

Comptroller of the Currency Administrator of National Banks

Northeastern District Office 1114 Avenue of the Americas, Suite 3900 New York, N.Y. 10036 Licensing Division

Telephone No.: 212.790.4055 Fax No.: 212.790.4005

Conditional Approval #641 July 2004

June 10, 2004

BY FACSIMILE and MAIL 305.347.7707

Bowman Brown, Esq. Shutts & Bowen LLP 1500 Miami Center 201 S. Biscayne Boulevard Miami, Florida 33131

Re: Application by Royal Bank of Canada ("RBC") to convert and upgrade its state agency located at 801 Brickell Avenue, Suite 2100, Miami, Florida 33131 ("Miami Agency") to a federal branch and to exercise fiduciary powers ("RBC Miami Branch")

Control Number: 2004 IB 10 0001

Dear Mr. Brown:

The Office of the Comptroller of the Currency (OCC) has reviewed RBC's application to convert from a state licensed agency to a federal branch. Today, after a thorough evaluation of all data available to the OCC, we found that the proposal met OCC's requirements for conditional approval. The request for trust powers is also approved. This conditional approval constitutes a permit to conduct fiduciary powers requested in the application.

This conditional approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the foreign bank and/or its representatives. The CED shall be maintained in a bank consistent with OCC regulations and pursuant to a letter-agreement in such form and containing such limitations and conditions as prescribed by the OCC.

On the basis of the facts of record and RBC's representations and commitments, the OCC has approved the application subject to the following conditions:

1. In addition to compliance with other applicable requirements under U.S. law, Royal Bank of Canada and the RBC Miami Branch will make available to the OCC such information on the operations and activities of RBC Miami Branch and any of its affiliates that the OCC deems necessary to determine and enforce compliance by RBC Miami Branch with

applicable Federal laws. If the disclosure of any required information is prohibited by law or otherwise, Royal Bank of Canada and the RBC Miami Branch will cooperate with the OCC including seeking timely waivers of or exemptions from any applicable confidentiality or secrecy restrictions or requirements in order to enable RBC Miami Branch to make such information available to the OCC.

- 2. Royal Bank of Canada and the RBC Miami Branch consent to the jurisdiction of the Federal courts of the United States and of all United States government agencies, departments and divisions for purposes of any and all claims made by, proceedings initiated by, or obligations to, the United States, the Office of the Comptroller and any other United States government agency, department or division, in any matter arising under the National Bank Act, the International Banking Act, and other applicable Federal banking laws. Royal Bank of Canada and the RBC Miami Branch shall maintain a registered agent in the U. S. to receive service of process and shall notify the OCC of any change in the designated registered agent.
- 3. Royal Bank of Canada and the RBC Miami Branch must comply with all understandings and commitments contained in any approval order issued by the Federal Reserve Board in connection with the conversion of the Federal branch.

The conditions of this approval are conditions "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

The OCC poses no objection to the following persons serving in the management positions proposed in the application:

Michael A. Moodie Co-ManagerM. Andrew Methven Co-Manager

• Michael A. Dejana Interim Trust Officer

The OCC must approve any trust management change made prior to commencing fiduciary activities. The applicants have represented that no fiduciary activities will be conducted at the Miami Branch until fiduciary management satisfactory to the OCC has been identified. The board of directors is responsible for the proper exercise of the federal branch's fiduciary powers pursuant to 12 CFR 9.4. The board is encouraged to become fully familiar with the requirements and responsibilities enumerated in 12 CFR Part 9, as are the trust officers and staff.

The trust activities should begin within 18 months of this decision, unless the OCC grants an extension. Provided that a trust officer is in place, as provided above, you may commence exercising fiduciary powers simultaneously with your conversion to a federal branch. You must notify the OCC within 10 days after commencing trust activities. Should you decide to cease these activities, you notify the OCC and complete the procedural steps located in the Fiduciary Powers section of the Federal Branches and Agencies booklet of the *Comptroller's Corporate Manual*.

Additionally, you are reminded of the following standard requirements:

• The federal branch must have adequate fidelity bond coverage.

- Management must ensure that applicable policies and procedures are established and adopted to ensure the safe and sound operation of the federal branch and to ensure compliance with them. Enclosed are minimum policies and procedures applicable to national banks that are also applicable to federal branches and agencies.
- The federal branch or agency will maintain its accounts, books, and records as prescribed by 12 CFR 28 and in such a manner as to facilitate the complete and accurate presentation of financial statements and other reports in form and content as required by the OCC.
- Royal Bank of Canada must comply with all representations and commitments contained in any approval order issued by or notice to the FRB in connection with the proposed federal branch.
- You must notify the OCC when you have completed all steps required to convert and of the effective date.
- If the conversion is not effected within six months from the decision date, conditional approval will be withdrawn. The OCC is opposed to granting extensions except under the most extenuating circumstances and expects the conversion to occur as soon as possible.

This conditional approval, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable laws and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

Under separate cover, the OCC's Communications division will mail to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

If you have any questions, please contact Linda Leickel, Licensing Analyst at (212) 790-4055.

Sincerely,

/s/ Anthony P. DosSantos

Anthony P. DosSantos Licensing Manager

Enclosures: Minimum Policies and Procedures