

# Highlights of Fourth Quarter and 2004 Results

November 30, 2004



## Caution regarding forward-looking statements



From time to time, we make written and oral forward-looking statements within the meaning of certain securities laws, included in this presentation and conference call, in other filings with Canadian regulators or the United States Securities and Exchange Commission, in reports to shareholders and in other communications. These forward-looking statements include, among others, statements with respect to our objectives for 2005, our medium and long term goals, and strategies to achieve those objectives, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," 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 our actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the strength of the Canadian and United States economies and the economies of other countries in which we conduct business; the impact of the movement of currencies, particularly the Canadian dollar relative to the U.S. dollar; the effects of changes in monetary 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; the effects of competition in the markets in which we operate; the impact of changes in the laws and regulations regulating financial services (including banking, insurance and securities); judicial or regulatory judgments and legal proceedings; our ability to obtain accurate and complete information from or on behalf of our customers and counterparties; our ability to successfully realign our business; our ability to complete strategic acquisitions and to integrate our acquisitions successfully; the accounting policies and methods we use to report our financial condition; operational and infrastructure risks; and other factors that may affect future results including changes in trade policies, timely development and introduction of new products and services, changes in tax laws, technological changes, 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 foregoing risks.

We caution that the foregoing list of important factors is not exhaustive. When relying on our 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 us or on our behalf.



## 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 US or Canadian 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 63 and reconciliation of non-GAAP measures to GAAP measures can be found throughout this presentation.

## Overview

**Gord Nixon**  
President & CEO





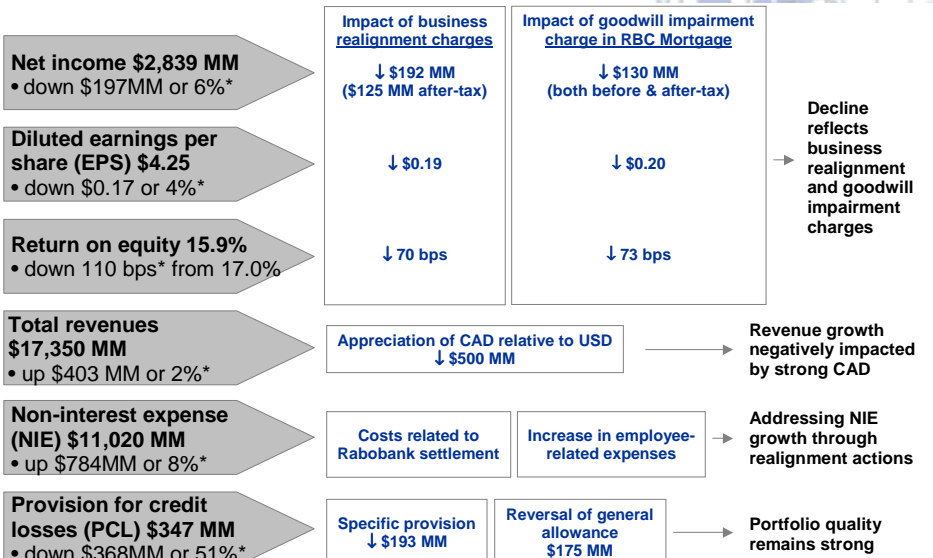
## Well-positioned for 2005

- ✓ **Delivered solid 2004 earnings growth in 4 of 5 businesses**
- ✓ **Improved credit quality**
- ✓ **Grew market shares in key products in Canada**
- ✓ **Took strong action in Q4 to deliver long-term value to shareholders & clients**
  - Launched Client First realignment initiative
  - Took realignment charges of \$192 million (\$125 million after-tax)
  - Took goodwill impairment charge of \$130 million for RBC Mortgage
- ✓ **Focused on improving performance in U.S. operations**

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## 2004 performance influenced by realignment actions



\* Change vs. 2003

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## Solid earnings growth in four of five segments in 2004

C\$ millions

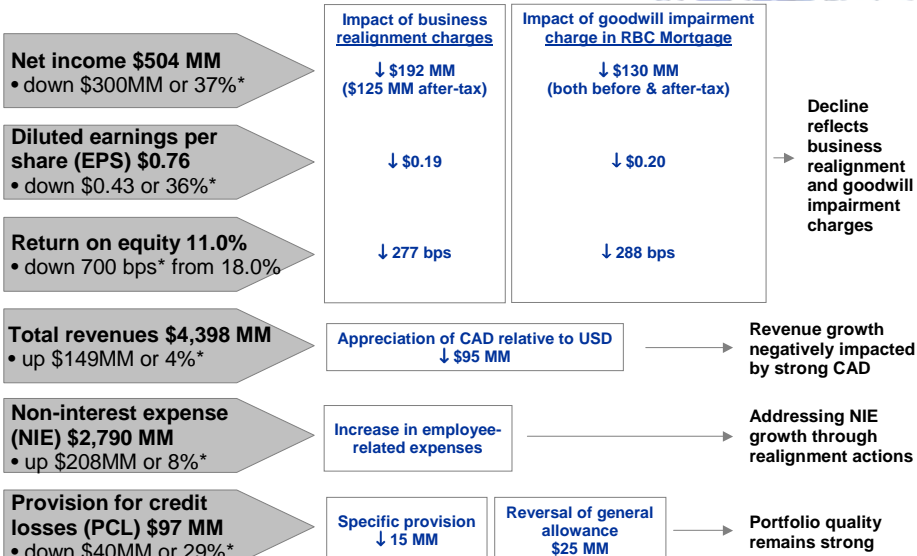
	2004 Net income	Net income growth*		ROE
		\$	%	
RBC Banking	\$ 1,287	(267)	(17)%	18.4%
RBC Investments	490	78	19	18.4
RBC Insurance	271	43	19	25.3
RBC Capital Markets	658	167	34	18.7
RBC Global Services	224	46	26	35.3
Other	(91)	(264)	(153)	(3.6)
<b>Total</b>	<b>\$ 2,839</b>	<b>(197)</b>	<b>(6)%</b>	<b>15.9%</b>

\* Change vs. 2003

Note: ROE and average allocated common equity for the segments are discussed on chart 63



## Q4/04 performance reflects realignment initiatives



\* Change vs. Q4/03



## Segment results also reflect realignment initiatives

C\$ millions	Q4/04 Net income	Net income growth*		ROE
		\$	%	
RBC Banking	\$ 138	(241)	(64)%	8.0%
RBC Investments	97	(29)	(23)	14.6
RBC Insurance	70	9	15	25.0
RBC Capital Markets	164	33	25	18.7
RBC Global Services	51	7	16	32.3
Other	(16)	(79)	(125)	(2.7)
<b>Total</b>	<b>\$ 504</b>	<b>(300)</b>	<b>(37)%</b>	<b>11.0%</b>

\* Change vs. Q4/03

Note: ROE and average allocated common equity for the segments are discussed on chart 63



## Strong volume growth in Canadian consumer products

C\$ millions	2004 Balances*	2004 vs. 2003 Growth in balance
Res. Mortgages	\$80,300	↑ 11%
Personal lending	\$26,900	↑ 12%
Credit cards	\$7,900	↑ 14%
Personal deposits	\$87,700	↑ 4%
Mutual funds	\$45,100	↑ 14%
Brokerage AUA**	\$111,400	↑ 8%

\* Average balances except for mutual funds and brokerage assets under administration (AUA), which are spot balances as at October 31, 2004

\*\* Canadian full-service brokerage AUA

Note: Residential mortgages, personal lending, credit cards & personal deposits balances are for RBC Banking – Canada



## Maintaining leading markets shares in Canadian consumer & business products

	Rank*	Aug-04 vs. Aug-03	Market share		
			Aug-04	May-04	Aug-03
Total deposits**:	#1	↓ 11 bp	12.57%	12.49%	12.68%
<i>Personal deposits</i>		↓ 3 bp	<b>15.03%</b>	<b>15.02%</b>	<b>15.06%</b>
<i>Mutual funds</i>		↑ 8 bp	<b>9.44%</b>	<b>9.34%</b>	<b>9.36%</b>
Residential mortgages	#1	↑ 24 bp	15.12%	15.01%	14.88%
Personal loans & credit cards	#2	↑ 38 bp	13.95%	14.17%	13.57%
Total business deposits*** ^	#1	↑ 1 bp	20.20%	21.23%	20.19%
Business financing***	#1	↑ 2 bp	11.30%	11.19%	11.28%

\* Market share rank among all financial institutions in Canada, as of August 2004

^ Market share rank among all Banks in Canada, as of August 2004

\*\* Consists of personal deposits and mutual funds

\*\*\* Includes all business deposits/business loans across RBC. Business loans include acceptances

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## Successful retail product launches in Canada

### Custom mortgage solutions

RBC Self-employed Mortgage  
RBC No Down Payment Mortgage  
RBC Vacation Home Mortgage  
RBC Homeline plan  
Cashback Mortgage

### New card products

RBC Rewards Visa Classic  
(no fee)  
RBC Mike Weir Visa Card

### New scoring models for personal loans

Strong volume growth  
in personal loans

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## Canadian & other international earnings were strong in 2004

C\$ millions	2004 Net income*	2004 vs. 2003	
		\$	%
<b>Canada</b>	<b>\$ 2,161</b>	<b>73</b>	<b>3%</b>
<b>U.S.</b>	<b>30</b>	<b>(333)</b>	<b>(92)</b>
<b>Other int'l</b>	<b>648</b>	<b>63</b>	<b>11</b>
<b>Total</b>	<b>\$ 2,839</b>	<b>(197)</b>	<b>(6)</b>

\* 2004 net income includes:

Canada – business realignment charges of \$142 million (\$92 million after-tax)

U.S. – a goodwill impairment charge of \$130 million (both before and after-tax), Rabobank settlement costs and business realignment charges of \$44 million (\$29 million after-tax)

Other int'l – business realignment charges of \$6 million (\$4 million after-tax)



## Business realignment of Nov. 1<sup>st</sup> to improve performance

- **Objectives of Client First initiative:**
  - Focus more effectively on client service to accelerate revenue growth
  - Control costs more aggressively and improve productivity
- **Five business segments being realigned into three:**
  - A Canadian personal and business segment – combines Canadian banking, investments and insurance, and also includes U.S. insurance and global reinsurance businesses
  - A U.S. and international segment – includes banking and investments in the U.S., banking and brokerage in the Caribbean, and Global Private Banking internationally
  - A global capital markets segment – includes corporate & commercial banking
- **Global Technology & Operations group combining all systems and operating capabilities**



## Business realignment and goodwill impairment charges

(C\$ millions)	Business realignment charges *					Goodwill impairment **
	Employee-related charges	Premises-related charges	Other Charges	Total charges	Total charges (after-tax)	Before and after-tax
RBC Banking	62	13	-	75	49	130
RBC Investments	17	-	-	17	11	-
RBC Insurance	8	-	-	8	5	-
RBC Capital Markets	25	-	-	25	16	-
RBC Global Services	3	-	-	3	2	-
Other	51	-	13	64	42	-
<b>Total</b>	<b>166***</b>	<b>13</b>	<b>13</b>	<b>192</b>	<b>125</b>	<b>130</b>
<b>Diluted EPS (\$)</b>					<b>0.19</b>	<b>0.20</b>

\* Geographic split found on slide 46

\*\* Relates to the impairment of goodwill at RBC Mortgage

\*\*\*Relates to charges for 1,660 position eliminations

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## Established more aggressive objectives for 2005

	2004 Objectives	2005 Objectives
<b>Profitability measures</b>		
ROE	17-19%	18-20%
EPS growth - diluted	10-15%	20%+
Revenue growth	5-8%	6-8%
Non-interest expense control	< revenue growth	< 3%
Specific PCL /avg. loans, acceptances & reverse repos	.35-.45%	N/A
Specific PCL/avg. loans and acceptances	N/A	.35-.45%
<b>Capital ratios (OSFI)</b>		
Tier 1 capital	maintain strong	8-8.5%
Total capital	capital ratios	11-12%
Dividend payout ratio	40-50%	40-50%

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## Refined our medium-term goals for top-quartile valuation

	Old	New
<b>Profitability measures</b>		
ROE	20%+	<b>20%+</b>
EPS growth - diluted	10-15%	<b>15%+</b>
Revenue growth	8-10%	<b>8-10%</b>
Non-interest expense control	N/A	No more than half of revenue growth
Specific PCL /avg. loans, acceptances & reverse repos	.35-.45%	N/A
Specific PCL/avg. loans and acceptances	N/A	<b>.40-.50%</b>
<b>Capital ratios (OSFI)</b>		
Tier 1 capital	8-8.5%	<b>8-8.5%</b>
Total capital	11-12%	<b>11-12%</b>
Dividend payout ratio	40-50%	<b>40-50%</b>

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## Top priorities for 2005

- 1. Achieve the aggressive financial objectives we have set for ourselves**
- 2. Continue to successfully roll out the various initiatives that are part of our business realignment**
- 3. Significantly re-profile our U.S. operations and increase their returns**

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## Focused on improving performance in U.S. operations

Peter Armenio  
Head U.S. & International  
(effective November 1, 2004)



### U.S. banking earnings



	Q4/04	Q3/04	Q4/03
Net income (C\$ millions)	<b>\$(175)</b>	<b>\$3</b>	<b>\$1</b>
Net income (US\$ millions)	<b>\$(143)</b>	<b>\$3</b>	<b>\$1</b>

- Q4/04 included RBC Mortgage goodwill impairment of C\$130 million and C\$19 million (after-tax) of business realignment charges for RBC Centura and RBC Mortgage.
- Q3/04 included a revenue deferral of C\$9 million pre-tax in RBC Mortgage from implementation of SEC Staff Accounting Bulletin No. 105.
- Q3/04 has been restated to include the mark-to-market losses on derivatives of C\$13 million after-tax relating to certain economic hedges attributable to RBC Mortgage that was reported in the Other segment last quarter.



## U.S. banking revenues

	Revenues		
	Q4/04	Q3/04	Q4/03
<i>C\$ millions</i>			
RBC Mortgage	\$ 23	\$ 23	\$ 8
RBC Centura	202	236	241
<b>Total U.S. RBC Banking</b>	<b>\$ 225</b>	<b>\$ 259</b>	<b>\$ 249</b>
<i>US\$ millions</i>			
RBC Mortgage	\$ 18	\$ 16	\$ 6
RBC Centura	159	176	179
<b>Total U.S. RBC Banking</b>	<b>\$ 177</b>	<b>\$ 192</b>	<b>\$ 185</b>

- U.S. revenues decreased C\$24 million from a year ago. RBC Centura's revenues declined despite strong loan growth, due to lower returns in its investment portfolio and last year's C\$21 million gain on sale of branches. RBC Mortgage revenue increased from last year, reflecting item below.
- RBC Mortgage Q4/04 results include a year-to-date adjustment for consolidation of Affiliated Business Arrangements previously accounted for using the equity method. Q4/04 revenue increased C\$17 million. This increase was offset in non-interest expense and non-controlling interest with no impact on net income.



## Change in RBC Centura revenues

<i>C\$ millions</i>	Q4/04 vs.	
	Q3/04	Q4/03
<b>Revenue change</b>	<b>\$ (34) (14)%</b>	<b>\$ (39) (16)%</b>
Variance due to:		
Loan and deposit portfolios	6	26
Net interest income on investment portfolio*	(8)	(18)
Branch sale gain in Q4/03	-	(21)
Securities gain in Q3/04	(7)	-
Mezzanine financing payout in Q3/04	(4)	-
Miscellaneous revenue	(8)	(11)
FX impact	(13)	(15)
<b>Total</b>	<b>(34)</b>	<b>(39)</b>

\* Net interest income on investment portfolio represents the yield on the investments less the cost of funding.



## Change in RBC Mortgage revenues

C\$ millions	Q4/04 vs.	
	Q3/04	Q4/03
<b>Revenue change</b>	<b>\$ - 0%</b>	<b>\$ 15 188%</b>
Variance due to:		
Volumes, product mix and margin	(22)	(13)
SAB 105 in Q3/04*	9	-
ABA consolidation in Q4/04**	17	17
Sterling Capital Mortgage acquisition	(3)	12
F/X impact	(1)	(1)
<b>Total</b>	<b>-</b>	<b>15</b>

\* SEC Staff Accounting Bulletin No. 105 requires deferral of revenues on mortgage servicing rights.

\*\*Represents year-to-date adjustment for consolidation of Affiliated Business Arrangements with home builders and realtors, previously accounted for using the equity method.



## Enhancing RBC Centura returns

**Reducing overhead costs**

**Took C\$13 million charge for planned staff reductions in 2005, mainly in support areas**

**Re-positioning branch network**

**Planning to consolidate 10 low-return RBC Centura branches in 2005**

**Intending to slow down pace of new branch openings**

**Re-positioning investment portfolio**

**Changing portfolio composition for higher yields**

**Driving volume improvements**

**Looking to enhance loan and deposit volumes and mix**



## Improving RBC Mortgage operations

Reducing overhead costs

Re-positioning  
branch network

Managing earnings  
volatility

Implementing Sterling  
model

Took C\$15 million business  
realignment charge

Consolidating Chicago headquarters  
into Houston office

Currently closing 38 less profitable  
branches (9 more expected in 2005)

Migrated adjustable rate mortgages to  
flow basis from bulk basis (investor  
now assumes interest rate risk)

Adopted better technology, loan  
pricing, focus on new purchase  
business

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## New focused U.S. consumer segment

- **New structure facilitates:**
  - Leveraging our capabilities
  - Working together to maximize returns
  - Greater accountability
  - Flexibility to manage various businesses
- **Reviewing portfolio of businesses to determine which ones to focus on**

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# Financial & Asset Quality Review

Barbara Stymiest  
Chief Operating Officer



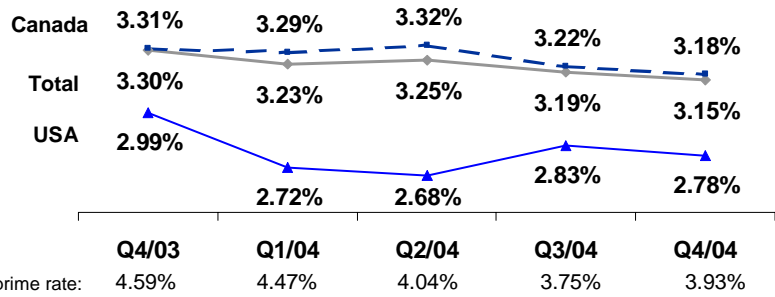
## Revenue growth despite strengthening of CAD relative to USD

C\$ millions	Q4/04 vs.				2004 vs.	
	Q3/04		Q4/03		2003	
<b>Change in total revenues Due to impact of CAD vs. USD*</b>	<b>\$ (7)</b>	<b>0%</b>	<b>\$ 149</b>	<b>4%</b>	<b>\$ 403</b>	<b>2%</b>
	<b>(80)</b>		<b>(95)</b>		<b>(500)</b>	
Change in total revenues (excluding CAD/USD impact)	\$ 73	2%	\$ 244	6%	\$ 903	5%

\* Translating USD denominated results using Q4/04 and 2004 CAD/USD exchange rates compared to the exchange rate for Q3/04, Q4/03 and 2003.



## Banking net interest margins beginning to stabilize



### Q4/04 vs. Q4/03 ↓ 15 bps

Total margin decreased due to:

- Spread compression on mortgages and deposits in Canada resulting from the low interest rate environment and competitive pricing pressures
- Lower returns from RBC Centura's investment portfolio due to higher funding costs and lower yield

### Q4/04 vs. Q3/04 ↓ 4 bps

Total margin decreased due to:

- Spread compression on mortgages in Canada

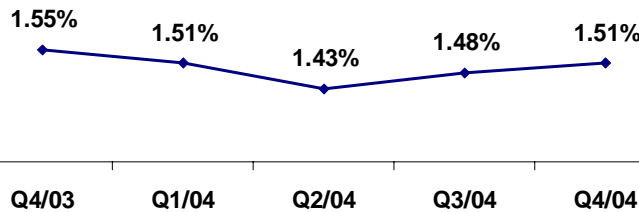
\* Net interest income as a percentage of average assets

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## Net interest margins up in second consecutive quarter



### Q4/04 vs. Q4/03 ↓ 4 bp:

Margin decreased due to:

- spread compression on mortgages and deposits in Canada resulting from the low interest rate environment and competitive pricing pressures
- lower returns from RBC Centura's investment portfolio

### Q4/04 vs. Q3/04 ↑ 3 bp:

Margin increased largely due to:

- Increase in short-term interest rate

\* Net interest income as a percentage of average assets

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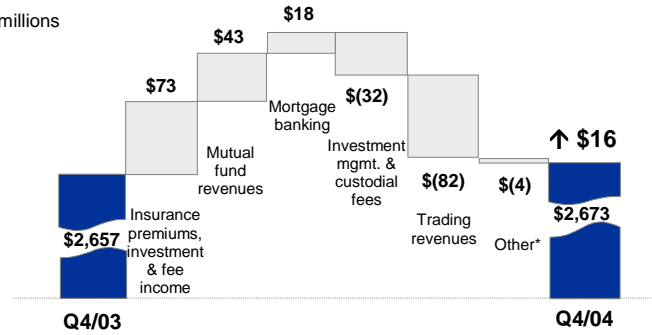
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## Non-interest income growth in Q4/04

### Q4/04 vs. Q4/03

C\$ millions



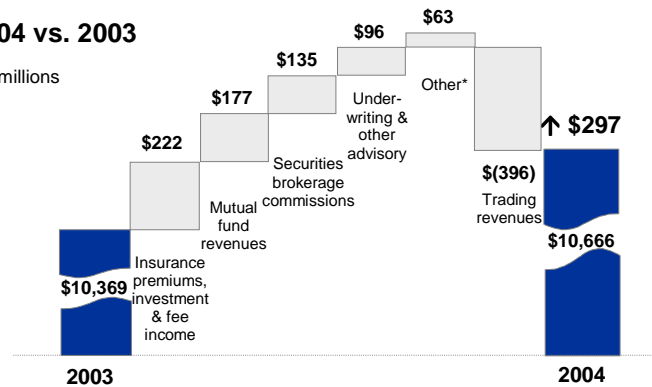
\* Other includes increases in: Securities gains, Credit fees and Card service revenues, and declines in: FX revenues other than trading, Deposit & payment service charges, Securities brokerage commissions, Securitization, Underwriting and other advisory fees and other



## Non-interest income growth in 2004

### 2004 vs. 2003

C\$ millions



\* Other includes increases in: Securities gains, Investment management & custodial, FX revenues other than trading, Securitization, Card service revenues, and declines in: Credit fees, Deposit & payment service charges, Mortgage banking revenues



## Non-interest expenses

C\$ millions

	Q4/04	Q3/04	Q4/03	2004	2003
<b>Non-interest expense</b>	<b>\$ 2,790</b>	<b>\$ 2,720</b>	<b>\$ 2,582</b>	<b>\$11,020</b>	<b>\$10,236</b>

	Q4/04 vs.				2004 vs.	
	Q3/04		Q4/03		2003	
<b>Δ in non-interest expense</b>	<b>\$ 70</b>	<b>3%</b>	<b>\$ 208</b>	<b>8%</b>	<b>\$ 784</b>	<b>8%</b>
Human resources	\$ 19	1%	\$ 135	9%	\$ 419	7%
Occupancy	-	-	28	16	45	6
Equipment	14	6	15	7	42	5
Communications	14	8	1	1	(30)	(4)
Professional fees	30	25	18	14	33	7
Other*	(7)	(2)	11	4	275	25

\* 2004 amount includes costs related to Rabobank settlement, before the reduction in related human resource compensation costs. Other also includes outsourced item processing, amortization of goodwill and intangibles and other expenses.

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## Drivers of employee-related expenses

C\$ millions

	Q4/04 vs.				2004 vs.	
	Q3/04		Q4/03		2003	
<b>Δ in non-interest expense</b>	<b>\$ 70</b>	<b>3%</b>	<b>\$ 208</b>	<b>8%</b>	<b>\$ 784*</b>	<b>8%</b>
Change largely reflects:						
Benefits	\$ 9	3%	\$ 64	28%	\$ 195	21%
Variable compensation	(11)	(2)	26	5	189	9
Salaries	26	3	56	7	55	2

\* Includes Rabobank settlement costs net of the reduction in compensation expenses

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## Solid loan growth excluding impact of FIN 46R\*

C\$ millions	Oct 31/04 vs.			
	July 31/04		Oct 31/03	
Residential mortgages**	\$ 1,961	2%	\$ 5,353	7%
Personal loans	1,005	3	4,662	14
Credit cards	149	2	1,640	34
<b>Total consumer loans</b>	<b>\$ 3,115</b>	<b>3%</b>	<b>\$ 11,655</b>	<b>10%</b>
Business & government loans***	(480)	(1)	4,952	9
<b>Total gross loans</b>	<b>\$ 2,635</b>	<b>1%</b>	<b>\$ 16,607</b>	<b>10%</b>
Allowance for loan losses	49	(3)	411	(20)
<b>Total net loans</b>	<b>\$ 2,684</b>	<b>1%</b>	<b>\$ 17,018</b>	<b>10%</b>

\* Reconciliation to GAAP information is discussed in the Appendix on slide 58

\*\* Reflects \$5.0 billion of securitizations during 12 months ended October 31, 2004 and \$1.0 billion of securitizations during Q4/04

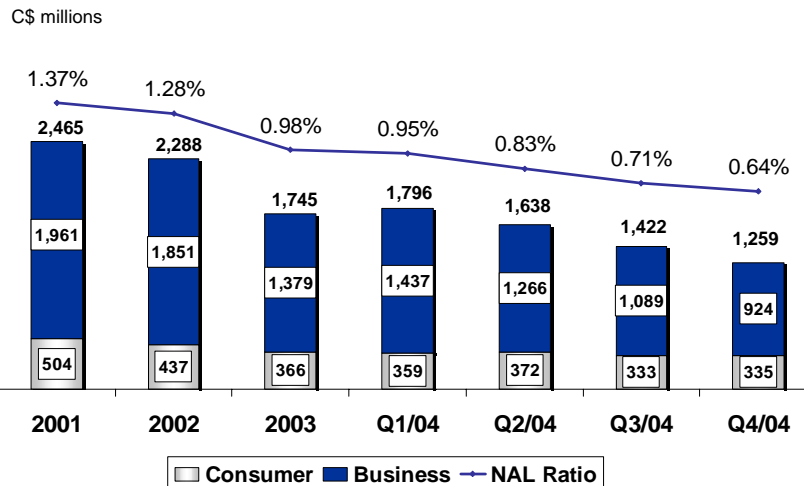
\*\*\* Reflects \$0.5 billion of securitizations during 12 months ended October 31, 2004 and \$0.2 billion of securitizations during Q4/04

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## Nonaccrual loans continue to decline



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

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## Nonaccrual loans decline virtually across the board

C\$ millions

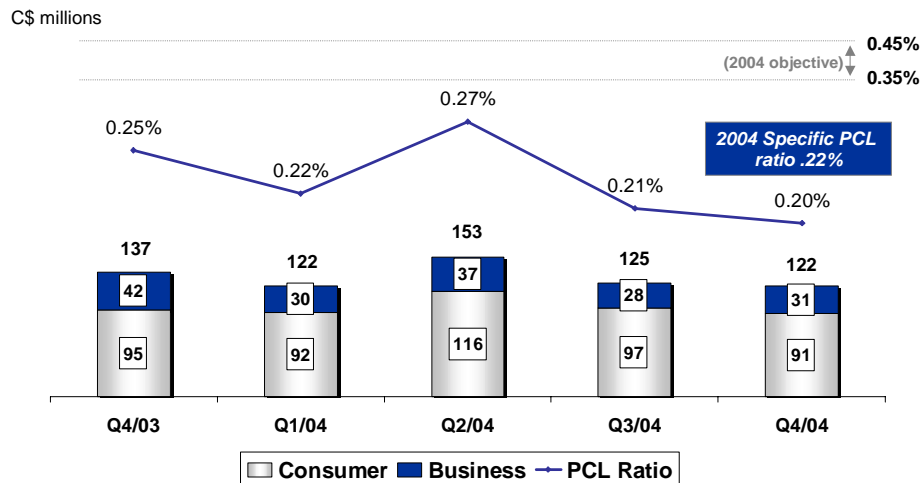
	Q4/04	Q4/04 vs.			
		Q3/04	Q4/03		
<b>Nonaccrual loans</b>	<b>\$ 1,259</b>	<b>\$ (163)</b>	<b>(11)%</b>	<b>\$ (486)</b>	<b>(28)%</b>
<b>Comprising:</b>					
Canada - consumer	\$ 274	\$ 2	1%	\$ (49)	(15)%
Canada - business	509	(61)	(11)	(232)	(31)
U.S. – consumer	44	(2)	(4)	15	52
U.S. – business	332	(88)	(21)	-	-
Other international	100	(14)	(12)	(220)	(69)

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## Specific PCL declined and exceeded objectives...



\* Allocated specific provision for credit losses as a percentage of average loans and acceptances and reverse repurchase agreements

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## ...and we drew down the general allowance in 2004

C\$ millions	Q4/04	Q3/04	Q4/03	2004	2003
Allocated specific provision	\$ 122	\$ 125	\$ 137	\$ 522	\$ 715
Allocated and unallocated general provision	(25)	-	-	(175)	-
<b>Total provision for credit losses</b>	<b>\$ 97</b>	<b>\$ 125</b>	<b>\$ 137</b>	<b>\$ 347</b>	<b>\$ 715</b>
Net credit derivatives gain	-	-	-	-	(14)
<b>Total provisions net of credit derivative gains</b>	<b>\$ 97</b>	<b>\$ 125</b>	<b>\$ 137</b>	<b>\$ 347</b>	<b>\$ 701</b>

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## Strong capital ratios in excess of our medium-term goal

### Capital ratios (using OSFI guidelines)

	Goal	Q4/04	Q3/04	Q4/03
Tier 1 ratio:	8-8.5%	8.9%	9.1%	9.7%
Total capital ratio:	11-12%	12.4%	12.7%	12.8%
Risk-adjusted assets: (C\$billions)		\$183.4	\$183.0	\$166.9

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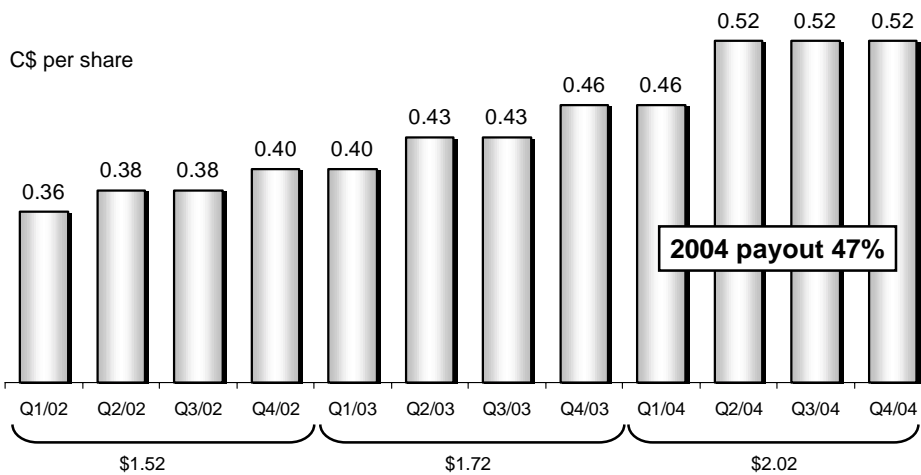
## Continuing share repurchases as a part of capital management

	# of shares	Average price	\$ repurchased
<b>Q4/04:</b> Program commenced Jun 24/04	4.7 mm	\$60.79	\$289 mm
<b>2004:</b> Program commenced Jun 24/03	8.2 mm	\$61.54	\$504 mm
Program commenced Jun 24/04	<u>6.4 mm</u>	<u>\$60.56</u>	<u>388 mm</u>
<b>Total repurchases</b>	<b>14.6 mm</b>	<b>\$61.11</b>	<b>\$892 mm</b>

Current program allows for the repurchase of 25 million shares by June 23, 2005, leaving 18.6 million shares which can still be repurchased



## Five common share dividend increases since Q1/02



## APPENDIX



### Reconciliation of U.S. & Cdn. GAAP EPS

C\$ per share	Q4/04	Q3/04	Q4/03	2004	2003
<b>U.S. GAAP EPS - diluted</b>	<b>\$0.76</b>	<b>\$1.15</b>	<b>\$1.19</b>	<b>\$4.25</b>	<b>\$4.42</b>
Insurance accounting	(0.01)	-	-	(0.03)	(0.02)
Derivatives/hedging activities	0.03	(0.02)	(0.06)	(0.01)	(0.02)
Other	-	(0.01)	(0.02)	0.02	0.01
<b>Cdn. GAAP EPS - diluted</b>	<b>\$0.78</b>	<b>\$1.12</b>	<b>\$1.11</b>	<b>\$4.23</b>	<b>\$4.39</b>
<b>U.S. GAAP EPS less Cdn. GAAP EPS</b>	<b>\$(0.02)</b>	<b>\$0.03</b>	<b>\$0.08</b>	<b>\$0.02</b>	<b>\$0.03</b>



## Impact of CAD vs. USD change

C\$ millions	Q4/04 vs. Q3/04*	Q4/04 vs. Q4/03*	2004 vs. 2003*
<b>FX impact on:</b>			
Total revenues	↓ 80	↓ 95	↓ 500
Non-interest expense	↓ 55	↓ 65	↓ 345
Net income	↓ 10	↓ 12	↓ 55
EPS – diluted (\$/share)	↓ \$0.02	↓ \$0.02	↓ \$0.08

Value of C\$1.00 in USD	Q4/04	Q3/04	Q4/03
Average	\$0.7918	\$0.7451	\$0.7403
Closing	\$0.8210	\$0.7522	\$0.7584

\* Translating USD denominated results using average CAD/USD exchange rates for respective periods



## Business realignment charges by geography

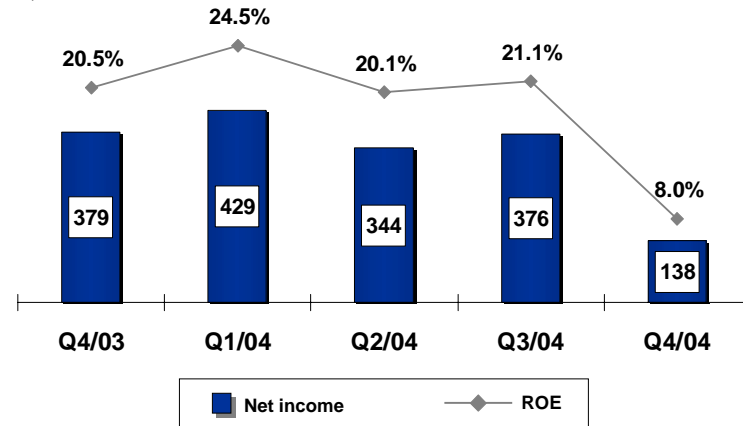
(C\$ millions)	Business realignment charges				
	Canada	US	Int'l	Total	Total (after-tax)
RBC Banking	47	28	-	75	49
RBC Investments	7	8	2	17	11
RBC Insurance	4	4	-	8	5
RBC Capital Markets	17	4	4	25	16
RBC Global Services	3	-	-	3	2
Other	64	-	-	64	42
<b>Total</b>	<b>142</b>	<b>44</b>	<b>6</b>	<b>192</b>	<b>125</b>



## RBC Banking highlights

### Net income and ROE

C\$ millions



Note: ROE for the segments is discussed on chart 63

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US GAAP



## RBC Banking – domestic highlights\*

- Earnings down \$60 million or 17%, largely reflecting \$30 million after-tax in business realignment charges, and a \$20 million after-tax investment write-down.
- Revenues up \$51 million or 3%, as strong growth in loan and deposit balances and higher fee income were partly offset by spread compression on mortgages and deposits and a \$20 million after-tax investment write-down.

	Q4/04 vs. Q4/03
Revenues	↑ 3.3%
Net interest income	↑ 3.8%
Non-interest income	↑ 1.9%

### Domestic volume growth:

Res. Mortgages	↑ 11.4%
Personal lending	↑ 13.4%
Credit cards	↑ 11.5%
Business lending**	↑ 6.2%
Personal deposits	↑ 3.2%
Business deposits**	↑ 10.2%

- Non-interest expense up \$97 million or 11%, with \$47 million attributable to higher benefit and other compensation costs. In addition, we incurred higher costs for advertising, marketing and professional fees.

\* Growth vs. Q4/03

\*\* Excludes Commercial

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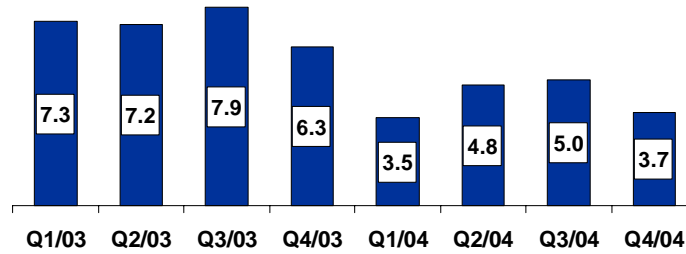
US GAAP



## RBC Mortgage

### Mortgage Origination Volumes

US\$ billions



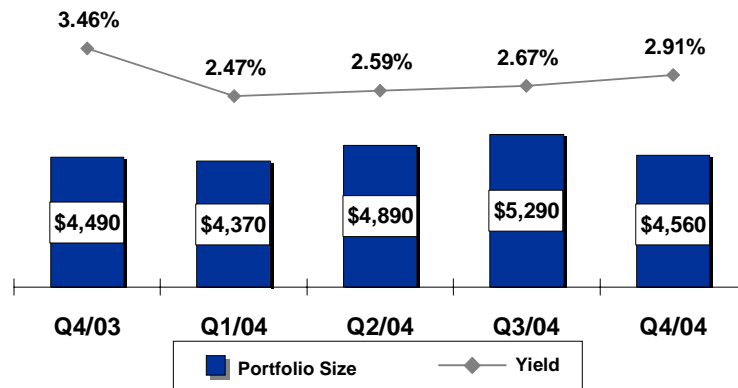
- Originations decreased \$1.3 billion or 26% from the previous quarter and \$2.6 billion or 41% from the same quarter last year.



## RBC Centura investment portfolio

### Investment Portfolio size and yield

US\$ millions

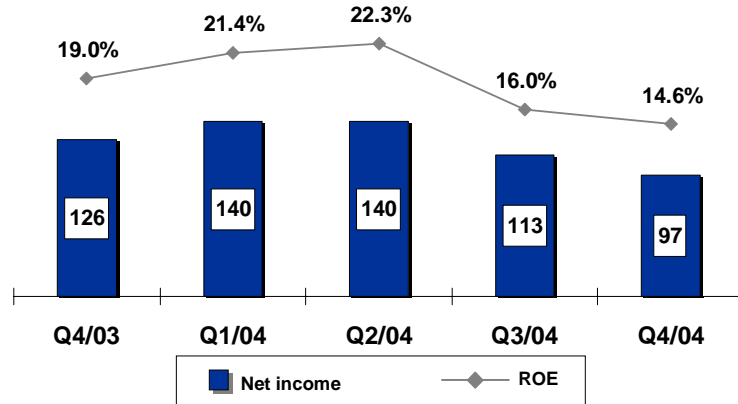




## RBC Investments highlights

### Net income and ROE

C\$ millions



Note: ROE for the segments is discussed on chart 63

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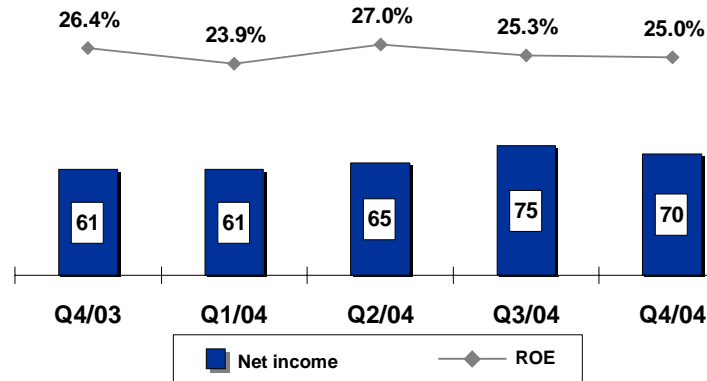
US GAAP



## RBC Insurance highlights

### Net income and ROE

C\$ millions



Note: ROE for the segments is discussed on chart 63

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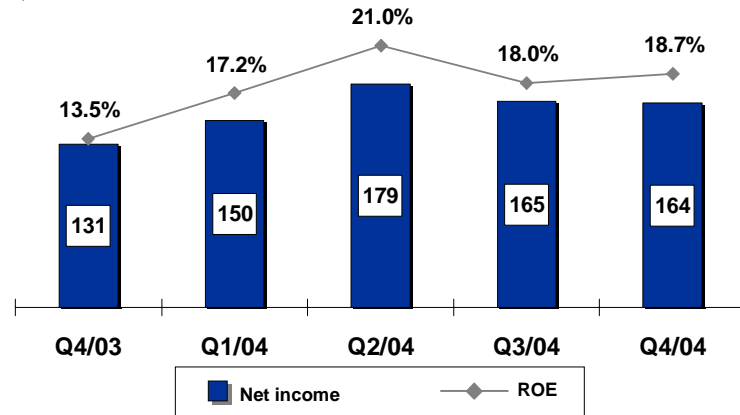
US GAAP



## RBC Capital Markets highlights

### Net income and ROE

C\$ millions



Note: ROE for the segments is discussed on chart 63

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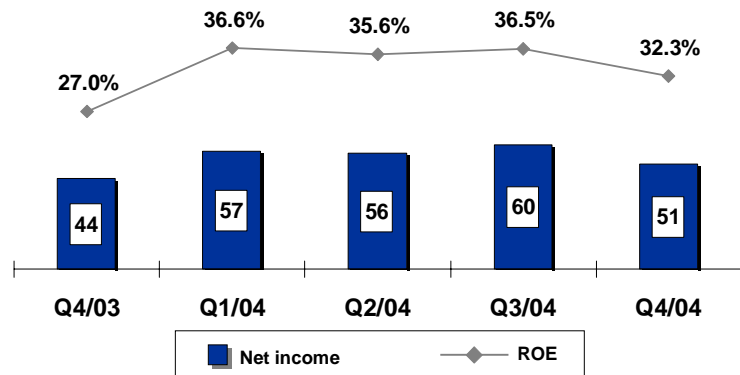
US GAAP



## RBC Global Services – highlights

### Net income and ROE

C\$ millions



Note: ROE for the segments is discussed on chart 63

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US GAAP



## U.S. earnings

C\$ millions	Net income				
	Q4/04	Q3/04	Q4/03	2004	2003
RBC Banking	(175) *	3	1	(183) *	141
RBC Investments	25	31	35	118	88
RBC Insurance	5	4	(5)	13	8
RBC Capital Markets	60	38	54	86 **	122
RBC Global Services	1	1	2	8	7
Other	-	1	(1)	(12)	(3)
<b>Total U.S.</b>	<b>(84)</b>	<b>78</b>	<b>86</b>	<b>30</b>	<b>363</b>

\* Includes RBC Mortgage goodwill impairment charge of \$130 million

\*\* Includes Rabobank settlement costs in Q1/04

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US GAAP



## Retention compensation

C\$ millions

	2001 A		2002 A		2003 A		2004 A*		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	34	22	23	15
RBCCM	88	54	51	31	18	11	3	2	-	-
<b>Total</b>	<b>176</b>	<b>108</b>	<b>158</b>	<b>97</b>	<b>84</b>	<b>52</b>	<b>37</b>	<b>24</b>	<b>23</b>	<b>15</b>

\* For RBC Investments, \$10 million pre-tax in Q1, \$9 million each in Q2 and Q3, and \$6 million in Q4 (\$6 million after tax in each of the first three quarters, and \$4 million after tax in Q4). For RBC Capital Markets, \$3 million pre-tax (\$2 million after tax) in Q1 and nil for Q2, Q3 and Q4

\*\* Retention compensation costs are expected to be immaterial in 2006 and beyond

RBCInv = RBC Investments RBCCM = RBC Capital Markets

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US GAAP



## Year over year growth in non-interest income

C\$ millions	Q4/04 vs.				2004 vs.	
	Q3/04		Q4/03		2003	
Non-interest income growth	\$ (15)	(1)%	\$ 16	1%	\$ 297	3%
Due to:						
Insurance premiums, investment & fee income	\$ (11)	(2)%	\$ 73	13%	\$ 222	11%
Mutual fund revenues	2	1	43	25	177	26
Securities brokerage commissions	(2)	(1)	(5)	(2)	135	13
Underwriting and other advisory	3	1	(24)	(10)	96	12
Securities gains	(5)	(16)	13	100	63	332
Investment management and custodial fees	(24)	(8)	(32)	(10)	55	5
FX revenues other than trading	2	3	(1)	(1)	52	19
Securitization	31	135	(7)	(11)	31	19
Card service revenues	6	7	8	9	21	7
Mortgage banking	9	n.m.	18	n.m.	(129)	(72)
Trading revenues	(11)	(3)	(82)	(20)	(396)	(21)
Other	(15)	(3)	12	2	(30)	(2)
	<b>57</b>				<b>US GAAP</b>	



## Impact of FIN 46R

### VIEs consolidated

C\$ millions	Oct.31/04	Jul.31/04	Oct.31/03
Personal loans	\$ -	\$ 3,104	\$ -
Credit cards	-	851	-
<b>Total consumer loans</b>	<b>\$ -</b>	<b>\$ 3,955</b>	<b>\$ -</b>
Business & government loans	-	3,797	-
<b>Total gross loans</b>	<b>\$ -</b>	<b>\$ 7,752</b>	<b>\$ -</b>

### Reconciliation to GAAP

C\$ millions	Balances before VIE consolidation	VIEs consolidated on Jul.31/04	GAAP Loan balances Jul.31/04
Residential mortgages	\$ 82,211	-	\$ 82,211
Personal loans	35,843	\$ 3,104	38,947
Credit cards	6,307	851	7,158
<b>Total consumer loans</b>	<b>\$ 124,361</b>	<b>\$ 3,955</b>	<b>\$ 128,316</b>
Business & government loans	62,158	\$ 3,797	65,955
<b>Total gross loans</b>	<b>\$ 186,519</b>	<b>\$ 7,752</b>	<b>\$ 194,271</b>

\* Certain multi-seller asset-backed commercial paper conduit programs (multi-seller conduits) that we administer have been restructured during the quarter and we are no longer required to consolidate these assets in accordance with FIN 46R. The amounts of such assets that we had consolidated on our balance sheet in the third quarter are shown above. We have excluded the assets of these multi-seller conduits from the respective loan balances on slide 35, which we believe provides a more meaningful comparison.



## Details on credit protection portfolio

C\$ millions

	Bought	Sold
Financial services	\$ 316	\$ -
Energy	282	23
Automotive	110	55
Mining and Metals	55	-
Transportation & environmental	49	16
Telecommunication and Media	45	44
Health	-	6
Industrial Products	-	63
Consumer Goods	-	233
Other industries *	100	259
<b>Total</b>	<b>\$ 957</b>	<b>\$ 699</b>
Investment grade	\$ 866	\$ 699
Non-investment grade	\$ 91	-

\* Includes forest product, holding and investment, real estate and related, other service and unclassified industries.

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US GAAP



## Further reductions in sensitive sectors\*

C\$ millions

	Q4/04					Q4/03	
	Inv. Grade	Non-inv. grade	Total Loans	Impaired Gross	Impaired Net	Total loans	Net impaired
Electricity Generation and Distribution	435	376	811	159	110	1,043	130
Telecom and Cable	39	591	630	49	45	618	47
Airlines and Aerospace	106	330	436	2	(3)	526	6

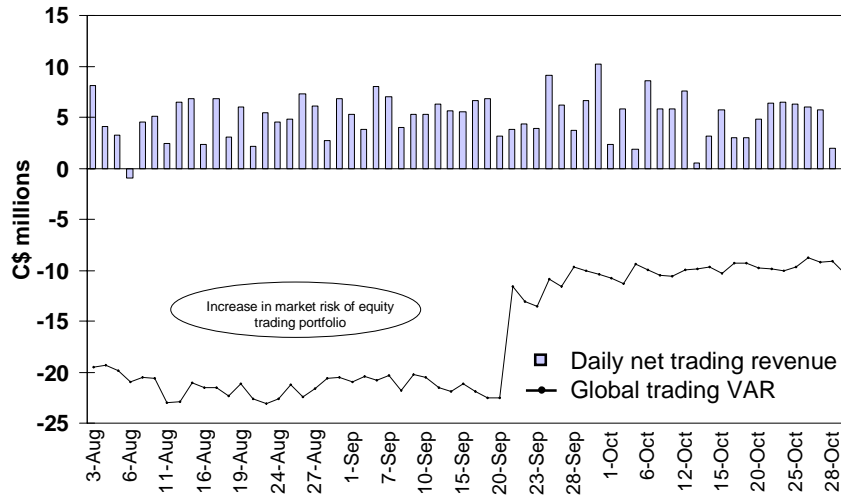
\* Total loans from these three sectors represented 0.96% of total gross loans and acceptances as of Q4/04, down from 1.13% as of Q3/04

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## Trading revenue performance

### One day of net trading losses

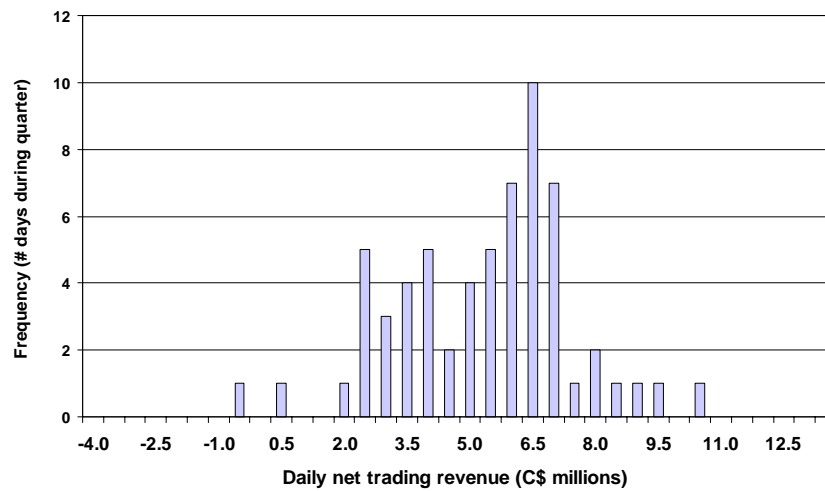


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## Trading revenue performance

### Distribution of Q4/04 trading revenues



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## 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 with changes applied prospectively, and may affect 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.