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**CHANGE OF COMMAND** *Royal Bank chief Allan Taylor turns 61 next month and could be preparing to retire. In an industry known for secrecy, speculation is growing on his replacement*

## Royal watchers look for new leader

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CANADA'S most powerful banker has a polished non-answer for anyone who tries to get him to indulge in a little heir-play.

"Well, of course, I'm not going to say," Allan Taylor, chairman and chief executive officer of Royal Bank of Canada, says affably when asked when he plans to step down. "I don't think it is wise to make announcements too far in advance."

The CEO who tips his hand early, he says, risks hurting productivity as people speculate about other openings that a change at the top inevitably creates. "There's too much time spent around the water cooler."

Still, the water cooler at Canada's biggest financial institution seems bound to become a more popular spot over the next year or so.

There is no mandatory retirement age for Royal Bank chairmen. But Mr. Taylor will turn 61 in September and after 44 years at the company — just over seven of them in the top job — he has long since qualified for his full pension. As well, next year is the bank's 125th anniversary, which would provide a fitting juncture for him to take his leave.

Moreover, Mr. Taylor's heir apparent, the bank's Montreal-based president and chief opera-

ing officer John Cleghorn, 52, is in the early stages of tackling what seems to be the last potential hurdle between him and the throne: the complex task of integrating into the bank the trust operations of the former Royal Trust Co. Ltd., now Gentra Inc.

Royal Bank snapped up the potentially rich trust company prior in mid-March in a deal set to close in a few weeks.

It is the biggest and most important acquisition the bank has made, and most analysts view it as a major coup. They see Royal Trust as a relatively unexpensive entry into the next big area of growth in the money business: providing a full array of services and products to the aging baby boom generation, which is less interested in borrowing and instead wants help managing the wealth it already has accumulated.

The Royal Trust deal also is seen as a coup for Mr. Cleghorn. He was its principal architect and spearheaded the marathon negotiations that brought it about.

The betting is that if he finishes the integration, the CEO's job at the bank will likely be his some time around its January, 1995, annual meeting.

However, even Cleghorn loyalists concede that if he botches the task, the bank's board of directors could decide to delay the hand-over or conceivably consider giving the nod to someone else.

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Royal Bank chairman Allan Taylor, left, isn't giving any hints about when he will step down or whether president and COO John Cleghorn will get the job. (PHOTO COURTESY OF THE BANK)