

PRINCIPAL SUBSIDIARIES (1)	PRINCIPAL OFFICE ADDRESS (2)	CARRYING VALUE OF VOTING SHARES OWNED BY THE BANK (3)
Royal Bank Mortgage Corporation (4)	Montreal, Canada	\$369
Royal Trust Corporation of Canada (4)	Toronto, Canada	770
The Royal Trust Company	Montreal, Canada	200
Royal Mutual Funds Inc.	Toronto, Canada	1
Royal Bank Action Direct Inc.	Richmond Hill, Canada	31
Royal Bank Holding Inc.	Toronto, Canada	10,706
Royal Bank DS Holding Inc.	Toronto, Canada	
RBC Dominion Securities Limited	Toronto, Canada	
RBC Dominion Securities Inc.	Toronto, Canada	
RBC Dominion Securities Corporation	New York, U.S.A.	
Royal Bank Realty Inc.	Montreal, Canada	
RBC Insurance Holdings Inc.	Mississauga, Canada	
Voyageur Insurance Company	Brampton, Canada	
Westbury Canadian Life Insurance Company	Hamilton, Canada	
Life Insurance Company of Royal Bank of Canada	Mississauga, Canada	
General Insurance Company of Royal Bank of Canada	Mississauga, Canada	
Royal Bank Equity Partners Limited	Toronto, Canada	
Royal Bank Capital Management Inc.	Toronto, Canada	
RT Investment Management Holdings Inc.	Toronto, Canada	
Royal Bank Investment Management Inc.	Toronto, Canada	
RT Capital Management Inc.	Toronto, Canada	
3305988 Canada Inc.	Toronto, Canada	
Royal Bank Capital Corporation	Toronto, Canada	
R.B.C. Holdings (Bahamas) Limited	Nassau, Bahamas	
Royal Bank of Canada Trust Company (Bahamas) Limited	Nassau, Bahamas	
Multinational Services (Cayman) Limited (4)	George Town, Grand Cayman	
Finance Corporation of Bahamas Limited	Nassau, Bahamas	
Royal Bank of Canada Reinsurance (Cayman) Limited	George Town, Grand Cayman	
Royal Bank of Canada Insurance Company Ltd.	St. Michael, Barbados	
Royal Bank of Canada (Asia) Limited	Singapore	
Investment Holdings (Cayman) Ltd.	George Town, Grand Cayman	
Royal Bank of Canada (Barbados) Limited	St. Michael, Barbados	
RBC Holdings (USA) Inc.	New York, U.S.A.	394
Royal Bank of Canada Financial Corporation	St. Michael, Barbados	6
Atlantis Holdings Limited	St. Michael, Barbados	405
RBC Finance B.V.	Amsterdam, Netherlands	1,676
Royal Bank of Canada (Suisse)	Geneva, Switzerland	
RBC Holdings (Channel Islands) Limited	Guernsey, Channel Islands	
Royal Bank of Canada (IOM) Limited	Isle of Man, British Isles	
Royal Bank of Canada (Channel Islands) Limited	Guernsey, Channel Islands	
Royal Bank of Canada (Jersey) Limited	Jersey, Channel Islands	
Royal Bank of Canada Holdings (U.K.) Limited	London, England	
Royal Bank of Canada Europe Limited	London, England	
RBC Investment Management (Asia) Limited	Hong Kong	34
Royal Trust Bank (Asia) Limited (4)	Singapore	2

(1) The bank owns 100% of the voting shares of each subsidiary, except RBC Dominion Securities Limited (80%) and Finance Corporation of Bahamas Limited (75%). The bank has initiated a process which will result in the acquisition of all voting shares of RBC Dominion Securities Limited, effective November 1, 1998.

(2) The subsidiaries are incorporated under the laws of the country in which the principal office is situated, except for RT Investment Management Holdings Inc. incorporated under the laws of the province of Ontario, and RBC Holdings (USA) Inc. incorporated under the laws of the state of Delaware, U.S.A.

(3) The carrying value (in millions of dollars) of voting shares is stated as the bank's equity in such investments.

(4) The subsidiaries have outstanding non-voting shares of which the bank, directly or indirectly, owns 100%.

corporate governance

The financial services industry is being dramatically transformed. Financial markets are increasingly integrated, strong competitors are entering the industry, innovative financial instruments are being created, the regulatory environment continues to evolve rapidly, and modern technologies are providing new avenues of service delivery.

These developments have important implications for corporate governance. Shareholders, as owners of the bank, must be assured that corporate governance practices foster long-term shareholder value. Their attention focuses on the Board of Directors, which supervises the bank's management on the shareholders' behalf. Boards are accountable to the shareholders, but their success in serving them depends in part on how well the interests of others – depositors and other customers, employees and communities – are served by the bank.

Royal Bank intends to remain proactive in adopting industry-leading corporate governance practices. In 1980, and again in 1993-94, special board committees reviewed the role of the Board of Directors. Their recommendations form the basis of Royal Bank's corporate governance system. The bank's system of governance is consistent with the guidelines of the Toronto and Montreal stock exchanges for effective corporate governance (the "Exchange Guidelines"). The following are among the main principles of the bank's corporate governance system.

1 | Royal Bank will remain a leader in adopting best practices in corporate governance.

In a rapidly changing environment, corporate governance must be subject to constant review and improvement. With this principle in mind, the board established a strong, independent, standing committee, the Corporate Governance Committee, to manage the

governance system on behalf of the full board. This Committee is made up exclusively of external directors. It monitors the effectiveness of the Board of Directors and its committees and the performance of directors. As Royal Bank operates globally, the

Corporate Governance Committee tracks international developments in corporate governance and adapts best practices to the needs and circumstances of the bank. The Committee also reviews the bank's adherence to the Exchange Guidelines.

2 | The Board of Directors supervises the management of the bank's business and affairs.

The board supervises the management of the business and affairs of Royal Bank with the goal of enhancing long-term shareholder value. In doing so, the board delegates to the bank's management the authority and responsibility for managing day-to-day affairs. The board's responsibilities include putting in place the bank's management team and reviewing its performance and effectiveness.

The board and its committees also:

- › approve Royal Bank's strategic plan and oversee its implementation. At least one day-long meeting each year is devoted to strategic planning.
- › identify the principal business risks of the bank and ensure those risks are effectively managed.
- › oversee succession planning for senior management, by reviewing the bank's leadership review process and ensuring that strong candidates are identified and depth in management is fostered.
- › review and approve the contents of major disclosure documents, including the Annual Report, and ensure that appropriate processes are in place for communicating with customers, employees, shareholders, the investment community and the public.
- › assess and approve the integrity and effectiveness of internal control and management information systems.
- › make major policy decisions for the bank, which include setting the dividend policy, establishing investment and lending policies, standards and procedures, and approving compensation policies and the compensation of senior officers.
- › approve the annual and quarterly financial statements, corporate financial goals and annual operating plan, including the capital budget and major capital expenditures.

- › approve the corporate objectives which the CEO is responsible for meeting. These objectives are set out in the 1998 Annual Report. Each quarter, shareholders are informed about the bank's performance against these objectives.

Much of the work of the board is done through committees. This allows in-depth analysis of issues and more time for the full board to discuss and debate items of business. Committees report to the full board after each committee meeting. The activities of the committees of the board are described below.

The *Bank Act* specifies certain important matters that must be dealt with by the board, such as approval of annual financial statements and declaration of dividends. By formal resolution, the Board of Directors reserves certain decisions to itself and delegates others to management. For example, acquisitions and investments in new subsidiaries, capital expenditures in real estate, computers or electronic delivery systems, and entrance into strategic alliances or licensing agreements are matters which have thresholds that determine when board approval is required and define the limits of management's discretion.

Over the past year the board held ten scheduled meetings, three additional special meetings and one all-day strategy session. The Board of Directors held on-going discussions this year on the proposed merger with Bank of Montreal, and addressed such matters as the Year 2000 issue, the pending introduction of the European Monetary Unit, Asia and the global economy, as well as specific transactions.

3 | The board must form a strong, cohesive team with shared responsibilities.

The strength of the board is built upon the background, diversity, qualities, skills and experience of its members. Nominees for the board are selected for their business judgment, integrity, ability to generate public confidence, business or professional activity, international experience, knowledge of local, national and international issues, residency, and familiarity with geographic regions relevant to

Royal Bank's strategic priorities. The Corporate Governance Committee annually reviews the credentials and performance of directors standing for re-election.

The size of the board represents a balance. The board must be small enough to form a cohesive team and to facilitate decision-making and open and effective dialogue. At the same time there is a

business need for strong geographical, professional and industry sector representation. Over the past several years the Board of Directors has substantially reduced its size, and has adopted a goal of maintaining the size of the board in the range of 18-21 directors. The Board of Directors will comprise 19 members following the 1999 Annual Meeting.

4 | The board must be independent from management.

As the Exchange Guidelines note, there are different ways to ensure independence. One is to have a board chairman who is not a member of management. Another is to give a board committee or a director, sometimes called the "lead director", responsibility for ensuring that the board functions independently. Royal Bank has adopted the second approach, giving this responsibility to the chairman of the Corporate Governance Committee and its members. The chairman of the Corporate Governance Committee serves as a liaison on corporate governance matters among the directors and between the board and senior management, and at the conclusion of board meetings, chairs meetings of non-management directors at which any concerns may be freely expressed.

This system protects board independence and at the same time allows the bank to retain the benefits of having a Chairman who is also Chief Executive Officer. The combination of the two positions means the Chairman has a more detailed knowledge of the business and activities of the bank than would be possible for a chairman who was not a member of management. This is consistent with general practice within the banking industry in North America.

Board policy promotes board independence in many other ways. For example:

- › board policy permits no more than two directors from management. Currently, only one director is an executive of the bank (the CEO).
- › management directors do not serve as members of any board committee.
- › the *Bank Act* and policies of the Board of Directors impose requirements on the directors regarding conflicts of interest and related party transactions and directors must disclose any interest in and refrain from voting in respect of material contracts with the bank.
- › the Human Resources Committee and the board foster accountability of the CEO and other members of senior management by selecting and annually evaluating the CEO and, in consultation with outside consultants, determining the compensation of the CEO and other senior management.
- › to align the interests of directors and shareholders, directors' retainers are paid in shares until they have an investment in Royal Bank with a value equal to six times their annual retainer; alternatively, directors may elect to receive at least 50% of all their remuneration in the form of deferred stock

units, which cannot be converted to cash until a director ceases to be a member of the board. Directors may also elect to receive all their payment in common shares or deferred stock units.

On the issue of board independence, the *Bank Act* provides that no more than two-thirds of the directors may be "affiliated"⁽¹⁾ with the bank. As of October 31, 1998, only two of the 22 directors are "affiliated" with Royal Bank. In addition, the Exchange Guidelines provide that a majority of the directors should be "unrelated"⁽²⁾ to the bank. The definitions of "unrelated" and "affiliated" both focus on the nature and extent of business ties between directors and the bank.

In considering whether a director is "related", the Board of Directors first made the determination that any director who was "affiliated" would be considered to be "related". Based on this analysis, and on the definition of "unrelated" and information provided by directors as to their individual circumstances, the board determined that only three of the 22 directors are "related" to Royal Bank:

- › as CEO of the bank, Mr. John Cleghorn is a "related" director.
- › as at October 31, 1998, one director is "related" by virtue of a corporate banking relationship with the bank.
- › the Exchange Guidelines recognize that a former CEO can acquire the status of an "unrelated" director "after the expiration of an appropriate period of time". The board has considered whether Mr. Allan Taylor, the former Chairman and CEO of the bank is a "related" director and has concluded that, although four years have passed since Mr. Taylor was an employee of the bank, Mr. Taylor should continue to be regarded as "related" to the bank.

(1) "Affiliated" persons include an officer or employee; a significant borrower; a person who controls or is an officer or employee of a significant borrower; a person who is an officer, partner or employee of, or who has a substantial investment in, a partnership or company that provides goods or services to Royal Bank with annual billings to the bank exceeding 10% of its total annual billings; a person whose loan from Royal Bank is not in good standing or who is a director, officer or employee of, or who controls, an entity with a loan from Royal Bank which is not in good standing; and a spouse of any person who is "affiliated".

(2) An "unrelated" director is "a director who is independent of management and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding. A related director is a director who is not an unrelated director."

5 | Effective decision-making requires that the board be well-informed.

To strengthen its independence from management the board has timely access to the knowledge and information it needs to carry out its duties. To ensure this:

- › each new director of the bank is presented with a Director's Guide and has an opportunity to meet with senior management to discuss the business functions and principal activities of Royal Bank.
- › the bank provides directors with an ongoing education program, with a focus on the corporate governance system, including roles, responsibilities and liabilities of directors.
- › in addition to regular board information sessions on topics such as corporate goals, operating plan and capital budget, compensation, public policy, and the bank's strategic framework, in the past year formal presentations have been provided to the board on other topics, such as: human resources issues, business reorganizations, wealth management and insurance.
- › prior to each board and committee meeting, the directors receive a comprehensive information package including the agenda, minutes of the previous meeting, presentations and other information on items to be discussed at the meeting.
- › annual off-site sessions are held where directors review and assess the bank's strategic direction. These meetings are attended by the full board and the heads of the bank's business units.
- › directors receive a weekly package of information with press releases, articles, videos and analysts' reports on Royal Bank and the financial services industry.
- › the board has adopted a policy that enables an individual director, with the consent of the chairman of the Corporate Governance Committee, to engage an outside advisor at the expense of the bank.

6 | Accountability requires a commitment to quality in communications.

The bank is committed to openness, excellence and timeliness in communications with its shareholders, customers, employees and the public. The board has ensured that procedures are in place to provide timely information to investors and potential investors and to respond to investor inquiries and concerns. The bank maintains an

experienced investor relations staff with the responsibility of maintaining communications with the investing public in accordance with bank policies and procedures and legal disclosure requirements. It is bank policy that every shareholder inquiry receives a prompt response from an appropriate officer. As well, the Chief Executive Officer, the

Chief Financial Officer and other senior executives meet periodically with financial analysts and institutional investors. Investor relations staff are also available to shareholders by telephone and fax and the bank maintains an extensive investor relations website at <http://www.royalbank.com/investorrelation>

Mandates and Activities of Board Committees

Every committee of the Board of Directors is composed exclusively of non-management directors, a majority of whom are "unrelated". Each committee annually evaluates its effectiveness in carrying out its mandate. The roles and responsibilities of each committee are specifically defined so as to provide guidance to committee members as to their duties. The mandates and activities of the board committees are described below.

Audit Committee

- › reviews matters prescribed by the *Bank Act*, including annual and quarterly financial statements, and returns specified by the Superintendent of Financial Institutions.
- › meets separately with the shareholders' auditors, the chief internal auditor and senior management, to monitor the effectiveness of the internal control procedures and management information systems, controls, procedures and accounting practices.
- › requires management to implement and maintain appropriate internal control procedures and reviews, evaluates and approves those procedures.
- › at least once a year, reviews and approves the Standards Assessment and Reporting Program, together with a representation letter concerning adherence by the bank to the Standards of the Canada Deposit Insurance Corporation ("CDIC").
- › reviews measures implemented to ensure compliance with the CDIC Internal Control Standards, which include guidelines on information technology controls, valuation policies and procedures, safeguarding controls, accounting and record keeping controls, management information systems, and independent inspections and audits.
- › reviews and approves policies related to liquidity management and capital management as provided for in the CDIC Standards and the Standards Assessment and Reporting Program concerning adherence to these CDIC Standards.
- › reviews investments and transactions that could adversely affect the well-being of Royal Bank.
- › reviews offering documents relating to the issue of securities of the bank.

Members: J. Bongie, R.L. Cliff (Chair), L.Y. Fortier, G.W.F. McCain, J.E. Newall, K.C. Rowe

Conduct Review Committee

- › requires management to establish procedures for complying with the rules of the *Bank Act* concerning “related parties” of Royal Bank and reviews those procedures.
- › ensures that any transactions with related parties that may have a material effect on the stability or solvency of the bank are identified.
- › establishes and monitors procedures for disclosing information to customers, restricting the use of confidential information, dealing with complaints, and resolving conflicts of interest.

Members: T.M. Allen, J.T. Ferguson, R.B. Peterson (Chair), G. Saint-Pierre, R.T. Stewart

Corporate Governance Committee

- › monitors and makes recommendations regarding the effectiveness of the system of corporate governance at Royal Bank, including the board program and “forward agenda” of subjects to be discussed at board and committee meetings over the coming year, the frequency and content of meetings and the need for any special meetings, communication processes between the board and management, mandates of board committees, and policies governing size and composition of the board.
- › assesses the performance of the Board of Directors as a whole, including the committees of the board, and monitors the performance of directors. As part of this process, the directors periodically complete a written evaluation of the performance of the board and its committees and the resulting data is analyzed by an independent outside consultant.
- › reviews annually the credentials and performance of the directors standing for re-election, considering their continued qualification under applicable laws and the continued validity of their credentials.
- › identifies and recommends to the board candidates suitable for nomination as directors, in consultation when necessary with independent outside consultants.
- › reviews shareholder proposals received by the bank and recommends to the board the bank’s response.
- › advises management in the planning of the annual strategic meeting attended by the directors and senior management.
- › reviews the amount and the form of compensation of directors and makes recommendations, based on a report from an independent consultant, for appropriate adjustments.

Members: J. Bougie, J.R. Evans (Chair), L.Y. Fortier, D.P. O’Brien, G. Saint-Pierre, J.A. Tory, V.L. Young

Human Resources Committee

- › reviews and approves principles for the recruitment, hiring, training, compensation and evaluation of employees.
- › reviews Royal Bank’s pension plan performance.
- › reviews management succession plans for executive officers.
- › reviews the major compensation policies of Royal Bank and recommends to the board the incentive programs for executives.
- › reviews the position description for the CEO and approves the corporate objectives the CEO is responsible for meeting.
- › selects the CEO and annually evaluates the performance of the CEO against these objectives.
- › recommends to the board the remuneration of the CEO and other senior executive officers.

Members: J. R. Evans, D.P. O’Brien, H.T. Richardson, J.A. Tory (Chair), S.D. Whittaker, V.L. Young

Public Policy Committee

- › ensures that the businesses of Royal Bank are conducted in an ethical and socially responsible way.
- › oversees the bank’s communications policy, including processes for communicating with customers, employees, shareholders and the community.
- › reviews the policies designed to create a positive corporate image.
- › reviews the bank’s policy on and budget for political donations.
- › reviews the bank’s charitable contributions policy. Members of the Committee are also directors of Royal Bank of Canada Charitable Foundation.

Members: G.A. Cobon, G.N. Cooper, P. Gauthier (Chair), H.T. Richardson, A.R. Taylor

Risk Policy Committee

- › establishes lending and investment policies, standards and procedures.
- › reviews the policies, standards and procedures for the management of key risks.
- › reviews credits to directors or entities in which they are partners, directors or officers.
- › approves policies related to the management of credit risk and Royal Bank’s securities portfolio.
- › reviews trends in portfolio quality and the adequacy of provisions for credit losses.
- › reviews the credit risk management, real estate appraisal and foreign exchange and interest rate risk management policies and programs to ensure they meet CDIC Standards.
- › reviews and approves the Standards Assessment and Reporting Program to ensure it meets CDIC Standards.

Members: T.M. Allen, J.T. Ferguson, R.B. Peterson (Chair), G. Saint-Pierre, R.T. Stewart

directors

John E. Cleghorn, F.C.A. (1987) Toronto Chairman and Chief Executive Officer Royal Bank of Canada	G.N. (Mel) Cooper, C.M., O.B.C. (1992) Victoria Chairman and Chief Executive Officer Seacoast Communications Group Inc.	G. Wallace F. McCain, O.C. (1986) Toronto Chairman Maple Leaf Foods Inc.	Guy Saint-Pierre, O.C. (1990) Montreal Chairman of the Board SNC-Lavalin Group Inc.
Theodore M. Allen (1992) Winnipeg President and Chairman of the Board United Grain Growers Limited	* John R. Evans, C.C., M.D. (1984) Toronto Chairman Alcan Aluminium Limited Chairman Torstar Corporation	J. Edward Newall, O.C. (1984) Calgary Chairman of the Board NOVA Corporation	Robert T. Stewart (1988) Vancouver Company Director
* Jacques Bougie, O.C. (1991) Montreal President and Chief Executive Officer Alcan Aluminium Limited	John T. Ferguson, F.C.A. (1990) Edmonton Chairman of the Board Princeton Developments Ltd. Chair of the Board TransAlta Corporation	David P. O'Brien (1996) Calgary Chairman, President and Chief Executive Officer Canadian Pacific Limited	Allan R. Taylor, O.C. (1983) Toronto Retired Chairman and Chief Executive Officer Royal Bank of Canada
* Ronald L. Cliff, C.M., F.C.A. (1987) Vancouver Chairman BC Gas Inc.	L. Yves Fortier, C.C., Q.C. (1992) Montreal Chairman Ogilvy Renault	Robert B. Peterson (1992) Toronto Chairman, President and Chief Executive Officer Imperial Oil Limited	John A. Tory, Q.C. (1971) Toronto President Thomson Investments Limited
George A. Cohon, O.C. (1988) Toronto Senior Chairman and Chairman of the Executive Committee McDonald's Restaurants of Canada Limited	The Hon. Paule Gauthier, P.C., O.C., Q.C. (1991) Quebec City Partner Desjardins Ducharme Stein Monast	Hartley T. Richardson (1996) Winnipeg President James Richardson & Sons, Limited	Sheelagh D. Whittaker (1993) Toronto Chair, President and Chief Executive Officer EDS Canada
		Kenneth C. Rowe, F.C.I.S. (1985) Halifax Chairman and Chief Executive Officer I.M.P. Group International Inc.	Victor L. Young, O.C. (1991) St. John's Chairman and Chief Executive Officer Fishery Products International Limited

* Not standing for re-election on
February 24, 1999

The date appearing after the name of each director indicates the year in which the individual became a director. The term of office of each director will expire at the next annual meeting, scheduled for February 24, 1999.

executive officers

Group office*

John E. Cleghorn
Chairman & Chief Executive Officer

J. Emilien Bolduc
Vice-Chairman
Montreal

Gordon J. Feeney
Vice-Chairman

Anthony S. Fell
Vice-Chairman

Bruce C. Galloway
Vice-Chairman

W. Reay Mackay
Vice-Chairman

Robert J. Sutherland
Vice-Chairman

Peter W. Currie
Executive Vice-President &
Chief Financial Officer

Suzanne B. Labarge
Executive Vice-President &
Chief Risk Officer

Martin J. Lippert
Executive Vice-President &
Chief Information Officer

Businesses

Personal & Commercial Banking

Personal Financial Services

Jim T. Rager
Executive Vice-President

Elisabetta Bigsby
Senior Vice-President
Products

Shauneen E. Bruder
Senior Vice-President
Marketing

Judith M.S. Hatley
Senior Vice-President
Sales

*with an executive office also in
Montreal*

Security First Network Bank

David S.E. Noble
President & Chief Executive Officer
Atlanta

Card Services

Mark K. Tonnesen
Executive Vice-President

Jane S. Fershko
Senior Vice-President

RBC Insurance Holdings Inc.

W. James Westlake
President & Chief Executive Officer
Mississauga, Ont.

Business Banking

Charles S. Coffey
Executive Vice-President

Donald E. Blue
Senior Vice-President
Product Development & Management

Ed J. Lundy
Senior Vice-President

Anne L.B. Sutherland
Senior Vice-President
Small & Medium Size Businesses

*with an executive office also in
Winnipeg*

Wealth Management

Royal Trust

Anthony A. Webb
President & Chief Executive Officer

Greg R. Bright
Senior Vice-President
Personal Wealth Management

*with executive offices also in
Calgary, London, Ont., Montreal,
Ottawa and Vancouver*

Global Securities Services

David W.S. Dunlop
Senior Vice-President
Global Securities Services

*with executive offices also in
Calgary, Montreal, Vancouver, London
(England), Singapore, and Tokyo*

Global Private Banking

Michael J. Lagopoulos
Senior Vice-President
Global Private Banking

*with executive offices also in
London (England), Miami, Geneva, Singapore,
Guernsey and Jersey (Channel Islands)*

RT Investment Management Inc.

B. Lee Bentley (until 12/31/98)
Michael Edwards (as of 12/31/98)
President & Chief Executive Officer

Private Client Services

Peter Russel
Vice-President & Director

Royal Mutual Funds Inc.

Simon Lewis
President

Royal Bank Action

Direct Inc.

Michael A. Bastian
President & Chief Executive Officer
Richmond Hill, Ont.

Corporate & Investment Banking*

RBC Dominion Securities Inc.

Anthony S. Fell
Chairman & Chief Executive Officer

Charles M. Winograd
President
Chief Operating Officer

Bryce W. Douglas
Deputy Chairman

*with executive offices also in
Calgary, Montreal and Vancouver*

Corporate & Investment Banking

Gord Nixon
Vice-President & Director, Co-Head

Bernie Schroder
Vice-President & Director, Co-Head

Global Markets

Andy Scace
Vice-President & Director

Global Equity

Bill Moriarty
Vice-President & Director

RBC Dominion Securities Corporation

Gordon M. Ritchie
President & Chief Executive Officer
New York

Geographies – Canada

Alberta

Gord G. Tallman
Senior Vice-President & General Manager
Calgary

*with an executive office also in
Edmonton*

Atlantic

Clay J. Coveyduck
Senior Vice-President & General Manager
Halifax

*with executive offices also in
Saint John and St. John's*

British Columbia & Yukon

Rod S. Pennycook
Senior Vice-President & General Manager
Vancouver

*with executive offices also in
Langley, New Westminster, Prince George and
Victoria*

Manitoba

Dennice M. Leahy
Senior Vice-President & General Manager
Winnipeg

Metropolitan Toronto

George F. Gaffney
Executive Vice-President & General Manager

*with executive offices also in
Etobicoke, Mississauga, North York,
Richmond Hill, and Scarborough*

Ontario (outside Toronto)

Pam G. Pitz
Senior Vice-President & General Manager
Burlington

*with executive offices also in
Kitchener, London, and Ottawa*

Quebec

Monique F. Leroux
Senior Vice-President & General Manager
Montreal

*with an executive office also in
Quebec City*

Saskatchewan

Anne Lockie
Senior Vice-President & General Manager
Regina

Geographies – International

Asia

J. Philip W. Brewster
Senior Vice-President & General Manager
Singapore

*with executive offices also in
Hong Kong and Tokyo*

Caribbean

Mike F. Phelan
Vice-President
Bahamas and Cayman
Nassau, Bahamas

C. Doug Maloney
Vice-President
Barbados and Eastern Caribbean
Bridgetown, Barbados

Europe

Ronald E. Stanley
Senior Vice-President & General Manager
London

*with an executive office also in
Paris*

Latin America

Alan A. Bowbyes
Senior Vice-President & General Manager

*with executive offices also in
Mexico City and Sao Paulo*

U.S.A.

Mark R. Hughes
Senior Vice-President & General Manager
New York

*with executive offices also in
Chicago, Los Angeles and Houston*

Functions

Corporate Affairs

Bryan P. Davies
Senior Vice-President

Corporate Secretary

Jane E. Lawson
Senior Vice-President & Corporate Secretary

Corporate Treasury

Bryan P. Griffiths
Senior Vice-President
Funding, Liquidity & Portfolio Management

Finance & Audit

Peter W. Currie
Executive Vice-President & Chief Financial
Officer

David R. Allgood
Senior Vice-President
Taxation

Janice Fukakusa
Senior Vice-President & Chief Internal Auditor

John Merriam
Senior Vice-President
Finance

Human Resources

E. Gay Mitchell
Executive Vice-President

Peter H. Tucker
Senior Vice-President
Compensation & Organization

Law

Ted K. Weir
Senior Vice-President & General Counsel

Ombudsman

Verne G. Mckay
Senior Vice-President

Operations & Service Delivery

Don A. Berardinucci
Executive Vice-President

A. Roger Creasor
Senior Vice-President
Service Delivery

Pierre Lebrun
Senior Vice-President
Delivery Channel Management

Payments

Robert H. Aylward
Senior Vice-President

Real Estate Operations

Ron A. Masleck
Senior Vice-President

Risk Management

Suzanne B. Labarge
Executive Vice-President &
Chief Risk Officer

Norm C. Achen
Bahamas and Cayman
New York

Francine P. Blackburn
Senior Vice-President

Ronald J.J. Cathcart
Senior Vice-President

David W. Dougherty
Senior Vice-President

Morten N. Friis
Senior Vice-President

Donald A.B. Graham
Senior Vice-President
Singapore

R.G. (Bob) Hall
Senior Vice-President

John McCallum
Senior Vice-President &
Chief Economist

Geza P.Z. Tatrallyay
Senior Vice-President
London, England

Special Projects

Murray A. Corlett
Executive Vice-President

Strategic Development

Jim C. Walz
Senior Vice-President

Systems & Technology

Martin J. Lippert
Executive Vice-President &
Chief Information Officer

George A.A. Dickson
Senior Vice-President
Relationship Management

John Reitsma
Senior Vice-President
Production Systems Support

Allen C. Tinney
Senior Vice-President
Product & Enterprise Solution

John K. Truman
Senior Vice-President
Customer Information &
Delivery Solutions

Year 2000

Ray H. Thornton
Vice-President

*Effective November 1, 1998.

Royal Bank believes that positive results for shareholders are strongly influenced by the quality of relationships the bank maintains with its other key stakeholders: clients, employees and the communities it serves. We believe that corporations committed to the positive well-being of these key stakeholders will also deliver the best returns to their shareholders. This page highlights Royal Bank's commitment to its other stakeholders.

Our clients: Ours is a people business – ongoing success and growth are dependent on developing caring relationships with our customers and satisfying their individual wants and needs. This is our relationship promise to our customers – treating all customers as valued individuals – providing choices for financial service, information and sound advice – demonstrating at

every point of contact that we appreciate, understand and really value their business. To deliver this promise we continue to work on re-aligning roles with customer needs, investing in training, and leveraging technologies so that employees can more effectively deliver customer care, sales and service, whether it's face to face, on the phone or by computer. We must also continue to offer simplified, customized solutions and innovative products and services that provide value for money. Our customers today are increasingly sophisticated and have more options and choices than ever before. At Royal Bank, our belief is that focusing on the customer is a true strategy for success. (For more details of how we are improving service to clients, consult our businesses' operational reviews, pp. 18-29 and operating highlights, pp. 2-3)

Our communities: We continue to improve relationships with our

communities. As one of the largest corporate donors in the country, Royal Bank was responsible for nearly \$25 million in donations to support communities, federated appeals (like The United Way), arts and culture, education, health, welfare, athletics, research and the environment. Royal Bank Career Edge, a national non-profit internship program, placed more than 100 students, 80 percent with small businesses. Another initiative has allowed community bankers to work with local groups to identify needs of low-income Canadians. Royal Bank's Women Entrepreneur Advisory Council acts as a source and sounding board for ideas to keep in touch with the views and needs of this important market. And an extensive array of small business initiatives has strengthened our position as North America's leading bank for small and medium sized enterprises.

focus on stakeholders

Our employees: It's clear that rather than resisting change, Royal Bankers see an opportunity for professional growth through learning. A 1998 Angus Reid poll of 1,200 employees found that 60% said their workplace had changed over the past three years. Sixty-three percent said the change has been for the better. This attitude fosters innovation and helps to keep an organization ahead of its competitors, enabling employees to keep pace with customers as both move forward. In 1998, the bank invested \$130 million in

employee development, in addition to leading edge work/family/life, diversity and gender policies and programs. And through the Royal Employee Savings and Share Ownership Plan, 93% of management employees and 86% of employees overall own Royal Bank shares. Employees are also eligible for variable compensation through the Quality Performance Incentive plan, based on employee performance and the bank's return on equity, revenue growth, customer satisfaction and employee commitment.

