

Community

RBC™ supports a wide range of community initiatives, through donations, sponsorships and employee volunteer activities, and provides deep, concentrated support for eight strategic focus areas, under a plan we call the RBC Community Blueprint™. In 2010, we contributed more than \$130.1 million to community causes worldwide through donations of more than \$56.6 million, and an additional \$73.5 million in sponsorship of community events and national organizations, including our support of the Vancouver 2010 Olympic and Paralympic Winter Games and the 2010 Olympic and Paralympic Torch Relays.

Priorities	2010 Performance highlights
Support the vision and focus areas identified in the RBC Community Blueprint through donations and sponsorships	<ul style="list-style-type: none"> ■ Supported the eight strategic focus areas of the RBC Community Blueprint, as well as a broad range of other causes, with donations of more than \$56.6 million and sponsorships of \$73.5 million. These sponsorships included our support of the Vancouver 2010 Olympic and Paralympic Winter Games, and their respective Torch Relays ■ Proudly brought the 2010 Olympic Torch Relay to millions of Canadians across the country, and committed millions of dollars to local causes and charities as part of the community celebrations ■ Under the RBC Blue Water Project™, committed over \$6.07 million to fresh water initiatives, bringing our total support since 2007 to more than \$27 million. We have now funded 350 organizations worldwide, since 2007, working in the areas of watershed protection and access to clean drinking water
Enable employees to contribute	<ul style="list-style-type: none"> ■ Employees and pensioners worldwide contributed countless hours in volunteer activities and funds to not-for-profit groups through payroll deductions, direct giving and special events ■ Provided over 2,500 grants of \$500 each, totalling \$1.29 million, to organizations in recognition of the volunteer work of our employees and pensioners

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Vital statistics

Community investments worldwide (\$ millions)

	Donations	Community sponsorships	Total
2010	\$ 56.6	\$ 73.5*	\$ 130.1*
2009	\$ 52.6	\$ 52.5	\$ 105.1
2008	\$ 51.5	\$ 47.5	\$ 99.0

* Includes our support of the Vancouver 2010 Olympic and Paralympic Winter Games and the 2010 Olympic and Paralympic Torch Relays.

Issues

Increased pressure on charitable sector

As the effects of the financial crisis linger, many charities are continuing to face serious reductions in their funding bases from all sectors. At the same time, and for the same reason, the demand for their services has grown. Charitable organizations are having to look for new sources of funding, and companies are wrestling with the question of how to allocate and stretch their donation dollars.

Strategic versus transformational philanthropy

Some companies focus their philanthropic giving on causes that directly align to their business goals or directly drive sales of their products or services. This is sometimes called “strategic philanthropy” or “cause marketing.”

Employees’ desire to give back, their way

The charitable sector needs more support during difficult times, but employees’ work/life demands continue at the same pace. More than ever, employees seek to give back to their communities in ways that suit their particular circumstances.

RBC Position

We deliberately designed the RBC Community Blueprint so that we could respond to urgent and ongoing requests through our general donations budgets, and continue to have a significant social impact by funding specific projects within our eight strategic focus areas.

The Canadian Federal Government’s Economic Action Plan encouraged charities to undertake capital improvements and/or the building of new facilities, and as a result, RBC Foundation™ was asked for funding of such projects. In response, RBC Foundation chose select projects to support that had a sustainable action plan and resources that would provide long-term impact and provide ongoing community economic development opportunities.

RBC has elected to pursue a path of “transformational philanthropy,” whereby we provide substantive support for difficult or emerging issues, in addition to a broad base of support across all charitable sectors. This more challenging path reflects our long history of citizenship and leadership in championing causes that may not be directly related to banking, but are too important for society to ignore. Our choice of water as our global “cause” is an example of how RBC is trying to tackle not just a social and environmental issue, but an economic one as well. We support “transformational” programs within our strategic focus areas as well, such as the RBC Children’s Mental Health Project.

While RBC encourages employees to be active in their communities, we do not pressure them to give or volunteer. Rather, we try to facilitate the process and provide flexibility to allow employees to tailor their volunteering and charitable works to their particular situation. We introduced team volunteer awards in 2010, making it easier for employees to carve out time with their colleagues to support their favourite organizations. We help employees find volunteer opportunities that suit them through a website where they can search for events in their communities.



Outlook

Charitable donations and sponsorships of community events will remain an integral piece of the sustainability picture at RBC.

The economic environment has shown slow signs of recovery; however, growth is expected to remain constrained in many sectors and regions around the world. This has a direct impact on the charitable sector, and we expect to see an historic number of applications for funding from RBC in 2011. Our focus will remain on providing deep funding for our eight key strategic areas as identified in the RBC Community Blueprint, in addition to providing a broad base of support across all charitable sectors.

In the aftermath of the financial crisis, we expect that some charitable groups may be in more direct competition with each other for funding, volunteers and public attention. As a significant donor to the not-for-profit sector, RBC is in the privileged position to see where there is overlap, duplication and waste within the sector. Increasingly, we are making the decision to donate to organizations that take an innovative, collaborative approach to program and fund development, favouring those that do not needlessly duplicate the work of other organizations. We will look to support organizations that have a wide base of funding, a willingness to work intra- and cross-sectorally, and can clearly demonstrate an understanding of the social and financial landscape in which they are operating.

The RBC Community Blueprint

As a large financial institution with close to 18 million clients and approximately 79,000 employees, RBC is expected to provide a broad base of support to a wide range of causes and we take this responsibility seriously.

As one of North America's leading financial institutions, we have chosen to provide deep, significant support for eight strategic issues within the educational, environmental, healthcare, athletic, arts and social service communities. At the same time, we continue to provide a wide base of support across all charitable sectors.

We refer to this approach as the RBC Community Blueprint, which lays out our vision for helping create stronger communities. Highlights from 2010 are provided starting on page 82 of this report.

RBC Community Blueprint

- Environment
- Education
- Arts and culture
- Employee contributions
- Diversity
- Health and wellness
- Amateur sport
- Civic causes

Cornerstones

Donations and sponsorships are the cornerstones of the RBC Community Blueprint, and both can have a positive social impact. However, they are undertaken with different objectives.

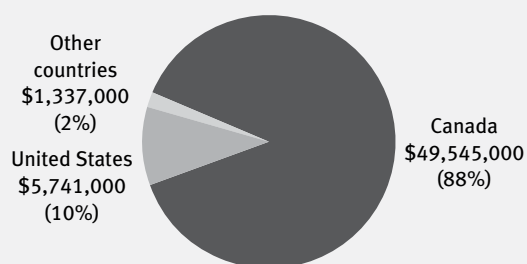
Donations are given as gifts. RBC is considered one of Canada's premier philanthropic donors. We have provided an explanation of how we give on page 86 of this report.

Our tradition of philanthropy dates back to our roots, with donations on record as far back as 1891. We are one of Canada's largest corporate donors and a member of Imagine Canada, which encourages philanthropy and citizenship.

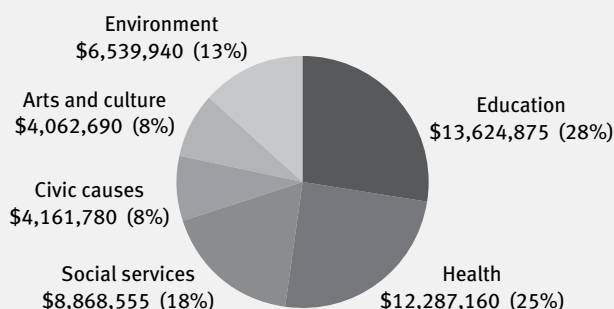
Sponsorships are undertaken and negotiated for strategic marketing purposes that align with our brand and business goals; they are expected to deliver a quantifiable return on investment. We pursue sponsorship opportunities that are important for our clients, our communities and our businesses.

Donations

2010 donations (worldwide)



2010 donations by cause (Canada)



2010 donations by region

Newfoundland and Labrador	\$ 472,000
Prince Edward Island	227,250
Nova Scotia	1,499,675
New Brunswick	1,019,958
Quebec	6,479,523
Ontario	18,364,844
Manitoba	2,184,688
Saskatchewan	1,021,275
Alberta	4,516,939
British Columbia	4,959,092
Yukon	28,500
Northwest Territories	123,564
Nunavut	13,000
National organizations	8,634,692
United States	5,741,000
Other countries	1,337,000
Total	\$ 56,623,000

For a complete list of donations over \$500 given in 2010, visit rbc.com/donations.

Environment

Deep support for our priority area: RBC Blue Water Project

- Committed over \$6.07 million to fresh water initiatives in 2010, bringing the total committed or donated since 2007 to more than \$27 million across 350 organizations, working worldwide in the areas of watershed protection and access to clean drinking water;
- Supported organizations including **Ducks Unlimited** (\$400,000 over three years), **Free the Children** (\$300,000 over three years) and the **Wildland League** (\$200,000 over two years);
- Partnered with Alexandra Cousteau, through RBC Bank™, to launch “**Expedition Blue Planet: North America,**” a five-month interactive exploration of critical water issues across the U.S., Canada and Mexico. The expedition’s 14,500-mile tour stopped in over 60 cities. RBC employees helped educate the public about the importance of protecting our water.

Broad support for other environmental organizations. Examples include:

- RBC Wealth Management™ Barbados partnered with the **Future Centre Trust of Barbados** to green their business through a waste reduction and recycling program. Members of the Future Centre Trust met with staff in Barbados to roll out the program.
- For the third year, RBC Wealth Management in the British Isles sponsored Jersey’s annual **Business Sustainability Seminar**, in partnership with the Durrell Wildlife Conservation Trust. Open to the island’s business leaders, the Durrell Business Sustainability Seminar aims to share practical examples of how companies can integrate sustainability into their business, save money and improve their reputation.

Diversity

- Respect for diversity is one of our key values, and the theme of diversity underscores all the programs within the RBC Community Blueprint. We proactively look for opportunities to support diverse communities and diversity programs or initiatives across our entire donations portfolio.
- In 2010, RBC donated \$5.7 million to support diversity initiatives in Canada. We focused our efforts on the following six areas:

Community investments in diversity

Aboriginal people	\$	2,302,000
People with disabilities		897,000
Newcomers		579,500
Cultural markets		814,180
Women		983,500
GLBT (Gay, lesbian, bisexual, transgendered)		186,000
Total	\$	5,762,180

A few examples of our support:

- **Actua** is an organization that delivers programming for Aboriginal youth, girls, underprivileged youth and youth living in remote or inner-city communities across the country. RBC donated \$50,000 to their National Aboriginal Outreach program, which helps to engage over 20,000 Aboriginal youth in culturally relevant community-based science, engineering and technology programming.
- RBC donated \$30,000 to the **Rehabilitation Centre for Children**, an organization working in Manitoba and surrounding areas to support children with special needs. These funds were directed to both their Direct Financial Assistance Program and the Recreational Choices Program for families living in Northern Ontario Communities.
- RBC donated \$15,000 to **Accessible Community Counselling and Employment Services**. This group helps job seekers from diverse backgrounds who are facing barriers to employment to find employment and to integrate into the Canadian job market. They achieve this by providing employment services, linking employers to skilled people and building strong networks in collaboration with community partners.

Education

Deep support for our priority area: RBC After School Grants Project

- Invested almost \$2.5 million in 94 community-based after-school programs in 66 cities across Canada in 2010;
- Since 1999, provided more than \$22.3 million in grants to 212 community-based after-school programs, helping almost 24,000 kids gain self-confidence and learn new skills in a safe environment.

Broad support for other education organizations. For example:

- In Canada, the RBC Foundation provided \$477,000 to **Junior Achievement's National Office** and to local chapters, and more than \$4.8 million to colleges and universities across Canada.
- RBC Foundation renewed our commitment to the **Prime Minister's Awards for Teaching Excellence** with a donation of \$50,000 in 2010. The program identifies, honours and promotes some of Canada's most innovative and outstanding elementary and secondary school teachers.
- RBC provided \$250,000 to **Big Brothers/Big Sisters** chapters across Canada, of which over \$57,000 supported school-based, preventative programs that help raise the self-esteem of children identified as not reaching their potential or at high risk for school dropout.
- In the U.S., 2010 marked the 7th Annual **RBC Bank Tribute to Teachers** program. Selected from 5,700 nominations, an unprecedented 70 elementary or middle-school teachers from VA, NC, SC, GA, FL, AL and the metropolitan areas of Minneapolis, MN, and Oakland, CA were awarded \$44,000 in cash and prizes, and a lucky four were randomly selected to receive a \$2,000 school supply shopping spree as well.

Health and wellness

Deep support for our priority area: RBC Children's Mental Health Project

- Donated over \$2.8 million to 81 organizations across Canada dedicated to children's mental health, with a focus on early intervention and public education;
- Pledged \$600,000 to help **Healthy Minds Canada** reduce the stigma associated with mental health issues in children by educating and training young people, families and communities. RBC funding will go toward "Mental Health First Aid" training for adults who work directly with young people to improve their ability to identify and respond to signs and symptoms of mental health problems.

Broad support for other health and wellness organizations. Examples include:

- In the U.S., RBC Bank supported patient counselling and therapist training services for the **Community Services for Vision Rehabilitation** in Mobile, AL, as well as domestic violence and child abuse prevention programs through such organizations as **Kids in Distress** and **Parents and Children Together**. Employees also organized teams to help raise money for **Relay for Life** and the **March of Dimes**.
- In the United Kingdom, RBC Capital Markets™ partnered with London's Great Ormond Street Hospital (GOSH) to host the **GOSH — RBC Race for the Kids**, raising funds to help rebuild and refurbish the internationally renowned children's hospital, purchase vital medical equipment and support pioneering research. In 2010, the Race raised more than £258,000, which will specifically contribute to the Neurosciences Centre.

Arts and culture

Deep support for our priority area: RBC Emerging Artist Project

- Invested over \$1.4 million in apprenticeships, internships and artist recognition programs at 59 agencies in 20 cities across Canada;
- Continued and strengthened long-term partnerships with organizations or programs that bridge the gap between academic excellence and professional careers.

A few examples of our support include:

- The **RBC Canadian Painting Competition**, celebrating its 12th year, supports Canadian visual artists early in their career by providing a forum to display their artistic talent and open doors to future opportunities.
- As the Official Bank of the Toronto International Film Festival, RBC supports **TIFF Talent Lab** and the **RBC Emerging Filmmakers Competition** — an outlet for up-and-coming filmmakers to showcase their talent.
- In the U.S., RBC donated \$15,000 to the **Carolina Ballet** in 2010 to start an emerging artists ballet academy for African-American and Hispanic dancers. RBC Bank supported several other arts outreach programs such as The Arts Council of Madison County, Children's Museum of the Low Country, the Community Music School and the United Arts Councils of Greater Greensboro and Winston-Salem.
- In the Caribbean, RBC/RBTT is the Official Bank of the **Trinidad & Tobago Film Festival** and the key sponsor of the short film competition for young filmmakers.

Amateur sport

Deep support for our priority area: Olympic initiatives and hockey

- RBC provided \$110 million over seven years in support of the **Vancouver 2010 Olympic and Paralympic Winter Games** and was co-presenting partner of the **2010 Olympic and Paralympic Torch Relay**.
- RBC is Canada's longest-standing supporter of the **Canadian Olympic Team**, since 1947.
- RBC provided 4,500 Canadians, including schoolchildren, military personnel, hockey volunteers and community leaders with the opportunity to carry the torch during the Olympic Torch Relay, which travelled over 45,000 kilometres, through more than 1,000 communities over 106 days. More than 2,500 RBC employees volunteered at the community celebrations that were part of the Olympic Torch Relay.
- Over 150 current and retired Olympic and Paralympic athletes have participated in the **RBC Olympians Program**, with 12 becoming full-time RBC employees since 2004.
- RBC is committed to helping hockey happen in communities across North America. As a premier partner of **Hockey Canada** and **USA Hockey**, RBC is an official sponsor of each country's men's and women's national teams, the 2011 International Ice Hockey Federation World Junior Championship, Canada's National Junior A Championship — RBC Cup — and the Hockey Hall of Fame.

Broad support for other amateur sport organizations.

Examples include:

- In the U.S., through sponsorships, donations and employee volunteerism, RBC Bank supported local youth baseball, soccer, swimming and hockey programs as well as athletic departments like the Big South, East Carolina University, Florida Citrus Sports, Georgia Tech University, North Carolina Central University, Southern Conference, Tuskegee University and Wake Forest University.
- RBC Wealth Management sponsored the **Jersey Swimarathon** for the fourth year running in partnership with the Lions Club of Jersey, British Isles. Approximately 3,500 swimmers participated in this five-day event raising a record-breaking £137,000 for various local charities, including the **Jersey Special Gymnastics Club**.

Employee contributions

- We provided 2,573 grants of \$500 each totalling \$1.29 million to organizations in recognition of the volunteer work of our employees and pensioners.
- Since 1999, we have made over 19,500 grants and donated over \$9.8 million to celebrate our employees' volunteer efforts.
- 1,927 RBC employees in Canada volunteered time during working hours, equal in value to almost \$343,150*, to United Way, Junior Achievement and Habitat for Humanity.
* 13,726 hours at an average of \$25/hr.
- Through the RBC Team Action Grant, we donated almost \$350,000 to charities across Canada to recognize, celebrate and thank our employees for their participation:

Employee volunteer grants (number of grants)			
	2010	2009	2008
Canada	2,155	2,084	1,848
U.S. and other countries	418	359	229
Total	2,573	2,443	2,077

Broad support for other charitable causes. A few examples of the contributions of our employees include:

- The RBC law group has taken part in the **Corporate Pro Bono Challenge** since 2007, providing services on a pro bono basis to organizations that support disadvantaged communities, cultural and environmental causes and public education programs.
- U.S. Wealth Management partners with several non-profit organizations each year to support charitable initiatives where its employees are involved. Through the RBC Foundation–USA and corporate sponsorships, grants and matching gifts, we support our local communities.

Civic causes

Deep support for our priority area: Federated appeals, such as United Way, food banks and shelters

- RBC and our employees contributed \$20.5 million to the **United Way** in Canada and the U.S. We are the largest private sector contributor to the United Way in Canada, and one of only 77 organizations that contribute over \$1 million annually:

United Way donations (C\$)		
	Canada	United States
Employee donations*	\$ 16,145,524	\$ 267,823
RBC corporate donations	\$ 3,891,680	\$ 263,648
Total employee and corporate donations	\$ 20,037,204	\$ 531,471
Total given (Canada and the United States)	\$ 20,568,675	

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

Loaned employees (Canada)

	2010	2009	2008	2007
Employees loaned to work full-time on local United Way campaigns	9	9	10	14
Employees who participated in community projects through United Way Days of Caring	799	768	727	545

A few other examples of our support:

- RBC and our employees gave over \$580,000 to help replenish food banks and soup kitchens across Canada.
- In the wake of the Gulf oil spill, RBC Bank established the **Gulf Neighbors Food Drive**. Over 6,812 pounds of food were collected from across the state of Alabama in two weeks, providing a week's worth of meals for 150 Gulf Coast families in need via the Bay Area Food Bank. RBC Bank held several collection drives over the course of 2010, collecting toys, coats, blankets, toiletries, books, school supply items and more to benefit such organizations as Communities In Schools, Boys & Girls Clubs, Toys for Tots, Salvation Army, local homeless shelters and area schools.

Donations: How we give

Governance

The member companies of RBC administer charitable donations in Canada through the RBC Foundation, established in 1993. Our Donations Policy covers our guidelines and strategy and is reviewed by the Corporate Governance and Public Policy Committee (CG&PPC) of the Board of Directors.

RBC Foundation has its own Board of Directors, representing each of our RBC businesses, which sets policy and ratifies all donations made in North America. The Foundation is staffed by five employees. To ensure our giving fulfils local needs, we also have professional grant-makers situated in each of our regional Canadian headquarters as well as in our U.S. and Caribbean businesses.

Due diligence

RBC Foundation in Canada receives tens of thousands of proposals per year. With this many proposals, we notice when mandates of different charities overlap and we encourage synergies between organizations. Our goal is to ensure that our charitable partners have sustainable sources of funding and use their donors' funds responsibly. In 2010, RBC approved almost 6,400 donations to charitable groups in communities across North America. Over 80% of these donations were under \$20,000, providing a broad base of support.

Our grant-makers follow a rigorous process when evaluating proposals to ensure our funds are invested with the utmost care and responsibility. We look at whether the charity has a wide range of support and assess its ability to deliver programs. We assess the charity's fiscal management and governance practices and require that all charities provide audited financial statements when requesting donations over \$5,000.

Social impact

RBC requires, where possible, that our charitable partners demonstrate the social impact of our contributions and provide details about the successes and challenges they encounter during the time they receive funding. Recognizing the effort that is needed to report the good works our charitable partners do with our funding, RBC has established a set of tiered guidelines for reporting, as follows:

Reporting guidelines for charitable partners	
Donation amount	Reporting
Less than \$5,000	<ul style="list-style-type: none">• Acknowledgement of receipt of donation
From \$5,000 to \$24,999*	<ul style="list-style-type: none">• Letter detailing how RBC funds were spent
From \$25,000 to \$99,999*	<ul style="list-style-type: none">• Funding request must include goals and objectives• Evaluation report must include key outcomes and challenges against primary goals
\$100,000* and above	<ul style="list-style-type: none">• Funding request must include program goals and outcome measurements• Annual update must include progress against goals and measurements, how key objectives were met and challenges against primary goals• Annual update should also include percentage of funds raised against the private sector goal when the request is part of a capital campaign

* We require audited financial statements for any donation over \$5,000.

