



**RBC
Financial
Group**

First Quarter 2004

Quarterly Results Slides

February 27, 2004

Investor Relations
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Caution regarding forward-looking statements

From time to time, we make written and oral forward-looking statements, included in this presentation, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission, in reports to shareholders and in other communications, which are made pursuant to the "safe harbor" provisions of the United States *Private Securities Litigation Reform Act of 1995*. These forward-looking statements include, among others, statements with respect to our objectives for 2004, and the medium and long terms, and strategies to achieve those objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "anticipate," "estimate," "expect," "intend," "plan," and words and expressions of similar import are intended to identify forward-looking statements.

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

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

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Note to users

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

Further explanations of non-GAAP financial measures discussed in this presentation can be found in the "Explanation of certain terms" on chart 57 and reconciliation of non-GAAP measures to GAAP measures can be found throughout this presentation.

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Financial overview

*First quarter highlights **

- Net income up \$26 MM or 3% (up 1% under Cdn. GAAP)
- EPS - diluted up \$0.09 or 8% (up 5% under Cdn. GAAP)
- Recovery of credit losses \$28 million, including a \$150 million reversal of a portion of the general allowance for credit losses
- Allocated specific provision for credit losses \$122 MM (down \$78 MM or 39% from Q1/03) or 0.22% of average loans, acceptances and reverse repos
- A settlement with Rabobank reduced net income by C\$74 million net of a related reduction in compensation expense
- Impact of strengthening CAD vs. USD since Q1/03 reduced net income by \$20 MM and diluted EPS by \$0.03
- Revenue down 3% (up 2% excluding \$240MM impact of stronger CAD vs USD) and expenses up 9% due largely to the Rabobank settlement and higher pension and post-retirement benefit and variable compensation costs

*Growth vs. Q1/03



Financial overview

*Key first quarter numbers**

C\$ millions	Q1/04	
	US GAAP	Cdn. GAAP
Net income	\$793	\$790
Net income growth	3%	1%
EPS – diluted	\$1.19	\$1.18
EPS growth	8%	5%
ROE	18.1%	17.8%
Total revenues	\$4,195	\$4,366
Revenue growth	(3)%	(2)%
Non-interest expense	\$2,781	\$2,807
NIE growth	9%	8%

*Growth vs. Q1/03

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Financial overview

Significant items affecting Q1/04 earnings

C\$ millions	Impact on	
	Net Income	EPS
• Release of General Allowance	\$ 97	\$ 0.15
• Rabobank Settlement	(74)	(0.11)

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Financial overview

Other items affecting Q1/04 results

	Revenue impact (C\$ millions)	Segment	Income Statement line
1. Gain on sale of merchant acquiring card portfolio	\$35 <u>(18)</u> 17	RBC Banking Other	Non-interest income – other
2. Cumulative gain on equity-linked note obligations	\$30	RBC Capital Markets	Net interest income
3. Equity loss on certain limited partnership investments	\$(26) <u>2</u> (24)	Other RBC Capital Markets	Non-interest income – other
4. Cumulative debt issue costs	\$(25)	Other	Non-interest income - other

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Financial overview

Impact of stronger CAD vs. USD

C\$ millions	Q1/04 vs. Q4/03*	Q1/04 vs. Q1/03*
FX impact on:		
Total revenues	↓ 40	↓ 240
Non-interest expense	↓ 30	↓ 165
Net income	↓ 3	↓ 20
EPS - diluted (\$/share)	-	↓ \$0.03

Value of C\$1.00 in USD	Q1/04	Q4/03	Q1/03
Average	\$0.7653	\$0.7403	\$0.6434
Closing	\$0.7548	\$0.7584	\$0.6572

* Translating USD denominated results using a Q1/04 CAD/USD exchange rate compared to the exchange rates for Q4/03 and Q1/03, respectively

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Financial overview

Reconciliation of U.S. & Cdn. GAAP EPS

C\$ per share	Q1/04	Q4/03	Q1/03
U.S. GAAP EPS - diluted	\$1.19	\$1.19	\$1.10
Insurance accounting	(0.01)	-	(0.01)
Derivatives/hedging activities	-	(0.06)	0.01
Cost of stock apprec. rights	-	(0.01)	-
Reclassification of securities*	(0.01)	(0.01)	0.02
Other	0.01	-	-
Cdn. GAAP EPS - diluted	\$1.18	\$1.11	\$1.12
U.S. GAAP EPS less Cdn. GAAP EPS	\$0.01	\$0.08	\$(0.02)

* Relates to the accounting for loan substitute securities which are treated as loans under Canadian GAAP



Financial overview

Performance vs. objectives – 2004

	Objectives for 2004	Performance Q1/04
<u>Profitability measures</u>		
EPS growth – diluted	10-15%	8%
ROE	17-19%	18.1%
Revenue growth	5-8%	(3)%*
Expense growth	< revenue growth	9%**
Allocated specific PCL/avg. loans, accept. & reverse repos	0.35-0.45%	0.22%
<u>Capital ratios (OSFI)</u>		
Tier 1 capital	maintain strong	9.3%
Total capital	capital ratios	12.9%
Dividend payout ratio	35-45%	38%

* Revenue growth was 2% excluding impact of CAD/USD exchange rate change (see chart 29)

** Expense growth was 15% excluding impact of CAD/USD exchange rate change. Includes costs of settlement with Rabobank, net of a related reduction in compensation expenses



Business segment results

First quarter 2004

C\$ millions	Net income	Net income growth*	ROE
RBC Banking	\$ 429	4%	24.5%
RBC Insurance	61	13	23.9
RBC Investments	140	35	21.4
RBC Capital Markets	150	29	17.2
RBC Global Services	57	19	36.6
Other**	(44)	n.m.	(7.1)
Total	\$ 793	3%	18.1%

* Growth vs. Q1/03

** Reflects items 1, 3 and 4 shown on chart 7

Note: ROE and average common equity for the segments are discussed on chart 57

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Business segment results

RBC Banking

C\$ millions	Q1/04	Q1/04 vs.	
		Q4/03	Q1/03
Total revenues	\$ 1,869	-	(5)%
Non-interest expense	1,153	-	(2)
Specific provision	141	8	8
General provision	(76)	n.m.	n.m.
Total provision for credit losses	65	(50)	(50)
Net income	429	13%	4%
Return on common equity	24.5%	↑ 400 bp	↑ 300 bp
Average common equity	\$ 6,950	(5)%	(7)%
Efficiency ratio	61.7%	↑ 10 bp	↑ 160 bp

See chart 24 for U.S. net income contribution

Note: ROE and average common equity for the segments are discussed on chart 57

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Business segment results

RBC Banking – Domestic highlights*

- Earnings up \$76 million, largely reflecting \$49 million after-tax general provision reversal
- Revenues up \$15 million due to higher volumes

	Q1/04 vs. Q1/03	
Revenues	↑ 1%	Domestic volume growth: Res. mortgages ↑ 10% Personal lending ↑ 10% Credit cards ↑ 16% Business lending ↑ 4% Personal deposits ↑ 7% Business deposits ↑ 8%
Net interest income	↑ 1%	
Non-interest income	↑ 1%	

- Non-interest expense down \$3 million

* Growth vs. Q1/03

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Business segment results

RBC Banking - market shares

Market share among all financial institutions in Canada

	Rank*	Nov-03 vs. Nov-02	Market share		
			Nov-03	Aug-03	Nov-02
Total deposits**:	#1	↑ 27 bp	12.63%	12.67%	12.36%
<i>Personal deposits</i>		↑ 7 bp	15.01%	15.07%	14.94%
<i>Mutual funds</i>		↑ 65 bp	9.41%	9.36%	8.76%
Residential mortgages	#1	↑ 14 bp	14.92%	14.86%	14.78%
Personal loans & credit cards	#2	↑ 16 bp	13.18%	13.20%	13.02%
Business deposits	#1	↑ 33 bp	20.11%	20.19%	19.78%

* Market share rank among all financial institutions in Canada, at November 30, 2003

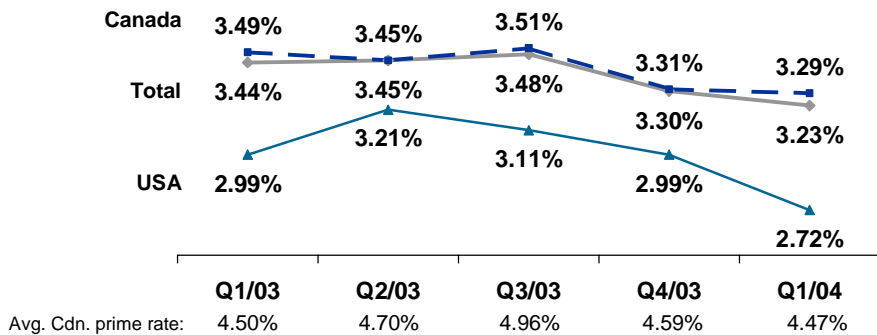
** Consists of personal deposits and mutual funds

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Business segment results

Net interest margin* - RBC Banking



Q1/04 vs. Q1/03 ↓ 21 bps

- Total margin decreased due to:
- spread compression on domestic deposits
 - lower returns from RBC Centura's investment portfolio
 - higher domestic mortgage breakage costs

Q1/04 vs. Q4/03 ↓ 7 bps

- Total margin decreased due to:
- higher domestic mortgage breakage costs
 - lower returns from RBC Centura's loans and investment portfolio

* Net interest income as a percentage of average assets

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Business segment results

RBC Banking – U.S. highlights*

- Earnings down \$54 million (US\$ 35 million)
 - Revenues down \$95 million (27% using CAD and 13% using USD) largely due to:
(US\$ millions)
- | | Q1/04 | Q4/03 | Q1/03 |
|---|---------|---------|---------|
| Mortgage origination volumes | \$3,500 | \$6,300 | \$7,300 |
| Yield from RBC Centura's investment portfolio | 2.48% | 3.47% | 4.91% |
- Organic growth in personal loans 9% and business loans 4% in Q1/04 vs. Q1/03
 - Non-interest expense down \$18 million due to stronger CAD
 - Revenues were up \$13 million (US\$15 million) over Q4/03

* Growth vs. Q1/03

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Business segment results

RBC Banking – U.S. operations

RBC Mortgage action plan:

- Clearing backlog and working to reduce costs
- Adopting Sterling's business model:
 - relies more on first-time home buyers and high-growth markets than on refinancings
 - higher-margin proprietary vs. 3rd-party product
 - relationships with home builders
- Also adopting Sterling's loan origination technology
- Will use a more efficient straight-through process
- Expanding RBC Mortgage Affiliated Business Arrangements and growing its wholesale focused business

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Business segment results

RBC Banking – U.S. operations

Steps to strengthen U.S. revenues:

- Sterling, Admiralty and Provident acquisitions and *de novo* branch expansion
- RBC Centura leveraging the recently launched Snowbird package (to include a RBC Mortgage offering)
- Mortgage Anchoring Program being implemented in RBC Centura's Southeast footprint
- Continued roll-out of our Home Equity Line of Credit (HELOC) Program
- Reposition investment portfolio for higher interest income
- Continued RBC Centura organic growth (excluding acquisitions)

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Business segment results

RBC Insurance

C\$ millions	Q1/04	Q1/04 vs.	
		Q4/03	Q1/03
Insurance premiums, investment & fee income	\$ 498	(9)%	(5)%
Ins. policyholder benefits, claims & acq. expense	330	(15)	(11)
Non-interest expense	107	(1)	6
Net income	61	-	13%
Return on common equity	23.9%	↓ 250 bp	↓ 290 bp
Average common equity	\$ 1,000	11 %	25 %
Premiums & deposits	\$ 565	(13)%	6%

See chart 24 for U.S. net income contribution

Note: ROE and average common equity for the segments are discussed on chart 57



Business segment results

RBC Investments

C\$ millions	Q1/04	Q1/04 vs.	
		Q4/03	Q1/03
Total revenues	\$ 929	2%	5%
Non-interest expense	728	1	-
Provision for credit losses	1	n.m.	n.m.
Net income	140	11 %	35%
Return on common equity	21.4%	↑ 240 bp	↑ 670 bp
Average common equity	\$ 2,550	(2)%	(6)%

See chart 24 for U.S. net income contribution

Note: ROE and average common equity for the segments are discussed on chart 57



Business segment results

RBC Capital Markets

C\$ millions	Q1/04	Q1/04 vs.	
		Q4/03	Q1/03
Total revenues	\$ 738	17%	7%
Non-interest expense	635	47	49
Specific provision	(10)	n.m.	n.m.
General provision	(60)	n.m.	n.m.
Total provision for credit losses	(70)	n.m.	n.m.
Net income	150	15%	29%
Return on common equity	17.2%	↑ 370 bp	↑ 610 bp
Average common equity	\$ 3,450	(7)%	(13)%

See chart 24 for U.S. net income contribution

Note: ROE and average common equity for the segments are discussed on chart 57



Business segment results

RBC Global Services

C\$ millions	Q1/04	Q1/04 vs.	
		Q4/03	Q1/03
Total revenues	\$ 220	2%	4%
Non-interest expense	155	(3)	8
Specific provision	-	-	-
General provision	(14)	n.m.	n.m.
Total provision for credit losses	(14)	n.m.	n.m.
Net income	57	30%	19%
Return on common equity	36.6%	↑ 960 bp	↑ 640 bp
Average common equity	\$ 600	(8)%	-

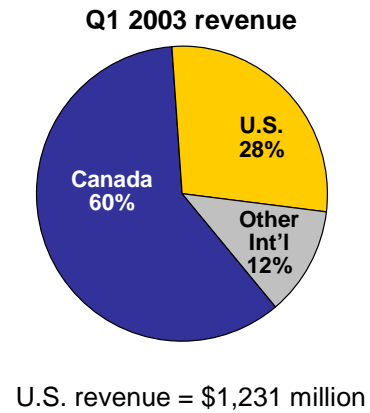
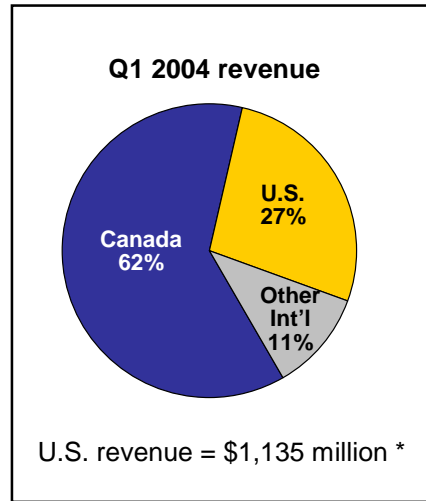
See chart 24 for U.S. net income contribution

Note: ROE and average common equity for the segments are discussed on chart 57



Expansion outside Canada

Proportion of U.S. revenue



* Decline from Q1/03 occurred in RBC Banking

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Contributions from U.S.

C\$ millions	Net income		
	Q1/04	Q4/03	Q1/03
RBC Banking	6	1	60
RBC Liberty Insurance	6	(5)	6
RBC Investments	32	35	13
RBC Capital Markets*	(71)	54	24
RBC Global Services	4	2	2
Other	2	(1)	-
Total U.S. *	(21)	86	105

* Includes expense of Rabobank settlement before the reduction in compensation expenses

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Retention compensation costs

Further reductions in the first quarter

C\$ millions

	Q1/04		Q4/03		Q3/03		Q2/03		Q1/03	
	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax
RBCInv*	10	6	16	10	13	8	15	9	22	13
RBCCM	3	2	5	3	2	1	3	2	8	5
Total	13	8	21	13	15	9	18	11	30	18

* Includes Tucker Anthony Sutro and William R. Hough & Co.

RBCInv = RBC Investments RBCCM = RBC Capital Markets

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Retention compensation costs

Costs to continue to fall in 2004

C\$ millions

	2001 A		2002 A		2003 A		2004 F*		2005 F*	
	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax
RBCInv	88	54	107	66	66	41	39	24	25	15
RBCCM	88	54	51	31	18	11	3	2	-	-
Total	176	108	158	97	84	52	42	26	25	15

* Forecast. Immaterial in 2006 and beyond

RBCInv = RBC Investments RBCCM = RBC Capital Markets

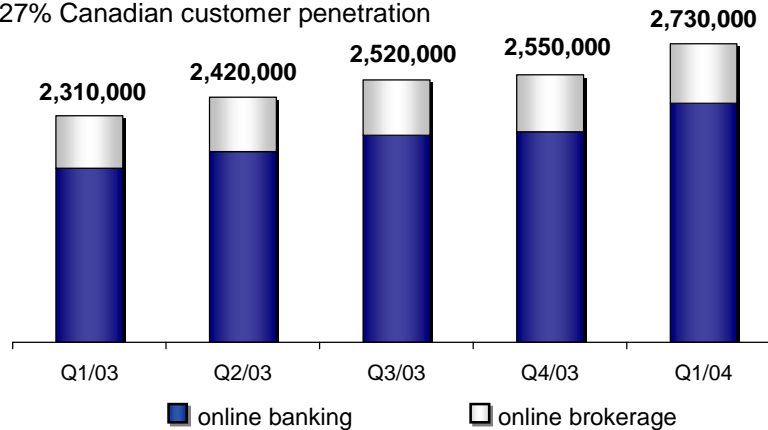
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Canadian online customers

Number of online clients continues to increase

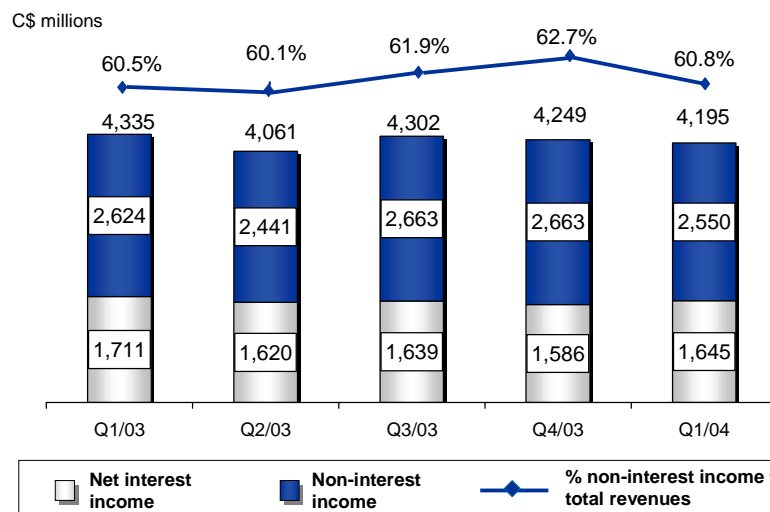
- 2,730,000 clients enrolled as at January 31, 2004 (2,385,000 banking and 345,000 brokerage)
- 27% Canadian customer penetration



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Total revenues



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Total revenues

Impact of strengthening CAD on revenues

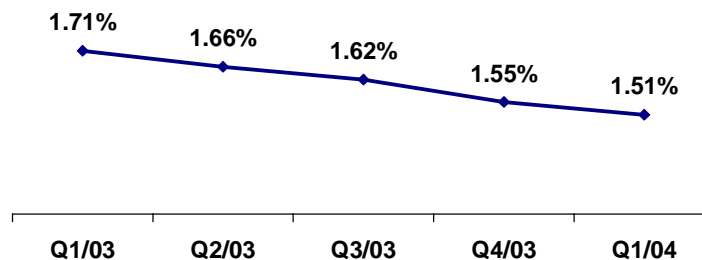
C\$ millions	Q1/04 vs.	
	Q4/03	Q1/03
Change in total revenues	\$ (54) (1)%	\$ (140) (3)%
Add back: impact of CAD appreciation vs. USD*	40	240
Change in total revenues excluding above factor	\$(14) -	\$100 2%

* Translating USD denominated results using Q1/04 CAD/USD exchange rates compared to the exchange rate for Q4/03 and Q1/03



Total revenues

Net interest margin* - RBC



Q1/04 vs. Q1/03 ↓ 20 bp:

Margin decreased due to:

- Significant growth of low-yielding securities in RBC Capital Markets
- Domestic deposit spread compression in RBC Banking
- Lower margins in Banking USA due to lower returns from RBC Centura's investment portfolio

Q1/04 vs. Q4/03 ↓ 4 bp:

Margin decreased due to:

- Significant growth of low-yielding securities in RBC Capital Markets
- Lower margins in Banking USA due to lower returns from RBC Centura's investment portfolio

* Net interest income as a percentage of average assets



Total revenues

Non-interest income

C\$ millions	Q1/04 vs.			
	Q4/03		Q1/03	
Non-interest income growth	\$ (113)	(4)%	\$ (74)	(3)%
Due to:				
Securities brokerage commissions	\$ 62	22%	\$ 77	29%
Underwriting & other advisory fees	(20)	(10)	51	39
Securities gains	(6)	(46)	37	n.m.
Mutual fund revenues	27	15	33	20
Securitization	2	3	29	85
Investment management and custodial fees	(3)	(1)	22	8
Insurance premiums, investment & fee income	(50)	(9)	(28)	(5)
Mortgage banking	14	n.m.	(68)	(97)
Trading revenues	-	-	(103)	(19)
Other	(139)	(22)	(124)	(20)

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Total revenues

Solid growth in securities brokerage commissions

C\$ millions	Q1/04	Q1/04 vs.			
		Q4/03		Q1/03	
Retail full-service brokerage	\$ 263	\$ 52	25%	\$ 66	34%
Institutional brokerage	55	5	10	3	6
Discount brokerage	29	5	21	8	38
Total securities brokerage commissions	\$ 347	\$ 62	22%	\$ 77	29%

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Non-interest expense

C\$ millions	Q1/04	Q4/03	Q1/03
Non-interest expense	\$ 2,781	\$ 2,582	\$ 2,559
Change – Q1/04 vs. prior periods		8%	9%
NIE Includes:			
• Variable compensation costs	\$ 546	\$ 529	\$ 511
• Retention compensation expense*	13	21	30
• Stock compensation expense			
- Stock Appreciation Rights**	1	6	4
- Performance-deferred stock plan	14	10	4
- Stock options	2	2	1
• Pension expense	86	64	59

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

** Under Cdn. GAAP, the cost of stock appreciation rights was nil in Q1/04, \$14 million in Q4/03 and \$5 million in Q1/03. Since Q2/02, under U.S. GAAP, the expense is based on an estimate of 40% of all participants exercising stock appreciation rights and 60% exercising options (based on past experience). Under Canadian GAAP, the expense must be based on 100% of all participants exercising their stock appreciation rights

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Non-interest expense

Growth in NIE due partially to Rabobank settlement

C\$ millions	Q1/04 vs.			
	Q4/03		Q1/03	
Non-interest expense growth	\$ 199	8%	\$ 222	9%
Due to:				
Human resources	\$ 81	5%	\$ 37	2%
Occupancy	2	1	(5)	(3)
Equipment	(3)	(1)	15	8
Communications	(43)	(22)	(28)	(16)
Professional fees	(37)	(28)	(16)	(14)
Amortization of goodwill and intangibles	-	-	(3)	(16)
Outsourced item processing	(4)	(5)	(5)	(7)
Other*	203	107	227	137

* Includes costs related to Rabobank settlement, before the reduction in related human resource compensation costs

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Solid balance sheet

Impact of FIN46R* (Consolidation of VIEs) on loans

C\$ millions	Loan balances 01/31/04	VIE assets consolidated in Q1/04	Balances before VIE consolidation
Residential mortgages	\$ 78,577	-	\$ 78,577
Personal loans	35,129	\$ 3,205	31,924
Credit cards	6,225	822	5,403
Total consumer loans	\$ 119,931	\$ 4,027	\$ 115,904
Business & government loans	64,262	\$ 4,615	59,647
Total gross loans	\$ 184,193	\$ 8,642	\$ 175,551

* In accordance with FASB FIN 46R - *Consolidation of Variable Interest Entities (VIEs)*, on January 31, 2004 we included in our balance sheet assets owned by certain multi-seller asset-backed commercial paper conduit programs (multi-sellers) that we administer. We are currently in the process of restructuring these consolidated multi-sellers, which may result in us not having to include their assets in our balance sheet in future periods. Since these assets are included in our consolidated balance sheet on January 31, 2004, in accordance with FIN 46R, we have excluded these multi-seller assets from the respective loan balances so as not to overstate the growth in these balances from prior periods

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Solid balance sheet

Growth in loan balances before impact of FIN 46R

C\$ millions	January 31, 2004 vs.			
	October 31, 2003		January 31, 2003	
Residential mortgages*	\$ (242)	-	\$ 5,160	7%
Personal loans	757	2%	2,557	9%
Credit cards**	587	12	189	4%
Total consumer loans	\$ 1,102	1%	\$ 7,906	7%
Business & government loans***	1,902	3	(1,440)	(2)
Total gross loans	\$ 3,004	2%	\$ 6,466	4%
Allowance for loan losses	(209)	(10)	(421)	(19)
Total net loans	\$ 3,213	2%	\$ 6,887	4%
Personal deposits	\$ 2,404	2%	\$ 3,821	4%

* Reflects \$1.1 billion of securitizations in Q1/04 and \$4.6 billion of securitizations in the 12 months ended January 31, 2004

** Reflects \$1.0 billion of securitizations in Q4/03 and reversal of prior securitizations of \$0.1 billion in Q1/04

*** Reflects \$0.1 billion of securitizations in Q3/03

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Capital strength

Maintaining strong capital ratios

Capital ratios (using OSFI guidelines)

	<u>Q1/04</u>	<u>Q4/03</u>	<u>Q1/03</u>
• Tier 1 ratio:	9.3%	9.7%	9.4%
• Total capital ratio:	12.9%	12.8%	12.7%

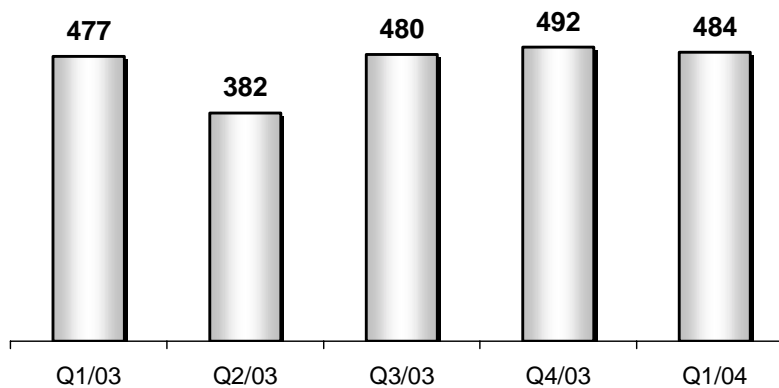
Tier 1 capital and Total capital ratios in Q1/04 were reduced 27 bp and 33 bp respectively due to:

- Our own shares acquired and held by subsidiaries for reasons other than cancellation (treasury stock) reduced our shareholders' equity by \$431 million
- RBC Capital Markets' holdings of Royal Bank of Canada subordinated debentures and TruCS were deducted from subordinated debentures (\$112 million) and non-controlling interest in subsidiaries (\$41 million)



Substantial internal capital generation

C\$ millions





Capital strength

Share repurchases

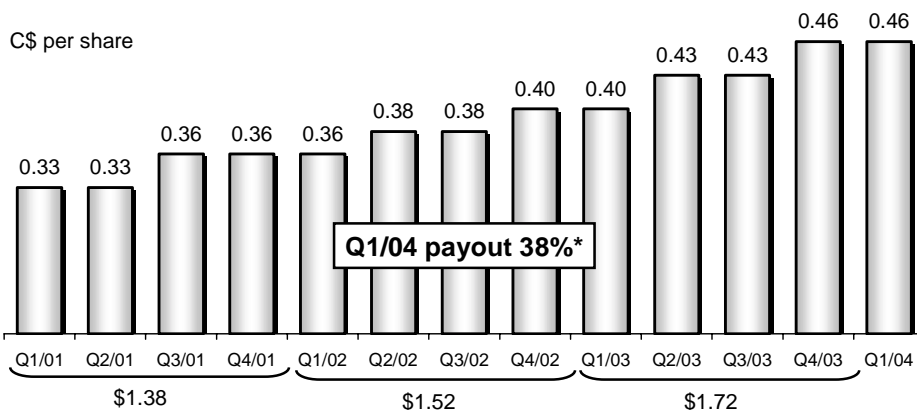
	# of shares	Average price	\$ repurchased
Q1/04: under program commenced June 24/03	1.5 mm	\$62.15	\$94 mm
2003: under program commenced June 24/03	5.9 mm	\$59.30	\$350 mm
Total under program commenced June 24/03	7.4 mm	\$59.88	\$444 mm

Current program allows for the repurchase of 25 million shares by June 23, 2004, leaving 17.6 million shares which can still be repurchased



Common share dividends

Five increases since Q1/01



- history of uninterrupted dividend payments

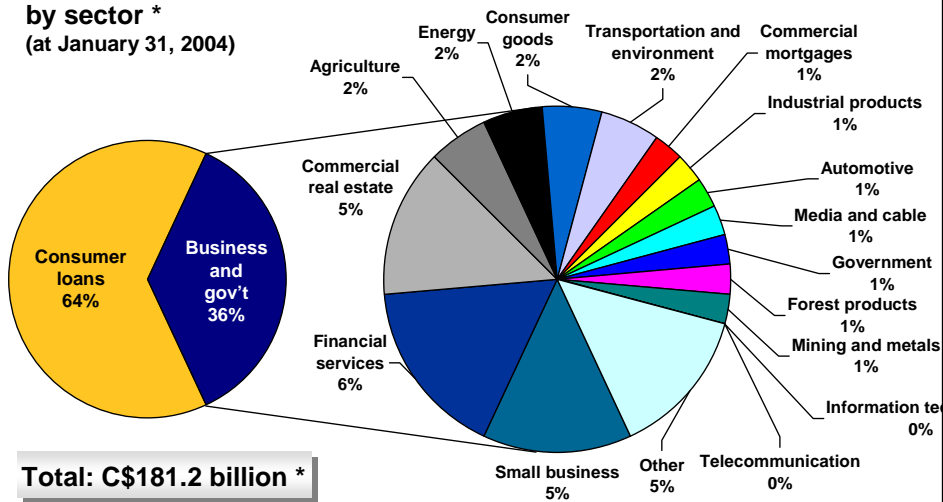
*US GAAP



Asset quality

Gross loans and acceptances by sector * (at January 31, 2004)

Diversified loan portfolio



* Excludes VIE balances consolidated in Q1/04

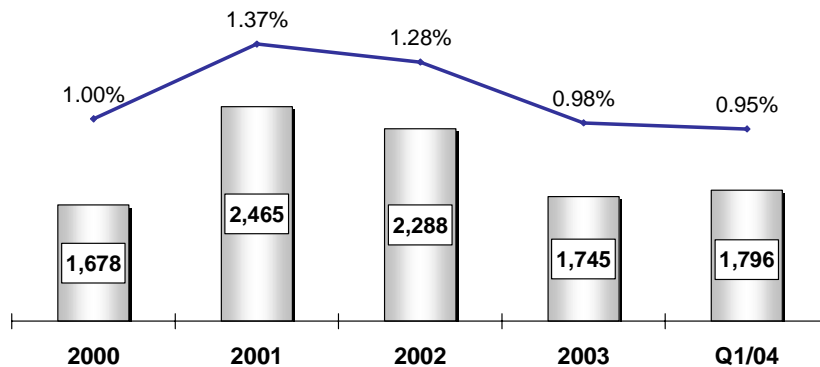


Asset quality

Nonaccrual loans

Nonaccrual loans ratio*

C\$ millions



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



Asset quality

Nonaccrual loans

C\$ millions

	Q1/04	Q1/04 vs.			
		Q4/03		Q1/03	
Nonaccrual loans	\$ 1,796	\$ 51	3%	\$ (578)	(24)%
Comprising:					
Canada - consumer	\$ 315	\$ (8)	(2)%	\$ (48)	(13)%
Canada - business	705	(36)	(5)	(144)	(17)
U.S.A.	466	105	29	(237)	(34)
Other international	310	(10)	(3)	(149)	(32)

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Asset quality

Recovery of credit losses in Q1/04

C\$ millions

	Q1/04	Q4/03	Q1/03
Allocated specific provision	\$ 122	\$ 137	\$200
General provision	(150)*	-	-
Total provision for (recovery of) credit losses	\$ (28)	\$ 137	\$200

* Total reversal of \$150 million of the general provision for credit losses:

RBC Banking	\$76 million
RBC Capital Markets	\$60 million
RBC Global Services	\$14 million

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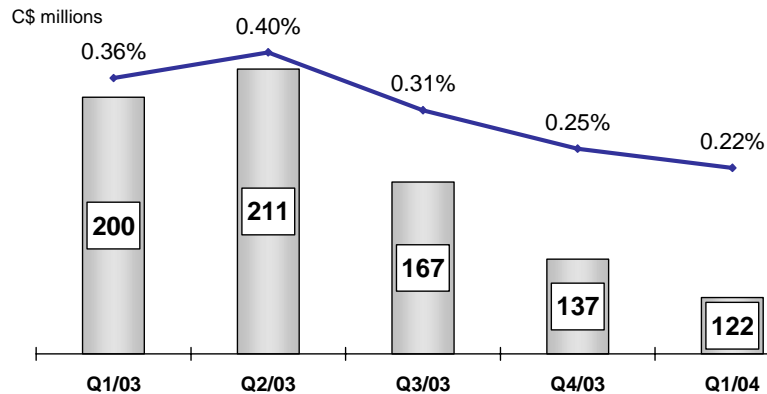
US GAAP



Asset quality

Allocated specific provision for credit losses

Allocated specific PCL ratio*



* Allocated specific provision as a percentage of average loans, acceptances and reverse repos.



Asset quality

General Allowance for Credit Losses

C\$ millions	Q1 2004	Q4 2003	\$ change
Allocated General	\$1,046	\$1,169	\$ (123)
Unallocated General	\$218	\$238	\$ (20)
Total General	\$1,264	\$1,407	\$(143)

The net decrease of \$143 million in the Total General Allowance for Credit Losses is comprised of:

- a decrease of \$150 million reflecting changes in portfolio composition and general improvements in the portfolio's credit quality and economic conditions
- an increase of \$6 million relating to RBC Centura's acquisition of Provident's Florida assets
- an increase of \$1 million due to foreign exchange

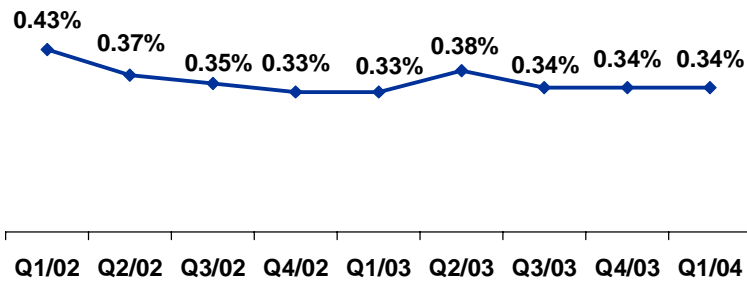


Asset quality

Stable Canadian consumer loan portfolio

Provision for credit losses

% of average balances*, annualized



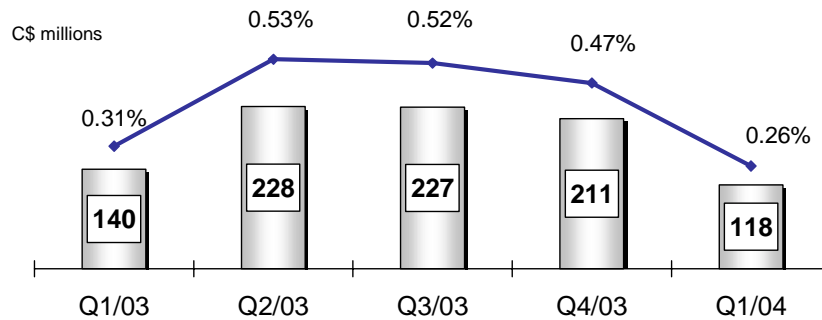
* Total Canadian residential mortgage, personal loan and credit card portfolios. Excludes the student loan portfolio, which has unique portfolio characteristics



Asset quality

Net charge-offs

Net charge-off ratio*



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



Asset Quality

Details on credit protection portfolio

C\$ millions, at January 31, 2004

	<u>Bought</u>	<u>Sold</u>
Financial services	\$ 258	\$ 13
Automotive	151	7
Energy	125	25
Transportation & environmental	53	13
Forest products	53	-
Industrial Products	33	-
Telecommunication and Media	10	35
Consumer goods	-	152
Health	-	33
Other industries	13	169
Total	<u>\$ 696</u>	<u>\$ 447</u>
Investment grade	\$ 628	\$ 447
Non-investment grade	\$ 68	-

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Asset quality

Power generation and distribution loans down 6%

C\$ millions

	Q1/04					Q4/03	
	Inv. grade	Non-inv. grade	Total Loans	Impaired Gross Net		Total loans	Net impaired
Regulated power transmission/distrib.	82	21	103	-	-	73	-
Diversified generation	22	90	112	86	27	106	27
Diversified utility	387	197	584	-	-	664	2
Generation projects with Offtake*	95	67	162	-	-	160	-
Merchant generation	-	168	168	157	111	193	32
Total sector	<u>586</u>	<u>543</u>	<u>1,129</u>	<u>243</u>	<u>138</u>	<u>1,196**</u>	<u>61</u>

* Offtake = guarantees, tolling agreements, Power Purchase Agreements and other contractual obligations

**Included \$588 million of investment grade and \$608 million of non-investment grade loans

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Asset quality

Telecommunication and cable loans down 22%

C\$ millions

	Q1/04					Q4/03	
	Inv. grade	Non-inv. grade	Total loans	Impaired Gross	Impaired Net	Total loans	Net impaired
Telecom	94	259	353	14	8	540	3
Cable	109	485	594	72	53	668	57
Total sector	203	744	947	86	61	1,208 *	60

*Included \$293 million of investment grade and \$915 million of non-investment grade loans



Asset quality

Airlines and aerospace loans down 4%*

C\$ millions

	Q1/04					Q4/03	
	Inv. grade	Non-inv. grade	Total loans	Impaired Gross	Impaired Net	Total loans	Net impaired
Airlines	187	382	569	55	7	575	33
Aerospace	25	111	136	2	1	161	1
Total sector	212	493	705	57	8	736 **	34

* Airlines and aerospace loans are included in the "Transportation and environment" sector on chart 41

**Included \$292 million of investment grade and \$444 million of non-investment grade loans



Asset quality

Hotels, restaurants & entertainment loans down 2%*

C\$ millions

	Q1/04						Q4/03	
	Small business		Corporate & Commercial		Total loans	Gross Impaired	Total loans	Gross Impaired
	Inv. grade	Non-inv. Grade	Inv. grade	Non-inv. grade				
Hotels	35	170	96	652	953	10	1,056	-
Restaurants	160	375	132	87	754	2	757	5
Entertainment	76	220	71	635	1,002	-	950	1
Total	271	765	299	1,374	2,709	12	2,763**	6

* The small business portion is included in the "Small business" sector and the corporate & commercial portion is included in the "Other" sector on chart 41

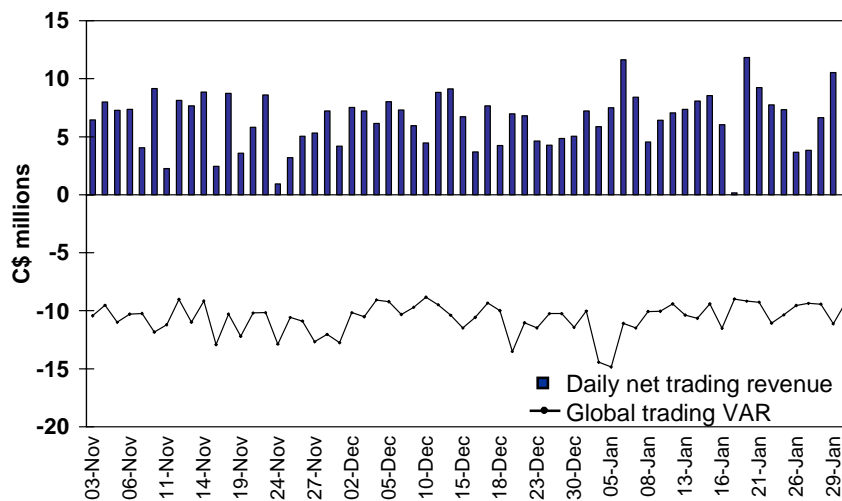
**Included \$274 million of investment grade small business, \$773 million of non-investment grade small business, \$325 million of investment grade corporate/commercial and \$1,391 million of non-investment grade corporate/commercial

53



Trading revenue performance

No days of trading losses in Q1/04

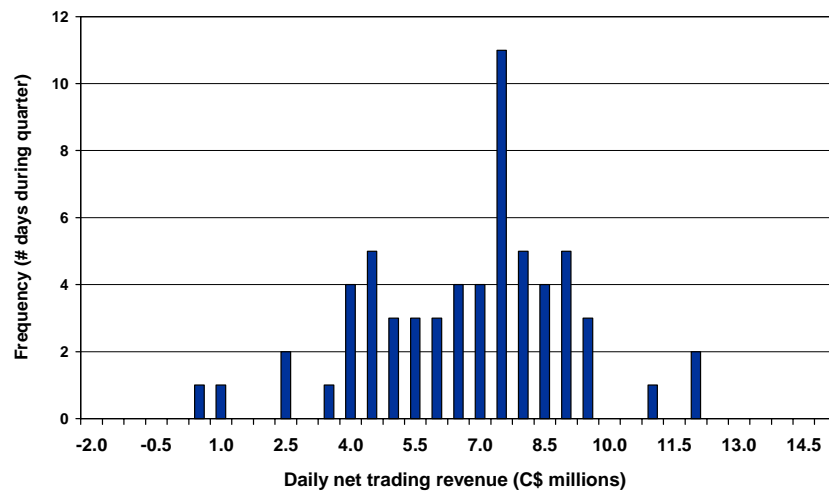


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Trading revenue performance

Distribution of Q1/04 trading revenues



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Risk management

Summary

- Nonaccrual loans up \$51 million from Q4/03 due largely to two U.S. energy accounts
- Reversal of \$150 million of the general allowance
- Allocated specific PCL down \$15 million from Q4/03 and \$78 million from Q1/03
- Continuing to reduce power, airlines, telecom and hotel/entertainment loans from Q4/03 levels
- Continued solid trading performance

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US GAAP



Explanation of certain terms

Average common equity: GAAP does not prescribe a method for allocating equity to business segments. For management and reporting purposes, we attribute common equity to each of our business segments (including the "Other" segment) based on methodologies designed to measure the equity capital necessary to underpin the risks of the businesses in each segment, as discussed on page 54 of our 2003 annual report, under the discussion of "Economic Capital". The capital attribution methodologies involve judgment by management, are revised from time to time, and will impact other measures such as business segment ROE. Average common equity for the segments is calculated using methods intended to approximate the average of the daily balances for the period, while average common equity for RBC is calculated as the average of the month-end balances for the period.

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

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