q2/04 vs Q1/04

Q1/04 gross impaired loans

Impaired loans formations¹

Write-offs

Other & FX adjustment

Q2/04 gross impaired loans

Q2/04 specific allowance for loan losses and loan substitute securities

Q2/04 net impaired loans²

	Domestic Business	U.S. and Other International	Total Business	Consumer	Total
Q1/04 gross impaired loans	705	732	1,437	359	1,796
Impaired loans formations ¹	10	(16)	(6)	164	158
Write-offs	(51)	(114)	(165)	(151)	(316)
Other & FX adjustment	-	-	-	-	-
Q2/04 gross impaired loans	664	602	1,266	372	1,638
Q2/04 specific allowance for loan losses and loan substitute securities	(275)	(242)	(517)	(143)	(660)
Q2/04 net impaired loans ²	389	360	749	229	978

Q2/04 vs Q4/03

Q4/03 gross impaired loans

Impaired loans formations¹

Write-offs

Other & FX adjustment

Q2/04 gross impaired loans

Q2/04 specific allowance for loan losses and loan substitute securities

Q2/04 net impaired loans²

Q4/03 gross impaired loans	741	638	1,379	366	1,745
Impaired loans formations ¹	5	119	124	279	403
Write-offs	(82)	(155)	(237)	(273)	(510)
Other & FX adjustment	-	-	-	-	-
Q2/04 gross impaired loans	664	602	1,266	372	1,638
Q2/04 specific allowance for loan losses and loan substitute securities	(275)	(242)	(517)	(143)	(660)
Q2/04 net impaired loans ²	389	360	749	229	978

¹New additions to impaired loans, net of reductions.

²Net of specific allowance.

ALLOWANCE FOR CREDIT LOSSES¹

(C\$ MM)

Allowance for credit losses

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	2004 6 months	2003 6 months	2003	2002	2001	2000
Specific	660	772	757	849	922	954	894	885	1,010	660	922	757	894	951	747
Country risk	-	-	-	-	-	-	-	33	30	-	-	-	-	31	28
General															
Allocated	1,026	1,046	1,169	1,169	1,170	1,174	1,169	1,179	1,175	1,026	1,170	1,169	1,169	1,185	863
Unallocated	243	218	238	247	243	248	251	235	237	243	243	238	251	225	337
Total general	1,269	1,264	1,407	1,416	1,413	1,422	1,420	1,414	1,412	1,269	1,413	1,407	1,420	1,410	1,200
Total allowance for credit losses¹	1,929	2,036	2,164	2,265	2,335	2,376	2,314	2,332	2,452	1,929	2,335	2,164	2,314	2,392	1,975
Consisting of :															
Allowance for loan losses	1,739	1,846	2,055	2,156	2,226	2,267	2,203	2,218	2,338	1,739	2,226	2,055	2,203	2,278	1,871
Allowance for off-balance sheet items	190	190	109	109	109	109	109	109	109	190	109	109	109	109	98
Allowance for loan substitute securities	-	-	-	-	-	-	2	5	5	-	-	-	2	5	6
Total	1,929	2,036	2,164	2,265	2,335	2,376	2,314	2,332	2,452	1,929	2,335	2,164	2,314	2,392	1,975
Allowance for loan losses as a % of total loans, acceptances and reverse repurchase agreements	0.8%	0.9%	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%	1.1%	0.8%	1.0%	1.0%	1.0%	1.1%	1.0%
Changes in the allowance for credit losses															
Balance at beginning of period	2,036	2,164	2,265	2,335	2,376	2,314	2,332	2,452	2,459	2,164	2,314	2,314	2,392	1,975	1,900
Provision for credit losses	149	(25)	140	170	211	200	235	216	328	124	411	721	1,065	1,119	691
Write-offs															
Non-LDC	(316)	(194)	(257)	(270)	(269)	(186)	(363)	(393)	(388)	(510)	(455)	(982)	(1,424)	(1,125)	(839)
LDC loans and securities	-	-	-	-	-	-	(33)	-	-	-	-	-	(33)	-	-
Recoveries	45	73	43	40	41	46	66	44	42	118	87	170	198	185	162
At date of acquisition ²	-	6	-	-	-	8	-	18	-	6	8	8	18	157	-
Other, primarily translation adjustments on provisions denominated in foreign currencies	15	12	(27)	(10)	(24)	(6)	77	(5)	11	27	(30)	(67)	98	81	61
Balance at end of period	1,929	2,036	2,164	2,265	2,335	2,376	2,314	2,332	2,452	1,929	2,335	2,164	2,314	2,392	1,975
Coverage ratios³															
Coverage ratio (total)	106%	103%	118%	114%	103%	95%	96%	94%	93%	106%	103%	118%	96%	93%	112%
Coverage ratio (non-LDC)	106%	103%	118%	114%	103%	95%	96%	94%	93%	106%	103%	118%	96%	93%	112%

NET WRITE-OFFS
Domestic

Residential mortgages	1	1	1	2	2	1	2	3	3	2	3	6	11	15	11
Personal loans	118	93	97	106	134	94	92	114	119	211	228	431	448	454	430
Business loans and acceptances	39	(13)	57	70	28	16	68	88	57	26	44	171	258	238	177
Total Domestic	158	81	155	178	164	111	162	205	179	239	275	608	717	707	618
U.S. and Other International															
Non-LDC ⁴	113	40	59	52	64	29	135	144	167	153	93	204	509	233	59
LDC exposures	-	-	-	-	-	-	33	-	-	-	-	-	33	-	-
Total U.S. and Other International	113	40	59	52	64	29	168	144	167	153	93	204	542	233	59
Total net write-offs	271	121	214	230	228	140	330	349	346	392	368	812	1,259	940	677

Net write-off ratio

Total net write-offs as a % of average loans, acceptances and reverse repurchase agreements	0.50%	0.22%	0.39%	0.43%	0.43%	0.25%	0.60%	0.66%	0.68%	0.36%	0.34%	0.37%	0.60%	0.47%	0.38%
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¹RBC Centura amounts in Q2/04 were: \$54 million of the specific allowance (Q1/04 \$47 million and Q2/03 \$51 million); \$122 million of the general allocated allowance (Q1/04 \$117 million and Q2/03 \$112 million) and \$28 million of the general unallocated allowance (Q1/04 \$28 million and Q2/03 \$31 million).

²Acquisition amounts were: Provident Financial Group Inc. \$6 million in Q1/04; Admiralty Bancorp, Inc. \$8 million in Q1/03; Eagle Bancshares, Inc. \$18 million in Q3/02, and Centura \$157 million in 2001.

³The allowance for loan losses plus the allowance for loan substitute securities as a percentage of gross impaired loans.

⁴For Q2/04 includes \$14 million for RBC Centura (\$14 million in Q1/04; \$13 million in Q2/03) largely consisting of Centura business and government loans.

NET IMPAIRED LOANS (NILs)¹

(C\$ MM)

**NILs by geographic area
and type of business**
Domestic

Business and government loans

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02
Commercial real estate	6	4	4	4	-	11	11	28	29
Small business	82	78	98	100	106	94	112	112	122
Agriculture	68	91	90	68	66	64	98	109	129
Other	233	231	252	261	419	354	346	351	360
Total business and government loans	389	404	444	433	591	523	567	600	640
Residential mortgages	93	95	98	89	90	87	87	92	110
Personal loans	85	81	84	89	91	95	112	117	120
Total Domestic NILs	567	580	626	611	772	705	766	809	870

International

United States ²	314	305	219	243	278	457	355	482	456
Europe, Middle East and Africa	14	22	21	57	38	57	50	11	17
Latin America	32	49	57	69	85	127	154	91	80
Caribbean	49	48	47	52	53	57	52	44	45
Asia Pacific	2	20	18	18	15	17	17	16	21
Total International NILs	411	444	362	439	469	715	628	644	619

Total	978	1,024	988	1,050	1,241	1,420	1,394	1,453	1,489
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**Total net loans, acceptances and
reverse repurchase agreements**
Domestic

Residential mortgages	74,936	74,673	73,966	71,642	69,584	68,527	67,685	66,749	66,457
Personal loans	27,078	25,720	25,297	24,625	23,926	23,292	23,170	23,207	23,392
Credit card loans	5,753	5,245	4,663	5,466	5,166	5,041	4,740	4,600	4,274
Business and government loans, acceptances and reverse repurchase agreements	53,017	48,200	50,238	56,140	55,223	57,465	59,190	60,399	61,756
Total Domestic	160,784	153,838	154,164	157,873	153,899	154,325	154,785	154,955	155,879

International³	63,920	59,200	59,760	62,719	59,415	60,429	59,666	58,393	55,350
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Total^{1,3}	224,704	213,038	213,924	220,592	213,314	214,754	214,451	213,348	211,229
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General allowance for loan losses	(1,079)	(1,074)	(1,298)	(1,307)	(1,304)	(1,313)	(1,311)	(1,305)	(1,303)
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Total after general allowance	223,625	211,964	212,626	219,285	212,010	213,441	213,140	212,043	209,926
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**NILs as a % of related loans,
acceptances and reverse repurchase agreements**
Domestic

Residential mortgages	0.12%	0.13%	0.13%	0.12%	0.13%	0.13%	0.13%	0.14%	0.17%
Personal loans	0.31%	0.31%	0.33%	0.36%	0.38%	0.41%	0.48%	0.50%	0.51%
Business and government loans, acceptances and reverse repurchase agreements	0.73%	0.84%	0.88%	0.77%	1.07%	0.91%	0.96%	0.99%	1.04%
Total Domestic	0.35%	0.38%	0.41%	0.39%	0.50%	0.46%	0.49%	0.52%	0.56%

U.S. and Other International	0.64%	0.75%	0.61%	0.70%	0.79%	1.18%	1.05%	1.10%	1.12%
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Total	0.44%	0.48%	0.46%	0.48%	0.59%	0.67%	0.65%	0.69%	0.71%
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2004	2003	2003	2002	2001	2000
6 months	6 months				

6	-	4	11	44	41
82	106	98	112	137	141
68	66	90	98	86	39
233	419	252	346	493	367
389	591	444	567	760	588
93	90	98	87	118	157
85	91	84	112	129	51
567	772	626	766	1,007	796
314	278	219	355	375	69
14	38	21	50	35	7
32	85	57	154	5	3
49	53	47	52	39	26
2	15	18	17	22	2
411	469	362	628	476	107
978	1,241	988	1,394	1,483	903

74,936	69,584	73,966	67,685	64,042	61,416
27,078	23,926	25,297	23,170	24,411	24,193
5,753	5,166	4,663	4,740	4,110	4,666

53,017	55,223	50,238	59,190	67,582	62,215
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160,784	153,899	154,164	154,785	160,145	152,490
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63,920	59,415	59,760	59,666	56,059	32,887
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224,704	213,314	213,924	214,451	216,204	185,377
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(1,079)	(1,304)	(1,298)	(1,311)	(1,301)	(1,102)
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223,625	212,010	212,626	213,140	214,903	184,275
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0.12%	0.13%	0.13%	0.13%	0.18%	0.26%
0.31%	0.38%	0.33%	0.48%	0.53%	0.21%

0.73%	1.07%	0.88%	0.96%	1.12%	0.95%
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0.35%	0.50%	0.41%	0.49%	0.63%	0.52%
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0.64%	0.79%	0.61%	1.05%	0.85%	0.33%
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0.44%	0.59%	0.46%	0.65%	0.69%	0.49%
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¹Net of specific allowance and country risk allowance.

²RBC Centura amounts were: in Q2/04 \$113 million, in Q1/04 \$102 million and in Q2/03 \$123 million.

³RBC Centura amounts were: in Q2/04 \$17,268 million, in Q1/04 \$16,082 million and in Q2/03 \$16,125 million.

**INTEREST RATE
SENSITIVITY POSITION^{1,2}**

(C\$ MM)

	Q2/04	Q1/04	Q4/03	Q3/03	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	Q2/04		Q1/04	
										CAD	FGN	CAD	FGN
Total assets													
0-3 months	195,013	170,501	171,377	183,929	172,892	179,356	180,458	164,270	162,632	95,392	99,621	82,397	88,104
4-6 months	16,294	20,210	17,375	18,569	16,809	20,476	18,606	20,697	20,507	9,086	7,208	11,576	8,634
7-12 months	18,781	24,139	24,996	25,107	23,106	22,581	23,233	23,658	22,466	13,879	4,902	17,476	6,663
1-5 years	94,902	92,369	93,365	87,573	84,720	82,491	79,382	76,721	76,451	74,062	20,840	70,129	22,240
over 5 years	28,173	26,337	24,551	24,003	20,737	19,611	20,474	16,100	15,499	10,462	17,711	10,000	16,337
non-interest rate sensitive	80,275	82,888	71,369	64,798	73,824	65,289	54,803	71,995	58,762	25,500	54,775	17,497	65,391
Total	433,438	416,444	403,033	403,979	392,088	389,804	376,956	373,441	356,317	228,381	205,057	209,075	207,369
Total liabilities and shareholders' equity													
0-3 months	202,017	197,037	199,557	196,145	188,680	189,317	192,047	181,481	184,742	101,643	100,374	94,051	102,986
4-6 months	22,164	14,291	21,028	19,186	18,854	13,990	15,490	18,157	16,073	12,180	9,984	9,180	5,111
7-12 months	32,298	34,270	24,996	26,641	31,674	33,396	25,756	22,070	20,819	22,784	9,514	23,167	11,103
1-5 years	69,604	67,754	60,522	63,976	61,382	57,813	55,699	56,369	51,393	49,435	20,169	49,287	18,467
over 5 years	16,357	14,561	12,047	11,288	11,400	13,492	11,505	11,018	9,977	8,965	7,392	8,450	6,111
non-interest rate sensitive	90,998	88,531	84,883	86,743	80,098	81,796	76,459	84,346	73,313	33,342	57,656	24,887	63,644
Total	433,438	416,444	403,033	403,979	392,088	389,804	376,956	373,441	356,317	228,349	205,089	209,022	207,422
Off-balance sheet													
0-3 months	2,879	12,852	(2,429)	(4,206)	7,463	(674)	324	4,583	8,644	(7,758)	10,637	(655)	13,507
4-6 months	(2,354)	4,998	462	1,956	4,289	(630)	1,164	3,473	(2,915)	5,161	(7,515)	4,329	669
7-12 months	8,210	764	4,831	2,578	4,560	9,710	5,825	1,554	1,794	7,445	765	4,732	(3,968)
1-5 years	(1,604)	(4,033)	(3,958)	(2,834)	(1,986)	(3,582)	(4,719)	(4,682)	(4,465)	(5,461)	3,857	(6,456)	2,423
over 5 years	5,411	8,362	13,853	6,791	5,770	6,132	3,951	4,566	4,191	301	5,110	1,296	7,066
non-interest rate sensitive	(12,542)	(22,943)	(12,759)	(4,285)	(20,096)	(10,956)	(6,545)	(9,494)	(7,249)	312	(12,854)	(3,246)	(19,697)
Net off-balance sheet	-	-	-	-	-	-	-	-	-	-	-	-	-
Total interest rate sensitivity gap (on and off-balance sheet)													
0-3 months	(4,125)	(13,684)	(30,609)	(16,422)	(8,325)	(10,635)	(11,265)	(12,628)	(13,466)	(14,009)	9,884	(12,309)	(1,375)
4-6 months	(8,224)	10,917	(3,191)	1,339	2,244	5,856	4,280	6,013	1,519	2,067	(10,291)	6,725	4,192
7-12 months	(5,307)	(9,367)	4,831	1,044	(4,008)	(1,105)	3,302	3,142	3,441	(1,460)	(3,847)	(959)	(8,408)
1-5 years	23,694	20,582	28,885	20,763	21,352	21,096	18,964	15,670	20,593	19,166	4,528	14,386	6,196
over 5 years	17,227	20,138	26,357	19,506	15,107	12,251	12,920	9,648	9,713	1,798	15,429	2,846	17,292
non-interest rate sensitive	(23,265)	(28,586)	(26,273)	(26,230)	(26,370)	(27,463)	(28,201)	(21,845)	(21,800)	(7,530)	(15,735)	(10,636)	(17,950)
Net gaps	-	-	-	-	-	-	-	-	-	32	(32)	53	(53)
After tax impact of 1% increase in rates on: Net interest income using simulation Common shareholders' equity	74 (282)	84 (282)	73 (269)	92 (285)	79 (219)	57 (243)	61 (181)	60 (193)	27 (228)				
After tax impact of 1% decrease in rates on: Net interest income using simulation Common shareholders' equity	(66) 169	(89) 173	(80) 166	(97) 154	(87) 92	(92) 121	(89) 85	(91) 122	(68) 130				

¹Incorporates 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.

²As a result of adopting CICA 1100, trade date accounting for securities is being used beginning Q1/04. This accounting change has been applied prospectively and periods prior to Q1/04 were accounted for using settlement date accounting.

Special Items

In 2001, we had some special items which, together with their impact on net income, EPS and Income taxes, are shown below.

(after-tax amounts)
(C\$ MM)

Net income		Earnings per share - diluted		Income taxes	
Reported	2,411	Reported	\$3.52	Reported	1,340
RBC Banking		RBC Banking		Tax Impact	
- Gain on sale of Group Retirement Services	13	- Gain on sale of Group Retirement Services	\$0.02	RBC Banking	33
- U.S. retail bank restructuring costs	57	- U.S. retail bank restructuring costs	\$0.09	RBC Investments	(70)
- Deferred tax adjustment	14	- Deferred tax adjustment	\$0.02	RBC Capital Markets	-
RBC Investments		RBC Investments		RBC GS	(12)
- Gain on sale of RT Capital Management	(251)	- Gain on sale of RT Capital Management	(\$0.39)	Other	-
- Gain on sale of Group Retirement Services	(28)	- Gain on sale of Group Retirement Services	(\$0.04)	Deferred tax adjustments	
- Deferred tax adjustment	5	- Deferred tax adjustment	\$0.01	RBC Banking	(33)
RBC Capital Markets		RBC Capital Markets		RBC Insurance	2
- Deferred tax adjustment	28	- Deferred tax adjustment	\$0.04	RBC Investments	(5)
RBC Global Services		RBC Global Services		RBC Capital Markets	(28)
- Gain on formation of Moneris Joint Venture	(77)	- Gain on formation of Moneris Joint Venture	(\$0.12)	RBC GS	-
Other		Other		Other	(11)
- Deferred tax adjustment	9	- Deferred tax adjustment	\$0.01		
Net Income, excluding special items	<u>2,181</u>	EPS, excluding special items	<u>\$3.16</u>	Income taxes, excluding special items	<u>1,216</u>