



# **RBC Banking overview**

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**Jim Rager**

Vice Chairman

RBC Banking

*Presentation to analysts and institutional investors*

*Toronto – October 23, 2003*



# Strategic priorities



**Vision: Always earning the right to be our clients' first choice**

## RBC Financial Group

**SUPERIOR CLIENT EXPERIENCE**

**STRONG FUNDAMENTALS**

**NORTH AMERICAN EXPANSION**

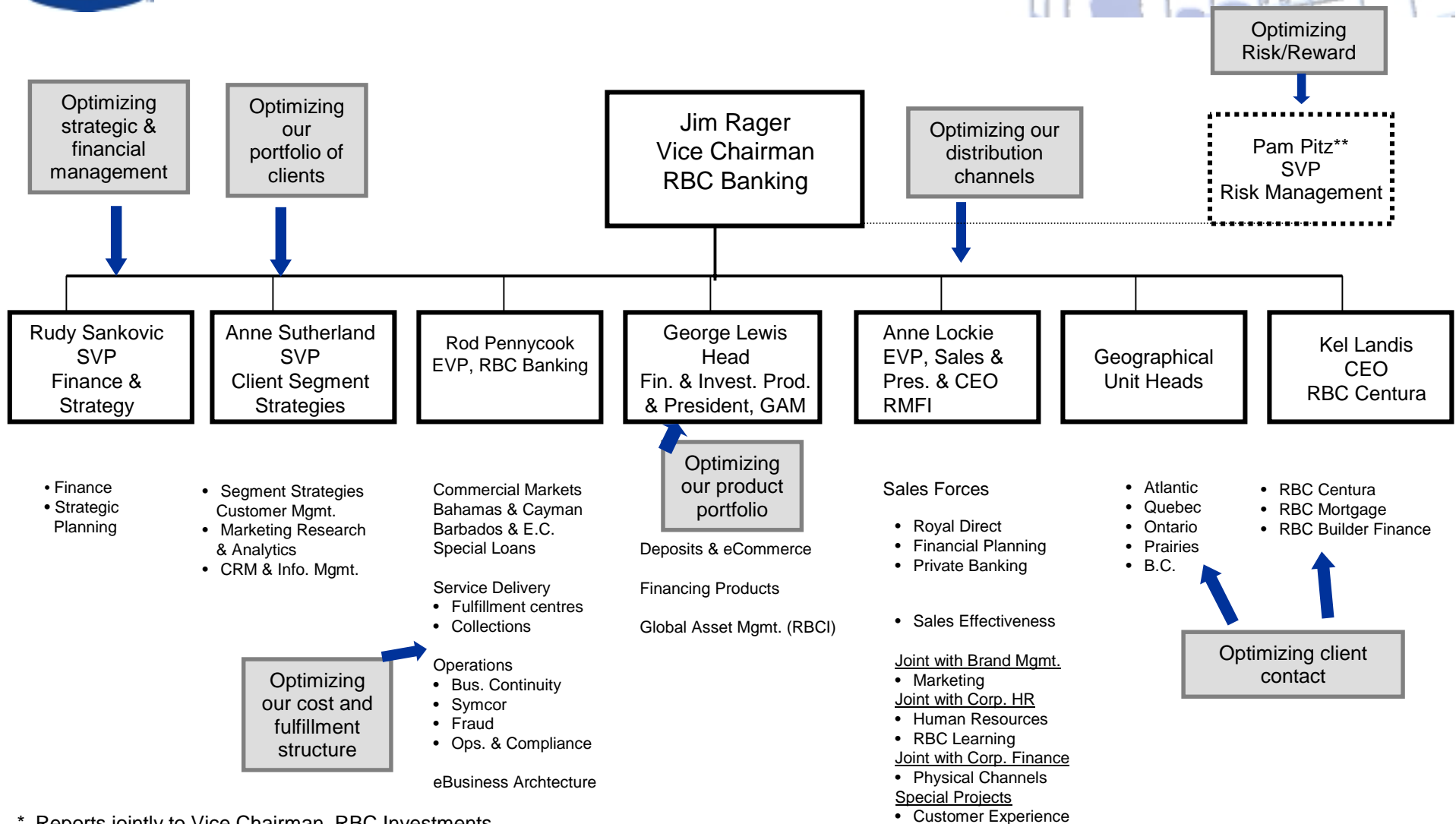
**CROSS-ENTERPRISE LEVERAGE**

## RBC Banking

- ● Create a superior and tailored client experience
- ● Ensure strong revenue growth in Canada
- ● Reinforce our risk mitigation and cost management focus
- ● Accelerate U.S. revenue and earnings growth
- ● Create a seamless Cross-enterprise & North-South experience for our clients



# RBC Banking organizational structure



\* Reports jointly to Vice Chairman, RBC Investments

\*\* Reports to RBC FG Chief Risk Officer/ RBC banking Operating Committee member



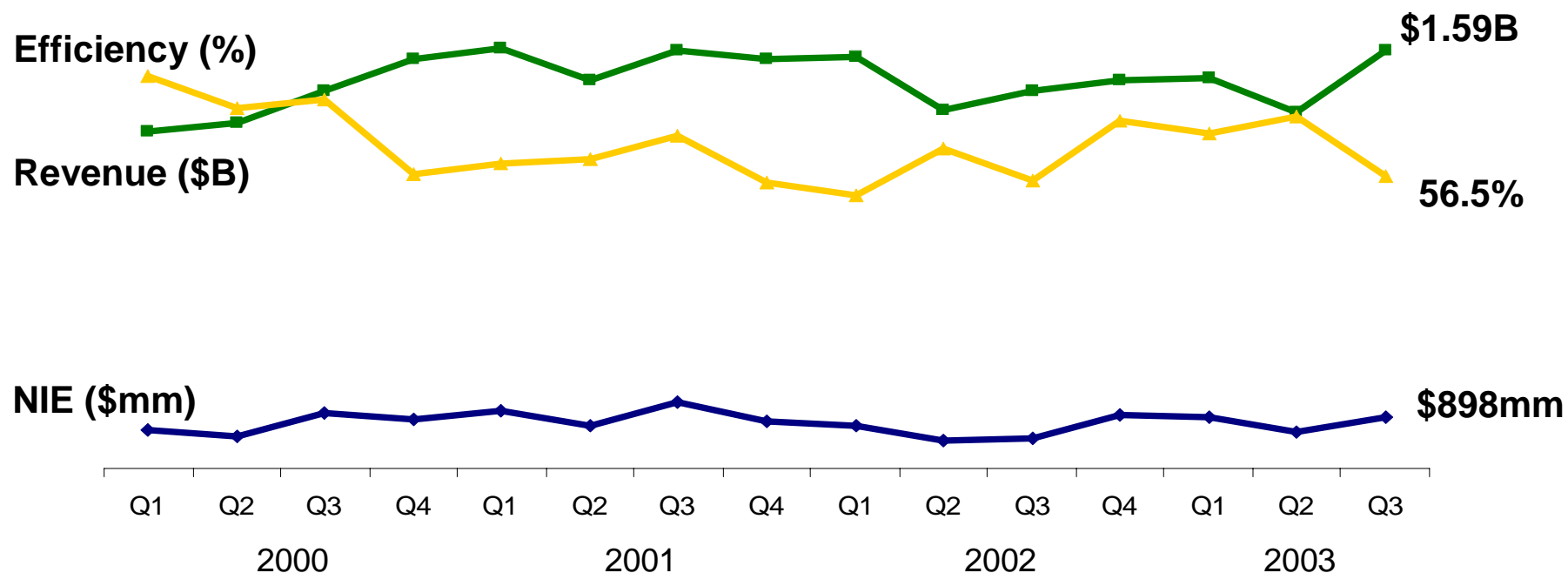
# **RBC Banking strengths in Canada**

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- **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**



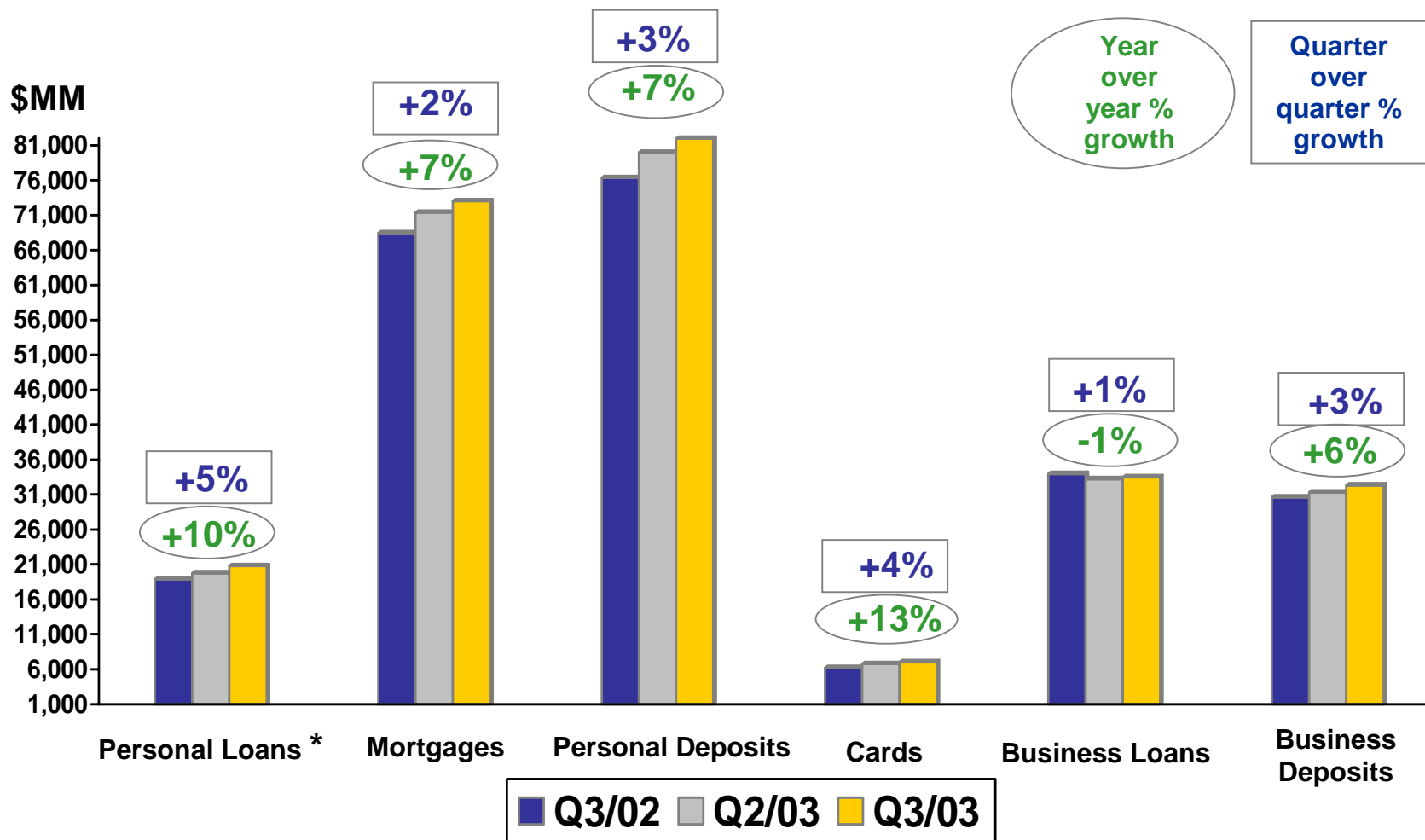
# RBC Banking – Canadian performance update for Q3 2003



	Q1/00	Q2/00	Q3/00	Q4/00	Q1/01	Q2/01	Q3/01	Q4/01	Q1/02	Q2/02	Q3/02	Q4/02	Q1/03	Q2/03	Q3/03
<b>NIAT (\$mm)</b>	\$230	\$248	\$262	\$309	\$265	\$300	\$293	\$311	\$314	\$295	\$328	\$324	\$332	\$292	\$358
<b>Av. Equity (\$B)</b>	\$4.8	\$4.7	\$5.1	\$4.9	\$4.8	\$4.8	\$5.0	\$4.9	\$4.2	\$4.0	\$3.8	\$3.9	\$3.7	\$3.6	\$3.6
<b>ROE (%)</b>	18.0%	20.4%	19.4%	24.2%	21.0%	24.8%	22.4%	23.9%	29.2%	30.0%	33.5%	32.7%	35.3%	32.6%	38.5%



# Canadian volume growth



\* Excluding student loans



# Market share by product



Product	Market Position	Market Share (as of June)	Trend since Q1 2003	Gap between #1 and #2
<b>Consumer</b>				
Personal deposits & mutual funds	#1	12.6%	Stable	18 bps
Residential mortgages	#1	14.8%	↑ 8bps	42 bps
Personal loans & credit cards	#2	13.5%	↑ 15bps	(407 bps)
<b>Business</b>				
Business financing *	#1	11.3%	↓ 35bps	104 bps
Business deposits **	#1	20.3%	↑ 77 bps	211 bps

Sources: Bank of Canada, OSFI, IFIC, CBA, Southam Inc. Mutual Fund Group, CMHC and Visa Canada as appropriate.

\* Business Financing includes RBC Banking, RBC Capital Markets and RBC Investments

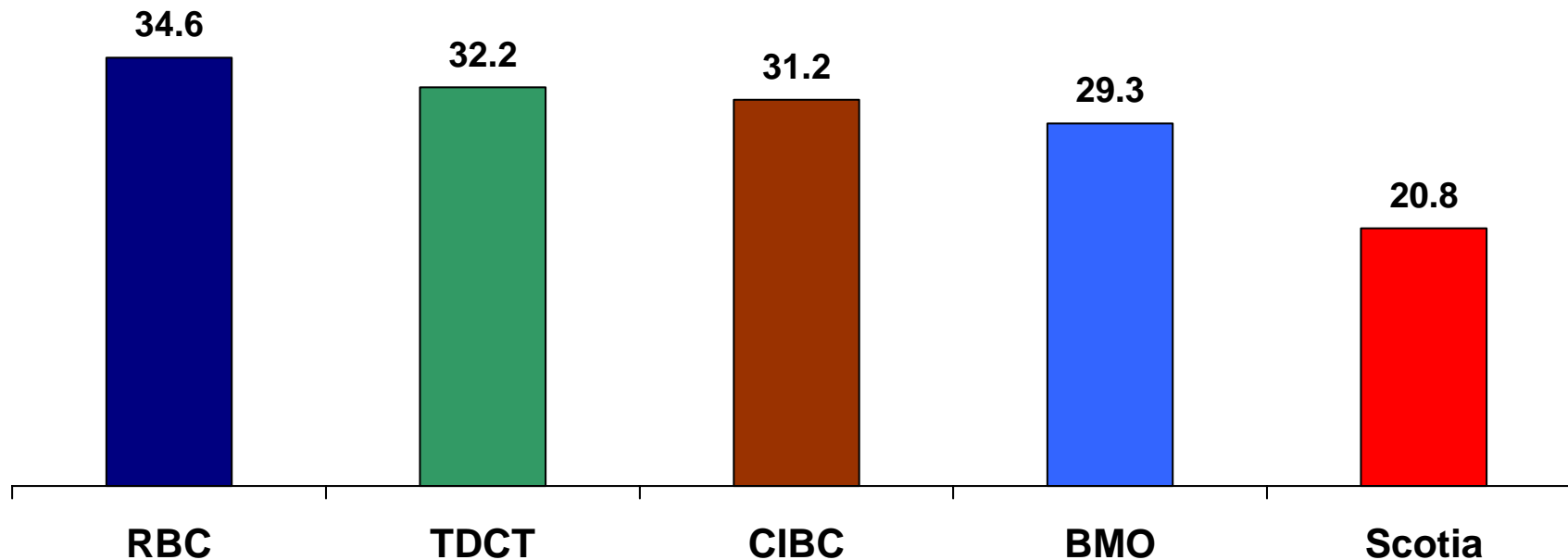
\*\* Business Deposits includes RBC Banking, RBC Capital Markets, RBC Investments and RBC Global Services



# Household penetration



**% of households - June 2003**



All information is based on RBC Financial Group.  
Source: Canadian Financial Monitor.

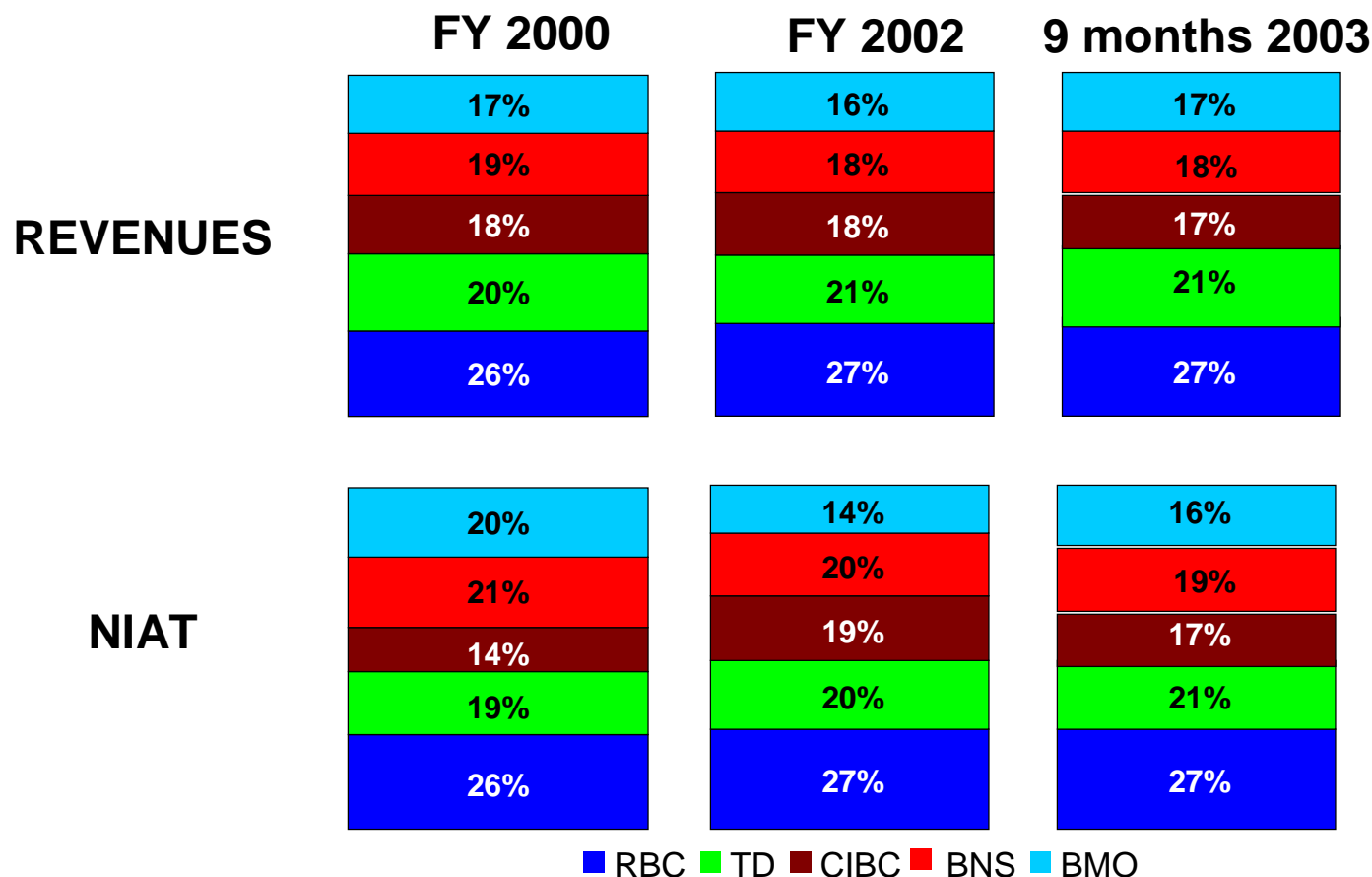




# RBC Banking: Highest share of revenue and NIAT



**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*



# **Reinvesting in our business**

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- **Reaping benefits of past major investments**
  - realized strong revenue lift and \$1B NIE reduction since 1997
- **Demonstrated large project management expertise**
- **Continued focus on revenue growth and cost management**
- **New initiatives underway to improve earnings**