

2002 Public Accountability Statement



Part 1: Introduction and Tables

RBC's 2002 Public Accountability Statement

RBC's 2002 Public Accountability Statement is being made available to RBC's stakeholders in the following ways:

- Most of the content is available through our 2002 [*Corporate Responsibility Report*](#), available in all RBC Royal Bank branches, and through rbc.com/community
- Content not included in the 2002 [*Corporate Responsibility Report*](#) is available on line through rbc.com/pas
- For those who request it, a full print copy of our 2002 Public Accountability Statement is available from:

Public Accountability Statement
RBC Financial Group
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Royal Bank Plaza
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Toronto, Ontario
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RBC will promote our 2002 Public Accountability Statement through our 2002 [*Corporate Responsibility Report*](#), available in all RBC Royal Bank branches and through our Web site, rbc.com/community, as well as on transaction statements for personal and business banking clients.

About the Public Accountability Statement Contents

Under Section 459.3(1) of the Bank Act, Royal Bank of Canada (RBC) is required to issue a Public Accountability Statement (PAS). RBC's full 2002 Public Accountability Statement is comprised of the following two parts, which set out all the information required in the PAS Regulations:

Part 1—Introduction and Charts

Part 1 of RBC's Public Accountability Statement includes information, numbers and charts related to branch openings or closures, taxes paid to federal and provincial governments, and small business financing, including a breakdown of loans by size. Includes cross-references to our annual "Corporate Responsibility Report", as described below.

Part 2—2002 Corporate Responsibility Report

Formerly called our "Community Report", Part 2 of RBC's Public Accountability Statement provides highlights about how RBC supports communities through donations and employee involvement, as well as giving an overview of our business policies and practices.

Information documented herein captures activities from RBC and all its affiliates and is reported collectively under RBC Financial Group.

Royal Bank of Canada uses the initials RBC as a prefix for its businesses and operating subsidiaries, which operate under the master brand RBC Financial Group. Affiliates 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 and RBC Dominion Securities Inc. For more information, visit <http://www.rbc.com>

Major brands operating in Canada include:

- **RBC Banking:** Offering personal and commercial banking services to individual and business clients;
- **RBC Capital Markets:** Offering corporate and investment banking products and services to corporations, governments and institutions;
- **RBC Investments:** Expert advisors specializing in professional wealth management services for private clients;
- **RBC Insurance:** Offering a range of creditor, life, health, travel, home and auto insurance products and services to personal and business clients;
- **RBC Global Services:** Offering specialized global transaction processing services, including custody, securities administration, correspondent banking, treasury management, payments and trade finance to commercial, corporate and institutional clients.

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1.

Community Development

RBC's goals in the area of community development and participation in activities for the purpose of community development, and activities undertaken by employees on a voluntary basis

RBC and our employees are committed to helping build healthier communities by contributing knowledge, resources and compassion.

RBC is committed to donating at least one per cent of our average annual net income before taxes. This is in line with the standard for Canadian corporations advocated by the "IMAGINE" public awareness program of which RBC is a founding member, and which has designated RBC a "Caring Company".

Through numerous initiatives, such as our Employee Volunteer Grants Program and the After-School Grants Program, and others described in the 2002 [Corporate Responsibility Report](#), RBC is committed to being a leader in corporate social responsibility.

Employee Volunteer Grants Program

RBC's "Employee Volunteer Grants Program" recognizes our employees for the good works they do in their personal time, by volunteering in their communities. Employees and retirees of RBC can earn grants of \$500 for the charitable organization at which they volunteer.

In 2002, RBC donated \$740,000 on behalf of our employees through this program.

For examples and more information

See RBC's 2002 [Corporate Responsibility Report](#)

- Community Economic Development (page 8)
- Good Business: Policies and Practices (page 32)

2.

Charitable Donations

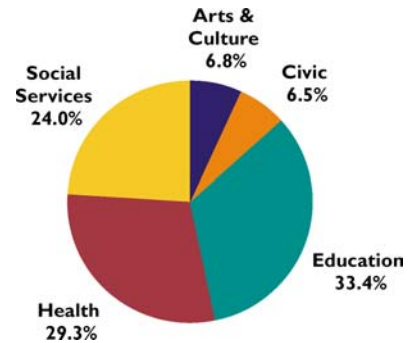
RBC is proud of its commitment to projects and organizations that improve the quality of life in communities. As one of Canada's largest corporate donors, we believe we can play a role in strengthening the economic and social conditions of the communities in which we operate.

Our community investments include:

- \$37 million donated to charities worldwide, almost half to education and health;
- Over \$20 million in sponsorships worldwide, primarily for amateur athletics the arts and community events;
- Tens of thousands of hours devoted by staff to charitable causes in their communities.

In 2002, RBC donated more than \$27 million to charities in hundreds of communities across Canada.

2002 Donations by Sector \$27.4 million (Canada)



3.

Philanthropic Activities

Philanthropic activities other than charitable donations, including total value in money to the extent that the value of those activities can be expressed in money

As one of Canada's leading corporate citizens, and with operations around the world, RBC Financial Group believes it is important to support an extensive range of community initiatives, reflecting the diverse interests of our employees, customers and businesses.

RBC supports diversity in the workplace and in the community—this is reflected in the programs we develop and support.

- The RBC Foundation makes charitable donations to education, healthcare, social services and civic causes.
- RBC's Sponsorship Marketing initiatives focus on amateur athletics and the arts.
- Our businesses support programs for seniors, youth, aboriginal people, the not-for-profit sector and community economic development.
- RBC does not track nor translate in-kind activities into monetary terms.

Up-to-the-moment examples of RBC's activities in specific areas and geographic locations are available on our Web site at rbc.com/community, or if you are reading this on-line, by clicking on your [cause](#) or your [region](#).

For examples and more information

See RBC's 2002 [Corporate Responsibility Report](#)

- Donations and Sponsorship Guidelines (page 38)
- The Building Blocks of Corporate Responsibility (page 40)

4.

Small and Medium Sized Business Initiatives

Small and medium sized business initiatives or technical assistance programs undertaken in relation to

- (A) financing small businesses
- (B) investments or partnerships in micro-credit programs

RBC's commitment to small business

To help us develop an approach that meet the needs of our customer, RBC established regional Small Business and Entrepreneur Advisory Councils. Some of the new policies we've implemented include the introduction of a new credit line for small business, streamlined access to financing and new account manager recruitment processes.

RBC'S differentiated approach

Small business customers want more than simply credit. They consistently tell us that they want access to strategic advice and planning resources as well as loans. RBC has undertaken an integrated approach to small businesses, responding to their need for more than debt, by offering the following:

- **Financial advice and counsel:** RBC provides advice and planning resources to small business clients, as well as credit. Online and print resources, such as our free Definitive Guides, provide clients with information on topics such as e-commerce, understanding business cycles, exporting and electronic cash management.
- **Access to Markets:** RBC facilitates international trade and provides support mechanisms, such as trade missions for women entrepreneurs.
- **Access to Networks:** RBC supports various networking organizations and events for small business.

Industry specialization and segmentation

RBC understands that the small business segment in Canada is diverse and encompasses a wide range of businesses across many industries. To help us better meet their unique and varied needs, RBC segments small and medium sized enterprises into groups. These include: Knowledge Based Industries, agriculture, real estate, franchises, women owned businesses, young entrepreneurs, professionals and aboriginal businesses.

For examples and more information

See RBC's 2002 [Corporate Responsibility Report](#)

- Good Business: Policies and Practices—Access to Personal and Business Banking Services (page 32)

Micro businesses and start-ups

Business start-ups in particular look for advice and timesaving efficiencies, as well as information and knowledge that will help them cut costs and improve profitability.

RBC's online banking service provides easy, convenient access to small businesses. Business owners and

entrepreneurs can access free business planning advice by visiting royalbank.com and clicking on the "business" tab. Further information and tools are available online under "[Starting a Business](#)" or "[Expanding a Business](#)".

RBC also supports start-ups by providing venture capital through RBC Technology

Ventures Inc., the strategic investment arm of RBC. Our approach is unique in North America because we take a full business life cycle approach in supporting companies from "lab bench to boardroom", providing support and specialized services for companies through all stages, from start-up financing to going public.

5.

Authorized Business Loans

Total amount of money made available to firms in Canada broken down by province

AUTHORIZED BUSINESS LOANS AS AT OCTOBER 31, 2002 (\$ 000'S)

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
Alberta	# Customers	14,863	4,235	4,058	3,781	1,663	963	800	304	30,667
	Authorizations (\$000's)	\$110,167	\$149,398	\$276,949	\$583,119	\$574,884	\$653,120	\$1,598,646	\$11,719,910	\$15,666,193
	Term Credit	\$10,611	\$26,305	\$59,434	\$180,225	\$187,909	\$210,056	\$468,151	\$1,595,796	\$2,738,488
	Operating Credit	\$36,972	\$58,150	\$99,052	\$185,114	\$184,286	\$201,705	\$476,526	\$3,189,363	\$4,431,169
British Columbia	# Customers	18,054	5,286	4,836	4,114	1,913	1,281	1,240	302	37,026
	Authorizations (\$000's)	\$140,817	\$184,224	\$323,834	\$622,367	\$662,552	\$879,406	\$2,527,801	\$5,510,244	\$10,851,244
	Term Credit	\$14,475	\$28,149	\$53,224	\$124,930	\$161,798	\$243,607	\$749,153	\$844,325	\$2,219,661
	Operating Credit	\$46,258	\$72,905	\$131,700	\$273,477	\$291,494	\$371,047	\$939,993	\$1,727,258	\$3,854,132
Manitoba	# Customers	4,720	1,725	1,723	1,382	492	262	254	84	10,642
	Authorizations (\$000's)	\$37,915	\$60,345	\$117,920	\$208,042	\$169,489	\$177,724	\$554,637	\$1,576,839	\$2,902,909
	Term Credit	\$2,986	\$8,363	\$18,496	\$40,122	\$33,673	\$43,805	\$158,829	\$189,998	\$496,272
	Operating Credit	\$15,064	\$25,815	\$48,725	\$91,724	\$75,046	\$67,579	\$167,944	\$375,669	\$867,566
New Brunswick	# Customers	2,481	935	822	698	248	107	84	6	5,381
	Authorizations (\$000's)	\$20,540	\$32,792	\$56,152	\$108,387	\$83,889	\$73,485	\$154,455	\$40,861	\$570,561
	Term Credit	\$2,574	\$7,180	\$16,036	\$36,056	\$22,212	\$19,886	\$66,112	\$21,204	\$191,262
	Operating Credit	\$7,995	\$14,130	\$21,645	\$35,838	\$27,329	\$24,441	\$36,481	\$5,248	\$173,107
Newfoundland	# Customers	1,153	381	289	238	76	49	26	2	2,214
	Authorizations (\$000's)	\$9,337	\$13,143	\$19,504	\$36,888	\$26,196	\$30,954	\$45,124	\$14,577	\$195,725
	Term Credit	\$1,255	\$2,986	\$6,431	\$12,130	\$11,212	\$9,370	\$19,392	\$14,577	\$77,354
	Operating Credit	\$3,665	\$4,941	\$5,385	\$9,503	\$6,139	\$11,592	\$8,851	\$0	\$50,076
Nova Scotia	# Customers	4,631	1,518	1,413	1,098	415	248	262	84	9,669
	Authorizations (\$000's)	\$37,587	\$52,850	\$95,185	\$167,115	\$142,444	\$167,301	\$570,248	\$1,494,324	\$2,727,056
	Term Credit	\$3,863	\$9,569	\$22,301	\$47,994	\$34,177	\$42,832	\$190,335	\$258,122	\$609,192
	Operating Credit	\$15,156	\$22,410	\$37,138	\$51,748	\$47,645	\$46,658	\$136,733	\$553,239	\$910,727
Ontario	# Customers	43,071	15,232	13,746	10,871	4,816	3,091	2,820	1,040	94,687
	Authorizations (\$000's)	\$331,611	\$537,783	\$912,963	\$1,649,396	\$1,666,369	\$2,096,233	\$5,672,818	\$37,114,017	\$49,981,190
	Term Credit	\$29,342	\$83,127	\$185,949	\$508,536	\$547,737	\$726,920	\$1,905,825	\$4,547,824	\$8,535,259
	Operating Credit	\$134,864	\$253,129	\$369,269	\$547,382	\$537,195	\$604,697	\$1,381,803	\$6,361,856	\$10,190,196
Prince Edward Island	# Customers	365	152	157	129	53	39	19		914
	Authorizations (\$000's)	\$3,134	\$5,299	\$10,471	\$18,939	\$18,396	\$25,401	\$32,711		\$114,350
	Term Credit	\$476	\$1,254	\$2,928	\$5,765	\$5,484	\$6,053	\$14,078		\$36,039
	Operating Credit	\$1,120	\$2,175	\$3,303	\$5,432	\$6,405	\$9,479	\$6,884		\$34,797
Quebec	# Customers	12,747	3,665	3,403	3,084	1,580	1,067	1,159	348	27,053
	Authorizations (\$000's)	\$97,881	\$127,358	\$230,742	\$474,557	\$548,510	\$727,455	\$2,343,387	\$9,210,123	\$13,760,013
	Term Credit	\$14,725	\$31,538	\$80,907	\$213,195	\$235,807	\$323,509	\$889,544	\$1,389,351	\$3,178,576
	Operating Credit	\$33,144	\$39,877	\$57,630	\$93,085	\$122,775	\$163,294	\$527,566	\$2,900,201	\$3,937,572
Saskatchewan	# Customers	6,810	2,955	3,074	2,338	672	274	177	34	16,334
	Authorizations (\$000's)	\$61,653	\$105,881	\$214,521	\$351,492	\$226,325	\$188,187	\$343,069	\$572,087	\$2,063,215
	Term Credit	\$10,060	\$26,392	\$64,424	\$132,838	\$74,757	\$55,141	\$128,126	\$137,362	\$629,100
	Operating Credit	\$24,833	\$37,716	\$76,344	\$117,869	\$79,477	\$66,294	\$95,584	\$145,011	\$643,129
Territories	# Customers	149	48	35	46	21	20	11	1	331
	Authorizations (\$000's)	\$1,259	\$1,609	\$2,351	\$7,283	\$7,275	\$13,847	\$22,155	\$8,020	\$63,799
	Term Credit	\$69	\$239	\$323	\$1,515	\$1,182	\$4,697	\$10,028	\$0	\$18,053
	Operating Credit	\$508	\$729	\$1,125	\$3,062	\$2,332	\$6,245	\$5,733	\$7,930	\$27,665
Total Number of Customers		109,044	36,132	33,556	27,779	11,949	7,401	6,852	2,205	234,918
Total Authorizations (\$000's)		\$851,900	\$1,270,683	\$2,260,589	\$4,227,585	\$4,126,329	\$5,033,113	\$13,865,052	\$67,261,002	\$98,896,254
Total Term Credit		\$90,437	\$225,101	\$510,454	\$1,303,306	\$1,315,948	\$1,685,876	\$4,599,574	\$8,998,561	\$18,729,257
Total Operating Credit		\$319,581	\$531,978	\$851,316	\$1,414,234	\$1,380,123	\$1,573,031	\$3,784,097	\$15,265,775	\$25,120,136

6.

Initiatives Undertaken to Improve Access to Financial Services

Overview of initiatives undertaken to improve access to financial services for low-income individuals, senior citizens and disabled

RBC has a solid track record of finding new ways to serve those with special needs, such as seniors, people with disabilities, low income Canadians and those in rural areas.

We are constantly evolving to meet the needs of our clients. Canadians demand access to financial services through a multitude of channels, including branches, and we continually assess and adjust our total network to ensure that we are providing the access our clients want.

The following charts highlight some of our initiatives in these areas, including information on our retail distribution network and alternate delivery channels:

ACCESS TO BASIC BANKING

Low Cost Account Meet and exceed the Canadian government's requirements on low cost accounts.

LOW INCOME PEOPLE

Individual Development Accounts (IDA)

RBC is the prime financial partner in a demonstration project offering IDAs, branded as Learn\$ave, a savings and asset accumulation account to low income Canadians.

Offered in partnership with Social and Enterprise Development Innovations (SEDI), a social services organization, and Human Resources Development Canada, in 10 sites across Canada.

Matched savings program: funds designated for training and skills development, education or micro-enterprise capitalization.

Over 1700 low income Canadians have enrolled in the program.

Cash & Save Pilot

RBC is testing a new banking concept for inner city urban markets—initial site is in the Parkdale community of Toronto.

Developed in partnership with St. Christopher House, a local community agency.

Basic set of financial services, smaller premises and not dependent on having a bank account.

Three months after opening, over 900 people have registered with Cash & Save, exceeding our initial projections.

SENIORS AND PEOPLE WITH DISABILITIES

Access to information	Provide information in alternate formats (cheques, statements, publications): large print, Braille, audio-cassette, computer diskettes.
Talking Bank Machines	First financial institution in Canada to provide talking bank machines for visually impaired people (1998). 238 machines by the end of January 2003.
Physical accessibility	Over 80 per cent of our locations are fully wheelchair-accessible.
Employee Awareness	Published "Removing the Barriers", a reference guide to help employees provide quality service to clients who have disabilities.

For examples and more information

See RBC's 2002 [Corporate Responsibility Report](#)

- Good Business: Policies and Practices—Access to Personal and Business Banking Services (page 32)
- Community Economic Development (page 8)
- People with Disabilities (page 10)

7.

Branch Network

Listing of addresses in each province of facilities opened or closed

Canadians are increasingly accessing financial services through alternate delivery channels, other than the traditional branch.

Almost 95% of transactions now occur outside the branch network.

Telephone and Internet banking, offering 24/7 access and convenience, have grown significantly as a preferred alternative to branch banking:

- 3.5 million customers use telephone banking; and
- 2.3 million have signed up for Internet/PC banking and trading.

RBC has developed innovative ways to serve remote communities through shared facilities and in Aboriginal communities through agency branches, where the local community runs the local bank and we provide the training, technology and a pool of capital for loans.

2002 BRANCH CLOSURES

Branch Name	Street Address	City	Prov.	Branch Type	Date of Closure
Freshwater & LeMarchant	10 Freshwater Rd	St. John's	NF	Full Service	2/8/02
Kingsway & Rhodes	2700 Kingsway	Vancouver	BC	Full Service	3/8/02
Ouellette & Ellis	1398 Ouellette Ave.	Windsor	ON	Full Service	3/22/02
CN Terminal Building	1234 Main St	Moncton	NB	Full Service	6/14/02
Bathurst & Finch	4949 Bathurst St	Toronto	ON	Full Service	8/23/02
Sydney Mines Branch	785 Main St	Sydney Mines	NS	Full Service	10/25/02
Sydney Main Branch	164 Charlotte St	Sydney	NS	Full Service	10/25/02
Arichat Branch	668 Lower St	Arichat	NS	Full Service	11/22/02
Port Hood Branch	138 Main St	Port Hood	NS	Full Service	11/22/02

2002 BRANCH OPENINGS

Branch Name	Street Address	City	Prov.	Branch Type	Date of Opening
Webequie	N/A	Webequie	ON	Agency	10/15/02
Parkdale	1385 Queen St W.	Toronto	ON	Community Banking	10/15/02

For examples and more information

See RBC's 2002 [Corporate Responsibility Report](#)

- Good Business: Policies and Practices—Branch Closures (page 34)

8.

Employment—Canada

Number of individuals employed in each province at financial year-end

- i. number of full-time positions
- ii. number of part-time positions

NUMBER OF EMPLOYEES BY PROVINCE

Province	No. of Employees	Full Time	Part Time
Alberta	4,083	2,593	1,490
British Columbia	7,612	4,616	2,996
Manitoba	2,337	1,316	1,021
New Brunswick	1,370	924	446
Newfoundland	359	231	128
Northwest Territories	67	48	19
Nova Scotia	1,561	964	597
Ontario	28,306	21,551	6,755
Prince Edward Island	115	72	43
Quebec	7,900	5,213	2,687
Saskatchewan	1,655	989	666
Yukon	22	15	7
Total	55,387	38,532	16,855

For examples and more information

See RBC's 2002 [Corporate Responsibility Report](#)

- Good Business: Policies and Practices (page 30)

9.

Taxes Paid—Canada

Total amount of income and capital taxes paid or payable to federal and provincial governments in Canada

TAXES BY JURISDICTION FISCAL 2002 (MILLIONS)

Province	Capital taxes	Income taxes
Alberta	1.5	24.4
British Columbia	11.2	34.3
Manitoba	2.9	8.8
New Brunswick	1.4	4.1
Newfoundland	0.9	1.6
Nova Scotia	2.6	8.1
Nunavut	0	0.2
Ontario	48.5	186.3
Prince Edward Island	0.2	0.7
Quebec	31.3	45.3
Saskatchewan	6.5	7.4
Yukon & Northwest Territories	0	0.4
Subtotal—Provincial	107.0	321.6
Federal	0	778.4
Total	107.0	1,100.0

For examples and more information

See RBC's 2002 [Corporate Responsibility Report](#)

- Vital Statistics

**For more information, see
Public Accountability Statement, Part 2—2002 Corporate Responsibility Report**

Formerly called our “Community Report,” Part 2 of RBC's Public Accountability Statement is our **Corporate Responsibility Report** which provides highlights about how RBC supports communities through donations and employee involvement, as well as an overview of our business policies and practices.





Building Blocks

Vital Statistics*

As one of Canada's leading employers, corporate donors, taxpayers, and buyers of goods and services, RBC Financial Group has a profound impact on the Canadian economy. 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 (RY on the TSX and NYSE) and its subsidiaries operate under the masterbrand RBC Financial Group;
- We have five major lines of business: personal and commercial banking, wealth management, insurance, corporate and investment banking, and securities custody and transaction processing;
- We are one of North America's premier diversified financial services companies and Canada's largest bank as measured by assets and market capitalization.

In Canada

- We rank first or second in most personal and commercial banking retail products, including mortgages and deposits;
- We are the leading full-service brokerage operation (by assets), the top mutual fund provider among Canadian banks and the second-largest self-directed brokerage operation (by accounts);
- We are 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 the country.

Internationally

- RBC provides personal and commercial banking, mortgage origination, insurance, full-service brokerage and corporate and investment banking services to over two million clients in the United States through RBC Centura, RBC Mortgage, RBC Builder Finance, RBC Liberty Insurance, RBC Dain Rauscher and RBC Capital Markets;

- Outside North America, RBC provides corporate and investment banking, trade finance, correspondent banking, treasury and securities custody services to business clients, and private banking services to individuals. We also have a retail network in the Caribbean and the Bahamas;
- We have operations in more than 30 countries.

Our People

- 68,485 people are employed (worldwide);
- 59,549 full-time equivalent positions exist (worldwide);
- \$6.3 billion is paid in employee compensation and benefits (worldwide);
- \$115 million is invested in employee learning (worldwide);
- Approximately 85 per cent of eligible employees own our shares through our employee savings and share ownership plans.

Our Clients

- More than 12 million personal, business and public sector clients (worldwide);
- 550,000 small and medium enterprises clients;
- 2.4 million telephone banking clients;
- 2.3 million online banking and brokerage clients;
- Over 5 million insurance clients (worldwide).

Our Clients' Banking Preferences

- Over 75 million transactions made in-branch;
- 23 million transactions made by telephone;
- 373 million transactions made by automated bank machine (ABM);
- 69 million transactions made online (including Internet banking);
- 446 million transactions made at point-of-sale.

Our Network

- Over 1,311 branches and other service delivery units in Canada;
- 807 service delivery units outside Canada;
- 4,486 automated banking machines; 4,151 of these in Canada.

Our Economic Impact

- \$2.036 billion paid in taxes (worldwide);
- \$3.5 billion spent on goods and services, from thousands of suppliers of all sizes (worldwide);
- \$1.6 billion spent on technology (worldwide);
- \$17 billion in loans authorized to small business.

Our Knowledge Shared

- Thousands of free guides, symposiums and pieces of software, in addition to thousands of hours of information-sharing through seminars and corporate employee volunteerism to help build companies, communities, careers and dreams.

Our Community Investments

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

* all numbers refer to RBC's Canadian operations, unless otherwise stated.

Contents

This Corporate Responsibility Report is published for all stakeholders of RBC Financial Group, including employees, customers and community partners. It complements our annual report, produced for our shareholders and providing an account of our financial performance.



On the cover

Our cover features Dezarae Chartier, who attends "Going Places," an after-school program offered by the Boys & Girls Club in Thompson, Manitoba, a town of 13,000 people some 8 hours northwest of Winnipeg. This innovative program, funded since 2000 by RBC, serves 35 young aboriginal people, helping reinforce the building blocks of education, and focusing on the 3S's of socialization, safety and self-esteem. RBC has provided annual after-school grants to the program since 2000.

Also appearing on the cover are faces of employees from across Canada, the U.S., the Caribbean and the Bahamas. We thank all our employees for their daily efforts to ensure the needs of our shareholders, clients and communities are met to the highest standards.

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COVER PHOTO: GERARD KWIATKOWSKI

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RBC 2002 PUBLIC ACCOUNTABILITY STATEMENT

All financial institutions in Canada with equity greater than \$1 billion are required to produce annual public accountability statements for customers and other interested stakeholders, outlining the company's contributions to the Canadian economy and society. RBC's full Public Accountability Statement includes all the content from this printed report, as well as all additional information as required by the Public Accountability Statement regulations, such as:

- The location of any branch openings or closures;
- Taxes paid to federal and provincial governments;
- Small business financing, including a breakdown of loans by size.

The full Public Accountability Statement can be downloaded from www.rbc.com/pas

For a full Public Accountability Statement in print:

2002 Public Accountability Statement
RBC Financial Group
9th Floor, South Tower, Suite 950
Royal Bank Plaza
200 Bay Street,
Toronto, ON
M5J 2J5
Fax: 416-974-5400

Editor's Note

The stories and numbers contained in this report reflect activities undertaken in fiscal 2002 (November 1, 2001 – October 31, 2002), primarily within Canada. All numbers refer to RBC's Canadian businesses, unless otherwise noted.

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

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Writers: Judy Rogers, Jennifer Matthews, Jennifer Jones, Stuart Foxman

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Or download the report from www.rbc.com/community

Also available on audio-cassette.
RBC publie aussi ce document en français.

BUILDING A KNOWLEDGE SOCIETY

It's reported that one weekday edition of the *New York Times* contains more information than the average person was likely to encounter in a lifetime in 17th century England. Now, consider that the online version of the *Times* is a mere blip on the Internet, where monthly traffic equals about one million books of information.

If information is something you seize for a specific purpose at a specific time, it stands alone, like a solitary brick on the ground. It's the accrual of knowledge that creates a rich, towering structure, building on itself. As an RBC Letter titled "In Praise of Knowledge" stated, "Information can be discarded after use like a paper towel. Knowledge is something you keep, augment and relish over the years."

The pursuit and dissemination of knowledge are essential building blocks of a healthy society.

Our ability to create a knowledge society – not just an information society – will ensure communities that are both economically and socially sustainable.

Businesses can be a catalyst for promoting a knowledge society, for it's in their interest to have knowledgeable employees, consumers and business partners, as well as a community infrastructure that consists of bright and inventive people.

As a financial institution, RBC believes that what differentiates us isn't our products, but the quality of our advice. And that means knowledge.

We believe that we must encourage a society that's innovative and productive.

CONSIDER THE SAYING: "GIVE A MAN A FISH AND HE'LL EAT FOR A DAY; TEACH A MAN TO FISH AND HE'LL EAT FOR A LIFETIME."

So when we invest in the training and development of our own employees – that's building knowledge.

When our employees volunteer for non-profit groups, serving on boards, providing business and financial acumen, and helping these groups devise better ways to achieve their goals – that's building knowledge.

When we support educational programs that help students reach their potential, health programs that lead to improved methods of delivering care, or research that results in exciting discoveries – that's building knowledge.

To a society's development, knowledge is a more important resource than money. By contributing both financial and intellectual capital to community institutions, corporations can help embrace and construct a true knowledge society.



THE BUSINESS OF RESPONSIBILITY

Last year, we called this publication a *Community Report*. This year, we're calling it a *Corporate Responsibility Report*. And the difference is important.

You will still find stories about RBC people who give back to the community. About support for people with disabilities and Aboriginal people. About strengthening the arts and investing in health care. About community economic development and our support for youth and education.

But caring for communities is only one part of what it means to be a fully "responsible" corporation. Corporations must be responsible to all their stakeholders, employees, clients and shareholders. For a financial institution, the hallmarks of responsibility include good governance, operating in a sustainable fashion under ethical business practices, adhering to the law, creating and maintaining employment, providing access to products and services for special-needs clients, stewarding the

environment, and protecting clients when it comes to privacy and problem resolution.

You'll find reference to all of these in this *Corporate Responsibility Report*.

As one of Canada's largest corporations, we take our social

CARING FOR COMMUNITIES IS ONLY ONE PART OF WHAT IT MEANS TO BE A FULLY "RESPONSIBLE" CORPORATION.

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 "Most Respected Corporation" ranking from *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 *Corporate Responsibility Report*, to browse through the areas you're interested in. Please visit our Web site for more information and to give us your feedback.



JAC JACOBSON

A handwritten signature in black ink, appearing to read "Gordon M. Nixon". The signature is fluid and cursive, with a large, sweeping initial "G".

Gordon M. Nixon
President & Chief Executive Officer

Cornerstones:

WHAT DOES IT MEAN TO BE A GOOD CORPORATE CITIZEN? YOU CAN FIND AN OVERVIEW OF HOW RBC DEFINES THE BUILDING BLOCKS OF CORPORATE CITIZENSHIP ON THE INSIDE BACK COVER OF THIS REPORT. TWO OF THE CORNERSTONES ARE OUR DONATIONS PROGRAM AND THE ROLE PLAYED BY OUR EMPLOYEES AND PENSIONERS AS VOLUNTEERS IN THEIR COMMUNITIES.

DONATIONS

Donations represent an important cornerstone of our community programs. The member companies of RBC Financial Group administer charitable donations through the RBC Foundation, established in 1993. But RBC's tradition of philanthropy dates back to our roots, with donations on record as far back as 1897.

We take great pride in the accomplishments of our community partners and appreciate the opportunity to invest in their good works. For a full list of donations given in 2002 and throughout 2003, visit rbc.com/community/donations

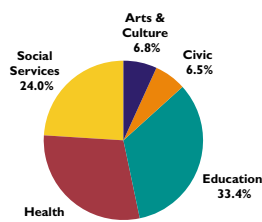
2002 DONATIONS

RBC Financial Group	
Canada	\$ 27.4 million
International	\$ 9.7 million
Worldwide total	\$ 37.1 million

By Region

Alberta / NWT / Nunavut	\$2,440,000
BC & Yukon	\$3,000,000
Manitoba	\$980,000
New Brunswick	\$455,000
Newfoundland & Labrador	\$270,000
Nova Scotia	\$745,000
Ontario	\$10,200,000
Prince Edward Island	\$90,000
Quebec	\$4,015,000
Saskatchewan	\$610,000
National (Canadian)	\$4,595,000
United States	\$9,100,000
International	\$600,000
Total (CDN)	\$37,100,000

2002 Donations (Canada \$27.4 million)



SUPPORT FOR UNITED WAY

RBC Financial Group is the largest private sector contributor to United Way in Canada, where we are one of only 35 organizations that have contributed over \$1 million annually. We also have the largest private sector employee-giving campaign in Canada.

TRADING PLACES

RBC Financial Group and our employees are strong supporters of United Way. But our donations

are just one way we try to lend a hand. We believe our greatest resource is our employees – their skills and knowledge can be an invaluable resource.

Each year, we second, or “lend” employees full time to United Way to provide leadership, expertise and visibility in local campaigns. In 2002, 18 RBC employees were on loan to United Way.

UNITED WAY

Corporate Donations*

United Way (Canada)	\$ 2,739,216
United Way (United States) (USD)	\$ 443,700

Employee Donations

Contributions through payroll deduction	\$5,269,834
Funds raised through special events**	\$457,024

* See regional pages for more on RBC's support for United Way.

** This figure represents funds raised for United Way in Canada. RBC employees across North America helped raise hundreds of thousands of dollars for specific community groups in addition to United Way.

VOLUNTEERS AND DONATIONS

A CELEBRATION OF VOLUNTEERS



Steve Hatcher and Scouts



"Paint the Town" in Calgary



Tina Dodge and Girl Guides



Alex Tappert, South Delta, B.C.

RBC employees are fond of helping children and youth. RBC's *Steve Hatcher* has been involved with Scouts Canada for most of his life. He has been able to contribute his knowledge of financial services to help the organization in St. John's, Nfld., with fundraising, financial management and risk management. "Scouting helps build leadership skills, self-confidence and teamwork," says Steve. "It's important to share these values with today's youth."

RBC's *Tina Dodge* believes that many of her business skills had their foundations in Guiding. That's why she gives back to Girl Guides of Canada by volunteering as a Leader in Milton, Ont. "The Girl Guide experience will serve these girls throughout their lives," says Tina.

RBC volunteers pitch in every year in Calgary's "Paint the Town" event, where corporations provide time off for employees to help low-income seniors maintain the ex-

terior of their homes. RBC's *Michelle Jensen* says that with 20,000 such seniors in the city, "We're fulfilling a real need."

RBC's *Alex Tappert* wants to help build a strong future for South Delta, B.C. That's why he volunteers for the local Rotary Club, Business Improvement Association and Hospital Foundation. "South Delta is a great place to live and work, and I want to do all I can to keep it that way."

DOLLARS FOR DOERS

From sitting on not-for-profit boards and committees, to providing money-management workshops to students, to volunteering at hospitals and schools... these are some of the most significant contributions RBC and our employees make in a community.

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

RBC's Employee Volunteer Grants Program is one way we support and encourage these vital community connections. Those 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 \$1.9 million on behalf of our employees through this program.

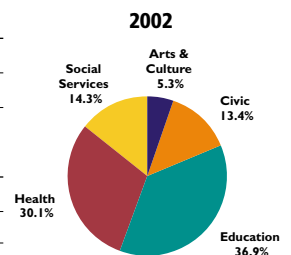
For more information

Visit www.rbc/community

EMPLOYEE VOLUNTEER GRANTS PROGRAM

2001	
Number of grants	1,065
Total	\$ 532,500

2002	
Number of grants	1,480
Total	\$ 740,000



Education

Education is an investment in the future. While we focus on initiatives that help kids stay and flourish in school, we also support programs that promote financial literacy, as well as employment and employability for people of all ages.

IN THE 'CLASSROOM'

In 2002, 90 RBC employees spent more than 1,000 hours preparing and delivering 177 financial literacy seminars to over 5,000 high-school students across Canada. Another 68 RBC employees volunteered 272 hours to delivering 22 "Mind-ing your e-Business Security and Privacy Matters" seminars to 2,800 small business owners.

A CAREER EDGE

RBC has committed more than \$5 million over three years to Career Edge, a national youth internship program that gives recent university graduates the opportunity to learn and gain practical work experience. Over 250 interns have been placed, with more than 200 paired with RBC Royal Bank small business clients.

HANDS-ON SCIENCE

RBC supports ACTUA, a program that provides hands-on science workshops and camps for children and teenage girls and boys throughout Canada. The aim is to develop their interest in science and engineering.



AFTER-SCHOOL SUPPORT

Even when school's out for the day, kids can go on learning and developing their skills – thanks to RBC's renewed support for after-school programs across Canada. The RBC Foundation is providing \$2 million to 54 programs in 32 communities for the 2002-2003 school year. Since 1999, RBC's support has helped make sure that over 4,000 children – including those shown here in Thompson, Man., who attend a program offered by the local Boys and Girls Club – keep busy and safe after classes end for the day. Each program receives between \$10,000 and \$40,000, with total funding of \$5 million since 1999.

A FINANCIAL HEAD START

In 2002, RBC launched a new financial life skills program, consisting of workshops that teach planning skills and money management to high school students. In addition, 10 new scholarships worth \$2,003 each were introduced. For more information, visit www.rbcroyalbank.com/lifeskills or www.4edu.ca/tors/rbc

READING BOOST

Seventeen sixth-graders from Anwatin Middle School in Minneapolis are now exchanging weekly e-mails with volunteers from RBC Dain Rauscher. Enthusiasm is running high among students, who have low reading skills, and the volunteer mentors, who don't "teach" reading per se, but provide a model of appropriate grammar and encourage students to read and write.

In 2002,
RBC donated
over \$9 million
to education
causes.



YOUTH CHAMPION

Education Planning

As a youth market champion, Margaret Pirosko visits classrooms to help high-school students understand what a post-secondary education will cost and how they can save for it. “I often speak to parents and students and help them find alternative ways to finance their education,” says Pirosko, shown here with students from St. Paul High School in Niagara Falls, Ont.

KEVIN ARGUE / KILBYTX

HELPING KIDS ACHIEVE

RBC employees in Brandon, Man., went back to school to present Junior Achievement’s (JA) “Economics of Staying in School” program to Grade 7 and 8 students at Harrison Middle School. The Brandon volunteers are typical of the more than 780 RBC employees across Canada who put in over 11,000 hours to deliver JA programs. In addition, RBC employees volunteer at the board and committee level at several JA offices.

SCHOLARSHIP PROGRAM

In 2002, RBC awarded 143 scholarships of \$1,000 each to employees’ children. Scholarships are granted to full-time students following a competition, which is based on academic results, references and extracurricular activities.

FIND A SCHOOL

For the past six years, RBC has been a partner in helping students find the right post-secondary institution. Check out information on more than 700 Canadian universities and colleges at www.schoolfinder.com

BREAKFAST FOR LEARNING

More than one million Canadian children don’t get the nourishment they need. Research shows that there’s a clear link between good nutrition and school performance. This is why the RBC Foundation supports the Canadian Living Foundation’s breakfast program.

TEACHERS HONOURED

Nineteen of Canada’s top teachers received the annual Prime Minister’s Awards for Teaching Excellence. The RBC Foundation has supported these awards with over \$285,000 since 1998.



MENTORS FOR KIDS

Volunteering for Big Brothers or Big Sisters is a favourite activity for RBC employees like Carol Lawson, Rita Walker, Richard Kessler, and Peter Steele. All four are in-school mentors in Abbotsford, B.C., encouraging children who benefit from a one-to-one relationship with a caring, reliable, adult friend. “I believe we all need this type of support growing up,” says Peter.

For more information

Visit www.rbc.com/community

Community

ECONOMIC DEVELOPMENT

Putting a roof over people's heads and food on their plates...providing access to basic banking services...giving people the tools to start and run a business. These are all examples of how RBC invests in the community and contributes to economic development. And they're examples of our fundamental belief that it's better to provide a hand up than a handout.

WORKING WITH SEDI

RBC continues its involvement with Social and Enterprise Development Innovations (SEDI), a national organization that promotes economic self-sufficiency for disadvantaged Canadians. RBC is the lead financial institution at nine of the 10 Learn\$ave sites across Canada. Learn\$ave is a demonstration project of Individual Development Accounts (IDAs), which let an account holder invest personal savings, plus a matched contribution from the federal government, for post secondary education, skills training, and small business capitalization. In addition, RBC supports SEDI's efforts to deliver two programs, Youth.comm and the "A" Game, both of which help at-risk youth across the country.

ENCOURAGING ENTREPRENEURSHIP

A novel way to teach kids about the environment – known as the



NEW WAY TO BANK

Some people don't want to deal with a traditional bank branch. That's why RBC began testing a new banking concept in west end Toronto in October 2002. Known as Cash & Save, this prototype was developed in co-operation with St. Christopher House – a community agency that received free help from the consulting firm Bain & Co. to develop the Cash & Save business case – and with area residents and other community-based organizations.

Cash & Save focuses on the quick delivery of routine transactions, such as immediate cheque cashing, bill payments, money orders, U.S. exchange, and money transfers. While bank accounts are neither needed nor available at Cash & Save, clients who wish to open an account can do so at a local RBC branch.

Through a combination of smaller premises, fair pricing, non-traditional banking hours, and ongoing community consultation, Cash & Save is designed to meet the requirements of this community and other high-density urban markets. The goal now is to learn from this test location so that other communities can benefit. Pictured here are RBC's Yolande Quan-Vie and Mankit Chan.

ROB WAYMEN

"Big Green Tree Planting Kit" – won its young creators the fifth annual RBC/Shad Entrepreneurship Cup. This team from McMaster (one of the nine hosting universities) were among the 472 high school students who took part in

this annual opportunity to develop leadership and business skills. RBC has been a Shad Valley sponsor since 1985 and created the RBC/Shad Entrepreneurship Cup in 1997.

"Cash & Save will make a real difference for many low-income people in Parkdale. It has been a pleasure to work with RBC on this important project."

– Susan Pigott, CEO, St. Christopher House

Habitat for Humanity

Brenda and Barry Brown have a new home, one that's been blessed by Pope John Paul II. Thanks to young people in Toronto for World Youth Day who joined forces with Habitat for Humanity to build the house, and the financial support of two corporate donors, RBC and Dow Chemical, the couple now have their long-awaited, wheelchair-accessible home.

RBC has donated over \$1.2 million to Habitat for Humanity since 1998. Employees in 28 cities

have worked on community builds – and not just in Canada. RBC Centura supports Habitat for Humanity in Chicago, while RBC Dain Rauscher supports the cause in the Minneapolis-St. Paul area. For six years, Dain Rauscher employees have worked with Habitat for Humanity and other volunteers on builds. This year, they did the job themselves, with 600 employees building an entire two-storey house over two months.



Employees, including Brian Pals, handled everything on a Habitat build in Minneapolis.

BATTLING HUNGER

Helping get nutrition to those who need it is a priority with RBC employees across the country, who get involved in a range of activities to support food banks. Among countless examples: branches in Edmonton accepted donations of food and money for the Edmonton Food Bank's annual Christmas drive; employees in Truro, N.S., purchased a plot at a community garden that grows fresh vegetables for a food bank; and an employee in Cranbrook, B.C., joined forces with a local business to acquire a van for delivering food.

A HOME OF HER OWN

In 2001, Ella Coley of Rocky Mount, N.C., attended a Homebuyers Fair initiated by RBC Centura and U.S. Congresswoman Eva Clayton. She took part in an RBC Centura workshop where she learned about the bank's Community Mortgage Loan (CML) program. She enrolled in the program, learned how to take control of her finances, and went on to qualify for a mortgage and buy her own home. CML is just one element of

RBC Centura's Community-centered Banking program, which includes a lending-education program to help church members and other community participants borrow, save, and invest.

TOQUE TUESDAY

Raising the Roof, Canada's only national organization that looks for long-term solutions to homelessness, benefited once again from RBC's support in 2002. As part of the "Toque Tuesday" campaign, staff in 104 branches and departments raised more than \$63,000 by selling toques, while RBC donated \$150,000.



HELP FOR YOUNG ENTREPRENEURS

Providing micro credit, as well as mentoring and access to financial advice, for young entrepreneurs: that's the aim of the Canadian Youth Business Foundation (CYBF). As part of a multi-year pledge, RBC donated \$250,000 to CYBF in 2002. In addition, CYBF and RBC introduced an online training program for young Canadians interested in starting and growing their own business.

HOUSING FOR SENIORS

Thanks to a partnership with RBC, Royal Canadian Legion branches across the country are taking advantage of a preferred lending package to help build housing for seniors – be it apartments, condos, or residential care units. "The Legion is very excited about the potential opportunities that exist in partnership with RBC," says David MacDonald, the program's co-ordinator, "and I believe we have just scratched the surface on how we might work together in the future."

For more information

See pages 32 – 33.

Personal and business banking.

PEOPLE WITH Disabilities

RBC strives to build an inclusive and barrier-free environment for people with disabilities, including our employees, clients and those in the communities we serve.

BUILDING FUTURES

RBC is one of five sponsors of Well sizing the Workplace scholarships for post-secondary students with disabilities. Students with disabilities can also gain meaningful work experience through RBC's AbilityEdge internships. Less than a year old, the program has placed more than six interns in RBC locations.

WORKPLACE ACCESSIBILITY

RBC's "I Make it Barrier-Free" program makes it easier for managers to respond to the needs of

In 2002, RBC donated over \$725,000 to charitable causes that support people with disabilities.



PETER BOND

SUPPORT FOR DISABILITY GAMES

Marco Pasqua, official torchbearer for the B. C. Disability Games, is an accomplished athlete in track and wheelchair basketball. RBC's support of the Games in 2002 allowed the organizers to recruit, train and deploy people with disabilities to form a Speakers Bureau. Marco was one of the first to receive training.



TALKING BANK MACHINES

In 2002, RBC announced the addition of 225 machines to the 14 that have been placed across the country since 1997. These specialized ABMs are designed to assist not only people who are blind and visually impaired, but also the elderly and those with learning disabilities.

CP IMAGES/JO. OLIVER

employees with disabilities. The program authorizes managers to spend up to \$3,000 a year on workplace accommodations without any approval being required.

PARTNERSHIPS FOR EMPLOYMENT

One of RBC's goals is to hire more employees with disabilities. Through partnerships with national agencies like the Canadian Council for Rehabilitation and Work, and local ones such as Calgary's Champions of Diversity, RBC places minorities and people with disabilities in full-time, part-time, intern and

training roles in RBC businesses across the country.

AWARDS & RECOGNITION

- Only Canadian organization to be mentioned in the 2002 book, *Accessible Technology in Today's Business: Case Studies for Success*.
- White Cane Week Certificate of Merit recipient (Canadian National Institute for the Blind), in recognition of RBC's talking bank machines.

For more information

See page 32.

Aboriginal PEOPLE

RBC's long-standing commitment to the Aboriginal community involves not only specialized financial products, but also educational programs and grants for community development.

BUILDING BRIDGES

RBC invites Aboriginal Economic Development Officers (EDOs) to audit its Corporate Account Management staff training program, so they can learn more about banking policies and processes. This understanding assists EDOs in counseling their community members on entrepreneurial matters, and helps RBC account managers better understand the Aboriginal client perspective.

URBAN OUTREACH

RBC provides training, employment, sponsorships and banking services to Aboriginal people through the National Association of Friendship Centres, representing the 114 Native Friendship Centres across Canada.

CESO

As a founding partner in the Canadian Executive Service Organization's (CESO) Aboriginal Services Division, RBC supports CESO's national project with MBA programs, where teams of students work on economic development projects in Aboriginal communities. Ten projects were completed in 2002. RBC also donated \$50,000 to help make CESO advisors more accessible to Métis communities by covering out-of-pocket expenses.



TURNING TRAGEDY AROUND

In an effort to battle widespread poverty, suffering and substance abuse, the Innu Healing Foundation embarked on a project to offer young Innu and their families a place for recreational activities and training programs. RBC Foundation has pledged \$100,000 to help, as part of a campaign to build two multi-purpose recreational facilities for the Labrador Innu of Sheshatshiu and Natuashish.

SPYGLASS

EDUCATION

RBC strives to support a variety of education and career opportunities:

- RBC's Aboriginal Student Award Program provides five Aboriginal students with \$4,000 per year each for their post-secondary education, and summer employment.
- RBC has partnered with the National Aboriginal Achievement Foundation for the past eight years to co-sponsor "Blueprint for the Future" youth career fairs across the country.
- Since 1993, RBC's Aboriginal Stay in School Program has supported the education and summer employment of Aboriginal youth. More than 500 Aboriginal students have participated since its inception.
- RBC Foundation gave \$40,000 to the Town of Iqaluit to commemorate the 2002 Arctic Winter Games. The donation will help the Iqaluit Youth Centre develop an after-school nutrition program as well as materials for the resource centre.

In 2002, RBC donated over \$400,000 to support Aboriginal causes.

In Canada, there are seven RBC branches, one sub-branch, and three agency outlets in First Nation communities, as well as one branch in each of the three regions of Nunavut.

For more information

See page 33, or visit

www.rbcroyalbank.com/aboriginal

Arts & Culture

RBC supports arts and culture, from music and dance to theatre and visual arts, for we believe in the power of the arts to enrich our lives and enhance our communities.

BECOMING AN OPERA STAR

For over 38 years, RBC has supported the education and outreach initiatives of the Canadian Opera Company, such as its Ensemble Studio Program. In 2002, RBC committed \$150,000 to the program, which gives young singers their first professional operatic experience through a blend of advanced study and practical skill-building.

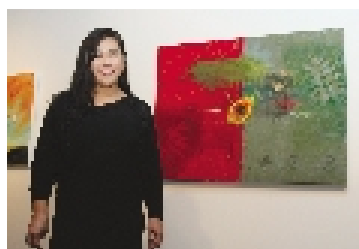
In 2002, RBC donated more than \$1.8 million to support arts and culture causes.



MICHAEL COOPER

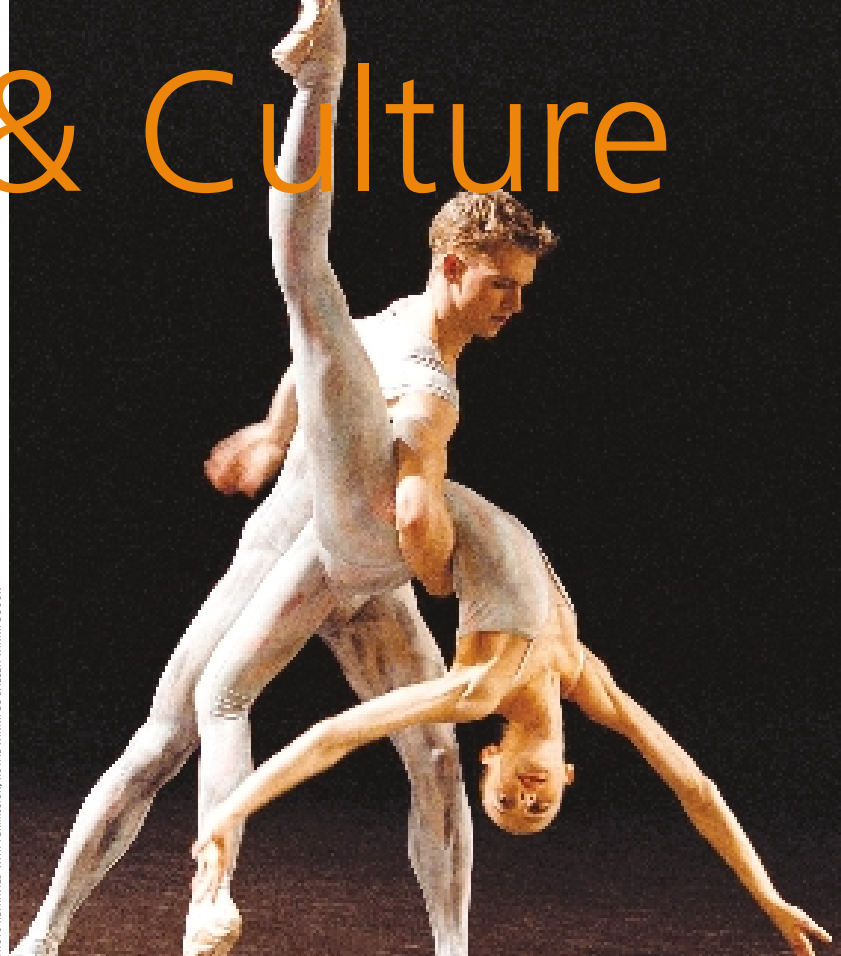
A BRUSH WITH SUCCESS

RBC's New Canadian Painting Competition was established in 1999 to recognize visual artists in the early stages of their career. In 2002, the competition attracted more than 1,000 entries. Winners receive a \$5,000 prize and their work becomes part of RBC Investments' extensive art collection.



J.J. Lee was the Central Canada winner of the 2002 New Painting Competition, for her work *Papaya*.

PHOTO REPRINTED WITH PERMISSION, ROYAL WINNIPEG BALLET, WINNIPEG SUN



BIG-CITY BALLET VISITS SMALL TOWNS

Often, small towns and communities don't have access to the range of arts events taken for granted in the city. That's why RBC funds a number of organizations that take their show on the road – to perform right in rural schools. For example, the Royal Winnipeg Ballet School graced Manitoba and Northwestern Ontario with beautiful performances during their 2002 Rural Tour, supported by RBC, giving students in small towns a glimpse of high-calibre live performances.

NURTURING ARTISTS

Helping talented concert artists along their career paths and fostering appreciation of all forms of organ music: these are the goals of the Royal Bank Calgary International Organ Festival. RBC has been involved since its inception in 1990, and became title sponsor in 1998.

SHAW FESTIVAL

RBC is the season sponsor of the Shaw Festival, which, in 2002 attracted more than 350,000 people and is quickly outgrowing its historic home. So, in addition to our sponsorship, RBC provided a donation that will help fund renovations to expand the theatre's space.

HURON CAROLE

RBC supports the Huron Carole: a concert series that tours Canada, raising funds for local food banks. The last tour raised \$250,000 and collected 4,000 kilograms of food with an additional \$15,640 raised through the sale of commemorative pins at the RBC Pin Bin.

AWARD

Most Innovative Marketing Sponsorship Award of Distinction (*The National Post*), for the RBC Seniors Jubilee (2002).

For more, see page 20.

Amateur Athletics

From local sporting events to the Olympics, RBC supports athletes of all levels and encourages them to achieve their highest potential.

ROYAL BANK CUP

The Royal Bank Cup, Canada's National Junior A Championship, was held in Halifax in 2002. RBC employees volunteered their time on-site, decorated all of the branches in the Halifax area, and cheered on the teams.



RBC has been title sponsor of Canada's National Junior A Championship since 1995.

SCHOLARSHIPS

The annual RBC Junior A Scholarship awards are just one way we encourage young hockey players to skate towards a successful future.

The program awards nine players, one from each of Canada's Junior A Hockey Leagues, with a \$1,000 University scholarship, for outstanding academic achievement, athletic ability, and community service. The most outstanding player in all categories receives an additional \$5,000 award.

For more information

Visit www.rbc.com/community



SPECIAL ATHLETES

RBC has been a supporter of Special Olympics in Canada since 1968, with employees also volunteering as coaches, organizers and fundraisers. Some RBC employees are even athletes, such as Vancouver's Corrie Carlile, who has been competing in Special Olympics for more than 10 years. Corrie has Prader-Willi syndrome, a rare genetic disorder.

Despite her disability, Corrie has become a champion swimmer, has won five medals, and earned a spot on the Special Olympics' national swim team to compete at the 2003 World Games in Ireland.

CAREER EXPERIENCE

RBC, a supporter of the Canadian Olympic Committee since 1947, continues to support the COC's Career Opportunities Program, providing future Olympians employment with RBC while giving them the flexibility to train and compete.

As the longest-standing supporter of Canada's Olympic Team, RBC has supported every Canadian Olympic bid since 1977. In 2002, we announced our support of the Vancouver bid for the 2010 Winter Games, and teamed up with five athletes, hired through our Career Opportunities Program, to raise awareness for the 2010 bid.

HONOUR ROLL

In 2001-02 the RBC Academic All-Canadian Honour roll recognized 1,907 Canadian University student-athletes for excellence on and off the playing field.

TOONIES FOR TEAMS

Since 1995, RBC's Toonies for Your Team program has been helping local hockey teams raise funds for uniforms, equipment, and ice time. In 2002, more than \$180,000 was raised for 265 teams across Canada.

Health Care

RBC is committed to healthy communities, supporting health research and care at both the institutional and community levels. Our employees also volunteer many hours to health care organizations and charities.

FIGHTING CANCER

Cancer has touched just about all of us in tragic ways. So it's not surprising that RBC employees have a soft spot when it comes to raising money to fight this disease. In 2002, employees around the world took part in the annual Terry Fox Run, raising \$35,000. RBC also donated \$450,000 over three years towards the cost of the run, and for the 20th year, our Canadian branches accepted pledge sheets from runners.

In 2002, RBC donated over \$8 million to health care causes.

COMBATING MENTAL ILLNESS

Dr. David Wolfe was appointed the first holder of the RBC Investments Chair in Children's Mental Health and Developmental Psychopathology. The chair was announced in 2001, along with a \$2 million gift from RBC Investments.

LOOKING GOOD

With help from RBC, to the tune of \$50,000, the Look Good, Feel Better Workshop "classroom-in-a-trailer" rolled across the country in celebration of its 10th anniversary.



NURSING NEW KNOWLEDGE

Fostering knowledge and learning is key to a better future. That's why RBC supports such initiatives as two nursing research chairs at the University Health Network in Toronto. The \$2.5 million donation will fund new education and training delivery to improve care for cancer and cardiac patients. Chair-holders will be part of the University of Toronto's Faculty of Nursing and will mentor nurses in all aspects of their profession.

WALK FOR MS

Some 50,000 Canadians have multiple sclerosis. The annual Super Cities Walk in 140 communities raised money to fight this disease – and, for the 10th year, RBC employees were there as event organizers and participants. In Fort Erie, Ont., the RBC "Hickens Chickens" team, pictured here, took part to support a co-worker with MS, raising over \$5,000 and winning an award as the area's top fundraiser.



LONG-TERM CARE

Armed with the right knowledge, people can make more confident decisions about their futures. That's why, in 2002, RBC Insurance conducted a survey about long-term care. The survey found that 47 per cent of Canadians worry about becoming a burden to friends and family when they get older, and just half of them – 49 per cent – had ever heard of long-term care insurance.

For more information

Visit www.rbc.com/community

Your Community



With more than 68,000 employees worldwide, and operations in more than 30 countries, it would be impossible for RBC to create a comprehensive report covering the thousands of activities undertaken by our employees and our businesses to help build strong, healthy communities.

Yet we also understand that our clients, neighbours and employees in all the regions where we do business may want more information on the role RBC is playing in their hometown, city, province or state.

This printed report contains highlights from each of our major geographic regions on the next few pages – but thanks to technology, we are able to provide more comprehensive regional reports on our Web site, both for 2002, and on an ongoing basis throughout 2003.

If you're interested in seeing how RBC supports a cause or issue that you care about, our Web site also contains highlights of how RBC supports Aboriginal people, amateur athletics, arts, people with disabilities, diversity, economic development, education, the environment and health care.

REGIONAL REPORTS

Here's a list of regional reports you'll find on the Web site. Each includes a complete list of donations given to not-for-profit groups through RBC Foundation, and local employee initiatives.

Canada

- Atlantic (including Newfoundland and Labrador, Nova Scotia, New Brunswick and Prince Edward Island)
- Quebec
- Ontario
- Prairies (including Alberta, Saskatchewan, Manitoba, Northwest Territories, Nunavut, Northwestern Ontario and Yukon for 2003)
- British Columbia (including Yukon for 2002)

United States and International

While we have not produced online regional reports for our American or international operations, you can still get additional information online:

- **RBC Dain Rauscher** (Minneapolis, MN) www.rbcdain.com
Look under "About Our Company" for "Community Involvement."
- **RBC Centura** (Rocky Mount, NC) www.centura.com
Look under "About Us" for "Community Relations."
- **RBC Liberty** (Greenville, SC) www.rbclibertyinsurance.com
- **International** (including Europe, Australia, Asia, Caribbean, Bahamas and Latin America) www.rbc.com/community
Check out our home page or "News."

Visit www.rbc.com/community/rbc_community/community_reports

Atlantic

AT A GLANCE

NEWFOUNDLAND AND LABRADOR • NOVA SCOTIA • NEW BRUNSWICK • PRINCE EDWARD ISLAND

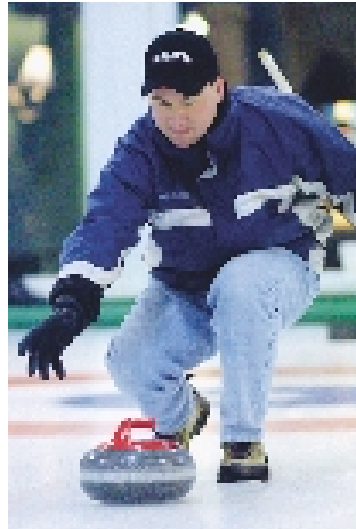
Employees	3,012	United Way corporate donations	\$111,240
Locations	155	Employee donations (payroll deduction)	\$125,810
Donations	\$1,560,000	149 employee volunteer grants	\$74,500

HOCKEY MARATHON BREAKS RECORD

Everyone knows Canadians love hockey. But to play for 30 hours straight? That's what a group of 36 enthusiasts in Windsor, N.S., did during the Long Pond Game, of which RBC was the premier sponsor. RBC's Shawn McCormick was on the ice for the entire 30 hours; his brother Ken organized the game; and their father, Rodd, a retired RBC employee, was an enthusiastic spectator. The event shattered the old Guinness world record of 18 hours for a continuous game of hockey. Even more important, it raised money – to the tune of \$25,000 for KidSport, an organization that helps disadvantaged youngsters participate in a sport, plus \$5,000 for a children's charity in Windsor. Some big names were on hand, namely Don Cherry and the CBC's Ron MacLean, to cover the game as part of Hockey Day in Canada.

AWARD

Disability Awareness Week New Brunswick Award, chosen by the Premier's Council on the Status of Disabled Persons, to RBC's Moncton Royal Direct centre, for its efforts to improve opportunities for people with disabilities.



CURL FOR CANCER

RBC's Bob Whitters took to the ice to raise \$6,552 for the Sussex, N.B., Curl for Cancer Bonspiel. This earned him the award as top individual fundraiser, while his team, "Whitters Wipers," swept their way to the award for most enthusiastic team.

NEW-BUSINESS HELP

New entrepreneurs need all the help they can get in their first five years of operation. RBC employees Kevin Crowder and John Lever are among the some 40 volunteers who are providing this necessary advice, support, and know-how to entrepreneurs as part of the YMCA-YWCA Enterprise Centre Advisory Board Program in St. John's, Nfld.

READING IS WILD

An impressive total of 170,000 books read in the past two years. That's a measure of the success of RBC's "Reading is Wild" program in Moncton, jointly delivered by the Moncton Wildcats and the Moncton Literacy Advisory Board and created to encourage kids in grades one to eight to read. RBC helped boost participation in the 2002 program by donating 800 Wildcat tickets.

GIFT OF VOLUNTEERING

Sadie Stewart believes that the Queen Elizabeth Hospital in Charlottetown, P.E.I., is a cornerstone of the community. That's why she volunteers in the hospital's gift shop and encourages her granddaughter Amy to do so as well. The shop's proceeds help buy medical equipment and improve services. "The Queen Elizabeth is P.E.I.'s main referral hospital," says Sadie. "People from all over the province benefit from its services. I aspire to doing all that I can to help the hospital."





CHILDREN'S WISH

Granting wishes

When the Children's Wish Foundation took to the streets of St. John's, Nfld., for its annual Wishmaker parade in October, RBC people were there – as walkers, organizers, and helpers at the registration desk. And they weren't alone: employees helped out at many of the 72 parade locations across Atlantic Canada.

RBC has been involved with the Children's Wish Foundation in Atlantic since 1990 when it sponsored the Wish Express bike tour. It is now the sole financial institution sponsor of the annual Wishmaker parades, which in 2002 raised \$567,569 to help children who have serious illnesses. Halifax's Kim Young co-ordinated raffles, which in 2002 earned more than \$32,000.

Among RBC people who helped with Wishmaker parades are, left to right, Jackie Taylor, Cynthia Abbott Sheppard, and Delores Martin of St. John's. They are shown with Derek deLouche, director, Newfoundland and Labrador Chapter of The Children's Wish Foundation.

SCOTT COURAGE

FILLING THE FOOD BANKS

An RBC donation to food banks – \$14,000 in western New Brunswick, \$18,500 in northern New Brunswick, and \$25,000 in Newfoundland and Labrador – was supplemented by food drives in branches. The theme in New Brunswick was to refill the food banks after Thanksgiving, while in Newfoundland and Labrador the aim was to fill the banks in time for that holiday.

4-H IN P.E.I.

Such programs as the Sustainable Agriculture Project, communications competitions, and outdoor adventures will benefit from RBC's donation to the Prince Edward Island 4-H Council. RBC Foundation is a longtime supporter of the 4-H program in P.E.I., and this donation will help members develop leadership, communication, and teamwork skills.

AWARD

Outstanding corporate philanthropist by the Halifax chapter of the Society of Fund Raising Executives.

COP CARDS

Trading cards that featured black RCMP officers from across Canada were tied to the five-day national Spirit of Unity event at the Black Cultural Centre of Nova Scotia. RCMP officers also used the cards during visits to schools. RBC was a major supporter of this initiative.

Quebec

AT A GLANCE

Employees	6,684	United Way corporate donations	\$707,270
Locations	200	Employee donations (payroll deduction)	\$252,644
Donations	\$4,015,000	144 employee volunteer grants	\$72,000

A SAFE DRIVE HOME

Nine RBC employees in Montreal donated their time and cars to make sure party-goers got home safely during the holiday season. The nine were on duty one night from 7 p.m. to 6 a.m. as volunteers with Operation Nez Rouge, a drive-home program for people who feel they shouldn't get behind the wheel. A \$2,500 donation from RBC, along with any tips earned, went to Nez Rouge, which distributes the money to charities for youth.

SKIING FOR HEARTS

For the seventh year, RBC employees from Laval, the Laurentians, Lanaudière, and East Montreal organized "Skions en coeur" to raise funds for the Heart & Stroke

Foundation of Quebec; 150 skiers took to the slopes of Mt. Blanc, raising \$31,000.

BENEFIT BREAKFAST

On Valentine's Day, RBC took its long-time involvement with West Island Community Shares (WISC), which supports charities on Montreal's West Island, a step further by organizing the first annual benefit breakfast – and a new Valentine's tradition – at a local restaurant. Not only did staff sell tickets in branches and solicit corporate donations, but 40 RBC volunteers donned aprons and helped out on the day. The final tally: \$22,000 raised for WISC.

E-COMMERCE SUPPORT

HEC (École des Hautes Études Commerciales) at the University of Montreal has inaugurated the new RBC Financial Group Chair of E-commerce, which will receive funding of \$1 million over seven years from RBC. Luc Bisaillon is RBC's representative on the chair's board of directors.

AWARDS

RBC people took two honours from the Heart & Stroke Foundation of Quebec: Richard Légaré, who chaired the Skions en coeur event, was awarded the **Silver Quebec Heart**. And employees in the Laval, Laurentians and Lanaudière area won the **As de coeur** (Ace of Hearts) trophy for the largest growth in per capita contributions.

BOOK COLLECTION

Three years ago, Carole Hart of Montreal came up with the idea of collecting used books. This year, she gathered nearly 2,000 books, which she gave to English-language schools and organizations throughout Quebec. Among recipients were a school in the Gaspé, a high school in the Magdalen Islands, and the Montreal Children's Hospital.

PERFORMING FOR CHARITY

Every year, dozens of RBC employees in Montreal put on their performers' hats for a breakfast variety show – not only for their colleagues' entertainment, but to raise funds and food for a charitable organization. This year's beneficiary of \$20,000 – plus food items – was a women's shelter, le Chaînon.

HELPING IMMIGRANTS INTEGRATE

It's not easy moving to a new country, especially when you don't speak the language. That's why Brij Jakhu, an RBC employee in Montreal, devotes over 10 hours a week at Bharat Bhavan Foundation – and has done so for 15 years – to help immigrants from South Asia adapt. Her efforts earned her a volunteer award from a local radio station in conjunction with the Volunteer Bureau of Montreal.



SCOUT VOLUNTEER

"I help the Scouts for the pleasure of being with young people, to see them learn about themselves, and to be with them when the time comes to face a challenge. This is a privilege for me," says RBC's Francine Gendreau, who volunteers with Scouts in Blainville.



FUNDRAISER SUCCESS

Cancer survivor spearheads campaign

After undergoing chemo and radiotherapy treatments in 1996, Michel Chapdelaine of Montreal's South Shore area says he's now "in perfect health and shape." To help others achieve a similar success, he has spearheaded the area's main community involvement for the past four years – a fundraising campaign for the Canadian Cancer Society. In 2002, South Shore staff brought in money from many sources, from bake sales to a bowling night. Clients did their bit, too, for example by donating items for raffles. The RBC effort culminated with 200 people taking part in a 10-kilometre walk-a-thon.

All the hard work paid off, with a grand total of \$47,500 raised. For his commitment, Chapdelaine received a medal in honour of the Queen's Jubilee.

PIERRE CHARBONNEAU

EASTER SEALS

Hundreds of RBC volunteers in the Quebec City region devoted their time, fundraising skills and energy to the 2002 Easter Seals campaign. Activities such as a spaghetti supper, ski evening and participation in the 24-hour Easter Seals relay raised money to improve the quality of life for children with disabilities. "It brings joy to everyone when we help like this," says Caroline Bernier, the campaign captain.



Easter Seals campaign captain, Caroline Bernier, with colleagues Jean-Pierre Lévesque and Francis Richard.

Ontario

AT A GLANCE

Employees	22,112	United Way corporate donations	\$1,389,275
Locations	667	Employee donations (payroll deduction)	\$3,192,823
Donations	\$10,200,000	666 employee volunteer grants	\$333,000

JUBILANT SENIORS

The RBC Seniors Jubilee is Canada's largest talent show of senior citizens, held in August at Toronto's prestigious Roy Thomson Hall. More than 1,300 energetic performers aged 55 and older showed off their singing, dancing, and comedic abilities for the five-day sold-out event, which received the *National Post's* Most Innovative Marketing Sponsorship Award of Distinction in 2002. RBC has sponsored the Jubilee since 1990.



RBC Seniors Jubilee

MONICA MCKENNA

A DIVERSITY MESSAGE

RBC partnered with Junior Achievement of Greater Toronto and York Region to launch a "Diversity in the Workplace" high school pilot program in 2002. Twenty RBC employees delivered 13 one-day courses and led group discussions about workplace diversity as it relates to age, gender, culture, race, abilities and sexual orientation. More than 100 RBC employees have committed to deliver 50 courses in the Toronto area in 2003.

A FAIR FOR STUDENTS

Transforming the Metro Toronto Convention Centre into what *Maclean's* described as "the World's Biggest High School," this university/college showcase saw record numbers in 2002, due to the "double cohort" of Ontario applicants to post-secondary institutions. RBC was the lead sponsor of the three-day event, and provided financial planning information and seminars for students.

VARIETY VILLAGE

RBC branches helped the Sunshine Games raise more than \$625,000 to support Variety Village programs through in-branch fundraisers, sponsored corporate teams, and help in organizing the event.

Variety Village is a world-class recreational facility for people with disabilities. RBC has been involved for the past 11 years.

DAYS OF CARING

In addition to funds raised across Ontario for the United Way in 2002, employees throughout the province donated their time as well. During the United Way's "Days of Caring" drive, employees from the Lambton-Kent area and the Petrolia branch washed windows, floors and walls at a local nursing home. They also visited two homes in Petrolia where they raked leaves and washed windows. Employees in Sarnia helped paint a seniors centre.



A HISTORY OF CARING

A Christmas Wish

RBC is sole corporate sponsor of the CHUMCity Christmas Wish, collecting funds and toys for needy families in branches and holding employee fundraisers to make holiday wishes come true for 250,000 children in the Greater Toronto Area. RBC's support of the annual drive spans 34 years.

ROB DODA

WINTER WONDERLAND

RBC in Ottawa helped bring a Winterlude dream to children living with cancer through a fundraising drive (donate-a-skate) program in branches in February. The drive raised more than \$10,000 and culminated in a special day in Jacques Cartier Park. The park was closed to the general public and the children and their families enjoyed sleigh rides, snow slides, clowns, beavertails and much more.

HOMework HELP

It's not unusual for up to 500 students to log on each night to TVOntario's Eureka! Web site (www.tvo.org/eureka) to access homework tips, practice tests, even live teacher chats. RBC is title sponsor of the site.



PETE THOMPSON

A star is born: Making up at Shaw

THE PLAY'S THE THING

RBC, along with community partner Shaw Festival, brought a taste of the theatre to the children of the Niagara Boys and Girls Club, one of the after-school programs funded by RBC, in September. The kids donned makeup and wigs (with help from the pros), and participated in a drama workshop with Shaw actors. In October, the children were treated to a performance of *Caesar and Cleopatra* at the Niagara-on-the-Lake festival.

DRAGON BOATERS

RBC's dragon boat teams bring active living and cultural expression together. The RBC Parry Sound Dragon Boat Festival raised funds for the West Parry Sound Health Centre. RBC employees entered a racing team and helped to run the festival.

In North Bay "The Royal Rowers" dragon boat team competed in the third Annual North Bay Dragon Boat Festival, raising \$60,000 for a new regional health care centre.

In Toronto, RBC's teams were so successful at the International Dragon Boat Race Festival that two teams will travel to Rome to compete.

Prairies

AT A GLANCE

ALBERTA • SASKATCHEWAN • MANITOBA • NORTHWEST TERRITORIES • NUNAVUT • NORTHWESTERN ONTARIO

Employees	6,924	United Way corporate donations	\$392,692
Locations	342	Employee donations (payroll deduction)	\$886,975
Donations	\$4,030,000	285 employee volunteer grants	\$142,000

COME SAIL AWAY

RBC continued its support of Disabled Sail Manitoba, which provides sailing programs for children and adults with disabilities. In a boat equipped with “Sip and Puff” technology, a person with even a very high level of physical disability can sail independently. In addition, RBC donated to Saskatchewan’s Wind on My Wings Sailing Club for the first time in 2002.



HELPING NEW CANADIANS

Randy Coutts has been helping immigrant families integrate into Canadian society by volunteering with Calgary’s Bridge Foundation for Immigrant Youth. Randy helps young new Canadians with their homework and takes them on field trips to teach them more about our culture, in addition to serving on the Foundation’s board of directors.



GOTTA DANCE

In Calgary, RBC supported Decidedly Jazz Danceworks’ (DJJ) “Dance Company in Residence” program at Connaught Community School. The program provides opportunities for underprivileged children to dance at school. Scholarships are offered to four students to attend the DJJ’s community classes.

NORTHERN LIGHTS

Yellowknife employees are always a shining presence at community events. Staff and spouses raised \$2,000 in 2002 by bowling for the Kids Help Line, and employees earned the Old Tin Cup Award when they dressed up and decorated their branch for Caribou Carnival.

SENIOR PEN PALS

RBC bankers in Ponteix and Cabri are writing letters to residents in long-term care facilities in the Saskatchewan Rolling Hills Health District. They are part of the “Dear Elma” project, designed to alleviate the loneliness of long-term care residents.

A CLOSE SHAVE

Nine Edmonton RBC employees shaved their heads on live television for donations to the Canadian Cancer Society. Branches participated by raising money through bake sales, garage sales, casual days and donations from clients and staff, for a total of \$9,000.

ABORIGINAL ATHLETICS

In Winnipeg, RBC sponsored the 2002 North American Indigenous Games (NAIG), a multi-sport and cultural celebration held July 25 to August 4. The NAIG is the largest gathering of its kind in Canada.

AGRICULTURAL EDUCATION

In Olds, Alta., RBC donated \$100,000 to Olds College to fund the position of Co-ordinator of Directed Studies. The co-ordinator will guide a program that allows students at the agricultural college to learn through first-hand experience and supervised work placements.

MENTAL HEALTH SUPPORT

Every step counts

RBC employees across the Prairies participated in the second annual Walk for Wellness to raise money for the Canadian Mental Health Association. The Prairies team collectively walked more than 190 million steps, nearly doubling last year's total. The initiative raised \$8,300, including a contribution from RBC Foundation, donated to Mental Health Associations across the region.

IAN JACKSON / KLUPTX



INVESTMENT IN CHILDREN'S HEALTH

RBC pledged \$750,000 over five years to the Manitoba Centre for Health Policy (MCHP), part of the University of Manitoba's Faculty of Medicine. The funding will be used to create clinical research fellowships in child health. "The donation is a timely and farsighted investment in the next generation," says MCHP's Dr. Noralou Ross.

COMMUNITY AWARD FOR TEAM MOOSE JAW

RBC employees were recognized for their volunteerism with the 2002 Business Excellence Award for Community Involvement from the Moose Jaw Chamber of Commerce. Staff from several RBC locations in the area volunteered hundreds of hours to more than 24 local organizations.

LEARN AND EARN

For the first time, the Aboriginal Stay in School Program was offered in Hay River, N.W.T. The Royal Bank Aboriginal Stay in School Program provides Aboriginal students with a chance to earn and learn during the summer. Syrena Courtorielle, an RBC employee of the Meadowlark Branch in Alberta, recruited, hired and mentored two Aboriginal students from Hay River.

Joanne Goodpipe is a three-time RBC summer student charged with creating a good working and learning environment for first-time Aboriginal Stay in School Program summer students in Regina. Joanne works closely with the students, making weekly visits to the branches to ensure everything is going smoothly and to address any questions the students may have. She also communicates with managers and coaches and conducts exit interviews with the students.



CNIB RELATIONSHIPS

Winnipeg's Mary-Ann Woroniak (right) has built two important relationships over the past 14 years: one with the Canadian National Institute for the Blind (CNIB) as a volunteer, and the other with Nancy, a CNIB client. Initially Mary-Ann's volunteer work involved fundraising and translating textbooks, but she was eager to build a one-on-one relationship with a CNIB client. Now she regularly takes Nancy grocery shopping as part of the Volunteer Shopping Program.

The Wadena branch in Saskatchewan provided more than a summer job to the student who participated in the Aboriginal Stay in School Program at their branch, hiring him on a part-time basis after he returned to school.

B.C./Yukon

AT A GLANCE

Employees	6,482	United Way corporate donations	\$138,739*
Locations	249	Employee donations (payroll deduction)	\$811,582
Donations	\$3,000,000	236 employee volunteer grants	\$118,000

* DOES NOT INCLUDE RBC'S CAMPAIGN COMMITMENT FOR LOWER MAINLAND OF \$168,534.

RBC SUPER CITIES WALK/RUN FOR MS

In 2002, RBC celebrated its 10th anniversary as the lead sponsor of the Super Cities WALK/Run For MS, with close to 6,000 people in 20 communities across B.C. taking part. Since 1992, RBC and its employees have contributed over \$393,000 to help the MS Society invest in vital research.

SCIENCE WORLD

Science World is a community leader in bringing science to inner-city youth. In celebration of the opening of its latest permanent gallery – Eureka! – RBC sponsored

a free open house at Science World on Canada Day, part of RBC's on-going commitment to fostering innovation and inspiring young minds.

Programs like RBC-supported Hands-on Science enable students to participate in innovative science programs delivered by knowledgeable educators.

KIDZ POWER

RBC Foundation is helping the Family YMCA of Prince George promote healthy, active lifestyles, and teach inner-city youth new skills.

RBC's grant helps the Family Y provide the Kidz Power program free of charge to grades four and five students from two Prince George elementary schools. The 10-week program is designed to help students identify ways to incorporate healthy activities into their day-to-day lives and teach them about nutrition.

REMOTE CONNECTIONS

In mountainous areas of interior B.C., radio contact is often difficult to make. That can mean the difference between life and death for area residents. RBC's donation to the Clearwater Hospital/Royal Inland Hospital Foundation will support its Radio Communications Program, allowing the hospital to connect to the local logging company radio frequencies when accidents occur in these isolated areas.



In 2002, RBC supported Child Find B.C.'s *All About Me* ID Clinics, where children were fingerprinted and parents provided with tip sheets on child safety. RBC employees hosted the clinics in branches and shopping malls, photographing and fingerprinting more than 2,300 children.

CANADIAN BREAST CANCER FOUNDATION

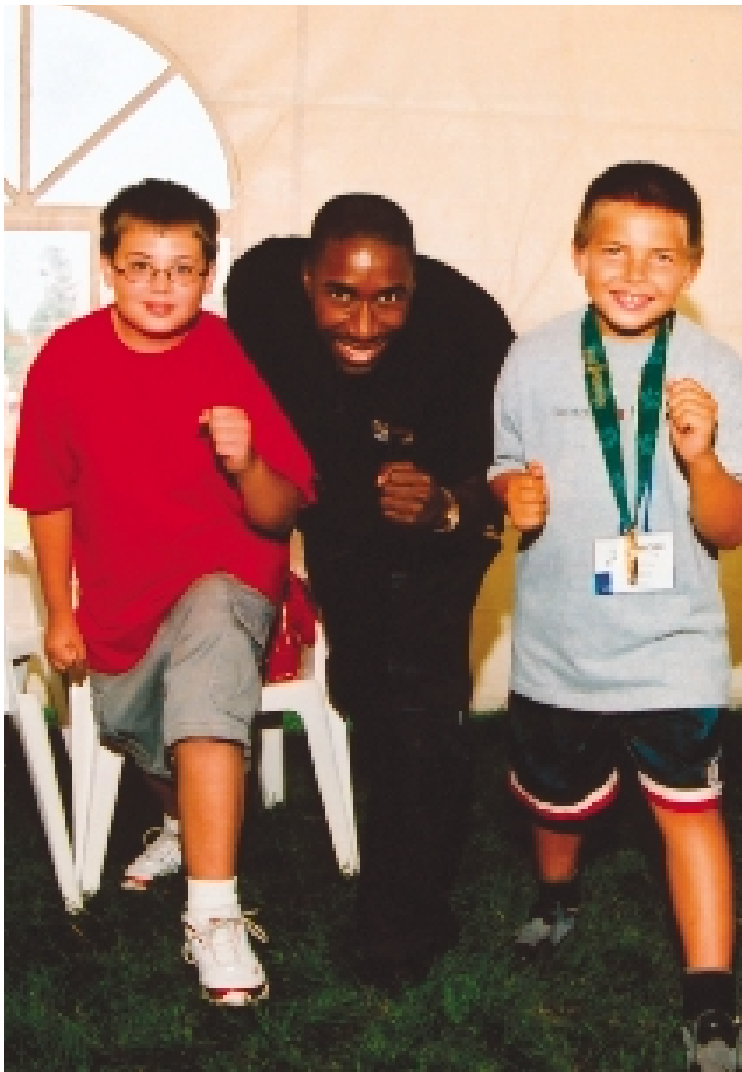
In 2002, RBC funded a groundbreaking Gap Analysis about health care for women with breast cancer in B.C. The report identified education as a key priority in saving lives. RBC also funded an educational radio campaign to help provide women with the knowledge they need to prevent, detect and treat breast cancer.

RBC EMPLOYEES RECEIVE AWARD

The highest honour from United Way of the Lower Mainland, the President's Award of Distinction, was given for the first time ever to a group of employees in 2002. The workplace campaign of RBC employees has been the most generous in B.C. since 1997.



SCIENCE WORLD



READY, SET, GOLF

RBC Drive for Charity

In summer 2002, RBC partnered with the Air Canada Championship (PGA Tournament) to help raise funds for B.C. charities. Through the “RBC Drive for Charity,” ACC Charity Ticket Packages were available through RBC branches, with half of the proceeds being donated to five local charities. On “RBC Saturday,” RBC hosted 700 Big and Little Brothers and Sisters and friends from Variety Club of B.C. at the tournament for a day of fun and to meet some of our RBC Olympians. RBC also donated \$2 to charity for every client who presented his or her RBC Client Card.

COURTESY BIG BROTHERS OF GREATER VANCOUVER

SECWPEMC CULTURAL EDUCATION SOCIETY

RBC supports this Youth Skills Development program, preparing Aboriginal youth for employment in trades and technical industries. Apprenticeship training provides youth with the knowledge, skills and experience needed to gain employment.

COOKING CLUB

RBC’s gift will allow the Penticton and District Society for Community Living to expand its Cooking Club program for individuals with mental disabilities. The group meets weekly to buy food and prepare meals that can be frozen and eaten later.

OPERA IN THE SCHOOLS

The Vancouver Opera Association, Canada’s third-largest opera company, presents four professional opera productions annually. Each season the Vancouver Opera Ensemble, made up of rising young Canadian opera singers, tours a fully staged opera adaptation to schools throughout Vancouver and the province to increase awareness of the arts among youth in rural and inner-city areas.

NEW VISTA SOCIETY

“Strong Seniors, Well Seniors” is an RBC-supported program for frail elderly people. Over 225 residents of the New Vista Care Home and 60 community seniors attending

the Adult Day Centre receive one-on-one assistance from qualified therapists and personal trainers, learning how to incorporate strength training into their daily lives, enabling them to regain mobility.

A LOVING SPOONFUL

RBC’s donation supports the Alternate Meal Delivery/Nutrition Program, with 140 volunteers also contributing over 12,332 hours to deliver nutritional assessments and meals to people living with AIDS and those with mental health and substance abuse issues.

United States

AT A GLANCE

RBC Centura*		RBC Dain Rauscher*		RBC Liberty Insurance*	
(Rocky Mount, North Carolina)		(Minneapolis, Minnesota)		(Greenville, South Carolina)	
Donations	\$1,907,886	Donations	\$3,000,000	Donations	\$225,000
Employee donations (payroll deduction)	\$296,319	Employee donations (payroll deduction)	\$425,000	Employee donations (payroll deduction)	\$420,000

* THREE OF OUR LARGEST BUSINESSES IN THE UNITED STATES. ALL AMOUNTS ON THIS PAGE IN U.S. DOLLARS

While RBC's roots are Canadian, it has long had a presence in the United States. Now, as we continue to expand in the U.S., new companies and thousands of new employees are demonstrating RBC's belief in the importance of contributing to the well-being of communities.

RBC CENTURA

Sharing Knowledge

Math has become easier for 300 grade four and five students at a North Carolina school since a visit by RBC employees. The volunteers spent time at the school, which serves a disadvantaged community, to share knowledge about banking and stress the importance of math. They also gave each student a new calculator.

Computer Donation

RBC Centura donated refurbished computer equipment – 50 CPUs and 30 monitors – to seven non-profit organizations in western North Carolina.

RBC DAIN RAUSCHER

Minnesota Keystone Award

RBC Dain Rauscher received this prestigious award from the Minnesota Keystone Program for its generosity and commitment to community needs.

Focus on Learning

An essay contest for students, along with five \$3,000 scholarships, were just part of an RBC Dain Rauscher initiative to foster learning. The campaign focused on helping parents learn how to save for their children's education. As part of this, RBC Dain Rauscher financial consultants shared their expertise with parents last September.

Paralympic Medal

RBC's Manuel Guerra is a goal-keeper for the U.S. Paralympic sledge hockey team. He helped his team win its first medal – a gold – in March 2002, defeating Norway in double overtime.



RON SOWERZAK

SOCCER AND SEMINARS

When RBC's Sergio Salinas started a soccer tournament three years ago, his aim was to unite the Hispanic population in and around Rocky Mount, N.C. The tournament, in which four teams competed, has since grown into a 22-team league. Salinas holds monthly financial seminars for the players and offers financial advice on everything from deposit accounts to mortgages and investments.

RBC LIBERTY INSURANCE

Night Walk for Cancer

What's it like walking in circles all night long? Just ask 30 RBC Liberty Insurance employees in South Carolina who spent a night walking around a track to raise \$8,467 for the American Cancer Society.

Top Corporate Contributor

The United Way in South Carolina named RBC Liberty Insurance the Top Corporate Contributor in Greenville County.

International

AT A GLANCE

Employees (Europe)	1,907	Employees (Bahamas, Caribbean and Latin America)	1,371
Employees (Australia and Asia)	528	Donations	\$600,000 CDN

RBC's commitment to the community isn't restricted to Canada, but extends to the more than 30 countries where we operate.

LE BOURG HOSPICE

RBC staff in Guernsey raised £5,500 for Le Bourg Hospice, providing care for patients with cancer. RBC staff held dress down days, bake sales, raffles and other initiatives. RBC Channel Islands matched that amount, bringing the total to £10,000.

COMPUTERS FOR KENYA

Schools in Kenya are benefiting from an RBC Channel Islands donation of used computer equipment to the Jersey Overseas Aid organization. The computers will help provide an education for Kenyan women and girls.

BATTLING ILLITERACY

RBC Dubai supports skill-building in Pakistan through ongoing support of The Citizens Foundation, a charity that transforms children's lives through healthcare and education.

EDUCATION IN BRAZIL

RBC's Kelly Maurice takes pride in caring for needy children in São Paulo, Brazil. Now the president of the Children of Brazil Association, she has worked with this group for almost 10 years.



MARATHON OF HOPE

Cancer knows no political or geographical boundaries. That's why the Terry Fox Run has grown into a worldwide fundraiser for cancer research. RBC staff in Dubai helped make their local event a huge success, raising almost \$4,000 dirhams (\$2,000 CDN).

EDUCATION IN BAHAMAS

RBC's contribution of \$40,000 to three Bahamian colleges over two years will go towards financial aid programs that will help students with limited finances pay for their education.

BAHAMIAN CULTURE

RBC FINCO has a long history of supporting the Bahamas National Art Gallery, including a donation of a collection of valuable paintings and some \$70,000 to mark the 29th anniversary of Bahamian independence in 2002.



GUERNSEY SCOUTS

A trip to Canada was a dream come true for 13 teenagers from Guernsey, who, after months of fundraising and planning, made the trip across the Atlantic in August 2002. They were part of a two-week Venture Scouts excursion – and RBC funded the most memorable part of their tour, a canoe trip in Ontario's Algonquin Provincial Park.

Good Business:

THERE IS NO SINGLE DEFINITION OF "CORPORATE CITIZENSHIP" OR "CORPORATE RESPONSIBILITY." BUT ONE THING IS CLEAR: A COMPANY CAN'T SIMPLY WRITE CHEQUES FOR CHARITIES AND CONSIDER THE JOB DONE. RESPONSIBILITY MEANS MUCH MORE – COMPANIES MUST BE RESPONSIBLE TO THEIR EMPLOYEES, CUSTOMERS AND SHAREHOLDERS, AS WELL AS TO THEIR COMMUNITIES.



As a financial services institution, RBC pays particular attention to ensuring we are a leader in developing sustainable and ethical business policies and practices. "Good Business" includes highlights from these areas:

- Governance and ethical conduct
- Community investment
- Human resource policies and practices
- Consumer protection measures
- Access to personal and business banking services
- Care for the environment
- Risk management

GOVERNANCE AND ETHICAL CONDUCT

The year 2002 was one of increased scrutiny of corporate governance, practices and policies. RBC's proactive corporate governance culture ensures industry-leading standards; as an economically and socially responsible corporation, we believe it is important for our conduct to be ethical and transparent.



"A lot of things go hand in hand with integrity: professionalism, trust, confidentiality and accountability," says RBC's Meghan Meger.

Board of Directors

RBC believes it is critical for our Board of Directors to be well informed about our business and the competitive, economic and regulatory environments in which we operate. The board must be well balanced in terms of experience and skills, independent while retaining a good relationship with management, focused on continuous improvement and flexible to adapt to changing circumstances.

To ensure board independence from management, RBC split the role of Chairman and Chief Executive Officer in 2001, and an outside director acts as Chairman of the Board. In 2002, of RBC's 19 directors, 16 were independent, as defined by the Toronto Stock Exchange bylaws and regulations of the Bank Act.

All board committees are composed exclusively of non-management directors.

Financial Reporting

RBC uses the services of two auditing firms. The Audit Committee of the Board of Directors approves RBC's quarterly financial statements and has the authority to hire and fire external auditors. RBC's unaudited quarterly and annual financial statements are reviewed by the full board.

POLICIES AND PRACTICES

Purchase of Non-Audit Services

RBC adopted a policy in 2002 that prohibits the company from engaging auditors for “prohibited” categories of non-audit services and requires pre-approval for the other permissible categories of non-audit services, as determined in the U.S. *Sarbanes-Oxley Act of 2002*.

Subsidiary Governance Office

RBC created this office to enhance and harmonize governance in our many subsidiaries. Enterprise-wide software allows easy access to information ensuring consistency and compliance.

Continuous Improvement

In November 2002, RBC announced a number of changes to our corporate governance policies related to executive stock options, share ownership guidelines for executives and board members, and the independence of our Audit, Human Resources and Corporate Governance committees. For more details, see RBC’s management proxy circular.

For more information

See RBC’s 2002 Annual Report.

Code of Conduct

Maintaining the highest possible standards of behaviour is critical to the integrity of the financial services industry. As such, RBC has eight Guiding Principles that articulate these standards and form our Code of Conduct.

AWARDS

- **Best Board in Canada** (*Canadian Business*) 2001-02
- **Best Financial Reporting** in Canada (*Investor Relations*) 2000-02

Our Code of Conduct is integral to the way we do business at RBC, providing all employees with the same frame of reference for dealing with sensitive and complex issues. RBC has implemented a wide range of policies and practices to ensure our employees understand the level of ethical behaviour that is expected from them and the consequences of not complying.

Ethics and Compliance Committee

In 2000, RBC created an Ethics and Compliance Committee to oversee policies and management systems to ensure adherence to the principles outlined in RBC’s Code of Conduct, including the recommendation and approval of enterprise-wide ethics and compliance policies.

Supplier Code of Conduct

RBC’s vendors and suppliers are expected to adhere to RBC’s corporate values. For every contract, vendors must complete a Service Level Agreement that sets out the values, strategies and guidelines that must be demonstrated under the contract. We formally review each agreement on a quarterly basis for compliance.

COMMUNITY INVESTMENT

Donations to Charitable Organizations

RBC Financial Group, through its subsidiaries and the RBC Foundation, is committed to donating at least one per cent of our average annual net income before taxes to charitable causes, based on a five-year average.

This is in line with the standard for Canadian corporations advocated by the Imagine public awareness program, of which RBC is a founding member and which has designated RBC a “Caring Company.”

Donations to Political Parties

RBC retains a transparent, non-partisan political donations policy to support the democratic political process. We do not support individual candidates. A complete list of corporate donations to political parties can be found on the Elections Canada Web site. RBC does not fund contributions to candidates for municipal office.

AWARD

Most respected corporation in Canada for “social responsibility” (*Globe and Mail*): 1996 – 2002.

Imagine 
A Caring Company

HUMAN RESOURCES POLICIES AND PRACTICES

RBC's Values

The last five years have been a period of dynamic change at RBC, with new businesses and thousands of new employees joining our growing organization. In 2002, we revisited our values, with every employee receiving a comprehensive set of communications, reinforced by leader-led workshops and training. We will continue to embed our values within all business activities and to assess how well we live them.

RBC'S VALUES

- service
- teamwork
- responsibility
- diversity
- integrity

Total Compensation

RBC's compensation is comparable to that of our peers and competitors and is aligned to an employee's level of skill, knowledge and ability to generate results. To remain competitive, we review the external market annually and adjust our compensation practices as necessary.

RBC provides core benefits plans (health, basic life and business accident insurance, and short-term and long-term income protection) at little or no cost to the employee, providing a financial safety net in the event of unforeseen serious illness or injury. Our pension programs are designed to provide employees with flexibility to meet their own needs.

In Albuquerque, New Mexico, RBC's Aileen Gallegos is a champion of her community, serving the region's Hispanic population and promoting diversity as a smart business strategy.

BY THE NUMBERS

- 59,549 employees (full-time equivalent)
- approximately \$115 million invested in learning for 2002
- about 85 per cent of eligible RBC employees own shares through one of RBC's savings and share ownership plans
- over 5,300 new employees hired in 2002

Learning and Career Development

RBC's goal is to create a continuous learning organization, with programs such as orientation, internal career development accreditation, external seminars and conferences. E-learning technologies offer "anytime, anywhere" learning, and tools such as an online career search help employees manage their careers. Employees also learn on the job, through projects and work assignments, one-to-one coaching, and by sharing ideas and knowledge.

Diversity and Employment Equity/Equal Opportunity Employment

At RBC, we recognize that providing an equitable workplace where people understand and respect diversity is key to attracting and retaining employees and to effectively serving our clients. Employment equity/equal opportunity employment practices, procedures and accountabilities are integrated into our business planning processes.



AWARDS

- One of Canada's **Most Respected Corporations** for "Human Resources Management" (*Globe and Mail*): 1996 – 2002
- One of **Hewitt's Top Employers**: 2002 and 2003
- **A Top 50 Company for Diversity** (*DiversityInc.com*): 2001
- **First Place, 2002 Account Managers' Report Card** (*Investment Executive*) for satisfaction of front-line workers at a financial institution. Employees ranked RBC first for its web applications, client management software, ethics and ongoing training.

RBC EmployeeCare Program

Available to all our employees and their dependants worldwide, this program offers professional counselling and support, as well as a resource and referral service for everyday issues such as finding care for an elderly relative, getting health information or resolving legal matters. More than 10,000 people have used this service.

Work/Life Initiatives

RBC provides a wide array of work/life options and resources to employees, including dependent care support, formal and informal flexible work arrangements, time-off or leave policies, educational support and more. At any given point in time, between one-third and one-half of employees make use of a component of our work/life initiatives.



Health and Safety Programs

RBC workplaces have health and safety representatives, committees or employees who have undergone health and safety training. Managers are required to demonstrate understanding of health and safety regulations. Specific health and safety initiatives and targets are developed and monitored at the business level.

Community Leave

As part of a special program, RBC offers some employees the opportunity to earn up to 50 per cent of their annual salary for up to one year while working for a charitable organization.

Employee Ombudsman

This confidential, impartial resource helps employees resolve workplace concerns and makes recommendations on policy and process changes to enhance the work environment.

Employee Feedback

RBC has conducted annual employee surveys since 1981, and survey results are compared with other companies to ensure we remain a leader. In our most recent employee opinion survey, to which over 5,000 employees responded, RBC

outperformed the benchmark for North America's high-performance companies in 13 of 14 categories, including team effectiveness, corporate leadership, client focus and communication.

Financial Stakeholders

Over 85 per cent of eligible employees are RBC shareholders, primarily through one of our employee savings and share ownership plans, providing a convenient way to establish a regular program of savings and investment.

CONSUMER PROTECTION

Straight Talk for Customers

Respecting the personal choices of each and every client is a guiding principle in the way we do business. We have developed a series of "Straight Talk" brochures for personal clients, covering such topics as fraud, privacy and the practices RBC employs to sell products and services.

Privacy Code

RBC's long-standing Privacy Code mandates the behaviour of employees and suppliers regarding the use, confidentiality, disclosure and security of all information.



RBC's Cheryl Dupuis is an online service representative in Moncton, N.B. Born hard of hearing, Cheryl was hired through a partnership between RBC and the Canadian Council on Rehabilitation and Work.

BRIAN ATKINSON

Corporate Privacy Officer

RBC has a corporate privacy officer to deal exclusively with the use and protection of clients' personal information. RBC's privacy management committee reviews all relevant policies and practices and red-flags privacy concerns for redress.

For more information

www.rbc.com/privacy

Internet Security

RBC Royal Bank announced a new level of security and privacy to banking customers who use the Internet at home, by offering increased security and privacy controls.

Client Concerns

RBC uses client feedback to improve the quality of our products and services. Clients may provide positive feedback or express concerns by telephone, mail, fax or the Internet. If clients' concerns cannot be resolved, they are referred to RBC's Customer Relations Centre.

Ombudsman

The last point of appeal within RBC for unresolved conflicts is the Office of the Ombudsman. Staffed by dispute-resolution specialists, the office provides an impartial process for open discussion and voluntary resolution of concerns from all parts of RBC.

For more information

www.rbc.com

ACCESS TO PERSONAL AND BUSINESS BANKING SERVICES

RBC recognizes that some groups of clients have special needs that must be accommodated to provide access to banking services.

Access to Basic Banking Services

RBC is committed to ensuring that our account opening process is as straightforward and flexible as possible, while at same time meeting the requirements of the Canadian anti-money laundering legislation. We provide employees with training on account opening procedures that include regulatory compliance as well as sensitization to the needs of a variety of consumer markets.

AT A GLANCE

- Canadian retail branches: 1,120
- Canadian urban retail branches: 790
- Canadian rural retail branches: 330
- ATMs: 4,151

Low-income Clients

Low Cost Account: RBC offers banking packages that include up to 15 transactions for as low as \$4 per month and individual debit transactions starting at \$0.50. This meets and exceeds the Canadian government's Access to Basic Banking guidelines.

ID Requirements and Hold on

Funds Policies: RBC complies with the Canadian government's Access to Basic Banking guidelines as they pertain to acceptable forms of identification. Plain language documents clearly outline the requirements to open an account and disclose our holds on funds policy, and are available in 21 languages.

Leadership in Alternative Services:

RBC is testing a new banking concept for inner city urban markets branded "Cash & Save" that offers a defined range of services in smaller premises and is not dependent upon the need to have a bank account. The test site, located in Toronto, offers longer hours and quick access to a basic set of services such as cheque cashing, bill payments, wire transfers and money orders.

For more information

See page 8, or visit www.rbc.com/pas

People with Disabilities

Access to Premises: RBC's policy is that every new branch and branches undergoing major renovations must be wheelchair accessible. Over 83 per cent of RBC Royal Bank branch locations are fully wheelchair accessible, the exceptions being historical sites, older branches where there are physical restrictions such as town sidewalks, branches that are partially accessible, and those in buildings not owned by RBC.

Access to Services: In 1998, RBC was the first financial institution in Canada to provide talking bank machines for visually impaired people. In 2002, RBC added 225 new talking bank machines across Canada, based on feedback from consumers and interest groups. This brings the total to 239.

RBC has also published "Removing the Barriers," a reference guide to help employees provide quality service to clients who have disabilities.

Access to Information

- In 1992, RBC was the first financial institution in Canada to begin producing braille statements for blind and visually impaired customers. In 2002, we produced 3,516 braille statements.
- RBC provides large-print cheques and cheque-writing guides.

Seniors

Access to Services

RBC Royal Bank recognizes the special needs of seniors and we attempt to exceed legal requirements for providing access wherever possible. This means ensuring that branches are wheelchair and walker accessible, having enough seats in waiting areas, providing communications material in alternative formats and providing sensitivity training to employees.

Protection Against Financial Abuse

In 2002, RBC introduced brochures to help prevent financial abuse of seniors, including information about appointing a power of attorney and financial fraud. The brochures, available in branches, are part of RBC's "Financial Abuse Protection" program, designed in 2001 to help seniors protect themselves and their savings. The first phase of the program involved intensive training to help employees recognize key signs of financial abuse.

Rebate for Seniors

In Canada, RBC Royal Bank offers a Seniors' Rebate on all personal banking packages for eligible customers aged 60 and over. This rebate is the equivalent of 25 per cent or \$4.00 – whichever is higher – off the regular monthly package fee and can be applied to one banking package per customer.

Aboriginal Banking

Agency Locations

Providing access to banking services can be challenging when it comes to remote and small communities. Agency locations are often the answer, actually owned by these remote communities and operated by residents, with RBC Royal Bank providing training, technology, and a pool of capital for loans when requested. These agencies provide convenient access to financial services for Aboriginal people in their own language. In 2002, RBC opened its third agency location in Webequie, 500 kilometers north of Thunder Bay, Ont.

For more information

www.rbcroyalbank.com/aboriginal

Housing Loans

In Canada, under the Indian Act, First Nation members living on a reserve are restricted from pledging their assets as collateral security for a loan. In 1999, RBC developed an innovative solution in partnership with selected First Nations, making it possible for First Nation members to obtain housing loans without a ministerial guarantee. For qualifying First Nations, their members can now obtain housing loans that mirror a conventional mortgage program.



"Our community is happy to have banking services," says Walter Manitowabi, Chief of Wickwemikong Nation, about RBC's second agency location providing services to remote Aboriginal communities. A third location was opened in 2002.

G. DONATO

Small Business


RBC continues to be Canada's leader in small business and is committed to serving current and would-be entrepreneurs, with a special focus on women and youth entrepreneurs.

SMALL BUSINESS FACTS

- In Canada, RBC has:
 - more than 550,000 small business clients and 1,200 business bankers,
 - about 21 per cent of market share,
 - more than \$17 billion in authorized loans.
- Credit is not the main concern of small businesses. Just 39 per cent of our small business clients borrow, and of those, 57.8 per cent borrow amounts under \$50,000.
- In the United States, RBC has 57,754 small and medium enterprise clients.

For more information

RBC's support of small business in your region, please visit www.rbc.com/pas



Building strong relationships with business clients is important to employees like Vancouver's Zelda Clifford.

Pledge to Small Business

This pledge is an expression of our commitment to our small business clients. The promise is simple: to understand what our client needs and deliver products, services, advice and counsel in a way that makes sense for each business.

Consultation with Small Business

In 2002, RBC joined with the Canadian Manufacturers and Exporters, and the Canadian Federation of Independent Business to produce "Path to Prosperity," a study of barriers to growth for small business, one of the fastest growing segments of the Canadian workforce and a key economic driver in Canada.

Agriculture

Policies

RBC's lending policies have been set to endure the price cycles and challenging events that can occur in the agriculture market. This gives us the flexibility to address special circumstances on a client-by-client basis. For example, RBC will defer loan payments when our clients have faced events such as droughts or floods.

RBC is North America's leading non-government lender in the agriculture market.

Leadership and Learning

RBC Royal Bank has committed to advancing Canadian agriculture leadership through a range of activities. Job one is ensuring that our employees have in-depth knowledge and expertise in agriculture and agribusiness. Providing advice and knowledge to the sector is also critical, such as arranging for North America's most respected agricultural economists, Dr. David Kohl to speak to more than 10,000 clients. RBC pays particular attention to youth, supporting initiatives such as the Douglas McRorie Scholarship fund for agriculture students and, since 1950, RBC Royal Bank's 4-H Interprovincial Exchange.

For more information

www.rbcroyalbank.com/agriculture

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 (six months in the case of rural communities where there is no other financial institution within a 10 km radius) of network reconfigurations/branch closures;
- 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 and to identify training and development activities to enhance placement.

For a list of Canadian branches opened or closed in 2002, visit www.rbc.com/pas

CARE FOR THE ENVIRONMENT

Environmental Accountability

RBC's "Policy on the Environment," developed in 1990, forms the framework on which we base all our environmental management programs and applies to credit, investment, and internal operating activities.

RBC has a permanent committee of senior executives that reviews and recommends environmental policies and procedures for lending, asset management and management of RBC's operations.

Our Environmental Management System, based on the ISO 14001 Standard, includes RBC's corporate environmental policies, strategies and objectives and takes into account the legislative requirements relevant to RBC's operations.

For more information

For RBC's Policy on the Environment, visit www.rbc.com/environment

Lending

Environmental review has been a key part of our lending process for many years, but we are always improving our procedures. RBC requires third party environmental site assessments for certain loan and investment transactions. RBC also requires environmental assessments before the purchase and sale of its owned real estate.

AWARDS

Dow Jones Sustainability Index

In 2002, for the third consecutive year, RBC was included in the Dow Jones Sustainability Group World Index, a global benchmark which chooses the top 10 per cent of companies in each industry sector, based on their combined social, environmental and financial performance.

Most environmentally responsible company in Canada – Banks & Trusts

Based on analysis by Michael Jantzi Research Associates, RBC was named the most environmentally responsible bank or trust company in Canada, based on resource use, environmental impact reduction and compliance with legislation.

Suppliers

RBC's Green Procurement program, launched in 2001, supports the purchase of products that meet our cost and quality objectives while minimizing impact on the environment. RBC requires all contractors and suppliers to carry out their work in compliance with current environmental legislation.

In 2002 RBC signed a contract with Ontario Power Generation to purchase 1000 MWh of Green Power for our facilities in Ontario. By purchasing Evergreen Clean electricity, RBC will be responsible for reducing our greenhouse gas emissions by 890 tonnes and smog-forming gases by 4.7 tonnes per year.

Environmental Footprint

RBC's goal is to reduce solid waste and energy consumption, and we have developed a set of Environmental Performance Indicators, including energy (total energy, electricity, oil and gas consumption), water consumption, paper purchases and waste disposal so that we

can track our progress in reducing our environmental footprint.

- **Energy Consumption:** RBC has made significant strides in energy reduction, across all geographic areas and in all energy types (electricity, gas, oil), due to employee awareness programs, lighting retrofits and an increased focus on energy management at facilities.

ENERGY CONSUMPTION

Year	Total Energy Consumed	No. of Branches Tracked
2001	241,646 MWh	1085
2002	207,145 MWh	1150

- **Carpet:** In 2001, RBC implemented a national carpet tile recycling program. In the first three quarters of 2002, 84,383 square feet of carpet was re-used and diverted from landfill disposal.
- **Recycling Programs:** In 2002, RBC staff in our 20 largest buildings in Canada recycled 1,013 tonnes of paper, 285 tonnes of cardboard, 66 tonnes of cans and glass, 89 tonnes of plastics, and 265 tonnes of other recyclables (such as wood and metals).



RISK MANAGEMENT

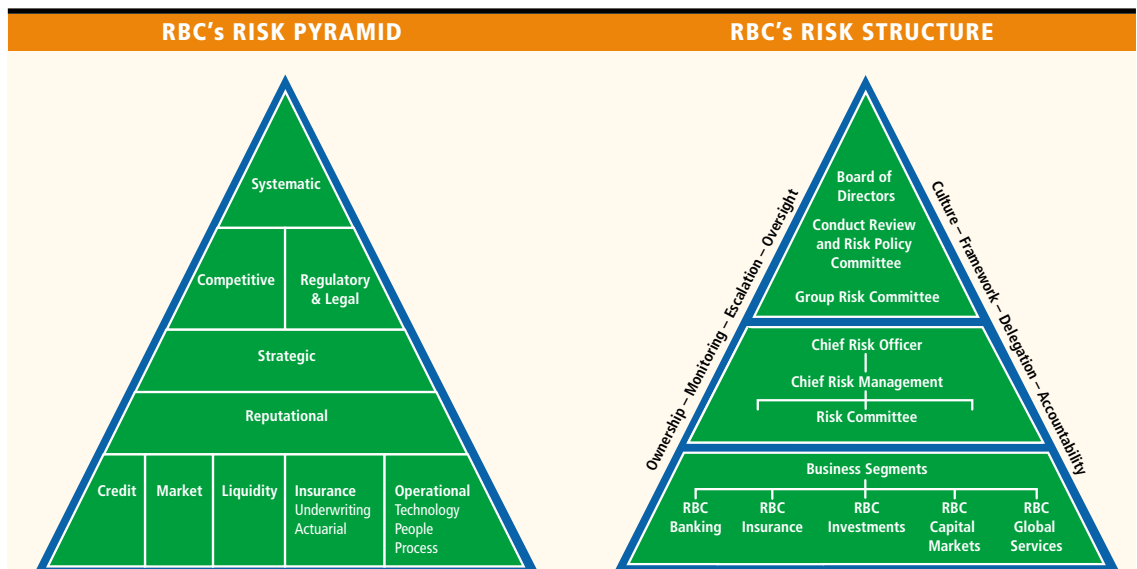
RBC recognizes that we have a significant impact on the social and environmental fabric of communities through the provision of financial services to corporate clients. As a financial institution, RBC must focus on financial risk; but we must also consider the environment, society and our reputation.

Risk Pyramid

RBC's business activities expose us to a wide variety of risks, which are outlined in the Risk Pyramid (see below), which we use to identify and assess risk across all parts of RBC.

Culture and Structure

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. In 2002, RBC established a Special Purpose Entities (SPE) Risk Committee to review and report on the activities of SPEs to ensure compliance with SPE policies and procedures across RBC.



- **Credit Risk** (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** (risk of loss resulting from changes in interest rates, foreign exchange rates, equity prices and commodity prices)
- **Liquidity Risk** (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** (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** (risk of direct or indirect loss resulting from inadequate or failed technology, human performance, processes or external events)



GARY RHINSBURGER

RBC's Karim Rajwani says, "Our anti-money laundering efforts are part of our values and our Code of Conduct."

Compliance

As any citizen, RBC and our employees must comply with the laws, regulations and ethical codes of conducts 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.

Joe Zapata, part of RBC's compliance team in New York, trains staff on issues related to insider trading, personal trading policies and privacy.

Anti-Money Laundering

In June 2002, a new set of Canadian Anti-Money Laundering regulations came into effect. That same month, RBC introduced changes to processes pertaining to client identification, transaction reporting and record-keeping requirements designed to detect, prevent and deter money laundering activities in Canada. We implemented a new Anti-Money Laundering system to report unusual client transactions and support legislated reporting requirements.

AWARD

Best Bank in Canada (*Global Finance's* annual ranking of world's best banks) based on RBC's systems for controlling credit quality, cost control and a commitment to client service.



CLARK JONES, CANADIAN PRESS

Donations and

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-CARE PROGRAMS.

DONATIONS: CANADA

Within Canada, RBC Financial Group and the RBC Foundation donations are directed to non-profit organizations that are designated as registered charities by 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 customers, employees and shareholders, by improving the quality of community services.
- Encourage and support community-minded efforts and involvement of RBC Financial Group employees.

What to send us

For specific areas of focus and application guidelines, as well as our list of what RBC does not fund, visit www.rbc.com/community/donations

DONATIONS: UNITED STATES

RBC Centura:

What we support

As the U.S. retail banking platform for RBC Financial Group, RBC Centura partners with worthwhile non-profit organizations with 501(c)3 designation from the IRS, primarily in the areas of education, economic development, human services, and arts and culture.

Requests for local donations committees 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 to 3 pages 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 the documents required, RBC Centura does not accept requests through its Web site or via fax or e-mail.

RBC Dain Rauscher:

What we support

RBC Dain Rauscher focuses its giving on three major program areas: youth education, social services, and arts and culture. Giving is concentrated in geographic areas throughout the U.S. where RBC Dain Rauscher and/or RBC Capital Markets has a major business presence and on those programs that fit strategically with the interests of our business. Special consideration is given to organizations in which our employees are involved.

What to send us

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

RBC Liberty Insurance:

What we support

RBC Liberty Insurance focuses giving on health-related areas, with emphasis on programs that reach the medically underserved. Giving is concentrated in the geographic regions where we have a business presence.

What to send us

- Written outline of project
- Most recent financial statements
- Project budget
- List of other donors/sponsors.

Sponsorship: REQUESTS



SPONSORSHIP: CANADA

In general, RBC considers sponsorship programs that align with our brand and business strategies while also offering us 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, data base compilation and access, targeted client and consumer research, measurement audits, client hosting, and staff volunteer opportunities.

What we support

- Amateur Sport
- Arts and Culture
- Community Programs

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

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 have the infrastructure to 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, list of sponsor rights and benefits, media plan (if applicable), list of other sponsors and/or contributors, and sponsorship asking price.



SPONSORSHIP: UNITED STATES

For specific information, visit www.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

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

ONTARIO

MANAGER, DONATIONS (OR MANAGER, SPONSORSHIPS)

RBC Financial Group
20 King Street West, 11th Floor
Toronto, Ontario
M5H 1C4

QUEBEC

MANAGER, DONATIONS (OR MANAGER, SPONSORSHIPS)

RBC Financial Group
1 Place Ville Marie
P.O. Box 6001
Montréal, Québec
H3C 3A9

SASKATCHEWAN, MANITOBA, NORTHWESTERN ONTARIO

MANAGER, DONATIONS
RBC Financial Group
220 Portage Avenue, 2nd Floor
Winnipeg, Manitoba
R3C 0A5

SPONSORSHIPS

(NATIONAL, CANADIAN PROGRAMS)

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

MANAGER, SPONSORSHIPS

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

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
PO Box 1220
Mail Code: 000-900-0601
Rocky Mount, NC 27802 - 1220

UNITED STATES – RBC DAIN RAUSCHER

For information, visit www.rbcdain.com
(click on "Community Involvement")

UNITED STATES – RBC LIBERTY INSURANCE

Corporate Donations
c/o Public Relations Department
RBC Liberty Insurance
P.O. Box 789
Greenville, SC 29602

Corporate

IN POLL AFTER POLL, RBC CONTINUES TO BE NAMED
**ONE OF "CANADA'S MOST SOCIALLY RESPONSIBLE
CORPORATIONS." AS A GENEROUS CORPORATE DONOR,**

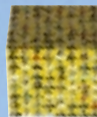


**RBC BELIEVES THAT PHILANTHROPY IS AN
IMPORTANT PART OF BEING A GOOD**

**CORPORATE CITIZEN. BUT THE MEASURE OF A
COMPANY'S RESPONSIBILITIES CAN'T STOP**



THERE. WE ALSO HAVE A DUTY TO BE RESPONSIBLE TO



**OUR SHAREHOLDERS, EMPLOYEES, CUSTOMERS
AND COMMUNITIES THROUGH OUR PRODUCTS,**

SERVICES, PROGRAMS AND PARTNERSHIPS... THROUGH

OUR LEADERSHIP IN GOVERNANCE, ETHICAL BEHAVIOUR,

AND GOOD BUSINESS PRACTICES. HERE'S HOW THE

BUILDING BLOCKS OF CORPORATE RESPONSIBILITY LIVE

AT RBC.

THE BUILDING BLOCKS OF

Responsibility

RESPECT FOR DIVERSITY

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

PRODUCTS AND SERVICES

Bank machines for customers 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.

DONATIONS

RBC is one of Canada's most generous corporate donors, through the RBC Foundation. In 2002, we contributed more than \$27 million in Canada and \$9.7 million in the United States and internationally to community groups. We are proud to be a founding and leading member of Imagine, committed to donating one per cent of our pre-tax profits to charities and non-profit organizations.

EMPLOYEE CARE

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

ENVIRONMENTAL CARE

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.

SHARING KNOWLEDGE

Our employees gather a wide-range of knowledge and skills on the job: and that intellectual capital can be of real value to our community partners. From sitting on not-for-profit boards and committees, to providing seminars for our not-for-profit clients, to sharing what we know about business planning...the contribution of knowledge can be priceless, and is one of the most significant contributions RBC and our employees can make in a community.

LEADERSHIP

Year after year, RBC is named one of Canada's top corporations for social responsibility. We take this honour seriously, as it reflects the sum of our actions, as well as our historic interest in corporate citizenship.

GOVERNANCE AND ETHICAL BEHAVIOUR

RBC takes responsibility for the effects of its 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 customers and our shareholders.

EMPLOYEE INVOLVEMENT

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 boundless enthusiasm make an enormous contribution to the quality of life in our communities.

GIFTS IN KIND

Contributions aren't always about money. A business can also support community groups by donating space for meetings, temporary facilities during a crisis, and used office furniture and equipment.

While we don't track them, RBC's "gifts-in-kind" in 2002 included the provision of our Canadian branch network to collect funds for UNICEF and the Terry Fox Foundation, the donation of art from our corporate collection to public galleries, as well as the contribution of advertising space to charitable partners and office furniture to community organizations.

SPONSORSHIP

Next time you attend a concert or amateur sporting event, look around for the RBC logo. We sponsor a large number of events in the communities in which we do business... from classical music and live theatre to local hockey fundraisers and programs for amateur athletes who dream of Olympic gold. We define sponsorships as partnerships that support the strategic marketing priorities of RBC and member businesses.



**A company's reputation is built in part by
what people say about it, and by the company it keeps.**

**RBC is privileged to have received these honours,
and we thank our employees and communities
for their role in helping making us one of Canada's
most respected corporations.**



Imagine  **A Caring Company**