



**RBC
Financial
Group**

First Quarter 2002

Highlights of Results

February 22, 2002

Investor Relations
www.rbc.com/investorrelations



Caution regarding forward-looking statements

Royal Bank of Canada, from time to time, makes written and oral forward-looking statements, included in this presentation, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission, in reports to shareholders and in other communications, which are made pursuant to the "safe harbor" provisions of the United States *Private Securities Litigation Reform Act of 1995*. These forward-looking statements include, among others, statements with respect to the bank's objectives for 2002, and the medium and long terms, and strategies to achieve those objectives, as well as statements with respect to the bank's beliefs, plans, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "anticipate," "estimate," "expect," "intend," "plan," and words and expressions of similar import are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. The bank cautions readers not to place undue reliance on these statements as a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the strength of the Canadian economy in general and the strength of the local economies within Canada in which the bank conducts operations; the strength of the United States economy and the economies of other nations in which the bank conducts significant operations; the effects of changes in monetary and fiscal policy, including changes in interest rate policies of the Bank of Canada and the Board of Governors of the Federal Reserve System in the United States; changes in trade policy; the effects of competition in the markets in which the bank operates; inflation; capital market and currency market fluctuations; the timely development and introduction of new products and services by the bank in receptive markets; the impact of changes in the laws and regulations regulating financial services (including banking, insurance and securities); changes in tax laws; technological changes; the ability of the bank to complete strategic acquisitions and to integrate acquisitions; unexpected judicial or regulatory proceedings; unexpected changes in consumer spending and saving habits; and the bank's anticipation of and success in managing the risks implicated by the foregoing.

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



Index

Charts

Financial overview	3-7
Business segments	
Operating highlights	8-9
Financial review	10-15
Strategic updates	
U.S. expansion	16-19
Online customers update	20
In-depth financial review	
Revenues	21-24
Non-interest expenses	25-27
Balance sheet & capital	28-31
Asset quality & risk management	32-43



Financial overview

*Q1/02 financial highlights**

- Net income \$734 MM, up 26% from Q1/01
- EPS (diluted) of \$1.04, up 14% from Q1/01
 - EPS up 9% excluding goodwill amortization in Q1/01 (\$28 MM or \$0.04 per share)
- ROE of 17.1%
- Net income from U.S. acquisitions \$53 MM vs. \$4 MM in Q1/01
- Operating revenues up 1%, excluding acquisitions
- Operating expenses down 7%, excluding acquisitions
- Non-accrual loans up \$248 MM or 10% from Q4/01
- Specific provision for credit losses \$286 MM or 0.55% of average loans (including reverse repos) and BAs (Cdn. GAAP)

* Excluding special items in Q1/01 (none in Q1/02) – see chart 5 for details

3

US GAAP



Financial overview

*Key Q1/02 numbers**

C\$ millions

	<u>U.S. GAAP</u>	<u>Cdn. GAAP</u>
Net income	\$734	\$722
Net income growth	26%	24%
Net income growth ex. goodwill amort.	20%	18%
EPS	\$1.04	\$1.03
EPS growth	14%	14%
EPS growth ex. goodwill amort.	9%	10%
ROE	17.1%	16.9%
Operating revenue growth**	22%	22%
Operating expense growth**	19%	20%

* Growth vs. Q1/01. Excluding special items in Q1/01 (see chart 5).

** Operating expenses exclude special items, costs of SARs, and certain acquisition expenses such as retention compensation, while operating revenues exclude special items. Excluding recent acquisitions, operating revenues were up 1% and operating expenses were down 7% from Q1/01 (under Cdn. GAAP, operating revenues were up 1% and operating expenses were down 6%)

4



Financial overview

Special items* – Q4/01 and Q1/01

C\$ millions	Q4/01		Q1/01	
	US GAAP	CDN GAAP	US GAAP	CDN GAAP
Non-interest revenue				
Gain on sale of RT Capital (WM)	313	313	-	-
Gain on formation of Moneris (TP**)	-	-	89	89
Gain on sale of GRS (WM/P&CB***)	-	-	43	43
Total impact (pre-tax)	313	313	132	132
Impact (after-tax)	251	251	111	111
Deferred income tax adjustment****	(12)	(12)	-	(33)
Total impact (after-tax)	239	239	111	78
Impact on EPS - diluted	0.34	0.35	0.17	0.12

*There were no special items in Q1/02 **Effective Q1/02, the Moneris joint venture is being managed by Transaction Processing and prior period results, including this gain, have been re-allocated from P&CB ***\$36 million (\$28 million after-tax) in WM and \$7 million (\$6 million after-tax) in P&CB ****\$9 million in P&CB, \$3 million in C&IB in Q4/01 (\$19 million in P&CB, \$(2) million in Insurance, \$10 million in C&IB and \$6 million in Other in Q1/01 under Cdn. GAAP)

P&CB = Personal & Commercial Banking WM = Wealth Management C&IB = Corporate & Investment Banking
TP = Transaction Processing GRS = Group Retirement Services

5



Financial overview

Impact of new accounting standard*

C\$ millions	Q1/02	Q4/01	Q1/01
Core net income	\$734	\$441	\$584
Amortization of goodwill**	-	106	28
Core net income (excl. amortization of goodwill)	\$734	\$547	\$612
Core EPS	\$1.04	\$0.60	\$0.91
Amortization of goodwill**	-	0.16	0.04
Core EPS (excl. amortization of goodwill)	\$1.04	\$0.76	\$0.95

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

** Net of tax

6

US GAAP



Financial overview

Performance vs. objectives – Q1/02

	Objectives* for 2002	Performance* Q1/02
<u>Profitability measures</u>		
ROE	17-19%	17.1%
EPS growth	5-10%	14%
Revenue growth	7-10%	22%
Operating revenue growth**		22%
Operating expense growth**	< op.rev.growth	19%
Specific PCL/avg. loans, BAs & reverse repos (Cdn. GAAP)	0.45-0.55%	0.55%
<u>Capital ratios (OSFI)</u>		
Tier 1 capital	maintain strong	8.8%
Total capital	capital ratios	12.3%

* Excluding special items (for ROE and growth in EPS, revenues and expenses). Growth is over Q1/01.

** Operating expenses and revenues defined on chart 4. Excluding recent U.S. acquisitions, operating revenues were up 1% and operating expenses were down 7%

7

US GAAP



Business segment results

Q1/02 operating highlights

Personal & Commercial Banking (P&CB)

- RBC Prism Mortgage and RBC Centura launched their first co-originated Adjustable Rate Mortgage product in the U.S.
- RBC Centura introduced RBC's Account Manager Investments role in the U.S.
- Became the first financial institution in Canada to offer an account aggregation feature to online banking clients

Insurance

- RBC Insurance received an Atlas Award recognizing travel industry excellence from the Association of Canadian Travel Agents
- Online application launched in Q4/01 to provide immediate home and auto insurance quotes generated 15,000 quotes resulting in \$340,000 in premiums in Q1/02

Wealth Management

- Action Direct clients now have access to RBC Capital Markets' inventory of fixed income securities, the largest available online in Canada
- Action Direct began offering a free trial for access to news and quotes to RBC Royal Bank online clients

8



Business segment results

Q1/02 operating highlights

Corporate & Investment Banking

- RBC Capital Markets named Canada's leading underwriter for 4th consecutive year in the *Financial Post* league tables published in January
- RBC Capital Markets recently won several energy transaction mandates including advising PanCanadian Energy in its recently announced merger with Alberta Energy

Transaction Processing

- AIM Funds and Mackenzie Financial announced the consolidation of their custody business with RBC Global Services
- RBC Global Services received the award for "Best Securities Lending Program" from GSCS Benchmarks, a U.K. based organization
- RBC Global Services, with the Town of Oakville, launched paytickets.ca, a Web portal that enables consumer to pay parking tickets online using credit cards

Other

- Launched new corporate Web site at www.rbc.com
- *American Banker* presented RBC Financial Group with its 2001 Innovator of the Year Award



Business segment results

Q1/02

C\$ millions (excluding special items*)

	Net income	Net income growth*	Economic Profit	ROE
Personal & Commercial Banking	\$ 389	37%	\$ 141	18.8%
Insurance	42	8	19	23.0
Wealth Management	88	(11)	(7)	11.1
Corporate & Investment Banking	146	(1)	13	13.7
Transaction Processing	40	(13)	20	25.7
Other	29	n.m.	22	86.1
Total Bank	\$ 734	26%	\$ 208	17.1%

* Growth over Q1/01; excluding special items (see chart 5)



Business segment results

Personal & Commercial Banking

C\$ millions (excluding special items*)

	Q1/02	Q1/02 vs.	
		Q4/01	Q1/01
Revenue	\$ 1,976	1 %	15 %
NIE	\$ 1,142	(3)%	15 %
NIE excl. goodwill amort.**	\$ 1,142	(1)%	15 %
Specific PCL***	\$ 201	18 %	28 %
Total PCL	\$ 201	18 %	(11)%
Net income	\$ 389	14 %	37 %
Net income excl. goodwill amortization	\$ 389	6 %	36 %
Economic Profit	\$ 141	66 %	44 %
ROE	18.8%	↑ 380 bp	↓ 210 bp

* See chart 5 for special items

** Goodwill amortization expense was \$27 million in Q4/01 and \$3 million in Q1/01

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

RBC Centura (which includes RBC Prism Mortgage and Security First Network Bank) contributed all of the revenue and expense growth over Q1/01. See chart 17 for net income contribution of RBC Centura

11

US GAAP



Business segment results

Insurance

C\$ millions

	Q1/02	Q1/02 vs.	
		Q4/01	Q1/01
Revenue	\$ 132	(11)%	28 %
NIE	\$ 94	(9)%	24 %
NIE excl. goodwill amort.*	\$ 94	(2)%	29 %
Net income	\$ 42	(2)%	8 %
Net income excl. goodwill amortization	\$ 42	(16)%	2 %
Economic Profit	\$ 19	(5)%	12 %
ROE	23.0%	↑ 440 bp	↑ 60 bp

* Goodwill amortization expense was \$7 million in Q4/01 and \$3 million in Q1/01

RBC Liberty Insurance contributed all of the revenue and expense growth over Q1/01. See chart 17 for net income contribution of RBC Liberty Insurance

12

US GAAP



Business segment results

Wealth Management

C\$ millions (excluding special items*)	Q1/02	Q1/02 vs.	
		Q4/01	Q1/01
Revenue	\$ 951	35 %	50 %
NIE	\$ 828	22 %	69 %
NIE excl. goodwill amort.**	\$ 828	33 %	72 %
Specific/Total PCL	\$ (1)	-	-
Net income	\$ 88	n.m.	(11)%
Net income excl. goodwill amortization	\$ 88	42 %	(18)%
Economic Profit	\$ (7)	(17)%	(111)%
ROE	11.1%	↑1,050 bp	↓2,140 bp

* See chart 5 for special items

**Goodwill amortization expense was \$55 million in Q4/01 and \$8 million in Q1/01

RBC Dain Rauscher (which includes Tucker Anthony Sutro) contributed all the revenue and expense growth over Q1/01. See chart 17 for net income contribution of RBC Dain Rauscher (including Tucker Anthony Sutro)

13

US GAAP



Business segment results

Corporate & Investment Banking

C\$ millions (excluding special items*)	Q1/02	Q1/02 vs.	
		Q4/01	Q1/01
Revenue	\$ 726	9%	-
NIE	\$ 418	(8)%	(8)%
NIE excl. goodwill amort.**	\$ 418	(6)%	(6)%
Specific/Total PCL	\$ 97	(63)%	259%
Net income*	\$ 146	n.m.	(1)%
Net income excl. goodwill amortization	\$ 146	n.m.	(5)%
Economic Profit	\$ 13	n.m.	(72)%
ROE	13.7%	↑1,570 bp	↓ 520bp

* See chart 5 for special items

** Goodwill amortization expense was \$12 million in Q4/01 and \$7 million in Q1/01

14

US GAAP



Business segment results

Transaction Processing*

C\$ millions (excluding special items*)

	Q1/02	Q1/02 vs.	
		Q4/01	Q1/01
Revenue	\$ 194	(2)%	(2)%
NIE	\$ 134	7 %	9 %
NIE excl. goodwill amort.**	\$ 134	9 %	11 %
Specific/Total PCL	\$ 2	n.m.	n.m.
Net income	\$ 40	(18)%	(13)%
Net income excl. goodwill amortization	\$ 40	(22)%	(17)%
Economic Profit	\$ 20	(41)%	(26)%
ROE	25.7%	↓1,080 bp	↓ 580bp

* In Q1/01, gain on the formation of Moneris joint venture of \$89 million (\$77 million after-tax). Effective Q1/02, the Moneris joint venture is being managed by Transaction Processing and prior period results, including this gain, have been re-allocated from Personal & Commercial Banking

**Goodwill amortization expense was \$2 million in both Q4/01 and Q1/01

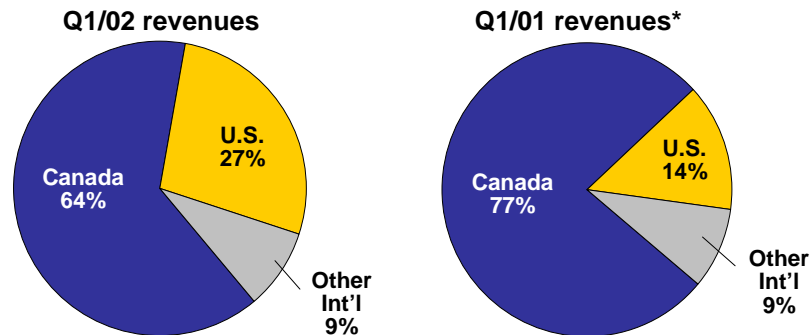
15

US GAAP



Expansion outside Canada

Proportion of U.S. revenues* growing



U.S. net income was \$32 million (4% of total) vs. \$68 million (12% of total) in Q1/01, due mainly to a \$63 million (after-tax) increase in U.S. provision for credit losses on corporate loans, and a decline in revenues from Global Equity Derivatives business which had exceptional performance in Q1/01.

*Excluding special items

16

US GAAP



U.S. expansion

*Earnings contributions of acquisitions**

C\$ millions

	Net income		Cash net income	
	Q1/02	Q1/01	Q1/02	Q1/01
RBC Centura**	\$58	\$(6)	\$70	\$(4)
RBC Liberty	3	4	3	6
RBC Dain Rauscher***	(8)	6	(8)	9
	<u>\$53</u>	<u>\$ 4</u>	<u>\$65</u>	<u>\$11</u>

Q1/01 numbers included:

- 2 months of results for RBC Liberty Insurance
- 3 weeks of results for RBC Dain Rauscher

* Does not include Dain Rauscher Wessels, whose operations have been integrated into RBC Capital Markets

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

*** Q1/02 includes Tucker Anthony Sutro

17



U.S. expansion

Retention compensation costs up from Q4/01 due to Tucker Anthony Sutro acquisition

C\$ millions

	Q1/02*		Q4/01		Q3/01		Q2/01		Q1/01	
	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax
WM	36	22	26	16	29	18	29	18	4	2
C&IB	20	12	25	15	23	14	28	17	12	8
Total	56	34	51	31	52	32	57	35	16	10

* Includes Tucker Anthony Sutro in Q1/02 of \$13 million in Wealth Management (\$8 million after-tax)

WM = Wealth Management

C&IB = Corporate & Investment Banking

18



U.S. expansion

Retention compensation costs to fall after 2002

C\$ millions

	2001 A		2002 F*		2003 F*		2004 F*		2005 F*	
	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax
WM	88	54	117	73	78	48	60	37	33	20
C&IB	88	54	59	36	25	15	7	4	1	1
Total	176	108	176	109	103	63	67	41	34	21

- For Q2/02, Q3/02 and Q4/02, retention compensation is expected to fall to \$27 million (\$17 million after-tax) each quarter for Wealth Management and \$13 million (\$8 million after-tax) each quarter for C&IB

* Forecast (based on current C\$/US\$ exchange rates). Nil in 2006. Tucker Anthony Sutro retention compensation cost forecast, included in Wealth Management, is \$13 million each quarter (\$8 million after-tax) up to 2004 and \$32 million in 2005 (\$19 million after-tax)

WM = Wealth Management C&IB = Corporate & Investment Banking

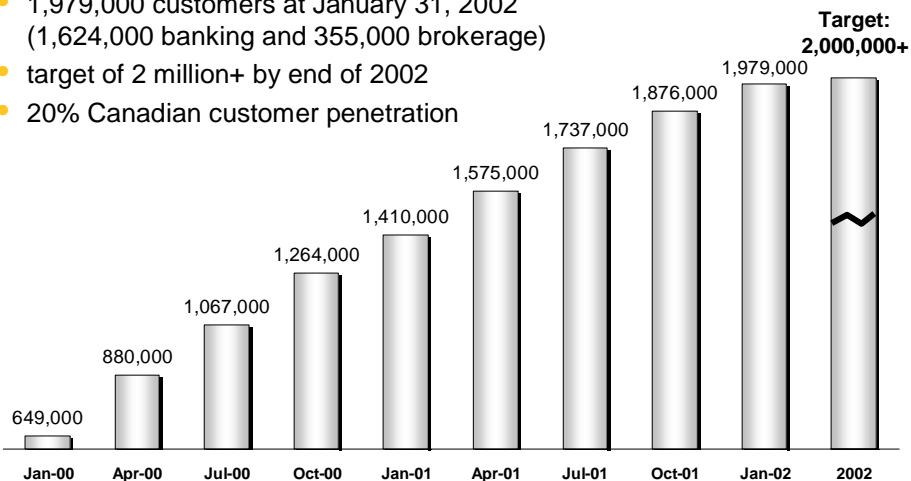
19



Online customers update

Canadian online customer growth continues

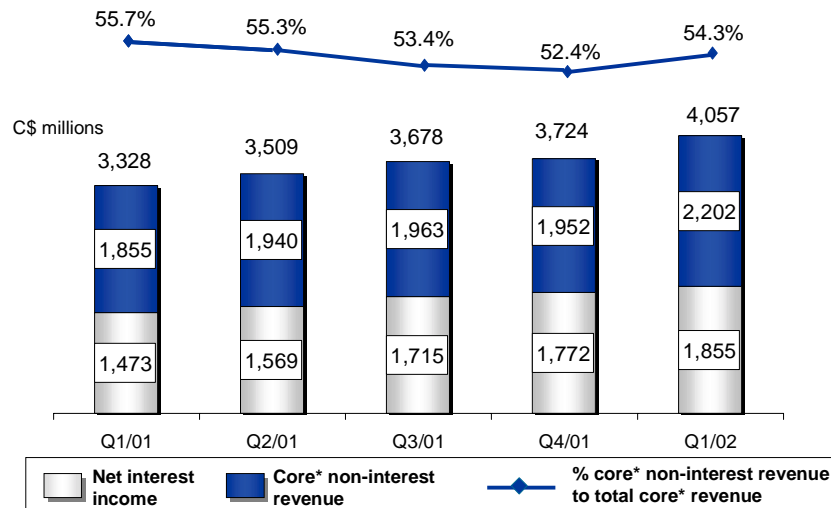
- 1,979,000 customers at January 31, 2002 (1,624,000 banking and 355,000 brokerage)
- target of 2 million+ by end of 2002
- 20% Canadian customer penetration



20



Revenue growth



*Excluding one-time revenues, taxable equivalent basis

21

US GAAP



Revenue growth

Non-interest revenue

C\$ millions

	Q1/02 vs.			
	Q4/01		Q1/01	
Non-interest revenue growth	\$ (63)	(3)%	\$ 215	11%
Less: special items*	(313)		(132)	
Non-interest revenue growth – core	\$250	13%	\$ 347	19%
Due to:				
Mortgage banking	\$ 16	28%	\$ 44	152%
Capital market fees**	131	28	172	41
Investment management and custodial fees**	16	7	46	23
Insurance revenues***	(22)	(28)	7	14
Mutual fund revenues	5	4	1	1
Trading revenues**	68	18	(112)	(20)
Other**	36	6	189	42

*Special items shown in chart 5 **Includes RBC Dain Rauscher revenues in Q1/02 of \$212 million in capital market fees, \$75 million in investment management and custodial fees, \$124 million in trading revenues and \$27 million in Other (\$95 million, \$46 million, \$65 million and \$21 million respectively in Q4/01, and \$41 million, \$13 million, \$25 million and \$6 million respectively in Q1/01) ***Includes RBC Liberty' Insurance's revenues in Q1/02 of \$21 million, Q4/01 of \$33 million, and Q1/01 of \$6 million

22

US GAAP



Revenue growth

Capital market fees

C\$ millions

	Q1/02	Q1/02 vs.	
		Q4/01	Q1/01
Full-service brokerage*	\$ 417	48%	61%
Institutional	152	(4)	16
Discount brokerage	22	10	(24)
Total capital market fees	\$ 591	28%	41%

* Includes RBC Dain Rauscher revenues in Q1/02 of \$212 million (in Q4/01, \$95 million and in Q1/01, \$41 million)

23



Revenue growth

Net interest margin

	Q1/02	Q4/01	Q1/01
Net interest margin	2.01%	2.03%	1.89%
Change in margin		(2) b.p.	12 b.p.
Due to:			
Mortgage spread		2	18
Impact of RBC Centura*		1	9
Global equity derivatives		2	6
Prime-core deposit spread		(8)	(19)
Other**		1	(2)
		(2)	12
Avg. Canadian prime rate	4.10%	5.52%	7.48%

* RBC Centura includes RBC Prism Mortgage and Security First Network Bank

** Includes: VISA spread, asset/liability mix

24

US GAAP



Cost control

Operating expenses

C\$ millions	Q1/02	Q4/01	Q1/01
Core NIE	\$ 2,609	\$ 2,636	\$ 2,144
Less:			
• Retention compensation costs	56	51	16
• Stock Appreciation Rights costs	26	(20)	9
Operating NIE*	\$ 2,527	\$ 2,605	\$ 2,119
Operating NIE growth**		(3)%	19%

* Operating expenses defined on chart 4

** Largely reflects acquisitions made after Q3/00

Performance-related costs

- \$533 million in Q1/02, \$435 million in Q4/01 and \$487 million in Q1/01. These include costs of \$20 million in Q1/02, \$25 million in Q4/01 and \$12 million in Q1/01 included in the "retention compensation costs" numbers above (related to C&IB)
- Excluding performance-related costs, operating NIE growth in Q1/02 would have been (8)% compared to Q4/01 and 23% compared to Q1/01

25

US GAAP



Cost control

Good cost discipline excluding acquisitions

C\$ millions	Q1/02	Q4/01	Q1/01
Operating NIE*	\$2,527	\$ 2,605	\$ 2,119
Less: NIE of recent U.S. acquisitions**	716	566	168
Operating NIE excl. U.S. acquisitions	\$ 1,811	\$ 2,039	\$ 1,951
Growth excl. U.S. acquisitions		(11)%	(7)%
Operating revenues*	\$4,057	\$ 3,724	\$ 3,328
Less: revenues of recent U.S. acquisitions**	852	630	169
Operating revenues excl. U.S. acquisitions	\$ 3,205	\$ 3,094	\$ 3,159
Growth excl. U.S. acquisitions		4%	1%

* Operating expenses and revenues defined on chart 4

**Represents NIE (excluding retention compensation costs) and revenues of RBC Centura (includes RBC Prism Mortgage and Security First Network Bank), RBC Liberty Insurance and RBC Dain Rauscher (includes Tucker Anthony Sutro). Dain Rauscher Wessels is not included as its operations have been integrated into RBC Capital Markets

26

US GAAP



Cost control

Cost of Stock Appreciation Rights (SARs)

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

NOTE: SAR expenses are mostly a function of the difference between the strike price and the closing share price, but also reflect that: (a) each SAR issue is expensed by including in Year 1 – 52%, in Year 2 – an additional 27%, in Year 3 – an additional 15% and in Year 4 – the remaining 6% of the number of SARs outstanding, and (b) SARs were issued starting in November 1999, resulting in an increasing number of outstanding SARs over time. No SARs were issued in November 2001

27



Solid balance sheet

Strong growth in mortgages

C\$ millions

	January 31, 2002 vs.			
	October 31, 2001		January 31, 2001	
Residential mortgages*	\$ 1,994	3%	\$ 6,820	11%
Personal loans	(911)	(3)	1,027	3
Credit cards**	(45)	(1)	277	6
Total consumer loans	\$ 1,038	1%	\$ 8,124	8%
Business & government loans	(3,520)	(5)	3,319	5
Total gross loans	\$ (2,482)	(1)%	\$ 11,443	7%
less: allowance for loan losses	67	3	398	20
Total net loans	\$ (2,549)	(1)%	\$ 11,045	7%

* Growth before securitizations of \$0.2 billion in Q4/01 and \$0.6 billion in Q3/01

** Growth before securitization of \$1.0 billion in Q3/01 and reversal of \$0.1 billion in Q1/02

28

US GAAP



Capital strength

Capital activity in Q1/02

Capital ratios (Cdn. GAAP, using OSFI guidelines):

- **Tier 1 ratio: 8.8%** (8.7% in Q4/01 and 8.3% in Q1/01)
- **Total capital ratio: 12.3%** (11.8% in Q4/01 and 11.5% in Q1/01)

Common shares:

- Under the normal course issuer bid which began on June 22, 2001, repurchased 1.7 million common shares during the quarter for \$86 million at an average price of \$50.56 per share

Subordinated debentures:

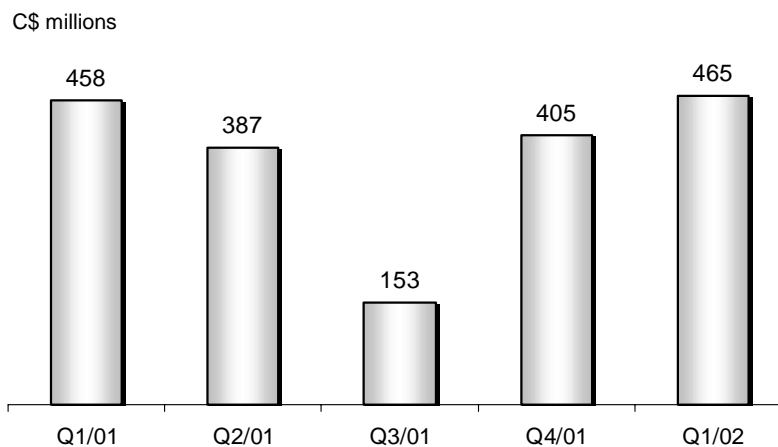
- Issued US\$400 million of subordinated debentures through the European Medium Term Note Programme

Preferred shares:

- Redeemed First Preferred Shares Series I totalling US\$200 million

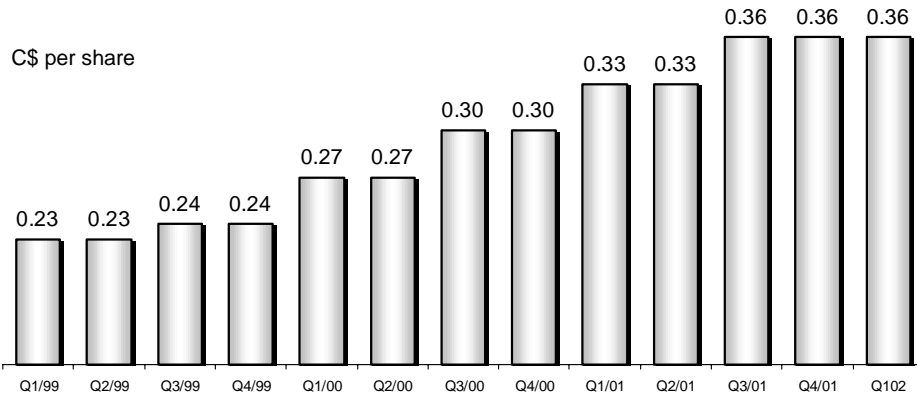


Substantial internal capital generation





Common share dividends



- history of uninterrupted dividend payments
- five increases in 3 years
- payout ratio of 34%* in Q1/02 (target payout range of 30-40%)

*US GAAP

31

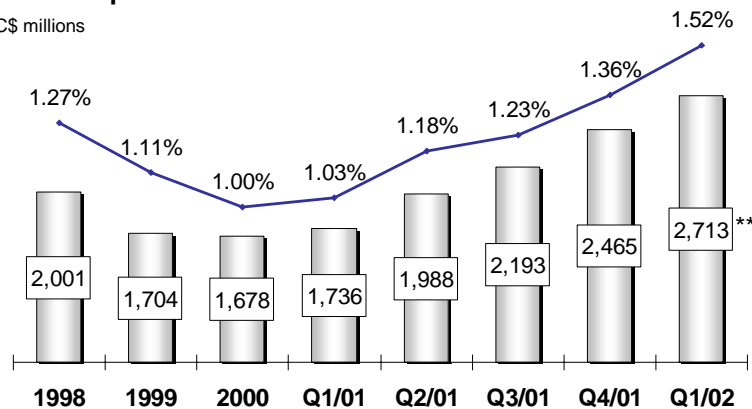


Asset quality

Non-accrual (gross impaired) loans

Gross impaired loans ratio*

C\$ millions



* Gross impaired loans as a percentage of total gross loans (including acceptances)

** The increase from Q4/01 reflects the classification of the bank's total Argentine exposure of \$158 million as well as two accounts in the U.S. (in the energy and telecom sectors)

32

US GAAP



Asset quality

Non-accrual (gross-impaired) loans

C\$ millions

	Q1/02	Q1/02 vs.			
		Q4/01		Q1/01	
Gross impaired loans	\$2,713	\$248	10%	\$977	56%
Gross impaired loans (ex. RBC Centura)	\$2,582	\$259	11%	\$846	49%
Comprising:					
Domestic business	\$1,130	(\$41)	(4)%	\$161	17%
Domestic consumer	441	(11)	(2)	(18)	(4)
International (ex. RBC Centura)	1,011	311*	44	703	228
RBC Centura**	131	(11)	(8)	n/a	n/a

* Increase reflects the classification of the bank's total Argentine exposure of \$158 million as well as two accounts in the U.S. (in the energy and telecom sectors)

** Includes RBC Prism Mortgage and Security First Network Bank

33

US GAAP

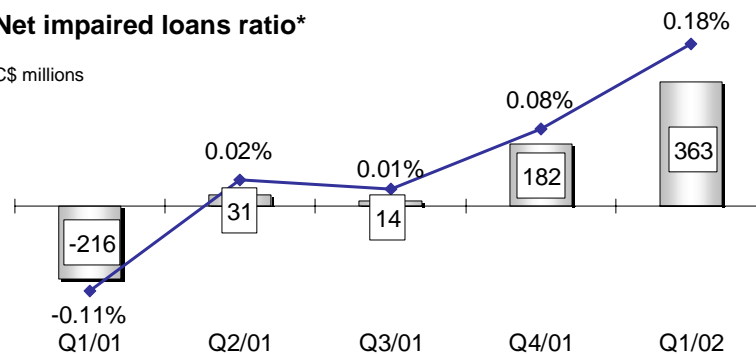


Asset quality

Net impaired loans

Net impaired loans ratio*

C\$ millions



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

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

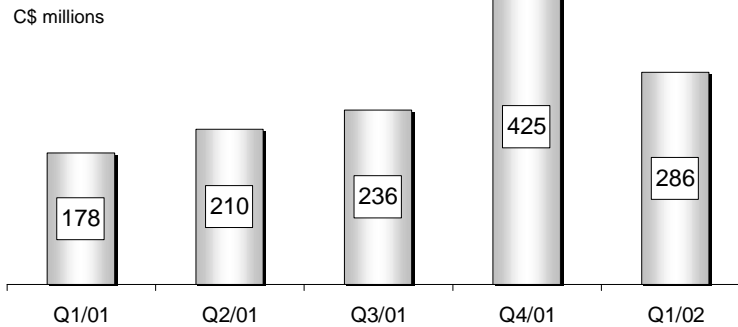
34

CDN GAAP



Asset quality

Specific provisions



- \$108 million increase in specific PCL from Q1/01 largely reflects provisions on new non-accrual loans and additional provisions on U.S. telecom loans classified as impaired in Q4/01

35

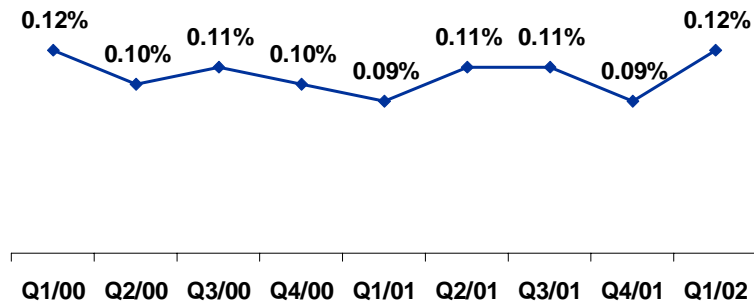
CDN GAAP



Asset quality

Canadian consumer loan portfolio credit quality remains stable

Provision for credit losses
% of outstanding balance*



* Total Canadian consumer loans, excluding student loans

36

US GAAP



Asset quality

Provision for credit losses (PCL)

C\$ millions

	Q1/02	Q4/01	Q1/01
Specific provision	\$286	\$425	\$178
General provision	-	-	70
Total PCL	<u>\$286</u>	<u>\$425</u>	<u>\$248</u>
Specific PCL ratio*	<u>0.55%</u>	<u>0.82%</u>	<u>0.37%</u>

2002 objective: specific PCL ratio of 0.45-0.55%

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

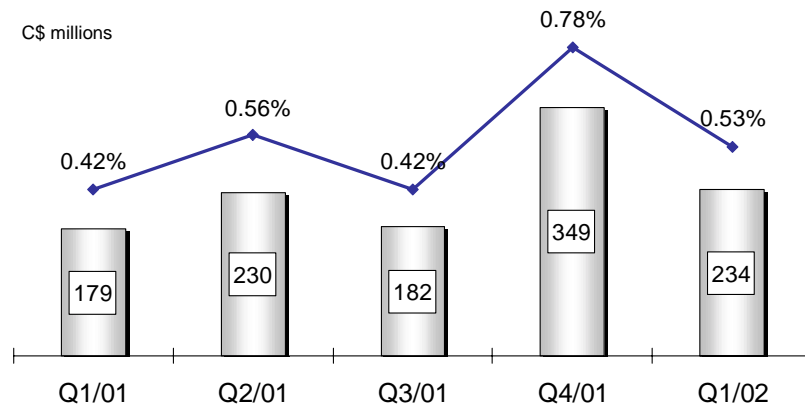


Asset quality

Net charge-offs

Net charge-off ratio*

C\$ millions



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



Asset quality

Telecommunication and cable exposure

C\$ billions

	Q1/02		Q4/01	
	(\$)	(% total)	(\$)	(% total)
• Telecommunication & cable loans	2.6		3.2	
- investment grade	1.1	42%	1.5	47%
- non-investment grade	1.5	58%	1.7	53%
• Telecommunication loans only*	1.8		2.2	
- investment grade	0.7	39%	0.9	41%
- non-investment grade	1.1	61%	1.3	59%
• Gross impaired loans (\$ millions)				
- telecommunication sector	280		272	

* Includes CLEC exposure of \$195 million in Q1/02 (net of allowances, exposure is \$101 million) and \$303 million in Q4/01 (net of allowances, exposure is \$202 million)

39



Asset quality

Argentine exposure down significantly from Q1/01

C\$ millions

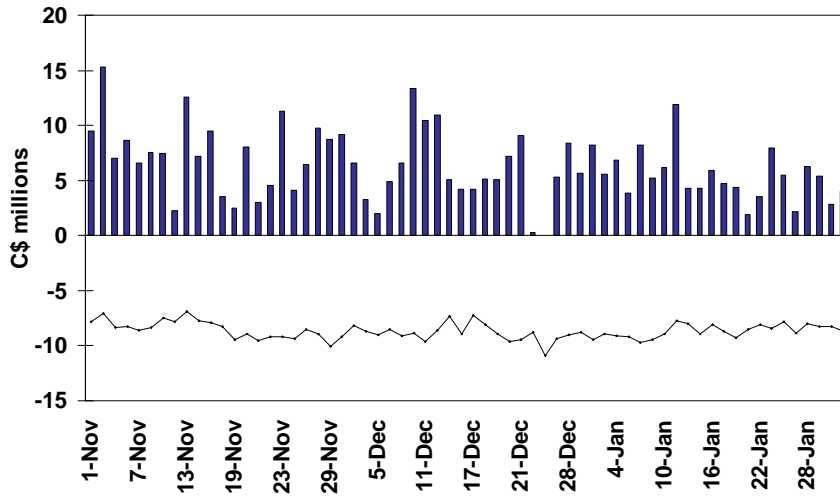
	Q1/02	Q1/01	% change
Corporates	128	236	(46)%
Banks	30	51	(41)%
Government	-	-	-
Total exposure	158	287	(45)%

40



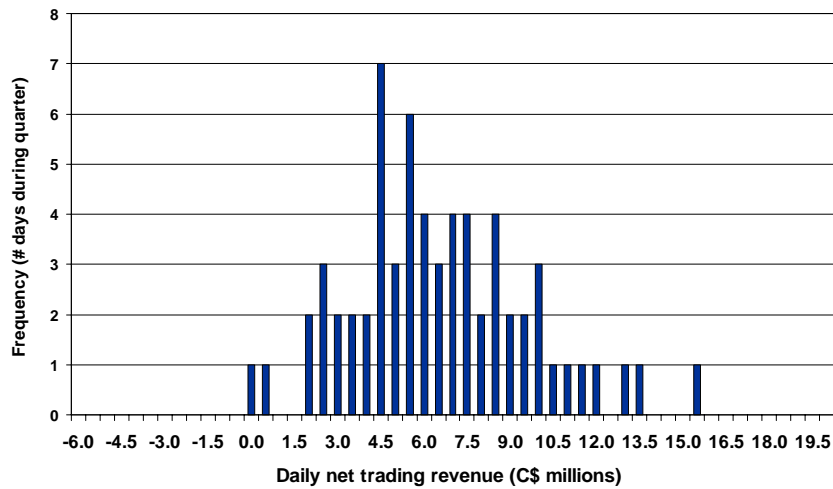
Trading revenue performance

Positive performance vs. VAR continues in Q1/02



Trading revenue performance

Q1/02 trading revenue





Risk management

Conclusion

- **Argentina and two accounts in the U.S. (in the energy and telecom sectors) largely behind increase in non-accrual loans**
- **Consumer portfolio credit quality stable**
- **Specific PCL ratio of 0.55% within 0.45-0.55% objective for 2002 (Cdn. GAAP)**
- **Specific PCL increase from Q1/01 reflects provisions on new non-accrual loans mentioned above and additional provisions on U.S. telecom loans classified as impaired in Q4/01**
- **Solid trading performance**