



RBC Banking

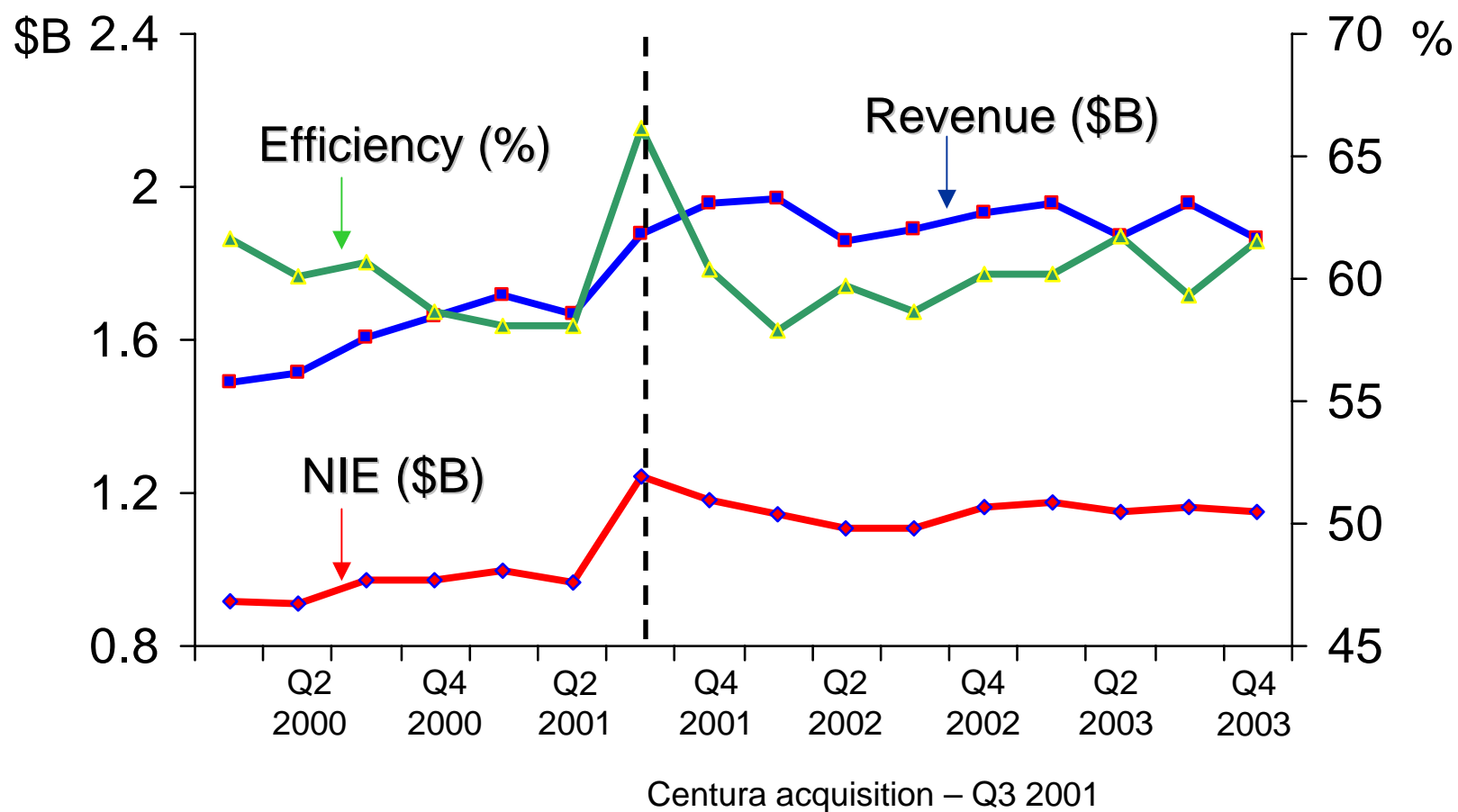


Jim Rager
Vice Chairman
RBC Banking

Toronto, December 10, 2003



RBC Banking Revenue, NIE & Efficiency





RBC Banking Highlights



	Q4/03 vs. Q4/02
Domestic revenues	↑ 2%
Net interest income	↓ 3%
Non-interest income	↑ 16%
U.S. revenues - in USD	↓ 13%*
- in CAD	↓ 25%**
RBC Mortgage revenues	↓ \$50 million

Domestic volume growth:

Res. mortgages	↑ 8%
Personal lending	↑ 8%
Credit cards	↑ 15%
Personal deposits	↑ 7%
Business deposits	↑ 9%

U.S. volume growth:

Personal and business loans/deposits	↑ 5-8%
Mortgage orig.	↓ 16%

* Revenues were up 6% in U.S. dollars, 2003 vs. 2002

** Revenues were down 3% in Canadian dollars, 2003 vs. 2002



RBC Banking – Consumer market shares

Market share among all financial institutions in Canada

	Rank*	Aug-03 vs. Jan-03	Market share		
			Aug-03	Apr-03	Jan-03
Total deposits**:	#1	↑ 11 bp	12.68%	12.63%	12.57%
<i>Personal deposits</i>		↑ 4 bp	15.08%	15.11%	15.04%
<i>Mutual funds</i>		↑ 40 bp	9.36%	8.93%	8.96%
Residential mortgages	#1	↑ 14 bp	14.87%	14.84%	14.73%
Personal loans & credit cards	#2	↑ 16 bp	13.51%	13.44%	13.35%

* Market share rank among all financial institutions in Canada, at August 31, 2003

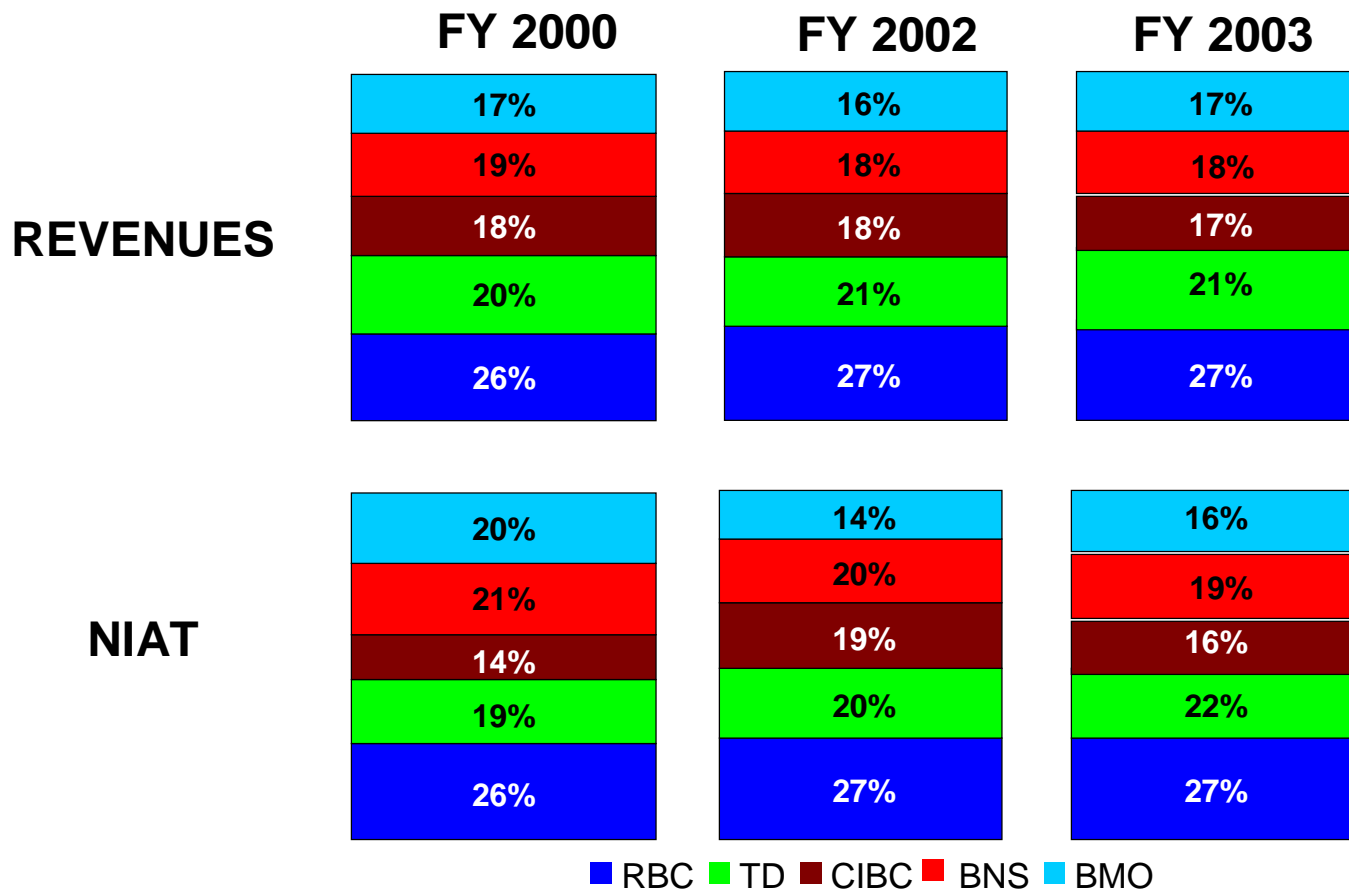
** Consists of personal deposits and mutual funds



RBC Banking: Highest share of revenue and NIAT



Personal and Commercial Banking revenue and NIAT
(as a % of the total of 5 largest Canadian Banks – including U.S. Operations)



RBC has the highest personal and commercial banking revenue and profit among the 5 major Canadian FIs.

Simultaneous focus on profitable revenue growth, NIE, and PCL has resulted in RBC Banking increasing share of both revenue and NIAT

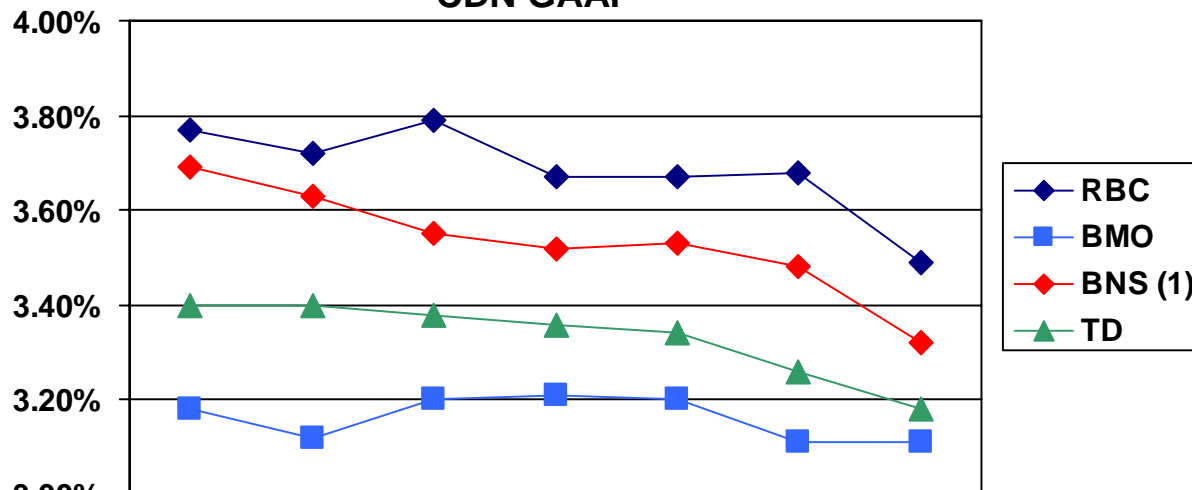
*Financials are for Personal & Commercial Banking business as reported, excluding special items. Restated information used when disclosed
BMO includes Harris, Scotia includes Wealth Management. CIBC includes Canadian Amicus Division. TD/CT as reported*



RBC Banking: Net Interest Margins – by Bank at Q4 2003



Net Interest Margin on Average Earning Assets (1) –
CDN GAAP



◆ RBC
 ■ BMO
 ◆ BNS (1)
 ▲ TD

RBC has the highest net interest margin on average earning assets at Q4 2003

This sustained premium demonstrates our relationship strategy; competing on advice and counsel and not solely on price

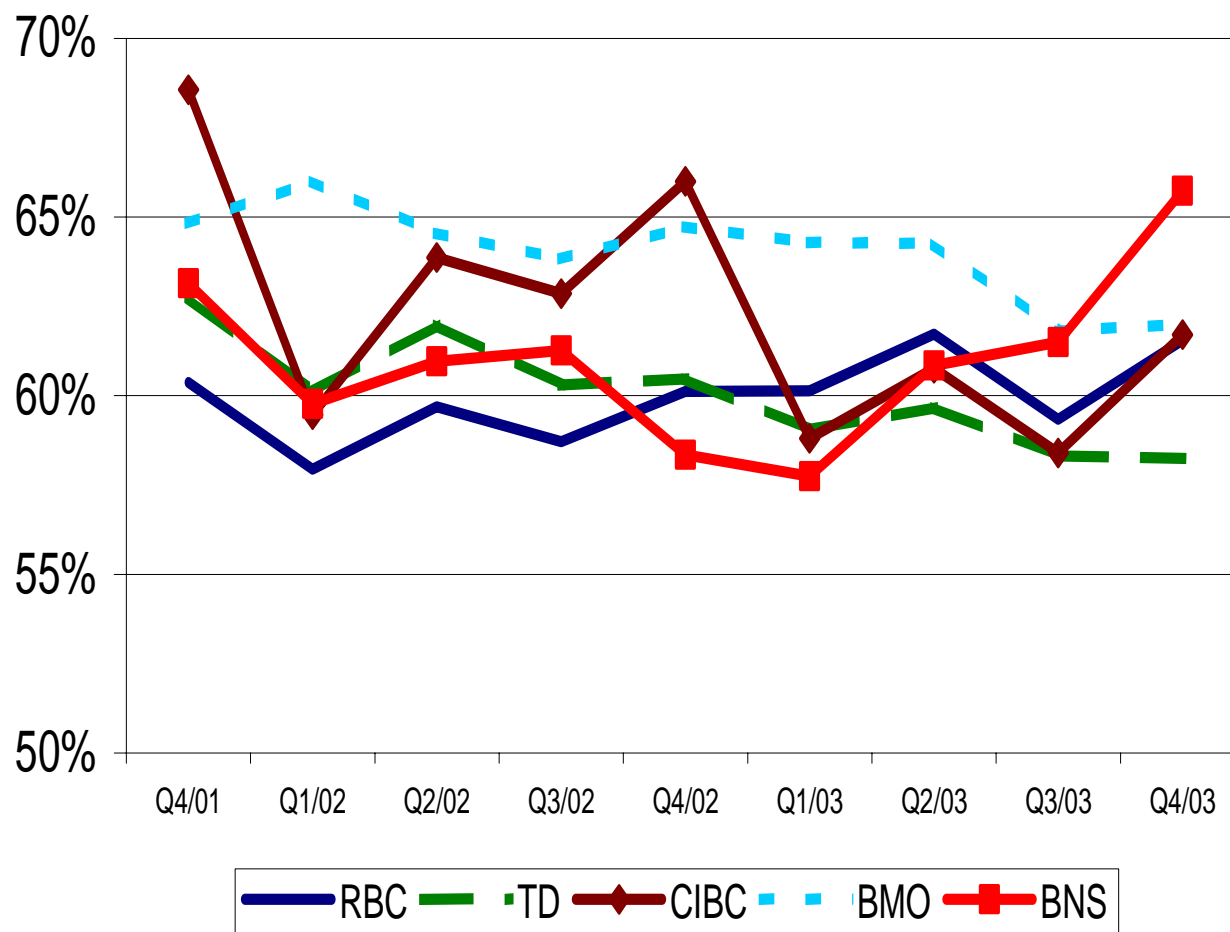
Canadian GAAP

CIBC does not disclose net interest margin on average earning assets on a segmented basis.

(1) BNS' margin is based on average total assets for Domestic Banking, as average earning assets are not disclosed.



RBC Banking: Efficiency ratios – by Bank at Q4 2003



RBC Banking is tied for second place in Q4/03 efficiency.

However, on a domestic basis, which is more comparable to the majority of our competitors geographic mix, RBC Royal Bank is in first place at 56.7% versus TD at 58.2%.



RBC Banking strengths in Canada

- **Strong capabilities in Customer Relationship Management (CRM) – taking CRM to the next level**
- **Our flexibility to deliver through multiple channels**
- **Our ability to turn strategy into action at the individual sales person level**
- **Established Canadian retail Banking brand and lead market share**
- **Cross-enterprise leverage**
- **Continued focus on risk management – optimizing risk/reward**
- **Large and complex project management and transformational initiative expertise**



Snowbird profile



Characteristics:

- Average Age: 66
- # of Products: 6.41
- 21 years RBC
- Profitability per Client: 13.5 x



Market Potential:

- 1.5 million Canadians go south for the winter
 - Minimum of 2 months
- Over 800,000 go to Florida
- 56% own property in Florida



Canadian Snowbird offer



Client Needs

- Maximize my retirement income
- Replicate my RBC Canadian Banking experience while living in Florida
- Take away the worry of health care costs while living in Florida

Offer

- Integrated U.S. Banking and U.S. Travel Insurance package
- Integrated Service Solution via a dedicated 1-800 #
- Welcomed at U.S. Banking branches



Sub-Segment 2004 revenue growth

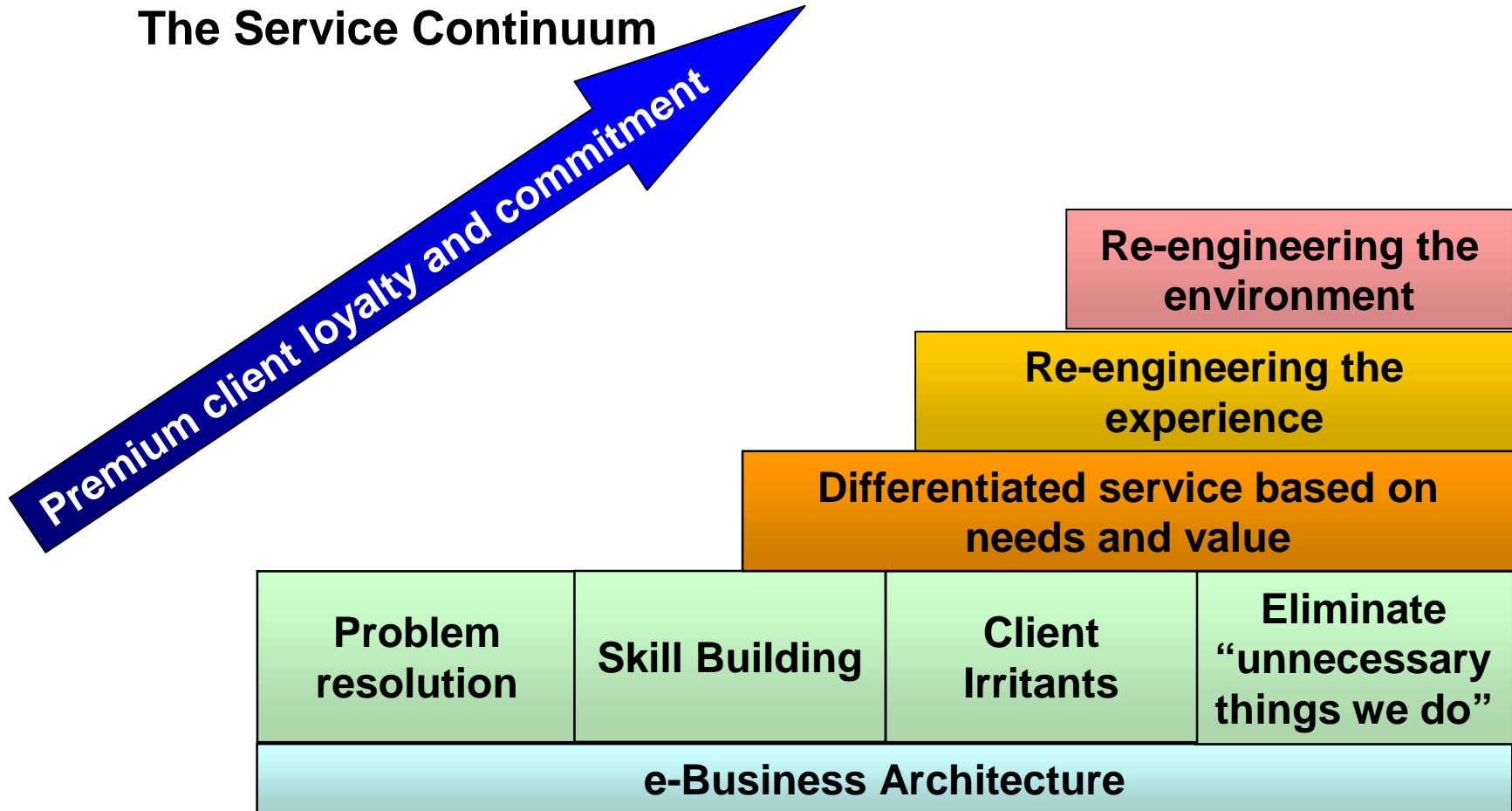
- **Testing 5 other value propositions**
- **\$100 million incremental revenue targeted for 2004**



Superior client experience



The Service Continuum





eBusiness Architecture



- **Straight Through Processing (STP)**
- **Digital Imaging**
- **New Web-Based Tools – new Web-Based Service Platform for Tellers**
- **Foundation for Superior Client Experience**



RBC Mortgage **A Platform in Transition**



Objectives:

- **Build a national platform that is focused on the purchase market while taking advantage of refinancing opportunities**
- **Strengthen capability through such acquisitions as Sterling Capital Mortgage and Bank One**
- **Transition to a new business model**



RBC Mortgage A Platform In Transition



- **What Happened in 2003?:**
 - **Refinance volumes continued to increase in Q1 to Q3 2003 creating a backlog in the RBC Mortgage back-office. The delays resulted in additional Secondary Marketing costs. In addition, the move in the rate environment impacted margins.**

- **How Are These Issues Being Addressed?:**
 - **Strengthening the fundamentals of :**
 - **Cost management**
 - **Risk Management**
 - **Operations management**
 - **Introducing enhanced reporting systems**



Sterling Capital Mortgage



Leveraging Specific Strengths:

- Advanced technology enabling centralized processing and elimination of redundancies to reduce expenses
- Business mix:
 - heavily weighted towards the purchase business
 - strong relationships with home builders
- Management team



RBC Centura

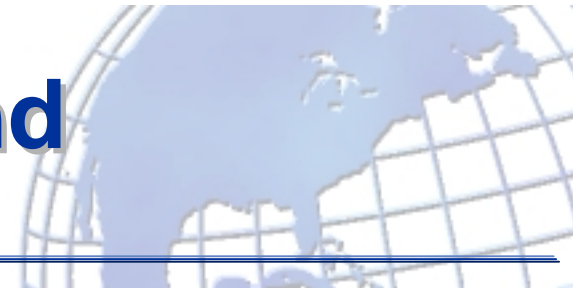


Objectives:

- **Increase long-term revenue growth potential by accelerating implementation of the RBC Banking retail model**
- **Scalable infrastructure by upgrading backroom systems to empower customer impact personnel**
- **NIE containment by leveraging North – South capabilities**
- **Acquisition integration (Tucker, Admiralty, Provident)**
- **Optimization of delivery system to enhance revenue growth potential**
- **Build a strong, consistent brand with the awareness to enhance customer acquisition rates**



Maintaining our edge and leadership position



- **We are reinvesting in our business to sustain market leadership & to achieve the next wave of revenue/cost benefits**
- **Revenue opportunities from client sub-segmentation, value propositions, cross-enterprise leverage, superior client experience**
- **We have transformational strategies that will reshape the way we do business and enhance client experience (eBA)**
- **Accelerate US revenue and earnings growth through expansion of our Southeast US branch network and selectively expanding our network presence in targeted national markets**