



**RBC
Financial
Group**

Fourth Quarter 2002

Quarterly Results Slides

November 19, 2002

Investor Relations
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Caution regarding forward-looking statements

From time to time, we make written and oral forward-looking statements, included in this presentation, in other filings with Canadian regulators or the U.S. Securities and Exchange Commission, in reports to shareholders and in other communications, which are made pursuant to the "safe harbor" provisions of the United States *Private Securities Litigation Reform Act of 1995*. These forward-looking statements include, among others, statements with respect to our objectives for 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.



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Financial overview

*Fourth quarter 2002 financial highlights**

- Net income of \$732 MM, up 66% from Q4/01
 - up 34% excluding goodwill amortization in Q4/01 of \$106 MM
- EPS (diluted) of \$1.05, up 75% from Q4/01
 - up 38% excluding goodwill amortization in Q4/01 of \$0.16 per share
- ROE of 16.3% vs. 12.4% in Q4/01 (excl. goodwill amortization)
- Net income from U.S. acquisitions \$80 MM vs. \$(2) MM in Q4/01
- Operating revenues up 5% (flat excluding U.S. acquisitions)
- Operating expenses down 1% (down 7% U.S. excluding acquisitions)
- Nonaccrual loans down \$83 MM or 4% from Q3/02
- Specific provision for credit losses \$235 MM or 0.43% of average loans, acceptances and reverse repos (Cdn. GAAP)

*Growth vs. Q4/01, excluding special items (see chart 10)

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Financial overview

*Full year 2002 financial highlights**

- Net income of \$2.9 billion, up 30% from 2001
 - up 17% excluding goodwill amortization in 2001 of \$250 MM
- EPS (diluted) of \$4.12, up 27% from 2001
 - up 13% excluding goodwill amortization in 2001 of \$0.39 per share
- ROE of 16.6%
- Net income from U.S. acquisitions \$232 MM vs. \$(23) MM in 2001
- Operating revenues up 11% (flat excluding U.S. acquisitions)
- Operating expenses up 8% (down 5% excluding U.S. acquisitions)
- Nonaccrual loans down \$177 MM or 7% from Q4/01
- Specific provision for credit losses \$1,065 MM or 0.51% of average loans, acceptances and reverse repos (0.49% net of credit derivatives), in line with objective of 0.45-0.55% (Cdn. GAAP)

*Growth vs. 2001, excluding special items (see chart 10)

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Financial overview

Key fourth quarter and full year 2002 numbers*

C\$ millions	U.S. GAAP		Cdn. GAAP	
	Q4/02	2002	Q4/02	2002
Net income	\$732	\$2,898	\$666	\$2,762
Net income growth	66%	30%	60%	27%
Net income growth ex. goodwill amort.	34%	17%	28%	14%
EPS - diluted	\$1.05	\$4.12	\$0.95	\$3.93
EPS growth	75%	27%	70%	24%
EPS growth ex. goodwill amort.	38%	13%	34%	11%
ROE	16.3%	16.6%	14.8%	15.8%
Operating rev. growth ex. acqs.**	-	-	(3)%	(1)%
Operating NIE growth ex. acqs.**	(7)%	(5)%	(7)%	(5)%

* Growth vs. Q4/01 and 2001, excluding special items (see chart 10)

** Operating revenue and expense growth excluding recent U.S. acquisitions. Operating expenses exclude special items, costs of SARs and certain acquisition expenses such as retention compensation, while operating revenues exclude special items

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Financial overview

Core EPS* U.S. & Cdn. GAAP reconciliation

C\$ millions	Q4/02	Q3/02	Q2/02	Q1/02	Q4/01	2002	2001*
U.S. GAAP core EPS*	\$1.05	\$1.02	\$1.01	\$1.04	\$0.60	\$4.12	\$3.24
Insurance accounting	(0.05)	(0.03)	(0.02)	-	(0.04)	(0.10)	(0.06)
FAS 133	(0.06)	(0.01)	-	(0.01)	-	(0.08)	-
Cost of SARs	0.01	0.01	(0.03)	-	-	(0.01)	-
Tax rate adjustment	-	-	-	-	-	-	(0.02)
Cdn. GAAP core EPS*	\$0.95	\$0.99	\$0.96	\$1.03	\$0.56	\$3.93	\$3.16
Diff. between U.S. GAAP & Cdn. GAAP	\$0.10	\$0.03	\$0.05	\$0.01	\$0.04	\$0.19	\$0.08

* Excluding special items shown on chart 10

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Financial overview

Impact of accounting standard*

C\$ millions (excluding special items**)	Q4/02	Q3/02	Q4/01	2002	2001
Core net income	\$732	\$722	\$441	\$2,898	\$2,231
Goodwill amort. expense***	-	-	106	-	250
Core net income (excl. goodwill amort. expense)	\$732	\$722	\$547	\$2,898	\$2,481
Core EPS - diluted	\$1.05	\$1.02	\$0.60	\$4.12	\$3.24
Goodwill amort. expense***	-	-	0.16	-	0.39
Core EPS (excl. goodwill amort. expense)	\$1.05	\$1.02	\$0.76	\$4.12	\$3.63

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

** Excluding special items (see chart 10) ***Net of tax

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Financial overview

Performance vs. objectives – full year 2002

	Objectives* for 2002	Performance* 2002	Objectives for 2003
<u>Profitability measures</u>			
ROE	17-19%	16.6%	17-19%
EPS growth - diluted	5-10%	27%	10-15%
EPS growth - diluted, ex. goodwill amort.		13%	
Revenue growth	7-10%	11%	5-8%
Operating revenue growth**		11%	
Operating expense growth**	<op.rev.growth	8%	<op.rev.growth
Specific PCL/avg. loans, BAs & reverse repos (Cdn. GAAP)	0.45-0.55%	0.51% net 0.49%***	0.45%-0.55%
<u>Capital ratios (OSFI)</u>			
Tier 1 capital	maintain strong	9.3%	maintain strong
Total capital	capital ratios	12.7%	capital ratios

* Excluding special items in 2001 (for growth in EPS, revenues and expenses).

** Operating expenses and revenues defined on chart 5. Excluding recent U.S. acquisitions, operating revenues were flat and operating expenses were down 5%

*** Net of effect of credit derivative gains and losses discussed on chart 39

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Financial overview

Medium-term goals (3-5 year)

	New	Previous
Earnings growth	10-15%	10-15%
ROE	20%+	20%+
Revenue growth	8-10%	8-10%
Portfolio quality*	specific PCL ratio 0.35-0.45%	specific PCL ratio 0.30-0.40%
Capital management**	8-8.5% Tier 1 capital 11-12% Total capital	8% Tier 1 capital 11-12% Total capital
Dividend payout ratio	35-45%	30-40%

* Calculated on our Canadian GAAP financial statements

** Based on OSFI guidelines

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Financial overview

Special items* – Q4/01 and 2001

C\$ millions	Q4/01		2001	
	US GAAP	CDN GAAP	US GAAP	CDN GAAP
Non-interest revenue				
Gain on sale of RT Capital (RBCInv)	313	313	313	313
Gain on formation of Moneris (RBC GS)	-	-	89	89
Gain on sale of GRS (RBCInv/RBCB**)	-	-	43	43
Non-interest expense				
U.S. retail bank restructuring (RBCB)			(91)	(91)
Total impact (pre-tax)	313	313	354	354
Impact (after-tax)	251	251	305	305
Deferred income tax adjustments:				
RBC Banking	(9)	(9)	(45)	(33)
RBC Insurance	-	-	-	2
RBC Investments	-	-	(5)	(5)
RBC Capital Markets	(3)	(3)	(27)	(28)
"Other" segment	-	-	(24)	(11)
Total impact (after-tax)	239	239	204	230
Impact on EPS – diluted	0.34	0.35	0.31	0.36

* There were no special items in Q4/02 or 2002

**\$36 million (\$28 million after-tax) in RBCInv and \$7 million (\$6 million after-tax) in RBCB

RBCB = RBC Banking, RBCInv = RBC Investments, RBCGS = RBC Global Services, GRS = Group Retirement Services

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Business segment results

Fourth quarter 2002

C\$ millions (excluding special items*)	Net income	Net income growth*	Economic Profit	ROE
RBC Banking	\$ 402	18%	\$ 177	19.8%
RBC Insurance	51	19	28	26.7
RBC Investments	96	1,271	9	12.2
RBC Capital Markets	96	n.m.	(21)	9.3
RBC Global Services	44	(10)	28	29.6
Other	43	291	5	14.0
Total Bank	\$ 732	66%	\$ 226	16.3%

*Growth over Q4/01; excluding special items in Q4/01 (see chart 10)

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Business segment results

Full year 2002

C\$ millions (excluding special items*)	Net income	Net income growth*	Economic Profit	ROE
RBC Banking	\$ 1,546	22%	\$ 614	19.2%
RBC Insurance	190	10	100	25.7
RBC Investments	346	48	(14)	11.1
RBC Capital Markets	439	17	(55)	10.5
RBC Global Services	173	(8)	100	28.7
Other	204	n.m.	93	25.0
Total Bank	\$ 2,898	30%	\$ 838	16.6%

*Growth over 2001; excluding special items in 2001 (see chart 10)

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Business segment results

RBC Banking

C\$ millions (excluding special items*)	Q4/02 vs.			2002 vs.	
	Q4/02	Q3/02	Q4/01	2002	2001
Revenues (TEB)	\$ 1,935	2%	(1)%	\$ 7,666	6%
NIE	1,161	5	(2)	4,520	5
NIE ex. g/w amort.**	1,161	5	1	4,520	7
Specific PCL	122	(16)	(29)	626	(5)
Total PCL***	122	(16)	(29)	626	(14)
Net income	402	2	18	1,546	22
Net income ex. g/w amortization	402	2	9	1,546	17
Economic Profit	177	2	108	614	47
ROE	19.8%	↓ 10 bp	↑ 480 bp	19.2%	↑ 90 bp
Avg. com. equity	7,900	4%	(9)%	7,800	16%

* See chart 10 for special items

** Goodwill amortization expense was \$27 million in Q4/01 and \$54 million in 2001

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

Revenues from U.S. acquisitions were up \$15 million while expenses were down \$31 million from Q4/01. Excluding U.S. acquisitions, revenues fell 2% and NIE increased 1%. See chart 19 for net income contribution of RBC Centura (including RBC Mortgage and what was previously Security First Network Bank)

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Business segment results

RBC Insurance

C\$ millions	Q4/02 vs.			2002 vs.	
	Q4/02	Q3/02	Q4/01	2002	2001
Premiums & deposits	\$ 549	2%	18 %	\$ 2,023	12%
Revenues	172	24	16	580	7
NIE	121	33	17	399	6
NIE ex. g/w amort.*	121	33	26	399	11
Net income	51	4	19	190	10
Net income ex. g/w amortization	51	4	2	190	1
Economic Profit	28	-	40	100	39
ROE	26.7%	↑ 10bp	↑ 810 bp	25.7%	↑ 570 bp
Avg. com. equity	700	-	(22)%	700	(13)%

* Goodwill amortization expense was \$7 million in Q4/01 and \$15 million in 2001

See chart 19 for net income contribution of RBC Liberty Insurance

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Business segment results

RBC Investments

C\$ millions (excluding special items*)	Q4/02 vs.			2002 vs.	
	Q4/02	Q3/02	Q4/01	2002	2001
Revenues	\$ 880	(2)%	25%	\$ 3,647	26%
NIE	733	(5)	8	3,144	25
NIE ex. g/w amort.**	733	(5)	18	3,144	31
Specific/total PCL	1	n.m.	n.m.	(1)	n.m.
Net income	96	14	1,271	346	48
Net income ex. g/w amortization	96	14	57	346	1
Economic Profit	9	n.m.	n.m.	(14)	(114)
ROE	12.2%	↑ 150 bp	↑ 1,160 bp	11.1%	↓ 80 bp
Avg. com. equity	3,000	-	43%	3,000	67%

* See chart 10 for special items

** Goodwill amortization expense was \$55 million in Q4/01 and \$110 million in 2001

RBC Dain Rauscher (which includes Tucker Anthony Sutro) contributed \$175 million of the revenue growth and \$117 million of the NIE growth from Q4/01. Excluding U.S. acquisitions, revenues were virtually unchanged and NIE fell 15%. See chart 19 for net income contribution of RBC Dain Rauscher (including Tucker Anthony Sutro)

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Business segment results

RBC Capital Markets

C\$ millions (excluding special items*)	Q4/02 vs.			2002 vs.	
	Q4/02	Q3/02	Q4/01	2002	2001
Revenues (TEB)	\$ 650	-	(2)%	\$ 2,695	(3)%
NIE	407	(2)%	(11)	1,627	(10)
NIE ex. g/w amort.*	407	(2)	(8)	1,627	(8)
Specific/total PCL	117	54	(55)	465	14
Net income	96	(6)	n.m.	439	17
Net income ex. g/w amortization	96	(6)	9,500	439	5
Economic Profit	(21)	(11)	82	(55)	(25)
ROE	9.3%	↓ 30 bp	↑ 1,130 bp	10.5%	-
Avg. com. equity	3,800	(5)%	9%	4,000	21%

* See chart 10 for special items

** Goodwill amortization expense was \$12 million in Q4/01 and \$43 million in 2001

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Business segment results

RBC Global Services

C\$ millions (excluding special items*)	Q4/02 vs.			2002 vs.	
	Q4/02	Q3/02	Q4/01	2002	2001
Revenues**	\$ 203	(8)%	3%	\$ 808	5%
NIE**	137	(8)	10	548	13
NIE ex. g/w amort.***	137	(8)	11	548	15
Specific/total PCL	3	50	n.m.	10	n.m.
Net income	44	(10)	(10)	173	(8)
Net income ex. g/w amortization	44	(10)	(14)	173	(12)
Economic Profit	28	(10)	(18)	100	(18)
ROE	29.6%	↓ 280 bp	↓ 690 bp	28.7%	↓ 600 bp
Avg. com. equity	600	-	20%	600	20%

* See chart 10 for special items

** Growth in revenue and NIE from Q4/01 was impacted by a change that became effective November 2001, pertaining to the classification of services provided by RBC to Moneris. Revenues from services provided to Moneris are now being treated as revenues, whereas previously they were treated as cost recoveries. Excluding this change, revenues would have been down 2% and NIE would have been up 2% in Q4/02

*** Goodwill amortization expense was \$2 million in Q4/01 and \$8 million in 2001

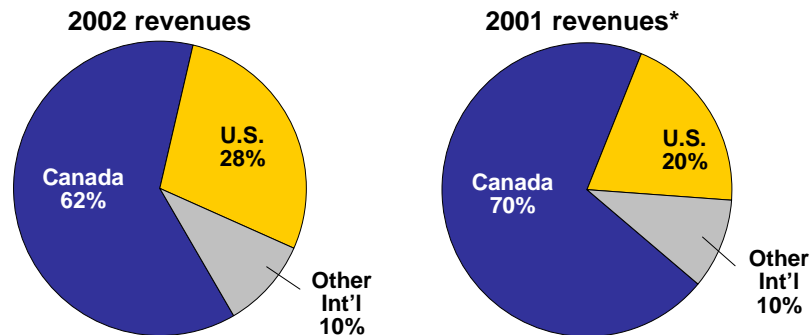
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Expansion outside Canada

Proportion of total U.S. revenues* growing



- Total U.S. net income was \$210 million (7% of total) in 2002 vs. \$(81) million* in 2001, or \$56 million* in 2001 excluding goodwill amortization expense

*Excluding special items in 2001 (see chart 10); taxable equivalent basis

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U.S. acquisition* contributions

Upward trend in earnings from U.S. acquisitions

C\$ millions

	Net income*						
	Q4/02	Q3/02	Q2/02	Q1/02	Q4/01	2002	2001**
RBC Centura***	\$57	\$ 49	\$ 42	\$ 58	\$11	\$206	\$ 21
RBC Liberty Insurance	6	6	8	3	9	23	29
RBC Dain Rauscher****	17	10	(15)	(8)	(22)	3	(73)
Total U.S. acquisitions	\$80	\$ 65	\$ 35	\$53	\$(2)	\$232	\$(23)

* Does not include Dain Rauscher Wessels, whose operations have been integrated into RBC Capital Markets since early 2002. Excluding goodwill amortization expense, core net income was \$38 million in Q4/01 and \$73 million in 2001 for RBC Centura, \$12 million in Q4/01 and \$39 million in 2001 for RBC Liberty Insurance and \$(10) million in Q4/01 and \$(33) million in 2001 for RBC Dain Rauscher

** Excludes \$57 million (after-tax) of non-interest expenses related to U.S. retail bank restructuring

*** RBC Centura (acquired in Q3/01) includes RBC Mortgage and what was previously Security First Network Bank

**** Includes Tucker Anthony Sutro beginning October 31, 2001

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Retention compensation costs

Q4/02 as forecasted

C\$ millions

	Q4/02*		Q3/02*		Q2/02*		Q1/02*		Q4/01	
	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax
RBCInv	24	15	23	14	24	15	36	22	26	16
RBCCM	12	7	11	7	8	5	20	12	25	15
Total	36	22	34	21	32	20	56	34	51	31

* Includes Tucker Anthony Sutro (\$11 million in WM, \$7 million after-tax in Q4/02)

RBCInv = RBC Investments RBCCM = RBC Capital Markets

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Retention compensation costs

Retention compensation costs to fall after 2002

C\$ millions

	2001 A		2002 A		2003 F*		2004 F*		2005 F*	
	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax	pre-tax	after-tax
RBCInv	88	54	107	66	65	40	48	30	30	18
RBCCM	88	54	51	31	22	13	5	3	1	1
Total	176	108	158	97	87	53	53	33	31	19

* Forecast. Nil in 2006. Tucker Anthony Sutro retention compensation cost forecast, included in RBC Investments, is approx. \$10 million each quarter (\$7 million after-tax) up to 2004 and \$29 million in 2005 (\$18 million after-tax)

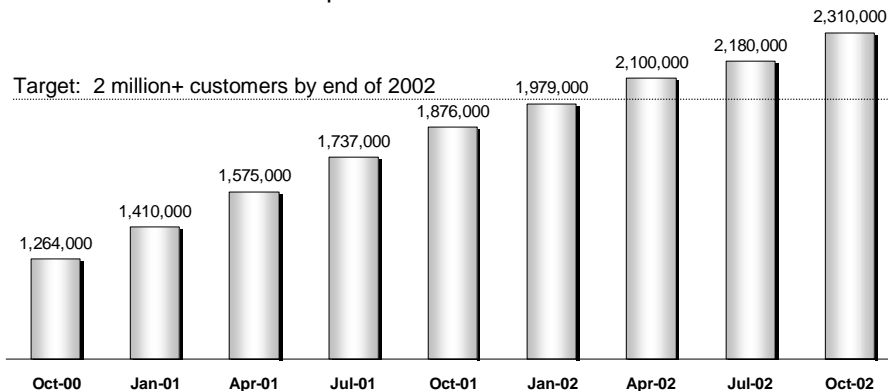
RBCInv = RBC Investments RBCCM = RBC Capital Markets



Online customers update

Penetration rate continues to increase

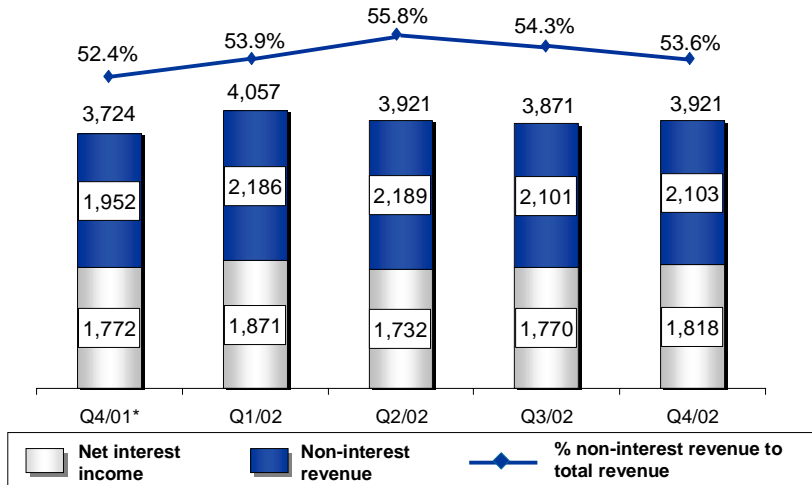
- 2,310,000 customers at October 31, 2002 (1,915,000 banking and 395,000 brokerage)
- 23% Canadian customer penetration





Revenue growth

C\$ millions, taxable equivalent basis



*Excluding special items shown on chart 10

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Revenue growth

Non-interest revenue

C\$ millions

	Q3/02		Q4/02 vs. Q4/01		2002 vs. 2001	
Non-interest revenue growth	\$ 2	-	\$(162)	(7)%	\$ 424	5%
Less: change in special items*	-	-	(313)		(445)	
Non-interest revenue growth – core	\$ 2	-	\$ 151	8 %	\$ 869	11%
Due to:						
Securitization revenues	\$ 7	18%	\$ (4)	(8)	\$ 47	38%
Capital market fees	(38)	(8)	50	13	343	23
Deposit & payment service charges	13	5	25	10	154	17
Mortgage banking	2	4	-	-	34	17
Investment management and custodial fees	(37)	(12)	3	1	83	8
Mutual fund revenues	(18)	(10)	(1)	(1)	31	4
Trading revenues	46	10	98	25	(54)	(3)
Insurance	(8)	(12)	(17)	(22)	(8)	(3)
Securities gains (losses)	(87)	(791)	(62)	(172)	33	26
Other**	122	43	59	17	206	17

* Special items shown on chart 10

** Includes credit derivative gains and losses discussed on slide 39

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Revenue growth

Capital market fees

C\$ millions

	Q4/02	Q4/02 vs.		2002	2002 vs. 2001
		Q3/02	Q4/01		
Full-service brokerage*	\$ 264	(3)%	33%	\$ 1,161	41%
Institutional	145	(17)	(8)	629	5
Discount brokerage	17	6	(15)	76	(23)
Total capital market fees	\$ 426	(8)%	13%	\$ 1,866	23%

* Affected by the acquisitions of Dain Rauscher on January 10, 2001 and of Tucker Anthony Sutro on October 31, 2001

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Revenue growth

Net interest margin

	Q4/02	Q3/02	Q4/01
Net interest margin	1.89%	1.91%	2.03%
Change in margin		(2) b.p.	(14) b.p.
Due to:			
Prime-core deposit spread		2	(8)
Change in non-earning assets		(3)	(6)
Other		(1)	-
		(2)	(14)
Avg. Canadian prime rate	4.50%	4.20%	5.52%

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Cost control

Operating expenses

C\$ millions	Q4/02	Q3/02	Q4/01	2002	2001
Core NIE	\$ 2,601	\$ 2,515	\$ 2,636	\$ 10,244	\$ 9,550
Less:					
• Retention compensation costs	36	34	51	158	176
• Stock Appreciation Rights costs	(1)	(15)	(20)	27	23
Operating NIE*	\$ 2,566	\$ 2,496	\$ 2,605	\$ 10,059	9,351
Operating NIE growth		3%	(1)%		8%

* Operating expenses defined on chart 5

Performance-related costs

- Variable compensation expenses were \$449 million in Q4/02, \$550 million in Q3/02, \$467 million in Q4/01, \$2,095 million in 2002 and \$2,056 million in 2001.
- Excluding variable compensation costs, operating NIE growth in Q4/02 would have been up 9% compared to Q3/02 and down 1% compared to Q4/01, and in 2002 would have been up 9% compared to 2001

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Cost control

Good cost discipline excluding acquisitions

C\$ millions	Q4/02	Q3/02	Q4/01	2002	2001
Operating NIE*	\$ 2,566	\$ 2,496	\$ 2,605	\$ 10,059	\$ 9,351
Less: NIE of recent U.S. acqs.**	676	642	565	2,725	1,606
Operating NIE excl. U.S. acqs.	\$ 1,890	\$ 1,854	\$ 2,040	\$ 7,334	\$ 7,745
Growth excl. U.S. acquisitions		2%	(7)%		(5)%
Operating revenues*	\$ 3,921	\$ 3,871	\$ 3,724	\$ 15,770	\$ 14,239
Less: revenues of recent U.S. acquisitions**	837	788	630	3,265	1,735
Operating revenues excl. U.S. acquisitions	\$ 3,084	\$ 3,083	\$ 3,094	\$ 12,505	\$ 12,504
Growth excl. U.S. acquisitions		-	-		-

* Operating expenses and revenues defined on chart 5

**Represents NIE (excluding retention compensation costs) and revenues of RBC Centura (includes RBC Mortgage, Security First Network Bank and Eagle Bancshares), RBC Liberty Insurance and RBC Dain Rauscher (includes Tucker Anthony Sutro). Dain Rauscher Wessels is not included as its operations have been integrated into RBC Capital Markets since early 2002

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Cost control

Cost of Stock Appreciation Rights (SARs)

	End of period share price	\$ share price change during quarter	SAR expense/ (recovery) (\$MM)	Impact on EPS (\$/share)
Q4/02*	\$54.41	+0.96	(1)	0.00
Q3/02*	\$53.45	-1.52	(15)	+0.01
Q2/02*	\$54.97	+4.97	17	-0.02
Q1/02	\$50.00	+3.20	26	-0.02
Q4/01	\$46.80	-4.16	(20)	+0.02
Q3/01	\$50.96	+8.01	50	-0.05
Q2/01	\$42.95	-5.25	(16)	+0.01
Q1/01	\$48.20	-0.10	9	-
Q4/00	\$48.30	+8.65	37	-0.04
Q3/00	\$39.65	+4.70	13	-0.01
Q2/00	\$34.95	+5.42	2	-

* Starting in Q2/02 under U.S. GAAP, the SAR expense is based on an estimate of 40% of all participants exercising SARs and 60% exercising options (based on past experience). Under Canadian GAAP, the SAR expense must be based on 100% of all participants exercising SARs. See chart 30 for Canadian GAAP numbers

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US GAAP



Cost control

Impact of SAR expense in Q4/02

C\$ millions

	U.S. GAAP		
	Q4/02	Q3/02	Q4/01
SAR expense/(recovery)	\$ (1)	\$ (15)	\$ (20)
\$ change in SAR expense		14	19
	Canadian GAAP		
	Q4/02	Q3/02	Q4/01
SAR expense/(recovery)	\$ (7)	\$ (21)	\$ (20)
\$ change in SAR expense		14	13

The SAR recovery in Q4/02 occurred despite an increase in the share price, due to SARs being voluntarily renounced during the quarter by certain executive participants who retained the corresponding options. Recoveries were recognized on the renouncements as the share price was lower at the time of renouncement than at the end of Q3/02. These recoveries more than offset the SAR expense recorded for existing SARs.

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Solid balance sheet

Growth in total consumer loans

C\$ millions

	October 31, 2002 vs.			
	July 31, 2002		October 31, 2001	
Residential mortgages*	\$ 2,561	3%	\$ 6,439	9%
Personal loans	(266)	(1)	(555)	(2)
Credit cards*	140	2	206	3
Total consumer loans	\$ 2,435	2%	\$ 6,090	5%
Business & government loans	(2,376)	(4)	(5,128)	(8)
Total gross loans	\$ 59	-	\$ 962	1%
less: allowance for loan losses	(15)	(1)	(75)	(3)
Total net loans	\$ 74	-	\$ 1,037	1%

* Growth is before the impact of sold and unsold balances of mortgage-backed securities of \$5.5 billion at Q4/02, \$5.1 billion at Q3/02 and \$4.5 billion at Q4/01 and before the impact of securitized credit card loan balances of \$1.7 billion at Q4/02, \$1.7 billion at Q3/02 and \$2.1 billion at Q4/01

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US GAAP



Capital strength

Maintaining strong capital ratios

Capital ratios:

(using OSFI guidelines)

	<u>Q4/02</u>	<u>Q3/02</u>	<u>Q4/01</u>
• Tier 1 ratio:	9.3%	9.1%	8.7%
• Total capital ratio:	12.7%	12.7%	11.8%

Share repurchases:

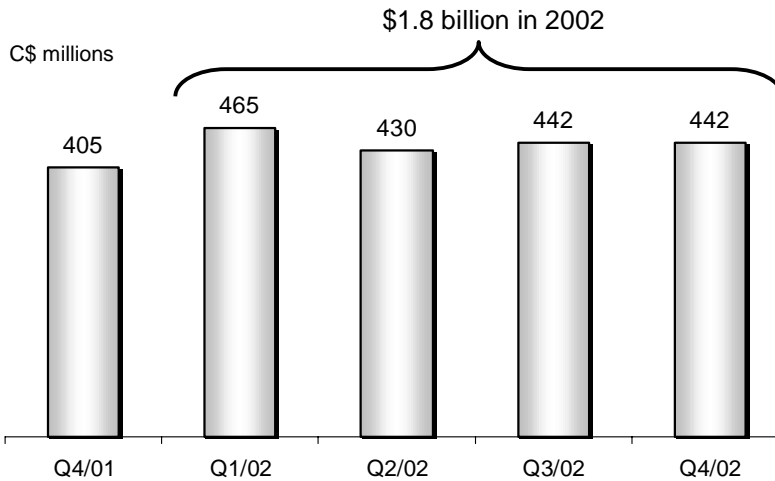
- Repurchased 7 million common shares for approx. \$370 million in Q4/02 at average price of \$52.84 per share under a renewed normal course issuer bid that commenced on June 24, 2002 (leaving balance of 10 million shares that may be repurchased under this program)
- Repurchased a total of 14 million common shares for \$764 million in 2002

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CDN GAAP



Substantial internal capital generation

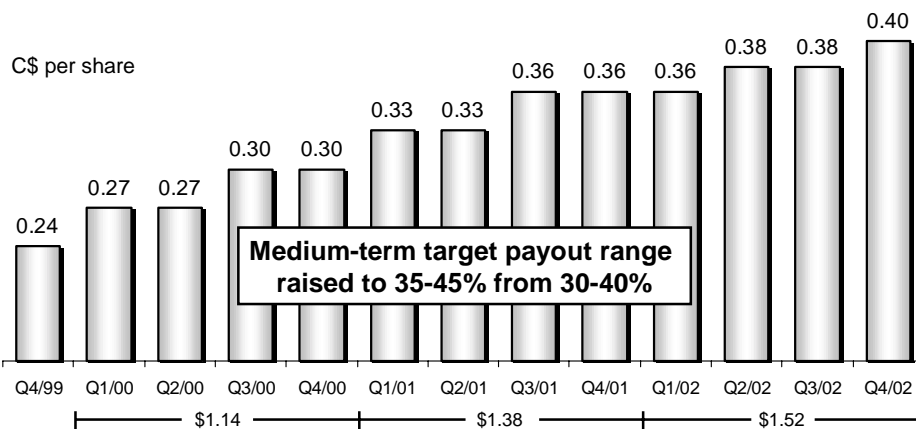


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US GAAP



Common share dividends



- history of uninterrupted dividend payments
- payout ratio of 38%* in Q4/02 and 37%* in 2002

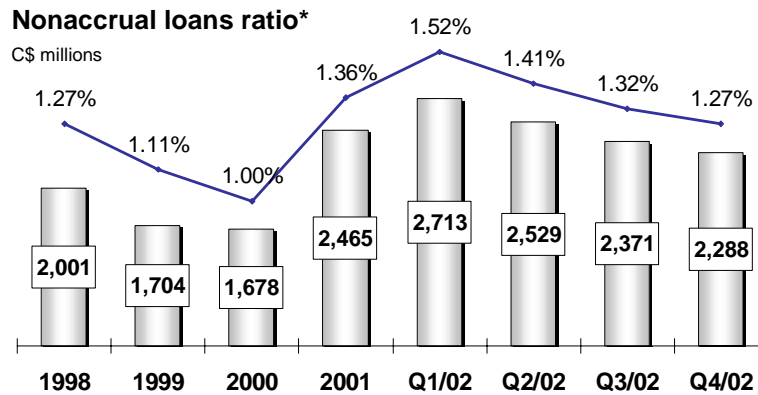
*US GAAP

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Asset quality

Nonaccrual loans



Most of the improvement in nonaccrual loans from Q3/02 to Q4/02 was in the business and government portfolio. This improvement was largely due to \$269 million of previously nonaccrual loans being charged-off this quarter.

* Nonaccrual loans as a percentage of related loans (including acceptances)

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US GAAP



Asset quality

Nonaccrual loans

C\$ millions

	Q4/02	Q4/02 vs.	
		Q3/02	Q4/01
Non-accrual loans	\$ 2,288	\$ (83) (4)%	\$ (177) (7)%
Non-accrual loans (ex. RBC Centura)	\$ 2,108	\$ (78) (4)%	\$ (215) (9)%
Comprising:			
Domestic consumer	\$ 377	\$ (15) (4)%	\$ (75) (17)
Domestic business	895	(60) (6)	(276) (24)
International (ex. RBC Centura)	836	(3) -	136 19
RBC Centura*	180	(5) (3)	38 27

* Nonaccrual loans for Eagle Bancshares at time of acquisition (acquired on July 22, 2002) was \$28 million

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US GAAP

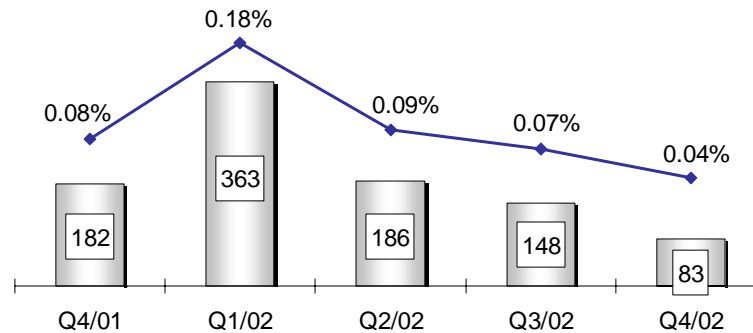


Asset quality

Net impaired loans

Net impaired loans ratio*

C\$ millions



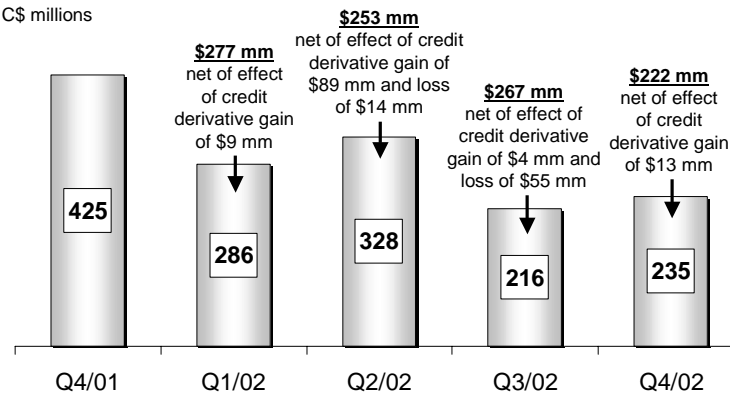
* Net impaired loans as a percentage of related loans and acceptances (net of allowance for loan losses)



Asset quality

Allocated specific provision for credit losses

C\$ millions



Please see chart 39 for further details on the credit derivative gains and losses.



Asset quality

Details on credit derivative gains and losses

	Q4/02	Q3/02	Q2/02	Q1/02	2002	2001
Allocated specific PCL	\$235	\$216	\$328	\$286	\$1,065	\$1,049
Credit derivative gains*	(13)	(4)	(89)	(9)	(115)	-
Credit derivative losses**	-	55	14	-	69	-
"Net" allocated specific PCL	\$222	\$267	\$253	\$277	\$1,019	\$1,049

* Mark-to-market gain recorded in "Non-interest revenue". The gain of \$13 million recorded in Q4/02 related to a European energy account that was classified as nonaccrual. Q1/02, Q2/02 and Q3/02 gains related to a telecom account that was classified as impaired in Q2/02 (this credit derivative was closed out in Q3/02)

** Mark-to-market loss recorded in "Non-interest revenue". RBC had provided credit protection through derivatives to counterparties with respect to a large U.S. telecommunications company which defaulted in Q3/02

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US GAAP

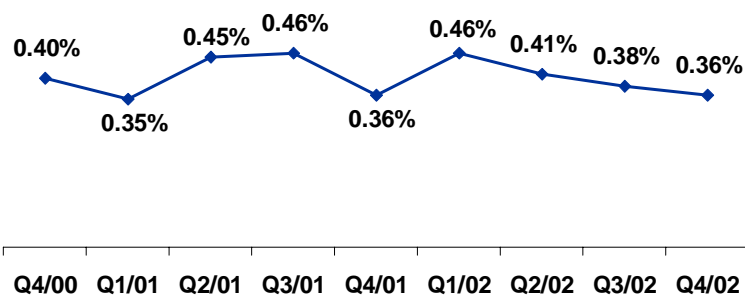


Asset quality

Stable Canadian consumer loan portfolio

Provision for credit losses

% of average balances*, annualized



* Total Canadian consumer loans, including mortgages, personal loans and credit cards, excluding student loans

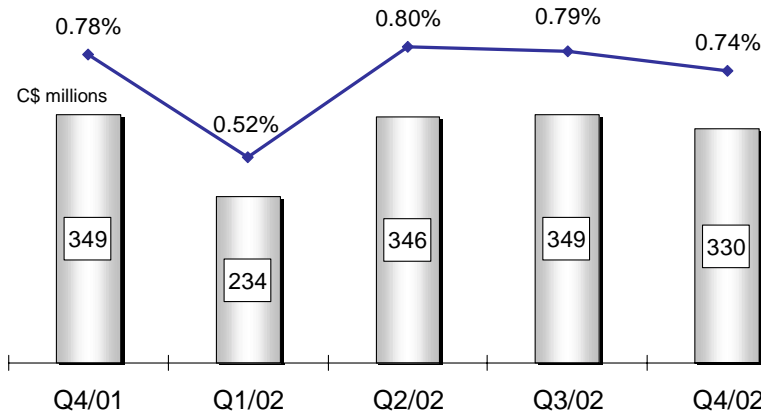
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Asset quality

Net charge-offs

Net charge-off ratio*



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

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US GAAP



Asset quality

Power generation and distribution loans

C\$ millions

	Q4/02				Q3/02	
	Inv. grade	Non-inv. grade	Total	Net impaired	Total	Net impaired
Regulated power transmission/distrib.	260	320	580	-	620	-
Diversified generation	104	123	227	37	277	-
Diversified Utility	511	316	827	37	846	6
Generation projects with Offtake*	82	111	193	-	89	-
Merchant generation	22	180	202	-	190	-
Total loans	979	1,050	2,029	74	2,022**	6

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

**Included \$1.3 billion of investment grade and \$0.7 billion of non-investment grade loans

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Asset quality

Telecommunication and cable exposure

C\$ millions	Q4/02		Q3/02	
	Gross	Net	Gross	Net
Total telecom/cable exposure	2,634	2,578	2,718	2,649
- investment grade	1,101		1,053	
- non-investment grade	1,533		1,665	
Cable loans only	902	902	882	882
Telecommunication loans only*	1,732	1,676	1,836	1,767
- investment grade	877		850	
- non-investment grade	855		986	

C\$ millions				
Total telecom/cable impaired loans	153	97	184	115
Cable loans only	56	56	54	54
Telecommunication loans only	97	41	130	61

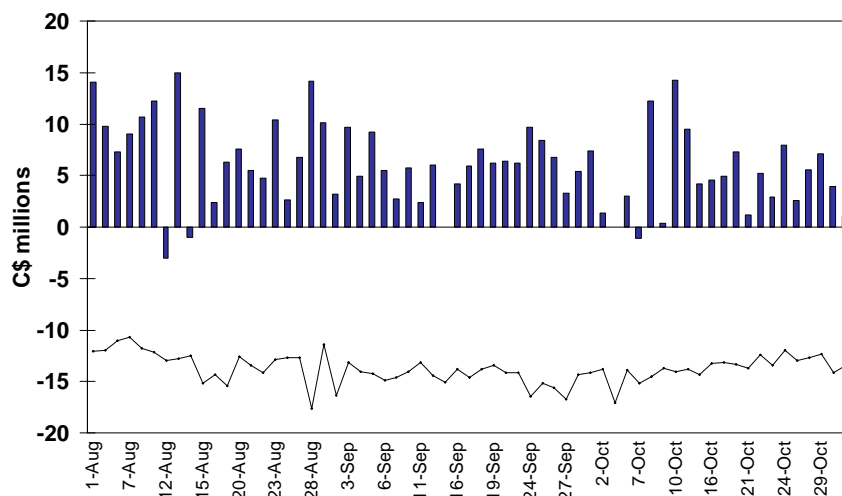
* Includes CLEC exposure of \$99 million in Q4/02 (net of allowances, exposure is \$62 million) and \$139 million in Q3/02 (net of allowances, exposure is \$90 million)

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Trading revenue performance

Good performance vs. VAR continues in Q4/02

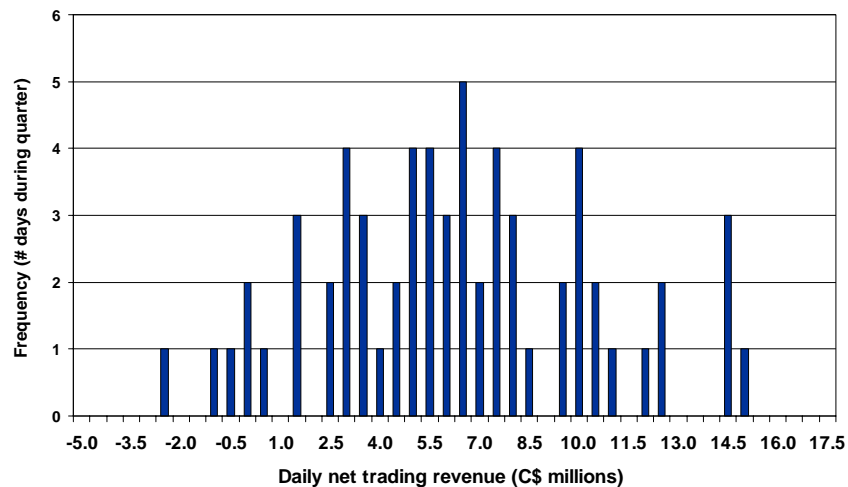


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Trading revenue performance

Q4/02 trading revenues



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Risk management

Summary

- **\$83 million improvement in nonaccrual loans from Q3/02 largely reflects charge-offs in the business & government loan portfolio**
- **Allocated specific PCL up \$19 million from Q3/02 (down \$45 million net of effect of credit derivative gains and losses)**
- **Nonaccrual loans down 17% in telecom portfolio**
- **Close to half of our power generation and distribution exposure is investment grade**
- **Solid trading performance continues**

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US GAAP