

# Blueprint for doing better



Royal Bank of Canada  
2007 Corporate Responsibility Report and  
Public Accountability Statement



# Royal Bank of Canada

## 2007 Corporate Responsibility Report and Public Accountability Statement

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#### Royal Bank of Canada Public Accountability Statement (PAS)

This statement has been published by Royal Bank of Canada and its prescribed affiliates for the fiscal year ended October 31, 2007. The information related to this statement can be found in the following sections:

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### About the 2007 Corporate Responsibility Report and Public Accountability Statement

#### Scope

This report provides an overview of our social, economic and environmental commitments and impact on the communities and countries in which we do business. It complements the information on our financial condition and performance provided in our 2007 Annual Report to Shareholders. This report is produced for a wide range of stakeholders. We provide more detail related to stakeholder-specific issues in our 2007 Annual Report and on our website.

All federally regulated financial institutions in Canada with equity greater than \$1 billion are required to produce annual public accountability statements outlining their contributions to the Canadian economy and society. This report includes the public accountability statement for Royal Bank of Canada and its prescribed affiliates and the public accountability statements for Royal Bank Mortgage Corporation and RBC Life Insurance Company.

#### Stakeholders

This report is published for all stakeholders of Royal Bank of Canada and its subsidiaries, which together operate under the master brand name of RBC. Our stakeholders include employees, clients, current and prospective investors, suppliers, governments, regulators, non-governmental organizations and community partners.

#### Reporting period

All data and examples contained in this report reflect activities undertaken during, or as at the end of, our 2007 fiscal year (November 1, 2006–October 31, 2007), unless otherwise noted.

#### Terminology

Reference to “employees” includes people who work for all RBC businesses and functions around the world, as outlined on the inside back cover of this report.

#### Currency and measurement

All \$ references in this document refer to Canadian dollars unless otherwise stated. U.S. dollars are converted using fiscal 2007 average (C\$1.00 = US\$0.915). Measures used in this report are metric, except where stated.

#### Global Reporting Initiative

We use the Global Reporting Initiative (GRI) G3 guidelines, the GRI Financial Services sector supplement, as well as stakeholder input and external best practices to help structure our sustainability reporting, both in this report and online. A GRI content index can be found at [rbc.com/responsibility](http://rbc.com/responsibility) to help readers compare RBC to other reporting organizations.

#### Forward-looking statements

This report contains forward-looking statements within the meaning of certain securities laws including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. These forward-looking statements include, among others, statements with respect to our bank and insurance branch expansion plans and our expectations relating to our announced acquisition of Alabama National Bancorporation, as well as statements with respect to our strategies, plans, beliefs and expectations. We caution readers not to place undue reliance on these statements, as a number of important factors, including general business and economic conditions, our ability to successfully complete and integrate strategic acquisitions, and our ability to successfully execute on our strategies and plans, could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. Additional information about these and other factors can be found in our 2007 Annual Report.

#### Previous reports and additional information

Past Corporate Responsibility Reports and Public Accountability Statements, as well as other information relevant to the issues presented in this report, are available on [rbc.com](http://rbc.com).

# A year of doing better

2007 was a watershed year for corporate responsibility at RBC. We developed the RBC Blueprint for Doing Better™, our new corporate responsibility strategy and framework, and established two focus areas: diversity and the environment. We were the first Canadian bank to launch our own mutual funds for socially responsible investors and introduced environmentally sustainable product options for retail consumers. We received a record number of awards for our corporate responsibility efforts. At the same time, we continued to deliver strong returns to our shareholders, and were rewarded with increased business from our clients.

This is sustainability in action: when a company manages financial, social, environmental and ethical performance today in order to ensure continued success tomorrow.

When it comes to corporate responsibility, companies are often expected to be everything to everyone. For a company like RBC, with more than 15 million clients in 38 countries and more than 70,000 employees worldwide, managing diverse stakeholder expectations can be a challenge. Over the last few years, our stakeholders have grown in number and influence and we have seen increased expectations and attention regarding corporate sustainability and reporting across all industries.

That's why we developed a new strategic approach for corporate responsibility in 2007: a focused set of priorities to ensure that we are appropriately managing our programs and initiatives under the corporate responsibility banner. You can read about our approach on the next three pages.

We are not only in the digital age, but in an era where we must use the planet's resources wisely. This year, our sustainability reporting continues its migration online, and our full Corporate Responsibility Report and Public Accountability Statement is only available in electronic format. We are publishing a shorter Corporate Responsibility Review in print, and continue to include corporate responsibility information in our Annual Report. Finally, we continue to enhance our communications with non-governmental organizations (NGOs), and provide detailed, direct reporting to analysts and researchers from the socially responsible investment community.

I invite you to read this report and visit [rbc.com](http://rbc.com) for additional details. Please tell us how we can continue to do better by using the contact information provided on the outside back cover.



Gordon M. Nixon  
President and Chief Executive Officer



# Corporate responsibility at RBC

At RBC, we believe our first duty is to operate with integrity at all times so we can ensure the present and future well-being of our stakeholders. We strive to have a positive economic, environmental and social impact, providing responsible leadership in the marketplace, the workplace and in the communities where we live and work.

## Charting a new course

At our 2006 Annual Meeting of Shareholders, we announced that we were developing a new strategic approach for corporate responsibility. Our goals were to establish a focused set of priorities and ensure that we are appropriately managing the wide range of initiatives that fall under the corporate responsibility banner.

In 2007 a team from across RBC took on this challenge, guided by Roger Martin, Dean of the Rotman School of Management, and his colleagues from the AIC Institute for Corporate Citizenship (University of Toronto).

We started with a full assessment of RBC's global business strategy. Then we mapped out stakeholder interests and concerns, as identified directly by our stakeholders, and by benchmarking the practices of leading financial institutions and other industry leaders worldwide. We reviewed and prioritized current and emerging issue areas.

In general, key issues for financial services companies are considered to include governance, business ethics, marketplace practices such as fraud prevention and privacy, access to basic banking services and credit, community economic development, employment equity, treatment of employees and environmental sustainability. Unlike some industries, we are also expected to take responsibility, in some measure, for the actions of our clients, especially those to whom we provide credit. For the last few years, RBC has regularly reported on these areas in our annual Corporate Responsibility Reports.

After further evaluation, we developed an overall framework, vision and direction for managing and prioritizing the diverse elements that comprise corporate responsibility, and dubbed the plan our RBC Blueprint for Doing Better. We then identified the strongest intersections between our business strategy and our stakeholders' interests. We selected key issues that are most relevant to the widest range of our stakeholders, in order to focus more energy and resources on improving our actions in those areas.

## RBC Blueprint for Doing Better™

### Vision

RBC is committed to doing better for our clients, our investors, our employees and our communities, through a focused approach to corporate responsibility. Through the RBC Blueprint for Doing Better, we will continue to demonstrate integrity in our business practices, and provide leadership in the workplace and the marketplace. We will remain a strong supporter of the communities in which we do business and will maintain transparent sustainability reporting practices.

Our two key areas of focus will be diversity and the environment, with continued focus on community engagement. The RBC Diversity Blueprint™, the RBC Environmental Blueprint™ and the RBC Community Blueprint™ will guide our vision and actions, and are described on pages 3 and 4.

### Priorities

#### Economic impact

- Provide strong returns to shareholders
- Pay fair share of taxes
- Create employment
- Support small business and community economic development
- Foster innovation and entrepreneurship
- Purchase goods and services responsibly

#### Workplace

- Respect diversity
- Foster a culture of employee engagement
- Provide competitive compensation and total rewards
- Provide opportunities for training and development

#### Environment

- Reduce intensity of operational footprint
- Promote environmentally responsible business activities
- Offer environmental products and services

#### Marketplace

- Develop and provide products responsibly
- Provide access to basic banking services
- Protect and educate consumers

#### Community

- Provide donations with a lasting social impact
- Sponsor key community initiatives
- Encourage employees to contribute

## RBC Diversity Blueprint™

### Why diversity matters to RBC

Diversity is a “big idea” in business and society as a source of innovation, leading to the generation of new ideas, products and services. Diversity can be a competitive advantage not only when it comes to developing intellectual capital, but also for ensuring the growth of companies and countries.

Financial services companies like RBC depend on intellectual capital, and no asset is more significant than people. There is a global war for talent, and nowhere is this more evident than in our home market. The Canadian workforce is aging, the birth rate has hit a record low, and the country’s labour force will stop growing in about 10 years.

Of our millions of clients in Canada, the percentage of new Canadians and visible minorities is growing – and we expect much of our future growth to come from these markets.

At RBC, we believe we must be an employer of choice for new employees by leveraging the diversity of our current and future workforce. We are also competing in a global marketplace, and we know that our growth outside of Canada will depend on developing the diverse capabilities of our international workforce.

We must attract people with the right skills and the best minds for the future, while making sure we are maximizing the potential of our employees globally now. If we do, we believe we will have an unrivaled advantage at home and abroad.

### Our approach

RBC is considered a leader in diversity. For example, we have extensive experience with programs and initiatives related to women, visible minorities, people with disabilities and Aboriginal Peoples. We will build on this history when we release the RBC Diversity Blueprint in 2008, as a comprehensive statement of our global strategy and priorities, and a guide for doing better in the future. It will cover the following areas:

- Workforce diversity
- Client programs and services
- Supplier management
- Thought leadership through grassroots partnerships, research and co-operative initiatives.

We’ve identified some of the programs and initiatives that will be included in the RBC Diversity Blueprint throughout this report.

You can read more about RBC’s current diversity efforts online at [rbc.com/responsibility/workplace](http://rbc.com/responsibility/workplace).

## RBC Environmental Blueprint™

### Why the environment matters to RBC

Financial services companies aren’t considered high-impact when it comes to the environment, but many of our clients are. So, as their bank, we have an indirect impact through our lending and investment activities. Like many companies, we must also manage our own footprint responsibly and know that we can have an impact through how we purchase goods and services as well.

RBC had one of the first environmental policies of any Canadian financial institution – written back in 1992. Over the years, we continued to evolve our approach: retrofitting our credit application process to include environmental risk assessments, financing alternative energy projects, and reducing our energy and paper use. We knew that environmental sustainability mattered to our business.

In 2007, concern for the environment went mainstream, and it was clear that the topic resonated strongly with all our stakeholders, without exception. Concern over climate change was the fastest-tracking issue with retail consumers worldwide. More and more socially responsible investors began to choose stocks based on a company’s environmental performance. Employees and potential employees began to say, loud and clear, that they want to work for companies with strong environmental practices.

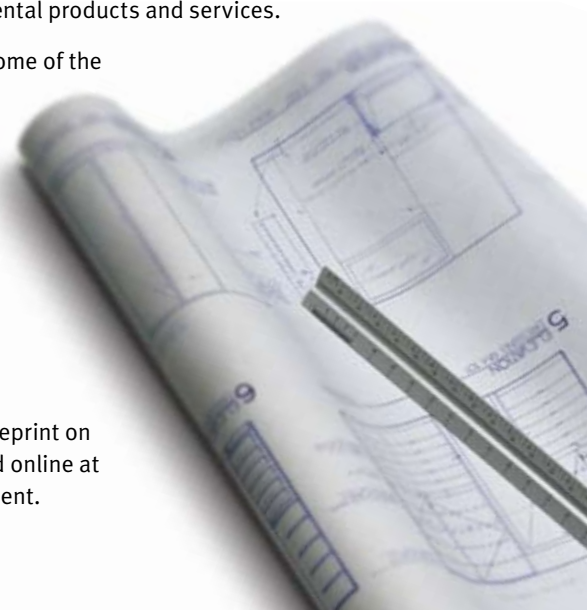
### Our approach

In 2007, we unveiled the RBC Environmental Blueprint, a strategy that built on our strong history, with a new vision of how we will move forward with issues like climate change, biodiversity, forests and water. The RBC Environmental Blueprint lays out our three priorities:

- To reduce the intensity of our environmental footprint
- To promote environmentally responsible business activities
- To offer environmental products and services.

We’ve identified some of the programs and initiatives that are included in the RBC Environmental Blueprint throughout this report.

You can read more about the RBC Environmental Blueprint on pages 23 to 28 and online at [rbc.com/environment](http://rbc.com/environment).



While our new focus areas are diversity and the environment, we remain committed to supporting local communities through donations, sponsorships and employee participation. As one of Canada's largest corporate donors, and with a tradition of philanthropy that dates back to 1891, RBC supports the arts, athletics, health and wellness, education, social and civic causes, and we will continue to do so under the RBC Community Blueprint umbrella. You can read more about our support for communities starting on page 29 or at [rbc.com/responsibility/community](http://rbc.com/responsibility/community).



**Half empty? Half full?**

Fresh water is the world's most important natural resource. No one can live without it, and it is in increasingly short supply. Consider the facts:

More than a billion people on the planet are trying to live with little or no access to fresh water. More than two billion live without proper sanitation. Over 2 million people die each year from diseases associated with poor water and sanitary conditions, 5,400 children a day are among that toll.

Fresh water shortages are not restricted to developing nations. Parts of North America suffer continued drought conditions.

Even in water-rich Canada, many areas are under serious water stress, and shortages are becoming alarmingly common in municipalities across the country. Many aboriginal reserves in Canada are under boil-water advisories.

That's the half empty part.

RBC believes there is reason to be hopeful. Here's why:

A lot of good people are doing a lot of good work to address the problem. To help in this cause, RBC is introducing the RBC Blue Water Project™, our largest charitable commitment to date, a 10-year, \$50-million plan to fund global solutions for the preservation, conservation and access of fresh water.

The RBC Blue Water Project will supply grants to local and global organizations to help improve access to fresh water, to support watershed preservation, to fund advocacy and research, and to support conservation projects.

That's why we see the glass half full too.

Reliable access to fresh water is a global, local and personal issue. For our 70,000 employees. For our 15 million clients around the world. For everyone.

At RBC we're committed to helping safeguard this most important of liquid assets.

**As part of the RBC Environmental Blueprint, we announced the RBC Blue Water Project™ in this advertisement in 2007, a \$50 million charitable commitment to helping find solutions to the global water crisis.**

Increasingly, companies are expected to report on their environmental, social and governance practices, in addition to their financial results. A range of stakeholders are asking for this information, yet there are significant differences of opinion about what companies should disclose, as well as the appropriate degree and manner of disclosure.

RBC has adopted a multi-pronged approach to sustainability reporting. While we observe the reporting guidelines suggested by the Global Reporting Initiative (GRI), we do not produce a single printed GRI or sustainability report covering everything for all stakeholders. Rather, we provide reporting geared to various stakeholder groups, as described below:

- **rbc.com/responsibility:** This website is the cornerstone of our sustainability reporting and is geared to the widest range of our stakeholders: consumers, employees, NGOs, community partners, students and corporate responsibility practitioners. It has been organized into categories that are commonly used by other companies and is updated all year long. The website provides at-a-glance information for the casual reader, and drill-down information for those who want more details. It also contains a GRI Index showing where all of our GRI-related sustainability information can be found.
- **Corporate Responsibility Report and Public Accountability Statement:** This report is geared to socially responsible investors, employees, NGOs, regulators, elected officials and corporate responsibility practitioners. It provides an overview of our policies and approach to business integrity, as well as a year-end snapshot of our economic, social and environmental impact in the workplace, marketplace and communities. It also contains our annual Public Accountability Statement. In our ongoing efforts to be environmentally sustainable, the 2007 Corporate Responsibility Report is available online, with print available on request.
- **Corporate Responsibility Review:** This short publication, new for 2007, is geared to consumers, the general public and employees. It summarizes our Corporate Responsibility Report and is available in print and online.
- **Annual Report, Quarterly Reports and Management Proxy Circular:** These publications are geared to investors and analysts, and provide disclosure about our financial performance, as well as information related to corporate governance, risk management and corporate responsibility.
- **Sustainability survey submissions:** RBC regularly responds to lengthy requests for information from analysts and researchers serving the socially responsible investment community. We use the OneReport system to reply to a select number of national and international research surveys, and will respond to other information requests when they are relevant to our markets and shareholders.
- **Other:** RBC provides detailed disclosure on areas of interest that fall under the "sustainability" banner, with reports that are produced for specific stakeholders. For example, we make our submission to the Carbon Disclosure Project public, and produce an annual Diversity Progress Report available in print and online.

## Awards

A company's reputation is built in part by what people say about it. We were privileged to have received these honours, among others, in 2007.

### Brand and culture

- **Canada's Most Valuable Brand** (U.K.-based Brand Finance study, released in *Canadian Business*).
- First Canadian company to be named to the **Top 100 Most Powerful Brands** list (BrandZ/Millward Brown Optimor).
- Ranked fourth in **Canada's Most Admired Corporate Cultures** of 2007 (Waterstone Human Capital/*Canadian Business*).

### Corporate responsibility/sustainability

- Named to the 2007/2008 **Dow Jones Sustainability World Index** and **Dow Jones Sustainability North America Index** recognizing financial, social and environmental leaders.
- Included in the **Jantzi Social Index**, recognizing 60 Canadian companies that pass a set of social and environmental screens.
- Included in the **FTSE4Good Index**, recognizing companies that meet globally recognized standards for environmental sustainability, stakeholder relations and human rights.
- Included in the **Ethibel Pioneer Global Index**, used by European fund managers and institutional investors to recognize companies that have played a pioneering role in terms of sustainability.
- Ranked number one in **Canada's 50 Best Corporate Citizens** 2007 list (Corporate Knights).
- Named one of the **Global 100 Most Sustainable Corporations** 2007 (Innovest/Corporate Knights, *BusinessWeek*), recognizing companies that have proven their ability to manage strategic opportunities in new environmental and social markets.

### Environmental sustainability

- Ranked first in a list of the 100 companies worldwide that are considered most capable of adapting to the risks and opportunities presented by climate change, relative to their peers (*Newsweek International* online).
- Ranked first in Canada, second in North America and tied for fifth place globally among financial institutions on the **Climate Disclosure Leadership Index** 2007, a prestigious honour roll of world leaders that understand and manage the financial risks and opportunities resulting from climate change, based on RBC's submission to the Carbon Disclosure Project.

### Governance

- **Board Games**: RBC ranked fifth in corporate governance in Canada for 2007 (*Globe and Mail/Report on Business*).

### Diversity

- Ranked second on the 2007 **Corporate Knights Leadership Diversity Index**, recognizing Canadian companies with representation of visible minorities and females at the board and executive levels.

## Privacy

- Ranked third in the annual **Canada's Most Trusted Companies for Privacy** study (Carlson Marketing Worldwide and the Ponemon Institute), ranking public perception of companies' privacy and data security practices.

## Affiliations and memberships

RBC is involved with a number of leading organizations around the world to steward corporate responsibility.

- In 1988, we were a founding member of Imagine, an organization to encourage philanthropy and volunteering, and we remain a member to this day.
- Since 1997, we have been a member of the Center for Corporate Citizenship at Boston College, a leading resource in North America providing research and executive education on citizenship topics.
- We are a sustaining member of Canadian Business for Social Responsibility, a membership organization of Canadian companies who have made a commitment to operate in a socially, environmentally and financially responsible manner.
- Since 2006, we have been a member of the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria.
- Since 2006, we have been a GRI Organizational Stakeholder. GRI is an independent institution whose mission is to develop and disseminate globally applicable sustainability reporting guidelines. RBC now reports online on performance indicators suggested by GRI.
- RBC Asset Management® is a member of the Canadian Coalition for Good Governance, promoting best corporate governance practices in companies its members consider for investment.
- RBC is a member of the Conference Board of Canada, and its Corporate Community Investment Council, Effective Work Environment Research Council, Corporate Ethics Management Council and the Business Council for Sustainability.
- In terms of workplace practices, RBC is a member of a number of organizations, including Catalyst, the Canadian Council of Rehabilitation and Work, and the Vanier Institute of the Family. In the United States, we are a member of the U.S. Conference Board Council on Workforce Diversity, the Families and Work Institute and the Urban Financial Services Coalition.
- To support environmental sustainability, we are a member of the Excel Partnership, Environment Canada's Network on Linking Environmental Performance to Financial Value, the Equator Principles Financial Institutions Membership Committee, Canadian Bankers Association Environmental Issues Specialist Group, Environmental Bankers Association, Canadian Standards Association, Canadian Brownfields Network, Ontario Municipal Affairs and Housing Brownfield Stakeholders Group, the United Nations Environment Program Finance Initiative (UNEP FI) and its North American Task Force.
- RBC is a founding member of the Canadian Aboriginal and Minority Supplier Council and the National Minority Supplier Development Council in the United States.

At RBC, we believe that our first duty is to operate with integrity so that we can fulfill our responsibilities to all our stakeholders. We also believe that sound corporate governance is an essential element in maintaining our clients' trust and our investors' confidence, and is fundamental to enhancing shareholder value. Our blueprint for good governance and ethical behaviour integrates corporate responsibility into every part of our business.

## Priorities

Our priorities in this area include ensuring we:

- Demonstrate sound corporate governance principles
- Provide clear disclosure of financial results, and disclose reliable performance data on key non-financial items
- Comply with all applicable laws and regulations in every country in which we operate
- Conduct business with honesty and integrity.

## High standards of corporate governance

Our approach to corporate governance goes beyond regulatory compliance. To maintain our high standards, we continuously review and assess our corporate governance system, anticipating and adopting best practices as they evolve.

Over the past few years RBC has:

- Adopted policies requiring directors to tender their resignations following the Annual Meeting if they fail to receive majority shareholder support
- Increased the minimum share ownership guideline for directors to \$500,000 from \$300,000, to strengthen alignment of their interests with those of shareholders
- Increased minimum share ownership requirements for executive officers to further align management and shareholder interests
- Implemented a performance deferred share program to further align management's interests with those of shareholders
- Limited share dilution by reducing the number of stock option grants awarded to management by 70 per cent since 2003
- Evolved our comprehensive Director Independence Policy, which contains more stringent criteria for members of the Audit Committee, in response to best practices and regulatory refinements
- Held regular meetings of independent directors
- Enhanced our board and director evaluation procedures, with written peer reviews added to complement the established peer assessment practice of one-on-one interviews with the Chairman
- Formalized the process of selecting individuals for nomination as directors to ensure that the strengths of potential candidates are weighed against the competencies and skills that the board as a whole requires.

## Enhanced disclosure

Our disclosure practices and policies fully comply with guidelines established by Canadian securities regulators, as well as applicable provisions of the U.S. *Sarbanes-Oxley Act of 2002* and requirements adopted by the New York Stock Exchange and the U.S. Securities and Exchange Commission applicable to foreign private issuers. In keeping with our goals of continuously improving governance and providing greater transparency and simplicity in our communications, in recent years we have enhanced disclosure in our Management Proxy Circular.

## Code of Conduct

All RBC employees worldwide are governed by our Code of Conduct, which was first established more than 20 years ago. The Code is reviewed regularly and was updated in 2007, with clarification of our process for approving and disclosing waivers, increased confidentiality protection provisions, additional guidelines for conflicts of interest and updated standards for maintaining respectful workplaces. All employees are required to take a web-based learning program so that they know and understand the Code's principles and compliance elements. The program includes an online course and a test, which all employees must complete within 30 days of joining RBC and at least once every two years thereafter. The company's most senior officers and select others must complete the program annually.

## Policies

RBC has enterprise-wide compliance policies and processes to support the assessment and management of risks, including policies to address issues such as economic sanctions, lending to political parties, money laundering, terrorism financing and conflicts of interest, to name a few. Policies and controls are reviewed regularly to ensure continued effectiveness and alignment with relevant laws and regulations.

## Anti-money laundering policy

RBC is strongly committed to preventing the use of our financial services for money laundering or terrorist financing purposes. In 2007, every RBC employee worldwide, regardless of their role in the organization, took an anti-money laundering/anti-terrorism financing course and exam. The course was tailored for each business, function and geography with material specific to the laws of 38 countries and jurisdictions in which we operate. Our Global Anti-Money Laundering Compliance Group develops and maintains policies, guidelines, training and risk assessment tools and models and other controls to help our employees protect RBC and our clients, and to ensure we are managing ever-evolving money laundering and terrorism financing risks. Our controls in this area incorporate Know Your Client rules established by various regulators to ensure we properly identify our clients and protect against the illegal use of our products and services.

## Reporting suspected irregularities

RBC has long-established processes that enable employees around the world to report suspected breaches of our Code of Conduct, other irregularities and dishonesty directly to our Ombudsman. Employees can report anonymously, confidentially and without fear of retaliation.

Specific to financial reporting practices, the RBC Reporting Hotline was established so employees and third parties around the world can anonymously, confidentially and without fear of retaliation, report suspected irregularities or wrongdoing relating to accounting, auditing or internal accounting controls directly to the RBC Ombudsman.



# Economic impact



Companies both large and small can help shape the economies of the communities and countries in which they do business simply through their day-to-day business decisions and actions. We aim to have a positive economic impact by providing attractive returns to shareholders, creating employment, supporting small business and economic development, fostering innovation and entrepreneurship, and purchasing responsibly.

This section of our report covers the direct and indirect impact we have on the economy.

## Priorities

Our priorities include ensuring that we:

- Provide strong returns to shareholders
- Pay fair share of taxes
- Create employment
- Support small business and community economic development
- Foster innovation and entrepreneurship
- Purchase goods and services responsibly.

## 2007 Performance highlights

- Incurred taxes of \$2.09 billion worldwide.
- Provided employment to 71,760 people, with \$7.9 billion in employee compensation and benefits.
- Served more than half a million small business clients in Canada, the United States and the Caribbean.
- Remained the market leader for women entrepreneurs in Canada, with a 19 per cent market share.
- Purchased goods and services totalling \$4.4 billion from suppliers of all sizes worldwide.
- Contributed \$82.8 million to community causes worldwide.

## Issues

- Banks can help stimulate economic activity in less prosperous communities by providing credit and funding specialized programs. RBC has programs targeted at low-income groups to help them in areas such as home ownership, financial literacy and economic development.
- In the United States, under the *Community Reinvestment Act*, we are required to grant a certain amount in loans to facilitate community development, and to provide access to banking services for low- to moderate-income groups and small businesses. RBC Centura meets and, in many instances, exceeds these requirements.
- Banks can be expected to provide specialized mortgages and micro-loans for low-income groups to help clients build home equity or start up micro-businesses. However, the opportunities must be balanced against the inherent risks associated with interest rate fluctuations and indebtedness.

For more details, visit [rbc.com/responsibility/economic](http://rbc.com/responsibility/economic)

# Stakeholder impact

RBC recognizes that our actions have economic consequences, and we strive to have a positive economic impact that benefits investors, clients, employees, suppliers, governments and communities. For information on how we benefit investors, please see our Annual Report.

## Governments

RBC incurred taxes of \$2.09 billion worldwide in 2007, compared to \$2.08 billion in 2006.

## Employees

In 2007, RBC provided employment to 71,760 people, with \$7.9 billion in employee compensation and benefits. RBC participates in over 100 external compensation benchmarking surveys to ensure our compensation packages remain fair and competitive. See pages 18 to 22 for information on RBC's workplace practices and how we are striving to remain an employer of choice.

## Suppliers

In 2007, RBC spent \$4.4 billion on goods and services from international, national, regional and local suppliers of all sizes.

Our Procurement Group is responsible for sourcing significant products and services. Our procurement policies are inclusive and aim to promote sustainable business practices and economic development where possible and appropriate. To maintain the highest standards, we review our purchasing guidelines annually. RBC promotes fair purchasing practices and strives to support, wherever possible, the communities in which we operate. We are a founding member of the Canadian Aboriginal and Minority Supplier Council. RBC has been a member of the Council's U.S. affiliate, the National Minority Supplier Development Council, since 2002.

## Communities

RBC contributed more than \$82.8 million to community causes worldwide in 2007. This includes donations of more than \$47.7 million, and an additional \$35.1 million in sponsorship of community events and national organizations. See page 30 for regional breakdowns and a description of the initiatives we support.

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# Community economic development

## Resources to promote self-sufficiency

RBC provides services and supports programs that help disadvantaged people build assets, acquire skills and find jobs.

### Improving job prospects

For people who are unemployed or underemployed, it takes skills, opportunities and contacts to land the right job. RBC supports organizations that help overcome these challenges such as:

- Neil Squire Society's Employ Ability Program, which assists physically disabled adults in Canada seeking employable skills, education and confidence
- Regina Adult Learning Centre, dedicated to working with young at-risk adults to give them the necessary skills and experience to successfully enter the workplace or a post-secondary educational facility
- Seattle-based FareStart, which gives low-income residents a unique opportunity to train and be placed in long-term employment in the food industry
- Opportunity International, dedicated to facilitating micro-loans for Third World small business enterprises
- The Foundation for International Training, which provides consulting services through the Economic and Social Council of the United Nations to increase the managerial and technical capacities of Third World countries.

## The ABCs of money

Education about money, and how it works, is key to financial stability. In 2007, RBC supported a host of basic and financial literacy initiatives around the world:

### Canada

- The Lifeskills Education Program helps more than 17,000 Canadian teachers educate students in grades 4 to 12 about financial literacy, planning and management. From June 2006 to July 2007, 4,740 free kits were distributed.
- The RBC Royal Bank Financial Lifeskills Scholarship is awarded to 10 students annually.
- *There's Something About Money*, a seminar developed by the Canadian Bankers Association, is delivered in classrooms across Canada by RBC employees. In 2006–2007, 86 RBC employees volunteered 1,092 hours to help 4,971 high school students understand topics such as how to handle credit or start a business.
- Momentum Community Economic Development Society's Money Management program delivers workshops to Calgarians living in low-income situations with a goal of supporting individuals to take control of their personal finances and develop money management knowledge and skills.

### United States

- *How to Do Your Banking*, a financial education series for high school students, was developed by RBC Centura in partnership with area high schools.

- Savvy Cents, a financial literacy education program, helps participants of all ages and financial knowledge levels to set financial goals, budget and build wealth. RBC Centura employees presented Savvy Cents to more than 2,000 individuals in communities throughout our five-state area in 2007.

#### *Caribbean*

- We supported a public education initiative that consists of infomercials on various financial subjects including applying for a small business loan, choosing the right mortgage, creating a personal budget and building credit history.

#### Prosperity through literacy

Countless studies have shown the importance of basic functional literacy to economic well-being. That's why RBC supports organizations like Room to Read, which partners in local communities throughout the developing world to establish schools, libraries and other educational infrastructure with the aim of intervening early in the lives of children and breaking the cycle of poverty – one child at a time. Through PLAN, founded in 1937 as Foster Parents Plan, we support a mobile library in northern Brazil that helps 500 rural children each year.

#### Wealth through homes of their own

When renters become homeowners, they build equity, the tax base grows and communities prosper.

- RBC offers a number of mortgage products that help first-time buyers in Canada achieve their dream of home ownership. For instance, for clients who require a lower monthly payment, RBC offers mortgages with a maximum amortization of up to 40 years. No-down-payment mortgage options help renters get into homes sooner during times of increasing house prices. RBC has a customized mortgage designed for clients who do not meet our traditional underwriting criteria as a result of unexpected events such as job loss or illness, and helps them qualify for a mortgage while they get their lives back on track.
- RBC Centura partners with local economic development agencies, community leaders, real estate experts, credit counsellors and others, in its markets throughout the U.S. Southeast to source programs and enhancements that could help promote home ownership for low-income borrowers.
- In 2006\*, we provided a total of 2,064 mortgage loans to low- and moderate-income families in the United States, totalling approximately US\$227 million.
- In 2007, we entered into a special partnership in the United States with the Federal Home Loan Mortgage Corporation (Freddie Mac) to deliver financial, home ownership, credit education and other resources to aid in home ownership.
- RBC Centura participated with Federal Home Loan Bank of Atlanta to provide down payment assistance grants totalling US\$400,000, benefiting over 50 low- and moderate-income first-time homebuyers.

- Once again, in 2007, RBC supported Habitat for Humanity across North America, with employee participation in community builds, and a donation of \$275,000 in Canada. These funds, along with employee volunteers, assisted in building homes at 25 sites.

\* 2007 numbers not available at time of publication.

#### Donations with impact

In 2007, RBC donated more than \$2 million to support initiatives that will have a lasting social and economic impact such as:

- Helping disadvantaged people access financial services
- Helping at-risk youth develop job skills
- Helping create economic prosperity in communities
- Helping students or disadvantaged people start their own small businesses
- Supporting new ventures
- Helping create capacity and innovation in the business sector.

#### Fostering growth

##### Economic development

##### *Canada*

In 2007, we lent our support to Community Economic Development Technical Assistance Program, Canada's largest non-profit granting agency in the field of Community Economic Development. National in scope, the program has assisted over 400 community-based organizations with initiatives to create new, sustainable programs for disadvantaged communities throughout Canada.

### We help stimulate economic growth by investing in programs that enable economic development with a social purpose.

RBC has been a sponsor of the Economic Developers Association of Canada (EDAC) since 1980. The association's members are professional economic development officers from across Canada. To encourage community-driven economic development projects, RBC sponsors the annual EDAC/RBC Economic Development Achievement of the Year Award, which recognizes individuals and organizations that have made a significant contribution to their community.

RBC supports The Foundation for Rural Living, created to ensure there is a strong intermediary organization between rural communities and local charities to help foster community economic development and build a sustainable capacity for growth among charities in rural areas of Ontario.

### United States

RBC Centura helps communities access public and private financing sources for economic development and we also provide direct financing. Our long-standing partnership with the Rocky Mount/Edgecombe Community Development Corporation fosters community economic development, individual asset development and prosperity.

RBC Centura provided US\$39 million in financing for community development projects in 2006\*, benefiting low- and moderate-income populations. Projects include low-income housing rental and ownership developments, as well as affordable housing for the elderly and people with disabilities.

In 2007, RBC Centura acted as the Federal Home Loan Bank member organization to facilitate funding to three organizations for economic development projects in low-income communities of North Carolina. The projects, a shopping center in Rocky Mount, a health center in Wilmington and a tribal community building in Hollister, will help create 80 jobs and give low-income families access to health services, shopping, recreation and more.

In North Carolina, RBC Centura sponsors the Council for Entrepreneurial Development and we have agreed to participate in downtown small business loan pools to assist with the downtown revitalization efforts of Raleigh, Greenville and Rocky Mount.

RBC Insurance supports the Urban League of Upstate South Carolina, an economic development agency that uses education and advocacy to support economic empowerment in minority communities. In 2007, we spearheaded an innovative resource-sharing partnership between the Urban League and the YWCA of Greenville, whose mission focuses on overcoming racial barriers and empowering women.

\* 2007 figure not available at time of publication.

### Partnering for prosperity

Often a collective effort is more powerful than individual ones. That's why we support partnerships that promote community economic development and strongly believe in public/private initiatives. For instance:

- In 2007, RBC continued to support the Greater Halifax Partnership (GHP), which comprises 150 private sector companies, three levels of government and skilled business professionals dedicated to engaging the community in the growth of Greater Halifax's economy. RBC sponsored the *Building Our Future* series that features guest speakers on economic growth topics. We have also worked with the GHP on a number of other projects, including their immigration awareness campaign.

- RBC Centura helped create the public/private Carolinas Gateway Partnership, dedicated to economic development in the area. From July 2006 to June 2007, the partnership secured 679 jobs and more than US\$72 million in investment commitments.
- In the Caribbean, RBC partnered with the Bahamas' Ministry of Maritime Affairs to share key elements of our successful human resource model, giving public service managers the opportunity to explore proven private sector approaches for enhancing organizational effectiveness and efficiency.

### The currency of new ideas

RBC takes a leadership role in supporting innovation and the commercialization of research, and we support projects and organizations that promote learning, innovation and entrepreneurship, such as:

- The Medical and Related Sciences project (MaRS), facilitating research and development, and its commercialization in Ontario
- The Council for Entrepreneurial Development, promoting high-growth, high-impact entrepreneurial companies in North Carolina's Research Triangle region
- Georgia Tech's Advanced Technology Development Center, a recognized science and technology incubator that helps entrepreneurs from the state of Georgia launch and build successful companies.

Since 1969, we have brought investment dollars as well as our knowledge and expertise to budding software and technology companies serving the financial services and other sectors. We currently have approximately \$250 million dedicated to invest directly in emerging technology companies in both Canada and the United States.

### Students help shape the future of banking

A team of four students from the University of British Columbia's Sauder School of Business won \$20,000 in 2007 for innovative ideas they submitted to the RBC Next Great Innovator Challenge™. They were the grand prize winners in the annual challenge that rewards college and university students from across Canada for innovative ideas related to financial services. RBC chose to implement two of the ideas submitted by students and we launched a second annual challenge. Winners will be announced in 2008.

For more information, visit [nextgreatinnovator.com](http://nextgreatinnovator.com).

### Newcomers

RBC believes there are significant economic benefits when new immigrants succeed in their adopted country. In Canada, we have adapted our credit, banking, marketing, recruiting and training practices to help make this happen. In 2007, we launched a scholarship program for young Canadians who have been through the immigration experience, helping some of our best and brightest students realize their fullest potential.



We also supported a number of organizations that help skilled immigrants find employment, such as:

- Career Bridge, an innovative internship program that helps recently arrived, skilled immigrants earn local job experience and employers find qualified workers. To date, 270 employers have provided internships for 696 people, including 42 at RBC
- Immigrant Access Fund, a not-for-profit group that raises funds to provide micro-loans to internationally trained immigrants in Calgary for accreditation, training and upgrading of skills
- The Toronto Region Immigrant Employment Council, a multi-stakeholder council working to improve access to employment for immigrants so they are better able to use the skills, education and experience they bring with them to Canada.

### Aboriginal communities

RBC is building wealth and capacity in aboriginal communities by supporting the transfer of skills, knowledge and resources. We promote aboriginal interests, forging partnerships with Aboriginal Peoples, businesses and governments based on understanding, trust and respect. RBC encourages dialogue between businesses, governments and individuals to identify and resolve relevant economic issues.



We support organizations that promote well-being, learning and economic growth among Aboriginal Peoples, including:

- Malaspina University-College Foundation's Pathways to Learning program, which offers aboriginal students a two-week intensive summer program that gives them a comfort level with the campus, the academic resources and supports, allowing them to plan ahead and determine some of the potential challenges they may face while pursuing their academic goals
- The Métis Capacity Building Program of the Canadian Executive Services Organization whose Aboriginal Services have been successfully promoting governance and economic development support to Métis individuals, businesses and communities across Canada

**RBC is building wealth and capacity in aboriginal communities by supporting the transfer of skills, knowledge and resources.**

- The Frontiers Foundation, a non-profit organization that promotes the advancement of economically and socially disadvantaged communities
- Girl Guides of Canada's New Unit Initiative, which is working to establish new guiding units in aboriginal communities by helping them find safe meeting spaces and by providing funds for membership, program tools and uniforms. The initiative will also help promote aboriginal-specific activities.

**For more information on our aboriginal initiatives, see the Workplace and Community sections of this report.**

### Basic needs

It's nearly impossible for communities to thrive when their citizens are hungry or homeless. RBC supports programs that help meet basic needs.

In 2007, RBC and our employees gave over \$370,000 to help replenish food banks and soup kitchens across Canada. In the U.S., RBC Centura contributed US\$22,500 to support food banks in North Carolina and Georgia. Employees are also involved, year-round, in various food drives across North America.

In the United States, RBC Centura submitted a successful US\$300,000 grant application in 2007 for the Raleigh Rescue Mission, to fund a new wing to house homeless women and children. We also provided financing to Volunteers of America to purchase land for a homeless veterans' facility and apartments for persons with disabilities.

RBC supported the Mission International Rescue Charities in 2007, which assists women, children and families in La Romana, Dominican Republic, who have been abused, neglected and/or infected by HIV and provides them with shelter, medical assistance, education and technical training.

# Small business

At the heart of RBC's commitment to businesses is our pledge to listen, understand and respond to the needs of our clients. In Canada, we continue to lead the market in the number of small business clients served. In the United States, we have made small business one of our key focus areas.

## Access to credit and more

Financing is essential for many small businesses to start, operate or grow. RBC offers a host of credit solutions tailored to meet the needs of diverse businesses at various stages. In 2007, RBC made it easier for small businesses in Canada to obtain and manage credit by:

- Simplifying and streamlining the credit process with a simpler application process, automated adjudication and streamlined documentation
- Introducing an online *Visa* application.

In the United States, RBC Centura demystified credit products for small businesses by simplifying and standardizing processes. We also enhanced our Business CreditLine by increasing its parameters to the US\$100,000 level and we launched a Business Equity Line of Credit to meet customer financing needs where traditional commercial credit is not available.

But access to credit is only one concern of small business clients. We also strive to meet other needs by providing the best possible products, advice and expertise.

## Client First

Our "Client First" approach to small business means we are committed to identifying and responding to our customers' needs. We surveyed small business customers in Canada and in the United States in 2007. In response, we:

### Canada

- Added more than 100 employees who are dedicated to helping small business owners with their business and personal financial needs
- Introduced a new, fixed-fee banking package specifically designed for small business clients
- Launched the RBC Business Solution Selector, which provides products and services to help clients save time and money with solutions tailored to their business needs
- Introduced a dedicated small business public website that delivers differentiated advice

### United States

- Developed Remote Deposit based on client requests for alternate and simplified cheque submission processes
- Streamlined our web enrollment process and introduced functionality to link personal and business accounts in one web banking view

### Caribbean

- Launched a program offering customized small business services to entrepreneurs in the Bahamas in 2007, with greater emphasis on financial advice, education and relationship building.

## Business Banking at RBC

### Canada

- RBC is a market leader, serving one in every four business clients in Canada.
- We have over 750 RBC account managers dedicated to small business in Canada.
- We are the market leader for women entrepreneurs in Canada, with a 19 per cent market share.

### United States

- RBC Centura serves small business clients throughout the U.S. Southeast
- We have about 420 bankers who serve small business, with 80 people dedicated solely to this segment.

### Caribbean

- RBC serves more than 1,000 small business customers in the Caribbean.

## Knowledge experts

There aren't one-size-fits-all solutions for business clients. We serve a diversity of industries, and have dedicated specialists to meet their needs. For instance:

- We tailor products and services for professionals, franchise owners and public sector organizations in Canada and the United States.
- Consistent with the changes occurring within the Canadian manufacturing sector, we have expanded our capabilities to serve the broader supply chain sector. We have more than 130 supply chain specialists located across Canada dedicated to serving manufacturing and supply chain companies, including wholesale, transportation and logistics.
- We are the market leader in helping knowledge-based industries in Canada, with almost 50 specialized account managers and risk managers dedicated solely to this sector.
- RBC serves approximately 64,000 not-for-profit clients. Many of these clients use the Royal Business Community Account®, which offers both low fees and flexibility for day-to-day activities.
- We are the market leader for women entrepreneurs in Canada. Our Women's Champions Network is made up of account managers, personal bankers and investment advisors.
- We provide tailored services and advice to help young people start and grow their businesses.
- Our farm finance specialists work with clients as partners, through good times and in bad. RBC is Canada's largest non-government private lender to agriculture and agribusiness and serves more farmers and farm families than any other financial institution in the country.

# Marketplace



It's been said that corporate responsibility isn't so much about how a company spends its money, but how a company makes its money. Our first duty is to operate with integrity for our clients, earning their trust in every transaction, in every part of our business.

This section of our report highlights our responsibility to customers and how we earn the right to be their first choice.

## Priorities

Our priorities for the marketplace include ensuring that we:

- Develop and provide financial products and services in a responsible manner
- Provide access to basic banking services
- Protect and educate consumers about financial matters.

## 2007 Performance highlights

- Introduced a number of low-carbon banking options for consumers.
- Became the first bank to offer Canadian investors the option of socially responsible investing.
- Launched a new Phishing Resource Centre to help protect against online threats.
- Upgraded most of our retail and branch banking machines (ATMs) with anti-skimming devices, deterring would-be criminals from placing fraudulent skimming devices over the ATM card slot.

## Issues

- Research tells us that clients seek "green" products and services, but the true market demand and financial viability of these products is still unknown. RBC introduced a number of low-carbon banking products and three socially responsible investment funds in 2007, and we are conducting research to assess the value of introducing additional ones.
- The dramatic rise in clients' use of online, telephone and ATM banking over the past few years is associated with increased

risk of fraud and security breaches that are outside our control. We mitigate that risk with stringent practices, education and online guarantees that protect our customers.

- In Canada, federal regulations are in place to ensure that people are able to obtain a basic bank account. RBC respects these regulations and we go further by facilitating access to banking through specialized programs, products, services and locations for traditionally underserved groups.
- In the United States, subprime mortgage lending became an issue for certain homeowners and financial institutions in 2007. RBC does not originate subprime mortgages and for more information on our exposure, see page 43 of our 2007 Annual Report.

For more information, visit  
[rbc.com/responsibility/marketplace](http://rbc.com/responsibility/marketplace)



# Product responsibility

RBC ensures that all the products and services we develop for our clients align with our vision and values, and are guided by our comprehensive Code of Conduct.

## Responsible development of products and services

RBC follows a defined, rigorous process before launching any new product or significantly changing an existing one. We evaluate products for a range of risks and ensure they align with client needs, our Code of Conduct, laws and regulations, and voluntary consumer protection codes that we have signed. Approval levels within RBC correspond to the level of risk identified for a particular product or service.

## Low-carbon banking for consumers

One of our priorities is to provide products and services that help our clients mitigate their environmental impact. This includes online banking, electronic statements and bill payment as well as education programs.



We encourage our clients to use electronic solutions that replace the carbon-intensive activities involved in retail banking such as travel and paper. For instance:

- We have introduced a new RBC High Interest eSavings Account®, an online savings account that offers a premium interest rate with the convenience and flexibility of doing everything online without paying any fees.
- Clients have chosen electronic statements for more than two million accounts.
- Clients have responded favourably to our guide to low-carbon banking entitled *Seven Ways to Reduce Your Environmental Banking Footprint*, available at rbc.com.

- We conducted research and assessed the value of introducing additional “green” products and participated in a UNEP FI North American Task Force initiative to review environmental products and services at various banks around the world.

## Socially responsible investing (SRI)

Increasingly, investors are becoming interested in putting their money where their values are. In 2007, RBC became the first major Canadian bank to offer investors this option, with the launch of the RBC Jantzi Funds, three funds that are screened for environmental, social and governance factors. Clients in Canada and the United States also have access to other SRI funds through our network of advisors.

## Responsible lending

RBC provides credit and banking services to companies in many industries. Our policies cover areas of concern, including environmental issues. For instance, RBC will not support or finance transactions that are directly related to trade in, or manufacturing of, material for nuclear, chemical and biological warfare, or landmines.

RBC has a number of anti-corruption policies which require us to apply appropriate scrutiny and monitoring measures to high-risk clients whose business activities are known to be susceptible to criminal activity or have been designated as high-risk for money-laundering.

# Client satisfaction and loyalty

## Clients surveyed

(thousands)

	Canada	U.S.
2007	492	135
2006	415	97
2005	150	98

They say what gets measured gets improved. Every year, RBC businesses track client satisfaction and use feedback to make improvements. Client research helped provide direction for new initiatives or improvements in our Canadian retail banking operation, such as:

- Environmentally responsible product options
- A simplified line-up of savings and chequing accounts with enhanced customer benefits
- A high-interest online savings account
- Business banking packages for small businesses

- Marketing and communication materials, enhanced for greater relevance and plain language
- More branches opened and more customer-facing staff placed
- Simplified, plain language mortgage renewal options
- Simplified processes for creditor insurance including the introduction of tele-underwriting, making it faster and easier for clients to qualify for insurance
- A general needs-assessment tool on rbcinsurance.com to assist consumers in assessing their insurance needs
- A simplified critical illness insurance product and an enhanced critical illness recovery plan that addresses future client needs
- Revised underwriting limits for creditor insurance on mortgages.

An independent study of Canadians conducted in 2007 by a leading market research firm ranked RBC first among the country’s five major banks for the service we provide clients in branches. The survey by Synovate also gave RBC top honours by ranking it number one in the “value for money” category.



# Consumer protection

## Privacy and information security

RBC is dedicated to safeguarding the privacy and confidentiality of personal, business, financial and other information. In fact, it is one of our highest priorities and remains a cornerstone of our commitment to our clients, employees and other stakeholders. We have had a formal Privacy Code since 1991, overseen by our Chief Privacy Officer, and we use vigorous security safeguards and internal controls to ensure the privacy and security of information entrusted to us. In 2007, we developed a broader, more holistic framework for managing privacy, information risk, security and records/content management.

## RBC ranked among the most trusted companies for privacy in Canada in Ponemon Institute's 2007 survey.

## Fraud prevention

RBC has stringent security policies and practices, backed up by around-the-clock resources to prevent, detect and investigate potential fraud. Online security is a priority, and our security guarantees help protect online banking and self-directed brokerage clients from unauthorized transactions. In 2007, we centralized our claims process for unauthorized transactions, resulting in quicker reimbursement to clients. We upgraded most of our retail and branch lobby ATMs with anti-skimming devices in 2007. These devices deter would-be criminals from placing fraudulent skimming devices over the ATM card slot.

We have developed a number of fraud-education initiatives including tips and alerts, brochures and client presentations. RBC is helping to raise awareness of online threats, while at the same time educating consumers on how to protect themselves, through the introduction of a new Phishing Resource Centre at [rbc.com/security/phishing](http://rbc.com/security/phishing).

In the Caribbean, RBC introduced an advanced fraud monitoring system to reduce the impact of fraud on credit card customers. The advanced system is the first of its kind to be used in many parts of the region.

## Our security guarantees help protect online banking and self-directed brokerage clients from unauthorized transactions.

## Voluntary codes of conduct

The Canadian banking industry has developed a number of voluntary commitments and codes to protect consumers, to which RBC has committed. These are listed at [rbc.com/voluntary-codes-public-commitments](http://rbc.com/voluntary-codes-public-commitments).

## Know Your Client rules

Know Your Client rules are key to the protection of investment and banking clients. Our employees are required to make all necessary efforts to understand a client's profile, and financial and personal objectives, before making recommendations relevant to their needs. Our due diligence also covers compliance with applicable securities, consumer protection, anti-money laundering, anti-terrorism and economic sanctions legislation.

## Mutual funds governance

Our goal is to help develop and follow best practices in the mutual fund industry. RBC Asset Management is a member and our employees are active leaders in the Investment Funds Institute of Canada. Our publication, *Mutual Funds and Governance: Taking Care of Your Investments*, highlights our commitment to independent fund governance and protecting the interests of mutual fund investors. A survey of Canadian mutual funds' proxy voting practices was published in 2007 by the Social Investment Organization, an independent organization supporting socially responsible investing. In this survey, RBC Asset Management was favourably highlighted as showing due consideration for proposals of both corporate management and shareholders. RBC Asset Management has also been a leader in other aspects of governance. For example, it is a founding member of the Canadian Coalition for Good Governance.

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### *Mutual Funds and Governance: Taking Care of Your Investments*

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This publication highlights our commitment to independent fund governance and protecting the interests of mutual fund investors.

Available at: [rbcam.com/regulatory/mutual-funds-governance.html](http://rbcam.com/regulatory/mutual-funds-governance.html).

## Client complaint process

Our formal process for handling client concerns is outlined on our website and in our *Straight Talk*<sup>®</sup> brochures. If clients believe an issue to be unresolved following receipt of a response from the RBC representative dealing with their concern, they may appeal to the Office of the Ombudsman, which examines decisions made by RBC companies and reviews their compliance with proper business procedures. The Ombudsman ensures customers get a fair and impartial hearing and are treated with consideration and respect. We also respect the dignity and privacy of all parties involved in the proceedings. Certain disputes that remain unresolved after being reviewed by the Ombudsman may be directed to a number of agencies and regulators listed on our website and in our *Straight Talk* brochures.

# Access to banking

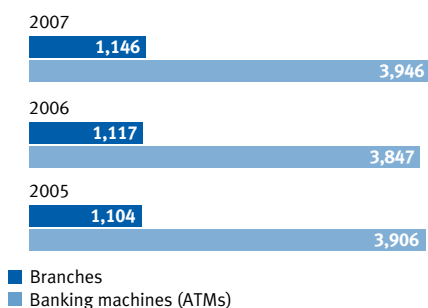
RBC is a leader in introducing convenient alternatives for people to access their money and finances anywhere, anytime. We continue to expand and improve our branch networks, including online and telephone banking, and full service banking machines. We also provide banking access to a host of traditionally underserved groups through customized products, services, channels and community-based programs.

## Reaching out to clients 24/7

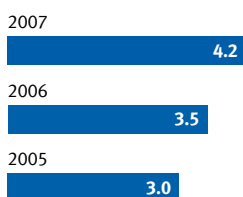
### Canada

RBC has the largest branch and ATM network in Canada, and we are investing in growth. We opened 34 new bank branches/facilities in 2007 and expect to open as many as 35 more in 2008. We also opened 12 insurance outlets in 2007 with 50 more planned over the next three years. Over 450 of our busiest branches are open extended hours and we continue to look for opportunities to offer extended hours wherever there is a demand. We have the largest sales force in Canada, including mobile specialists who go to our clients' homes any day of the week a client chooses. These include mortgage specialists, insurance representatives, investment and retirement planners, and specialized sales forces for business and commercial clients. And we have extensive third-party distribution relationships. Our clients can bank online or by phone, or use our ATMs anytime they want.

### Banking network in Canada



### Online banking client enrollments\* (millions)



\* Includes personal and business clients in Canada enrolled for online banking services as of each year-end (October 31).

### United States

RBC Centura has 350 banking centres and 390 ATMs serving the Southeast. In 2007, we opened nine new branches, acquired 39 AmSouth branches in Alabama and added 17 branches in Georgia when we acquired Flag Financial Corporation. We expect to add 103 branches following the close of our acquisition of Alabama National Bancorporation\* (ANB) and seven

\* Pending shareholder and regulatory approvals.

through new construction. We offer telephone and Internet banking, and our customers can use their Pocket Check and credit cards at more than 800 Presto! ATMs located in Publix Super Markets. We specialize in serving individuals, businesses, business owners and professionals and we offer customers the new option of remote deposit capture.

Busy consumers with wireless global positioning satellite devices can now easily locate an RBC branch or ATM anywhere in continental North America.

### Account opening

RBC is committed to ensuring the process of opening an account is as straightforward as possible while still meeting regulatory requirements. In plain language and available in multiple languages, our documents clearly outline the requirements to open an account and meet our verification of funds policy.

### Low-income and underserved clients

RBC is committed to providing banking access to low-income and previously underserved clients through initiatives like:

- Our low-cost Canadian deposit account: one of the industry's most flexible, offering 15 debit transactions for a low flat fee
- A no-down-payment mortgage: eliminating the biggest barrier for would-be homeowners in Canada
- Affordable mortgage options and first-time buyer workshops in the U.S.
- Agency banking: access to basic banking for remote aboriginal communities offered through innovative partnerships with local agents
- Cash & Save banking services for people who may not have a bank account, offered in smaller premises for inner-city Toronto markets.

### Seniors

RBC is sensitive to the specific banking needs and concerns of the growing population of seniors. In Canada, we offer specialized deposit and insurance options for seniors, including free banking and monthly rebates on bank accounts. We also provide training and presentation material to employees across Canada, enabling them to meet with groups of seniors to discuss financial fraud.

### Students and youth

RBC offers a variety of banking and credit products tailored to meet young people's needs. For clients under 19 in Canada, our Leo's Young Savers Account® includes 15 free debit transactions monthly. We also contribute a \$5 deposit into accounts opened for children under 12, giving kids a head start on saving and everyday banking. In 2007, RBC launched several new initiatives for university and college students including "no monthly fee" free student banking packages, more scholarships, an online information exchange and peer mentoring forums.

RBC Centura offers students and their families a number of web resources to help choose, plan and finance a college education. This includes advice on choosing the right college, descriptions of financing and aid programs, and a number of tools to calculate the costs and value of higher education.

## People with disabilities

For clients with special needs, our goal is to ensure equal access to premises and services. RBC has a strong record of making accessibility improvements and involving our clients and other stakeholders in the process.



### Branches, ATMs and statements

- Approximately 90 per cent of RBC bank branches are wheelchair accessible.
- In 2007, clients had access to 600 “talking” bank machines across Canada. More than 800 machines are ergonomically designed so that people in wheelchairs have easier access.
- Alternate formats for our print materials include large type, audio cassettes, Braille and e-text. Over 750 RBC clients receive Braille statements.
- Our physical locations are audited periodically for accessibility to identify and remove barriers to people with disabilities. Every new RBC branch must be wheelchair accessible and, wherever possible, we exceed legal requirements for access. All RBC U.S. banking and administrative facilities built or renovated since the 1990s have met or exceeded *Americans with Disabilities Act* requirements.
- We worked with the Canadian Standards Association (CSA) to shape their industry standard for barrier-free banking machines, and we were the first bank worldwide to provide audio-enabled ATMs. Our prototype has been adopted as the de facto standard by both the CSA and other standards bodies around the world.

### Telephone and online banking

- Royal Direct® has a special number that can be accessed using a Teletype Writer (TTY) device, giving hearing-impaired clients 24/7 access to our telephone banking services.
- We make every effort to ensure that our websites and online services are accessible to people with disabilities or special needs. Our online standards enable access using a broad range of technologies such as different browsers and operating systems, personal digital assistants, and mobile phones. RBC is among the Canadian pioneers who are applying the web content accessibility guidelines developed by The World Wide Web Consortium.

## Aboriginal communities

In addition to eight Canadian branches located on reserves and six branches “North of 60,” RBC has established six agency banking outlets with aboriginal communities in Alberta, Saskatchewan, British Columbia, Manitoba and Ontario, enabling remote areas to access financial services using RBC systems and infrastructure. In 2008, we plan to open another agency in Saskatchewan.



Our dedicated team of specialized aboriginal banking market managers, account managers and risk managers understands the unique lending issues and financial service needs of aboriginal governments, businesses and communities. The team harnesses its expertise to provide proactive financial advice and solutions to our aboriginal banking clients across Canada.

Fifty-three First Nations participate in our On-Reserve Housing Loan Program, which helps more families enjoy the long-term benefits of home ownership and investing. A number of mortgage and housing policy changes now allow bands to offer housing to non-First Nation peoples, improving the reserve’s economic viability.

In 2007, RBC formed a strategic alliance with the Native Commercial Credit Corporation, to facilitate access to capital for aboriginal entrepreneurs in Quebec. As a result, we are now able to provide residential leasehold mortgage financing for self-governing bands to First Nation and non-First Nation peoples.

## Newcomers to Canada

RBC wants to be the financial institution of choice for newcomers to Canada and to serve the needs of the communities and cultures they represent. We are committed to making it easier for newcomers to succeed.



For example, new immigrants to Canada find our policies more attuned to their circumstances. Our Secured *Visa* option has already helped thousands of newcomers begin building a credit history in Canada, and our Equity Mortgage Program has enabled more newcomers to buy homes.

## We speak your language

- As a group, RBC employees speak more than 100 languages.
- Combined, RBC call centre employees speak 60 languages.
- Combined, our mobile mortgage specialists speak more than 35 languages.
- We have a dedicated telephone number for Mandarin- and Cantonese-speaking clients (1-888-769-2598).
- Our “Welcome to Canada” website is available in French, English and simplified Chinese.
- We have dedicated Chinese language telephone representatives and a Chinese language option on our banking machines at 1,205 locations across Canada.
- Consumers can use our online branch and ATM locator to search our network by location, hours and language preference.
- In the U.S., RBC Centura has about 75 employees who speak Spanish fluently and all of our banking machines are bilingual.
- RBC Centura offers a telephone language interpretation service to assist clients who cannot speak English.

# Workplace



RBC is considered a top employer, reflective of our progressive policies, a commitment to diversity and inclusion, and a strong culture of employee engagement. We provide an enriching employee experience with competitive compensation, flexible benefit programs, training and career development opportunities, and support for work/life effectiveness initiatives.

This section of our report describes our commitment to remaining an employer of choice.

## Priorities

Our priorities include ensuring that we:

- Continue to fulfill our commitment to diversity, inclusion and fairness
- Maintain a strong values-based culture of employee engagement and passion for client success
- Provide an enriching employee experience, including training and career development opportunities and flexible work/life support programs
- Maintain progressive workplace policies.

## 2007 Performance highlights

- Provided employment to 71,760 people in full- and part-time positions.
- Invested \$166 million in formal training and career development initiatives, including direct and indirect expenditures.
- Sponsored employee savings and share ownership programs through which the majority of employees are RBC shareholders.
- Sustained high employee engagement as indicated in our 2007 global opinion survey.

## Issues

- Experts predict that many organizations, including banks, will face critical talent shortages in the next decade. We recognize the impact of demographic shifts and believe that solutions should be multi-faceted, including expanding the sources of new employees, developing the capabilities of existing employees and extending the working life of retirement-eligible employees.
- The cost of employee health care in Canada, and in other countries around the world, continues to increase. With health care inflation of about 7 per cent to 8 per cent per annum and some industry projections as high as 15 per cent per annum, escalating health care costs are a real issue for companies sponsoring health care programs. RBC continues to look for ways to proactively manage future increases in the cost of our health care programs. We do this by raising awareness and engaging employees to become smart consumers of health care services and to lead a healthy lifestyle.



For more information, visit  
[rbc.com/careers](http://rbc.com/careers) or  
[rbc.com/responsibility/workplace](http://rbc.com/responsibility/workplace)

## RBC employment worldwide

For the fiscal year ended October 31, 2007

	Number of employees	Full-time equivalent positions
Canada	54,960	48,837
United States	12,181	11,663
International	4,619	4,545
Total	71,760	65,045

## Principles and policies

Every employee at RBC is guided by our vision, “Always earning the right to be our clients’ first choice” and our values of Service, Teamwork, Responsibility, Diversity and Integrity.

### Guiding workplace principles

What we stand for as an employer is defined in a set of workplace principles. They guide our continuing efforts to support the mutual success of employees, clients and shareholders.

- *Passion for client success.* We value people who are passionate about putting clients first and about continuously improving our ability to help our clients succeed.
- *Diverse needs and contributions of individuals.* We embrace diversity in people, skills and ideas. We cultivate an environment where people with diverse backgrounds and approaches come together to create winning solutions for clients.
- *High-performance work environment.* Our passion for winning fuels our desire to be the best that we can be and achieve all that we are capable of. We have the people and the resources to enable a high-performance work environment and we make sure that results are appropriately recognized and rewarded.
- *Professional growth.* We provide career opportunities through meaningful growth, as well as the tools, support and training to ensure success in roles. In return, we expect employees to grow and excel with the spirit of a professional and to share responsibility for career planning.
- *Excellence in people management.* We understand the essential role leaders play in engaging employees to deliver top performance. We’re committed to developing effective and inspiring leaders and people managers who enhance the employee experience and employee engagement.
- *Partner for mutual success.* We believe that winning as individuals, as teams and as an organization requires a shared sense of purpose, built on open communication, mutual respect and personal accountability for results.

### Policies

Our policies complement our workplace principles. Employee conduct is governed by an overarching Code of Conduct and other more specific policies. The Code is described on page 6. The Human Resources Committee and the Corporate Governance Committee of the Board of Directors regularly review and update the Code of Conduct.

In 2007, we updated our Code of Conduct for all employees worldwide as well as our Occupational Health and Safety policy for employees in Canada to reflect changes in our marketplace, workplace and legislative environment.

## Supplementary policies and issues

Supplementary policies cover a number of additional workplace issues such as employment equity, hours of work, compensation and harassment. We do not have formal policies on every issue. For instance:

### Freedom of association

RBC operates in 38 countries. The majority of our workforce is employed in geographic cultures where unionization is not the prevalent system for managing employee relations. In fact, unionization in Canada and the United States is not as prevalent as it is in many European countries. In Canada, unions represent about 18 per cent of the private sector workforce, and only about 10 per cent in the financial services/insurance/real estate sector.

RBC has two bargaining units in the Caribbean, with about 80 employees represented by two trade unions. Given this small number, we do not have a policy governing freedom of association. Our goal is to continually strive to create an environment where individuals will not feel they need to be represented by a third party. However, a decision to be represented by a third party is one that must be made by employees themselves and we respect each employee’s right to choose.

### Child labour

RBC does not have a formal policy statement on child or forced labour, given the nature of our business as a financial institution operating in developed nations. However, we do include child labour provisions in outsourcing and procurement contracts involving developing nations.

## Diversity and inclusion



### Workforce composition progress report

The composition of our workforce is an important measure of how well our diversity efforts are working. Diversity initiatives can take several years to show results, making year-over-year comparisons less meaningful than longer-term ones.

### Diversity in our workplace in Canada\*

	1998	2005	2006	2007
Women	75%	71%	70%	69%
Women in management	53%	55%	55%	55%
Visible minorities	12%	23%	24%	25%
Visible minorities in management	13%	20%	21%	24%
People with disabilities	2.9%	3.1%	3.2%	3.9%
Aboriginal Peoples	1.1%	1.6%	1.6%	1.6%

\* Figures represent Employment Equity data as of October 31, 2007, for our businesses in Canada that are governed by the *Employment Equity Act*. Given variations in legal definitions and restrictions in legislation around the world, comprehensive data on these four designated groups is available only in Canada.

## Leadership

In order to create and sustain a diverse and inclusive work environment, people at all levels of the organization must be engaged. Our President and CEO chairs the RBC Diversity Leadership Council, created to establish strategies and goals, and put RBC senior level diversity champions in place in North America and the United Kingdom. In addition, individual business units have diversity leadership councils that help advance diversity and inclusion.

## Raising awareness within RBC and beyond

RBC promotes diversity by sharing our knowledge and encouraging discussion of its impact on business, communities and the economy. We lead a number of diversity research initiatives that highlight this issue.

In 2007, RBC sponsored a study by Catalyst Canada and Ryerson University on the career development and advancement of visible minorities in corporate Canada. The study highlighted progress and successes. However, it showed that visible minorities are less satisfied with their careers, and provided strategies for companies to help them more fully leverage the talents of visible minority employees.

Also in 2007, a study from RBC and Ipsos Reid showed that a large majority of new immigrants are happy to be in Canada and hopeful about their future, but slightly more than half feel they are still in the process of settling into their new lives. This follows RBC's landmark 2005 study, *The Diversity Advantage: A Case for Canada's 21st Century Economy*. It showed that the Canadian economy risks losing a historical competitive advantage if the potential of immigrants and other minorities is not recognized.

Another area of importance is integrating people with disabilities into our workforce. In 2007, Ryerson University's School of Disability Studies released the report *Doing Disability at the Bank: Discovering the Learning/Teaching Strategies Used by Disabled Bank Employees*. With RBC as an active partner, the study found employees with disabilities have developed creative approaches to successfully learn at work. Before this study, social science researchers knew very little about how people with disabilities learn in mainstream workplaces, particularly in corporate environments.

## Training and mentoring

RBC is committed to ongoing learning, coaching and mentoring to ensure we develop and support a rich and diverse workforce. Employee diversity training initiatives include:

- *Business Excellence through Diversity*: Workshops were completed by over 350 employees globally.
- *Building Cross-Cultural Competence*: Over 400 employees participated in an interactive workshop or webcast that helps increase "cultural curiosity," respect and understanding and builds skills in working with diverse teams and clients.
- *Creating an Inclusive Environment and Supporting People with Disabilities*: More than 200 employees participated in a workshop or online meeting to help managers become more aware of potential barriers, and to accommodate and find resources for clients and employees.

- *Respectful Workplace*: This program was launched in the U.S. in 2007 to help employees understand and comply with our Code of Conduct and respectful workplace policy, which states that all employees have the right to work in an environment free from harassment, discrimination and offensive behaviour. All employees in the U.S. will have completed the program by mid-2008.
- A series of diversity and work/life related seminars were delivered to more than 150 senior managers.
- Extensive self-study materials are available 24/7 through our internal website, *Destination Diversity*.
- *RBC Diversity Dialogues*: Our reciprocal mentoring program connects two people with different professional experiences and backgrounds who learn about leadership and diversity from each other.

## Employee resource groups

Employee resource groups are self-governing networks of employees that help their members develop personally and professionally through peer mentoring, coaching and networking. These groups help cultivate an inclusive work environment by fostering a better understanding of their needs. Groups that are formally recognized by RBC receive an annual budget and communications support from the company.

In Canada, we have employee resource groups representing aboriginal employees (Royal Eagles); lesbian, gay, bisexual and transgendered employees (PRIDE); and employees with disabilities (REACH).

In the U.S., we have groups representing gay and lesbian employees (GLADE) and minority employees (MEA). As well, women brokers are automatically members of the Women's Association of Financial Consultants, a resource group that fosters the productivity and success of women financial consultants through a wide range of information, events and programs.

## Programs to support diversity

We participate in a number of external and internal programs that support diversity. For instance, for the past 10 years, we have successfully partnered with the Career Edge organization to provide paid internships to students. Through the Career Bridge program for newcomers to Canada, we have placed 42 qualified professionals in internship positions. Through the organization's Ability Edge program we have provided 66 internships for graduates with disabilities. Approximately 80 per cent of interns in both programs join RBC as full-time employees following their internships.

We are also committed to increasing the representation of Aboriginal Peoples within our workforce, through proactive recruitment and programs:

- Since the RBC Aboriginal Student Awards Program was launched in 1992, we have awarded 69 scholarships totalling \$834,000 to aboriginal students across Canada. In 2007, we awarded eight scholarships.
- A total of 49 students across Canada participated in the RBC Aboriginal Stay in School Program during the summer 2007 school break.

Many of our internal policies and programs promote diversity at all levels of the company by providing the flexibility and support that many employees need to manage work and life. This includes:

- Access to personal work/life counselling services
- Maternity, parental and family responsibility leave
- The option of returning from leaves gradually or in an alternative work arrangement
- Emergency backup eldercare and childcare in several major centres.

## Rewards

Employees value both monetary and non-monetary rewards. We recognize that no two employees have identical needs, so our Total Rewards program is built to provide flexibility and choice, and to promote a shared accountability for success.

Our Total Rewards framework encompasses:

- Fair and competitive performance-based compensation
- Short- and long-term savings and wealth accumulation programs
- Flexible benefits that provide employees with the ability to choose the coverage needed
- A positive, safe and flexible working environment
- Learning and career growth opportunities.

In 2007, we extended coverage of our personalized, online Total Rewards report to the U.S. so employees across North America can review the full value and extent of their Total Rewards at their convenience.

### Employee compensation and benefits\*

2007	\$7.9 billion
2006	\$7.3 billion
2005	\$6.8 billion

\* These figures are provided for RBC's global operations.

At RBC, our performance-related compensation includes an annual bonus, long-term incentives, commissions and other variable pay.

### Compensation, incentives and wealth accumulation programs

We participate in over 100 external benchmarking surveys annually, to ensure our compensation remains competitive. Our employee share ownership plans and retirement savings plans provide long-term savings and wealth accumulation opportunities.

Our short-term incentive bonus program rewards employees for their contribution to their business unit's performance and RBC's overall performance. Additionally eligible RBC employees qualify for variable compensation such as sales commissions and sales target achievement bonuses.

Retirement savings programs help employees plan for retirement. In Canada, RBC's pension plan offers flexibility and choice to help employees address their diverse needs. The program offers the security of a defined benefit plan with the flexibility of a defined contribution plan. Employees can choose to participate in either option and can supplement their retirement savings by either making optional contributions to the pension plan or by joining the RBC savings program. In the United States, RBC offers a flexible 401(k).

Our employee share ownership plans are part of our Total Rewards program and help align employee, investor and company objectives. In Canada, over 70 per cent of eligible employees are RBC shareholders through the plans.

### Benefits

We offer a core package of benefits plus a flexible optional benefits program that give employees access to competitive and affordable benefits. Part-time employees are also eligible for benefits coverage.

### Health, safety and wellness

We have a formal Health and Safety Policy in Canada, which was revised in 2007. We maintain health and safety committees in all Canadian jurisdictions where we operate. All employees and their dependents have access to the EmployeeCare program, which is an extensive support program that helps manage all aspects of their work and personal lives, with confidential access to information and counselling. In 2007, we:

- Integrated wellness features into our Canadian benefits program. Employees can earn up to \$80 in wellness credits, which can be put towards purchases in their benefits package
- Encouraged employees to lead healthy lifestyles through a series of campaigns and communication initiatives that addressed nutrition, physical activity, stress management and wellness initiatives
- Provided employees with referrals to appropriate medical and support networks.

### Flexibility

We provide employees with the opportunity to:

- Work flexible hours or modified work schedules
- Work from home or off-site locations
- Reduce work hours through job sharing
- Buy an additional week of vacation
- Take an unpaid leave for personal reasons such as for education or personal development.

### Career development and learning

We provide professional training and development to help employees build successful careers, which means different things to different people. In 2007, we invested \$166 million in formal training and development programs (direct and indirect expenditures), which include:

- A global online learning system that provides employees with access to training resources and opportunities
- A career information guide entitled *Winning Careers at RBC* and confidential access to *Career Advisor*, a comprehensive online career management resource kit. More than 12,000 employees have made use of it since it was introduced in 2006
- Comprehensive formal training programs to help new employees be successful. Over 3,800 employees completed the entry training programs for Client Service Representative, Account Manager, and contact centre Sales and Service Representative positions.

### Recruitment

Our primary approach is to promote from within RBC, and we will continue to offer growth and development opportunities for employees. But building for the future also includes recruiting for new talent, and some of our key activities for 2007 included:

- Visits to more than 70 university, college and technical/business campuses each year
- Internship programs for new college and university graduates
- The *Pursue Your Potential™* program designed to help employees with disabilities realize their full potential, achieve their career aspirations and make significant contributions while developing their own personal abilities.

## Engagement

### People management

We have 8,000 people who manage others across the organization. Managers play a critical role in creating an engaging work environment and RBC invests in a number of resources to support them, including:

- 360-degree reviews that provide managers at all levels with anonymous feedback from their peers, direct reports and their own managers so they can advance their personal development
- Tailored employee opinion survey data from within a manager's own unit so the manager can develop and review key action plans with employees
- A monthly news flash with advice and information targeted specifically to managers
- A series of online webcasts designed to help managers and employees learn about various performance management topics
- An online resource that provides coaching and information, tools and forms
- A series of four learning modules in our management training program. In 2007, more than 3,600 managers completed at least one of these modules.

### Employee opinion surveys

Our goal is to continue to be one of the top-performing companies in North America. A large part of this success depends on listening and responding to our employees, and we have conducted regular employee opinion surveys since 1981. We compare our survey results with top-performing North American companies and financial institutions and our own past results. We celebrate our successes, and take action on areas for improvement.

#### 2007 Employee opinion survey

In 2007, the response rate of our survey was 73 per cent. Results showed:

- Strong employee engagement across the organization
- Strong support for our vision and values
- Employees value the rewards of working at RBC
- A belief that we are competitive, easy to deal with, offer high quality products and are responsive to market changes
- Progress on our 2006 priority areas for action
- RBC continues to score very well compared to other high performing companies in North America. In 2007, we exceeded the benchmark scores in all five survey categories.

### Information and education

Keeping employees informed is part of our values. In 2007, we launched several new initiatives, including:

- A convenient and flexible quarterly 20-minute video broadcast featuring our CEO, to communicate progress on strategic goals, financial results and key messages to employees
- An interactive tool to help employees understand the impact their planned retirement date will have on their pension payments and health care costs in retirement, and a new employee newsletter to help readers better understand their options and make informed decisions when it comes to their retirement, savings and benefits programs.

#### Best in class

RBC's online employee publication, *INsite*, received the 2007 Grand Prize for "Best Employee Newsletter" from Ragan Communications, the first time that this prize has ever been awarded to an online newsletter. *INsite* is a popular destination where employees can learn about RBC, share information and exchange ideas.

### Employee concerns

Employees with concerns may approach our Employee Ombudsman, within the Office of the Ombudsman. This confidential and impartial resource provides a way for employees to manage and resolve workplace conflict through discussion, coaching and mediation. In 2007, the Employee Ombudsman handled 1,077 cases on behalf of all RBC businesses and employees.



# Environmental sustainability



RBC is committed to a path of environmental sustainability in order to protect our natural environment and our economy for future generations. We believe that this commitment has enhanced our capacity to conduct business and the RBC Environmental Blueprint will allow us to continue delivering short- and long-term benefits for our shareholders, clients, employees and the communities in which we live and conduct business.

This section of our report provides an overview of our approach to environmental sustainability.

## Priorities

Our priority areas focus on activities and issues including climate change, biodiversity and water that enable RBC to balance the principles of environmental sustainability with financial performance. Our priority activities are:

- Reducing the intensity of our operational footprint
- Promoting environmentally responsible business activities
- Offering environmental products and services.

## 2007 Performance highlights

- Launched the RBC Environmental Blueprint.
- Decreased greenhouse gas (GHG) emissions intensity associated with energy consumption by nearly 8 per cent since our 2005 baseline.
- Doubled the number of RBC branches powered by certified “green,” emission-free power avoiding nearly 1,680 tonnes of GHG emissions and air pollution.
- Applied the Equator Principles to six large projects and reviewed nearly 650 transactions where environmental issues were identified as material.
- Provided project finance and advisory services to alternative energy projects that are expected to provide approximately 1.1 gigawatts (GW) of GHG emission-free energy.
- Introduced environmentally friendly product options and incentives for retail clients.

RBC  
Environmental  
Blueprint™

## Issues

- While all companies must take responsibility for the environmental impact of their direct operations and purchasing activities, financial institutions are also expected to assess the environmental impact of the activities of the clients to whom we provide credit. RBC integrates environmental aspects into lending and investment decision-making criteria.
- Financial services companies are increasingly expected to provide financial services that allow clients to reduce their impact on the environment and adapt to unavoidable environmental impacts, such as climate change and water scarcity.

For more information, visit  
[rbc.com/environment](http://rbc.com/environment) or  
[rbc.com/responsibility/environment](http://rbc.com/responsibility/environment)



## Policy

RBC's environmental policy was first developed in 1991 and has been periodically updated to reflect our changing environmental priorities and those of our stakeholders. In 2007, our policy was revised to more comprehensively address environmental matters pertaining to our operations, business activities, products and services, employees, compliance, reporting and transparency, and partnerships.

Our revised policy is set out within the RBC Environmental Blueprint. The Blueprint is a clear articulation of our priorities and objectives regarding environmental sustainability and outlines how we will approach new and emerging environmental issues in our operations, business activities and our products and services going forward.

## Oversight and responsibility

We manage our environmental priority activities and issues with two main objectives: to manage risks and to drive areas of opportunity. To this end, the RBC Corporate Environmental Affairs (CEA) group works in collaboration with RBC's business and functional units to:

- Develop and implement footprint reduction initiatives and programs
- Ensure that, where appropriate, transactions are reviewed to address and, if necessary, mitigate environmental risks
- Advise on the development and execution of products, services and incentive programs that address opportunities related to the environment.

The CEA group reports to the Chief Operating Officer and reports periodically to RBC's Group Executive and to the Conduct Review and Risk Policy Committee of the Board of Directors.

As our Blueprint is implemented, we anticipate that responsibilities for environmental management will be further distributed across our organization and integrated within departmental and individual mandates.

## Stakeholder engagement and research

We maintain an open and proactive dialogue with our stakeholders and peers, and regularly undertake independent and co-operative research to identify and better understand emerging issues. This approach continues to provide RBC with valuable insights into the risks and opportunities of environmental issues.

In 2007, we focused our stakeholder engagement activities on issue identification and the development of the RBC Environmental Blueprint. We liaised with a number of groups to discuss environmental issues, policy development and enhancement, transaction review procedures, portfolio management, operational impact and business development opportunities, including:

- Socially responsible investment companies and analysts: The Ethical Funds, Progressive Investments, Carbon Disclosure Project, Jantzi Research and Innovest Strategic Value Advisors
- Non-governmental organizations: ForestEthics, WWF-Canada, Canadian Boreal Initiative, Zerofootprint, Pembina Institute, Rainforest Action Network and Banktrack
- Industry associations: Canadian Association of Petroleum Producers, International Emissions Trading Association and Forest Products Association of Canada.

In 2007, RBC also participated in and contributed to co-operative research for papers and publications such as:

- *Financing Sustainability – Moving from Concept to Practice*, outlining the relevance of Canadian bank activities to the sustainability of Canada's Boreal Region (undertaken in collaboration with the informal Network on Linking Environmental Performance to Financial Value)
- *Green Financial Products and Services – Current Trends and Future Opportunities in North America*, examining the feasibility of introducing environmental products and services in the financial sector (undertaken in collaboration with the United Nations Environment Programme Finance Initiative North American Task Force)
- *Biodiversity and Ecosystem Services – Boom or Bust?*, examining the value of biodiversity risk management for financial institutions (undertaken in collaboration with the United Nations Environment Programme Finance Initiative Biodiversity and Ecosystem Services Working Group).

### 2007 Recognition

- RBC was ranked first globally by *Newsweek International* online as the company most capable of addressing the risks and opportunities of climate change.
- RBC was named to the global Climate Leadership Index by the Carbon Disclosure Project.

## Priority environmental issues

RBC believes that the environmental issues facing our planet are complex, interdependent and growing in number. These issues require ongoing consideration, as they present environmental, social and financial challenges to the global economy and human health, and to our own business and operations.

RBC has identified three priority environmental issues:

### Climate change

There is scientific consensus that the level of greenhouse gases in the atmosphere is increasing, disrupting the Earth's climate. The two causes of climate change are natural systems and human activity, the latter most notably from GHG emissions from the combustion of fossil fuels, large-scale deforestation and ecosystem disturbance. RBC believes that we must all contribute to efforts to reduce GHG emissions and adapt to the unavoidable impacts of climate change.

In 2007 we:

- Signed and responded to the Carbon Disclosure Project, an initiative to gather information relating to the management of the risks and opportunities of climate change from over 2,400 public corporations
- Consulted with the Canadian government on the development of air emission regulations
- Examined carbon risk assessment methodologies and tools for portfolio and transaction management.

### Biodiversity

Biodiversity, or “biological diversity,” refers to the variety of different species, the genetic variability of each species and the variety of different ecosystems that they form. Environmental degradation is disrupting the natural biodiversity of habitats and ecosystems and is caused by human activity and the forces of climate change. RBC believes that critical ecosystems and the abundant biodiversity that they support must be preserved in order to maintain healthy communities, cultural values and shareholder value.

Our consideration of biodiversity also incorporates forests and the rights of indigenous peoples.

Forests help moderate climate, provide diverse habitats for species and purify water. RBC recognizes the unique qualities and the delicate nature of the world’s forests and the threat presented in some regions by unsustainable practices. We believe that we must play a part in protecting the integrity of Canada’s boreal forests and rainforests around the world by supporting sustainable forestry practices.

RBC recognizes the historic relationship that exists between regional natural areas and the people who live and work there. The identity, cultural beliefs and economies of indigenous peoples can be intrinsically tied to their region’s history, biodiversity and natural landscapes. We believe that industries operating in these natural areas must consider the effects of their operations on indigenous communities.

In 2007, we:

- Examined ecological risk assessment methodologies and tools for portfolio and transaction management
- Joined the United Nations Environment Programme Finance Initiative Biodiversity and Ecosystem Working Group to enhance our capacity to manage biodiversity risk
- Participated in a tour of the Canadian Boreal forests to examine operations and activities in the Boreal Region and to speak with industry and community stakeholders.

### Water

Water is the most important natural resource on Earth and, without it, all life would cease. Access to clean fresh water, the preservation and management of watersheds, and water conservation are quickly becoming urgent environmental concerns. Climate change, pollution and inefficient water usage all contribute to a growing water crisis. Many communities are dependent on the marine and freshwater environment, as their economies

require clean water for their tourism, fisheries and industry. Without clean water, the ability of communities and industries to endure and prosper is limited. We believe that we all should play a role in supporting efforts to address global water issues.

In 2007, we:

- Launched the RBC Blue Water Project, a \$50 million 10-year philanthropic initiative, to provide funding to initiatives designed to address issues related to freshwater access, conservation and watershed management
- Developed an informative online brochure to provide RBC employees detailed information regarding the significance of water and its component issues.

## Responsible business activities

At RBC, we work with our clients and the companies we invest in to manage environmental risks proactively and support environmentally responsible business models. Our comprehensive environmental risk management policies and procedures facilitate the environmental review of transactions. We regularly update these policies and procedures to address regulatory changes, emerging and evolving issues, and international best practices.

In addition to general policies for commercial and corporate lending, we have sector-specific and business-segment-specific environmental policies and guidelines. These include: policies for the agriculture sector and public sector, and our Policy on Social and Environmental Review in Project Finance, which reflects our commitment to the Equator Principles.

The Equator Principles, revised in 2006, are a voluntary set of guidelines that help financial institutions address the environmental and social risks associated with project finance. RBC has updated our internal policy governing project finance activities in line with these revised principles. These principles have been strengthened by:

- Lowering the threshold for qualifying projects from US\$50 million to US\$10 million, thereby capturing a greater proportion of projects
- Differentiating between high-income and low-income country requirements
- Requiring a system for Equator Principles management
- Extending the Equator Principles to cover advisory services and upgrades or expansions of existing project financings
- Requiring signatories to report annually on their Equator Principles’ project participation.

Since our original adoption of the Equator Principles in 2003, RBC has reviewed 20 projects under our Policy on Social and Environmental Review in Project Finance. In 2007, RBC participated as both project financiers and advisors for six projects: two natural gas power plants, one hydro facility, one wind farm, one offshore gas field and one chemical facility, which has not yet closed.

## Equator Principles review

Year	Projects reviewed	Equator Principles category (1)		
		A	B	C
2004	4	1	1	2
2005	6	2	4	0
2006	4	3	1	0
2007 (2)	5	1	3	1
Total (2)	20	7	9	3

- (1) When a project is proposed for financing, RBC categorizes the project based on the magnitude of its potential impacts and risks in accordance with the environmental and social screening criteria of the International Finance Corporation. Category A represents projects with potential significant adverse social or environmental impacts that are diverse, irreversible or unprecedented. Category B represents projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Category C represents projects with minimal or no social or environmental impacts. For additional information visit [equator-principles.com](http://equator-principles.com).
- (2) The chemical facility transaction has not yet been classified and accordingly has not been included in the 2007 "Projects reviewed" line above, but is reflected in the Total "Projects reviewed" line above.

RBC also maintains sector-specific Criteria Papers, which provide our credit risk specialists a consistent, transparent decision-making tool for assigning a risk rating to a borrower. Environmental risks are included in these Criteria Papers to varying degrees depending on the environmental aspects of that sector. We consult with internal environmental specialists when necessary to determine if environmental risks are significant to a borrower's risk rating.

In 2007, we also established a network of Environmental Risk Champions, to engage front-line risk managers and provide them with tools to aid in the risk assessment and decision-making process.

## Reducing our operational footprint

While financial services companies are not considered high-impact environmentally, we do use a large amount of natural resources, which represent a significant environmental footprint. RBC is committed to continuing to reduce the intensity of our energy use, paper consumption, employee travel, water use and procurement activities per employee or per square metre of our premises. We believe that improving our operational efficiency and reducing the GHG emissions associated with our activities will lead to positive environmental and economic results.

Our environmental footprint is a result of our Sourcing, Operations, Facilities and Travel (SOFT) activities. We maintain a SOFT Footprint Reduction Program as our environmental data management and reporting system, which was designed to:

- Enhance our environmental data collection system so that it more accurately reflects our worldwide operational footprint
- Identify areas where we can reduce our demand on natural systems
- Enable our emission reduction target-setting strategy
- Identify cost management opportunities
- Improve reporting accuracy and transparency.

In 2007, RBC:

- Piloted the EnergySmart Program, designed to help employees enterprise-wide use energy more efficiently. We expect this program to result in an annual absolute reduction in GHG emissions of more than 8,000 tonnes in our Canadian branch network alone when it is fully operational
- Completed 16 lighting upgrade projects involving the replacement of lamps and ballasts and the introduction of additional automated light-control sensors to reduce energy consumption. These projects will result in over 505 megawatts of saved energy and over 105 tonnes of GHG avoided annually
- Expanded our commitment to purchase clean, renewable green power for all new locations expected to open across Canada in 2007 and 2008. This initiative will boost RBC's green energy consumption to more than 7,000 megawatt hours. By the end of 2008, more than 70 retail banking and insurance locations will be powered by clean, renewable sources
- Purchased green, zero-emission power for 23 RBC branches, avoiding nearly 1,680 tonnes of GHG emissions annually
- Launched Visa, RBC Homeline™ and Royal Credit Line™ eStatement programs in Canada, which helped us save 10,500 trees, conserve 36 million litres of water and avoid 1,246 tonnes of GHG emissions
- Held training sessions for paper product sourcing representatives regarding sustainable paper supply
- Transitioned more than 75 per cent of our Canadian supply of envelopes to Forest Stewardship Council (FSC) certified paper, which ensures that the paper is sourced from sustainably managed forests and supply chains. Moreover, 100 per cent of these envelopes contain between 35 and 50 per cent pre- and post-consumer recycled content
- Influenced our paper products supply chain by providing training for suppliers and by requesting and requiring FSC certified paper where practical.

### SOFT Footprint significant trends for 2007

A summary of some of our key environmental performance indicators, covering SOFT activities is provided on page 27.

In 2007, we noted a significant increase in paper use compared to our baseline of 2005. Office paper consumption, which dropped between 2005 and 2006, climbed in 2007 as a result of the introduction of banner pages to print jobs on some printers. Paper use also increased due to an expansion of our direct mail marketing campaigns. We are assessing these practices in an effort to reduce paper consumption and associated GHG emissions.

For 2007, our total accounted direct and indirect GHG emissions were 78,402 metric tonnes. Since our 2005 baseline year, our GHG emissions per employee have increased by nearly 2 per cent. The increase in paper use, as mentioned above, contributed an additional 8,000 metric tonnes of GHG emissions. When the contribution of paper to GHG emissions is removed, our GHG emissions per employee have declined by over 9 per cent since our 2005 baseline.

## SOFT Footprint Report

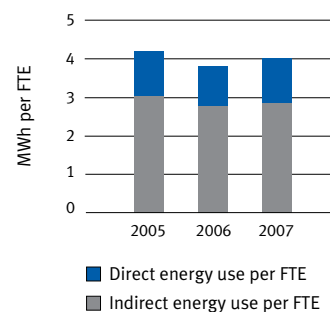
A comprehensive SOFT Footprint Report is available at [rbc.com/environment](http://rbc.com/environment).

Reference information	2005 Baseline	2006	2007	Units
<b>Total full-time equivalent (FTE) employees (global)</b>	60,212	60,858	<b>65,045</b>	FTE
<b>Energy footprint (Canada) (1)</b>				
Direct energy use	54,587	46,919	<b>58,085</b>	MWh
Indirect energy use	140,534	130,726	<b>137,369</b>	MWh
Total (direct and indirect) energy use	195,121	177,645	<b>195,454</b>	MWh
Energy use per FTE	4.19	3.81	<b>4.00</b>	MWh/FTE
Energy use per sq. m.	.305	.270	<b>.286</b>	MWh/sq. m.
Total Canadian floor area	1,400,805	1,367,853	<b>1,323,360</b>	sq. m.
Coverage (as % of total Canadian floor area)	46	48	<b>52</b>	%
<b>Paper footprint (Canada)</b>				
Office paper use	3,206	2,491	<b>2,907</b>	tonnes
Direct mail paper use	4,309	5,155	<b>6,643</b>	tonnes
Recycled or FSC certified	N/A	N/A	<b>16</b>	%
Paper use per FTE	.161	.164	<b>.196</b>	tonnes/FTE
Coverage (as % of Canada FTE count)	99	99	<b>99</b>	%
<b>Travel footprint</b>				
<b>Air travel (Canada, U.S. &amp; U.K.)</b>				
Total air travel	213,297,351	169,387,881	<b>188,843,521</b>	km
Air travel per FTE	3,713	2,935	<b>3,121</b>	km/FTE
Coverage (as % of Canada, U.S. & U.K. FTE count)	95	95	<b>95</b>	%
<b>Rail travel (Canada &amp; U.S.)</b>				
Total rail travel	2,132,960	1,030,707	<b>938,594</b>	km
Rail travel per FTE	37.1	17.9	<b>15.5</b>	km/FTE
Coverage (as % of Canada & U.S. FTE count)	93	93	<b>93</b>	%
<b>Automotive travel (global)</b>				
Total automotive travel	N/A	5,607,746	<b>7,625,641</b>	km
Automotive travel per FTE	N/A	97.180	<b>126.044</b>	km/FTE
Coverage (as % of global FTE count)	N/A	99	<b>99</b>	%
<b>Greenhouse gas emissions</b>				
CO <sub>2</sub> from energy footprint (2)	36,350	32,838	<b>36,424</b>	tonnes
CO <sub>2</sub> from green power (3)	-986	-1,360	<b>-1,680</b>	tonnes
CO <sub>2</sub> from paper footprint (4)	19,009	18,873	<b>26,604</b>	tonnes
CO <sub>2</sub> from travel footprint (5)	17,442	15,040	<b>17,054</b>	tonnes
<b>Total absolute CO<sub>2</sub> emissions</b>	<b>71,815</b>	<b>65,391</b>	<b>78,402</b>	<b>tonnes</b>
<b>CO<sub>2</sub> per FTE</b>	<b>1.19</b>	<b>1.07</b>	<b>1.21</b>	<b>tonnes/FTE</b>

- (1) Energy consumption is based on actual consumption for 2005 and 2007 and cost-derived consumption for 2006. Direct energy consumption refers to RBC's use of combustible hydrocarbons (heating oil, natural gas and propane) at some of our branch locations. Indirect energy consumption refers to RBC's use of purchased electricity.
- (2) Energy-related GHG emission (CO<sub>2</sub>) calculations are based on the GHG Protocol of the World Business Council for Sustainable Development (WBCSD) and on provincial emission factors available in Appendix 9 of Environment Canada's National Inventory Report: Greenhouse Gas Sources and Sinks, April 2007.
- (3) Green Power purchased by RBC is GHG emission-free and represents a reduction in GHG emissions (CO<sub>2</sub>).
- (4) Paper-related GHG emissions (CO<sub>2</sub> and CH<sub>4</sub>) calculations are based on the Environmental Defense Calculator.
- (5) Travel-related GHG emissions (CO<sub>2</sub>) are based on the GHG Protocol of the WBCSD.

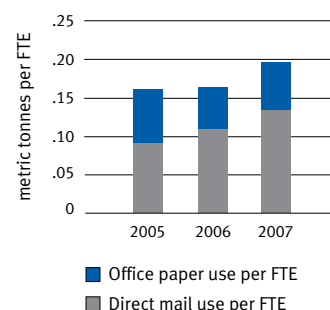
The environmental data reported here has been provided to RBC by third-party suppliers, vendors and service providers and includes information that was available in time for production of this report. We continue to work to improve the reliability and coverage of the environmental data so that it accurately reflects the RBC enterprise-wide SOFT Footprint. There are variations between the 2006–2007 data reported here and the equivalent data provided in our 2006 Corporate Responsibility Report. These are a result of our ability to capture and report on a greater proportion of our operations; a change in greenhouse gas emission factors; and the quality of environmental data reported to RBC by our service providers. We expect that these figures will continue to improve in accuracy as our SOFT Footprint program is more fully implemented. We will continue to report any such changes.

## Energy footprint per FTE



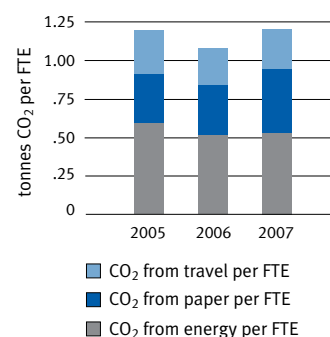
Since 2005, RBC has reduced our energy consumption per employee in our Canadian branch network by approximately .19 MWh/FTE, or 4.5 per cent.

## Paper footprint per FTE



Since 2005, our direct mail use per FTE has increased by 47 per cent while our office paper use per FTE has decreased by 13 per cent.

## CO<sub>2</sub> footprint per FTE



Since 2005, the distribution of activities contributing to RBC's GHG emissions profile has changed. Our SOFT Footprint Report allows us to monitor these changes and adapt our strategy for managing our SOFT Footprint.

## Products and services

RBC seeks to offer an expanding array of products and services that provide long-term environmental benefits, are clearly distinguishable from comparable non-environmentally focused products, and empower clients with options to reduce their environmental footprint.

### Canadian Banking

In 2007, RBC introduced new financial options and incentives for our clients that helped enable them to reduce their footprint. The options included incentives for clients to switch off their paper statements, have a home energy audit, buy a lower-emission car and switch to green power. Responses to these products have been positive. For example, we grew the number of client accounts switching from paper statements to electronic statements to over 2 million through this program.

These options and incentives complement our existing online banking solutions that reduce travel and paper. In this way, we are helping clients become low-carbon, or climate friendly, in their financial services activities.

### Wealth Management

In 2007, RBC became the first major Canadian bank to offer investors the option of socially responsible investing with the launch of the RBC Jantzi Funds, three funds that are screened for environmental, social and governance factors. In both Canada and the United States, RBC also offers access to all recognized socially responsible investment funds for clients who believe these factors should be an important consideration in their investment decisions.

Our Socially Responsible Investment Wealth Management Group, based in San Francisco, California, also offers and delivers solutions for foundations, organizations and high net worth clients. This team's environmental investment strategy includes qualitative screening, a clean technology fund of funds and shareholder engagement.

### Capital Markets

RBC identified opportunities associated with environmental markets, including renewable, alternative and clean-technology, early, and we continue to actively participate in these markets. Through RBC Capital Markets Infrastructure Group, our Renewable Energy project financing, advisory and underwriting practice has been involved in approximately \$8.7 billion in transactions including wind, biofuels, geothermal and hydro projects since 2003. These projects have added an estimated 4.0 GW of renewable and alternative power to the global energy grid, the equivalent of powering 870,000 homes.

We also continue to investigate and participate in the development of emission trading regulations because we believe that the emission and carbon trading markets represent an opportunity to help our clients manage their greenhouse gas emissions. We are continuing to determine demand for carbon-based products.

In addition, RBC Capital Partners maintains our \$50 million Alternative Energy Investment Fund, which invested in approximately 20 alternative energy and clean technology companies, successfully bringing a number of them to market through initial public offerings. Also, RBC continues to be a lead investor in the GEF Clean Technology Fund, to which we are committed through 2008 and beyond.

### Looking ahead

In 2008, some of our goals include:

- Release an environmental policy or policies for RBC Procurement
- Undertake a carbon risk assessment of our lending portfolio
- Examine sector-specific guidelines for transactions
- Continue to expand the amount of "green power" we purchase
- Continue to improve our energy efficiency by expanding various program elements of EnergySmart to help employees enterprise-wide reduce our greenhouse gas emissions
- Continue to transition a greater proportion of our paper supply to more sustainable sources including FSC and post-consumer recycled content
- Continue to enhance SOFT Footprint data collection and management
- Appoint members of an expert Advisory Panel for the RBC Blue Water Project, our \$50 million 10-year philanthropic initiative that will provide funding to initiatives designed to address issues related to freshwater access, conservation and watershed management.

# Community



The RBC Community Blueprint includes building prosperity by contributing to the communities in which we live and work. Our tradition of philanthropy dates back to our roots, with donations on record as far back as 1891. We are now one of Canada's largest corporate donors. Across North America and around the world, we support a broad range of community initiatives, through donations, sponsorships and employee volunteer activities.

This section of our report provides our community investment highlights from 2007 – you can find more details all year long at [rbc.com](http://rbc.com).

## Priorities

Our priorities include ensuring that we:

- Provide donations with a lasting social impact
- Sponsor key community initiatives
- Encourage employees to contribute.

## 2007 Performance highlights

- Contributed more than \$82.8 million to community causes worldwide, through donations of more than \$47.7 million, and an additional \$35.1 million in sponsorship of community events and national organizations.
- Qualified as an Imagine Canada “Caring Company,” having donated at least 1 per cent of pre-tax profits (measured on a five-year rolling average) to charity.
- Employees and pensioners worldwide contributed countless hours in volunteer activities and funds to not-for-profit groups through payroll deductions, direct giving and special events.
- As part of the RBC Environmental Blueprint, we announced the RBC Blue Water Project, a \$50 million philanthropic commitment over 10 years, to start in 2008.

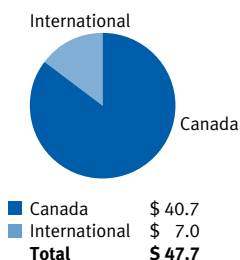
## Issues

- The global trend is for corporations to move towards “strategic philanthropy,” narrowing their areas of funding to align with their business goals. This can be difficult to achieve when a company also wishes to support the causes its clients care about.
- There is an increasing expectation from socially responsible investors that companies should do more rigorous analysis of the actual impact of their donations and report fully on the social impact of these donations. This may cause an additional burden of performance management and reporting upon our smaller charitable partners.
- We want to encourage and recognize employee volunteerism and giving, while ensuring they do not feel pressured into either.

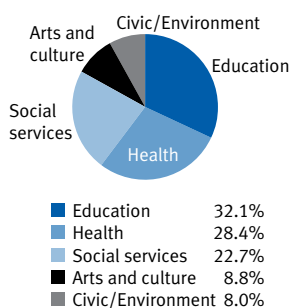
For more details and for donations or sponsorship request guidelines, visit [rbc.com/community/donations](http://rbc.com/community/donations) or [rbc.com/sponsorship](http://rbc.com/sponsorship)



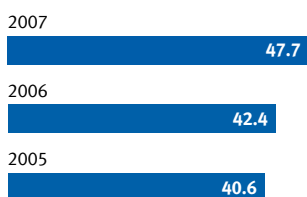
### 2007 Donations worldwide (\$ millions)



### 2007 Donations in Canada by cause (\$40.7 million)



### Donations history (\$ millions)



### 2007 Donations by region (\$)

Newfoundland and Labrador	\$ 400,458
Prince Edward Island	207,000
Nova Scotia	1,395,580
New Brunswick	835,424
Quebec	6,536,192
Ontario	16,666,679
Manitoba	1,484,125
Saskatchewan	1,184,462
Alberta	3,621,680
British Columbia	4,137,312
Yukon, Northwest Territories and Nunavut	47,000
National organizations (Canadian)	4,238,088
United States	6,274,000
International	694,000
<b>Total</b>	<b>\$ 47,722,000</b>

## Approach

RBC believes in contributing to communities across North America and around the world where we operate.



### Cornerstones

Donations and sponsorships are the cornerstones of the RBC Community Blueprint in our community investment programs. While donations are given as gifts, sponsorships are deliberately negotiated for marketing purposes, to align with our brand and

business strategies and deliver a quantifiable return on investment. By leveraging our strategic partnerships, we can truly differentiate RBC as a leading company committed to enabling the success of our customers and our communities.

### Governance

The member companies of RBC administer charitable donations in Canada through the RBC Foundation®, established in 1993. Our Donations Policy covers our guidelines and strategy and is reviewed annually by the Public Policy Committee of the Board of Directors.

RBC Foundation has its own Board of Directors, representing each of our businesses, to set policy and ratify all donations made in North America. The Foundation is staffed by five employees. To ensure our giving fulfills local needs, we also have professional grant-makers situated in each of our regional Canadian headquarters as well as in our United States and Caribbean businesses.

### Due diligence

RBC Foundation in Canada receives about 25,000 requests for funding each year – more than 10 requests for every hour of the business day. With this many proposals, we notice when mandates of different charities overlap and we encourage synergies between organizations. Our goal is to ensure that our charitable partners have sustainable sources of funding and use their donors' funds responsibly.

Our grant-makers follow a rigorous process when evaluating proposals to ensure our funds are invested with the utmost care and responsibility. We look at whether the charity has a wide range of support and assess its ability to deliver programs. We assess the charity's fiscal management and governance practices, and require that all charities provide audited financial statements.

### Social impact

The RBC Foundation requires, where possible, our charitable partners to demonstrate the social impact of our contribution, and to provide details about their goals and gaps they encounter during the time they receive funding.

RBC is committed to supporting sponsorship opportunities that are important for our customers and our communities. As part of this commitment, we sponsor numerous Canadian and international programs as well as community and cultural events in the neighbourhoods where we do business.

### Targets and performance

We are a founding member of Imagine Canada, which encourages philanthropy and citizenship, and are committed to donating at least 1 per cent of pre-tax profits measured on a five-year rolling average. A complete list of donations over \$500 given in 2007 is available at [rbc.com/community/donations](http://rbc.com/community/donations).



## Volunteer activity

The employees and pensioners of RBC are passionate volunteers. As financial services professionals, they share their valuable knowledge. They participate on not-for-profit boards and committees, provide money-management workshops, and share their budgeting and business planning knowledge.

We celebrate and thank our employees for all they do to build strong, healthy communities. To see profiles of some of our employee volunteers, visit [rbc.com/community/donations](http://rbc.com/community/donations).

### Dollars for doers

Launched in 1999, RBC's Employee Volunteer Grants Program supports community involvement. Employees and pensioners who volunteer a minimum of 40 hours a year to a registered charity are eligible for a \$500 grant to the organization in their honour. Many of these grants are applied to specific projects at smaller organizations that do not even have the resources to fundraise.

Since 1999, RBC has made 12,488 grants and donated over \$6.24 million to celebrate our employees' volunteer efforts. In 2007, RBC provided 2,025 Employee Volunteer Grants to community organizations across North America.

### Employee volunteer grants

(number of employees receiving grants)



## Community presence

The RBC Community Blueprint focuses on support for a broad range of causes including federated appeals, youth, education, Aboriginal Peoples, people with disabilities, amateur sport, arts, culture, health and wellness.

### United Way

RBC is the largest private sector contributor to the United Way in Canada, and one of only 53 organizations that contribute over \$1 million annually. Ours is the largest private sector employee giving campaign in Canada, with more than \$9 million contributed through payroll deduction, direct giving and employee-driven fundraising events. Combined employee and corporate contributions in Canada and the U.S. reached \$13.8 million in 2007.

### Donations

	Canada	United States
Employees*	\$ 9,000,642	\$ 1,081,510
Corporation	\$ 3,443,629	\$ 269,509
	\$ 12,444,271	\$ 1,351,019
<b>Combined Canada and U.S.</b>	<b>\$ 13.8 million</b>	

\* This includes funds raised through payroll, direct giving and employee fundraising events. RBC employees around the world also help raise funds for countless community groups in addition to the United Way.

### Loaned employees (Canada)

	Employees loaned to work full time on local campaigns	Employees who participated in community projects through United Way Days of Caring
2007	14	545
2006	15	445
2005	15	N/A

### Keeping kids in school

Helping kids stay in school is a key area of focus for RBC.

- In 2007, RBC invested \$2 million with 77 of Canada's top community-based after-school programs. We have been funding after-school programs since 1999, with more than \$14.8 million given through 472 grants to 157 different organizations that have helped more than 14,000 children over the past nine years.
- RBC supports Junior Achievement (JA), an international organization dedicated to educating and inspiring young people about business and economics. We help fund JA's Economics of Staying in School program, which encourages junior high school and high school students to reflect on the advantages of remaining in school so they can acquire the knowledge, attitudes and skills needed for long-term career success.
- In the U.S., RBC Centura supports Communities in Schools, the nation's leading community-based organization helping young people stay in school and prepare for life. For 30 years, Communities in Schools has helped students choose success by ensuring their access to five basics: a one-on-one relationship with a caring adult, a safe place to learn and grow, a healthy start and a healthy future, a marketable skill to use upon graduation, and a chance to give back to peers and community.
- RBC Centura's 2007 Tribute to Teachers program recognized 25 outstanding teachers across the U.S. Southeast for their classroom contributions and leadership. Selected from more than 1,800 student and parent nominations, the winners each received \$500 in "classroom cash" to be spent on supplies and materials for the classroom.

### Post-secondary education

In 2007, RBC Foundation donated more than \$4.7 million to support universities and colleges in Canada.

### Towards higher education

RBC provides products to help parents finance a child's education. The RBC Target Education Funds offer investment growth potential up front and become more conservative as the child approaches college or university age. Through the RBC Rewards® program, RBC Royal Bank Visa cardholders can exchange their points for a cash contribution to an RBC Registered Education Savings Plan.

RBC invests in education through scholarships, including:

- RBC Scholarship Program for our employees' children
- RBC Medical and Dental Student Scholarship
- RBC Royal Bank Financial Life Skills Scholarship
- A number of scholarships through programs, not-for-profit organizations and post-secondary institutions.

### Health and wellness

RBC supports research and programs that help improve community health care and children's mental health. Examples include:

- A three-year grant to the Centre for Activity and Aging for an exercise and education program aimed at older adults, enabling them to continue to live independently
- Support to extend the Janeway Children's Hospital's Reaching Out program to all four health regions of Newfoundland and Labrador. Since 1990, the program's therapists have been developing, offering and evaluating group programs for children, youth and families in eastern Newfoundland and Labrador facing a wide range of issues
- Support for the Centre for Addiction and Mental Health Foundation's 4th R Program, a comprehensive and integrated approach for helping schools and communities reduce violence and risk-taking among youth
- Our long-standing commitment to the Heart & Stroke Foundation of Barbados, which supports educational prevention programs on radio and television as well as the Cardiac Disease Prevention and rehabilitation program, provided to indigent people at no charge
- Support for the U.S.-based Bachmann-Strauss Dystonia & Parkinson Foundation, dedicated to encouraging new research and building awareness
- Contributions to the Bahamas Cancer Caring Centre
- Support for the Fondation PH Suisse in Geneva, Switzerland. The organization's programs centre on family medicine, infectious and chronic diseases, reproductive health, health care management and humanitarian assistance. Recently, the projects have focused on Eastern Europe, Latin America and Asia
- Contributions to the Theodora Foundation in Madrid, Spain, dedicated to training actors to work as clown-doctors in children's hospitals, and the Fundación Española del Corazón, which conducts research in cardiovascular diseases.

Our employees volunteer their time to health care organizations and charities around the world, such as:

- Juvenile Diabetes Research Foundation's Ride for Research, in which teams on stationary bicycles compete. In 2007, 3,064 employees across Canada raised \$784,260. RBC also donated \$60,000 to recognize our employee efforts
- The 27th annual Terry Fox Run for Cancer Research. Hundreds of RBC employees, from London, Ontario to London, U.K. took part. RBC Royal Bank branches once again accepted pledge sheets from runners
- Multiple Sclerosis (MS) Society's walks and bike rides across Canada, in which hundreds of RBC employees and family members take part annually. RBC also hosted a golf tournament in Toronto for the MS Society, raising \$390,000 for the cause, bringing the total raised since 1995 to \$2.25 million
- Over 100 RBC British Isles employees took part in the Jersey Marathon, raising money for Headway, a brain injury charity
- The Alzheimer's Society, which our Guernsey staff selected as their chosen charity for 2007. By the end of October, we had raised almost £10,000 for the charity, with £6,342 coming from a Memory Walk in which more than 100 employees participated with their families and friends.

### Newcomers to Canada

In 2007, RBC Foundation donated more than \$375,000 to initiatives dedicated to helping newcomers succeed in Canada.

### People with disabilities

RBC believes that full inclusion is in the best interests of our communities and our countries.

We support programs that help create employability and remove barriers to education for people with disabilities. In 2007, RBC Foundation donated \$1.3 million to organizations supporting people with disabilities, including:

- H'art Studio's "College Bound" program, a non-profit initiative that provides literacy, computer literacy and life skills training for adults with intellectual and developmental disabilities in Kingston, Ontario
- Mental Illness Awareness Week, an annual national public education campaign
- Canadian Association of Independent Living Centres and their network of 28 Independent Living Resource Centres that work to promote and facilitate methods of saving for post-secondary education among parents with disabilities and parents of children with disabilities.

In the Channel Islands, RBC participated in a number of community initiatives in 2007 that helped improve the lives of people in need. For instance, in Jersey we raised funds to help refurbish Maison des Landes Hotel for the disabled.



## Aboriginal Peoples

RBC is committed to supporting education and job creation for aboriginal youth. RBC Foundation donated over \$845,000 to support aboriginal causes in 2007.



- Since its inception in 1992, the RBC Aboriginal Student Awards Program has provided 69 scholarships totalling \$834,000. Eight students received awards in 2007. Award recipients are also considered for summer and post-graduate employment opportunities with RBC.
- We support the Historica Foundation's heritage programs for aboriginal students which inspire young people to share their history with other Canadian students.
- RBC donated funds to the Dominion Institute to support its Aboriginal Youth Writing Challenge, encouraging aboriginal high school students to write about an event in aboriginal history.
- RBC Foundation approved a \$250,000 donation to Lethbridge Community College in 2007 to help realize plans for a new program that will assist First Nations, Inuit and Métis students pursuing post-secondary studies. The funds will be used for curriculum development and instructional support, student scholarships, elder and mentor support, enhanced cultural awareness and a transition program.
- In 2007, we contributed \$60,000 to Canadian Executive Services Organization's (CESO) Métis Capacity Building Program. Studies show that the Métis population faces many challenges in terms of employment, income and level of education. CESO Aboriginal Services has been successfully promoting governance and economic development support to Métis individuals, businesses and communities across Canada.
- We are in the second year of a three-year commitment to CAREERS Aboriginal Youth Initiative, a program designed to bring career education and workplace learning opportunities to aboriginal youth across Alberta.

## Arts and culture

Vibrant communities celebrate arts and culture, and RBC supports a wide range of initiatives that contribute to the cultural fabric of our communities.

- The RBC Canadian Painting Competition, established in 1999, nurtures Canadian visual artists early in their careers. The competition offers one national prize of \$25,000 and two honourable mentions receiving \$15,000 each. Vancouver artist Arabella Campbell was the national winner in 2007. She was awarded \$25,000 for her original work, entitled *Physical Facts Series #6*.
- Our art collection was established in 1929 to support Canadian artists. Today, our collection contains more than 4,000 paintings, prints and sculptures, displayed in RBC locations around the world.
- RBC supports emerging artists. In 2007, we invested \$433,000 in apprenticeship and internship programs. Over the last five years, the RBC Foundation has donated more than \$4.5 million to support visual arts programs across Canada.

- RBC pledged \$280,000 (BBD \$600,000) over a five-year period to help build the new Errol Barrow Centre for Creative Imagination at the Cave Hill, Barbados campus of the University of the West Indies.
- Some of the leading names in the Caribbean art world have participated in RBC's Summer Art Workshops for students, a program that began 27 years ago and has enjoyed a pivotal role in the development of young Bahamian artists.
- RBC sponsors many cultural events in communities where we do business. For instance, in 2007 we sponsored the week-long Jazz on the Square event in St-Lucia, showcasing regional and international jazz artists. In Toronto, Canada, we sponsored RBC Desifest, one of the largest South Asian Festivals in the area.

## Amateur sport

RBC supports amateur athletes of all levels, from the community to the Olympic level.

### Supporting Canada's Olympic Team

- RBC is the longest-standing corporate sponsor of the Canadian Olympic Team, since 1947. We are the Premier National Partner in the banking category for the 2010 Olympic and Paralympic Winter Games in Vancouver, BC, which includes sponsorship of the Canadian Olympic Team for all Games from 2006 to 2012. RBC's total commitment of \$110 million includes a cash contribution of more than \$70 million as well as provision of banking services, athlete and amateur sport investments, support for the Paralympic Games, First Nations community development programs and marketing support through the RBC network.
- RBC employs current and retired Olympic and Paralympic athletes through the RBC Olympians Program, offering flexible work arrangements so that athletes can make time for training and competition. RBC Olympians act as community ambassadors, visiting schools, community groups, clients and employees. The program also provides valuable work experience to help athletes prepare for life after sport. Since its launch in 2002, the RBC Olympians Program has employed more than 85 athletes and several have gone on to full-time careers with RBC.
- RBC is an official sponsor of the Canadian Snowboard Federation, which includes our national team and title sponsorship of the grassroots program entitled RBC Riders. We are also official sponsors of the Canadian Freestyle Ski Association and the RBC Jumps and Bumps program. Through these sponsorships, RBC helps fund the coaching and development of Canada's freestyle and snowboard athletes.

### Special Olympics

As a founding sponsor of Special Olympics Canada, RBC helps provide sport training and competitive opportunities for 31,000 Canadian athletes with an intellectual disability. RBC employees volunteer their time as coaches and fundraisers while the RBC-supported Sport Celebrities Festival raises more than \$1 million annually. In 2007, RBC Foundation also supported the Family Network Program, designed to help promote family leadership, increase communication, empower families and create a family network committee.

## Hockey

- RBC has been a Premier Sponsor of Hockey Canada since 1995. In addition to supporting Canada's Men's and Women's National and Olympic teams, RBC is title sponsor of the National Junior A Championship, the RBC Royal Bank Cup.
- In its fourth year, the RBC Local Hockey Leaders® program recognized "behind the scenes" volunteers who support hockey in their community. Thirteen regional winners were recognized in the Hockey Hall of Fame, with RBC donating \$10,000 to minor hockey in each of their communities.
- RBC supports the post-secondary education of players from each of the regional leagues of Canada's Junior A Hockey League (CJAHL). Since 1996, RBC has contributed \$150,000 in support of Canada's Junior A Hockey League, awarding both individual players and their supporting leagues through a national scholarship program.
- RBC sponsors amateur hockey clubs around the world like the University of London Men's Hockey Team and the Guildford Flames Ice Hockey Club in the United Kingdom.

## Athletics

In 2007, RBC sponsored a number of athletic events, programs, teams and organizations around the world, including:

- The 2007 RBC Canadian Track and Field Championships, of which we are the title sponsor
- The Bahamas National Swimming Championships, of which RBC has been the major sponsor for the past 24 years
- The 36th consecutive Swimathon in Jersey, Channel Islands. RBC is the headline sponsor and our island employees take part
- Collegiate athletics teams in the U.S., including East Carolina University, Georgia Tech, Alabama, Duke, University of North Carolina-Charlotte, and North Carolina State University.

## Environment

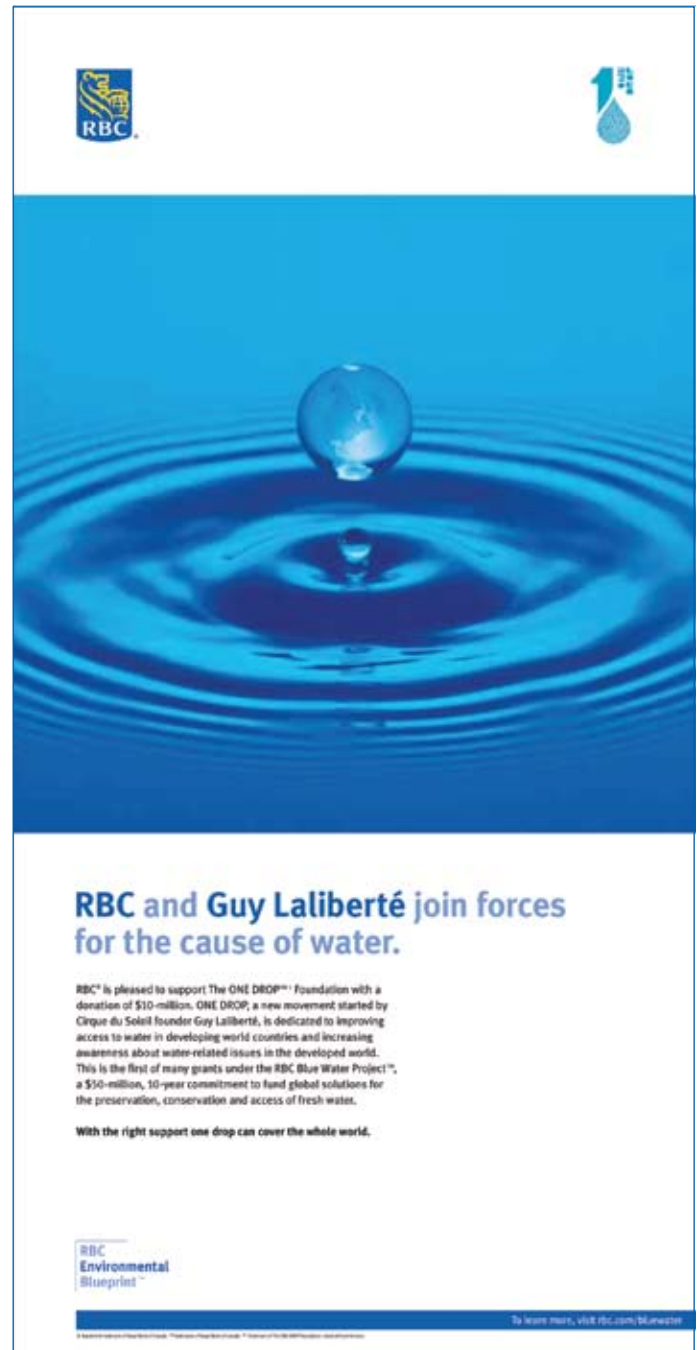
### *RBC Blue Water Project announced*

Water shortage is one of the most critical global issues we will face in the coming years. Only 3 per cent of the Earth's supply of water is fresh. This precious supply will be threatened even further as we embark on a future with climate change, as well as population and industrial growth. The need for better freshwater management is critical.

That's why we created the RBC Blue Water Project in 2007, a historic 10-year, \$50 million commitment to support charitable organizations dedicated to finding global solutions to the water crisis, with donations starting in 2008.

For information, visit [rbc.com/bluewater](http://rbc.com/bluewater).

RBC  
Environmental  
Blueprint™



**RBC and Guy Laliberté join forces for the cause of water.**

RBC® is pleased to support The ONE DROP™ Foundation with a donation of \$10 million. ONE DROP, a new movement started by Cirque du Soleil founder Guy Laliberté, is dedicated to improving access to water in developing world countries and increasing awareness about water-related issues in the developed world. This is the first of many grants under the RBC Blue Water Project™, a \$50-million, 10-year commitment to fund global solutions for the preservation, conservation and access of fresh water.

With the right support one drop can cover the whole world.

RBC  
Environmental  
Blueprint™

To learn more, visit [rbc.com/bluewater](http://rbc.com/bluewater)

Our first donation under the RBC Blue Water Project was a \$10 million commitment over 10 years to support the ONE DROP Foundation, the largest single donation we've ever given. Established by Guy Laliberté, the founder of Cirque du Soleil, ONE DROP is dedicated to giving everyone access to water. RBC's funding, starting in 2008, will help kick-start a program in Honduras, with future funds to be directed towards projects in Canada and around the world.

# Public Accountability Statement declaration and affiliates

The information documented in this Public Accountability Statement for the fiscal period ended October 31, 2007, includes the relevant activities related to Royal Bank of Canada, our prescribed affiliates and declarants, in accordance with Canadian federal regulations, pursuant to subsections 459.3 of the *Bank Act*, 489.1 of the *Insurance Companies Act* and 444.2 of the *Trust and Loan Companies Act*.

## Affiliates

The following are the prescribed affiliates whose activities are included in this Public Accountability Statement. These affiliates are subsidiaries of RBC and are financial institutions with less than \$1 billion in equity, except for our securities

broker, RBC Dominion Securities Inc., which has equity exceeding \$1 billion.

- RBC Asset Management Inc.
- RBC Direct Investing Inc.
- RBC Dominion Securities Inc.
- RBC General Insurance Company
- RBC Insurance Company of Canada
- RBC Private Counsel Inc.
- RBC Trustees International Limited
- Royal Trust Corporation of Canada
- The Royal Trust Company.

## Public Accountability Statements for RBC declarants

This section provides the Public Accountability Statements for the fiscal year ended October 31, 2007 for Royal Bank Mortgage Corporation and RBC Life Insurance Company (“Declarants”), which are financial institutions with greater than \$1 billion in equity that are required under subsection 444.2 of the *Trust and Loan Companies Act*, and under subsection 489.1 of the *Insurance Companies Act*, respectively, to file public accountability statements.

**Royal Bank Mortgage Corporation’s (RBMC)** primary business activity is to acquire residential and commercial mortgages from RBC. RBMC funds its business by issuing guaranteed investment certificates and Royal Money Market savings and chequing accounts opened through RBC branches. All mortgages are administered and guaranteed to be repurchased by RBC. RBMC does not have any employees as all of its activities are conducted by employees of RBC. RBMC expensed \$151 million of income taxes (\$100 million, federal; and \$51 million, Quebec) and \$12 million of capital taxes to Quebec, for the fiscal year ended October 31, 2007. Income and capital taxes, as well as other taxes, are also included in RBC’s Public Accountability Statement disclosure.

**RBC Life Insurance Company (RBC LIC)** is a wholly owned subsidiary of RBC Insurance Holdings Inc., which in turn is a wholly owned subsidiary of RBC. RBC LIC is a federally regulated life and health insurance company and is licensed to write life and accident and sickness insurance in all provinces and territories in Canada. RBC LIC offers non-participating individual life and accident and sickness insurance, as well as group life and health policies. These products and services are offered through third-party brokers, a career sales force and direct marketing efforts. RBC LIC employed 919 full-time staff (828 in Ontario, 32 in Quebec, 29 in British Columbia, 25 in Alberta, 2 in Nova Scotia, 1 in New Brunswick, 1 in Manitoba and 1 in Saskatchewan) and 95 part-time employees in Ontario, as at October 31, 2007. RBC LIC expensed \$62 million of income

taxes (\$40 million, federal; \$12 million, Ontario; \$3 million, Quebec; \$3 million, Alberta; \$2 million, British Columbia; \$1 million, Manitoba; and \$1 million to the other provinces and territories) and \$100,000 of capital taxes for the fiscal year ended October 31, 2007. In addition, during the same period, RBC LIC expensed \$20.9 million of premium taxes based on a percentage of gross premiums written (\$8.7 million, Ontario; \$4.1 million, Quebec; \$3.1 million, Alberta; \$2.5 million, British Columbia; \$700,000, Manitoba; \$500,000, Saskatchewan; and \$1.3 million to other provinces and territories). Income and other taxes, as well as employee numbers are also included in RBC’s Public Accountability Statement disclosure.

Due to the specific nature of the operations of the Declarants, they do not operate bank branches or other facilities at which deposit accounts are opened through natural persons and with customers in person, or at which deposits from customers are accepted or cash is distributed to customers. In addition, the Declarants do not provide debt financing to firms in Canada and are not involved in new initiatives and technical assistance programs for financing for small business, nor are they involved in investments or partnerships in micro-credit programs. The Declarants are also not involved in initiatives to improve access to financial services for low-income individuals, senior citizens and disabled persons. All of the foregoing activities are undertaken by RBC on behalf of its affiliates and are outlined in the respective sections of this Public Accountability Statement. As at October 31, 2007 the Declarants did not have prescribed affiliates.

As integrated subsidiaries of RBC, the Declarants share community development goals and participate in community-based activities, including volunteer, charitable and philanthropic activities, collectively with RBC. For further details and examples of the Declarants’ goals for community development, donations and related activities, please refer to the corresponding information contained in this Public Accountability Statement.

# Employment in Canada

RBC is one of the country's largest employers, with approximately 55,000 employees across Canada.

We also have a growing number of employees in the United States and in our international locations. As at October 31, 2007, we employed 71,760 people in full- and part-time positions worldwide.

## Employment in Canada

As at October 31, 2007

Provinces and territories	Number of employees*	Full-time	Part-time
Newfoundland and Labrador	304	220	84
Prince Edward Island	100	68	32
Nova Scotia	1,277	932	345
New Brunswick	1,242	1,025	217
Quebec	7,321	5,445	1,876
Ontario	30,017	25,187	4,830
Manitoba	2,169	1,520	649
Saskatchewan	1,263	799	464
Alberta	4,306	3,068	1,238
British Columbia	6,875	4,681	2,194
Yukon, Northwest Territories and Nunavut	86	67	19
<b>Total (Canada)</b>	<b>54,960</b>	<b>43,012</b>	<b>11,948</b>

\* Total number of full- and part-time employees in Canada of 54,960 is equivalent to 48,837 full-time positions, as reported on page 19.

## Taxes

In 2007, the tax expense of RBC to all levels of government in Canada was \$1.8 billion. This amount included \$1.1 billion of income taxes, \$117 million in capital taxes and \$551 million in

other taxes, which includes payroll, business, municipal, property, and goods and sales taxes. In addition, our tax expense included \$293 million related to the U.S. and other international jurisdictions.

### Taxes in Canada and other jurisdictions

For the fiscal year ended October 31, 2007 (in \$ millions)

Taxes by jurisdiction	Capital taxes	Income taxes	Total taxes
Newfoundland and Labrador	\$ 1	\$ 1	\$ 2
Prince Edward Island	1	1	2
Nova Scotia	5	6	11
New Brunswick	2	4	6
Quebec	45	77	122
Ontario	35	268	303
Manitoba	6	6	12
Saskatchewan	4	5	9
Alberta	–	20	20
British Columbia	18	31	49
Yukon and Northwest Territories	–	–	–
Nunavut	–	–	–
Federal	–	710	710
Capital and income taxes (Canada)	\$ 117	\$ 1,129	\$ 1,246
Other taxes* (Canada)			551
Canadian taxes			1,797
International taxes			293
<b>Total taxes</b>			<b>\$ 2,090</b>

\* Other taxes includes payroll taxes, goods and sales taxes, and municipal property and business taxes.

# Debt financing for businesses in Canada

RBC is committed to helping small, commercial and corporate businesses in Canada prosper. Providing debt financing is one of the ways we help businesses in Canada to grow and succeed, whether they are starting, maintaining or expanding their operations.

As at October 31, 2007, authorized amounts available to businesses in Canada totalled \$138 billion.

The following table shows the number of business clients we lend to across Canada and the amount of credit made available to them.

## Debt financing for businesses in Canada

As at October 31, 2007 (\$ millions)

Provinces and territories	Metrics	\$0 – \$24,999	\$25,000 – \$99,999	\$100,000 – \$249,999	\$250,000 – \$499,999	\$500,000 – \$999,999	\$1,000,000 – \$4,999,999	\$5,000,000 and greater*	Grand total
Newfoundland and Labrador	Number of clients	1,100	643	217	94	47	70	42	2,213
	Authorized amount	\$ 10	\$ 32	\$ 33	\$ 34	\$ 34	\$ 157	\$ 1,308	\$ 1,608
Prince Edward Island	Number of clients	368	275	114	38	54	60	–*	909
	Authorized amount	\$ 3	\$ 14	\$ 17	\$ 14	\$ 40	\$ 120	\$ –	\$ 208
Nova Scotia	Number of clients	4,673	2,820	882	437	312	293	84	9,501
	Authorized amount	\$ 40	\$ 140	\$ 135	\$ 153	\$ 218	\$ 633	\$ 2,188	\$ 3,507
New Brunswick	Number of clients	2,350	1,529	512	233	154	180	54	5,012
	Authorized amount	\$ 20	\$ 75	\$ 76	\$ 82	\$ 109	\$ 398	\$ 675	\$ 1,435
Quebec	Number of clients	13,938	7,136	2,845	1,688	1,370	1,410	429	28,816
	Authorized amount	\$ 114	\$ 353	\$ 443	\$ 592	\$ 953	\$ 2,935	\$ 13,677	\$ 19,067
Ontario	Number of clients	58,055	29,031	10,206	4,634	3,502	3,605	1,036	110,069
	Authorized amount	\$ 400	\$ 1,441	\$ 1,550	\$ 1,626	\$ 2,446	\$ 7,362	\$ 49,491	\$ 64,316
Manitoba	Number of clients	5,018	2,840	1,132	402	291	300	97	10,080
	Authorized amount	\$ 34	\$ 148	\$ 171	\$ 140	\$ 200	\$ 654	\$ 3,076	\$ 4,423
Saskatchewan	Number of clients	5,867	3,996	1,838	689	377	288	52	13,107
	Authorized amount	\$ 43	\$ 210	\$ 282	\$ 241	\$ 261	\$ 527	\$ 1,282	\$ 2,846
Alberta	Number of clients	23,312	9,239	3,504	1,468	971	1,183	449	40,126
	Authorized amount	\$ 155	\$ 460	\$ 535	\$ 510	\$ 677	\$ 2,479	\$ 20,245	\$ 25,061
British Columbia	Number of clients	25,120	11,907	3,911	1,621	1,249	1,507	467	45,782
	Authorized amount	\$ 181	\$ 587	\$ 586	\$ 564	\$ 878	\$ 3,204	\$ 9,220	\$ 15,220
Yukon, Northwest Territories and Nunavut	Number of clients	587	213	86	42	26	37	–*	991
	Authorized amount	\$ 4	\$ 11	\$ 13	\$ 15	\$ 18	\$ 72	\$ –	\$ 133
Total	Number of clients	140,388	69,629	25,247	11,346	8,353	8,933	2,710	266,606
	Authorized amount	\$ 1,004	\$ 3,471	\$ 3,841	\$ 3,971	\$ 5,834	\$ 18,541	\$ 101,162	\$ 137,824

\* For reasons of confidentiality, clients in certain regions with authorized amounts of \$5 million or more have been combined with another region in close proximity for reporting purposes: Prince Edward Island has been combined with Newfoundland and Labrador. Yukon, Northwest Territories and Nunavut have been combined with British Columbia.

# Bank branch and automated teller machine (ATM) openings and closings in Canada

Our Client First focus has driven expansion and reinvestment in our Canadian branch network. In 2007, RBC opened 30 new bank branches and four private banking centres across Canada and we plan to open as many as 35 more facilities in 2008. Our one branch closing was limited to a small in-store banking location. At our 2007 year-end, we had 3,946 automated teller machines (ATMs) in Canada, compared to 3,847 ATMs in 2006.

RBC complies with federal legislation in our commitments to:

- Provide clients and communities with four months' advance notice of network reconfigurations/branch closures (six months' notice in the case of rural communities where there is no other financial institution within a 10 km radius)
- Ensure community leaders and public officials are aware of our reconfiguration initiatives and have an understanding of service alternatives for the affected communities.

We are committed to working with each employee affected by a branch closure to help identify placement opportunities as well as training and development activities to enhance placement.

## Canadian bank branch/facility openings and closures

For the fiscal year ended October 31, 2007

### Opened

	Street address	City	Province
St John's Aberdeen Avenue Branch	40 Aberdeen Avenue, Suite 102	St. John's	NL
Dieppe Branch	231 Champlain Street, Suite 100	Dieppe	NB
Private Banking Sherbrooke	2665 King Street West, Suite 201	Sherbrooke	QC
Wendake Branch	240 Place Chef Michel Laveau, West	Loretteville	QC
Innes & Lanthier Branch	4300 Innes Road	Orleans	ON
Morningside & Milner Branch	865 Milner Avenue	Scarborough	ON
Eglinton & Tarlton Branch	473 Eglinton Avenue West	Toronto	ON
King & Jarvis Branch	161 King Street East	Toronto	ON
King & Spadina Branch	434 & 436 King Street West, Units 5 & 6	Toronto	ON
Dufferin & Steeles Branch	1881 Steeles Avenue West, Unit 16	Toronto	ON
Leslieville Branch	1015 Lakeshore Boulevard East	Toronto	ON
Front & Blue Jays Way Branch*	365 Front Street West	Toronto	ON
Adelaide & York Branch	130 Adelaide Street West, Unit 105	Toronto	ON
Yonge & Savage Branch	16591 Yonge Street	Newmarket	ON
Castlemore & McVean Branch	9980 McVean Drive	Brampton	ON
Chinguacousy & Charolais Branch	495 Charolais Boulevard	Brampton	ON
Private Banking Etobicoke	3250 Bloor Street West, East Tower, Suite 705	Etobicoke	ON
Dundas & Erindale Station Road Branch	1224 Dundas Street West, Unit 101	Mississauga	ON
Winston Churchill & Hazelton Branch	2955 Hazelton Place	Mississauga	ON
Highway 50 & McEwan Branch	12612 Highway 50	Bolton	ON
Dundas & Appleby Branch	2495 Appleby Line	Burlington	ON
Highway 400 & Essa Road Branch*	241 Essa Road, Unit 7	Barrie	ON
Westbridge Branch	3205 Monarch Drive	Orillia	ON
Fischer-Hallman & Ottawa Branch	715 Fischer-Hallman Road	Kitchener	ON
Kenaston Common Branch	1610 Kenaston Boulevard, Unit 200	Winnipeg	MB
Glastonbury Centre Branch	6233 – 199 Street	Edmonton	AB
Whitemud & 17th Street Branch	1908 38th Avenue North West	Edmonton	AB
Rutherford Professional Centre	11141 Ellerslie Road South West	Edmonton	AB
Heritage Plaza Branch	892 Heritage Boulevard West	Lethbridge	AB
Esplanade (88 Lonsdale) Branch*	101 – 88 Lonsdale Avenue	North Vancouver	BC
Vancouver Island Private Banking Centre	49 – 6631 Island Highway North	Nanaimo	BC
Pender & Jarvis Branch	1287 West Pender Street	Vancouver	BC
Fraser Valley Private Banking Centre	19888 Willowbrook Drive	Langley	BC
Murrayville Branch	100 – 22314 Fraser Highway	Langley	BC

\* Temporary premises

### Closed

	Street address	City	Province
Métro St-Joseph In Store Banking	3600 St-Joseph Boulevard East	Montreal	QC



## Relocated

From	To	City	Province
1150 Prospect Street East	1206 Prospect Street East, Unit 3	Fredericton	NB
60 Turgeon Street, Ste-Thérèse-de-Blainville	Labelle & Autoroute, 370 Labelle Boulevard	Rosemère	QC
5460 Yonge Street	Yonge & Finch, 5700 Yonge Street	Toronto	ON
4101 Rutherford Road, Unit 2	9101 Weston Road	Woodbridge	ON
30 Duke Street, Suite 1001, Kitchener	95 King Street South, 2nd Floor	Waterloo	ON
210 Main Street East	202 Main Street East	Otterville	ON
31 Elora Street	102 Elora Street	Harriston	ON
35 King Street West	7 King Street East	Forest	ON
400 Sandwich Street South	400 Sandwich Street South	Amherstburg	ON
2010 11th Avenue, 8th Floor	2010 11th Avenue, 2nd Floor	Regina	SK
78 Broadway Street East	84 Broadway Street East, Unit 1	Yorkton	SK
4900 Molly Bannister Drive	100 – 2610 50th Avenue, Gaetz South	Red Deer	AB
14711 – 40th Avenue, Unit A 121	14155 – 23 Avenue, Magrath Heights	Edmonton	AB
100 – 800 Kelly Road	700 – 2945 Jacklin Road, Westshore Town Centre	Victoria	BC
3055 Massey Drive, Unit 101	3185 Massey Drive	Prince George	BC
1708 Dolphin Avenue, Suite 1100	1708 Dolphin Avenue, Suite 1106	Kelowna	BC

## Canadian automated teller machine (ATM) openings and closures

For the fiscal year ended October 31, 2007

### Opened

Street address	City	Province	Street address	City	Province
40 Aberdeen Avenue, Suite 102 (2 ATMs)	St. John's	NL	241 Essa Road, Unit 7	Barrie	ON
3785 Highway 3	Chester	NS	58 Dundas Street West	Belleville	ON
80 Mawiomi Place	Dartmouth	NS	12612 Highway 50 (3 ATMs)	Bolton	ON
1290 Kings Road	Sydney River	NS	495 Charolais Boulevard (3 ATMs)	Brampton	ON
4701 Route 134	Cocagne	NB	9980 McVean Drive (3 ATMs)	Brampton	ON
231 Champlain Street, Suite 100	Dieppe	NB	115 Broome Road	Brockville	ON
371 Connell Road	Woodstock	NB	2445 Appleby Line (3 ATMs)	Burlington	ON
385 Rue Ellice	Beauharnois	QC	311 Dundas Street South, RR #1	Cambridge	ON
7250 Taschereau Boulevard, Unit 16	Brossard	QC	225 Highway 108 North	Elliot Lake	ON
7305 Boulevard Grande-Allée	Brossard	QC	6 Church Street West	Elmira	ON
975 Boulevard Romeo Vachon (2 ATMs)	Dorval	QC	115 Tudhope Street	Espanola	ON
200 Boulevard De L'Ange-Gardien	L'Assomption	QC	7 King Street East	Forest	ON
3535 Boulevard Ste-Rose	Laval	QC	1326 Garrison Road	Fort Erie	ON
3003 Boulevard Le Carrefour	Laval	QC	125 Steamship Bay Road, Unit 2	Gravenhurst	ON
1025 Rue Jean Talon Est	Montreal	QC	999 Upper Wentworth Street	Hamilton	ON
2560 De Salaberry	Montreal	QC	400 Spence Avenue	Hawkesbury	ON
688 Rue Sherbrooke Ouest	Montreal	QC	3791 Highway 17	Kakabeka Falls	ON
7945 Boulevard Maurice-Duplessis	Montreal	QC	401 Eagleson Road	Kanata	ON
3459 McTavish Street	Montreal	QC	715 Fischer-Hallman Road (3 ATMs)	Kitchener	ON
3625 Avenue Du Parc	Montreal	QC	32 Duke Street West	Kitchener	ON
754 De St Jovite	Mont-Tremblant	QC	5995 Major Mackenzie Drive East	Markham	ON
430 Rue St Germain Ouest	Rimouski	QC	1224 Dundas Street West, Unit 101	Mississauga	ON
370 Boulevard Labelle	Rosemère	QC	2955 Hazelton Place (3 ATMs)	Mississauga	ON
500 Rue Principale	Ste Foy	QC	4557 Hurontario	Mississauga	ON
839 Route Jean-Gauvin	Ste Foy	QC	7970 Mavis Road	Mississauga	ON
821 Avenue Ste-Croix	St-Laurent	QC	16591 Yonge Street (2 ATMs)	Newmarket	ON
201 Chemin De La Gare	St-Sauveur-Des-Monts	QC	5700 Yonge Street, Suite 100 (2 ATMs)	North York	ON
915 Rue Thibault	Trois-Rivières	QC	3205 Monarch Drive (3 ATMs)	Orillia	ON
1305 Boulevard Pie-IX Nord	Val-Bélair	QC	4300 Innes Road (3 ATMs)	Orléans	ON
65 Rue De L'Aqueduc	Varennes	QC	Chiefswood Road, Iroquois Village Plaza	Ohsweken	ON
240 Place Chef Michel Laveau	Wendake	QC	156 Toronto Road	Port Hope	ON
20260 County Road 43	Alexandria	ON	9350 Yonge Street, Suite 205	Richmond Hill	ON
400 Sandwich Street	Amherstburg	ON	2611 Lawrence Avenue East	Scarborough	ON
1472 Wellington Street East	Aurora	ON	865 Milner Avenue (3 ATMs)	Scarborough	ON
51 Hastings Street North	Bancroft	ON	46 General Hospital Drive	Stratford	ON

## Canadian automated teller machine (ATM) openings and closures

For the fiscal year ended October 31, 2007

### Opened (continued)

Street address	City	Province	Street address	City	Province
101 College Street	Toronto	ON	14155 23rd Avenue	Edmonton	AB
1015 Lakeshore Boulevard East (2 ATMs)	Toronto	ON	1908 38th Avenue, North West (3 ATMs)	Edmonton	AB
130 Adelaide Street West (2 ATMs)	Toronto	ON	3341 34th Street	Edmonton	AB
161 King Street East (2 ATMs)	Toronto	ON	4000 118th Avenue, North West	Edmonton	AB
1881 Steeles Avenue West, Unit 16 (2 ATMs)	Toronto	ON	6233 199th Street (3 ATMs)	Edmonton	AB
2786 Victoria Park Avenue	Toronto	ON	100 – 2610 50th Avenue	Red Deer	AB
365 Front Street West	Toronto	ON	7009 East Hastings Street	Burnaby	BC
434 & 436 King Street West, Units 5 and 6 (2 ATMs)	Toronto	ON	7280 Market Crossing	Burnaby	BC
483 Bay Street, B1 Level	Toronto	ON	260 – 1400 Dogwood Street	Campbell River	BC
6161 Highway 7	Vaughan	ON	42170 Yarrow Central Road	Chilliwack	BC
9101 Weston Road (3 ATMs)	Woodbridge	ON	100 – 22314 Fraser Highway (2 ATMs)	Langley	BC
1260 Taylor Avenue	Winnipeg	MB	20159 88th Avenue, Unit B101	Langley	BC
1610 Kenaston Boulevard, Unit 200 (3 ATMs)	Winnipeg	MB	20250 88th Avenue	Langley	BC
3737 Wascana Parkway	Regina	SK	175 – 4750 Rutherford Road	Nanaimo	BC
100 – 555 Strathcona Boulevard, South West	Calgary	AB	101 – 88 Lonsdale Avenue	North Vancouver	BC
6455 Macleod Trail South (2 ATMs)	Calgary	AB	Highway 97 and Highway 3	Osoyoos	BC
11141 Ellerslie Road, South West (3 ATMs)	Edmonton	AB	1287 West Pender Street (2 ATMs)	Vancouver	BC
			2230 West Broadway	Vancouver	BC
			610 Granville Street	Vancouver	BC
			700 – 2945 Jacklin Road	Victoria	BC
			1264 Esquimalt Road	Victoria	BC
			314 Woolgar Avenue	Yellowknife	NWT

### Closed

Street address	City	Province	Street address	City	Province
95 Mont Bernard Avenue	Corner Brook	NL	200 Bay Street	Toronto	ON
St Peters Highway 2	Mount Stewart	NL	2154 Jane Street	Toronto	ON
63 Main Street	Souris	NL	2490 Gerrard Street East	Toronto	ON
5850/5980 University Avenue (2 ATMs)	Halifax	NS	2786 Victoria Park Avenue	Toronto	ON
9411 Highway 104	Pictou County	NS	4861 Yonge Street	Toronto	ON
1570 De Montarville	Boucherville	QC	70 Pond Road	Toronto	ON
560 Boulevard Des Sources	Dorval	QC	248 King Street North	Waterloo	ON
735 Boulevard Notre Dame	Lachine	QC	2575 Jefferson Boulevard	Windsor	ON
55 Mount Royal Ouest	Montreal	QC	4101 Rutherford Road	Woodbridge	ON
600 Rue Jean-Talon Est (3 ATMs)	Montreal	QC	2 – 223 18th Street North	Brandon	MB
4935 Boulevard St-Charles	Pierrefonds	QC	2016 Victoria Street	Brandon	MB
798 Boulevard Arthur-Sauvé	St-Eustache	QC	3011 Portage Avenue	Winnipeg	MB
400 Sandwich Street South	Amherstburg	ON	789 Mcleod Street	Winnipeg	MB
243 King Street East	Bowmanville	ON	950 Jefferson Avenue	Winnipeg	MB
119 Colborne Street West	Brantford	ON	3901 Albert Street	Regina	SK
311 Dundas Street South, RR #1	Cambridge	ON	100 – 7th Avenue South West	Calgary	AB
100 – 3300 Highway 7	Concord	ON	339 8th Avenue South West	Calgary	AB
331 Highway 17	Espanola	ON	3710 17th Avenue South East	Calgary	AB
1105 King Street East	Kitchener	ON	8900 114th Street North West	Edmonton	AB
13990 Dufferin Street North	King City	ON	4204 2nd Avenue	Edson	AB
Highway 69	Nobel	ON	Unit 1601, 4500 Kingsway	Burnaby	BC
5460 Yonge Street	North York	ON	20191 88th Avenue	Langley	BC
1177 16th Street East	Owen Sound	ON	1389 Main Street	Penticton	BC
1 – 2437 Finch Avenue West	Toronto	ON	3877 Squilax-Anglemont Highway	Scotch Creek	BC
1736 Queen Street West	Toronto	ON	4500 Oak Street	Vancouver	BC
1750 Finch Avenue East (2 ATMs)	Toronto	ON	600 West 10th Avenue	Vancouver	BC
			830 Thurlow Street	Vancouver	BC

# Vital statistics

## Our vision

Always earning the right to be our clients' first choice

## Our values

- Excellent service to clients and each other.
- Working together to succeed.
- Personal responsibility for high performance.
- Diversity for growth and innovation.
- Trust through integrity in everything we do.

## Our business

- Royal Bank of Canada (RY on TSX and NYSE) and its subsidiaries operate under the master brand name of RBC.
- We are Canada's largest bank as measured by assets and market capitalization and one of North America's leading diversified financial services companies.
- We provide personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis.
- Our Global Technology and Operations and Global Functions teams enable business growth with expert professional advice and state-of-the-art processes and technology.
- We employ more than 70,000 full- and part-time employees who serve more than 15 million personal, business, public sector and institutional clients in 38 countries around the world.

## In Canada

- We have strong market positions in all of our businesses.
- In personal and business banking, we rank first or second in most personal banking products.
- In wealth management, we have the leading full service brokerage operation, we are one of Canada's largest money managers and we are the second-largest self-directed broker based on assets under administration.
- We are the largest Canadian bank-owned insurer, one of the top 10 Canadian insurance producers, and a leader in creditor, individual disability and travel insurance.
- In corporate and investment banking, we continue to be a top-ranked securities underwriter and the leading mergers and acquisitions advisor.
- We have the largest retail banking network in Canada, with 1,146 branches and 3,946 banking machines. In addition, we have more than 75 private bankers and 1,700 sales specialists.

## In the United States

- We provide personal and commercial banking, insurance, wealth management, and corporate and investment banking services.
- We have a network of 350 branches and 395 banking machines.

## Internationally

- We have a banking network in the Caribbean and a significant presence in select markets. We offer investment banking, trading, correspondent banking and reinsurance to corporate, institutional, public sector and business clients. We also offer private banking and wealth management services for high net worth individuals and corporate and institutional clients.

## Our people

- 71,760 people employed in full- and part-time positions.
- 65,045 full-time equivalent positions.
- \$166 million invested in formal employee training, including direct and indirect expenditures.
- A majority of eligible employees own our shares through employee savings and share ownership plans.

## Our clients

- More than 15 million personal, business, public sector and institutional clients.
- More than half a million small business clients in Canada, the United States and the Caribbean.

## Our economic impact

- \$7.9 billion paid in employee compensation and benefits.
- \$2.09 billion in taxes.
- \$4.4 billion spent on goods and services from suppliers of all sizes.

## Our community investments

- More than \$82.8 million invested in community causes worldwide, through donations of more than \$47.7 million, and an additional \$35.1 million in sponsorship of community events and national organizations.
- Our employees devote countless hours to charitable causes in their communities.

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**To provide feedback**

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An abbreviated version of this report, our 2007 *Corporate Responsibility Review*, is available both in print and online.

Available in audio format on request.  
RBC publie aussi ce document en français.



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