

Diversity at RBC: 2005 Highlights

INTEGRITY

TEAMWORK

DIVERSITY

SERVICE

RESPONSIBILITY

Building on a strong foundation

Welcome to our 2005 report on diversity at RBC®. Over the years, RBC has become a recognized leader in diversity in Canada, and we are committed to diversity as one of our core values around the world. This report highlights some of our initiatives and achievements over the past year.

Our senior management team continues to play an active and public role in making the business case for diversity. Employees throughout the organization are diversity champions — both in the workplace and in the community — and RBC's policies, programs and outreach efforts ensure that diversity is part of daily life.

As we build on the strong foundation at RBC, we will work to better integrate diversity into recruitment processes, talent management and business strategies in order to continue to create an inclusive, dynamic environment for all our employees, to reflect the communities in which we do business and to constantly seek ways to better serve our clients.

“We simply cannot afford to overlook talented and smart people because of gender, ethnic origin or other differences. From a business perspective, diversity is one of our greatest competitive advantages in growing our intellectual capital and ensuring our ability to compete.”

Gord Nixon
President and CEO





➤ RBC is a founding supporter of Career Bridge, a four-month Canadian internship program that helps integrate experienced foreign-trained professionals. Since its inception in 2003, RBC has placed 10 interns, and we are committed to placing an additional 26 in 2006.

➤ In 2005, women held 51% of managerial positions in Canada.

The RBC diversity journey

In Canada, RBC has been on the diversity journey for decades. It began with a focus on women in the '70s, developed into formal Employment Equity definitions and goals in the '80s and continued in the '90s with a concrete strategy to enhance, support and recognize diversity in the workplace. At RBC, the definition of diversity has grown beyond gender, race, age, sexual orientation and ethnicity to include language, experience and religious beliefs.

1970s ➤	- Internal task force on the status of women
1976 ➤	- First women on the board
1977 ➤	- Appointment of Equal Employment Opportunity co-ordinator
1979 ➤	- First woman executive
1980s ➤	- Employment Equity legislation for four designated groups: Aboriginal people, women, people with disabilities and visible minorities
1990s ➤	- Valuing and managing diversity - Market segmentation (cultures, women) - Work/Life initiatives
1994 ➤	- Closing the Gender Gap initiative
1996 ➤	- Leveraging Diversity strategy - Diversity Business Council
1998 ➤	- Employees with Disabilities Council
2001 ➤	- Evolution from Royal Bank to RBC-wide strategy and goals - RBC Diversity Leadership Council
2002 ➤	- North American scope
2004 and 2005 ➤	- Re-energized focus on women and visible minorities/people of colour

Our priorities

We have four strategic diversity priorities that reflect our current business and client needs:

- › **Workforce diversity** — To increase the overall diversity of our workforce and senior management
- › **Organizational culture** — To value and leverage diversity of thought and ideas
- › **Diverse client markets** — To drive growth in diverse markets
- › **Image and reputation** — To enhance brand value

Some of our accomplishments are:

- › The RBC Diversity Leadership Council (DLC) welcomed new members from across all areas of the company. The enterprise diversity strategy was set, and included stretch goals for increased representation of women and visible minorities in senior management and pipeline positions.
- › RBC produced a major economic study: “The Diversity Advantage: A Case for Canada's 21st Century Economy.” The report outlines a hard-hitting case for a national productivity agenda and contains recommendations ranging from tax and policy reform to ways the country should capitalize on immigration, gender and age diversity.
- › The representation of employees with disabilities increased from 2.4% to 3.1% in response to a focused outreach campaign.
- › RBC participated in a Conference Board of Canada research study called, “Maximizing the Talents of Visible Minorities in Canada.” The study resulted in a comprehensive “how-to” guide to help employers better leverage the expertise of visible minorities.
- › Barrier-free guidelines became standards at RBC in Canada. This means that all new buildings and those going through major renovations must be accessible to people with disabilities, including people who are deaf or hard of hearing, blind or visually impaired.
- › RBC Centura piloted a mentoring program for women and minorities, which partners participants with senior managers. The program was very successful and will continue in 2006.

Did you know...

RBC is a founding member of the Canadian Aboriginal and Minority Supplier Council, established in October 2004, and it has been a member of the U.S. National Minority Supplier Development Council since 2002. These two associated groups are non-profit membership organizations composed of major multinational corporations, which aim to boost economic development efforts and employment.

In the U.S., both RBC Dain Rauscher™ and RBC Centura® work closely with INROADS, a non-profit organization that trains and develops talented minority youth for professional careers in business and industry.

Since its inception, RBC's Aboriginal Student Awards program in Canada has provided 64 scholarships totalling \$628,000. Five students received awards in 2005, chosen from a record 600 applications.

In the U.S., RBC Centura has increased its hiring of Spanish-speaking employees to better meet the needs of the burgeoning Hispanic population. Between 2004 and 2005, the number of African-American mortgage loan officers increased from 4% to 16%, which better reflects our market demographics.

Why are the numbers important?

Besides tracking our progress in meeting our diversity goals, these numbers help us:

- › Benchmark ourselves against other companies
- › Ensure that our workforce reflects our diverse client markets
- › Highlight areas we need to focus on
- › Demonstrate our diversity commitment to current and potential RBC employees and clients

Workforce diversity

RBC is committed to attracting and retaining a diverse workforce. Each of our businesses has diversity goals integrated into its talent management processes to address specific workforce needs.

About Employment Equity (Canada) and Affirmative Action (United States)

In Canada, the diversity landscape includes the Employment Equity Act, which outlines regulatory requirements for the representation of four designated groups: women, visible minorities, Aboriginal people and people with disabilities. Although the Employment Equity Act applies only to federally regulated businesses, at RBC, we promote the value of employment equity across all our businesses.

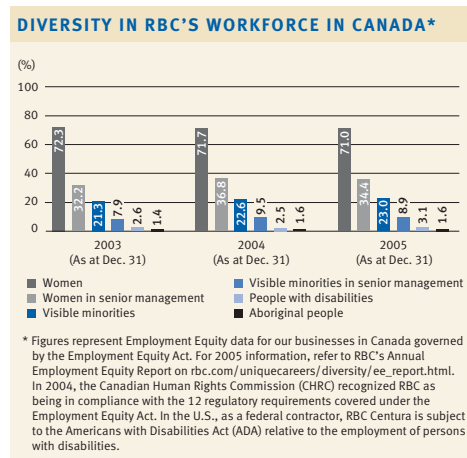
In the United States, there are six major federal equal employment laws that apply to the majority of employers. These laws outlaw discrimination in public and private employment on

the basis of race, colour, religion, sex, national origin, disability or status as a Vietnam-era or special-disabled veteran. Certain government-regulated businesses are required to comply with Affirmative Action (AA) legislation, a proactive means to affirmatively manage Equal Employment Opportunity (EEO).

Affirmative Action requires government contractors and sub-contractors to take progressive steps to employ individuals in certain protected categories and advance them in their employment. These groups include minorities, women, certain designated veterans and people with disabilities. Affirmative Action defines "minorities" as American Indian/Alaskan Native, Asian/Pacific Islander, African-American and Hispanic individuals. All of RBC's U.S. businesses must comply with all EEO legislation.

Among them, RBC Centura is currently designated as a federal contractor, with the associated additional AA obligation.

Employment Equity statistics



- › The RBC Employment Equity Narrative Report is posted on our public website at www.rbc.com/uniquecareers/diversity/ee_report.html. This report provides comprehensive information on our employment equity initiatives and results.

Recruitment

Finding top talent from a diverse spectrum is essential to RBC's success, and recruiters work proactively with their business partners in Canada and the U.S. to source the best candidates.

In May, RBC Dain Rauscher hosted a night with the National Society of Hispanic MBAs (NSHMBA). Over 50 NSHMBA members and members from sponsor organizations attended the event. RBC Dain Rauscher executives addressed the group, and recruiters were on hand to talk about open positions.

The Calgary Immigrant Women's Association (CIWA) represents women who have recently immigrated to Canada. RBC sponsored English as a Second Language courses for members of this group. Aileen Rycroft, RBC manager, Financial Planning, and CIWA member, praises the efforts of this group: "We meet some first-class people at these meetings, and I have personally hired four women [through

this network]. We really miss opportunities if we don't look past the paper application to the person behind it."

In Toronto, RBC is a founding member of the Toronto Region Immigrant Employment Council (TRIEC), a multi-stakeholder collaboration whose members include employers, labour organizations, occupational regulatory bodies, community organizations and all three levels of government. TRIEC's primary goal is to implement local solutions for more effective integration of immigrants into the labour market. In 2005, RBC hosted the launch of the Employers on Board project, designed to further increase opportunities for new immigrants through a learning community of employers and human resources (HR) professionals.

Ability Edge is an internship program for graduates with disabilities, and RBC has participated since 1999. In 2006, RBC will host 19 interns from Ability Edge.

- › RBC Dain Rauscher supports three active employee resource groups in the U.S.: the Minority Employee Association; Gay, Lesbian and Allied Dain Employees; and the Women's Association of Financial Counsellors.
- › In Canada, the Royal Eagles and Royal Aboriginal Circle are self-governed employee resource groups who help to recruit and retain Aboriginal employees, raise awareness of Aboriginal culture within RBC and liaise with Aboriginal communities in their home provinces and territories.



In 2005, more than 400 employees in the United Kingdom attended RBC's "Business Excellence Through Diversity" workshop. In the U.S., over 100 new managers at RBC Centura completed this training. In Canada, we piloted a new program called Building Cross-Cultural Competence.

In 2005, RBC donated \$30,000 to help the Canadian Centre on Disability Studies in Winnipeg, Manitoba, provide grants for disability-related research projects at the community level.

Organizational culture

A vital part of our culture is an inclusive work environment. We want to provide opportunities for talented employees of all backgrounds. But diversity at RBC goes beyond that.

The culture we want to create also welcomes diversity of thought — new ideas, different ways of looking at a problem and finding new solutions. That's what our value "diversity for growth and innovation" means: we leverage the diversity across the organization to generate, share and adapt ideas to break new ground.

Diversity learning and communication

Throughout 2005, RBC's businesses sponsored a number of learning opportunities:

- ▶ The Business Excellence Through Diversity workshop was delivered to about 400 managers in our private banking, institutional and capital markets businesses in the Channel Islands and the U.K. More sessions are planned for 2006 as the integration of Abacus Financial Services Group employees (located primarily in Jersey, Guernsey and London) gets underway. At RBC Centura, 125 new managers participated in this program.
- ▶ "Diversity in Action" scenarios were integrated into the classroom and online learning components of Managerial Excellence, RBC's management development program. The reality-based scenarios help managers learn about and respond to diverse employee needs and client situations.
- ▶ Providing learning for managers and employees was a key element of the Employment Equity strategy in 2005. Persons with disabilities briefing sessions were developed and delivered to over 50 HR professionals.
- ▶ Building Cross-Cultural Competence was piloted in 2005 in Toronto and offered to HR professionals and the Royal Way national sales team. This customized, interactive workshop helps employees learn about specific cultures, assess their own cultural IQ and build cultural curiosity. Wes Murray, national manager,

Indirect Lending says: "We needed to better understand the diversity of our dealer clients, and this cross-cultural awareness has been a real benefit to our team. We are already seeing positive results from their greater understanding."

- ▶ Our Global Technology and Operations group hosts an annual cultural festival, which provides employees with an opportunity to learn from colleagues about different languages and cultural backgrounds. An estimated 1,500 employees in Toronto attend this event.

Destination Diversity: Online learning for RBC employees

A central, online resource is essential for managers and employees to keep up to date on diversity at RBC.

The Destination Diversity intranet site includes our diversity strategy, employee profiles, the RBC Multicultural Calendar, recommended books and learning resources, diversity speeches delivered by senior executives, an online self-assessment, essential information about work/life programs and research data on diverse client markets in Canada and the U.S.

In 2005, the "employee profile" section was enhanced with profiles of employees with disabilities. These workplace stories emphasize the positive, proactive approach that RBC employees and managers take to accommodate workplace needs.

A new U.K. section was created to highlight diversity events and news from RBC's London office.



› Approximately 1,000 RBC employees work in job-sharing arrangements in Canada.

Work/Life

Work/Life initiatives recognize the multiple responsibilities of RBC employees — at home, at work and in their communities — by offering support through leaves of absence, dependent care resources, flexible work arrangements, financial counselling and wellness information.

Our Employee Care program also provides confidential information on work/life issues including access to professional consultants, referrals and online educational materials.

Diverse client markets

Solid diversity strategies are critical to an organization's bottom-line success. At RBC, we believe understanding differences is vital to supporting our capability to expand into emerging and existing markets and to help us provide customized experiences for our clients.

Newcomers to Canada (www.rbc.com/canada/index.html) is a new website that RBC launched to assist new immigrants by providing information about living, studying and working in Canada. The site also provides an overview of the Canadian banking and financial system.

Along with the website, RBC introduced a number of products and services to meet the needs of new immigrants:

- › A secured *Visa** card so newcomers to Canada can more easily build credit history
- › A new online account opening option, which enables people to start the process of setting up bank accounts before they arrive in Canada
- › Easy-to-understand applications and information in multiple languages

At RBC Centura, we reached the Hispanic market in Atlanta, Georgia, by translating "Working for You" brochures into Spanish. Product ads were placed in key Latino newspapers in the Atlanta market as well.

- › In Canada, RBC has more than 160 units with employees who speak a number of Chinese dialects. In key markets, we have managers dedicated to serving the growing South Asian and Middle Eastern populations. In total, RBC Call Centre employees speak 60 different languages.



Image and reputation

As an organization, RBC strives to be not just a supporter of diversity, but a recognized diversity leader. We believe it is our responsibility to lead positive change, support economic prosperity and contribute to communities — it's about building relationships with all our stakeholders.

One of the reasons RBC has a strong reputation for leading in diversity is our overall leadership in the Canadian market. RBC executives were on the public stage in 2005 addressing industry issues, as well as receiving awards and recognition for their achievements.

- › Three RBC executives were named in the 2005 Top 100 List of Canada's Most Powerful Women by the Toronto-based Women's Executive Network: Elisabetta Bigsby, executive vice-president, Human Resources; Barbara Stymiest, chief operating officer; and Janice Fukakusa, chief financial officer. Fukakusa was interviewed about her role by *US Banker* magazine, and Stymiest was the keynote speaker at the Women's Executive Network, where she spoke on rebuilding trust through corporate responsibility.
- › RBC Capital Markets® was rated as one of the most prestigious banking companies in the world by New York-based career information company Vault, Inc.'s 2006 Guide to the Top 50 Banking Employers. The guide rated 77 firms, all of which principally operate in the U.S. in commercial and/or investment banking. Over 550 banking professionals rated employers in the banking industry on a number of categories, including how prestigious it would be to work for them and how good their quality of work/life and diversity practices are.
- › RBC sponsored the Canadian Woman Entrepreneur Awards (CWEA). Five winners were announced at a ceremony in Toronto in November. The awards provide national recognition to Canada's women entrepreneurs whose successful businesses play a pivotal role in the growth of local, national and global communities.
- › RBC ranked first among banks in Canada's Gender Intelligent Companies survey of women consumers. (Thomas Yaccato Group 2005)
- › RBC is involved in the Aboriginal Stay in School program, aimed at helping high school students find summer employment. In 2005, 45 students participated and 27 were offered casual positions in local branches.
- › At RBC Dain Rauscher, the Billings branch office partnered with the University of Montana to host a dinner and discussion on strengthening our communities through diversity. The event, attended by key community leaders, focused on businesses' need to improve focus on diversity in order to thrive. The feedback from the participants was so positive that the Billings branch and the University of Montana plan to join forces again in 2006 for a followup event.

A list of diversity-related speeches made by Gord Nixon and other RBC executives can be found at www.rbc.com/newsroom/news5.html.

In the U.S., RBC partners with the National Black MBA Association and the National Society of Hispanic MBAs.

In 2005, clients had access to 400 "talking" bank machines across Canada and more than 525 machines ergonomically designed for easier access for people in wheelchairs.

- About 90% of RBC Royal Bank® and RBC Centura branches are wheelchair accessible. In Rocky Mount and Raleigh, significant renovations have made RBC Centura's corporate offices more accessible.

What's next for RBC?

This is an excerpt from a recent interview with Zabeen Hirji, senior vice-president, Human Resources, RBC.

What are the plans for RBC's diversity strategy?

ZH: We are going to continue to do more of the same work. One of the things we have learned is that it is sometimes more effective to focus on a few vital initiatives, as opposed to trying to do it all. Many diversity initiatives happen at the grassroots level, and we support these fully. From an organizational perspective, the diversity strategy is no different than our other business initiatives. They are all about attracting the right talent, serving our clients and growing our business.



What you can expect in 2006

RBC is leading new initiatives in 2006. Here are some projects you will hear more about in the coming months:

- RBC has partnered with the Institute of Disability Studies at Ryerson University in Toronto on a project to discover how people with disabilities learn inside an organization. The final report is due in 2006.
- RBC is sponsoring a multi-year study of visible minorities with Catalyst Canada.
- The Newcomers to Canada website will be translated for Chinese clients.
- Diversity Awareness training continues in Canada, the U.S. and the U.K., and Building Cross-Cultural Competence training will be offered more widely in Canada.

How you can learn more about diversity at RBC

Corporate Responsibility Report:

www.rbc.com/community/rbc_community/community_reports/index.html

Newcomers to Canada: www.rbc.com/canada/index.html

Careers and diversity at RBC: www.rbc.com/uniquecareers/diversity/index.html



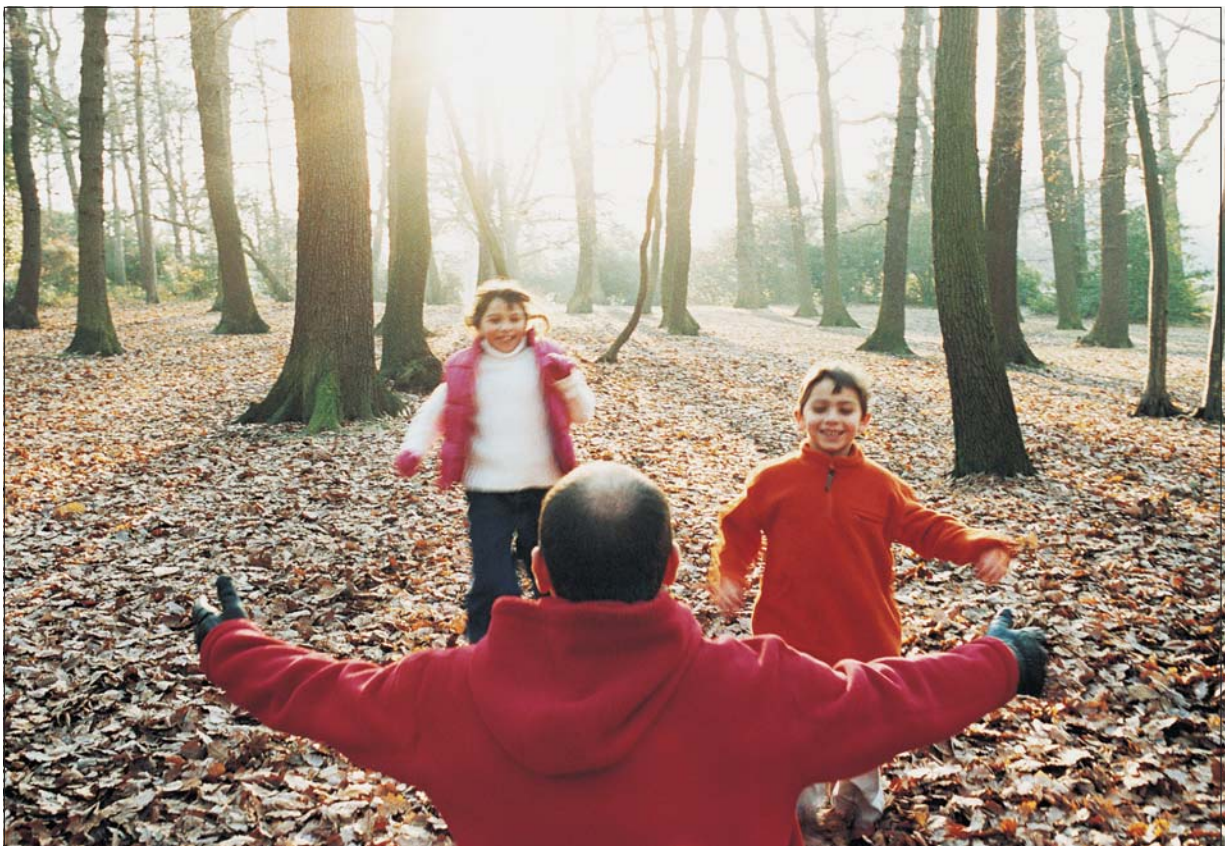
The changing landscape

Canada

- › According to Statistics Canada, about one out of every five people in Canada, or between 19% and 23% of the nation's population, could be a member of a visible minority by 2017 when Canada celebrates its 150th anniversary.
- › Virtually all the immigrants who arrived in Canada during the 1990s — some 1.8 million people — settled in one of Canada's 27 census metropolitan areas. Of the new arrivals, 73% settled in the three largest centres — Toronto, Montreal and Vancouver.
- › Women are estimated to control more than 80% of consumer and household spending.
- › Over 50% of students in Canadian universities are women, and women represent 30% of the students in top MBA programs.
- › In the 2001 census, 976,305 people in Canada (3.3% of the population) reported a North American Indian, Métis or Inuit identity. The Aboriginal birthrate is 1.5 times that of the non-Aboriginal population. In the next decade, Aboriginal youth will be entering the workforce at an increasing rate.
- › In 1956, 47% of Canadians were under age 25; this decreased to 33% in 2000, and it is forecast to be 25% of the population by 2026.

United States

- › Minority buying power in the U.S. is significantly outpacing other market growth. By 2009, the buying power from minorities is forecast as follows: African-American — \$570 billion; Hispanic — \$926 billion; Asian American — \$528 billion; Native American — \$65.6 billion.
- › By 2050, the U.S. population will consist of 50% white, 25% Hispanic/Latino and 25% Asian, African-American and other groups.
- › In 2002, buying power for the Gay, Lesbian, Bisexual and Transgendered market was estimated at \$451 billion and is projected to reach \$608 billion by 2007.
- › Women control 89% of bank accounts and purchase or influence the purchase of 91% of all new homes.
- › In 2004, women owned 10.6 million businesses, which generated more than \$2.5 trillion in annual sales and employed 19.1 million people.
- › By 2008, 70% of the workforce will be women or minorities.
- › Native American buying power will rise from \$47.7 billion in 2004 to \$65.6 billion in 2009.



Inclusivity

Building an inclusive workplace starts with understanding.

Building an inclusive community starts with respect.

Building an inclusive society starts with acceptance.

Building an inclusive economy starts with diverse people and ideas.

RBC® recently published a study entitled, “The Diversity Advantage: A Case for Canada’s 21st Century Economy”. To download a copy of the study, please visit www.rbc.com/newsroom/pdf/20051020diversity.

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