

Royal Bank of Canada

The Royal Bank of Canada (TSX: RY, NYSE: RY) is Canada's largest chartered bank. It has over 1,400 branches across Canada, over 70,000 full-and part-time employees worldwide, and offices in over 34 countries.

The bank was previously branded as simply the Royal Bank, as it is still referred to by many Canadians. Its primary marketing name is now RBC and that name is used on all its business units, which are collectively known as RBC Financial Group. Examples include RBC's capital market operations RBC Capital Markets; full service investment brokerage firm RBC Dominion Securities, and online investment site RBC Direct Investing. RBC also has a large retail banking presence in the southeastern United States, marketing itself there as RBC Centura.

RBC is incorporated in Montreal in its formal headquarters at Place Ville Marie, but now, all the decisions are made out of Toronto at the Royal Bank Plaza. RBC ranks number 83 on the Forbes Global 2000 list (2006 edition). Its market cap fluctuates at around CAD\$ 63.7 billion as of October 31, 2006.

Competition

Main competitors are Citigroup, Credit Suisse, Credit Agricole, BNP Paribas, Bank of America, Royal Bank of Scotland, Deutsche Bank, Goldman Sachs, HSBC Private Bank, JP Morgan, Dresdner Kleinwort, Natixis, Lehman Brothers, Morgan Stanley, and Merrill Lynch among others. Major Canadian competitors in personal markets include TD Canada Trust, Bank of Montreal, CIBC, and Bank of Nova Scotia.

Logo

The bank's symbol is a golden lion clutching a globe, on a blue background. An older version had a crown above the globe and had the lion facing to the left rather than the right. The change coincided with an expansion in United States markets.

Corporate governance

Edson Loy Pease (1856-1930), a Quebec native, was a chief executive and managing director of the bank and one of the key people in its history. An employee of the Merchants' Bank of Halifax, he built that bank's Quebec business to where Montreal became its centre of operations. His efforts saw the Bank formally relocate its head office in 1907 to St. James Street in Montreal following which he induced the prominent Montreal business magnate Herbert S. Holt to accept an appointment as the bank's new President. While at the time Holt's presidency was largely a ceremonial position, his name substantially raised the bank's profile and broadened its business connections.

The title of Royal Bank's top executive has changed several times. Initially it was styled as President. Later, it became Chief Executive Officer and one often carried additional responsibilities as Chairman of the Board, while the second-in-command was the President. Allan R. Taylor was Chairman and CEO from 1986 to 1994, and he was succeeded by John Cleghorn in that capacity from 1994-2001. Gordon Nixon is currently the President and Chief Executive Officer, as the bank decided to appoint a non-executive chairman after Cleghorn's retirement.

History of Head Offices

1976-Present: Royal Bank Plaza, at 200 Bay Street, Toronto, Ontario.
1962-1976: Place Ville-Marie, at University Street & René-Levesque Blvd, Montreal, Québec.
1928-1962: "Old Royal Bank Building, Montreal", at 360 Saint Jacques Street, Montreal, Québec.
1907-1928: Four Pillars Building (now destroyed), at 147 Saint Jacques Street, Montreal, Québec.
1864-1907: Merchants' Bank of Halifax Building, on Bedford Row, Halifax, Nova Scotia.

Media attention

On January 15, 2007, CBC Radio reported RBC is "refusing" people of certain nationalities to open U.S. dollar accounts with the bank. Canadian citizens with dual citizenship in Cuba, Iran, Iraq, Myanmar, North Korea or Sudan (mostly countries with U.S. sanctions) are affected. The U.S. Treasury Department restricts certain foreign nationals from using the U.S. dollar payment system to limit terrorism and money laundering after the September 11, 2001 attacks. RBC replied that the compliance with such laws do not represent an endorsement by the bank and on January 17, clarified its position on the application of the U.S. laws, specifying that "with some exceptions" it does open accounts for dual citizens of the sanctioned countries.

