



PRIMESTREET AND ROYAL BANK OF CANADA TO BRING FIRST ONLINE LOAN AUCTION INTO CANADA

Canadian Small Businesses Now Have Fast, Convenient Way to Get Needed Funding

MENLO PARK, Calif., February 22, 2000 - PrimeStreet™, the leading online small business loan auction today announced its move into the Canadian marketplace beginning May 1, 2000. Royal Bank of Canada, the original seed funder and creator of PrimeStreet, has agreed to be the first Canadian lending institution to join PrimeStreet's network of leading small business lenders. This agreement marks the first time an online loan auction has been available outside of the United States.

"The Internet has changed the dynamics of lender-borrower relationships and Canadian small business owners will benefit from a more convenient borrowing process and broader access to funds," said Kevin Talbot, PrimeStreet's chairman and chief executive officer, and vice-president of Royal Bank Ventures Inc. "PrimeStreet's expansion into Canada is an important first step in our strategy to become a global leader in small business financing and services. Royal Bank of Canada has opened the door for Canadian small businesses to obtain greater choice in financing."

"PrimeStreet's unique web-based service will connect banks online with one of the fastest growing sectors of the economy," said Jim Rager, vice chairman, Royal Bank of Canada. "Small business and the Internet are driving forces in the Canadian economy. PrimeStreet's online loan auction harnesses the power of both these forces, transforming a traditionally complex and time-consuming procedure into a simple, fast and effective process."

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About PrimeStreet

PrimeStreet™ is an online small business loan auction that offers access to a nationwide pool of high-quality lenders who compete to meet the borrowing needs of small business owners. PrimeStreet has transformed the traditionally complex and time-consuming method of applying for a loan into a simple, fast and effective process. For the small business owner or principal, PrimeStreet puts the borrower in control and fundamentally changes the way small business gets financed. For the financial institutions, PrimeStreet provides incremental, credit-worthy small business customers at a low acquisition cost as well as up-to-the-minute small business market trend data. The company is based in Menlo Park, California, and was formed in 1999. The idea was conceived in Canada by Royal Bank Ventures Inc., a subsidiary of Royal Bank of Canada (TSE, NYSE: RY) in May 1999. At the conclusion of a pending round of financing, Royal Bank Ventures Inc. will own approximately 34 percent of PrimeStreet. For more information on PrimeStreet, please visit the company web site at www.primestreet.com.

The PrimeStreet Loan Auction

PrimeStreet's online loan auction offers access to a pool of high-quality lenders who compete to meet the borrowing needs of small businesses. After submitting an online application describing a company's financing needs, the applicant's information is securely stored at PrimeStreet and supplemented with credit bureau reports. Strategic agreements recently signed with Experian and Fair, Isaac and Company, Inc. allow PrimeStreet to offer more choice and faster service to both lenders and borrowers. PrimeStreet then automatically submits the application to lenders that are able to provide the type and amount of financing desired.

Qualified borrowers receive offers from PrimeStreet lenders by accessing the "My PrimeStreet" section of the web site where they can review details of the bids. Once the borrower chooses a specific lender, the bidding process is complete; only then is the borrower's identifying information provided to the selected lender. As a result, the customer and the preferred bank can establish an exclusive relationship.

The Canadian Small Business Market

There are approximately 2.3 million small- and medium-sized enterprises (SMEs) in Canada. According to Industry Canada research, SMEs accounted for 75 percent of all new jobs created between 1990 and 1998. The seven largest Canadian banks provided CDN\$72 billion in authorized credit to SMEs in 1999, up 2.5 percent over 1998. Small- and medium-sized enterprises borrowed \$110.9 billion in 1996 in total. Banks are the largest source of SME financing, providing close to 50 percent of SME debt financing. Royal Bank is the leading lender to small business in Canada with \$20 billion in authorized credit.

About Royal Bank of Canada

Royal Bank Ventures Inc. combines expertise in venture capital and seed financing to offer start-up and high growth knowledge based companies a complete range of venture financing and management expertise. Royal Bank of Canada (TSE, NYSE: RY) is a diversified global financial services group and a leading provider of personal and commercial banking, investment and trust services, insurance, corporate and investment banking, online banking and transaction-based services including custody. The group's main business units include Royal Bank, RBC Dominion Securities, Royal Investment Services, RBC Insurance and Global Integrated Solutions. The group has 50,000 employees who serve 10 million personal, business and public sector customers in 30 countries. For more information, visit Royal Bank's Web site at www.royalbank.com.

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