

THE SECURITIES ACT

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Order No. 3177

)

Section 20

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December 13, 2000

RBC CAPITAL TRUST/ROYAL BANK OF CANADA

WHEREAS:

(A) Royal Bank of Canada (the "Bank") and RBC Capital Trust (the "Trust") have applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, C. S50 (the "Act") that certain trades in securities of the Bank will be exempt from sections 6 and 37 of the Act;

(B) It has been represented to the Commission by the Bank and the Trust that:

(a) The Bank is a Canadian chartered bank subject to the *Bank Act* (Canada), is subject to the continuous disclosure requirements of the Act and, to the best of its knowledge, is not in default of any requirement of the Act or the regulations thereunder;

(b) The common shares of the Bank ("Common Shares") are listed and posted for trading on the Toronto, New York, London and Electronic (Switzerland) stock exchanges;

(c) The Trust is a closed-end trust established under the laws of the Province of Ontario by The Royal Trust Company pursuant to an amended and restated declaration of trust;

(d) The Trust is subject to the continuous disclosure requirements of the Act and, to the best of its knowledge, is not in default of any requirement of the Act or the regulations thereunder;

(e) The beneficial interests of the Trust are divided into two classes of units, issuable in series, being Trust Capital Securities ("RBC TruCS") and Special Trust Securities.

(f) Each RBC TruCS will be exchangeable at the option of the holder (the "Holder Exchange Right") for a certain number of non-cumulative redeemable First Preferred Shares of the Bank ("TruCS Preferred Shares") on specified dates;

(g) The TruCS Preferred Shares will be convertible, at the option of the Bank and subject to regulatory approval, into Common Shares in accordance with their terms;

(h) The TruCS Preferred Shares will also be convertible, at the option of the holder, into Common Shares or into another series of First Preferred Shares of the Bank, in accordance with their terms (the "Holder Exchange Right");

(i) Each RBC TruCS will be automatically exchanged (the "Automatic Exchange"), without the consent of the holder, for a certain number of TruCS Preferred Shares upon the occurrence of certain events ("Loss Absorption Events") which will be described in any prospectus or other offering document which may be used in connection with the offering of RBC TruCS ;

(j) If the Automatic Exchange is triggered and any RBC TruCS remain outstanding thereafter, the Trust will subscribe for a certain number of TruCS Preferred Shares from the Bank for each RBC TruCS so outstanding (the "Subscription Right") and will redeem such RBC TruCS (the "Trust Redemption") in exchange for TruCS Preferred Shares;

(k) The Trust and the Bank have filed and received a receipt for a preliminary long form prospectus on October 31, 2000 and have filed and received a receipt for a long form prospectus on November 30, 2000 in connection with an offering (the "Offering") in each province and territory of Canada by the Trust of a series of RBC TruCS designated as Trust Capital Securities – Series 2011 ("RBC TruCS – Series 2011") and by the Bank of the Holder Exchange Right, the Automatic Exchange and the Subscription Right (each as defined below);

(l) Each RBC TruCS – Series 2011 will be exchangeable at the option of the holder for 40 of non-cumulative redeemable First Preferred Shares Series R of the Bank ("Series 2011 TruCS Preferred Shares") on the last day of June and December of each year, beginning on December 31, 2011;

(m) Each RBC TruCS – Series 2011 will be automatically exchanged, without the consent of the holder, for a certain number of Series 2011 TruCS Preferred Shares upon the occurrence of certain events;

(n) If the Automatic Exchange is triggered and any RBC TruCS – Series 2011 remain outstanding thereafter, the Trust will subscribe for a certain number of Series 2011 TruCS Preferred Shares from the Bank for each RBC TruCS – Series 2011 so outstanding and will redeem such RBC TruCS – Series 2011 in exchange for Series 2011 TruCS Preferred Shares;

(o) The Series 2011 TruCS Preferred Shares will be convertible, at the option of the Bank and subject to regulatory approval, into Common Shares in accordance with their terms;

(p) The Series 2011 TruCS Preferred Shares will also be convertible, at the option of the holder, into Common Shares or into another series of First Preferred Shares of the Bank, in accordance with their terms;

(q) It is possible that the Trust may issue and sell additional series of RBC TruCS in the future and, in connection with such series, the Bank may issue additional rights of exchange (such rights of exchange, also the "Holder Exchange Right", the "Automatic Exchange" and the "Subscription Right". It is anticipated that all such securities will have substantially similar terms and conditions attaching to them as the RBC TruCS – Series 2011, and the Holder Exchange Right, the Automatic Exchange and the Subscription Right associated therewith;

(r) The distribution of TruCS Preferred Shares pursuant to the Holder Exchange Right and the Subscription Right will be effected in reliance upon the registration and prospectus exemptions contained in sections 19(1)(h)(iii) and 58(1)(b) of the Act;

(s) There are no exemptions from the requirements of sections 6 and 37 of the Act for the distribution of TruCS Preferred Shares pursuant to the Automatic Exchange; and

(t) There is no exemption from the requirement of section 6 of the Act for the trade of TruCS Preferred Shares by the Trust to holders of RBC TruCS in connection with the Trust Redemption.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the Order requested.

IT IS ORDERED:

1. **THAT**, pursuant to subsection 20(1) of the Act, the trades in TruCS Preferred Shares by the Trust in connection with the Trust Redemption are exempt from the requirement of section 6 of the Act.
2. **THAT**, pursuant to subsection 20(1) of the Act, the trades in TruCS Preferred Shares in connection with the Automatic Exchange are exempt from the requirements of sections 6 and 37 of the Act, provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.
3. **THAT**, the fee for this order is \$1,000.00.

BY ORDER OF THE COMMISSION

Director