RBC Banking: U.S. Perspective

Presentation to Analysts &
Institutional Investors

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RBC Banking

In Canada

RBC Royal Bank

In the U.S.

RBC Centura

RBC Mortgage

RBC Builder Finance

North American profile

RBC Banking contributes <u>over 50%</u> of RBC Financial Group earnings

	RBC Banking	RBC	RBC Banking contribution
NIAT	$751MM	$1,444MM	52%
Customers	$11MM	$12MM	92%
Assets	$156MM	$369MM	42%
Deposits	$122MM	$241MM	51%
Employees	34,197	58,763	58%

Data in C$, for the six months ended April 30, 2002

Multi-channel distribution

	United States	Canada	Total
Physical Network	230 branches	1,121 branches	1,351 branches
Internet Banking	112,000 online clients	1.7MM clients	1.8MM clients
Telephone Banking	800M calls per month	7MM calls per month	7.8MM calls per month
ATMs/POS	213 on-site ATMs 48 off-site ATMs 35% of clients with debit cards	2,502 on-site ATMs 1,735 off-site ATMs 75% of clients with debit cards	2,715 on-site ATMs 1,783 off-site ATMs
Mobile Sales	1,600 RBC Mortgage Specialists	508 Investment Retirement Planners & Financial Planners 506 Commissioned Mortgage Reps	508 Investment Retirement Planners & Financial Planners 1,706 Commissioned Mortgage Reps

Our continental vision

To grow profitable relationships with each one of our business and personal clients by:

- **creating a tailored client experience**
- **building a more personal & friendly image**
- **reducing costs**
- **effectively managing risk and capital**

Balanced approach sustains CRM leadership position

"An interesting aspect of Royal Bank's approach to CRM is that it does reflect a balance among technology, people, and business processes… The acknowledgement of this reality and the willingness to allocate resources accordingly separates Royal Bank from most other financial services institutions."

- TowerGroup, January 2001
"CRM Case Study: The Analytics that Power CRM at Royal Bank"

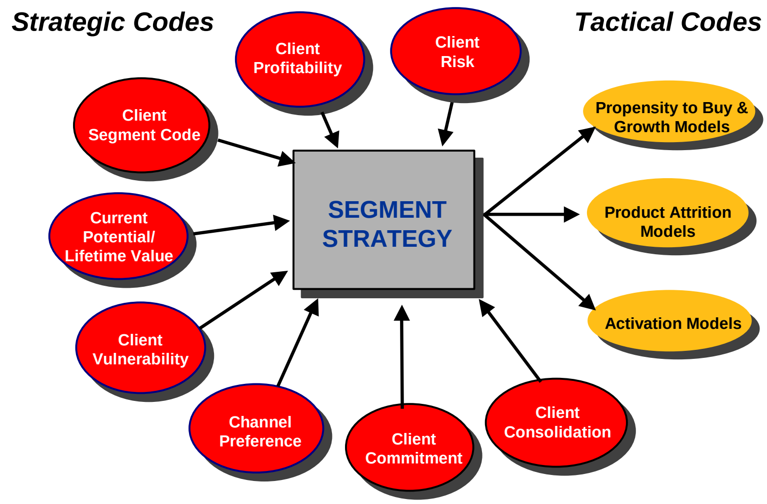
Creating the tailored customer experience

- What we know about our customers:
  - ➔ segmentation and modeling
  - ➔ insights on lifetime value, vulnerability, risk and propensity to buy, and channel preference
- What we do with this information:
  - ➔ organize to deliver
  - ➔ develop a personalized strategy for every customer
- How we implement:
  - ➔ optimize sales effectiveness and customer contact

What we do with this information

- Use our customer information and decisioning technology to:
  - ➔ segment customers
  - ➔ understand profitability
  - ➔ build service differentiation based on needs
  - ➔ predict preferences and behaviours
- Organize ourselves around customer segments
- Create personalized strategy for each customer

RBC Royal Bank client segmentation framework

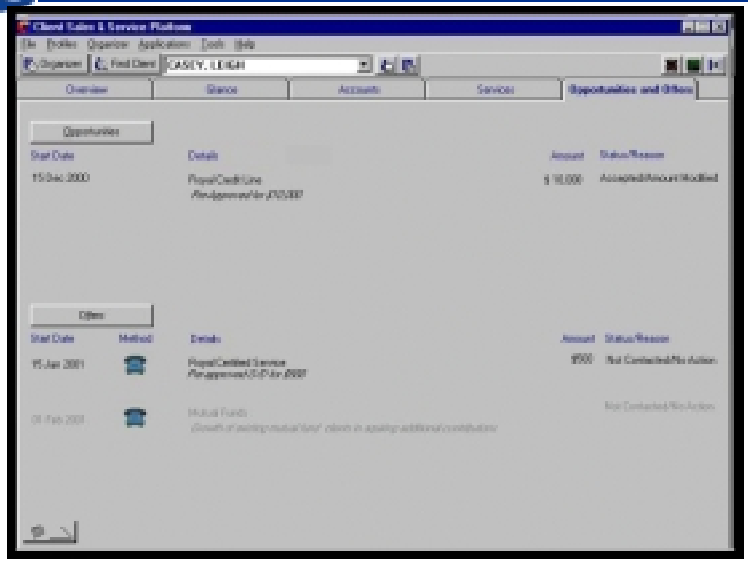


How we implement

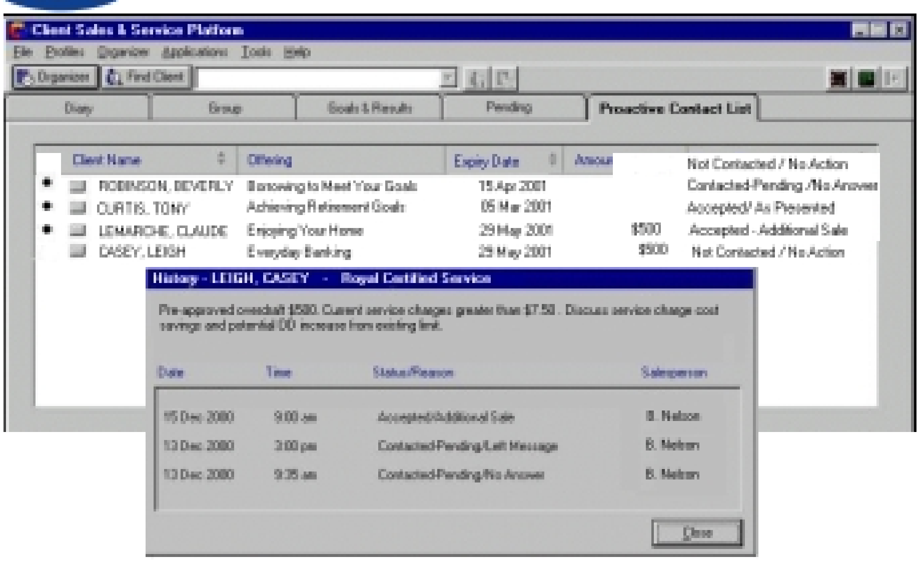
Optimizing sales effectiveness

- consistent focus on customer needs
- improved quality of sales leads
- branch focus on sales and service, Head Office focus on client strategy
- alignment of actions and initiatives
- automated sales tracking and performance management

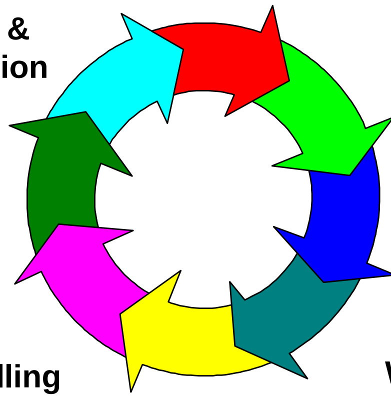
Customized Sales Leads



Consistent client experience



Sales management



Successful referrals within RBC

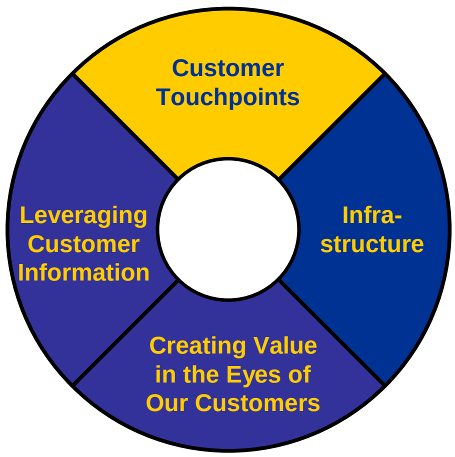
Total referrals between RBC Financial Group businesses

(C$ billions)

Year	Business referred (internal)	New sales from business referred (external)	New sales/ business referred
1997[1]	$3.0	$2.7	$0.90 X
1998	2.4	4.0	1.70 X
1999	1.2	3.9	3.30 X
2000	1.4	2.7	1.90 X
2001	0.8	2.0	2.50 X
1998-2001	5.8	12.6	$2.20 X
1997-2001	$8.8	$15.3	N/A

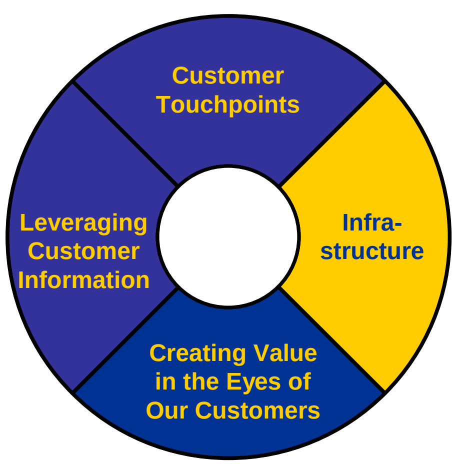
[1] for three months (August 1 to October 31, 1997)

Leveraging the Canadian experience in the U.S.



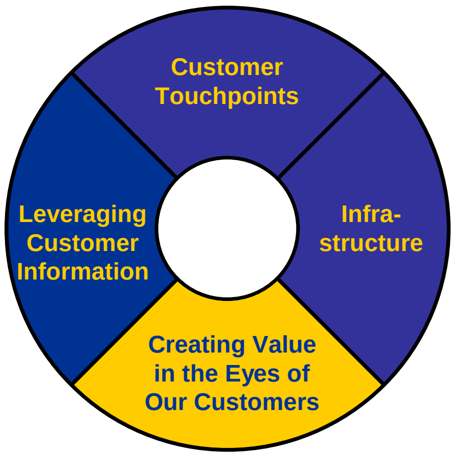
- Specialized Sales Forces
- Alternate Channels

Leveraging the Canadian experience in the U.S.



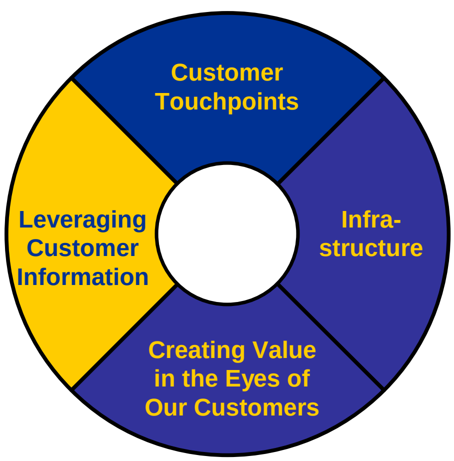
- Branch Models
- Performance Management
- Scorecard

Leveraging the Canadian experience in the U.S.



- Brand Rollout
- Market Research
- Segment Management
- Product Management
- Channel Management

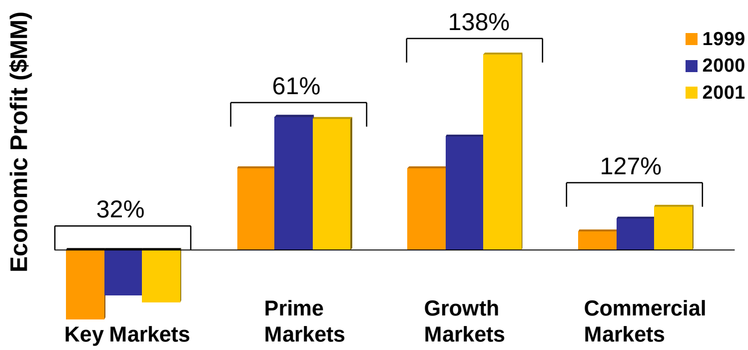
Leveraging the Canadian experience in the U.S.



- LifeStage Segmentation
- Predictive Modeling
- Profitability
- Channel Preference
- Strategic / Tactical Codes

Strong revenue growth
- Segment Economic Profit

Significant 1999-2001 EP % improvement across all segments in Canada*



Note: Segment results are based on internal financial reporting systems
*** Growth is from 1999 to 2001**

RBC Centura

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