

ROYAL BANK REPORTS FOURTH QUARTER AND RECORD 2002 RESULTS

Higher earnings from U.S. acquisitions and lower loan loss provisions in Q4/02

TORONTO, November 19, 2002 – Fourth Quarter highlights – For its fourth quarter ended October 31, 2002, Royal Bank of Canada (RY on TSX & NYSE) today announced net income of \$732 million, up 8% from a year ago and earnings per diluted share of \$1.05, up 12%. Last year's fourth quarter net income of \$680 million (\$.94 per share) had included earnings of \$239 million or \$.34 per share due to special items (shown on page 11), which consisted of a \$251 million after-tax gain on the sale of RT Capital Management and a \$12 million write-down of deferred income tax assets.

Excluding special items in last year's fourth quarter, net income was up \$291 million or 66% and earnings per share were up \$.45 or 75%. Further excluding goodwill amortization expense in last year's fourth quarter (as described on page 5), net income rose 34% while earnings per share were up 38% from a year ago.

Commenting on the results, Gordon M. Nixon, President & CEO, said, "We performed well this year in terms of our objectives. We grew both revenues and earnings per share at a double-digit pace and demonstrated ongoing vigilance on the cost and asset quality fronts. In addition, the market price of our common shares increased 16% during the fiscal year."

Return on equity was 16.3% in the fourth quarter compared to 15.7% (9.9% excluding special items and 12.4% on further excluding goodwill amortization expense), a year ago.

Revenues in the fourth quarter were down 3%. However, excluding from last year's earnings the above-mentioned gain on the sale of RT Capital Management, revenues were up \$199 million or 5%.

Expenses fell 1%. Excluding the impact of recent U.S. acquisitions (as shown in the table on page 12), operating expenses (which exclude special items, costs of Stock Appreciation Rights and retention compensation associated with acquisitions) were down 7%, as shown on page 13, compared to flat operating revenues.

The specific provision for credit losses was \$235 million or .43% of average loans, acceptances and reverse repurchase agreements compared to .41% last quarter (.51% last quarter net of credit derivative gains and losses, as discussed on pages 14 and 15).

At October 31, 2002, the Tier 1 capital ratio was 9.3% and the total capital ratio was 12.7%, compared to 8.7% and 11.8%, respectively, one year ago.

Full-Year highlights – Record net income for the year ended October 31, 2002, was \$2,898 million, up 19% from 2001, and earnings per diluted share were \$4.12, up 16%. Last year's net income of \$2,435 million (\$3.55 per share) included earnings of \$204 million, or \$.31 per share, due to special items detailed on page 11.

Excluding special items in 2001, net income was up \$667 million, or 30%, and earnings per share were up \$.88, or 27%. Further excluding goodwill amortization expense in 2001, net income rose 17% while earnings per share were up 13% from a year ago.

The results mentioned above are based on U.S. GAAP financial statements, with the exception of the specific provision for credit losses and the capital ratios, which are based on Canadian GAAP financial statements.

CHIEF EXECUTIVE OFFICER'S MESSAGE

I am pleased to report another quarter of solid results and record earnings for 2002 in an environment marked by ongoing concerns about global economic growth, financial market uncertainty and geopolitical tensions.

While adjusting our businesses to perform well in the short term, we also continued to position ourselves for sustained long-term growth and consistent performance. I will comment on those steps in the context of our four key strategic priorities.

Strong fundamentals

Net income of \$732 million this quarter was up 66% on a core basis (i.e., excluding the effect of special items), and up 34% if we also exclude goodwill amortization expense in last year's fourth quarter. This reflected solid core revenue growth due to our U.S. acquisitions, good cost control and substantially lower credit costs.

The effective execution of our risk mitigation strategies has been paying off. We successfully used credit derivatives (discussed on pages 14 and 15) and continued to reduce the size of our corporate loan portfolio. This resulted in a \$5.1 billion reduction in total business and government loans this year. We have reduced risk-adjusted assets in our corporate loan book by 30% since 1998 and plan on further reductions. Residential mortgages, which have historically generated very low loan losses, continue to grow in size and as a proportion of our total loan portfolio. This has further positive implications for our asset quality.

Our goal is to maintain financial performance in the top quartile of North American financial companies and to meet or exceed our own objectives. As shown on page 4, we performed strongly this year against almost all of our objectives – growing both revenues and earnings per share at a double-digit pace, continuing to demonstrate cost and asset quality discipline, enhancing our capital ratios, maintaining top-quartile valuation and achieving share price growth of 16% compared to returns of -9% for the S&P/TSX Composite Index and 1% for the TSX Banks and Trusts Index over that same period. In the past five years, our annualized total return to shareholders has been 10.7%, above the annualized returns of -0.3% for the S&P/TSX Composite Index and 8.0% for the TSX Banks and Trusts Index. Shareholders have benefited not only from solid share price appreciation, but also from our long history of uninterrupted and rising dividend payments. We also plan to continue our share repurchase program in 2003.

Our objectives for 2003 are similar to those in place in 2002, with the exception of the revenue growth goal, which we have lowered marginally to 5-8% in light of continued uncertainty for the economy and the earnings per share growth goal, which we have raised to 10-15% on the expectation that capital market activity will pick up somewhat in 2003 and cost containment will allow expenses to grow at a lower rate than revenues.

We have also modified some of our medium-term goals. With our strong commitment to shareholder value, we have raised our dividend payout goal from 30-40% to 35-45%. We paid common share dividends of \$1.52 this year compared to \$1.38 last year – a 10% increase that translates into a 37% payout ratio for 2002. We also raised our Tier 1 capital ratio goal to 8-8.5% from 8% to make our capital ratios more comparable to those of other well-capitalized North American banks. Finally, we are raising our specific provision for credit losses ratio goal to .35-.45% from .30-.40% in recognition of the economic uncertainty and the growing Canadian and U.S. consumer loan book, which has loss ratios above the earlier goal range.

North American expansion

One of our important objectives for 2002 was to enhance the performance of our recent U.S. acquisitions. Our recent U.S. acquisitions generated 21% of total revenues in 2002, up from 12% a year ago, and net income of \$232 million, up from \$(23) million on a core basis last year. This reflects a full year of results and stronger performance at RBC Centura, the benefits of further integrating Tucker Anthony Sutro into RBC Dain Rauscher, strong results from RBC Dain Rauscher's fixed income operations and the cessation of goodwill amortization expense this year. RBC Dain Rauscher generated a full-year profit of \$3 million in 2002 versus a loss of \$73 million in 2001. RBC Dain Rauscher's retention compensation expenses will fall in 2003, further aiding its performance.

Each of our acquired U.S. companies is attempting to grow revenues and enhance efficiency not only on its own but also by working closely with the Canadian operations of its own platform and with its sister companies in the U.S. For example, this past quarter, RBC Liberty Insurance launched a life specialist initiative, a referral sales operation targeting clients of RBC Centura with 19 insurance specialists operating in North Carolina banking centers. Consistent with our U.S. expansion strategy, RBC Centura announced in August the acquisition of Admiralty Bancorp, Inc., a Florida-based financial holding company with 10 branches for approximately US\$150 million. The acquisition is expected to close in early 2003.

Growth of high-return, high-P/E multiple businesses

One of the major strengths of RBC Financial Group is our business diversification, by business and geography, which helps to stabilize our returns and reduce earnings volatility. Close to 40% of our core earnings growth in 2002 came from our U.S. acquisitions, demonstrating the benefit of geographic diversification. Despite continued economic uncertainty and weakness in capital markets, four of our five business platforms recorded double-digit core earnings growth. While we are looking for RBC Banking and RBC Investments to be the main drivers of our operational and financial expansion over the long term, each of our business platforms continues to selectively target priority areas for growth. Each of our five business platforms is also looking for ways to enhance relationships with their existing clients to increase the amount of business they conduct with RBC Financial Group, while at the same time improving cost competitiveness and overall performance and returns.

Cross-platform leverage

Cross-platform leverage involves working across our various businesses and functions to share best practices and realize revenue and cost synergies. We believe we are well positioned for cross-selling given our broadly diversified business mix, broad range of product and service offerings, a sizeable client base, strength in client relationship management, an established philosophy of serving the best interests of the client, strong market positions in Canada and a platform for growth in the U.S. We have a long history of successfully providing our Canadian retail clients with the most appropriately tailored services from across our group. We intend to intensify cross-selling initiatives within Canada and increase our emphasis on this initiative in the U.S. To this end, effective November 1, 2002, we are introducing RBC Referrals, an enhanced program designed to better serve our clients and generate more business opportunities within RBC Financial Group. In addition, we have a number of initiatives underway across the organization to enhance efficiency and share best practices.

I would like to acknowledge and thank employees throughout the RBC Financial Group for their terrific effort this year. I look forward to reporting to you on our performance again next year.



Gordon M. Nixon
President & Chief Executive Officer

PERFORMANCE COMPARED TO OBJECTIVES

	2002 objectives ⁽¹⁾	2002 performance ⁽¹⁾	2003 objectives	Medium-term goals (3-5 year)
1. Valuation				
Maintain top quartile valuation levels:				
• Share price/book value:	1 st quartile of TSX Banks & Trusts Index	1 st quartile	1 st quartile of S&P/TSX Composite Banks Index ⁽³⁾	N/A
• Share price/earnings:	1 st quartile of TSX Banks & Trusts Index	1 st quartile ⁽²⁾	1 st quartile of S&P/TSX Composite Banks Index ⁽³⁾	
Share price growth:	Above the TSX Banks & Trusts Index	Above the index	Above the S&P/TSX Composite Banks Index ⁽³⁾	
2. Earnings growth				
Grow diluted earnings per share by:	5-10% ⁽⁴⁾	27% ⁽⁴⁾ 13% excluding goodwill amortization	10-15%	10-15%
3. Return on common equity				
Achieve a return on common equity of:	17-19% ⁽⁴⁾	16.6% ⁽⁴⁾	17-19%	20%+
4. Revenue growth				
Achieve revenue growth of:	7-10%	11%	5-8%	8-10%
5. Expense growth				
Operating expenses versus operating revenues ⁽⁵⁾ :	Operating expense growth less than operating revenue growth	Operating expense growth 8%, compared to operating revenue growth of 11%. Excluding recent U.S. acquisitions, operating expenses down 5% and operating revenues flat	Operating expense growth less than operating revenue growth	N/A
6. Portfolio quality				
Achieve a ratio of specific provisions for credit losses to average loans, acceptances and reverse repurchase agreements ⁽⁶⁾ :	.45-.55%	.51% .49% net of effect of credit derivatives ⁽⁷⁾	.45-.55%	.35-.45% (was .30-.40%)
7. Capital management				
Capital ratios ⁽⁶⁾ :	Maintain strong capital ratios	9.3% Tier 1 capital ratio 12.7% Total capital ratio versus medium-term goals of 8% and 11-12%, respectively	Maintain strong capital ratios	8-8.5% Tier 1 capital (was 8%) 11-12% Total capital
Dividend payout ratio⁽⁸⁾	N/A	37%	35-45%	35-45% (was 30-40%)
<p>⁽¹⁾ Excluding special items in 2001 (for growth in earnings, revenues and expenses) detailed on page 11.</p> <p>⁽²⁾ Computed by us on October 31, 2002, based on analysts' average core diluted earnings per share forward estimates for 2003.</p> <p>⁽³⁾ The TSX is discontinuing the TSX Banks & Trusts Index in May 2003 and replacing it with the S&P/TSX Composite Banks Index.</p> <p>⁽⁴⁾ With the adoption in Q1/02 of new accounting standards regarding business combinations in Canada and the U.S., goodwill is no longer amortized. Accordingly, 2002 objectives for earnings growth and return on common equity are no longer on a "cash" basis, as reported earnings are now very similar to "cash" earnings.</p> <p>⁽⁵⁾ Operating expenses exclude special items, costs of Stock Appreciation Rights and retention compensation associated with acquisitions, while operating revenues exclude special items.</p> <p>⁽⁶⁾ Calculated based on our Canadian GAAP financial statements.</p> <p>⁽⁷⁾ See discussion on page 15.</p> <p>⁽⁸⁾ Common share dividends as a percentage of net income after preferred dividends.</p>				

Our financial information is expressed in Canadian dollars and is prepared in accordance with each of U.S. and Canadian generally accepted accounting principles (GAAP). U.S. GAAP financial information is provided on pages 22-25. Canadian GAAP financial information, including a reconciliation of significant differences from U.S. GAAP financial statements, is provided on pages 30-33 and 36. The discussion and

analysis which follows is based on financial information prepared in accordance with U.S. GAAP and would not read differently in any material respect based on the financial information prepared in accordance with Canadian GAAP, except as noted in the supplemental discussions on pages 4, 7, 11 and 14.

QUARTERLY DISCUSSION & ANALYSIS

We evaluate our performance on a reported basis (i.e., as reported in our consolidated financial statements) as well as on a core basis (i.e., excluding special items). We view special items as transactions that are not part of normal day-to-day business operations or are unusual in nature, thereby obscuring or distorting our analysis of trends. There were some special items in the fourth, third and first quarters of 2001 (shown on

page 11), but no special items in 2002. **Non-GAAP earnings measures, such as core earnings, do not have any standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other companies.** We present information on a core basis because some investors may also find it useful in evaluating financial performance and analyzing trends in our businesses.

OVERVIEW

As shown in the tables below, net income in the fourth quarter of 2002 was up 8% from the fourth quarter of 2001 (12% on a per share basis). Excluding special items a year ago, consisting of a \$251 million after-tax gain on the sale of RT Capital Management and a \$12 million write-down of deferred income tax assets (together totalling \$239 million or \$.34 per share), fourth quarter net income was up 66% and earnings per share (EPS) were up 75%.

Full-year net income was up 19% (16% on a per share basis). Excluding special items of \$204 million (\$.31 per share) in 2001 detailed on page 11, full-year net income was up 30% and EPS were up 27%.

The lower growth rate in full-year diluted earnings per share than in net income reflected 32 million additional average common shares outstanding in 2002 as compared to last year. This largely reflects

the issuance of common shares in last year's third quarter in connection with the share exchange for the acquisition of Centura Banks, Inc., partially offset by share repurchases during the past year.

On November 1, 2001, we adopted new accounting standards regarding business combinations under which goodwill is no longer amortized and is instead annually assessed for impairment. Accordingly, we did not incur goodwill amortization expense this year, whereas in the fourth quarter of 2001, goodwill amortization expense was \$107 million (\$.16 per share after-tax), and in the full year of 2001 we incurred goodwill amortization expense of \$252 million (\$.39 per share after-tax).

Excluding special items and goodwill amortization expenses, net income and EPS were up 34% and 38%, respectively, in the quarter and 17% and 13%, respectively, in 2002 compared to 2001.

Net income

(C\$ millions, except percentage amounts)	% change	For the three months ended		% change	For the year ended	
		October 31, 2002	October 31, 2001 ⁽¹⁾		October 31, 2002	October 31, 2001 ⁽²⁾
Reported net income	8%	\$732	\$680	19%	\$2,898	\$2,435
Impact of special items ⁽³⁾		-	239		-	204
Core net income	66%	\$732	\$441	30%	\$2,898	\$2,231

⁽¹⁾ Net income includes goodwill amortization expense of \$107 million before tax in Q4/01 (\$106 million after-tax).

⁽²⁾ Net income includes goodwill amortization expense of \$252 million before tax in 2001 (\$250 million after-tax).

⁽³⁾ Special items are shown in a table on page 11.

Diluted earnings per share (EPS)

(C\$, except percentage amounts)	% change	For the three months ended		% change	For the year ended	
		October 31, 2002	October 31, 2001 ⁽¹⁾		October 31, 2002	October 31, 2001 ⁽²⁾
Reported EPS	12%	\$1.05	\$.94	16%	\$4.12	\$ 3.55
Impact of special items ⁽³⁾		-	.34		-	.31
Core EPS	75%	\$ 1.05	\$.60	27%	\$ 4.12	\$ 3.24

(1) EPS includes goodwill amortization expense of \$.16 per share in Q4/01 (nil in Q4/02).

(2) EPS includes goodwill amortization expense of \$.39 per share in 2001 (nil in 2002).

(3) Special items are shown in a table on page 11.

U.S. AND INTERNATIONAL RESULTS

As shown in the table on the bottom of page 26, U.S. and other international revenues were \$1.5 billion or 39% of total revenues in the quarter, up from \$1.2 billion or 31% of total revenues in the fourth quarter of 2001. Recent U.S. acquisitions have resulted in U.S. revenues increasing to \$1.2 billion or 29% of total revenues, from \$.9 billion or 23% a year ago.

Net income from recent U.S. acquisitions was \$80 million this quarter, up from \$(2) million a year ago, largely due to the discontinuation of goodwill amortization in 2002, revenue growth and integration savings at RBC Centura, synergies achieved from the integration of Tucker Anthony Sutro which we acquired on October 31, 2001, and stronger performance in RBC Dain Rauscher's fixed income business.

Total U.S. net income increased to \$66 million this quarter from \$(111) million a year ago, largely for the same reasons and a reduction in the provision for credit losses.

LINE OF BUSINESS RESULTS

Complete reported financial results for the business segments for the current quarter, previous quarter and same quarter a year ago and for 2002 and 2001 are provided on pages 26 and 27 (pages 34 and 35 for Canadian GAAP).

We attribute common equity to our business segments based on management's assessment of

In 2002, U.S. and other international revenues were \$5.9 billion or 37% of total revenues, up from \$4.2 billion or 29% in 2001. Recent U.S. acquisitions resulted in U.S. revenues increasing to \$4.4 billion or 28% of total revenues, from \$2.9 billion or 20% in 2001.

Net income from recent U.S. acquisitions was \$232 million in 2002, up from \$(80) million in 2001 (\$(23) million excluding special items), largely reflecting the cessation of goodwill amortization this year (which accounted for \$102 million of the net income improvement), the acquisition of Centura Banks on June 5, 2001, the synergies achieved from the integration of Tucker Anthony Sutro and stronger performance from RBC Dain Rauscher's fixed income business.

Total U.S. net income improved to \$210 million from \$(138) million in 2001, despite higher provisions for credit losses this year, for the reasons described above.

their credit, market, operational and other risks. We implemented a number of changes to refine our capital allocation methodologies in 2002, resulting in higher common equity being attributed to RBC Capital Markets and RBC Investments and lower common equity to RBC Banking and RBC Insurance compared to a year ago.

RBC Banking

(C\$ millions, except percentage amounts)	% change	% change (core) ⁽¹⁾	For the three months ended		
			October 31, 2002	October 31, 2001	October 31, 2001 (core) ⁽¹⁾
Gross revenues (taxable equivalent basis)	(1)%	(1)%	\$1,935	\$1,957	\$1,957
Non-interest expenses ⁽²⁾	(2)%	(2)%	\$1,161	\$1,181	\$1,181
Provision for credit losses	(29)%	(29)%	\$122	\$171	\$171
Net income	21%	18%	\$402	\$333	\$342
ROE	520bp	480 bp	19.8%	14.6%	15.0%
Average common equity	(9)%	(9)%	\$7,900	\$8,700	\$8,700

(1) Excludes special items applicable to RBC Banking shown in the table on page 11.

(2) Includes goodwill amortization expense of \$27 million in Q4/01 (nil in Q4/02).

Net income was up \$69 million or 21% from a year ago. Core net income (which excludes special items shown in the table at the bottom of page 11) was up \$60 million or 18%. Earnings from RBC Banking's recent U.S. acquisitions (which include RBC Centura and RBC Mortgage) rose to \$57 million from \$11 million (\$38 million excluding goodwill amortization expense) a year ago. In addition, the provision for credit losses declined substantially, largely in the Canadian commercial loan portfolio, reflecting tightened lending standards.

Revenues from U.S. acquisitions were up \$15 million while expenses from U.S. acquisitions fell \$31 million. Excluding U.S. acquisitions, expenses grew 1%, while revenues decreased 2% due to

narrower net interest margins and a \$25 million write-down of an eBusiness investment discussed on page 14.

Core ROE increased 480 basis points, reflecting the higher earnings this quarter and lower average common equity attributed to this segment due to changes in capital allocation methodologies, as discussed on page 6.

Full-year net income was \$1,546 million, up 32% from 2001. Core net income was up \$276 million or 22%. Core net income from RBC Banking's U.S. acquisitions increased to \$206 million from \$21 million (\$73 million excluding goodwill amortization expense) last year. Also, the provision for credit losses fell, largely in the commercial loan portfolio.

RBC Insurance

(C\$ millions, except percentage amounts)	% change	For the three months ended	
		October 31, 2002 ⁽²⁾	October 31, 2001
Premiums & deposits	18%	\$549	\$465
Earned premiums	14%	\$424	\$373
Fee revenue/other	37%	\$74	\$54
Policy benefits	7%	\$(319)	\$(298)
Acquisition costs	100%	\$(72)	\$(36)
Non-interest revenue	15%	\$107	\$93
Net interest income	18%	\$65	\$55
Gross revenues	16%	\$172	\$148
Non-interest expenses ⁽¹⁾	17%	\$121	\$103
Net income	19%	\$51	\$43
ROE	810 bp	26.7%	18.6%
Average common equity	(22)%	\$700	\$900

(1) Includes goodwill amortization expense of \$7 million in Q4/01 (nil in Q4/02).
(2) Includes RBC Liberty Insurance results for the four months ended October 31, 2002.

Net income was up \$8 million or 19% from a year ago, reflecting stronger performance in the Canadian and reinsurance businesses. The fourth quarter 2001 results were negatively impacted by claims resulting from the World Trade Center tragedy. The higher earnings were recorded despite a decline in RBC Liberty Insurance net income to \$6 million from \$9 million a year ago, due to higher policy surrenders and lower earnings at outsourcing divisions.

ROE improved, reflecting higher net income and lower average common equity, which was mostly due to the revised methodology for attributing capital to our insurance operations.

Premiums & deposits grew \$84 million or 18%. Excluding an additional month of RBC Liberty Insurance results in the quarter, the increase was \$54 million or 12%. RBC Liberty Insurance's reporting period was changed from September 30 to October 31 to be consistent with RBC's reporting

period.

Net income for the year grew \$17 million or 10% from a year ago. Improved results in the reinsurance business were the main contributor to this growth. RBC Liberty Insurance contributed \$23 million of net income compared to \$29 million (\$39 million excluding goodwill amortization expense) last year, largely for the same reasons the fourth quarter earnings fell.

Supplemental discussion – Canadian GAAP

Fourth quarter 2002 net income was \$16 million, down \$4 million from a year ago as reduced earnings from life insurance operations more than offset higher earnings from reinsurance operations. RBC Liberty Insurance net income declined to \$(8) million from \$(4) million a year ago. The results reflect the negative effect of declining interest rates, higher policy surrenders and lower earnings at the outsourcing divisions.

Differences in U.S. and Canadian GAAP accounting for insurance results are discussed on page 36.

Net income for the year was \$117 million, down from \$133 million a year ago, as declining interest

rates and equity markets impacted life insurance results. RBC Liberty Insurance results were \$(18) million, down from \$(5) million a year ago, largely for the same reasons its fourth quarter net income declined.

RBC Investments

(C\$ millions, except percentage amounts)	% change	% change (core) ⁽¹⁾	For the three months ended		
			October 31, 2002	October 31, 2001	October 31, 2001 (core) ⁽¹⁾
Gross revenues	(14)%	25%	\$880	\$1,019	\$706
Non-interest expenses ⁽²⁾	8%	8%	\$733	\$676	\$676
Net income	(63)%	1,271%	\$96	\$258	\$7
ROE	(3,690) bp	1,160 bp	12.2%	49.1%	.6%
Average common equity	43%	43%	\$3,000	\$2,100	\$2,100

⁽¹⁾ Excludes special items applicable to RBC Investments shown in the table on page 11.
⁽²⁾ Includes goodwill amortization and write-down expenses of \$55 million in Q4/01 (nil in Q4/02).

Net income was down \$162 million or 63% from a year ago. However, core net income (which excludes a \$251 million after-tax gain on the sale of RT Capital Management a year ago) was up \$89 million. This largely reflected higher earnings at RBC Dain Rauscher and a \$38 million write-down of goodwill relating to Connor Clark in the fourth quarter of 2001.

RBC Dain Rauscher's net income of \$17 million was up from \$(22) million (\$(10) million excluding goodwill amortization expense) a year ago. This reflects the continued realization of cost synergies from the integration of Tucker Anthony Sutro, strong results in the fixed income division and the cessation of goodwill amortization this year. Retention compensation costs this quarter were \$24 million (including \$11 million from Tucker Anthony Sutro), down \$2 million from a year ago.

RBC Dain Rauscher contributed \$175 million to the revenue growth and \$117 million to the expense growth for RBC Investments this quarter, largely reflecting the acquisition of Tucker Anthony Sutro. Excluding RBC Dain Rauscher, revenues were virtually unchanged due to weak trading volumes. Expenses were down \$60 million or 15%, reflecting the previously mentioned \$38 million write-down of goodwill relating to Connor Clark recorded in last year's fourth quarter and the reversal this quarter of expenses accrued in earlier periods, partially

relating to reversals of compensation accruals to reflect expected payout levels.

Core ROE improved significantly despite an additional \$900 million of average common equity attributed to the segment in the fourth quarter compared to last year, of which \$700 million related to goodwill arising from the acquisition of Tucker Anthony Sutro and most of the remainder to revised capital attribution for operational risk pertaining to this business segment.

Full-year net income was down 32% from 2001, but was up \$112 million or 48% excluding special items, reflecting higher earnings at RBC Dain Rauscher and the cessation of goodwill amortization this year.

RBC Dain Rauscher's full-year net income was \$3 million compared to a \$73 million loss (a \$33 million loss excluding goodwill amortization expense) a year ago when approximately nine months and three weeks of its results had been included. The improvement occurred despite higher retention compensation costs of \$107 million (including \$45 million for Tucker Anthony Sutro) compared to \$88 million a year ago and reflected synergies achieved from the integration of Tucker Anthony Sutro as well as strong results in RBC Dain Rauscher's fixed income division.

RBC Capital Markets

(C\$ millions, except percentage amounts)	% change	% change (core) ⁽¹⁾	For the three months ended		
			October 31, 2002	October 31, 2001	October 31, 2001 (core) ⁽¹⁾
Gross revenues (taxable equivalent basis)	(2)%	(2)%	\$650	\$664	\$664
Non-interest expenses ⁽²⁾	(11)%	(11)%	\$407	\$455	\$455
Provision for credit losses	(55)%	(55)%	\$117	\$259	\$259
Net income	n.m.	n.m.	\$96	\$(14)	\$(11)
ROE	1,170bp	1,130bp	9.3%	(2.4)%	(2.0)%
Average common equity	9%	9%	\$3,800	\$3,500	\$3,500

⁽¹⁾ Excludes special items shown in the table on page 11.
⁽²⁾ Includes goodwill amortization expense of \$12 million in Q4/01 (nil in Q4/02).

Net income was up \$110 million from a year ago and up \$107 million excluding special items, which are shown at the bottom of the table on page 11, largely due to a significant drop in the provision for credit losses.

The revenue decline was due to write-downs of specific merchant banking investments. Expenses dropped from last year's fourth quarter, which had included \$30 million of cost-cutting related expenses. Expenses also declined due to the reversal this quarter of previously accrued compensation to reflect expected payout levels.

Dain Rauscher Wessels' operations have been fully integrated into RBC Capital Markets since early 2002. The retention compensation costs relating to the acquisition of this business were \$12 million this quarter, compared to \$25 million a year ago and \$11 million last quarter.

ROE improved due to this quarter's higher earnings despite an additional \$300 million of average common equity attributed to the segment compared to a year ago, reflecting a change in methodology for attributing capital relating to credit risk.

Full-year net income was up \$90 million or 26% and, excluding special items, was up \$63 million or 17%. A 10% reduction in non-interest expenses due to a lower number of employees, reduced variable compensation costs and the reversal of previously accrued compensation mentioned above more than offset a \$58 million increase in the provision for credit losses and lower revenues due to weaker capital markets (which more than offset higher net interest income). The provision for credit losses was largely offset by net credit derivative gains recorded in non-interest revenues.

RBC Global Services

(C\$ millions, except percentage amounts)	% change	For the three months ended	
		October 31, 2002	October 31, 2001
Gross revenues	3%	\$203	\$198
Non-interest expenses ⁽¹⁾	10%	\$137	\$125
Provision for credit losses	n.m.	\$3	-
Net income	(10)%	\$44	\$49
ROE	(690)bp	29.6%	36.5%
Average common equity	20%	\$600	\$500

⁽¹⁾ Includes goodwill amortization expense of \$2 million in Q4/01 (nil in Q4/02).

Net income was down \$5 million or 10% from 2001 due to higher provisions for credit losses recorded on Argentine loans and lower growth in revenues than expenses due to declining interest rates and foreign exchange revenues. However, fee income, which is included in revenues, was up 11% over a year ago.

ROE of 29.6% declined from 36.5% in 2001, reflecting a \$100 million increase in average common equity attributed to RBC Global Services. The increase reflects our 50% interest in the Moneris Solutions joint venture and higher capital attribution for operating risk.

The growth in revenues and non-interest expenses of 3% and 10%, respectively, were affected by a change that became effective November 2001, pertaining to the classification of services provided by us to Moneris Solutions, a card processing joint venture in which we have a 50% interest. Payments for services provided to Moneris Solutions are now being treated as revenues, whereas previously they were treated as cost recoveries. Excluding this change, revenues would have been down 2% and non-interest expenses would have been up 2%.

Full-year net income was down 35% from 2001, but excluding special items was down 8%. This decline

is attributable to higher loan losses pertaining to Argentine loans and lower net interest income and foreign exchange revenues. The growth in revenues and non-interest expenses of 5% and 13%, respectively, were affected by the July 31, 2001 acquisition of Perpetual Fund Services, as well as the above mentioned change in our accounting for services provided by us to Moneris Solutions. Excluding these factors, revenue decreased by 3% and expenses increased by 1%. The decline in revenues was attributable to a decline in deposit-based revenues due to lower interest rates and lower foreign exchange revenues that were in part offset by an increase in fee revenue of 10%.

Other

(C\$ millions, except percentage amounts)	% change	For the three months ended	
		October 31, 2002	October 31, 2001
Gross revenues	59%	\$81	\$51
Non-interest expenses ⁽¹⁾	(56)%	\$42	\$96
Net income	291%	\$43	\$11
ROE	930bp	14.0%	4.7%
Average common equity	71%	\$1,200	\$700

⁽¹⁾ Includes goodwill amortization expense of \$4 million in Q4/01 (nil in Q4/02).

Fourth quarter net income was up \$32 million from a year ago. Revenues were up largely due to an increase in the value of certain derivatives used as cash flow hedges, in accordance with FAS 133. The decline in non-interest expenses reflects an \$84 million expense recorded in this segment a year ago as a result of the review of certain pension and related future benefit plans. No similar expense was recorded this quarter.

ROE of 14.0% increased from 4.7% a year ago, despite a \$500 million increase in average common equity in this segment. The higher equity reflected

internally generated capital in excess of what was required to be allocated to the five business platforms, based on our assessment of their risk profiles.

Full-year net income was up \$239 million, and was up \$215 million excluding special items detailed on page 11. An increase in the value of certain derivatives used as cash flow hedges, in accordance with FAS 133, and gains from the securitization of mortgages contributed to the growth in earnings.

Special items in Q4/01, Q3/01 & Q1/01 (none in 2002 and Q2/01)

(C\$ millions, taxable equivalent basis)			
	Applicable segments	Pre-tax	After-tax
For the three months ended October 31, 2001			
Non-interest revenues			
Gain on sale of RT Capital Management	RBC Investments	\$313	\$251
Income taxes			
Enactment of change in tax rates	RBC Banking	-	\$(9)
	RBC Capital Markets	-	(3)
		-	\$(12)
Total		\$313	\$239
Impact on EPS – diluted			\$.34
For the three months ended July 31, 2001			
Non-interest expenses			
U.S. retail banking restructuring charge ⁽¹⁾	RBC Banking	\$(91)	\$(57)
Income taxes			
Enactment of change in tax rates	RBC Banking	-	\$(36)
	RBC Investments	-	(5)
	RBC Capital Markets	-	(24)
	Other ⁽²⁾	-	(24)
		-	\$(89)
Total		\$(91)	\$(146)
Impact on EPS – diluted			\$(.22)
For the three months ended January 31, 2001			
Non-interest revenues			
Gain on formation of Moneris Solutions joint venture	RBC Global Services ⁽³⁾	\$89	\$77
Gain on sale of Group Retirement Services	RBC Investments	\$36	\$28
	RBC Banking	7	6
Total		\$132	\$111
Impact on EPS – diluted			\$.18
For the full year ended October 31, 2001			
Non-interest revenues			
		\$445	\$362
Non-interest expenses			
		(91)	(57)
Income taxes			
		-	(101)
Total		\$354	\$204
Impact on EPS – diluted			\$.31
⁽¹⁾ This was the only special item affecting U.S. earnings in 2001.			
⁽²⁾ Represents other activities which mainly comprise Corporate Treasury, Corporate Resources, Systems & Technology and Real Estate Operations.			
⁽³⁾ Effective Q1/02 the Moneris Solutions joint venture is being managed by RBC Global Services and prior period results, including this gain, have been re-allocated from RBC Banking.			
Supplemental discussion – Canadian GAAP			
In Q4/01, Canadian GAAP special items included the gain on the sale of RT Capital Management and the tax expense shown above, which increased net income after-tax by \$239 million and diluted earnings per share by \$.35.			
In Q3/01, Canadian GAAP special items included the U.S. retail banking restructuring charge shown above, as well as a tax expense of \$30 million (\$5 million in RBC Banking, \$5 million in RBC Investments, \$15 million in RBC Capital Markets, and \$5 million in Other) to reflect a change in tax rates. Special items in Q3/01 reduced Canadian GAAP net income after-tax by \$87 million and diluted earnings per share by \$.14.			
In Q1/01, Canadian GAAP special items included the above, as well as a tax expense of \$33 million (\$19 million in RBC Banking, \$(2) million in RBC Insurance, \$10 million in RBC Capital Markets, and \$6 million in Other) to reflect a change in tax rates. Special items in Q1/01 increased Canadian GAAP net income after-tax by \$78 million and diluted earnings per share by \$.12.			
Special items for 2001 increased Canadian GAAP net income after-tax by \$230 million and diluted earnings per share by \$.36.			

FINANCIAL PRIORITY: REVENUE GROWTH AND DIVERSIFICATION
Revenues

(C\$ millions, taxable equivalent basis)	% change	For the three months ended	
		October 31, 2002	October 31, 2001
Net interest income	3%	\$1,818	\$1,772
Non-interest revenues	(7)%	2,103	2,265
Total revenue	(3)%	3,921	4,037
Less: Special items ⁽¹⁾		-	(313)
Core (operating) revenues ⁽¹⁾	5%	3,921	3,724
Less: Revenues of recent U.S. acquisitions ⁽²⁾	33%	(837)	(630)
Operating revenues, excluding U.S. acquisitions	-%	\$3,084	\$3,094

⁽¹⁾ There were no special revenue items in Q4/02. Excludes special item in Q4/01 shown on page 11.
⁽²⁾ Represents revenues of RBC Centura (now includes Eagle Bancshares, Inc., RBC Mortgage for the purposes of this discussion and analysis and what was previously Security First Network Bank), RBC Liberty Insurance and RBC Dain Rauscher (includes Tucker Anthony Sutro) and excludes Dain Rauscher Wessels, which was integrated into RBC Capital Markets in early 2002.

Total revenue was down \$116 million or 3% from the fourth quarter of 2001.

As shown in the table above, core (operating) revenues, which exclude special items, were up \$197 million or 5% from a year ago. This occurred despite losses on securities totalling \$98 million this quarter compared to \$36 million a year ago due to a \$50 million write-down of an eBusiness investment (\$25 million in each of the RBC Banking segment and the Other segment) and write-downs of specific merchant banking and venture capital investments.

The U.S. acquisitions last year of Centura Banks, Inc. (which now includes RBC Mortgage for the purposes of this discussion and analysis and what was previously Security First Network Bank), Liberty Insurance, Dain Rauscher and Tucker Anthony Sutro accounted for \$207 million of the revenue growth. This excludes Dain Rauscher Wessels, whose operations were fully integrated into RBC Capital Markets' in early 2002 and whose results are no longer separately measured. Tucker Anthony Sutro was acquired at the end of last year's fourth quarter.

As shown in the table above, excluding recent U.S. acquisitions, operating revenues were unchanged from a year ago. This compared to a decline in operating expenses of 7% (shown in the table on page 13).

Full-year revenues were up 7% from 2001. Core,

or operating, revenues (which exclude \$445 million of gains from special items recorded in 2001) were up \$1.5 billion or 11% from a year ago. Excluding recent U.S. acquisitions, full-year operating revenues were unchanged from a year ago, compared to a decline in operating expenses of 5%.

Net interest income

Taxable equivalent net interest income was up 3% from a year ago but unchanged excluding recent U.S. acquisitions, as the benefit of higher loan volumes was offset by a narrower prime-core deposit spread, which contributed to the total net interest margin declining to 1.89% from 2.03% a year ago.

Full-year taxable equivalent net interest income was up 10% from 2001, and up 2% excluding recent U.S. acquisitions due to lower funding costs for the Equity Derivatives business and higher mortgage loan volumes. The full-year net interest margin was 1.93%, down from 1.97% a year ago.

Non-interest revenues

Non-interest revenues were down \$162 million or 7% from the fourth quarter of 2001.

Core (operating) non-interest revenues, which exclude special items, were up \$151 million or 8% from a year ago. This occurred despite losses on securities of \$98 million compared to \$36 million a year ago.

Partially driven by recent U.S. acquisitions, trading revenues were up 25%, capital market fees (consisting of fees from full-service brokerage, discount brokerage and the institutional business) were up 13%, deposit and payment service charges were up 10% and investment management and custodial fees were up 1%. Card service revenues also rose 9%. Mutual fund revenues were unchanged and mortgage banking revenues

(which relate to mortgages originated in the U.S.) were also unchanged. Insurance revenues were down 22%, credit fees were down 12% and securitization revenues were 8% lower.

Full-year non-interest revenues were up 5% as compared to 2001 and, excluding special items, were up 11%.

FINANCIAL PRIORITY: COST CONTROL

Non-interest expenses

(C\$ millions)	% change	For the three months ended	
		October 31, 2002	October 31, 2001
Non-interest expenses (reported and core) ⁽¹⁾	(1)%	\$2,601	\$2,636
Less: Costs of Stock Appreciation Rights RBC Dain Rauscher retention compensation ⁽²⁾		1	20
		(36)	(51)
Operating expenses	(1)%	2,566	2,605
Less: Non-interest expenses of recent U.S. acquisitions ⁽³⁾		(676)	(565)
Operating expenses, excluding acquisitions	(7)%	\$1,890	\$2,040

(1) Includes total goodwill amortization expense of \$107 million in Q4/01 (nil in Q4/02).
(2) Includes Dain Rauscher Wessels for both periods and Tucker Anthony Sutro in Q4/02 only.
(3) Represents non-interest expenses of RBC Centura (includes RBC Mortgage for the purposes of this discussion and analysis and what was previously Security First Network Bank), RBC Liberty Insurance and RBC Dain Rauscher (includes Tucker Anthony Sutro) including goodwill amortization expense of \$42 million in Q4/01 (nil in Q4/02), but excluding retention compensation costs and Dain Rauscher Wessels, which was integrated into RBC Capital Markets in early 2002.

Non-interest expenses declined \$35 million or 1% from last year's fourth quarter. During the quarter, there were \$77 million of reversals of expenses accrued in earlier periods, largely relating to reversals of compensation accruals to reflect expected payout levels.

There was a \$1 million Stock Appreciation Rights (SAR) expense recovery this quarter, compared to a \$20 million recovery a year ago, which was due to a \$4.16 decline in our common share price from July 31 to October 31, 2001.

Retention compensation costs for RBC Dain Rauscher fell to \$36 million this quarter (including \$11 million for Tucker Anthony Sutro) from \$51 million a year ago.

Operating expenses (which exclude special items, the costs of SARs and retention compensation

associated with acquisitions) were down \$39 million or 1% from a year ago. Further excluding recent U.S. acquisitions, whose expenses were up \$111 million over a year ago since Centura Banks was acquired in June 2001, operating expenses would have been down \$150 million or 7%, compared to flat operating revenues.

Full-year non-interest expenses increased \$603 million or 6% over last year. Excluding special items, expenses were up 7%.

Full-year operating expenses (which exclude special items, the costs of SARs and certain acquisition costs such as retention compensation) were up \$708 million or 8% from a year ago. However, excluding recent U.S. acquisitions, operating expenses would have been down \$411 million or 5% from a year ago compared to flat operating revenues.

Supplemental discussion – Canadian GAAP

As described on page 36, under Canadian GAAP we are required to assume that 100% of tandem stock compensation awards granted will be exercised by participants as SARs and, accordingly, the SAR recovery was \$7 million in the

quarter, compared to a \$20 million recovery a year ago.

Full-year SAR expenses were \$44 million, up \$21 million from an expense of \$23 million last year.

FINANCIAL PRIORITY: STRONG CREDIT QUALITY**Nonaccrual loans**

Nonaccrual loans (before deducting the allowance for loan losses) were \$2.3 billion at October 31, 2002, down \$83 million from last quarter. As shown on page 28, most of the decline in nonaccrual loans was in the business and

government portfolio. This decline was due to \$269 million of nonaccrual loans being charged-off this quarter. As a percentage of total loans and acceptances nonaccrual loans were 1.27%, down from 1.32% last quarter.

Provision for credit losses

(C\$ millions)	For the three months ended		
	October 31, 2002	July 31, 2002	October 31, 2001
U.S. GAAP			
Allocated	\$220	\$220	\$533
Unallocated	15	(4)	(108)
Total provision for credit losses	\$235	\$216	\$425
Canadian GAAP			
Specific provisions	\$235	\$216	\$425
General provision			
Allocated	(15)	4	108
Unallocated	15	(4)	(108)
Total general provision	-	-	-
Total provision for credit losses	\$235	\$216	\$425

As shown above, the total provision for credit losses was \$235 million, up from last quarter but down significantly from a year ago. Included in this amount is a provision, pertaining to a European energy account, that was classified as nonaccrual, and that was partially offset by a \$13 million gain on a related credit derivative. This gain was recorded in non-interest revenue in accordance with FAS 133. Last quarter's provision of \$216 million included an amount for a telecommunications account classified as nonaccrual that was partially offset by a \$4 million mark-to-market gain on a related credit derivative.

During the quarter, net charge-offs (charge-offs, net of recoveries) were \$330 million or .74% of average loans and acceptances, versus \$349 million or .78% a year ago and \$349 million or .79% last

quarter.

Supplemental discussion - Canadian GAAP

As shown above, the total provision for credit losses was \$235 million, up from last quarter but down significantly from a year ago. Last quarter's provision of \$216 million included an amount for a telecommunications account classified as impaired that was partially offset by a \$4 million mark-to-market gain on a related credit derivative.

Specific provisions as a percentage of average loans, acceptances and reverse repurchase agreements were .43% compared to .41% last quarter (.51% last quarter if the above-mentioned credit derivative gains and losses were netted against the provision for credit losses).

For the year, the specific provision for credit losses was \$1,065 million or .51% of average loans, acceptances and reverse repurchase agreements in line with our objective for 2002 of .45-.55%. During 2002, we recorded in other income credit derivative gains of \$102 million and credit derivative

losses of \$69 million for a net gain of \$33 million. If the \$33 million net credit derivative gain were to be netted against the provision for credit losses, the ratio would be .49%, also in line with our 2002 objective.

FINANCIAL PRIORITY: BALANCE SHEET AND CAPITAL MANAGEMENT

Assets

Total assets were \$382 billion at October 31, 2002, up \$19.5 billion or 5% from October 31, 2001 and up \$4.4 billion or 1% from July 31, 2002.

Compared to October 31, 2001, securities were up \$14.3 billion or 18% and cash resources were up \$3.8 billion or 22%. Other assets were up \$1 billion or 2%, largely driven by a \$2.6 billion increase in derivative-related amounts largely offset by a \$1.9 billion decrease in acceptances. Total loans were up \$.4 billion, including \$1.1 billion in loans from the acquisition of Eagle Bancshares, and \$.6 billion from the acquisition of the private banking business of Barclays PLC in the Americas. Residential mortgages increased by \$5.4 billion, and credit card balances by \$.6 billion. Had it not been for \$3.7 billion in securitizations of residential mortgages this year, residential mortgages would have been up \$9.1 billion or 14%, reflecting high levels of consumer mortgage activity within RBC Banking. Business and government loans were down by \$5.1 billion, reflecting our deliberate effort to reduce the size of our corporate loan portfolio.

Other - Other assets of \$13.5 billion includes \$805 million (US\$517 million) of receivables due from Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("Rabobank"), relating to a derivative contract that is the subject of litigation with Rabobank. While the outcome of any litigation cannot be predicted with certainty, we expect to recover this amount in its entirety and accordingly have not recorded any provision for loss.

Deposits

Total deposits were \$245 billion, up \$9.4 billion or 4% from October 31, 2001 and down \$1 billion from July 31, 2002. The acquisition of Eagle Bancshares, Inc. in the third quarter contributed \$1.3 billion in deposits and the acquisition of the private banking business of Barclays PLC in the

Americas contributed \$.4 billion in deposits compared to October 31, 2001. Interest-bearing deposits were up \$8 billion or 4% from October 31, 2001, while non-interest-bearing deposits increased by \$1.3 billion or 5% from October 31, 2001.

Capital

Capital strength for Canadian banks is defined according to guidelines issued by the Superintendent of Financial Institutions Canada (OSFI) using Canadian GAAP financial information. OSFI has formally established risk-based capital targets for deposit-taking institutions in Canada of 7% for the Tier 1 capital ratio and of 10% for the Total capital ratio.

At October 31, 2002, using OSFI guidelines and Canadian GAAP financial information, our Tier 1 capital ratio was 9.3% versus 8.7% at October 31, 2001, while the Total capital ratio was 12.7% versus 11.8% at October 31, 2001. Both ratios were above our medium-term (3-5 year) capital goals of 8% for Tier 1 capital and 11-12% for Total capital. Risk-adjusted assets of \$165.6 billion were down 3% from October 31, 2001 and down 2% from July 31, 2002.

We repurchased 7 million common shares for approximately \$370 million at an average price of \$52.84 during the quarter. During 2002, 14 million shares were repurchased. We spent \$764 million in connection with our share repurchases this year. Under a normal course issuer bid on the Toronto Stock Exchange that commenced June 24, 2002 for a one-year period, we are permitted to repurchase up to 20 million shares. Since the commencement of this program we have repurchased 10 million shares, leaving a balance of 10 million shares that may be repurchased.

RISK MANAGEMENT

Liquidity risk

Our liquidity management objective is to ensure that we have the ability to generate sufficient cash or its equivalents in a timely and cost-effective manner to meet our commitments as they fall due.

Two key elements of our liquidity management framework are policies for minimum levels of unencumbered liquid assets, and limits on maximum net fund outflows over specified time periods. As at October 31, 2002, we were in compliance with these policies. These and other elements of the liquidity management framework are discussed in more detail on page 55 of our 2001 Annual Report and have not materially changed over the past quarter.

We use liquid assets and reverse repurchase agreements when managing our short-term liquidity. At October 31, 2002, our liquid assets before pledging and assets purchased under reverse repurchase agreements totalled \$155 billion or 41% of total assets, up from \$137 billion or 38% at October 31, 2001 and up from \$149 billion or 39% at July 31, 2002.

For the three months ended October 31, 2002, our average liquid assets before pledging and average assets purchased under reverse repurchase agreements totalled \$153 billion or 40% of total average assets, as compared to \$130 billion or 38% at October 31, 2001 and \$149 billion or 40% last quarter.

At October 31, 2002, securities with a carrying

value of \$49 billion have been pledged, sold under repurchase agreements or are obligations related to securities sold short. This is up from \$46 billion at October 31, 2001 and \$44 billion at July 31, 2002.

Market risk measures – trading activities

As outlined on pages 52 and 53 of our 2001 Annual Report, we have established risk management policies and limits for our trading activities that allow us to monitor and control the exposure to market risk resulting from these activities. These policies have not changed materially over the past quarter. The market risk associated with trading activities is managed primarily through a Value-At-Risk (VAR) methodology.

The table below shows the quarter-end, high, average and low VAR by major risk category for our combined trading activities for the quarters ended October 31, 2002 and October 31, 2001, and indicates that the Global VAR amounts in the fourth quarter 2002 were above the levels a year ago. This is due mainly to a model upgrade June 1, 2002, that now captures corporate bond spread risk in the interest rate portfolios. The graphs at the top of the next page show the daily net trading revenue compared to the global trading VAR amounts and a histogram of daily net trading revenue for the quarter ended October 31, 2002. During the fourth quarter, we experienced three days of net trading losses, and four days of net trading losses during 2002.

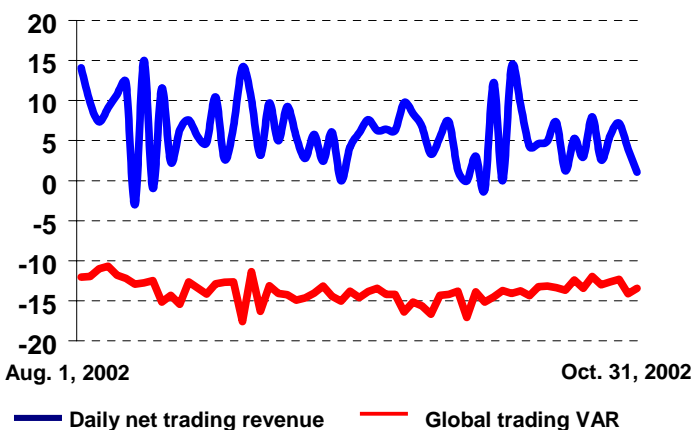
Trading activities⁽¹⁾

(C\$ millions)	For the three months ended Oct. 31, 2002				For the three months ended Oct. 31, 2001			
	Quarter-end	High	Average	Low	Quarter-end	High	Average	Low
Global VAR by major risk category								
Equity	\$7	\$11	\$9	\$7	\$8	\$10	\$7	\$6
Foreign exchange and Commodity	2	5	2	1	2	6	3	1
Interest rate	11	14	10	9	3	7	4	2
Global VAR⁽²⁾	\$13	\$18	\$14	\$11	\$8	\$10	\$8	\$6

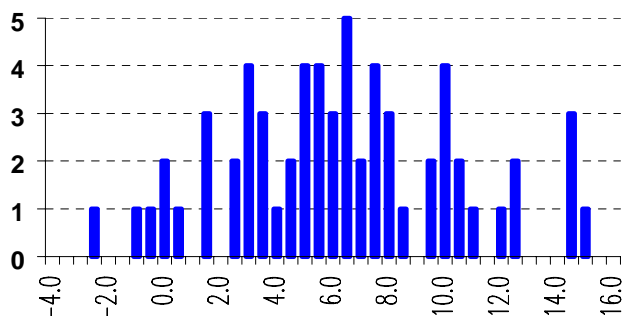
⁽¹⁾ Amounts are presented on a pre-tax basis and represent one-day VAR at a 99% confidence level.

⁽²⁾ Global VAR reflects the correlation effect from each of the risk categories through diversification.

Daily net trading revenue versus global trading VAR (C\$ millions)



Histogram of daily net trading revenue (number of days, C\$ millions)



OPERATING HIGHLIGHTS

RBC Banking

In August, RBC Centura Banks, Inc., announced the signing of a definitive merger agreement pursuant to which RBC Centura will acquire all of the outstanding shares of Admiralty Bancorp Inc., a Florida-based financial holding company with a commercial bank subsidiary operating 10 branches in southern and central Florida. The value of the transaction is approximately US\$150 million and is expected to close in January 2003, subject to regulatory approvals and satisfaction of customary closing conditions.

In September, RBC Royal Bank announced plans to hire 450 new employees in Canada to serve as personal banking account managers and financial services representatives. The new employees will be situated in branches across the country where their main responsibility will be to enhance customer service and provide clients with a broad range of financial advice, products and solutions that meet their individual needs.

In October, RBC Royal Bank announced plans to introduce 225 additional audio bank machines across the country. These specialty ABMs are designed to assist people who are blind or visually impaired, as well as other persons with special needs, such as the elderly and those with learning disabilities. The first talking bank machine was introduced by RBC Royal Bank in Ottawa in 1997. Since then, RBC Royal Bank has installed another 13 across Canada. The 225 new machines will be installed in major cities and smaller communities across Canada and will be up and running by January 31, 2003.

Also in October, RBC Royal Bank completed a transaction with CIBC, Bank of Nova Scotia, Toronto Dominion Bank and Bank of Montreal to purchase CertaPay Inc., a company engaged in the business of providing technology that will provide online banking customers the ability to use email to send and receive funds electronically, in real time, within Canada. CertaPay is now a 100% bank owned utility with each bank owning 20%. We expect to offer the CertaPay e-Mail Money Transfer solution to clients within the next 12 months.

RBC Insurance

In August, RBC Insurance completed the consolidation of its offices and employees in key markets across Canada. This project, which began with the move of RBC Insurance offices from across the Toronto area to a new Meadowvale facility in Mississauga, also included relocations and consolidations in Montreal, Calgary and Vancouver.

In September, RBC Insurance launched a pilot of its new online Learning and Reference Tool. This program complements our face-to-face training sessions by providing Canadian travel agents with information and education at their convenience. The pilot has been well received and a full roll out is scheduled for the first quarter of 2003.

Also, in September, RBC Insurance opened two new life insurance sales offices in British Columbia, allowing us to provide new and existing customers in this region with a full range of personal and business insurance solutions.

This quarter, RBC Insurance announced that the U.S.-based life specialist initiative - a referral sales operation targeting customers of RBC Centura Bank launched earlier this year - now has a dedicated management team and 19 insurance specialists operating in North Carolina banking centres.

RBC Investments

Action Direct, the self-directed investing business, implemented "eServices" where clients can now update their own address online. This is the first of many other forms that will be automated so that clients can simply update their information online rather than having to do this over the phone or via e-mail, adding another convenience to NetAction for the Do-it-Yourself investor.

In October, RBC Funds Inc. announced a reduction in the F-Series management fees for its Royal Mutual Funds and RBC Advisor Funds. This new fee structure will be implemented January 1, 2003. We have seen steady growth in our F class offerings, despite being hampered by difficult equity markets over the past two years. F-Series funds in fee-based accounts offer greater fee transparency with advisors being directly compensated for providing portfolio advice to their clients. In a fee-based account, the client pays a fee for advice and service.

RBC Global Private Banking acquired the captive insurance servicing business of a competitor and a major provider of these services in the Cayman Islands. Although small in size, this transaction has strategic importance to our international businesses, as it brings with it over 160 captive insurance clients, largely owned by multinational corporations, that generate around US\$6 million in annual revenues. Total client assets exceed US\$700 million, largely held on deposit, providing the team in the Cayman Islands with a valuable opportunity to introduce our specialized investment and custody capabilities. This purchase will be accretive on a cash flow and accounting basis in the first year. This transaction brings our total client assets in this business to approximately US\$2 billion, or approximately a 30% increase.

RBC Capital Markets

RBC Capital Markets added U.S. Real Estate teams in Research and Investment banking to complement our existing Canadian presence. The opportunity to acquire outstanding talent in these areas arose from the closure of the respected U.S. investment bank, Robertson Stephenson.

RBC Capital Markets closed its first managed Collateralized Loan Obligation, a US\$300 million structure managed by our Asset Management group in New York. In addition, the Global Credit Products group in London closed two US\$1 billion Collateralized Debt Obligation structures.

Volume of deals and spread levels for our Internet-based foreign exchange trading platform, FX Direct, increased during the quarter.

RBC Capital Markets launched a \$1 billion Euro-Commercial Paper program for RBC Sydney branch. This program allows us to access the Asian money markets for funding our multi-currency trading books and will increase trading opportunities in the region.

RBC Capital Markets acted as global bookrunner for a \$2.1 billion follow-on offering of common shares for BCE Inc. that was marketed to global investors.

RBC Global Services

RBC Global Services announced an extension of its exclusive fund accounting outsourcing agreement with CI Mutual Funds Inc. (CI). The new and expanded arrangement gives RBC Global Services responsibility for providing fund accounting outsourcing services for CI's entire \$29 billion portfolio of investment funds, including CI's recently acquired \$11 billion portfolio of funds previously managed by Spectrum Investment Management Limited, Clarica Diversico Ltd., Sun Life Financial and Clarica Life and their subsidiaries.

Royal Bank of Canada was awarded 'Top-Rated' status in *Global Custodian* magazine's annual Agent Bank Review for 2002. This year's ranking marks the 14th consecutive year that RBC Global Services has earned the survey's 'Top-Rated' distinction.

For the fourth year in a row, Stewart Associates 2002 Survey of Bank Fees reported that RBC overall ranked number 1 in cash management performance.

Other

We were listed in the Dow Jones Sustainability World Index for the third year in a row. DJSI World

companies are chosen from 2,500 of the largest capitalized companies in the Dow Jones Global Index and recognized for leading their industries in best practices and superior environmental, social and economic performance.

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For highlights of results and supplementary financial information please visit: rbc.com/investorrelations

ACCESS TO QUARTERLY CONFERENCE CALL

Interested investors can listen to our fourth quarter results conference call with analysts and institutional investors live, and archived, via the Internet and toll-free telephone.

The conference call is scheduled for November 19, 2002 at 2:30 p.m. (EST) and can be accessed on a listen-only basis:

- Via the Internet at:
rbc.com/investorrelations/conference.html

- Via telephone at:
416-405-9328 or 1-800-387-6216. Please call between 2:20 and 2:25 p.m. (EST).

A recording of the conference call can be accessed after 4:30 p.m. (EST) on November 19:

- Via the Internet at:
rbc.com/investorrelations/conference.html
- Via recorded telephone call until midnight December 10, 2002 at: 416-695-5800 or 1-800-408-3053 and by entering the password 1307368.

ABOUT ROYAL BANK OF CANADA

Royal Bank of Canada (TSX, NYSE: RY) uses the initials RBC as a prefix for its businesses and operating subsidiaries, which operate under the master brand name of RBC Financial Group. Royal Bank of Canada is Canada's largest financial institution as measured by market capitalization and assets, and is one of North America's leading diversified financial services companies. It provides personal and commercial banking, wealth

management services, insurance, corporate and investment banking, and transaction processing services on a global basis. The company employs 60,000 people who serve more than 12 million personal, business and public sector customers through offices in North America and some 30 countries around the world. For more information, please visit rbc.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, we make written and oral forward-looking statements, included in this press release, 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 2003, 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.

Information contained in or otherwise accessible through the Web sites mentioned in this report does not form a part of this report. All references in this

report to Web sites are inactive textual references and are for your information only.

Selected financial highlights (unaudited) (1)

	Change from October 31 2001	As at and for the three months ended			Change from October 31 2001	For the year ended	
		October 31 2002	July 31 2002	October 31 2001		October 31 2002	October 31 2001
<i>(C\$ millions, except per share and percentage amounts)</i>							
Earnings							
Net interest income (2)	3 %	\$ 1,818	\$ 1,770	\$ 1,772	10 %	\$ 7,191	\$ 6,529
Non-interest revenue	(7)	2,103	2,101	2,265	5	8,579	8,155
Gross revenues (2)	(3)	3,921	3,871	4,037	7	15,770	14,684
Provision for credit losses	(45)	235	216	425	(5)	1,065	1,119
Non-interest expense	(1)	2,601	2,515	2,636	6	10,244	9,641
Net income	8	732	722	680	19	2,898	2,435
Core net income (3)	66	732	722	441	30	2,898	2,231
Return on common equity	60 bp	16.3%	16.1%	15.7%	- bp	16.6%	16.6%
Core return on common equity (3)	640 bp	16.3%	16.1%	9.9%	150 bp	16.6%	15.1%
Economic Profit (4)	1,407 %	\$ 226	\$ 216	\$ 15	44 %	\$ 838	\$ 583
Balance sheet data							
Loans (before allowance for loan losses)	- %	\$ 171,523	\$ 171,824	\$ 171,177			
Assets	5	381,932	377,536	362,483			
Deposits	4	245,040	246,040	235,687			
Subordinated debentures	1	6,960	7,318	6,861			
Common equity	6	17,240	17,270	16,215			
Capital ratios (Canadian basis) (5)							
Common equity to risk-adjusted assets	100 bp	10.4%	10.2%	9.4%			
Tier 1 capital	60	9.3%	9.1%	8.7%			
Total capital	90	12.7%	12.7%	11.8%			
Capital ratios (U.S. basis) (6)							
Common equity to risk-adjusted assets	100 bp	10.5%	10.3%	9.5%			
Tier 1 capital	40	8.5%	8.5%	8.1%			
Total capital	70	11.9%	12.0%	11.2%			
Common share information							
Shares outstanding (in thousands)							
End of period	(1) %	665,257	671,671	674,021	(1) %	665,257	674,021
Average basic	(2)	668,868	673,787	681,758	5	672,571	641,516
Average diluted	(2)	676,010	680,712	687,334	5	679,153	647,216
Earnings per share							
Basic	12 %	\$ 1.06	\$ 1.04	\$ 0.95	16 %	\$ 4.16	\$ 3.58
Diluted	12	1.05	1.02	0.94	16	4.12	3.55
Core diluted (3)	75	1.05	1.02	0.60	27	4.12	3.24
Share price							
High (7)	8 %	\$ 57.55	\$ 58.89	\$ 53.25	11 %	\$ 58.89	\$ 53.25
Low (7)	17	48.80	45.05	41.60	8	45.05	41.60
Close	16	54.41	53.45	46.80	16	54.41	46.80
Dividends per share	11	0.40	0.38	0.36	10	1.52	1.38
Book value per share – period end	8	25.91	25.71	24.06	8	25.91	24.06
Market capitalization (\$ billions)	15	36.2	35.9	31.5	15	36.2	31.5
Number of:							
Employees (full-time equivalent)	1,981	59,549	59,788	57,568			
Automated banking machines	(59)	4,486	4,520	4,545			
Service delivery units:							
Canada	(6)	1,311	1,315	1,317			
International	83	807	811	724			

(1) Financial information is derived from U.S. GAAP consolidated financial statements, unless otherwise noted. Select definitions are available in the Glossary on pages 91 and 92 of the 2001 Annual Report.

(2) Taxable equivalent basis.

(3) Core results exclude the special items shown in the table on page 11.

(4) Economic Profit is cash operating earnings (i.e., net income available to common shareholders excluding the after-tax impact of special items and amortization of goodwill and other intangibles) less a charge for the cost of common equity. For more details on Economic profit, see page 19 of the 2001 Annual Report.

(5) Using guidelines issued by the Superintendent of Financial Institutions Canada (OSFI) and Canadian GAAP financial information.

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

(7) Intraday high and low share prices.

Consolidated balance sheet (unaudited)

<i>(C\$ millions)</i>	October 31 2002	July 31 2002	October 31 2001
Assets			
Cash resources			
Cash and due from banks	\$ 2,534	\$ 2,227	\$ 1,792
Interest-bearing deposits with banks	18,759	17,268	15,724
	21,293	19,495	17,516
Securities			
Trading account (pledged - \$6,558, \$6,373 and \$4,222)	69,457	67,770	58,413
Available for sale	25,896	23,938	22,687
	95,353	91,708	81,100
Assets purchased under reverse repurchase agreements	35,831	34,938	35,870
Loans			
Residential mortgage	72,842	70,641	67,444
Personal	31,956	32,222	32,511
Credit card	4,914	4,774	4,283
Business and government	61,811	64,187	66,939
	171,523	171,824	171,177
Allowance for loan losses	(2,203)	(2,218)	(2,278)
	169,320	169,606	168,899
Other			
Customers' liability under acceptances	8,051	7,550	9,923
Derivative-related amounts	31,250	31,168	28,642
Premises and equipment	1,639	1,618	1,598
Goodwill	5,040	5,115	4,952
Other intangibles	665	689	619
Other assets	13,490	15,649	13,364
	60,135	61,789	59,098
	\$ 381,932	\$ 377,536	\$ 362,483
Liabilities and shareholders' equity			
Deposits			
Canada			
Non-interest-bearing	\$ 23,222	\$ 22,954	\$ 22,397
Interest-bearing	119,737	115,847	118,161
International			
Non-interest-bearing	2,969	2,937	2,461
Interest-bearing	99,112	104,302	92,668
	245,040	246,040	235,687
Other			
Acceptances	8,051	7,550	9,923
Obligations related to securities sold short	17,990	15,826	16,037
Obligations related to assets sold under repurchase agreements	21,109	19,630	20,864
Derivative-related amounts	32,737	33,360	29,448
Other liabilities	29,821	27,425	23,979
	109,708	103,791	100,251
Subordinated debentures	6,960	7,318	6,861
Non-controlling interest in subsidiaries	1,469	1,444	1,479
Shareholders' equity			
Capital stock			
Preferred	1,515	1,673	1,990
Common (shares issued and outstanding - 665,257,068; 671,670,961 and 674,020,927)	7,039	7,062	6,959
Retained earnings	10,473	10,326	9,311
Accumulated other comprehensive income	(272)	(118)	(55)
	18,755	18,943	18,205
	\$ 381,932	\$ 377,536	\$ 362,483

Consolidated statement of income (unaudited)

(C\$ millions)	For the three months ended			For the year ended	
	October 31 2002	July 31 2002	October 31 2001	October 31 2002	October 31 2001
Interest income					
Loans	\$ 2,653	\$ 2,617	\$ 2,879	\$ 10,463	\$ 12,032
Trading account securities	515	479	536	1,945	2,143
Available for sale securities	267	283	309	1,130	1,138
Assets purchased under reverse repurchase agreements	195	165	245	651	1,163
Deposits with banks	116	109	204	482	831
	3,746	3,653	4,173	14,671	17,307
Interest expense					
Deposits	1,463	1,443	1,894	5,709	8,712
Other liabilities	377	349	417	1,405	1,688
Subordinated debentures	98	101	102	406	410
	1,938	1,893	2,413	7,520	10,810
Net interest income	1,808	1,760	1,760	7,151	6,497
Provision for credit losses	235	216	425	1,065	1,119
	1,573	1,544	1,335	6,086	5,378
Non-interest revenue					
Capital market fees	426	464	376	1,866	1,523
Trading revenues	486	440	388	1,766	1,820
Investment management and custodial fees	278	315	275	1,179	1,096
Deposit and payment service charges	275	262	250	1,041	887
Mutual fund revenues	170	188	171	723	692
Card service revenues	74	78	68	285	290
Foreign exchange revenue, other than trading	70	74	79	277	300
Insurance revenues	61	69	78	255	263
Mortgage banking revenues	57	55	57	240	206
Credit fees	52	57	59	223	237
Securitization revenues	45	38	49	172	125
Loss on sale of securities	(98)	(11)	(36)	(95)	(128)
Gain from divestitures	-	-	313	-	445
Other	207	72	138	647	399
	2,103	2,101	2,265	8,579	8,155
Non-interest expense					
Human resources	1,512	1,579	1,507	6,263	5,696
Occupancy	201	198	201	788	716
Equipment	201	185	187	752	713
Communications	210	193	179	790	679
Professional fees	133	100	117	419	411
Amortization of goodwill	-	-	107	-	252
Amortization of other intangibles	20	18	17	72	36
Other	324	242	321	1,160	1,138
	2,601	2,515	2,636	10,244	9,641
Net income before income taxes	1,075	1,130	964	4,421	3,892
Income taxes	315	381	256	1,415	1,350
Net income before non-controlling interest	760	749	708	3,006	2,542
Non-controlling interest in net income of subsidiaries	28	27	28	108	107
Net income	\$ 732	\$ 722	\$ 680	\$ 2,898	\$ 2,435
Preferred share dividends	24	25	31	98	135
Net income available to common shareholders	\$ 708	\$ 697	\$ 649	\$ 2,800	\$ 2,300
Average number of common shares (in thousands)	668,868	673,787	681,758	672,571	641,516
Earnings per share (in dollars)	\$1.06	\$1.04	\$0.95	\$4.16	\$3.58
Average number of diluted common shares (in thousands)	676,010	680,712	687,334	679,153	647,216
Diluted earnings per share (in dollars)	\$1.05	\$1.02	\$0.94	\$4.12	\$3.55

Consolidated statement of changes in shareholders' equity (unaudited)

(C\$ millions)	For the three months ended			For the year ended	
	October 31 2002	July 31 2002	October 31 2001	October 31 2002	October 31 2001
Preferred shares					
Balance at beginning of period	\$ 1,673	\$ 1,668	\$ 2,254	\$ 1,990	\$ 2,001
Issued	-	-	-	-	250
Redeemed for cancellation	(149)	-	(295)	(464)	(295)
Issuance costs, net of related income taxes	-	-	-	-	(3)
Translation adjustment on shares denominated in foreign currency	(9)	5	31	(11)	37
Balance at end of period	1,515	1,673	1,990	1,515	1,990
Common shares					
Balance at beginning of period	7,062	7,053	7,041	6,959	3,074
Issued	53	43	18	233	4,009
Issuance costs, net of related income taxes	-	-	-	(1)	(12)
Purchased for cancellation	(76)	(34)	(100)	(152)	(112)
Balance at end of period	7,039	7,062	6,959	7,039	6,959
Retained earnings					
Balance at beginning of period	10,326	10,019	9,259	9,311	8,314
Net income	732	722	680	2,898	2,435
Preferred share dividends	(24)	(25)	(31)	(98)	(135)
Common share dividends	(266)	(256)	(244)	(1,022)	(897)
Premium paid on common shares purchased for cancellation	(294)	(134)	(348)	(612)	(397)
Issuance costs, net of related income taxes	(1)	-	(5)	(4)	(9)
Balance at end of period	10,473	10,326	9,311	10,473	9,311
Accumulated other comprehensive income, net of related income taxes					
Unrealized gains and losses on available for sale securities	202	102	190	202	190
Unrealized foreign currency translation gains and losses net of hedging activities	(54)	(64)	(38)	(54)	(38)
Gains and losses on derivatives designated as cash flow hedges	(127)	(139)	(190)	(127)	(190)
Additional pension obligation	(293)	(17)	(17)	(293)	(17)
	(272)	(118)	(55)	(272)	(55)
Shareholders' equity at end of period	\$ 18,755	\$ 18,943	\$ 18,205	\$ 18,755	\$ 18,205
Comprehensive income, net of related income taxes					
Net income	\$ 732	\$ 722	\$ 680	\$ 2,898	\$ 2,435
Other comprehensive income					
Change in unrealized gains and losses on available for sale securities	100	32	80	12	246
Change in unrealized foreign currency translation gains and losses	(159)	238	409	(59)	473
Impact of hedging unrealized foreign currency translation gains and losses	169	(235)	(400)	43	(475)
Cumulative effect of initial adoption of FAS 133	-	-	-	-	60
Change in gains and losses on derivatives designated as cash flow hedges	(15)	(47)	(142)	(50)	(250)
Reclassification to earnings of gains and losses on cash flow hedges	27	30	7	113	-
Additional pension obligation	(276)	-	(17)	(276)	(17)
Total comprehensive income	\$ 578	\$ 740	\$ 617	\$ 2,681	\$ 2,472

Consolidated statement of cash flows (unaudited)

(C\$ millions)	For the three months ended			For the year ended	
	October 31 2002	July 31 2002	October 31 2001	October 31 2002	October 31 2001
Cash flows from operating activities					
Net income	\$ 732	\$ 722	\$ 680	\$ 2,898	\$ 2,435
Adjustments to determine net cash provided by (used in) operating activities					
Provision for credit losses	235	216	425	1,065	1,119
Depreciation	97	98	114	388	387
Restructuring	-	-	-	-	91
Amortization of goodwill and other intangibles	20	18	124	72	288
Deferred income taxes	126	4	(9)	45	139
Loss (gain) on sale of premises and equipment	2	(12)	(42)	(35)	(42)
Gain on divestitures	-	-	(313)	-	(445)
Gain on loan securitizations	(12)	(10)	(10)	(54)	(29)
Loss on sale of available for sale securities	98	11	36	95	128
Changes in operating assets and liabilities					
Net change in accrued interest receivable and payable	(83)	166	(161)	(166)	(375)
Current income taxes	116	(49)	(317)	419	(460)
Derivative-related assets	(82)	(9,205)	(8,932)	(2,608)	(9,299)
Derivative-related liabilities	(623)	9,968	9,804	3,289	10,872
Trading account securities	(1,687)	(1,357)	(1,981)	(11,044)	(8,707)
Obligations related to securities sold short	2,164	(1,319)	1,064	1,953	3,009
Other	2,451	(2,639)	(621)	1,610	(4,920)
Net cash provided by (used in) operating activities	3,554	(3,388)	(139)	(2,073)	(5,809)
Cash flows from investing activities					
Change in interest-bearing deposits with banks	(1,491)	703	(148)	(3,035)	(116)
Increase in loans, net of loan securitizations	(904)	(1,658)	(3,720)	(3,360)	(2,750)
Proceeds from loan securitizations	201	742	222	1,691	1,720
Proceeds from sale of available for sale securities	3,522	5,637	3,644	16,758	12,542
Proceeds from maturity of available for sale securities	4,473	2,766	2,501	15,717	14,021
Purchases of available for sale securities	(9,146)	(7,244)	(6,962)	(33,450)	(27,975)
Net acquisitions of premises and equipment	(125)	(115)	(213)	(390)	(397)
Net proceeds from sale of real estate	-	-	57	-	57
Change in assets purchased under reverse repurchase agreements	(893)	(1,565)	(10,731)	39	(17,474)
Net cash provided by (used in) acquisition of subsidiaries	60	(159)	(889)	(99)	(3,120)
Net proceeds from divestitures	-	-	346	-	478
Net cash used in investing activities	(4,303)	(893)	(15,893)	(6,129)	(23,014)
Cash flows from financing activities					
Issue of RBC Trust Capital Securities (RBC TruCS)	-	-	-	-	750
Change in deposits - Canada	4,159	(324)	2,463	2,402	2,434
Change in deposits - International	(5,369)	6,869	7,899	4,997	15,690
Issue of subordinated debentures	-	-	-	635	1,025
Maturity of subordinated debentures	-	-	(15)	(101)	(42)
Redemption of subordinated debentures	(400)	-	-	(400)	(538)
Issue of preferred shares	-	-	-	-	250
Redemption of preferred shares for cancellation	(149)	-	(295)	(464)	(295)
Issuance costs	(1)	-	(5)	(5)	(24)
Issue of common shares	19	39	12	168	657
Purchase of common shares for cancellation	(370)	(168)	(448)	(764)	(509)
Payment of dividends	(281)	(281)	(283)	(1,104)	(972)
Change in obligations related to assets sold under repurchase agreement	1,479	(2,610)	6,846	245	11,629
Change in short-term borrowings of subsidiaries	1,969	1,160	(507)	3,335	(387)
Net cash provided by financing activities	1,056	4,685	15,667	8,944	29,668
Net change in cash and due from banks	307	404	(365)	742	845
Cash and due from banks at beginning of period	2,227	1,823	2,157	1,792	947
Cash and due from banks at end of period	\$ 2,534	\$ 2,227	\$ 1,792	\$ 2,534	\$ 1,792
Supplemental disclosure of cash flow information					
Amount of interest paid in period	\$ 1,966	\$ 1,902	\$ 2,335	\$ 8,229	\$ 11,149
Amount of income taxes paid in period	\$ 107	\$ 231	\$ 219	\$ 738	\$ 1,443

Appendix: Results by business and geographic segments (unaudited)

a) Quarterly Earnings by Business Segment

	RBC Banking			RBC Insurance			RBC Investments			RBC Capital Markets		
	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01
<i>(C\$ millions)</i>												
Net interest income on taxable equivalent basis	\$ 1,430	\$ 1,370	\$ 1,441	\$ 65	\$ 54	\$ 55	\$ 96	\$ 91	\$ 91	\$ 110	\$ 114	\$ 158
Non-interest revenue	505	524	516	107	85	93	784	806	928	540	536	506
Gross revenues on taxable equivalent basis	1,935	1,894	1,957	172	139	148	880	897	1,019	650	650	664
Taxable equivalent adjustment	4	5	1	-	-	-	-	-	-	6	5	7
Gross revenues	1,931	1,889	1,956	172	139	148	880	897	1,019	644	645	657
Provision for credit losses	122	145	171	-	-	-	1	-	(1)	117	76	259
Non-interest expense	1,161	1,109	1,181	121	91	103	733	770	676	407	414	455
Income taxes and non-controlling interest	246	242	271	-	(1)	2	50	43	86	24	53	(43)
Net income	\$ 402	\$ 393	\$ 333	\$ 51	\$ 49	\$ 43	\$ 96	\$ 84	\$ 258	\$ 96	\$ 102	\$ (14)

	RBC Global Services			Other			Total		
	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01
Net interest income on taxable equivalent basis	\$ 33	\$ 36	\$ 39	\$ 84	\$ 105	\$ (12)	\$ 1,818	\$ 1,770	\$ 1,772
Non-interest revenue	170	185	159	(3)	(35)	63	2,103	2,101	2,265
Gross revenues on taxable equivalent basis	203	221	198	81	70	51	3,921	3,871	4,037
Taxable equivalent adjustment	-	-	-	-	-	4	10	10	12
Gross revenues	203	221	198	81	70	47	3,911	3,861	4,025
Provision for credit losses	3	2	-	(8)	(7)	(4)	235	216	425
Non-interest expenses	137	149	125	42	(18)	96	2,601	2,515	2,636
Income taxes and non-controlling interest	19	21	24	4	50	(56)	343	408	284
Net income	\$ 44	\$ 49	\$ 49	\$ 43	\$ 45	\$ 11	\$ 732	\$ 722	\$ 680

For management reporting purposes, our operations are grouped into the business segments of RBC Banking, RBC Insurance, RBC Investments, RBC Capital Markets and RBC Global Services. The Other segment mainly comprises Corporate Treasury, Corporate Resources, Systems & Technology and Real Estate Operations. The business segments operate on an arm's-length basis with respect to the purchase and sale of intra-group services. Transfer pricing of funds sold or purchased, commissions, or charges and credits for services rendered are generally at market rates. For geographic reporting purposes our operations are grouped into Canada, United States and Other International. Canadian-based activities of international money market units are included in U.S. and Other International.

b) Quarterly Earnings by Geographic Segment

	October 31, 2002				July 31, 2002				October 31, 2001						
	Canada	U.S.	Other	Int'l	Total	Canada	U.S.	Other	Int'l	Total	Canada	U.S.	Other	Int'l	Total
<i>(C\$ millions)</i>															
Net interest income on taxable equivalent basis	\$ 1,414	\$ 346	\$ 58	\$ 1,818	\$ 1,370	\$ 318	\$ 82	\$ 1,770	\$ 1,387	\$ 248	\$ 137	\$ 1,772			
Non-interest revenue	959	804	340	2,103	1,040	785	276	2,101	1,402	675	188	2,265			
Gross revenues on taxable equivalent basis	2,373	1,150	398	3,921	2,410	1,103	358	3,871	2,789	923	325	4,037			
Taxable equivalent adjustment	7	3	-	10	5	5	-	10	12	-	-	12			
Gross revenues	2,366	1,147	398	3,911	2,405	1,098	358	3,861	2,777	923	325	4,025			
Provision for credit losses	84	105	46	235	142	52	22	216	168	248	9	425			
Non-interest expense	1,429	958	214	2,601	1,425	881	209	2,515	1,565	865	206	2,636			
Income taxes and non-controlling interest	311	18	14	343	344	60	4	408	389	(79)	(26)	284			
Net income	\$ 542	\$ 66	\$ 124	\$ 732	\$ 494	\$ 105	\$ 123	\$ 722	\$ 655	\$ (111)	\$ 136	\$ 680			

c) Full Year Earnings by Business Segment

<i>(C\$ millions)</i>	RBC Banking		RBC Insurance		RBC Investments		RBC Capital Markets	
	2002	2001	2002	2001	2002	2001	2002	2001
Net interest income on taxable equivalent basis	\$ 5,576	\$ 5,349	\$ 223	\$ 206	\$ 371	\$ 384	\$ 553	\$ 429
Non-interest revenue	2,090	1,873	357	336	3,276	2,859	2,142	2,352
Gross revenues on taxable equivalent basis	7,666	7,222	580	542	3,647	3,243	2,695	2,781
Taxable equivalent adjustment	19	6	-	-	-	-	21	21
Gross revenues	7,647	7,216	580	542	3,647	3,243	2,674	2,760
Provision for credit losses	626	732	-	-	(1)	2	465	407
Non-interest expense	4,520	4,388	399	375	3,144	2,510	1,627	1,804
Income taxes and non-controlling interest	955	922	(9)	(6)	158	223	143	200
Net income	\$ 1,546	\$ 1,174	\$ 190	\$ 173	\$ 346	\$ 508	\$ 439	\$ 349

	RBC Global Services		Other		Total	
	2002	2001	2002	2001	2002	2001
Net interest income on taxable equivalent basis	\$ 136	\$ 148	\$ 332	\$ 13	\$ 7,191	\$ 6,529
Non-interest revenue	672	710	42	25	8,579	8,155
Gross revenues on taxable equivalent basis	808	858	374	38	15,770	14,684
Taxable equivalent adjustment	-	-	-	5	40	32
Gross revenues	808	858	374	33	15,730	14,652
Provision for credit losses	10	(2)	(35)	(20)	1,065	1,119
Non-interest expense	548	485	6	79	10,244	9,641
Income taxes and non-controlling interest	77	109	199	9	1,523	1,457
Net income	\$ 173	\$ 266	\$ 204	\$ (35)	\$ 2,898	\$ 2,435

d) Full Year Earnings by Geographic Segment

<i>(C\$ millions)</i>	October 31, 2002				October 31, 2001			
	Canada	U.S.	Other Int'l	Total	Canada	U.S.	Other Int'l	Total
Net interest income on taxable equivalent basis	\$ 5,550	\$ 1,262	\$ 379	\$ 7,191	\$ 5,595	\$ 485	\$ 449	\$ 6,529
Non-interest revenue	4,318	3,125	1,136	8,579	4,862	2,404	889	8,155
Gross revenues on taxable equivalent basis	9,868	4,387	1,515	15,770	10,457	2,889	1,338	14,684
Taxable equivalent adjustment	24	16	-	40	30	2	-	32
Gross revenues	9,844	4,371	1,515	15,730	10,427	2,887	1,338	14,652
Provision for credit losses	529	440	96	1,065	757	379	(17)	1,119
Non-interest expense	5,747	3,670	827	10,244	6,214	2,712	715	9,641
Income taxes and non-controlling interest	1,418	51	54	1,523	1,499	(66)	24	1,457
Net income	\$ 2,150	\$ 210	\$ 538	\$ 2,898	\$ 1,957	\$ (138)	\$ 616	\$ 2,435

Appendix: Credit related information (unaudited) (1)

Nonaccrual loans

	October 31 2002	July 31 2002	April 30 2002	January 31 2002	October 31 2001
<i>(C\$ millions except percentage amounts)</i>					
Nonaccrual loans					
Residential mortgage	\$ 131	\$ 149	\$ 154	\$ 172	\$ 179
Personal	306	310	317	318	325
Business and government	1,851	1,912	2,058	2,223	1,961
	\$ 2,288	\$ 2,371	\$ 2,529	\$ 2,713	\$ 2,465
Nonaccrual loans as a % of related loans and acceptances					
Residential mortgage	0.18%	0.21%	0.22%	0.25%	0.27%
Personal	0.96%	0.96%	0.98%	1.01%	1.00%
Business and government	2.65%	2.67%	2.85%	3.03%	2.55%
Total	1.27%	1.32%	1.41%	1.52%	1.36%

Allowance for credit losses

	For the three months ended			For the year ended	
	October 31 2002	July 31 2002	October 31 2001	October 31 2002	October 31 2001
<i>(C\$ millions except percentage amounts)</i>					
Allowance at beginning of period	\$ 2,332	\$ 2,452	\$ 2,283	\$ 2,392	\$ 1,975
Provision for credit losses	235	216	425	1,065	1,119
Charge-offs					
Residential mortgage	(3)	(3)	(14)	(12)	(24)
Personal	(86)	(96)	(102)	(398)	(401)
Credit card	(38)	(51)	(39)	(178)	(171)
Business and government	(269)	(243)	(248)	(869)	(529)
	(396)	(393)	(403)	(1,457)	(1,125)
Recoveries					
Personal	17	18	20	70	67
Credit card	9	10	14	38	44
Business and government	40	16	20	90	74
	66	44	54	198	185
Net charge-offs	(330)	(349)	(349)	(1,259)	(940)
Centura Banks at date of acquisition	-	-	-	-	157
Eagle Bancshares at date of acquisition	-	18	-	18	-
Adjustments	77	(5)	33	98	81
Allowance at end of period	\$ 2,314	\$ 2,332	\$ 2,392	\$ 2,314	\$ 2,392
Net charge-offs (excluding LDCs) as a % of average loans and acceptances	0.66%	0.79%	0.78%	0.69%	0.55%
Net charge-offs as a % of average loans and acceptances	0.74%	0.79%	0.78%	0.71%	0.55%
Allocation of allowance					
Residential mortgage	\$ 41	\$ 50	\$ 49	\$ 41	\$ 49
Personal	465	468	480	465	480
Credit card	152	152	152	152	152
Business and government	1,405	1,427	1,486	1,405	1,486
Allocated allowance	2,063	2,097	2,167	2,063	2,167
Unallocated allowance	251	235	225	251	225
Total	\$ 2,314	\$ 2,332	\$ 2,392	\$ 2,314	\$ 2,392
Composition of allowance					
Allocated specific	\$ 894	\$ 885	\$ 951	\$ 894	\$ 951
Allocated country risk	-	33	31	-	31
Allocated general	1,169	1,179	1,185	1,169	1,185
Total allocated allowance	2,063	2,097	2,167	2,063	2,167
Unallocated allowance	251	235	225	251	225
Total	\$ 2,314	\$ 2,332	\$ 2,392	\$ 2,314	\$ 2,392
Consisting of:					
Allowance for loan losses	\$ 2,203	\$ 2,218	\$ 2,278	\$ 2,203	\$ 2,278
Allowance for off-balance sheet and other items	109	109	109	109	109
Allowance for tax-exempt securities	2	5	5	2	5
Total	\$ 2,314	\$ 2,332	\$ 2,392	\$ 2,314	\$ 2,392
Allowance for loan losses as a % of loans and acceptances	1.2%	1.2%	1.3%	1.2%	1.3%
Allowance for loan losses as a % of loans, acceptances and reverse repurchase agreements	1.0%	1.0%	1.0%	1.0%	1.0%
Allowance for loan losses as a % of nonaccrual loans (coverage ratio), excluding LDCs	96%	94%	93%	96%	93%

(1) Financial measures are derived from U.S. GAAP consolidated financial statements, unless otherwise noted. See definitions are available in the Glossary on pages 91 and 92 of the 2001 Annual Report.

Selected financial highlights (unaudited) (1)

	Change from October 31 2001	As at and for the three months ended			Change from October 31 2001	For the year ended	
		October 31 2002	July 31 2002	October 31 2001		October 31 2002	October 31 2001
<i>(\$ millions, except per share and percentage amounts)</i>							
Earnings							
Net interest income (2)	2 %	\$ 1,815	\$ 1,768	\$ 1,784	10 %	\$ 7,198	\$ 6,549
Other income	(9)	2,043	2,104	2,255	4	8,562	8,215
Gross revenues (2)	(4)	3,858	3,872	4,039	7	15,760	14,764
Provision for credit losses	(45)	235	216	425	(5)	1,065	1,119
Non-interest expense	(1)	2,634	2,547	2,668	7	10,420	9,755
Net income	2	666	697	656	15	2,762	2,411
Core net income (3)	60	666	697	417	27	2,762	2,181
Return on common equity	(40) bp	14.8%	15.6%	15.2%	(60) bp	15.8%	16.4%
Core return on common equity (3)	540 bp	14.8%	15.6%	9.4%	100 bp	15.8%	14.8%
Economic Profit (4)	2,429 %	\$ 163	\$ 193	\$ (7)	32 %	\$ 712	\$ 539
Balance sheet data							
Loans (net of allowance for loan losses)	- %	\$ 169,258	\$ 169,555	\$ 169,110			
Assets	5	376,956	373,441	359,260			
Deposits	4	243,486	244,455	233,447			
Subordinated debentures	2	6,614	7,043	6,513			
Common equity	7	17,238	17,167	16,141			
Capital ratios (5)							
Common equity to risk-adjusted assets	100 bp	10.4%	10.2%	9.4%			
Tier 1 capital	60	9.3%	9.1%	8.7%			
Total capital	90	12.7%	12.7%	11.8%			
Common share information							
Shares outstanding (in thousands)							
End of period	(1) %	665,257	671,671	674,021	(1) %	665,257	674,021
Average basic	(2)	668,868	673,787	681,758	5	672,571	641,516
Average diluted	(2)	674,840	679,168	687,334	5	678,120	647,216
Earnings per share							
Basic	4 %	\$ 0.96	\$ 1.00	\$ 0.92	12 %	\$ 3.96	\$ 3.55
Diluted	4	0.95	0.99	0.91	12	3.93	3.52
Core diluted (3)	70	0.95	0.99	0.56	24	3.93	3.16
Share price							
High (6)	8 %	\$ 57.55	\$ 58.89	\$ 53.25	11 %	\$ 58.89	\$ 53.25
Low (6)	17	48.80	45.05	41.60	8	45.05	41.60
Close	16	54.41	53.45	46.80	16	54.41	46.80
Dividends per share	11	0.40	0.38	0.36	10	1.52	1.38
Book value per share – period end	8	25.91	25.56	23.95	8	25.91	23.95
Market capitalization (\$ billions)	15	36.2	35.9	31.5	15	36.2	31.5
Number of:							
Employees (full-time equivalent)	1,981	59,549	59,788	57,568			
Automated banking machines	(59)	4,486	4,520	4,545			
Service delivery units							
Canada	(6)	1,311	1,315	1,317			
International	83	807	811	724			

(1) Financial information is derived from Canadian GAAP consolidated financial statements, unless otherwise noted. Select definitions are available in the Glossary on pages 91 and 92 of the 2001 Annual Report.

(2) Taxable equivalent basis.

(3) Core results exclude special items shown in the table on page 9.

(4) Economic Profit is cash operating earnings (i.e., net income available to common shareholders excluding the after-tax impact of special items and amortization of goodwill and other intangibles) less a charge for the cost of common equity. For more details on Economic profit, see page 19A of the 2001 Annual Report.

(5) Using guidelines issued by the Superintendent of Financial Institutions Canada (OSFI) and Canadian GAAP financial information.

(6) Intraday high and low share prices.

Consolidated balance sheet (unaudited)

(\$ millions)	October 31 2002	July 31 2002	October 31 2001
Assets			
Cash resources			
Cash and due from banks	\$ 2,534	\$ 2,227	\$ 1,792
Interest-bearing deposits with banks	18,789	17,299	15,743
	21,323	19,526	17,535
Securities			
Trading account (pledged - \$6,558, \$6,373 and \$4,222)	68,328	68,578	58,192
Investment account	25,078	23,308	21,877
Loan substitute	394	401	438
	93,800	92,287	80,507
Assets purchased under reverse repurchase agreements	35,831	34,938	35,870
Loans			
Residential mortgage	72,840	70,639	67,442
Personal	31,956	32,222	32,511
Credit card	4,914	4,774	4,283
Business and government	61,751	64,138	67,152
	171,461	171,773	171,388
Allowance for loan losses	(2,203)	(2,218)	(2,278)
	169,258	169,555	169,110
Other			
Customers' liability under acceptances	8,051	7,550	9,923
Derivative-related amounts	30,258	30,168	27,240
Premises and equipment	1,653	1,631	1,602
Goodwill	5,004	5,082	4,919
Other intangibles	665	689	619
Other assets	11,113	12,015	11,935
	56,744	57,135	56,238
	\$ 376,956	\$ 373,441	\$ 359,260
Liabilities and shareholders' equity			
Deposits			
Personal	\$ 101,892	\$ 101,072	\$ 101,381
Business and government	119,591	116,965	107,141
Bank	22,003	26,418	24,925
	243,486	244,455	233,447
Other			
Acceptances	8,051	7,550	9,923
Obligations related to securities sold short	19,110	16,688	16,443
Obligations related to assets sold under repurchase agreements	21,109	19,630	20,864
Derivative-related amounts	32,137	32,794	28,646
Other liabilities	26,197	24,966	23,780
	106,604	101,628	99,656
Subordinated debentures	6,614	7,043	6,513
Non-controlling interest in subsidiaries	1,469	1,444	1,479
Shareholders' equity			
Capital stock			
Preferred	1,545	1,704	2,024
Common (shares issued and outstanding - 665,257,068; 671,670,961 and 674,020,927)	7,057	7,078	6,973
Retained earnings	10,181	10,089	9,168
	18,783	18,871	18,165
	\$ 376,956	\$ 373,441	\$ 359,260

Consolidated statement of income (unaudited)

(\$ millions)	For the three months ended			For the year ended	
	October 31 2002	July 31 2002	October 31 2001	October 31 2002	October 31 2001
Interest income					
Loans	\$ 2,653	\$ 2,617	\$ 2,879	\$ 10,463	\$ 12,032
Securities	782	762	845	3,075	3,281
Assets purchased under reverse repurchase agreements	195	165	245	651	1,163
Deposits with banks	117	109	204	483	831
	3,747	3,653	4,173	14,672	17,307
Interest expense					
Deposits	1,463	1,443	1,894	5,709	8,712
Other liabilities	381	351	405	1,399	1,668
Subordinated debentures	98	101	102	406	410
	1,942	1,895	2,401	7,514	10,790
Net interest income	1,805	1,758	1,772	7,158	6,517
Provision for credit losses	235	216	425	1,065	1,119
	1,570	1,542	1,347	6,093	5,398
Other income					
Capital market fees	426	464	376	1,866	1,523
Trading revenues	486	440	388	1,766	1,820
Investment management and custodial fees	278	315	275	1,179	1,096
Deposit and payment service charges	275	262	250	1,041	887
Mutual fund revenues	170	188	171	723	692
Card service revenues	129	137	116	496	458
Foreign exchange revenue, other than trading	70	71	84	279	312
Credit fees	52	57	59	223	237
Mortgage banking revenues	60	36	57	222	206
Insurance revenues	32	51	39	204	201
Securitization revenues	45	38	49	174	123
Loss on sale of securities	(112)	(15)	(36)	(116)	(128)
Gain from divestitures	-	-	313	-	445
Other	132	60	114	505	343
	2,043	2,104	2,255	8,562	8,215
Non-interest expense					
Human resources	1,514	1,581	1,515	6,315	5,723
Occupancy	203	200	207	796	724
Equipment	218	203	212	820	771
Communications	213	195	181	801	686
Professional fees	133	100	117	419	412
Amortization of goodwill	-	-	106	-	248
Amortization of other intangibles	20	18	17	72	36
Other	333	250	313	1,197	1,155
	2,634	2,547	2,668	10,420	9,755
Net income before income taxes	979	1,099	934	4,235	3,858
Income taxes	285	375	250	1,365	1,340
Net income before non-controlling interest	694	724	684	2,870	2,518
Non-controlling interest in net income of subsidiaries	28	27	28	108	107
Net income	\$ 666	\$ 697	\$ 656	\$ 2,762	\$ 2,411
Preferred share dividends	24	25	31	98	135
Net income available to common shareholders	\$ 642	\$ 672	\$ 625	\$ 2,664	\$ 2,276
Average number of common shares (in thousands)	668,868	673,787	681,758	672,571	641,516
Earnings per share (in dollars)	\$0.96	\$1.00	\$0.92	\$3.96	\$3.55
Average number of diluted common shares (in thousands)	674,840	679,168	687,334	678,120	647,216
Diluted earnings per share (in dollars)	\$0.95	\$0.99	\$0.91	\$3.93	\$3.52

Consolidated statement of changes in shareholders' equity (unaudited)

(\$ millions)	For the three months ended			For the year ended	
	October 31 2002	July 31 2002	October 31 2001	October 31 2002	October 31 2001
Preferred shares					
Balance at beginning of period	\$ 1,704	\$ 1,699	\$ 2,293	\$ 2,024	\$ 2,037
Issued	-	-	-	-	250
Redeemed for cancellation	(150)	-	(300)	(468)	(300)
Translation adjustment on shares denominated in foreign currency	(9)	5	31	(11)	37
Balance at end of period	1,545	1,704	2,024	1,545	2,024
Common shares					
Balance at beginning of period	7,078	7,068	7,055	6,973	3,076
Issued	55	44	18	236	4,009
Purchased for cancellation	(76)	(34)	(100)	(152)	(112)
Balance at end of period	7,057	7,078	6,973	7,057	6,973
Retained earnings					
Balance at beginning of period	10,089	9,804	9,126	9,168	8,428
Net income	666	697	656	2,762	2,411
Preferred share dividends	(24)	(25)	(31)	(98)	(135)
Common share dividends	(266)	(256)	(244)	(1,022)	(897)
Cumulative effect of initial adoption of <i>Employee Future Benefits</i> accounting standard, net of related income taxes	-	-	-	-	(221)
Premium paid on common shares purchased for cancellation	(294)	(134)	(348)	(612)	(397)
Issuance costs, net of related income taxes	-	-	-	(1)	(19)
Change in unrealized foreign currency translation gains and losses	(159)	238	409	(59)	473
Impact of hedging unrealized foreign currency translation gains and losses, net of related income taxes	169	(235)	(400)	43	(475)
Balance at end of period	10,181	10,089	9,168	10,181	9,168
Shareholders' equity at end of period	\$ 18,783	\$ 18,871	\$ 18,165	\$ 18,783	\$ 18,165

Consolidated statement of cash flows (unaudited)

(\$ millions)	For the three months ended			For the year ended	
	October 31 2002	July 31 2002	October 31 2001	October 31 2002	October 31 2001
Cash flows from operating activities					
Net income	\$ 666	\$ 697	\$ 656	\$ 2,762	\$ 2,411
Adjustments to determine net cash provided by (used in) operating activities					
Provision for credit losses	235	216	425	1,065	1,119
Depreciation	102	111	114	407	389
Restructuring	-	-	-	-	91
Amortization of goodwill and other intangibles	20	18	123	72	284
Deferred income taxes	176	(22)	28	98	(165)
Loss (gain) on sale of premises and equipment	2	(12)	(42)	(35)	(42)
Gain on divestitures	-	-	(313)	-	(445)
Gain on loan securitizations	(12)	(10)	(10)	(54)	(29)
Loss on sale of investment account securities	112	15	36	116	128
Changes in operating assets and liabilities					
Net change in accrued interest receivable and payable	(32)	68	(53)	(263)	(142)
Current income taxes	116	(49)	(317)	419	(460)
Derivative-related assets	(90)	(9,203)	(8,527)	(3,018)	(8,076)
Derivative-related liabilities	(657)	9,988	9,360	3,491	10,070
Trading account securities	250	(4,343)	(3,662)	(10,136)	(11,836)
Obligations related to securities sold short	2,422	328	1,292	2,667	2,869
Other	26	(1,516)	(164)	(614)	(3,373)
Net cash provided by (used in) operating activities	3,336	(3,714)	(1,054)	(3,023)	(7,207)
Cash flows from investing activities					
Change in interest-bearing deposits with banks	(1,490)	692	(133)	(3,046)	(135)
Change in loans, net of loan securitizations	(893)	(1,657)	(3,735)	(3,087)	(2,930)
Proceeds from loan securitizations	201	742	222	1,691	1,720
Proceeds from sale of investment account securities	3,501	5,314	3,625	16,388	12,503
Proceeds from maturity of investment account securities	4,473	2,766	2,501	15,717	14,021
Purchases of investment account securities	(8,951)	(6,874)	(6,837)	(33,093)	(27,494)
Change in loan substitute securities	7	16	19	44	27
Net acquisitions of premises and equipment	(131)	(130)	(213)	(419)	(370)
Net proceeds from sale of real estate	-	-	57	-	57
Change in assets purchased under reverse repurchase agreements	(893)	(1,565)	(10,731)	39	(17,474)
Net cash provided by (used in) acquisition of subsidiaries	60	(159)	(889)	(99)	(3,120)
Net proceeds from divestitures	-	-	346	-	478
Net cash used in investing activities	(4,116)	(855)	(15,768)	(5,865)	(22,717)
Cash flows from financing activities					
Issue of RBC Trust Capital Securities (RBC TruCS)	-	-	-	-	750
Change in deposits	(1,179)	6,833	11,152	8,085	19,225
Issue of subordinated debentures	-	-	-	635	1,025
Maturity of subordinated debentures	-	-	(15)	(101)	(42)
Redemption of subordinated debentures	(400)	-	-	(400)	(538)
Issue of preferred shares	-	-	-	-	250
Redemption of preferred shares for cancellation	(150)	-	(300)	(468)	(300)
Issuance costs	-	-	-	(1)	(19)
Issue of common shares	19	39	12	168	657
Purchase of common shares for cancellation	(370)	(168)	(448)	(764)	(509)
Payment of dividends	(281)	(281)	(283)	(1,104)	(972)
Change in obligations related to assets sold under repurchase agreements	1,479	(2,610)	6,846	245	11,629
Change in short-term borrowings of subsidiaries	1,969	1,160	(507)	3,335	(387)
Net cash provided by financing activities	1,087	4,973	16,457	9,630	30,769
Net change in cash and due from banks	307	404	(365)	742	845
Cash and due from banks at beginning of period	2,227	1,823	2,157	1,792	947
Cash and due from banks at end of period	\$ 2,534	\$ 2,227	\$ 1,792	\$ 2,534	\$ 1,792
Supplemental disclosure of cash flow information					
Amount of interest paid in period	\$ 1,966	\$ 1,902	\$ 2,335	\$ 8,229	\$ 11,149
Amount of income taxes paid in period	\$ 107	\$ 231	\$ 219	\$ 738	\$ 1,443

Appendix: Results by business and geographic segments (unaudited)

a) Quarterly Earnings by Business Segment

(\$ millions)	RBC Banking			RBC Insurance			RBC Investments			RBC Capital Markets		
	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01
Net interest income on taxable equivalent basis	\$ 1,430	\$ 1,370	\$ 1,441	\$ 65	\$ 54	\$ 55	\$ 96	\$ 91	\$ 92	\$ 109	\$ 115	\$ 158
Other income	509	505	513	64	63	54	783	807	929	516	520	508
Gross revenues on taxable equivalent basis	1,939	1,875	1,954	129	117	109	879	898	1,021	625	635	666
Tax equivalent adjustment	4	5	1	-	-	-	-	-	-	6	5	7
Gross revenues	1,935	1,870	1,953	129	117	109	879	898	1,021	619	630	659
Provision for credit losses	122	145	171	-	-	-	1	-	(1)	117	76	259
Non-interest expense	1,161	1,117	1,181	130	102	101	733	772	676	407	414	455
Income taxes and non-controlling interest	247	231	270	(17)	(13)	(12)	48	43	86	15	47	(42)
Net income	\$ 405	\$ 377	\$ 331	\$ 16	\$ 28	\$ 20	\$ 97	\$ 83	\$ 260	\$ 80	\$ 93	\$ (13)

	RBC Global Services			Other			Total		
	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01	Q4 02	Q3 02	Q4 01
Net interest income on taxable equivalent basis	\$ 34	\$ 36	\$ 39	\$ 81	\$ 102	\$ (1)	\$ 1,815	\$ 1,768	\$ 1,784
Other income	207	211	200	(36)	(2)	51	2,043	2,104	2,255
Gross revenues on taxable equivalent basis	241	247	239	45	100	50	3,858	3,872	4,039
Tax equivalent adjustment	-	-	-	-	-	4	10	10	12
Gross revenues	241	247	239	45	100	46	3,848	3,862	4,027
Provision for credit losses	3	2	-	(8)	(7)	(4)	235	216	425
Non-interest expense	166	168	158	37	(26)	97	2,634	2,547	2,668
Income taxes and non-controlling interest	27	29	33	(7)	65	(57)	313	402	278
Net income	\$ 45	\$ 48	\$ 48	\$ 23	\$ 68	\$ 10	\$ 666	\$ 697	\$ 656

For management reporting purposes, our operations are grouped into the business segments of RBC Banking, RBC Insurance, RBC Investments, RBC Capital Markets and RBC Global Services. The Other segment mainly comprises Corporate Treasury, Corporate Resources, Systems & Technology and Real Estate Operations. The business segments operate on an arm's-length basis with respect to the purchase and sale of intra-group services. Transfer pricing of funds sold or purchased, commissions, or charges and credits for services rendered are generally at market rates. For geographic reporting purposes our operations are grouped into Canada, United States and Other International. Canadian-based activities of international money market units are included in U.S. and Other International.

b) Quarterly Earnings by Geographic Segment

(\$ millions)	October 31, 2002				July 31, 2002				October 31, 2001					
	Canada	U.S.	Other	Int'l	Total	Canada	U.S.	Other	Int'l	Total	Canada	U.S.	Other	Int'l
Net interest income on taxable equivalent basis	\$ 1,411	\$ 346	\$ 58	\$ 1,815	\$ 1,367	\$ 318	\$ 83	\$ 1,768	\$ 1,398	\$ 248	\$ 138	\$ 1,784		
Other income	936	786	321	2,043	1,094	739	271	2,104	1,410	657	188	2,255		
Gross revenues on taxable equivalent basis	2,347	1,132	379	3,858	2,461	1,057	354	3,872	2,808	905	326	4,039		
Tax equivalent adjustment	7	3	-	10	5	5	-	10	12	-	-	12		
Gross revenues	2,340	1,129	379	3,848	2,456	1,052	354	3,862	2,796	905	326	4,027		
Provision for credit losses	84	105	46	235	142	52	22	216	168	248	9	425		
Non-interest expense	1,460	958	216	2,634	1,456	883	208	2,547	1,596	866	206	2,668		
Income taxes and non-controlling interest	293	11	9	313	358	42	2	402	389	(85)	(26)	278		
Net income	\$ 503	\$ 55	\$ 108	\$ 666	\$ 500	\$ 75	\$ 122	\$ 697	\$ 643	\$ (124)	\$ 137	\$ 656		

c) Full Year Earnings by Business Segment

(\$ millions)	RBC Banking		RBC Insurance		RBC Investments		RBC Capital Markets	
	2002	2001	2002	2001	2002	2001	2002	2001
Net interest income on taxable equivalent basis	\$ 5,576	\$ 5,349	\$ 223	\$ 206	\$ 371	\$ 385	\$ 553	\$ 430
Other income	2,073	1,869	285	274	3,274	2,861	2,112	2,346
Gross revenues on taxable equivalent basis	7,649	7,218	508	480	3,645	3,246	2,665	2,776
Tax equivalent adjustment	19	6	-	-	-	-	21	21
Gross revenues	7,630	7,212	508	480	3,645	3,246	2,644	2,755
Provision for credit losses	626	732	-	-	(1)	2	465	407
Non-interest expense	4,528	4,389	437	375	3,146	2,507	1,627	1,804
Income taxes and non-controlling interest	945	910	(46)	(28)	157	224	135	208
Net income	\$ 1,531	\$ 1,181	\$ 117	\$ 133	\$ 343	\$ 513	\$ 417	\$ 336

	RBC Global Services		Other		Total	
	2002	2001	2002	2001	2002	2001
Net interest income on taxable equivalent basis	\$ 137	\$ 147	\$ 338	\$ 32	\$ 7,198	\$ 6,549
Other income	820	851	(2)	14	8,562	8,215
Gross revenues on taxable equivalent basis	957	998	336	46	15,760	14,764
Tax equivalent adjustment	-	-	-	5	40	32
Gross revenues	957	998	336	41	15,720	14,732
Provision for credit losses	10	(2)	(35)	(20)	1,065	1,119
Non-interest expense	668	599	14	81	10,420	9,755
Income taxes and non-controlling interest	108	138	174	(5)	1,473	1,447
Net income	\$ 171	\$ 263	\$ 183	\$ (15)	\$ 2,762	\$ 2,411

d) Full Year Earnings by Geographic Segment

(\$ millions)	October 31, 2002				October 31, 2001			
	Canada	U.S.	Other Int'l	Total	Canada	U.S.	Other Int'l	Total
Net interest income on taxable equivalent basis	\$ 5,556	\$ 1,262	\$ 380	\$ 7,198	\$ 5,614	\$ 485	\$ 450	\$ 6,549
Other income	4,411	3,040	1,111	8,562	4,972	2,355	888	8,215
Gross revenues on taxable equivalent basis	9,967	4,302	1,491	15,760	10,586	2,840	1,338	14,764
Tax equivalent adjustment	24	16	-	40	30	2	-	32
Gross revenues	9,943	4,286	1,491	15,720	10,556	2,838	1,338	14,732
Provision for credit losses	529	440	96	1,065	757	379	(17)	1,119
Non-interest expense	5,920	3,676	824	10,420	6,326	2,715	714	9,755
Income taxes and non-controlling interest	1,408	16	49	1,473	1,507	(83)	23	1,447
Net income	\$ 2,086	\$ 154	\$ 522	\$ 2,762	\$ 1,966	\$ (173)	\$ 618	\$ 2,411

Appendix: Reconciliation of Canadian and United States generally accepted accounting principles (unaudited)

(\$ millions)	Three months ended		Year ended		As at October 31	
	October 31	October 31	October 31	October 31	2002	2002
	2002	2002	2002	2002	Shareholders' equity	Assets
	Net income	Net income	Net income	Net income		
Canadian GAAP	\$666	\$2,762	\$18,783	\$376,956		
Insurance accounting (1)	34	72	92	1,969		
Derivative instruments and hedging activities (2)	36	56	(72)	925		
Costs of Stock Appreciation Rights (3)	(4)	10	7	(4)		
Additional pension obligation	-	-	(293)	167		
Reclassification of securities	-	-	210	210		
Trade date accounting	-	-	-	(146)		
Other	-	(2)	28	1,855		
U.S. GAAP	\$732	\$2,898	\$18,755	\$381,932		

(\$ millions)	Three months ended		Year ended		As at October 31	
	October 31	October 31	October 31	October 31	2001	2001
	2001	2001	2001	2001	Shareholders' equity	Assets
	Net income	Net income	Net income	Net income		
Canadian GAAP	\$656	\$2,411	\$18,165	\$359,260		
Insurance accounting	23	41	19	1,290		
Derivative instruments and hedging activities	1	(1)	(191)	1,235		
Additional pension obligation	-	-	(17)	12		
Reclassification of securities	-	-	199	199		
Trade date accounting	-	-	-	(1,464)		
Substantively enacted tax rate change	-	(16)	-	-		
Other	-	-	30	1,951		
U.S. GAAP	\$680	\$2,435	\$18,205	\$362,483		

(\$ millions)	Three months ended		As at July 31	
	July 31	July 31	2002	2002
	2002	2002	Shareholders' equity	Assets
	Net income	Net income		
Canadian GAAP	\$697	\$18,871	\$373,441	
Insurance accounting	21	59	1,296	
Derivative instruments and hedging activities	8	(120)	794	
Costs of Stock Appreciation Rights	(4)	13	(9)	
Additional pension obligation	-	(17)	12	
Reclassification of securities	-	109	109	
Trade date accounting	-	-	46	
Other	-	28	1,847	
U.S. GAAP	\$722	\$18,943	\$377,536	

For a complete discussion of U.S. and Canadian GAAP differences see Note 20 to the consolidated financial statements for the year ended October 31, 2001, on page 85A of the 2001 Annual Report.

(1) There are differences between U.S. and Canadian GAAP treatment with respect to life insurance premiums, investment accounting, acquisition costs and claims and policy benefit liabilities. These lead to timing differences in income and expense recognition. The application of U.S. GAAP to our insurance operations increased Net income by \$34 million for the three months ended October 31, 2002 and by \$72 million for the year then ended. Differences with respect to deferred acquisition costs and claims and policy benefit liabilities accounted for \$6 million and \$18 million of the increase, respectively, for the three months and \$24 million and \$32 million, respectively, for the year. The increase also included \$10 million of realized gains on investments for the three months and \$16 million for the year, which are taken into income as realized under U.S. GAAP but deferred and amortized under Canadian GAAP. Other assets and Other liabilities were higher than under Canadian GAAP by \$1,969 million and \$1,877 million, respectively with Shareholders' equity higher by \$92 million as at October 31, 2002.

(2) Under U.S. GAAP, all derivatives are recorded on the balance sheet at fair value. Changes in the fair value of derivatives are recorded in Net income, or if the derivative is designated and to the extent it functions effectively as a cash flow hedge, in Other comprehensive income within Shareholders' equity. For derivatives designated as fair value hedges, the changes recorded in Net income are generally offset by changes in the fair value of the hedged item attributable to the risk being hedged. The changes recorded in Other comprehensive income are subsequently amortized to Net income to offset the effects of interest rate variability on cash flows of the hedged item. Under Canadian GAAP, derivatives used in sales and trading activities are recorded on the balance sheet at fair value with changes in fair value recorded in Net income.

Recording derivatives and hedging activities in accordance with U.S. GAAP increased Net income by \$36 million for the three months ended October 31, 2002 and by \$56 million for the year then ended, increased Securities by \$82 million, Loans by \$62 million, Other assets by \$811 million, Deposits by \$175 million, Other liabilities by \$476 million and Subordinated debentures by \$346 million, and decreased Cash resources by \$30 million, and Shareholders' equity by \$72 million as at October 31, 2002.

(3) Between November 29, 1999 and June 5, 2001, grants of options under the employee stock option plan were accompanied by tandem stock appreciation rights ("SARs"). With SARs, participants could choose to exercise a SAR instead of the corresponding option. In such cases, the participants received a cash payment equal to the difference between the closing price of common shares on the day immediately preceding the day of exercise and the exercise price of the option. For such plans, compensation expense under US GAAP is measured using estimates based on past experience of participants exercising SARs rather than the corresponding options. However, Canadian GAAP considers such a plan to result in a liability and requires measurement of compensation expense assuming that all participants will exercise SARs. Recognizing compensation expense in accordance with US GAAP decreased Net income by \$4 million for the three months ended October 31, 2002, increased Net income by \$10 million for the year then ended and reduced Other liabilities by \$11 million as at October 31, 2002. The related income tax effects reduced Other assets by \$4 million and Shareholders' equity increased by \$7 million as at October 31, 2002.

Appendix: Credit related information (unaudited) (1)

Impaired loans

	October 31 2002	July 31 2002	April 30 2002	January 31 2002	October 31 2001
<i>(\$ millions except percentage amounts)</i>					
Net impaired loans (2)					
Residential mortgage	\$ 113	\$ 125	\$ 130	\$ 146	\$ 153
Personal	129	130	132	130	137
Business and government	1,152	1,198	1,227	1,390	1,193
Total before general allowance	1,394	1,453	1,489	1,666	1,483
General allowance	(1,311)	(1,305)	(1,303)	(1,303)	(1,301)
Total	\$ 83	\$ 148	\$ 186	\$ 363	\$ 182
Net impaired loans as a % of related loans, acceptances and reverse repurchase agreements					
Residential mortgage	0.16%	0.18%	0.19%	0.21%	0.23%
Personal	0.41%	0.41%	0.41%	0.41%	0.42%
Business and government	1.10%	1.13%	1.17%	1.35%	1.06%
Total before general allowance	0.65%	0.68%	0.70%	0.80%	0.69%
Total	0.04%	0.07%	0.09%	0.18%	0.08%

Allowance for credit losses

	For the three months ended			For the year ended	
	October 31 2002	July 31 2002	October 31 2001	October 31 2002	October 31 2001
<i>(\$ millions except percentage amounts)</i>					
Allowance at beginning of period	\$ 2,332	\$ 2,452	\$ 2,283	\$ 2,392	\$ 1,975
Provision for credit losses	235	216	425	1,065	1,119
Write-offs					
Residential mortgage	(3)	(3)	(14)	(12)	(24)
Personal	(86)	(96)	(102)	(398)	(401)
Credit card	(38)	(51)	(39)	(178)	(171)
Business and government	(269)	(243)	(248)	(869)	(529)
	(396)	(393)	(403)	(1,457)	(1,125)
Recoveries					
Personal	17	18	20	70	67
Credit card	9	10	14	38	44
Business and government	40	16	20	90	74
	66	44	54	198	185
Net write-offs	(330)	(349)	(349)	(1,259)	(940)
Centura Banks at date of acquisition	-	-	-	-	157
Eagle Bancshares at date of acquisition	-	18	-	18	-
Adjustments	77	(5)	33	98	81
Allowance at end of period	\$ 2,314	\$ 2,332	\$ 2,392	\$ 2,314	\$ 2,392
Net write-offs (excluding LDCs) as a % of average loans, acceptances and reverse repurchase agreements	0.54%	0.66%	0.67%	0.58%	0.47%
Net write-offs as a % of average loans, acceptances and reverse repurchase agreements	0.60%	0.66%	0.67%	0.60%	0.47%
Allocation of allowance					
Residential mortgage	\$ 41	\$ 50	\$ 49	\$ 41	\$ 49
Personal	465	468	480	465	480
Credit card	152	152	152	152	152
Business and government	1,405	1,427	1,486	1,405	1,486
Allocated allowance	2,063	2,097	2,167	2,063	2,167
General unallocated allowance	251	235	225	251	225
Total	\$ 2,314	\$ 2,332	\$ 2,392	\$ 2,314	\$ 2,392
Composition of allowance					
Specific, including allowance for loan substitute securities	\$ 894	\$ 885	\$ 951	\$ 894	\$ 951
Country risk	-	33	31	-	31
General allocated allowance for credit losses	1,169	1,179	1,185	1,169	1,185
General unallocated allowance for credit losses	251	235	225	251	225
Total allowance for credit losses	\$ 2,314	\$ 2,332	\$ 2,392	\$ 2,314	\$ 2,392
Consisting of:					
Allowance for loan losses	\$ 2,203	\$ 2,218	\$ 2,278	\$ 2,203	\$ 2,278
Allowance for off-balance sheet and other items	109	109	109	109	109
Allowance for loan substitute securities	2	5	5	2	5
Total	\$ 2,314	\$ 2,332	\$ 2,392	\$ 2,314	\$ 2,392
Allowance for loan losses as a % of loans, acceptances and reverse repurchase agreements	1.0%	1.0%	1.1%	1.0%	1.1%
Allowance for loan losses as a % of gross impaired loans (coverage ratio), excluding LDCs	96%	94%	93%	96%	93%

(1) Financial measures are derived from Canadian GAAP consolidated financial statements, unless otherwise noted. Selected definitions are available in the Glossary on pages 91 and 92 of the 2001 Annual Report.

(2) Impaired loans are net of specific allowance.

Share Information (unaudited)

<i>(Number of shares in thousands)</i>	October 31 2002	July 31 2002	October 31 2001
First preferred shares (1)			
Non-cumulative Series E	-	1,500	1,500
US \$ Non-cumulative Series I	-	-	8,000
Non-cumulative Series J	12,000	12,000	12,000
US \$ Non-cumulative Series K	10,000	10,000	10,000
Non-cumulative Series N	12,000	12,000	12,000
Non-cumulative Series O	6,000	6,000	6,000
US \$ Non-cumulative Series P	4,000	4,000	4,000
Non-cumulative Series S	10,000	10,000	10,000
	54,000	55,500	63,500
Series 2010 and 2011 trust securities issued by RBC Capital Trust (2)	1,400	1,400	1,400
Class B and C shares issued by Royal Bank DS Holdings Inc. (1)	-	-	1,847
Stock options			
Outstanding at end of period	28,479	29,077	30,158
Exercisable at end of period	14,050	14,520	12,895
Common shares	665,257	671,671	674,021

(1) Details provided in Royal Bank of Canada's 2001 Annual Report Note 9 on pages 73 and 74 and Note 14 on page 79.

(2) Reported in Non-controlling interest in subsidiaries on the consolidated balance sheet. Conversion features are available in the prospectus dated July 17, 2000 for Series 2010, and in the prospectus dated November 29, 2000 for Series 2011.