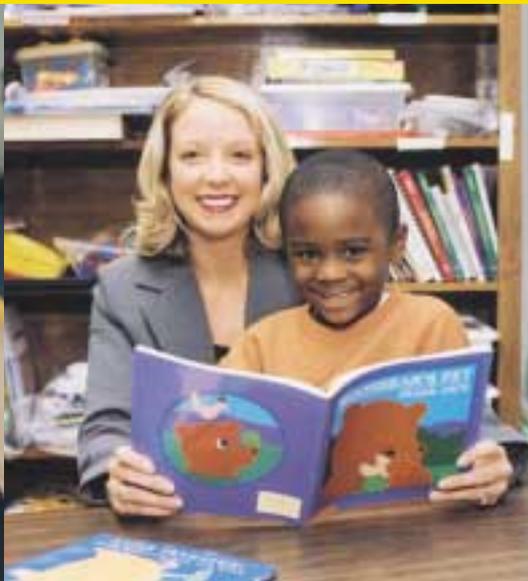




RBC
Financial
Group

2003

CORPORATE RESPONSIBILITY REPORT AND
PUBLIC ACCOUNTABILITY STATEMENT



WHAT'S INSIDE

RBC's 2003 Corporate Responsibility Report and Public Accountability Statement

This *Corporate Responsibility Report and Public Accountability Statement* is published for all stakeholders of RBC Financial Group (RBC), including employees, clients and community partners, and is an account of our social and environmental performance. It complements the account of our financial performance provided in our annual report to shareholders. The stories and numbers contained in this report reflect activities undertaken in fiscal 2003 (November 1, 2002 – October 31, 2003).

When we refer to "employees," we are including people who work for all the businesses under the RBC Financial Group umbrella (such as RBC Royal Bank, RBC Centura, RBC Investments, RBC Dain Rauscher, RBC Capital Markets, RBC Global Services, RBC Insurance, etc.).

Public Accountability Statement requirements

All federally regulated financial institutions in Canada with equity greater than \$1 billion are required to produce annual public accountability statements for clients and other interested stakeholders, outlining the company's contributions to the Canadian economy and society.

RBC has included all content required in the Public Accountability Statement in this *2003 Corporate Responsibility Report and Public Accountability Statement*.

Additional examples of RBC's ongoing support for communities can be found, year round, at rbc.com/community.

Public Accountability Statement declaration

Royal Bank of Canada is a bank with equity of \$1 billion or more, and in accordance with regulations, Royal Bank of Canada publishes this statement describing the contribution of the bank and its prescribed affiliates to the Canadian economy and society.

Information documented captures activities from Royal Bank of Canada and all its prescribed affiliates and is reported collectively under the brand name RBC Financial Group (RBC).

Affiliates that are either finance entities or financial institutions under the Bank Act include RBC General Insurance Company, RBC Life Insurance Company, RBC Travel Insurance Company, Royal Bank Mortgage Corporation, The Royal Trust Company, Royal Trust Corporation of Canada, RBC Action Direct Inc. and RBC Dominion Securities Inc.

2003 Corporate Responsibility Report and Public Accountability Statement

Public Accountability Statement information is shown in *italics*

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VITAL STATISTICS

As a leading employer, corporate donor, taxpayer, and buyer of goods and services, RBC Financial Group has an impact on the communities in which we operate. Our extensive network of operations and sense of civic involvement make us a strong presence in communities of all sizes across Canada, the Bahamas, the Caribbean and increasingly in the United States.

Who we are

- Royal Bank of Canada (RBC), which trades as RY on the TSX and NYSE, and its subsidiaries operate under the master brand name of RBC Financial Group;
- We have five major lines of business: personal and commercial banking (RBC Banking), wealth management (RBC Investments), insurance (RBC Insurance), corporate and investment banking (RBC Capital Markets) and transaction processing (RBC Global Services);
- We are Canada's largest financial institution as measured by market capitalization and assets, and one of North America's leading diversified financial services companies;
- We serve more than 12 million personal, business and public sector clients through offices in North America and some 30 countries around the world.

In Canada

- We rank first or second in most personal and commercial banking retail products, including mortgages and deposits;
- We have the leading full-service brokerage operation (by assets), the largest private bank, the top mutual fund provider and the second-largest self-directed brokerage operation (by number of accounts);
- We continue to be the top-ranked securities underwriter and a leading mergers and acquisitions advisor;
- We are the largest Canadian bank-owned insurer, one of the fastest growing in the country, and a leader in travel insurance and creditor products;
- We have the largest custody operations in Canada.

Internationally

- In the United States, we provide personal and commercial banking, mortgage origination, insurance, full-service brokerage and corporate and investment banking services to over two million clients through RBC Centura and its subsidiaries, RBC Mortgage, RBC Builder Finance, RBC Insurance, RBC Dain Rauscher and RBC Capital Markets;
- We have a retail network in the Caribbean and the Bahamas. Outside North America, we provide corporate and investment banking, trade finance, correspondent banking, treasury and securities custody services to business clients, and private banking services to individuals;
- We have a major presence in the global reinsurance market;
- We have operations in more than 30 countries.

Our people

- 69,873 people employed;
- 60,812 full-time equivalent positions;
- \$6.4 billion paid in employee compensation and benefits;
- \$132.8 million invested in employee learning;
- Approximately 80 per cent of eligible employees own our shares through employee savings and share ownership plans.

Our clients

- More than 12 million personal, business and public sector clients;
- More than 600,000 small and medium enterprise clients;
- 2.4 million* telephone clients;
- 2.6 million* online clients.

Our network

- 2,085 branches and other service delivery units; 1,297 of these in Canada;
- 4,401 automated teller machines (ATMs); 4,062 of these in Canada.

Our clients' banking preferences*

(number of financial transactions made)

- 103 million in-branch;
- 20 million by telephone;
- Over 329 million through our ATMs;
- 61 million online (including Internet banking);
- 466 million at point-of-sale.

Our economic impact

- \$3.1 billion paid in taxes;
- \$3.7 billion spent on goods and services, from suppliers of all sizes;
- \$1.7 billion spent on technology.

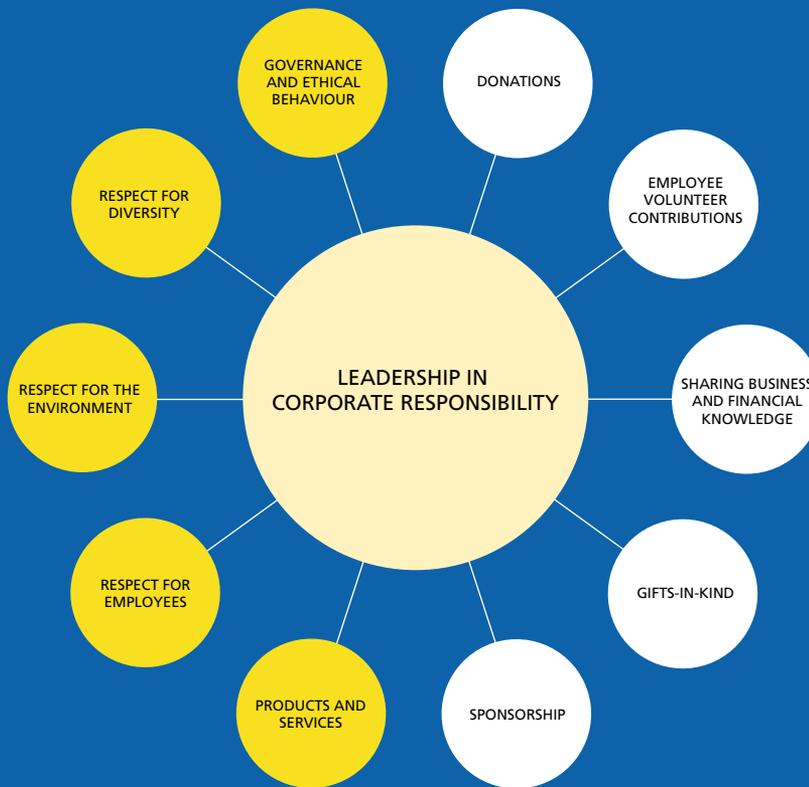
Our community investments

- \$37 million donated to charities, almost half to education and health;
- Over \$20 million goes to sponsorships, primarily for amateur athletics, the arts and community events;
- RBC is a founding member of Imagine, a program encouraging Canadian corporations to participate in charitable giving;
- Our employees devote tens of thousands of hours to charitable causes in their communities.

* These numbers refer to RBC Royal Bank clients in Canada as of October 31, 2003.

CORPORATE RESPONSIBILITY AT RBC FINANCIAL GROUP

In poll after poll, RBC Financial Group continues to be named one of Canada’s most socially responsible corporations. We take this honour seriously, as it reflects the sum of our actions, as well as our long-term commitment to corporate citizenship. Here’s how RBC sees the big picture of corporate responsibility.



COMMITMENT TO GOOD BUSINESS

Governance and ethical behaviour

RBC takes responsibility for the effects of our actions, both social and economic, and we have implemented a wide range of policies and practices to ensure we are responsible to our employees, our clients and our shareholders.

Respect for diversity

RBC provides a workplace where people understand and respect diversity. This is one key to serving our clients well and attracting and retaining employees.

Respect for the environment

Having and adhering to sound environmental policies and practices is a priority at RBC, both in our daily operations and business initiatives. Our detailed policy on the environment covers all areas of our business.

Respect for employees

RBC is committed to being an employer of choice, and we offer our employees competitive compensation and benefit packages, a wide variety of flexible workplace options and career paths, state-of-the-art learning programs, and an attractive share ownership plan.

Products and services

Talking bank machines for clients who are visually impaired ... banking outlets on Aboriginal reserves that are staffed by First Nations people ... a cheque-cashing service for low-income earners ... these are all examples of how RBC integrates a socially responsible mindset right into our business.

COMMITMENT TO COMMUNITIES AND CAUSES

Donations

RBC is one of Canada’s most generous corporate donors, through the RBC Foundation. In 2003, we contributed more than \$37 million worldwide.

Employee volunteer contributions

It’s impossible to calculate the number of hours and dollars our employees and pensioners around the world contribute to charitable organizations. But we know they have big hearts and capable hands. Year after year, their time, energy and enthusiasm make an enormous contribution to the quality of life in our communities.

Sharing business and financial knowledge

Our employees have a wide range of knowledge about business and financial management. The investment of this intellectual capital, such as when our employees sit as professionals on not-for-profit boards, provide money-management workshops and share knowledge about business development, can be of lasting value to helping build community prosperity.

Gifts-in-kind

Contributions aren’t always about money, but can include the donation of facilities and services. Among RBC’s most significant “gifts-in-kind” in 2003 was the provision of our Canadian branches to collect funds for the Canadian Red Cross, UNICEF and the Terry Fox Foundation.

Sponsorship

RBC Financial Group sponsors community events and national organizations that add life and vitality to our communities, from classical music and live theatre to local hockey fundraisers to programs for amateur athletes who dream of Olympic gold.

BUILDING PROSPERITY TOGETHER



Gordon M. Nixon
President & Chief Executive Officer

Just as RBC has a business vision that gives direction to our strategy and goals, we also have a social vision that guides our approach to corporate social responsibility. RBC's social vision articulates our goal of helping build successful, thriving communities wherever we operate: "building prosperity together."

"Prosperity."

Mention the word to 10 people and you'll get 10 different definitions. Most would say the word means "economic well-being." That's certainly what you'd think if you heard the word from someone like me in the financial services industry.

But the word "prosperity" also has a broader definition: it also means "being successful or thriving."

Just as RBC Financial Group has a business vision that gives direction to our strategy and goals, we also have a social vision that guides our approach to corporate social responsibility. RBC's social vision, "building prosperity together," rests upon that broader definition of prosperity, because our goal is to help build successful, thriving communities wherever we operate.

The articulation of our social vision may be new, but the actions underlying it have been constant at RBC throughout our 135-year history. As such, we pledge to continue building prosperity together by:

- contributing to the economic development of communities by creating jobs, paying taxes and purchasing goods and services;
- earning the right to be our clients' first choice by developing value-added products and delivering our services respectfully, while protecting our clients' privacy and offering effective problem resolution when things go wrong;
- providing access to products and services for clients with special needs;
- operating our businesses in a sustainable fashion through ethical business practices, strong corporate governance and adhering to the law;
- stewarding the environment through sound policies and practices in our daily operations and business and lending initiatives;
- contributing to the well-being of communities through donations and sponsorships, and making our network available in times of crisis;
- creating and maintaining employment, treating our employees with dignity and respect, and offering good jobs and competitive rewards;
- encouraging, recognizing and celebrating the role our employees play as volunteers in their communities;
- respecting the diversity of our employees, clients and communities;

- building on our role as one of North America's leading corporate citizens, sharing our knowledge willingly and encouraging others to aspire to high standards of citizenship.

Another important word in our social vision is "together."

No one, not a company or a government, nor an individual or not-for-profit group, can build a prosperous, healthy community alone. It's a shared responsibility. RBC believes that working partnerships are the best possible way to create lasting change at a community level. Our *2003 Corporate Responsibility Report and Public Accountability Statement* highlights some of the partnerships in which we're involved that help contribute to the economic development of communities.

As in past years, our *Report* reviews how RBC employees contribute to their communities, how RBC supports causes such as arts, athletics and health care, and how we provide services to clients with special needs.

But you'll also see how we support the financial well-being of our clients and communities by our focus on education

and learning, two of our key interest areas. After all, prosperity depends on well-developed minds – achieved through fostering intelligence, imagination, ingenuity and innovation. It is in our interest as a company, and especially as a financial services company, to nurture knowledgeable employees and help develop community infrastructures that enable innovation.

One important role a financial services company must play is to support the small business sector. RBC Royal Bank continues to be a leader in supporting small business. But it takes more than just products and services to maintain this leadership role. It takes the extra effort put in by knowledgeable staff across the country who work to educate current and would-be entrepreneurs, who champion women entrepreneurs, and who support the growing number of young entrepreneurs.

We live in a global marketplace, where the ability to create and commercialize ideas is a critical determinant of

economic success. To be successful, partners from all sectors need to create a culture of excellence through education, innovation and business leadership. And we need to find ways to capitalize on our competitive advantages. In 2003, RBC released *Managing for Growth*, a major study into the skills needed by entrepreneurs to manage growth and build successful enterprises that can compete in the global marketplace of the 21st century. This followed our 2002 *Path to Prosperity* report, which examined external barriers to small business growth.

As one of Canada's largest corporations, we take social responsibility seriously. We are very proud to have received awards and recognition from many groups for our leadership in corporate responsibility and governance, including the prestigious "Canada's Most Respected Corporation" ranking, from the accounting firm KPMG in partnership with Ipsos-Reid and *The Globe and Mail* newspaper.

But we also know that "responsibility" is a journey, not a destination: so we continue to look at ways to improve our performance as a good corporate citizen while producing sound and sustainable financial results for our stakeholders.

I invite you to read our *2003 Corporate Responsibility Report and Public Accountability Statement*, or to browse through the areas you're interested in. Please visit our Web site for more information and to give us your feedback.



Gordon M. Nixon
President & Chief Executive Officer

Vision

Always earning the right to be our clients' first choice

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

Goals

To be a leading North American financial services organization, recognized as:

The undisputed lead provider of integrated financial services in Canada

A best-in-class provider of personal and business financial services in the United States

A premier provider of selected global financial services

Strategic priorities

Superior client experience

Strong fundamentals

North American expansion

Cross-enterprise leverage

GOOD BUSINESS

There is no single definition of "corporate responsibility." We believe companies must be responsible to their employees, clients and shareholders by operating responsibly, with strong corporate governance, ethical business practices, and a focused attention on stewarding the environment, protecting the privacy of clients and respecting diversity. For a financial services company, it also means helping build prosperity through a commitment to small business. At RBC, we take great pride in our hard-earned reputation in each of these areas, and *Good Business* provides a report on our 2003 performance.



COMMITMENT TO CLIENTS

RBC Financial Group has built our reputation upon a foundation of trust and integrity. One of the ways we do this is to ensure we remain vigilant about consumer protection, and believe that this will help us earn the right to be our clients' first choice for financial services.

A cornerstone of trust

Throughout the course of our 135 years, RBC has put the highest value on building a relationship of trust with each individual client. This means adhering to the highest principles to ensure client information is secure, and respecting our clients' choices in how they wish to conduct business.

We publish a series of *Straight Talk* brochures that clearly define our commitment to clients, covering such topics as privacy and fraud protection, and outline the practices RBC employs to sell products and services. We also ensure our employees understand their responsibilities in earning our clients' trust.

In addition, we use state-of-the-art technology to safeguard client information and protect their assets, and we have clear resolution processes in place to address client concerns quickly.

Respect for privacy

RBC's privacy policies govern the behaviour of employees and suppliers regarding the collection, use, confidentiality, disclosure and security of all clients' personal information. As a condition of employment, all RBC employees must adhere to our *Code of Conduct* and all other RBC policies, including our established privacy policy and procedures. The *Code* provides the entire enterprise with the same frame of reference for our day-to-day behaviour. Periodically, every employee must pass a *Code of Conduct* test. RBC also employs privacy officers at the corporate and business levels and all employees are expected to understand and abide by the *Ten Privacy Principles* that govern our actions regarding client personal information. RBC's Privacy Management Committee (PMC), comprising senior representatives from across the enterprise, reviews all relevant policies and practices and red-flags privacy concerns for redress. The PMC reports to RBC's senior management Ethics and Compliance Committee, which in turn reports to the Conduct Review and Risk Policy Committee of RBC's Board of Directors.

Resolving client concerns

RBC uses client feedback to improve the quality of our products and services. Clients may provide constructive feedback or express concerns in person, by telephone, mail, fax or the Internet.

If clients' individual concerns cannot be resolved at the first point of contact, they are referred to RBC's Customer Relations Centre. The Office of the Ombudsman is the final point of appeal for clients with issues that have not been resolved through our established complaint resolution process. Dispute resolution professionals provide an environment for open discussion and voluntary resolution of unresolved conflicts. The Ombudsman examines commitments made by member companies of RBC Financial Group and reviews their adherence to policy and procedures. The Office of the Ombudsman also recommends changes to improve client experiences.



Information security

The rapid expansion of electronic communication has revolutionized the way we work and deal with our clients. RBC provides the highest levels of security and privacy for the many clients who now use the Internet to conduct business with us.

We constantly review and upgrade our security and privacy controls. Information security is of paramount importance and our employees are trained to be aware of their responsibilities to keep client information safe, secure and confidential.

Whether clients choose to deal with us online, over the telephone or in person, we follow rigorous security procedures and use state-of-the-art technologies to protect information and transactions against unauthorized access, disclosure, alteration and misuse.

RBC constantly monitors our electronic procedures to ensure the safety and privacy of our clients, such as when clients complete online loan applications. For **Keith Fenceroy**, **Mary Markis** and **Lynn Mendel**, information security is of utmost importance. This RBC Mortgage team processes loan applications in Chicago, Illinois.

ACCESS TO FINANCIAL SERVICES

RBC has a strong track record in providing innovative solutions that ensure access to banking services for clients with special needs and those who want to bank anytime, anywhere.

Access for low-income clients

Our aim is to keep our account opening process as straightforward as possible, while still meeting the requirements of anti-money laundering legislation in all the jurisdictions in which we operate.

We train employees on account opening procedures to ensure that we comply with existing regulatory requirements, including the Canadian government's *Access to Basic Banking* guidelines on acceptable forms of identification. In plain language, and available in multiple languages, our documents clearly outline the requirements to open an account and disclose our verification of funds policy.

RBC is also a partner in a variety of community-based programs that enable low-income people to access basic banking services, and save money for a new business, home ownership, post-secondary education or job training.

Access for seniors

We have a special relationship with our senior clients, many of whom have banked with RBC for their entire lives.

Wherever possible, we exceed legal requirements for providing access, such as ensuring that branches are wheelchair and walker accessible, waiting areas have enough seats, our communication material comes in alternative formats and our employees are provided sensitivity training.

RBC Royal Bank offers a seniors' rebate on all personal banking packages for eligible Canadian clients aged 60 and over. This year we also introduced the *RBC Snowbird Package* for clients who spend the winter months in the United States. No other Canadian financial institution offers a comparable combination of service and products, with special rates on banking, insurance, mortgage and foreign exchange services.

Anytime, anywhere banking

People today want to bank anytime, anywhere. RBC is the leader in introducing convenient, alternative banking channels to meet the changing needs of our clients. These include telephone banking services, online banking, full-service banking machines, and audio ATMs for our clients who are visually impaired. Over 70 new products and enhancements have been introduced to our online banking service since it was first introduced in 1996. In 2003, for instance, we launched *Interac Email Money Transfer*, enabling clients to move money safely, in real time, using an e-mail address.

Branch closures

The decision to close a branch is not an easy one – for our clients, our employees or the communities we serve. 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 individually with each employee affected by a branch closure to identify placement opportunities as well as training and development activities to enhance placement.

Canadian branch/facility openings and closures

2003 fiscal year (ended October 31, 2003)

Opened	Street address	City	Prov.	Opened
Regent Park Cash & Save	310 Gerrard St. E, Unit 1	Toronto	ON	Sept. 16, 2003

Closed	Street address	City	Prov.	Closed
Arichat Branch	668 Lower St.	Arichat	NS	Nov. 22, 2002
Port Hood Branch	138 Main St.	Port Hood	NS	Nov. 22, 2002
Cornell Branch	122 Cornell Park Ave., Unit 1	Markham	ON	Jan. 17, 2003
Highway 2 & Whites Branch	705 Kingston Rd.	Pickering	ON	Apr. 3, 2003
Cumberland Branch	2728 Dunsmuir Ave.	Cumberland	BC	July 11, 2003
Comox Branch	1761 Comox Ave.	Comox	BC	July 18, 2003
Hazelton Lanes Branch	87 Avenue Rd.	Toronto	ON	Aug. 22, 2003
Armdale Branch	2651 Joseph Howe Dr.	Halifax	NS	Sept. 5, 2003
Lasalle Branch	5840 Malden Rd.	Lasalle	ON	Sept. 19, 2003
Leggat Dr. Branch	555 Leggat Dr.	Kanata	ON	Sept. 26, 2003

COMMITMENT TO THE ENVIRONMENT

RBC continues to take a leading industry role by implementing sound environmental management practices and promoting sustainable development.

Commitment to the environment

RBC's Environmental Policy, developed in 1990, forms the framework for all our environmental management programs and applies to loans, investment and internal operating activities. RBC has a permanent committee of senior executives that reviews and recommends environmental policies for lending, asset management and management of RBC's operations. Environmental risk management policies are integral to our lending process. For example, RBC requires third-party environmental site assessments for many loan, mortgage and investment transactions. This year, RBC was the first Canadian bank to adopt the *Equator Principles*, a voluntary set of guidelines to manage social and environmental issues related to large-scale project financing in developing countries. RBC will provide loans only to those projects that can demonstrate to our satisfaction that key social and environmental issues have been addressed in accordance with our policies and processes.

Tracking our progress

At RBC our goal is to minimize our ecological footprint and to that end we are diligent in tracking our progress. We have developed a number of internal programs to reduce the environmental impact of our operations, buildings and purchases. Since 2001, we have been tracking our positive progress on key environmental indicators. In 2003, RBC purchased 600 megawatt-hours (MWh) of Green Power from BC Hydro, the equivalent to removing 60 cars from the road per year, and renewed its contract with Ontario Power Generation to purchase an additional 1,000 MWh of Green Power for our facilities in Ontario. By purchasing Green Power in Ontario and British Columbia, RBC will reduce emissions of greenhouse gases by 1,106 tonnes and smog-forming gases by 4.7 tonnes this year.



For more information, visit rbc.com/environment

Recognition for leadership

In 2002, RBC responded to the Carbon Disclosure Project (CDP) questionnaire, the largest survey of its kind to assess and provide hard data on companies' exposure to climate change impacts, including extreme weather events and the regulation of greenhouse gas emissions. RBC was lauded by the CDP as having "superior awareness of climate change risks and opportunities."

For the second consecutive year, RBC was recognized by Corporate Knights in 2003 as the most environmentally responsible bank or trust company in Canada, based on resource use and disposal, environmental risk management and corporate governance. This survey of the 100 largest companies on the Toronto Stock Exchange is based on an analysis by EthicScan Canada, Innovest Strategic Value Advisors and the Sustainable Investment Group.



Support for environmental education

An important part of RBC's commitment to the environment is supporting education initiatives. Our 2003 donation to the Beaver Creek Conservation Area interpretive centre and trail system in the Meewasin Valley, near Saskatoon, will help provide students with hands-on learning about protecting our natural resources. In addition to self-guided hikes, the Beaver Creek Conservation Area offers a weekly series of guided programs to the public.

In 2003, RBC Financial Group also supported Ducks Unlimited Canada with funding for an Adopt-A-Class program to teach environmental issues to underprivileged grade four students.

We also pledged \$375,000 to the World Wildlife Fund's Endangered Species Recovery Fund, which provides grants for high-priority research and educational projects that assist in the recovery of endangered and threatened species.

The interpretive centre and trail system at the Beaver Creek Conservation Area in Saskatchewan is open 11 months of the year and serves 25,000 people, including over 4,000 grade five students who participate in a nature study program.

COMMITMENT TO SMALL BUSINESS

As a North American leader in helping small business entrepreneurs succeed, RBC understands that small business is not only an important engine of the economy, it also represents the hope and dreams of our clients.

Commitment to business

Small business is all about people with dreams, and RBC is committed to helping our business clients in both Canada and the United States be more successful by sharing our resources and expertise, as well as providing customized financial solutions.

This “people-first” approach has made RBC Royal Bank the market leader in Canada, where our 1,300 account managers serve one in four entrepreneurs, with an undisputed leadership share of women and young clients. At RBC Centura, we have almost 600 bankers serving the needs of our American small business clients.

While we approve over 80 per cent of all loan applications for small business, financial solutions are only part of what we offer. Clients consistently tell us they want strategic advice and planning resources as well as loans, so our account managers focus on helping entrepreneurs find the resources they need to succeed. We understand that when our small business clients succeed, we succeed.

We listen to small business

RBC Royal Bank built our leadership position within the small business market by listening to our clients and learning how we can help them compete and become more successful. For instance, clients told us they prefer to deal with a single point of contact and want more flexibility and convenience when dealing with us. So we recently introduced a team of business advisors who provide our small business clients with both personal and business banking advice and service. Business advisors are available over 80 hours a week, complementing the service provided within our branch network.

In 2003, we also introduced a new *Business Essentials* deposit account that includes free online access and free client cards, reducing service fees for many of our clients.

By understanding our clients, their needs and the challenges they face, we are better able to provide practical financial advice. That’s why we regularly conduct research into the issues and concerns impacting our business clients.

In 2002, RBC partnered with the Canadian Manufacturers & Exporters and the Canadian Federation of Independent Business to produce *Path to Prosperity*, a study of external barriers that impede growth for small- and medium-sized businesses in Canada and the United States.

Results indicated that while Canadians are as aggressive as their American counterparts in starting up businesses, these businesses are less likely to grow into medium-sized and larger enterprises.

Our follow-up study in 2003, *Managing for Growth*, identified the internal barriers to growth. By overcoming these barriers, firms may be able to become more efficient and grow. Ultimately that’s good not only for economic growth and prosperity, but also for our ability to support the credit needs of our clients.

The unique needs of small business

RBC understands that the small business community is diverse, representing a wide range of industries. To help us better meet their unique and varied needs, we have grouped our clients into segments according to their shared needs.

We consider characteristics specific to the business owner, industry grouping and the business life cycle. This approach helps us better understand the various industries in which our clients operate and their unique needs, enhancing business relationships.

For example, we have a dedicated team of bankers exclusively for knowledge-based industries. We are also introducing dedicated account managers with specialized skills to help high-growth clients in the manufacturing sector.

Our clients value the expertise of our people. RBC employees, such as Brampton, Ontario account manager **Soumaya Baker**, with client **Fred Mohr**, owner of J.E.T. Contracting and Cartier Kitchens, are trained to seek out the resources necessary to ensure client success. We also publish the *Definitive Guide* series of booklets that offer information on managing and operating a small business.



RBC Royal Bank has almost 600,000 small and medium enterprise clients in Canada, and RBC Centura serves over 50,000 in the United States. We approve more than 80 per cent of loan applications for small business, and offer advice and financial solutions as well.

Focus on women entrepreneurs

Women entrepreneurs lead one in three businesses in Canada. RBC Royal Bank identified this market as a priority more than eight years ago. We now have a national network of over 100 "champions" for the women entrepreneur's market, who represent us in local markets.

Our Web site designed specifically for women entrepreneurs is a forum for sharing news and information, contacts and resources. We also publish a semi-annual newsletter called *Champions*, which is available in print and online.

RBC is a founding member of the Global Banking Alliance for Women, dedicated to sharing best practices to help accelerate the growth of women-owned businesses worldwide.

We also partner with government and women's associations on trade and other initiatives that focus on women business owners, such as the Virtual Trade Mission with Australia in 2003-04, spearheaded by the Organization of Women in International Trade.

Support for agriculture

RBC is the largest non-government private lender to agriculture in North America and provides financial services to more farmers and farm families than any other financial institution in Canada.

We are committed to supporting our clients in the good times *and* the challenging times, such as those faced recently by Canada's cattle industry. Our lending policies are set to endure price cycles and, most importantly, our network of farm financing specialists have in-depth industry knowledge and expertise that enable them to work with clients facing challenges to explore tailored solutions, such as deferring loan payments.

RBC also supports youth initiatives, such as the Douglas McRorie Memorial Scholarship fund for agriculture students and, since 1950, the RBC Royal Bank 4-H Interprovincial Exchange.



For more information about our support of small business, visit rbccroyalbank.com/sme

Small business

For almost a decade, we've committed ourselves to our Pledge to Small Business.

The promise is simple: "to understand what you need and deliver it in a way that makes sense for your business, always recognizing that your satisfaction is our most important asset. It's our job to meet your needs. We want your business and we know how easy it is for you to take it elsewhere. We will do all we can to make sure you want to stay. This includes our commitment to communicate clearly and openly, make the credit process straightforward and timely, respect the confidentiality of our relationship, conduct ourselves to the highest professional standards, and respond effectively to your concerns."



Support for young entrepreneurs

Over the past 23 years, the award-winning Shad Valley program has proven to be a life-changing experience for hundreds of students. Shad Valley is a motivational summer program that exposes young people to the best in science, technology and entrepreneurship.

In 2003, participants at 10 university campuses across the country were immersed in a variety of learning experiences to prepare for a team-based entrepreneurship project. One team from each university then competed in the sixth annual RBC/Shad Entrepreneurship Cup, showcasing products reflecting the theme of child and youth safety.

RBC's long-standing support of Shad Valley is one way we are encouraging tomorrow's young leaders to develop the entrepreneurial skills they will need to ensure our country's future prosperity and health.

This team of students from the University of New Brunswick won "Best Business Plan" in the 2003 RBC/Shad Entrepreneurship Cup. The team developed DriveSafe, a device that is installed in vehicles to detect and prevent unsafe driving.

AUTHORIZED BUSINESS LOANS

Access to credit is only one concern of small business; in fact, only 40 per cent of our small business clients borrow. These figures reflect RBC Royal Bank's loans to business clients in Canada.

Total amount of money made available to firms in Canada 2003 fiscal year (ended October 31, 2003)

Province	Metrics	\$ 0 – \$ 24,999.99	\$ 25,000 – \$ 49,999.99	\$ 50,000 – \$ 99,999.99	\$ 100,000 – \$ 249,999.99	\$ 250,000 – \$ 499,999.99	\$ 500,000 – \$ 999,999.99	\$ 1,000,000 – \$ 4,999,999.99	>= \$ 5,000,000.00	Grand total
Newfoundland and Labrador	Number of clients	1,092	388	264	207	80	44	51	21	2,147
	Authorizations (\$000s)	\$ 9,165	\$ 13,558	\$ 18,032	\$ 30,578	\$ 28,383	\$ 27,570	\$ 97,797	\$ 480,802	\$ 705,884
	Outstanding loans	\$ 4,968	\$ 7,899	\$ 10,323	\$ 16,996	\$ 18,280	\$ 16,711	\$ 59,431	\$ 174,769	\$ 309,377
Prince Edward Island*	Number of clients	402	170	142	136	56	46	31		983
	Authorizations (\$000s)	\$ 3,286	\$ 5,899	\$ 9,749	\$ 20,350	\$ 19,655	\$ 30,686	\$ 63,414		\$ 153,038
	Outstanding loans	\$ 1,801	\$ 3,765	\$ 5,821	\$ 12,922	\$ 13,212	\$ 21,352	\$ 38,320		\$ 97,192
Nova Scotia	Number of clients	4,700	1,561	1,350	974	429	241	221	57	9,533
	Authorizations (\$000s)	\$ 37,408	\$ 54,927	\$ 91,642	\$ 151,437	\$ 150,092	\$ 162,265	\$ 463,320	\$ 907,218	\$ 2,018,309
	Outstanding loans	\$ 18,593	\$ 32,189	\$ 53,941	\$ 87,843	\$ 88,498	\$ 90,344	\$ 262,727	\$ 455,562	\$ 1,089,698
New Brunswick	Number of clients	2,440	828	745	583	245	112	150	26	5,129
	Authorizations (\$000s)	\$ 19,486	\$ 28,817	\$ 50,213	\$ 89,799	\$ 83,800	\$ 77,127	\$ 320,491	\$ 787,248	\$ 1,456,980
	Outstanding loans	\$ 9,866	\$ 18,097	\$ 31,010	\$ 59,621	\$ 51,086	\$ 46,071	\$ 192,285	\$ 464,055	\$ 872,091
Quebec	Number of clients	13,849	3,811	3,272	2,851	1,562	1,027	1,202	389	27,963
	Authorizations (\$000s)	\$ 103,550	\$ 132,446	\$ 222,744	\$ 436,391	\$ 551,419	\$ 700,648	\$ 2,421,125	\$ 12,173,254	\$ 16,741,579
	Outstanding loans	\$ 51,464	\$ 74,355	\$ 126,046	\$ 267,095	\$ 355,470	\$ 468,872	\$ 1,473,838	\$ 3,784,818	\$ 6,601,957
Ontario	Number of clients	46,896	15,701	13,433	10,688	4,909	3,244	2,828	1,060	98,759
	Authorizations (\$000s)	\$ 343,212	\$ 557,423	\$ 896,969	\$ 1,620,975	\$ 1,704,101	\$ 2,225,165	\$ 5,764,991	\$ 38,364,346	\$ 51,477,181
	Outstanding loans	\$ 166,591	\$ 337,432	\$ 522,263	\$ 1,015,861	\$ 1,110,836	\$ 1,411,814	\$ 3,344,955	\$ 9,094,029	\$ 17,003,781
Manitoba	Number of clients	4,726	1,686	1,681	1,358	504	275	279	88	10,597
	Authorizations (\$000s)	\$ 36,491	\$ 60,075	\$ 115,417	\$ 203,369	\$ 174,176	\$ 186,207	\$ 624,289	\$ 1,565,514	\$ 2,965,539
	Outstanding loans	\$ 17,416	\$ 34,044	\$ 64,140	\$ 130,459	\$ 106,718	\$ 111,821	\$ 325,964	\$ 641,750	\$ 1,432,312
Saskatchewan	Number of clients	6,174	2,710	2,724	2,093	651	283	194	51	14,880
	Authorizations (\$000s)	\$ 55,748	\$ 96,997	\$ 189,943	\$ 316,968	\$ 221,624	\$ 194,174	\$ 387,028	\$ 1,386,819	\$ 2,849,300
	Outstanding loans	\$ 30,301	\$ 57,513	\$ 122,549	\$ 223,506	\$ 154,422	\$ 134,853	\$ 230,597	\$ 408,475	\$ 1,362,218
Alberta	Number of clients	16,198	4,549	4,117	3,772	1,582	954	853	335	32,360
	Authorizations (\$000s)	\$ 115,647	\$ 160,634	\$ 280,360	\$ 575,345	\$ 546,744	\$ 649,726	\$ 1,706,985	\$ 10,897,058	\$ 14,932,499
	Outstanding loans	\$ 51,092	\$ 87,644	\$ 155,480	\$ 356,087	\$ 357,255	\$ 423,084	\$ 982,170	\$ 4,131,327	\$ 6,544,136
British Columbia	Number of clients	18,985	5,307	4,847	3,893	1,892	1,310	1,326	309	37,869
	Authorizations (\$000s)	\$ 143,957	\$ 185,568	\$ 322,975	\$ 584,665	\$ 654,438	\$ 899,504	\$ 2,727,783	\$ 6,126,707	\$ 11,645,597
	Outstanding loans	\$ 62,946	\$ 97,982	\$ 175,189	\$ 354,475	\$ 430,231	\$ 615,533	\$ 1,810,672	\$ 2,542,262	\$ 6,089,289
Yukon, Northwest Territories & Nunavut*	Number of clients	456	111	93	88	43	26	32		849
	Authorizations (\$000s)	\$ 3,241	\$ 3,716	\$ 6,297	\$ 13,698	\$ 15,705	\$ 17,748	\$ 59,062		\$ 119,467
	Outstanding loans	\$ 1,312	\$ 2,030	\$ 3,135	\$ 8,035	\$ 10,449	\$ 11,534	\$ 42,070		\$ 78,564
Total number of clients		115,918	36,822	32,668	26,643	11,953	7,562	7,167	2,336	241,069
Total authorizations (\$000s)		\$ 871,191	\$ 1,300,060	\$ 2,204,341	\$ 4,043,577	\$ 4,150,136	\$ 5,170,821	\$ 14,636,283	\$ 72,688,965	\$ 105,065,375
Total outstanding loans		\$ 416,350	\$ 752,949	\$ 1,269,898	\$ 2,532,902	\$ 2,696,456	\$ 3,351,987	\$ 8,763,029	\$ 21,697,045	\$ 41,480,614

* For reasons of confidentiality, data has been omitted for PEI and Yukon, Northwest Territories & Nunavut to preclude identification of clients with authorized limits equal to or greater than \$5 million.

COMMITMENT TO DIVERSITY

RBC Financial Group is committed to respecting the diversity of our clients, communities and employees. By embracing a vibrant mix of cultures, ages, races, lifestyles and genders in our workplace and our marketplace, we believe RBC will be a rewarding place to work and a dynamic organization with which to do business.

Diversity leadership

At RBC, we recognize that providing an equitable workplace, where people understand and respect diversity, is key to attracting, retaining and engaging employees and to serving our clients well.

Our commitment to diversity starts at the most senior levels of RBC. The Diversity Leadership Council is chaired by President & CEO Gordon M. Nixon and includes executive champions from all businesses. This council is responsible for setting RBC's overall strategy for diversity and employment equity, discussing issues and overseeing progress. Executives champion and support implementation of the diversity strategies within their respective businesses, seeking input from employees and reporting results back to their business unit heads.

In addition, senior executives have assumed the role of champions for a number of client and employee groups. For example, within RBC Banking, executive champions have been appointed for visible minorities and Aboriginal Peoples, people with disabilities and women.

We continue to sponsor a number of community business organizations, such as the Canadian-Italian Business and Professionals Association, the Canada Tamil Chamber of Commerce, the Punjabi Chamber of Commerce, the Indus Entrepreneurs, the Association of Canadian Chinese Entrepreneurs and the Black Business and Professionals Association.

In 2003, RBC Mortgage became a charter member of the National Hispanic Mortgage Bankers & Brokers Association with the goal of helping increase Hispanic home ownership in the United States through the sponsorship of initiatives such as educational seminars.



For RBC's most current employment equity report, provided to the federal government, visit rbc.com/luniquerecruit

Diversity awareness for employees

"Diversity for Growth and Innovation" is one of the five RBC Values, reinforced through regular communication, workshops, training and intranet resources. In 2003, we launched *Destination Diversity*, a comprehensive intranet site for employees and managers, to facilitate learning and sharing.

RBC's Recruitment Centre includes dedicated roles focused on diversity recruitment, as our ongoing priority is to actively recruit a diverse workforce. This is important as we strive to achieve our business strategies that are based on strong relationships with distinct cultural and client segments.

An array of educational tools produced by RBC, such as our award-winning *Diversity in Action* video, *What We Can Do* gender behaviours booklet and *Flexible Work Arrangements* guides, continues to be requested by external groups including academia, businesses, community groups and individuals.



Diverse markets and clients

RBC believes that responding to the needs of diverse markets makes good business sense. In part, managing diversity is a response to demographic changes, such as the increasingly important role of women, minorities and new immigrants in communities where we do business. To identify market opportunities, grow business and continuously earn the right to be our clients' first choice, we have to better understand the needs of the diverse communities in which we live and work.

That's one reason why RBC has been a long-standing supporter of community-based diversity initiatives with a focus on amateur sports, arts and culture, people with disabilities, and one-of-a-kind special programs that celebrate the cultural fabric of communities. In 2003, for instance, we sponsored Calgary's *One World Festival*, with pavilions across the city representing more than 40 different cultures. We continue to support a number of pre-employment training initiatives, internships and scholarship programs.

In 2003, RBC sponsored South Asian Heritage month in Toronto, with employees such as these at our Kingston Road and Lawrence branch taking part. RBC also supports the South Asian community through sponsorship of business organizations like the Indo Canada Chamber of Commerce and the Canada Pakistan Business Council, as well as arts and culture organizations.

COMMITMENT TO EMPLOYEES

At RBC, we recognize that our people are our most lasting source of competitive advantage and we continuously invest in leading-edge programs and practices that earn us the opportunity to be considered an “employer of choice.” We have 69,873 employees worldwide in 60,812 full-time equivalent positions.

Commitment to employees

RBC has been consistently recognized for leading people practices, breaking new ground regarding learning and career development, diversity and workplace flexibility. RBC is a leader in the human resources management category of the annual KPMG/Ipsos Reid “Canada’s Most Respected Corporation” poll appearing in *The Globe and Mail*.

We are very pleased to have maintained our reputation throughout a period of enormous change: the past decade has seen dramatic expansion into new businesses and geographic markets and the introduction of new technologies. And yet, employee feedback reveals a strong level of commitment, reflecting our efforts in continuously evolving RBC programs, policies and practices to meet the diverse and changing needs of today’s employees.

Total Rewards

Given the diversity of our employees and business markets, when it comes to people practices, it’s clear that “one size does not fit all.” Employees tell us their relationship with RBC is based not only on pay and benefits, but also on learning opportunities and career development, in addition to the many aspects that contribute to their work environment. We strive to give people many reasons to choose to work for RBC.

We benchmark our *compensation* – salary, commissions, variable pay programs and performance-based incentive programs – to the external market and ensure it is aligned to an employee’s level of skill, knowledge and performance in generating business results.

We offer a core set of *benefits* (health, basic life and business accident insurance, and short-term and long-term income protection), as well as flexible pension programs and employee savings and share ownership plans that provide employees with financial security that meets their individual needs.

Employees have access to a wide array of *learning and career development* tools, such as “anytime, anywhere” learning and an online career tool that helps employees manage their careers and effectively access career opportunities across the organization. In 2003, we invested \$132.8 million in employee learning worldwide.

We take seriously the need to create a *work environment* that brings out the best in our people. Diversity practices and accountabilities are integrated into our business planning processes to help build an equitable workplace where people understand and respect diversity – key to attracting and retaining employees and to effectively serving our clients. And we offer innovative work/life options and resources, including dependent-care support, formal and informal flexible work arrangements, time-off or leave policies and educational support.

Listening to our employees

RBC has conducted annual employee opinion surveys since 1981, and we compare survey results with other companies to ensure we remain a leader.

In 2003, all employees worldwide were sent an opinion survey and more than 50,000 responded (about 80 per cent of the total number of employees). RBC outperformed the benchmark for North America’s high-performing companies in 13 of 14 categories, including team effectiveness, corporate leadership, client focus and communication.

In addition, for the first time ever, 16,000 employees, managers and executives participated in leading-edge *Total Rewards* research that asked employees to compare various rewards elements and prioritize their importance. The feedback from these research projects helps identify opportunities to enhance our programs and practices so we can continue to attract, engage and retain the most talented employees.

Employee feedback helps us enhance our human resource programs, allowing us to attract and retain the most talented employees around the world. In Greenville, South Carolina, **Cortney Easterling**, **Kendale Davis**, **Todd Weir** and **Lisa Marianetti** are four of the nearly 1,700 employees from RBC Insurance in the United States.



RBC Financial Group is considered a leading employer, and receives more than 13,000 resumes every month. Employees say their relationship with RBC is based not just on pay and benefits, but on learning opportunities and career development as well.

Support for work/life needs

RBC provides a wide array of work/life options and resources that respond to our employees' unique needs, different work styles and evolving priorities. These include dependent-care support, flexible work arrangements, time-off or leave policies, wellness programs and educational support.

More than one-third of employees benefit from formal and informal arrangements, such as flextime, reduced hours, modified work weeks, job sharing, flexiplace and phased retirement.

The RBC EmployeeCare program is our combined employee assistance and work/life support service, available to all employees and their families, accessible by telephone and online, 24 hours per day, 7 days a week.

We also offer a post-secondary scholarship program for children of our employees, awarding scholarships of \$1,000 each to more than 100 students each year.

Other important programs and resources

The growing diversity of RBC's businesses and markets reinforces the need to focus on our common values – the commitment of our employees to our clients and to each other. The RBC Values (see page 4) are incorporated into business unit plans and personal performance plans, and we regularly communicate the importance of these values and celebrate the success stories.

Over 80 per cent of eligible employees are RBC shareholders, primarily through one of our employee savings and share ownership plans, providing a convenient way to save and invest.

RBC workplaces have health and safety representatives, committees and/ or employees who have undergone health- and safety-related training. Managers must demonstrate an understanding of occupational health and safety requirements. Initiatives are developed and monitored at the business level.

Employee Ombudsman

This team of professionals provides employees with a confidential, impartial and objective avenue for unresolved workplace concerns. As the employee arm of the Office of the Ombudsman, this group assists employees by providing issue-resolution support, helps all parties to achieve solutions that are considered fair and reasonable and encourages an open and candid evaluation of the situation.

This group strives to reduce the incidence of workplace concerns throughout RBC by observing trends, monitoring the effectiveness of various approaches to resolution and making recommendations to management to enhance the workplace environment.

The Employee Ombudsman is governed by a *Code of Ethics* and adheres to the Standards of Practices set by The Ombudsman Association.



Continuous learning

To create a "continuous learning environment," we treat learning as a fundamental part of our business. In encouraging employees to enhance their skills and professional development, we recognize that they have diverse learning styles. As a result, we provide a vast array of career tools and programs. These include a Web-based internal career search tool, experience-based learning (through projects and work assignments) and individual coaching and peer recognition. Through e-learning, employees have the flexibility to access learning and development opportunities from either work or home. We also provide orientation programs, internal career development programs, accreditation programs, external seminars and conferences, and strongly support employee volunteerism. Our "one organization, many careers" approach promotes the movement of talented people within and across RBC's diverse businesses and functions.

RBC's Rupa Ganatra and Caroline Walton are graduate trainees with RBC Capital Markets in London, England. During their training period, graduate trainees take courses and write their securities exams, with access to online learning material for quick reference. They are also provided a mentor and are given the chance to interact with business leaders.

COMMITMENT TO GOVERNANCE

RBC recognizes that our ongoing commitment to sustaining an ethical and open corporate governance culture is integral to our long-term success.

Governance and ethical conduct

For RBC, good governance has always been the application of ethical and appropriate practices, standards and processes, expressed in the professional conduct of our people. We are committed to fulfilling that promise every day.

A notable strength of RBC's governance is the active role of our independent chairman in leading a board composed of well-informed directors. RBC directors represent shareholders and are shareholders themselves. They work with management to ensure that standards exist to promote ethical behaviour throughout the organization, and seek continuous improvement in governance practices.

In the past year, the chairman continued the long-established practice of chairing sessions of non-management directors following board meetings and initiated the practice of holding sessions involving only independent directors.

Despite the satisfaction of seeing many observers recognize our activities as best practices, we routinely refine and review our governance standards in order to vigorously reinforce a culture of responsibility and accountability.

Our Web site includes comprehensive disclosure with respect to governance, including:

- the Charter of the Board of Directors and all the committees;
- RBC's *Code of Conduct*;
- position descriptions for the Chairman of the Board of Directors and President & CEO;
- corporate governance disclosure against the TSX Guidelines.



For more information, visit rbc.com/governance

RBC Financial Group named to Dow Jones Sustainability Index

Corporate sustainability is a business approach to creating long-term shareholder value by taking on opportunities and managing risks stemming from economic, environmental and social developments.

For the third consecutive year, RBC Financial Group was named to the Dow Jones Sustainability World Index, recognizing financial, social and environmental leaders.

The index includes over 300 companies from 22 countries that are recognized as being the top 10 per cent in corporate sustainability in their industry. Inclusion in the index is based on a comprehensive sustainability assessment of environmental, social and economic performance. RBC was selected for the third consecutive year because of its commitment to environmental and social standards and strong financial results.

Leadership and Recognition

RBC Financial Group's governance practices were well recognized and applauded in 2003.

- A national KPMG/Ipsos-Reid survey named RBC Financial Group as "Canada's Most Respected Corporation," including the top rating in the corporate governance category;
- *The Globe and Mail's Report on Business* put RBC in the top spot in its annual ranking of corporate governance;
- RBC's Board of Directors was again among the leaders in the "Best Board in Canada" survey by *Canadian Business* magazine;
- RBC was recognized by the investment community as having the best governance and best financial reporting in Canada, winning awards presented by *IR Magazine Canada*;
- Late in 2003, the Canadian Institute of Chartered Accountants recognized RBC with its prestigious *Overall Award for Corporate Reporting* among all Canadian companies, recognizing our excellence in governance and disclosure;
- RBC's Vice-Chairman & Chief Financial Officer, Peter W. Currie, was named *Canada's CFO of the Year*, initiated by Financial Executives International Canada and PricewaterhouseCoopers to recognize achievements in several areas, including financial reporting and corporate and social responsibility.



COMMITMENT TO RISK MANAGEMENT

RBC carefully weighs the impact of our services and business practices on the economic, social and environmental fabric of the communities in which we operate.

Risk structure and management

RBC’s strategic risk management process includes the identification, measurement and monitoring of risk in all our businesses. Management and board committees oversee the risk management process, review, monitor and provide direction and communicate the organization’s risk culture. Our risk structure is illustrated below.

RBC’s business activities expose us to a wide variety of risks, outlined below.

Credit risk is the risk of loss due to the inability of an issuer, debtor, borrower, policyholder, reinsurer or guarantor to fulfill payment obligations, or a loss in market value due to the deterioration of a counterparty’s financial position;
Market risk is the risk of loss resulting from changes in interest rates, foreign exchange rates, equity prices and commodity prices;
Liquidity risk is the risk that RBC is unable to generate or obtain sufficient cash or

equivalents on a cost-effective basis to meet our commitments as they fall due;
Insurance risk is the risk inherent in the development, issue and administration of insurance policies, including product design as well as pricing, claims administration, underwriting and liability risks;
Operational risk is the risk of direct or indirect loss resulting from inadequate or failed technology, human performance, processes or external events.

We use the Risk Pyramid below as a graphic tool to help identify and assess risk across all parts of RBC.

Compliance

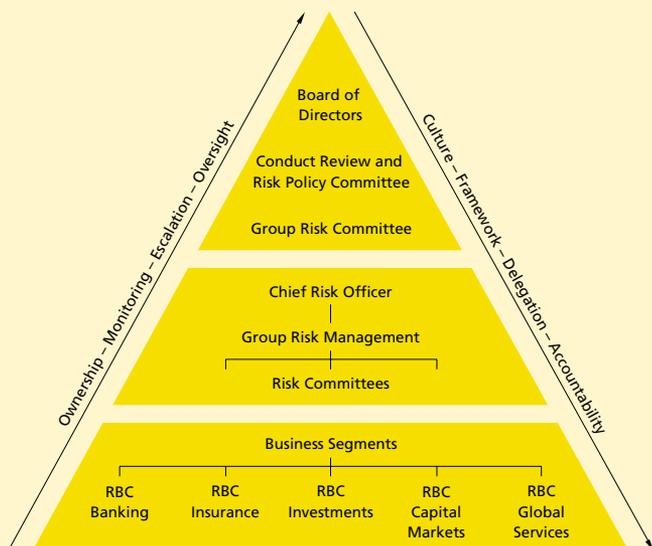
Like any citizen, RBC Financial Group and our employees must comply with the laws, regulations and ethical codes of conduct in all the markets in which we do business.

RBC’s Compliance department is responsible for implementing and maintaining integrated compliance management policies and processes to ensure quality and consistency of compliance performance. Some of our key policies cover issues such as disclosure, competition, employee trading and insider trading.

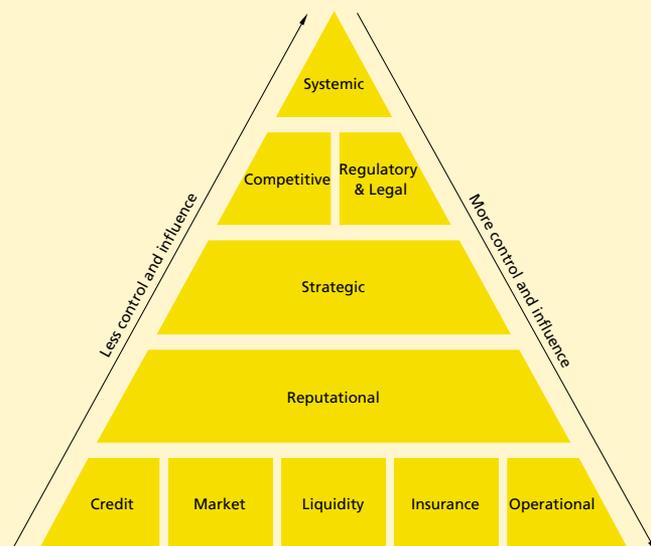
Anti-money laundering

Consistent with the new Canadian anti-money laundering regulations, RBC has introduced changes to processes pertaining to client identification, transaction reporting and record keeping requirements designed to detect, prevent and deter money laundering activities. We have implemented a new anti-money laundering system to report unusual client transactions, and support legislated reporting requirements.

RBC’s Risk Structure



RBC's Risk Pyramid



CONTRIBUTING TO COMMUNITIES

RBC Financial Group’s social vision of “building prosperity together” is most immediately apparent by our active and historic support of community projects and the not-for-profit sector, both through corporate donations and the participation of our employees in communities worldwide. But businesses also play an important role in helping build prosperity at an even more essential level: by paying taxes, creating meaningful employment and investing in the economic development of our communities. *Contributing to Communities* provides an overview of RBC’s 2003 performance in these areas.



COMMUNITY ECONOMIC DEVELOPMENT

RBC's vision of helping build prosperity together is most evident in our community economic development initiatives. We invest our skills, knowledge and leadership to help develop a sustainable economic infrastructure in the communities where we work and live.

Promoting self-sufficiency

Social and Enterprise Development Innovations (SEDI) is a national organization that promotes economic self-sufficiency for disadvantaged Canadians. In 2003, RBC was proud to continue our involvement with SEDI on two fronts.

RBC is the lead financial institution supporting 9 of the 10 Learn\$ave sites across Canada. Learn\$ave is the largest demonstration project in the world of Individual Development Accounts (IDAs). IDAs were developed to encourage participants to invest their own personal savings and receive a matched contribution from the federal government that will be used for personal economic development such as post-secondary education, skills training or small business capitalization.

As stated by one of the nearly 4,000 participants: "Learn\$ave helped me make something of myself. I was able to save a nominal amount of money and match it with an amount significant enough to make a difference." To date,

participants have saved over \$1.7 million and received close to \$5 million in matched contributions.

RBC is also involved in SEDI initiatives for young people who face barriers to self-sufficiency. Employees in 34 Canadian communities have helped with "The A Game" and "Youth.comm" – programs that have reached over 8,000 young people, and are designed to increase financial literacy and promote awareness of entrepreneurship. RBC also supports SEDI's E-Thinker, an innovative one-day experience that exposes secondary school students to the power of entrepreneurial thinking, and self-employment initiatives for people with disabilities.

RBC has committed to work with SEDI over the next three years on strategies that will allow more young people become self-sufficient.



For more information, visit sedi.org

Toward prosperity through partnerships

The prosperity of communities and nations both depend on a strong business sector. RBC believes that leaders of industry, government and other key stakeholders have a shared responsibility to work together in creating the conditions necessary to grow successful, world-class companies that can tap into markets across North America and around the world. This mission is not only critical to business, it is critical to the future prosperity of our communities.

Aside from providing financial services to small, medium-sized and corporate businesses, RBC also participates in a number of partnerships, such as with the Canadian American Business Council, to help create a business climate of competitiveness and profitability. Our employees are also active members of local Chambers of Commerce across North America, in most communities where we operate.



Access to basic banking services

Some people prefer not to deal with a traditional bank branch. RBC's Cash & Save, which opened its first site in Toronto's Parkdale area in October 2002, is designed to meet their needs.

Cash & Save offers a combination of smaller premises, fair pricing, non-traditional banking hours, specialized product offerings and ongoing community consultation. It offers lower-cost cheque cashing and financial services and focuses on the quick delivery of routine transactions, such as immediate cheque cashing, bill payments, money orders and money transfers.

In 2003, we opened a second test site in Toronto's Regent Park area, in partnership with the Yonge Street Mission.

"Cash & Save allows low-income people to engage in normal financial transactions at a trustworthy institution," says Rosemary Gray-Snelgrove of the Yonge Street Mission.

"This brings dignity and self-respect to those who have financial responsibilities, but until now, had no financial institution to serve them."

RBC's Yolande Quan-Vie leads a team of five employees at our new Cash & Save site in Toronto. All live in the community and, among them, speak Tagalo, Spanish, German, Tamil, Cantonese and Mandarin. Providing essential banking services, such as money orders and cheque cashing, Cash & Save's transaction fees are significantly lower than other retail financial service providers.

A bridge to success

Many skilled immigrants lack Canadian experience, and this prevents them from getting jobs and contributing to Canada's economy. *Career Bridge*, an internship program for highly trained recent immigrants, aims to change that.

Career Bridge will work with employers across all industry sectors to provide paid internships to new Canadians who qualify for professional and managerial positions. Interns will be pre-screened for workplace language skills, education and international work experience.

In 2003, the program began as a pilot project in Toronto, with RBC among participating employers.

The interns' expertise and skills are in high demand, in fields that include technology, engineering, finance and accounting, manufacturing management, international marketing and human resources. The new program will operate through Career Edge, an internship program that helps provide meaningful work experiences for graduates of all disciplines.

A good start in business

RBC employees across Canada and the U.S. are among the experienced business people who give their time and energy to Junior Achievement (JA). JA is an international organization that provides students with a first-hand glimpse into the world of business and entrepreneurship by offering practical business education programs in schools.

Many employees go into classrooms to deliver JA programs – such as the more than 900 RBC volunteers across Canada who devoted 10,670 hours to delivering the *Economics of Staying in School* and *Business Basics* programs.

Some employees raise money, such as those in Burlington, Ontario, who earned more than \$5,000 in the 2003 JA Bowlathon. Others, like employees from RBC Mortgage in Columbus, Ohio, help students set up a business that operates like a real company.

RBC Foundation supported JA organizations across North America, with donations of more than \$250,000 in 2003.

Jobs equal success

RBC believes that a well-trained workforce is one key to a community's economic success. That's why we support programs like *La Cinqantelle*, offered by the Women's Centre of Montreal, to develop the employability of women over the age of 50. RBC has hired a number of candidates referred by the Centre, and also donated \$45,000 to the Centre, which helps fight poverty among women and their families, particularly by helping women re-enter the labour force.

In addition, RBC supported the launch of a new program offered by the Canadian Manufacturers & Exporters Association (CME) to help CME member companies meet the increasing demand for skilled employees by hiring internationally trained workers.

The program is part of the CME's successful *Business Results* series. This package will encourage employers to tap the relatively unexploited pool of skilled workers who have international training and provide employers with resources that will ease the process of integration from the initial search through language training. The materials will include a series of case studies from some of Canada's leading companies.

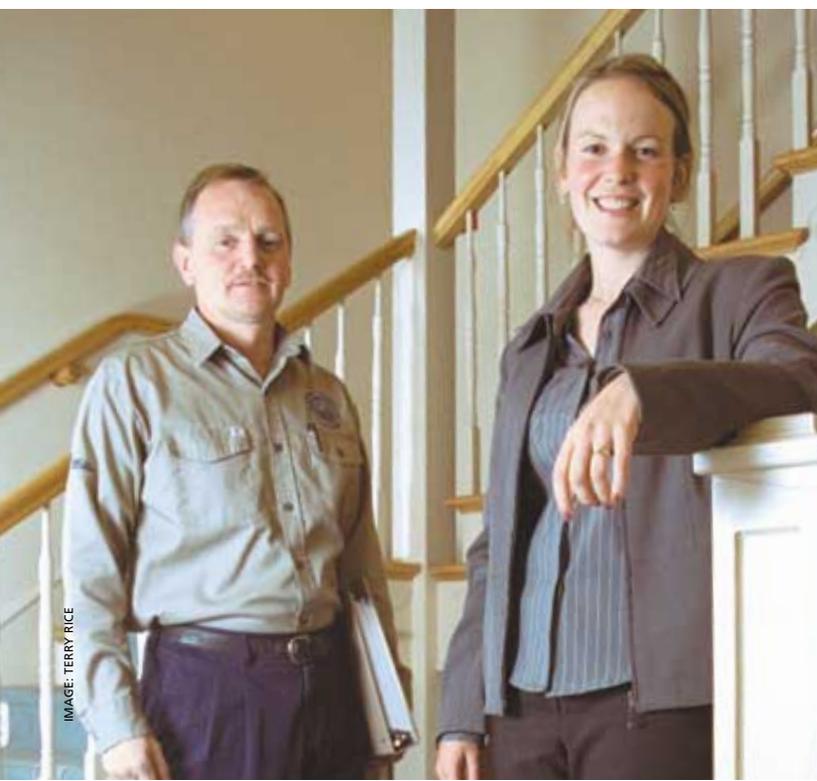


IMAGE: TERRY RICE

Sharing expertise

Sometimes it's not how much money you give, but the time and passion you invest in a cause that reap the greatest returns. That's what thousands of our employees have learned over the years. Take, for example, Krista Green, from RBC in St. John's, Newfoundland. Once a month, Krista meets with new entrepreneurs to share her knowledge and help them get their fledgling businesses off the ground.

A mentor with the YMCA-YWCA Enterprise Centre, a not-for-profit business development agency that promotes self-employment, Green works with two new entrepreneurs at a time, advising on a variety of business issues, from managing finances to marketing. Between meetings, she's available to respond to questions or problems that arise.

"As a new entrepreneur, you need to be disciplined," Green says. "We set out an action plan for each entrepreneur and monitor their progress monthly. I'm a strong advocate that meeting once a month keeps them on track and helps them achieve their ultimate goal."

Mike Conway, a St. John's, Newfoundland, entrepreneur, meets with RBC's **Krista Green** for advice on marketing, sales and strategic planning. A typical meeting might involve an analysis of how Mike's business, Homestead Inspections, has grown, and an assessment of his costs and competition so he can plan for the future.

Without the essentials of life, such as food and housing, it's nearly impossible for people to achieve their full potential. RBC Financial Group supports programs that address these needs in the communities where our employees live and work.

Putting food on the table

Without the basics of life, it's nearly impossible for people to achieve their full potential. So making sure those in need get enough to eat is a cause that's close to the heart of thousands of RBC employees. They hold bake sales to raise money for local food banks, donate money earned through dress-down Fridays, engage in friendly competitions with neighbouring branches to see who can collect the most food items and encourage clients to support their efforts.

In addition, RBC gave over \$250,000 to replenish food banks across Canada. Among major donations: \$25,000 to the Edmonton Gleaner's Association, \$15,000 to the Lethbridge Food Bank Society, \$10,000 to the Regina Education and Action on Child Hunger, and \$100,000 in the four Atlantic provinces.

Solutions to homelessness

RBC believes that having a roof over your head is a basic human right, and we invest our resources in a number of initiatives to fight homelessness. RBC was a co-sponsor of Habitat for Humanity's Ed Schreyer Work Project 2003. The project toured Western Canada, teaming up with families in need to build affordable homes – and building Habitat's 700th Canadian home since 1985.

Not only has RBC donated over \$1.2 million to Habitat for Humanity since 1998, but employees across North America have been involved with community builds. For example, RBC Mortgage supports Habitat for Humanity in Chicago, while RBC Dain Rauscher works for the cause in Minneapolis.

Raising the Roof, whose mission is to find long-term solutions to homelessness, once again received strong support from RBC for its annual Toque Tuesday fundraising campaign in Canada. Employees sold toques, raising close to \$42,000 for local agencies, while RBC's corporate support totalled \$50,000.

Innovative solution for Aboriginal housing

One of the most pressing needs in Aboriginal communities is for adequate housing. Helping make this possible is an innovative solution RBC Royal Bank developed in partnership with select First Nations.

In Canada, under the *Indian Act*, First Nation members living on a reserve are restricted from mortgaging their property as collateral security. In 1999, RBC Royal Bank worked with selected First Nations to develop a housing loan product that mirrors a conventional mortgage. Now, members who would qualify for an off-reserve conventional mortgage can obtain on-reserve housing loans without a ministerial guarantee.



For more information about RBC's support of community economic development, visit rbc.com/community



Economic revitalization brings hope

Eastern North Carolina is among the most economically depressed regions in the U.S. The Foundation of Renewal for Eastern North Carolina (FoR ENC) aims to give the area new hope. "FoR ENC's mission is to unite the 41 counties of Eastern North Carolina as a unique identity and brand," says its president, J. Phillip Horne.

RBC Centura was a driving force behind FoR ENC's creation. "In addition to pivotal financial support," Horne says, "RBC Centura has contributed in many ways by providing leadership, vision and human capital to the challenging but rewarding process of trying to shift a regional culture toward entrepreneurship."

In the spring of 2003, FoR ENC hosted the One East economic summit, which brought together the region's stakeholders to discuss common challenges and brainstorm new ideas and opportunities in a number of global growth industries such as travel and tourism, information technology, biotechnology, and agriculture and biopharmaceuticals.

Shifting a regional culture toward entrepreneurship: that's the goal of a new economic revitalization group in Eastern North Carolina, says its president, J. Phillip Horne. RBC Centura is playing a pivotal role in the project.

EMPLOYMENT

RBC Financial Group is one of Canada's largest employers, with a growing number of employees in the United States and in our international locations. In 2003, we employed 69,873 people in 60,812 full-time equivalent positions worldwide.

Employment worldwide 2003 fiscal year (ended October 31, 2003)

	Number of employees	Full-time equivalent positions
Canada	53,715	44,950
United States	12,336	12,159
International	3,822	3,703
Total	69,873	60,812

Employment in Canada 2003 fiscal year (ended October 31, 2003)

Province	Number of employees	Full-time	Part-time
Newfoundland and Labrador	349	234	115
Prince Edward Island	110	72	38
Nova Scotia	1,458	986	472
New Brunswick	1,385	920	465
Quebec	7,651	5,182	2,469
Ontario	27,766	22,183	5,583
Manitoba	2,265	1,402	863
Saskatchewan	1,563	990	573
Alberta	3,854	2,585	1,269
British Columbia	7,237	4,630	2,607
Yukon, Northwest Territories and Nunavut	77	61	16
Total	53,715	39,245	14,470

A recognized leader

At RBC Financial Group, we are privileged to have received national recognition as being an employer of choice in 2003.

In January, RBC was once again named Canada's top corporation in the area of People Management in the annual "Canada's Most Respected Corporation" poll conducted by KPMG/Ipsos Reid, and appearing in *The Globe and Mail* newspaper. RBC has topped this category in four of the last five years, thanks to our leading-edge human resource programs. For example, almost one-third of RBC employees in Canada work in some form of flexible work arrangement, such as flextime, modified work weeks, job sharing, and work-at-home arrangements. RBC offers such innovative programs as community service leave and phased retirement, and over 80 per cent of eligible employees take part in RBC's share ownership plan.

A learning culture

RBC has built a strong reputation as an organization committed to providing continuous learning opportunities for all employees so they can deliver a superior client experience, and are able to adapt to continuous change.

As a financial services organization, we believe our clients deserve the most professional financial advice and knowledge, so we ensure our employees have the levels of professional skills and accreditation they need to excel in a competitive marketplace.

Learning doesn't just happen in the classroom any more. RBC continues to increase the number of other channels through which employees can learn, including the Web, satellite television and online meetings.

In 2003, RBC's total investment in employee learning was more than \$130 million.

From Canadian roots to a global perspective

RBC's history has been driven by our ability to expand to new frontiers, and we now have operations in 30 countries. As we have grown our businesses outside of Canada, we have also added to our international employee base.

As little as three years ago, we had a few hundred employees in the United States, and a few thousand around the world. Now, we employ more than 15,000 people outside of Canada. As an employer focused on achieving our vision of "always earning the right to be our clients' first choice," we are committed to providing all our employees worldwide with a total rewards package that includes competitive compensation and benefits, professional career opportunities, innovative learning programs, and a positive and engaging work environment.

TAXES

In fiscal 2003, RBC Financial Group paid \$3.1 billion in taxes worldwide. In Canada, our tax expense to all levels of government in Canada exceeded \$2.6 billion. This included more than \$2.1 billion in income taxes and \$124 million in capital taxes, as noted below, in addition to realty and business taxes, payroll taxes (employer portion), goods and services and sales taxes.

Taxes in Canada

2003 fiscal year (ended October 31, 2003) (C\$ thousands)

	Capital taxes	Income taxes
Federal government		\$ 1,495,635
Provincial governments		
Newfoundland and Labrador	\$ 1,508	\$ 3,327
Prince Edward Island	\$ 358	\$ 1,192
Nova Scotia	\$ 4,417	\$ 17,466
New Brunswick	\$ 2,582	\$ 8,591
Quebec	\$ 29,012	\$ 74,312
Ontario	\$ 53,352	\$ 335,203
Manitoba	\$ 4,662	\$ 19,308
Saskatchewan	\$ 7,802	\$ 17,519
Alberta	\$ –	\$ 48,195
British Columbia	\$ 19,973	\$ 78,945
Yukon, Northwest Territories and Nunavut	\$ –	\$ 1,118
Provincial sub-total	\$ 123,666	\$ 605,176
Total	\$ 123,666	\$ 2,100,811

OVERVIEW OF DONATIONS

Donations are an important cornerstone of building prosperity together. Our tradition of philanthropy dates back to our roots, with donations on record as far back as 1897.

Due diligence

RBC Foundation receives about 20,000 requests for funding each year – more than 10 requests every hour of the business day. Although we are one of Canada's most generous corporate donors, we don't have unlimited funds. Our professional grant-makers follow a rigorous process when evaluating proposals, to ensure our funds are invested with the utmost care and responsibility. The process includes a complete assessment of the charity's financial statements, as well as its fiscal management and governance practices. Seeing so many proposals for funding, we are in a privileged position to notice when the 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, so we look at whether the charity has a wide range of support and assess the charity's ability to deliver its programs. Once a grant is given, we require an accounting of its impact.

Support for United Way

RBC Financial Group is the largest private sector contributor to United Way in Canada, where we are one of only 40 organizations that have contributed over \$1 million annually. We also have the largest private sector employee giving campaign in Canada, with \$7 million contributed through payroll deduction. In 2003, we also seconded, or loaned, 12 employees to work full-time on local United Way campaigns.



For more information, visit
rbc.com/community/donations

Corporate Donations: United Way

Canada	\$ 3,431,000
United States	US\$ 383,000

Employee Donations: United Way

Canadian employees	\$ 7,050,223
American employees	US\$ 817,562
Funds raised through Canadian special events*	\$ 103,749
Funds raised through American special events*	US\$ 18,823

* RBC employees across North America helped raise hundreds of thousands of dollars for specific community groups in addition to United Way.

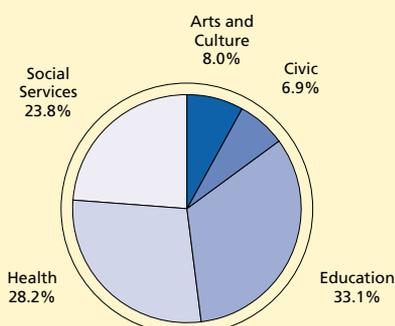
Donations

The member companies of RBC Financial Group administer charitable donations through the RBC Foundation, established in 1993. Through RBC Financial Group, its subsidiaries and the RBC Foundation, we are committed to donating at least one per cent of our average annual net income before taxes, based on a three-year average. We are a founding member of Imagine, a Canadian initiative to encourage corporate citizenship, donations and individual volunteerism. We take great pride in the accomplishments of our community partners, and appreciate the opportunity to invest in their good works.

2003 donations RBC Financial Group (C\$)

Canada	\$ 28,500,000
International	\$ 8,670,000
Worldwide total	\$ 37,170,000

2003 donations (Canada \$28.5 million)



By region (C\$)

Newfoundland and Labrador	\$ 325,000
Prince Edward Island	\$ 151,000
Nova Scotia	\$ 900,000
New Brunswick	\$ 470,000
Quebec	\$ 4,200,000
Ontario	\$ 11,570,000
Manitoba	\$ 1,080,000
Saskatchewan	\$ 677,000
Alberta/Northwest Territories/ Nunavut/Yukon	\$ 2,310,000
British Columbia	\$ 3,300,000
National (Canadian)	\$ 3,517,000
United States	\$ 7,800,000
International	\$ 870,000
Total	\$ 37,170,000

VOLUNTEER ACTIVITY

Around the world, RBC employees and pensioners play a vital role in helping build the prosperity of the communities in which they live and work, by volunteering their time and expertise for good causes.

Heads, hearts and hands

If you surveyed RBC’s employees and pensioners, you’d find that an overwhelming number are passionate volunteers. RBC is a financial services company, so some of the most significant contributions our employees make are when they share what’s in their heads: the professional knowledge and business skills they have developed on the job. This includes sitting on not-for-profit boards and committees, providing money-management workshops, and sharing knowledge about budgeting and business planning.

But our employees are also renowned for sharing their hearts and hands to help community causes, volunteering their time for schools, local health associations, community sports, civic causes ... and the list goes on.

While we can’t take credit for their efforts, we celebrate and thank our people around the world for all they do to build strong, healthy communities.

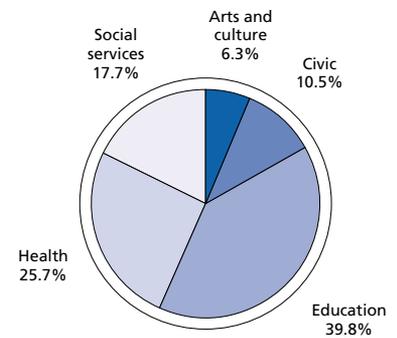
Dollars for doers

RBC’s Employee Volunteer Grants Program was launched in 1999 to support and encourage community involvement. Employees and pensioners who devote a minimum of 40 hours a year to a registered charity are eligible for a \$500 RBC grant donated to the organization in their honour.

Since 1999, RBC has donated more than \$2.6 million on behalf of our employees through this program.

 For more information, visit rbc.com/community

2003 Employee Volunteer Grants Program



Number of grants	1,388
Total (C\$)	\$ 693,000



A compound investment

Winston Churchill said “We make a living by what we get. We make a life by what we give.”

It’s a tradition for RBC employees around the world to give their time, expertise and knowledge to help build stronger communities.

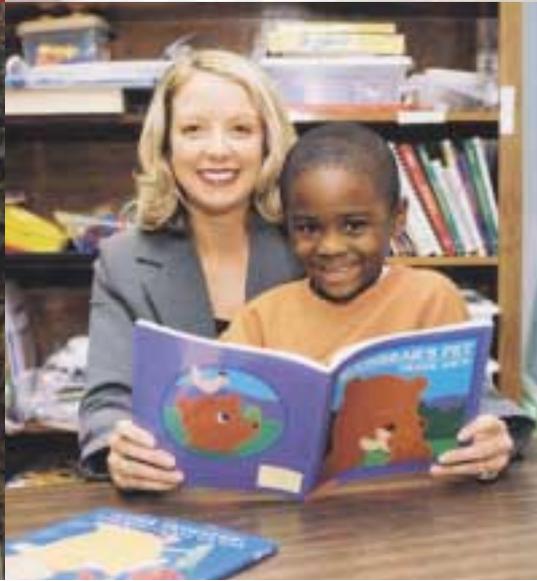
For example, in Winnipeg, RBC branches supported a local food bank’s annual drive by collecting 1,082 pounds of food in just two weeks. Then, a team of 16 employees took it one step further and booked a day off work to sort and bag the food.

It may not seem like much – one day. But their efforts made a real difference to the Winnipeg Harvest Food Bank. And when you multiply the hours donated that one day by the countless hours our employees in Winnipeg and all around the world invest as year-round volunteers with schools, hospitals, sports teams, food banks and arts clubs – *that’s* building healthy communities.

RBC’s Wendy Pawlyk, Shaka Miller and Jacqui Wheway were part of a team of employees that pitched in to help a local food bank with its annual drive.

COMMITMENT TO CAUSES

Some companies focus their community investments on a few specific areas of interest. RBC Financial Group believes in building prosperity by supporting a broad range of community initiatives, reflecting the diverse interests of our employees, clients and businesses around the world. RBC supports diversity in the workplace and in the community – you’ll see this reflected in the programs we develop and support. The RBC Foundation focuses on education, health care, social services and civic causes. We support amateur athletics and the arts through sponsorships. Our employees support causes that are close to their hearts. We report these all year long at rbc.com/community. *Commitment to Causes* provides highlights from 2003.



EDUCATION AND YOUTH

Alan Greenspan, U.S. Federal Reserve Chairman, refers to education as a “capital investment,” because education feeds innovation, and innovation lies at the heart of a nation’s competitive and economic success. At RBC Financial Group, we believe this is true.

Giving to learn

RBC supports lifelong learning through a range of initiatives, including an investment of more than \$132 million in employee training and career development in 2003. Over one-quarter of the annual budget of the RBC Foundation is also devoted to education, almost \$9 million in 2003, including major gifts to colleges and universities.

But we’re extending our support to younger students too. In 2003, for example, the RBC Foundation supported TVOntario’s *Ask a Teacher* Web site, a resource that not only provides practice questions and tests in math, science and literacy, but even provides real-time access to teachers who provide one-on-one homework help.

As part of ensuring that youth have the skills and knowledge for a prosperous future, RBC also supported Actua’s National Bursary Program with a \$75,000 donation. Actua is a network of 28 organizations that promote scientific and technical literacy among young Canadians.

A global reach

RBC has been involved with Career Edge since 1996, providing internship opportunities for young people both within RBC, and with small businesses and not-for-profit organizations through our Associate Host program. Since 2001, Career Edge has gone global with a new internship program: TakingITGlobal (TIG), an organization that uses technology to engage a wide network of young people around the world. TIG links over 25,000 young people in over 230 countries and territories, with a million hits to its Web site (takingitglobal.org) every day.

The internship program at TIG is built on the common mission of the three partners – RBC, TIG and Career Edge – to support young Canadians in achieving their goals and finding meaningful careers that give back to their local communities and strengthen the global community.

RBC has sponsored a total of 16 interns in Canada through TIG.

Role models

Education is a key focus area for RBC employees around the world, especially for those employees who have children of their own and those who have seen the difference a mentor can make in the life of a child. Each Monday after school, 20 students from Anwatin Middle School in Minneapolis, travel downtown for an hour of one-on-one math tutoring with an RBC Dain Rauscher employee. Studies have shown that students who participate in this type of 10-week program vastly increase their chances of passing the Minnesota Basic Standards Tests.

RBC Dain Rauscher also supported youth and education initiatives in 2003 with grants, such as \$10,000 to a diversity program offered by the Boys and Girls Club in Milwaukee, Wisconsin, and \$4,500 to the Career Launch program in Bellingham, Washington. Support goes beyond the financial; for example, RBC’s Steve Alvord devotes one to two hours a week to help coach football, basketball or baseball, depending on the season.



Top after-school programs offer “3 Ss”

RBC Financial Group provided \$1.3 million to 47 of Canada’s top community-based after-school programs for the 2003–04 school year.

“RBC’s after-school grants are considered a ‘seal of approval’ among Canada’s after-school program providers,” says Rob Bray of Calgary’s Catholic Immigration Society, an RBC grant recipient for two years. “The high bar they have set when it comes to evaluation, tracking and information-sharing has helped staff and volunteers improve the quality of after-school programs across Canada, and has helped us secure additional funding.”

To be chosen for a grant, recipients must offer structured, supervised activities in an environment that provides what RBC has termed the “3 Ss”: safety, social skills and self-esteem. RBC grant recipients all provide activities such as computer instruction, sports, literacy tutoring, music and art lessons, nutrition guidance, and homework-help.

RBC’s after-school grants program has provided \$7 million in funding to community groups since 1999.

Children at this Calgary after-school program were entranced by a visit from members of The National Ballet of Canada, who were touring Western Canada as part of the RBC Investments Arts Enrichment Program. Children from ages 6–14 took part in movement and dance workshops led by members of The National Ballet.

A skill for life

Think your children know enough about budgeting and money management? Many parents would like their children to know more. That's why RBC Royal Bank introduced the *Financial Lifeskills Seminars*, a free seminar kit designed to help teachers provide students with clear direction on the path to financial literacy. In 2002, the program was targeted to students in grades 10 to 12, and was expanded to include an intermediate program for grades seven to nine in 2003.

To encourage these students to make informed decisions concerning their future educational and career plans, we also launched the *RBC Royal Bank Financial Lifeskills Scholarship Award*. In 2003, the inaugural awards were given to 10 Canadian high school students. Each received \$2,003 to use for tuition, books or any other school-related expense.

Ten more scholarships will be awarded for the 2004–05 school year.

Seminar materials are available free of charge to educators by calling 1-866-363-1722. Information about seminars and scholarships can also be found at rbccroyalbank.com/lifeskills.

Real life insurance help

RBC Insurance is committed to helping consumers make informed decisions. Key initiatives that support this goal include the sponsorship of *Real Life Money*, a half-hour consumer financial show, which aired on TV across Canada during the summer of 2003 and profiled real Canadians with real financial problems and concerns. A panel of insurance, banking and investment experts offered advice and suggestions on how participants could improve their financial situations.

Tips for parents and students

RBC Royal Bank and RBC Centura have been offering student-banking products and solutions for years, and during that time, we've learned a great deal about post-secondary education. Parents and students can find a wide range of tips and information on our Web sites, from how to finance a post-secondary education to choosing the right college or university. There is even information for adults who are planning to return to school, to help them manage the challenges of family and career.



For more information, visit rbccroyalbank.com or rbccentura.com

A new take on the university experience

Attending university can have an enormous impact on a person's quality of life, by helping strengthen a student's life skills, social skills and employability. It can be the experience of a lifetime – and that experience is now open to adults with intellectual disabilities, thanks to a program offered by the University of Prince Edward Island.

Adult Connections in Education (ACE) is a unique program where adults with intellectual disabilities can attend classes at the University for 28 to 30 hours a week. Classes are designed to reflect their individual needs, interests and abilities, and students participate in class discussions, complete assignments and write exams and term papers like other students during the fall/winter and spring semesters.

Once the spring semester wraps up, students are then placed at an employment position of interest to them. Job placements are facilitated by ACE staff and are a requirement of the program.

In 2003, the RBC Foundation donated \$150,000 over five years to ACE.



IMAGE: DAN NELKEN

Teachers honoured

Teachers who develop their own potential are better able to inspire their students. That's the reason RBC Capital Markets made a \$100,000 donation to Fund for Teachers, a charitable organization in the U.S. that lets teachers take summer sabbatical trips to build on their knowledge. To qualify for a grant, teachers must propose a summer activity and explain how the activity will make them a better teacher. Those selected receive up to \$5,000.

RBC also celebrates the profession of teaching in Canada, by supporting the annual Prime Minister's Awards for Teaching Excellence with donations of more than \$285,000 since 1998. In 2003, 16 top educators received the award, which recognizes the efforts of outstanding teachers in all disciplines across Canada who demonstrate commitment, leadership and exemplary teaching practices.

Kimberly Tai teaches grade four at the Shuang Wen School in New York City. She is one of 20 American teachers who benefited from a donation from RBC Capital Markets that allowed them to work and study during a summer sabbatical. Kimberly spent a month teaching English to children in Thailand.

An investment in young people and education is one of the best investments a company can make to ensure the future prosperity of our communities.

Forty years – and counting – with 4-H

What better way for young people to exchange ideas and learn about their country than by visiting other parts of Canada? That's why RBC has renewed our support for the 4-H Interprovincial Exchange program – a relationship that's marking its 40th anniversary.

RBC announced a \$250,000 commitment over five years to support the program, which provides youth with travel opportunities to other Canadian provinces.

"The RBC Royal Bank 4-H Interprovincial Exchange has been a highlight in the life of thousands of 4-H members since 1963," says Mary-Ann Carson, president of the Canadian 4-H Council. "We are excited about the renewal of the program, especially during the 90th anniversary of 4-H in Canada."

Food to learn on

RBC employees know that breakfast is the most important meal – especially for school kids, who need the right fuel to get through the day.

That's why employees in the Kitchener-Waterloo and Guelph regions of Ontario give their time to contribute to Breakfast for Learning. More than 60 schools and 15,000 children take part in the program, which provides nutritious breakfasts and snacks. RBC has contributed to Breakfast for Learning for six years.

In addition to donating their time before classes start, employees have also organized and taken part in fundraisers such as golf tournaments and silent auctions. As a result, Breakfast for Learning received well over \$50,000 from RBC and employees in 2003.

Typical of employees elsewhere who also believe in the importance of breakfast, a group in Portage la Prairie, Manitoba, visits schools twice a week to serve breakfast as part of the North Memorial School Breakfast Program.

Bahamas support

The largest share of RBC's donations in the Bahamas – as elsewhere – is earmarked for education. In 2003, RBC once again supported the College Financial Aid Fund, a two-year program that provides grants to support students at three colleges.

"This is a very positive program for students in financial need," says Dr. Brenda Cleare, principal of the Bahamas Baptist College, one of the three participating schools. The grants are of particular help to students from the Family Islands who must pay housing costs in addition to tuition fees. RBC also supports the Lyford Cay Foundation, which provides scholarships for Bahamian students attending college in Canada and the United States.



For more information on how RBC supports education, visit rbc.com/community



A partner in learning

Once a week, Christy Langley meets with a young student at a local family resource centre to work on such activities as reading stories, learning numbers and playing developmental games.

"It is such a joy to go to tutor each week," says Langley, one of 50 RBC Centura employees in the Nash/Rocky Mount area of North Carolina who volunteer to mentor a student through Communities in Schools (CIS). The largest stay-in-school network in the United States, CIS matches up community resources with schools to help young people successfully learn, stay in school and prepare for life.

RBC Centura provides a US\$3,000 sponsorship so that one CIS student can receive extra classes, counselling to prevent drug and alcohol abuse, and referrals for health and social issues. In addition, RBC Centura provides a US\$15,000 sponsorship to support the overall program in public schools.

Christy Langley is one of 50 RBC Centura employees who spend time mentoring young students with the Communities in Schools program, helping students such as four-year-old Nadir Thompson. Weekly one-on-one tutoring sessions are available for students in pre-school through to high school.

ARTS, CULTURE AND AMATEUR ATHLETICS

A community's prosperity isn't just limited to its economic outlook. RBC's vision of "building prosperity together" also means that we pay attention to the well-being of our communities by supporting arts, culture and athletics.

A dance to remember

If you attended The National Ballet of Canada's production of *Swan Lake* or *The Firebird* in 2003, you won't soon forget the powerful performances of one of Canada's premier dance troupes. But imagine how it would feel to be one of the performers. That's the memory young dancers and young children have from The National Ballet of Canada's five-city Western Tour, sponsored by RBC Investments. At every stop along the tour, RBC and The National Ballet provided once-in-a-lifetime opportunities for ballet students to attend a master class with stars from the troupe. Children who attend RBC-funded after-school programs were also thrilled to take part in movement and dance workshops led by professional dancers from The National Ballet.

And, for the ninth year, RBC Capital Markets supported The National Ballet's Kids Corps, an educational outreach program for children.

Support for cultural cornerstones

In 2003, RBC announced its largest gifts ever to support arts and culture in Toronto, where four of Canada's leading cultural institutions are based. The Art Gallery of Ontario, the Royal Ontario Museum, the Canadian Opera Company and the National Ballet School received a total of \$4 million to invest in improvements to their facilities.

"We have much to learn from RBC," said Hilary Weston, chair of the Royal Ontario Museum's fundraising campaign. "Your financial support is proof of your foresight – and carries on RBC's esteemed legacy as a leader in the support of arts and culture."

RBC's donation was directed to these cultural cornerstones in recognition of the important role arts and culture plays in the region's economy and quality of life for its residents.

A brush with success

RBC Investments and the Canadian Art Foundation sponsored the fifth annual *New Canadian Painting Competition*, established to recognize visual artists in the early stages of their careers.

Over 600 artists entered the 2003 competition, and works by the 15 finalists were displayed publicly.

The three regional winners will also have their works showcased in RBC's own art collection, started in 1929 to encourage Canadian artists, and containing works by artists such as Emily Carr, Alex Colville, Marc-Aurèle Fortin, Cornelius Krieghoff and Christopher Pratt. Hundreds of paintings, prints and sculptures from our collection are displayed in RBC locations throughout Canada and around the world.



IMAGE: STAN WALDHAUER

Cross-border art exchange

Residents of Minneapolis had a taste of Canadian art as part of a joint venture between the Winnipeg Art Gallery and the Minneapolis Institute of Arts.

Northern Visions: Art and Life of the Inuit, a collection of Inuit sculptures and prints, was exhibited at the Minneapolis Institute of Arts in 2003. The collection, one of the largest in the world, belongs to the Winnipeg Art Gallery.

The exhibition is the first of a series of cultural exchanges between the two art galleries, designed to build cultural and business connections between Minnesota and Manitoba. RBC Dain Rauscher in Minneapolis, and RBC Investments in Winnipeg, each donated \$5,000 toward the cost of the exhibit.

Joan Grathwol Olson, director of development for the Minneapolis Institute of Arts agrees. "The exhibition has been well received. People here have never seen anything like it and we are grateful to RBC for their financial contribution and partnership."

Sheldon Chester, an RBC Dain Rauscher financial consultant and collector of native art looks at prints with *Joe Horse Capture* (right), associate curator at the Minneapolis Institute of Arts. In 2003, RBC sponsored an exhibit of Inuit sculptures and prints at the gallery, as part of a cultural exchange with the Winnipeg Art Gallery.

RBC Financial Group supports arts and culture, with donations to music, dance, theatre and the visual arts, for we believe in the power of the arts to enrich our lives and enhance our communities. We also support amateur athletics, from grassroots all the way to the Olympics.

Wide-ranging support for opera

RBC has been an ongoing supporter of opera since the 1960s, and has contributed over \$2.1 million to 30 opera associations across Canada in the last 10 years, including national support of the Canadian Opera Company's Ensemble Studio program. We extend a broad base of support to local opera companies, too, which is why RBC was named the 2003 winner of the Bravo Award for Outstanding Corporate Support in Canada by Opera America, a non-profit association of 170 professional opera companies across North America.

"RBC is a true leader in corporate philanthropy, recognizing the vital role opera plays in the educational and cultural life of communities," says James Wright, General Director of Vancouver Opera, who nominated RBC for the award. "We, and the millions of people that opera reaches across the country, are grateful for their vision and leadership."

Concert tour gives back

Since 1987, some of Canada's most popular performing artists, under the leadership of musician and actor Tom Jackson, have raised their voices in song as part of the *Huron Carole*, a concert series named after Canada's first Christmas carole, composed in 1641.

And while the music provides food for the soul, the 13-city tour also raises funds for local food banks in each of its stops. RBC has been a sponsor of the tour since 1997.

This year, the *Huron Carole* raised \$365,000 from ticket sales and collected nearly 7,000 kilograms of food, with an additional \$17,830 raised through the sale of commemorative pins at the RBC Pin Bin.

Special Olympics

RBC has supported Canadian Special Olympics since 1968. Today, employees across Canada volunteer their time as coaches, fundraisers and organizers with local teams while RBC-sponsored Sports Celebrities Festivals raise more than \$1 million annually for Special Olympics.

Some of our employees compete in Special Olympics, too, and for one of them, 2003 was a banner year.

Vancouver's Corrie Carlile earned a spot on the Canadian Special Olympics' National swim team, competing in the World Games in Dublin, Ireland, where she won two gold medals. Corrie serves as an inspiration to other athletes with disabilities. Her advice? "Be ready to try new things, train hard, be a good sport and follow your dreams."



An Olympic tradition

It's official – Vancouver will host the 2010 Olympic and Paralympic Winter Games. RBC has supported the Canadian Olympic Team since 1947 – the longest continuous supporter of any Olympic team in the world – so we were a proud community contributor to this Vancouver Bid.

RBC continued to support the Canadian Olympic Committee through its Career Opportunities Program in 2003, providing employment for Olympic contenders across the country while giving them the flexibility to train and compete.

In British Columbia, RBC also hired a team of Olympic and Paralympic athletes as community outreach ambassadors dedicated to creating awareness and support for the Vancouver Bid, engaging Canadians in the pursuit of excellence and in the Olympic ideals.

RBC is now focused on helping Canada's Olympic team members achieve their dreams at the Athens Olympic Games, in August 2004.

RBC hired a team of Olympic and Paralympic athletes, including Daniel Wesley, as community outreach ambassadors to create awareness and support for the successful Vancouver 2010 Bid.

Olympics in the classroom

The entire world pays attention to the Olympics – and watching the Games on television is as close as most of us will ever get to an Olympic experience. But for students all across Canada, the 2004 Athens Olympic Games will feel a little closer, thanks to the *Canadian Olympic Education Program*.

In 2003, RBC teamed up with the Canadian Olympic Committee to offer this curriculum-based resource geared to students in grades four to six. Made available for free to over 12,000 schools across Canada, the resource includes a 32-page kit of curriculum-based activities on topics including ancient Greece and a fun unit on how to stage a mini-Olympic Games.

Athletes study and score

RBC celebrates the achievements of amateur athletes both on the field and in the classroom. The annual *RBC Junior A Scholarship* program rewards outstanding academic achievement, athletic prowess and community service. Ten players, one from each of Canada's Junior A leagues, received \$1,000 scholarships. Of these, the most outstanding candidate was recognized with an additional \$5,000 award.

Fundraising support for sports teams

RBC's popular *Toonies for Your Team* program has been helping local sports teams raise funds for uniforms, equipment and playing space for eight years. In 2003, events like Leo's Shoot-Out, The RBC Helmet Toss and the Toonie Toss (where event spectators toss a two-dollar coin onto a target and the person with the closest coin to the target splits the proceeds with the team) raised more than \$100,000 for minor teams across Canada.

RBC's Local Hockey Leaders

In 2003, RBC launched a new program in Canada to recognize and celebrate "Local Hockey Leaders," behind-the-scenes individuals who inspire others through activities such as coaching teams, shovelling outdoor rinks, organizing fundraising campaigns or driving players to games.

Thirteen regional winners receive \$5,000 each toward a registered charity or hockey cause in their community, special recognition in the Hockey Hall of Fame and a signed Team Canada jersey. Then, one national winner receives a grand prize of \$25,000 for a hockey-related cause.

Labrador Winter Games

Imagine a week-long sporting event that brings together over 500 Innu, Inuit, Settlers and Métis people from 18 remote communities across Newfoundland and Labrador, Canada's easternmost province. Now imagine there are no age barriers in the competitions, which include dog-sled racing, snowshoeing and the "seal crawl." Add snow and cold. These are what make the Labrador Winter Games unique.

The Labrador Winter Games began in 1982 as a way to revive traditional sports that are part of the local culture, and support athletes who are from remote areas and face obstacles such as inadequate training facilities, the lack of local peers with whom they can compete, as well as the high cost of travel to competitions.

RBC has been a key supporter of the Labrador Winter Games since 1997.



IMAGE: WWW.LAMEDIADESIGN.COM

They shoot, they score

Hockey is a way of life for millions of people across North America, from players and coaches to officials, volunteers and spectators. RBC has been a supporter of hockey since the 1980s, and the centrepiece of our support is the RBC Royal Bank Cup, the National Junior A Championship.

The tournament is a great opportunity for players to showcase their talents to Canadian and American scouts. Each year over 100 teams compete to make it to the Championships, with the final five competing in a week-long round robin.

But visitors are treated to more than exciting hockey. RBC kicked off the 2003 tournament, held in Charlottetown, Prince Edward Island, with a barbeque to thank the community, attended by 2,500 people. Friends and family of the teams were then treated to an evening of dinner and dancing to thank them for their support of hockey.

RBC also sponsored the 2003 IIHF World Junior Hockey Championship, held in Nova Scotia – the first time in Canada since 1999. It was considered to be the most important sporting event ever to be held in that province.

Communities from across Canada compete fiercely to host the annual RBC Royal Bank Cup, and in 2003, the tournament swept into Charlottetown, Prince Edward Island, bringing with it thousands of spectators, boosting the local economy and raising the national profile of this seaside city.

ABORIGINAL PEOPLES

RBC is committed to earning the trust and business of Canada's Aboriginal Peoples by providing innovative products and services that are relevant to their needs, and supporting programs that enhance economic and community well-being, including donations of \$300,000 in support of Aboriginal community initiatives in 2003.

Financial services and support

RBC has a long history of strong relationships with Aboriginal communities, built by providing flexible solutions that reflect their unique and diverse needs for financial services, treating clients as they want to be treated, and supporting community growth.

RBC was one of the first banks to open a full-service branch in a First Nation community. There are now seven full-service branches in addition to three RBC agency outlets staffed by First Nations people, utilizing RBC technology, support and training. RBC also has one branch in each of the three regions of Nunavut. RBC is the only major financial institution to have established a national First Nations' Advisory Service for Aboriginal communities to assist them in managing investments, trusts and land claim settlements. Our specialized lending program allows First Nations members to purchase houses on-reserve, outside the Canada Mortgage and Housing Corporation (CMHC) program and without Ministerial guarantees.

More than half of the Aboriginal population in Canada lives in urban centres. To support their unique needs, RBC provides a broad range of initiatives in partnership with the National Association of Friendship Centres, representing more than 120 centres across the country, which are the hub of the urban Aboriginal population. We regularly sponsor urban initiatives that increase economic opportunities, including the Aboriginal Peoples Television Network's *Venturing Forth* series, the Council for the Advancement of Native Development Officers (CANDO), First Peoples Business Association in Quebec and the Aboriginal Financial Officers' Association.



For more information, visit rbcroyalbank.com/aboriginal

Founding sponsor of CESO

RBC is a founding sponsor of the Canadian Executive Service Organization's (CESO) national MBA project that matches teams of graduate students in a number of universities across Canada with Aboriginal communities to work on specific economic development projects.

These projects not only provide economic benefits, but also build bridges of respect and understanding on Aboriginal issues with the MBA students and others involved in the projects.

There were six projects underway over the past year, including feasibility studies and marketing plans for a variety of businesses and projects. RBC provides \$50,000 to CESO's Aboriginal Services program to make MBA teams and CEO volunteer advisors more accessible to communities and enterprises by covering out-of-pocket expenses.



Support for youth

Recognizing that more than half of the Aboriginal population in Canada is under the age of 25, RBC invests in a variety of youth programs.

In 2003, five young Canadians were recognized through our Aboriginal Student Awards Program, which has awarded 54 scholarships totalling \$486,000 since its inception nine years ago.

For the past 10 years, RBC's national Aboriginal Stay in School Program has supported educational activities and career opportunities and provides summer employment for youth, many of whom have permanently joined RBC.

For the past eight years, we've partnered with the National Aboriginal Achievement Foundation to co-sponsor the *Blueprint for the Future* career fairs across the country, and we have sponsored a number of suicide prevention programs.

Nunavut students **Charlotte Lyle** and **Elijah Aitoak** work on reading skills at the Cambridge Bay Childcare Society, one of 47 not-for-profit groups across Canada who received after-school grants from RBC in 2003.

PEOPLE WITH DISABILITIES



RBC is committed to being an employer of choice for people with disabilities and ensuring an inclusive and barrier-free environment for our staff, our clients and the communities we serve. In 2003, we also donated almost \$900,000 to charitable causes that support people with disabilities.

Barrier-free service

At RBC Financial Group, we strive to build an inclusive and barrier-free environment that will earn the trust of clients and employees who have a disability.

RBC's policy is that every new branch and branches undergoing major renovations must comply to barrier-free design codes and standards for physical accessibility, and must have universal access.

Over 98 per cent of RBC Royal Bank branch buildings are now wheelchair accessible, with exceptions being some historical/ heritage buildings, or older branches where there are physical or legal restrictions on retrofitting.

We also regularly partner with national and local groups to recruit and train people with disabilities for employment with RBC, and ensure the workplace environment supports their needs.

Talking ATMs

RBC Royal Bank has 296 talking automated teller machines (ATMs) in Canada, including 71 that were introduced in 2003. These machines are designed to assist people who are blind and visually impaired, elderly and those with learning disabilities to bank independently and privately. The talking ATMs work the same way as any other full-service banking machine, except that they provide audio assistance to clients, guiding them step-by-step through their banking through audio prompts heard through personal headphones. The machines have received high praise for their user-friendly design.

RBC is also a leader in providing other banking features for clients with special needs. We were the first Canadian financial institution to introduce cheque-writing guides, large-print cheques and Braille banking statements.

Accessibility in the workplace

A cornerstone of our commitment to workplace accommodation is the *I Make it Barrier Free* program that provides managers with on-the-spot authority to approve up to \$3,000 per employee annually in expenses related to workplace accessibility. Where this is necessary, on-site workplace assessments are conducted by the Canadian Council of Rehabilitation and Work to provide expert recommendations to the manager and to the employee. Overall, our Workplace Accommodation policies are communicated to managers to make certain they understand our commitment.

In 2003, a new training program on creating an inclusive environment for individuals with disabilities was delivered to over 600 employees in our Western Canada Operations group. We also continue to promote our *Removing the Barriers* reference guide and online resource to help employees provide quality service to clients with disabilities.



IMAGE: JOSEPH ROBICHAUD PHOTOGRAPHY

Program offers skills training

RBC Financial Group regularly partners with national and local groups to recruit and train people with disabilities for employment with RBC.

For example, in 2003, RBC sponsored the Skills Training Partnership Program, a joint effort with government agencies that provides specialized training for individuals with disabilities who wish to join the financial services industry. This year the program included a *Banking on the Future* pilot project that had 12 participants from Nova Scotia, with RBC hiring 6.

The project will be expanded to include applicants throughout Atlantic Canada for 2004. *Banking on the Future* is a joint initiative between the Canadian Council of Rehabilitation and Work, Team Work Co-operative, Human Resources Development Canada and four of Canada's major financial institutions.

Looking for the ideal learning environment that would help her develop a career in financial services, RBC's Michelle-Lee Pineau, pictured at our branch in Dartmouth, Nova Scotia, was a successful graduate of *Banking on the Future*, a pilot project providing specialized training for individuals with disabilities. Michelle has Attention Deficit Disorder.

HEALTH AND WELLNESS

RBC is committed to healthy communities – and that means supporting health care and research at both the institutional and community levels. Our employees also volunteer their time and energy to health care organizations and charities around the world.

Health giving

RBC is a leading supporter of medical research, health care associations and hospitals; in fact, 28 per cent of all our donations go to this sector.

Some of the major gifts from the RBC Foundation in 2003 included \$113,500 to the Multiple Sclerosis Society of Canada for various initiatives across the country. Our employees are active supporters of this cause too, especially in the annual *Super Cities Walk for MS*.

Since 1983, RBC has donated more than \$2,400,000 to the Heart and Stroke Foundation of Canada, including a corporate gift of \$360,000 paid out over three years, beginning in 2002. This support has helped to pioneer the development of a unique women's section on the national Heart and Stroke Web site.

the *Joints In Motion* marathon for the Arthritis Foundation, raising \$7,200.

She's typical of the thousands of RBC employees who walk, run, cycle and even canoe to raise money and awareness for health-related causes. Among others were 50 Dain Rauscher employees in Minneapolis, who joined more than 8,000 people in the annual *Minnesota AIDS Walk*, the state's largest AIDS fundraiser. Still others get involved in the planning stages of events, such as Edna Johnson of Slave Lake, Alberta, who organized a *Ride for Life* to raise almost \$5,000 for the Heart and Stroke Foundation.

A partnership between science and finance

The life-sciences sector is a key to Canada's future prosperity, but many of our most promising companies lack the resources – both financial and managerial – to take their discoveries to market.

Enter MaRS: the Medical and Related Sciences (MaRS) Discovery District. Situated just blocks from the financial

sector in downtown Toronto, this facility is Canada's newest biotech and life-sciences hub, a place where researchers and companies in life sciences and other related disciplines can work together and build critical mass to make more discoveries, and then bring them to market more quickly and efficiently. The end result will be the growth of stronger Canadian companies, and the creation of high-value jobs for the future.

RBC Financial Group is committed to the prosperity of this sector, which is why CEO Gordon M. Nixon was keynote speaker at the launch of MaRS. His main message? If Canada is to have a successful medical and related sciences industry, it will need a deeper pool of investment capital. "We have to do much more to develop a financing system that can deal with the high risk and long lead times that characterize the world of bioscience. MaRS means that the world of science and the world of finance have become neighbours."

"Actively" seeking cures

Despite the fact that she suffers from a musculoskeletal pain and fatigue disorder known as fibromyalgia syndrome, Manitoba's Barbara Painter power-walked



New breast cancer treatment

Every year, more than 20,000 Canadian women are diagnosed with breast cancer. Many, as part of their treatment, undergo traditional radiation therapy, which can take four to six weeks. RBC was a major contributor in 2003 to a project that offers women a quicker, safer, more convenient breast cancer treatment.

Brachytherapy is a leading-edge radiation treatment that affects only the site where a tumour has been removed. It takes just five days, compared to the several weeks required by traditional therapy.

With RBC's help – \$45,000 in 2002 and another \$45,000 in 2003 – the Ville Marie Oncology Foundation in Montreal has already provided this treatment to a number of women and is on the way to establishing Canada's first stand-alone brachytherapy centre.

RBC's donation to the Ville Marie Oncology Foundation in Montreal helped fund equipment for a leading-edge radiation treatment, operated by technicians Victoria Fusco and Stefanie Terrenzio. The result: a breast cancer treatment that's quicker, safer and more convenient for patients.

To support the wellness of our employees, RBC provides dependent-care support, flexible work arrangements, time-off or leave policies and wellness programs.

Promoting wellness

The evidence supporting the link between physical activity and good health continues to grow. That's why RBC Insurance strongly supports healthy lifestyle and wellness initiatives, both in Canada and the United States, such as sponsoring activities that promote physical activity for kids.

As part of our overall goal of greater community support for the Peel Region of Ontario, where our RBC Insurance head office is located, we also hosted the first annual Charity Golf Classic for the Hospice of Peel, raising almost \$60,000 for this agency that helps people living with life-threatening illnesses.

Supporting health and wellness is equally important for us in the United States. For example, Cindy Sloan from RBC Insurance in Greenville, South Carolina, organized her own 239-member team to take part in the *Komen Upstate South Carolina Race for the Cure*, and more than 80 other employees took part too. RBC Insurance was a gold sponsor of this annual event to raise funds for breast cancer research.

Terry Fox – and more

September 2003 marked the 23rd annual Terry Fox Run, with RBC employees taking part from Sydney, Nova Scotia, to Sydney, Australia. RBC Royal Bank branches accepted pledge sheets from runners, and RBC Capital Markets' three-year pledge of \$450,000 will cover all printing costs, ensuring that more of the funds raised will go directly to fund cancer research.

Cancer has touched just about all of us, whether personally or through a friend or relative. So it's not surprising that RBC and our employees want to help find a cure – and support those who have the disease.

In Manitoba, RBC donated \$5,000 to the Manitoba Prostate Cancer Support Group in honour of a local cancer survivor who established 80 support groups across Canada.



For more information on RBC's support of health, visit rbc.com/community

An ounce of prevention

When children act aggressively or bully their peers, educators usually respond with severe consequences, such as suspending them from school. What's happening, says David Wolfe, PhD, is that we wait for children to do something wrong, then punish them.

Dr. Wolfe, the first holder of the RBC Investments Chair in Children's Mental Health and Developmental Psychopathology, believes it's far better to prevent the problem in the first place. "Trauma resulting from unhealthy relationships is easier to prevent than to treat."

The Chair was announced in 2001, along with a \$2 million pledge from RBC Foundation over four years.

Dr. Wolfe has developed a curriculum for teens, focused on preventing dating violence and other high-risk behaviour. Called *The Fourth R*, it is based on the principle that relationship skills can be taught the same way as the traditional 3 Rs. It is being piloted in London, Ontario.



IMAGE: S. ANTHONY BROWN

Child care

Nothing is more heartbreaking than a sick child – one reason why our employees are so involved with children's health care causes, and why RBC Financial Group is involved, too.

For example, in the Bahamas, RBC donated \$30,000 to the Neonatal Unit at Nassau's Princess Margaret Hospital to purchase a VIP Bird Ventilator, which helps premature babies with breathing difficulties.

RBC's donation of \$100,000 over two years to Camp Oochigeas, Canada's longest-running summer camp for children with cancer, will help the Ontario facility establish a permanent home.

Elsewhere, a \$50,000 donation went to the British Columbia Children's Hospital, with employees volunteering and raising funds all year long. In Winnipeg, RBC supported the annual Teddy Bears Picnic, helping raise funds for the Children's Hospital Foundation of Manitoba. Employee volunteers staffed the tent, and RBC donated \$15,000 to the foundation, continuing a relationship that began in 1989.

A staff nurse monitors the VIP Bird Ventilator at Nassau's Princess Margaret Hospital in the Bahamas, funded by a donation from RBC.

GUIDELINES FOR DONATION AND SPONSORSHIP REQUESTS

Donations and sponsorships are often the first things people think of when you mention RBC Financial Group's support of communities. No wonder: these are cornerstones of our community investment programs, and living proof of how we try to build prosperity together with not-for-profit and community organizations.

DONATIONS: CANADA

Within Canada, RBC Financial Group and RBC Foundation donations are directed to not-for-profit organizations designated as registered charities by the Canada Customs and Revenue Agency. Funding is targeted to specific projects or programs that add value to the scope of services offered by an organization. Finally, we encourage the development of a broad base of support for all charitable organizations.

What we support

Donations through RBC Financial Group and the RBC Foundation are intended to:

- assist educational, health, social services, civic and arts organizations that enhance quality of life, particularly for youth;
- support endeavours that benefit the community, and thus RBC's clients, employees and shareholders, by improving the quality of community services;

- encourage and support community-minded efforts and involvement of RBC Financial Group employees.



For specific areas of focus and application guidelines, visit rbc.com/community/donations

SPONSORSHIP: CANADA

RBC considers sponsorships that align with our brand and business strategies, and that also offer an assortment of marketing benefits such as consumer promotions, business-to-business opportunities, on-site brand and product exposure, paid and unpaid media coverage and related media extensions, database access, targeted research, measurement audits, client hosting and staff volunteer opportunities.

What we support

- amateur sport
- arts and culture
- community programs

Exclusions

RBC does not traditionally sponsor individuals, individual teams, and production of films, books or television shows. RBC prefers to focus its sponsorship dollars on associations that provide support at the community, provincial and national levels.

What to send us

Proposals should include contact information, executive summary, program objectives, strategy, target audience, supporting research, sponsor rights and benefits, media plan (if applicable), list of other sponsors and/or contributors, and asking price.



For an overview of our sponsorship programs, visit rbc.com/sponsorship

WHERE TO SEND YOUR PROPOSAL

Donations

(NATIONAL CANADIAN CAMPAIGNS)

National Manager, Donations
RBC Foundation
9th Floor, South Tower
200 Bay Street
Toronto, Ontario M5J 2J5

Sponsorships

(NATIONAL CANADIAN PROGRAMS)

Director, Sponsorship Marketing,
Brand Management and Advertising
16th floor, South Tower
200 Bay Street
Toronto, Ontario M5J 2J5

Regional campaigns and programs

Applications for local or regional donations and sponsorships should be directed to the appropriate contact, as below.

ATLANTIC PROVINCES

Manager, Donations
(or Manager, Sponsorships)
RBC Financial Group
5161 George Street
P.O. Box 1147
Halifax, Nova Scotia B3J 2Y1

QUEBEC

Manager, Donations
(or Manager, Sponsorships)
RBC Financial Group
1 Place Ville Marie
P.O. Box 6001
Montreal, Quebec H3C 3A9

ONTARIO

Manager, Donations
(or Manager, Sponsorships)
RBC Financial Group
20 King Street West, 11th Floor
Toronto, Ontario M5H 1C4

SASKATCHEWAN, MANITOBA, NORTHWESTERN ONTARIO

Manager, Donations
RBC Financial Group
220 Portage Avenue, 2nd Floor
Winnipeg, Manitoba R3C 0A5

Manager, Sponsorships
RBC Financial Group
220 Portage Avenue, Main Floor
Winnipeg, Manitoba R3C 0A5

DONATIONS: UNITED STATES

RBC Centura: What we support

RBC Centura partners with non-profit organizations with 501(c)3 designation from the Internal Revenue Service (IRS), primarily in the areas of education, economic development, human services, and arts and culture.

Requests for local donations may be submitted to local RBC Centura banking centers. We do not fund requests in geographic areas where we do not actively do business.

What to send us

Requests for charitable donations are accepted throughout the year, and must include:

- Written outline of project (2–3 pages in length maximum);
- Most recent audited financial statements and current operating budget;
- Project budget;
- Brief description of the organization including its mission and history;

- List of Board of Directors;
- List of other committed or approached donors, including government sources;
- Copy of 501(c)3 designation from IRS.

Due to the nature of documents required, RBC Centura does not accept requests through our Web site or via fax or e-mail.

RBC Dain Rauscher: What we support

RBC Dain Rauscher focuses our giving on youth education, human services, and arts and culture. Giving is concentrated in geographic areas where RBC Dain Rauscher has a major business presence and on programs that fit strategically with the interests of our business. Special consideration is given to organizations in which our employees are involved.



For guidelines, visit rbcdain.com and click on "Community Involvement"

RBC Insurance: What we support

RBC Insurance supports organizations in the communities where we do business, that foster awareness of programs in education, health and the arts with emphasis on programs benefiting young families, the elderly and the medically underserved.

SPONSORSHIP: UNITED STATES

We select sponsorships based on their ability to promote our brand, image and reputation through events in communities where we do business.



For information about sponsorship opportunities at RBC Dain Rauscher, RBC Insurance and RBC Centura, visit rbc.com/sponsorship

BRITISH COLUMBIA

Manager, Donations
(or Manager, Sponsorships)
RBC Financial Group
1055 West Georgia Street, 34th Floor
Vancouver, British Columbia V6E 3S5

ALBERTA, NORTHWEST TERRITORIES, NUNAVUT & YUKON

Manager, Donations
(or Manager, Sponsorships)
RBC Financial Group
335–8th Avenue S.W., 24th Floor
Calgary, Alberta T2P 1C9

UNITED STATES – RBC CENTURA

Secretary
RBC Centura Donations Committee
P.O. Box 1220
Mail Code: 000-900-0601
Rocky Mount, NC 27802-1220

UNITED STATES – RBC DAIN RAUSCHER

For information, visit rbcdain.com and click on "Community Involvement."

UNITED STATES – RBC INSURANCE

Corporate Affairs Manager (Donations)
RBC Insurance
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Greenville, SC 29602-0789

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from rbc.com/community

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