CREATING MORE VALUE FOR CLIENTS

INVESTOR DAY 2018

JUNE 13, 2018
Agenda

01. Creating More Value for Clients
8:00AM – 8:15AM

02. Leveraging Unique Assets to Drive Market Share Shift in Canadian Banking
8:15AM – 8:45AM

03. Extending Market Leadership in Wealth Management
8:45AM – 9:05AM

04. Strong Technology & Data Foundation
9:05AM – 9:25AM

05. Moving Beyond Banking
9:40AM – 10:30AM

06. Evolution of Financial Targets
10:30AM – 10:45AM

07. Closing and Q&A
10:45AM – 11:45AM

Break
15 minutes
Caution regarding forward looking statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. We may make forward-looking statements in this presentation, in filings with Canadian regulators or the Securities and Exchange Commission, in reports to shareholders and in other communications. Forward-looking statements in this presentation include, but are not limited to, statements relating to our financial performance objectives, vision, and strategic goals, including our expected earnings, client and volume growth, efficiency ratio, client acquisition costs, total shareholder return, earnings mix, costs, operating leverage, and net interest income. The forward-looking information contained in this presentation is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe,” “expect,” “foresee,” “forecast,” “anticipate,” “intend,” “estimate,” “goal,” “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include: credit, market, liquidity and funding, insurance, operational, regulatory compliance, strategic, reputation, legal and regulatory environment, competitive and systemic risks and other risks discussed in the risks sections of our 2017 Annual Report and the Risk management section of our Q2 2018 Report to Shareholders; including global uncertainty and volatility, elevated Canadian housing prices and household indebtedness, information technology and cyber risk, including the risk of cyber-attacks or other information security events at or impacting our service providers or other third parties with whom we interact, regulatory change, technological innovation and non-traditional competitors, global environmental policy and climate change, changes in consumer behaviour, the end of quantitative easing, the business and economic conditions in the geographic regions in which we operate, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency and environmental and social risk.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Material economic assumptions underlying the forward-looking statements contained in this presentation are set out in the Overview and outlook section and for each business segment under the Strategic priorities and Outlook headings in our 2017 Annual Report, as updated by the Overview and outlook section of our Q2 2018 Report to Shareholders. Except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the risk sections of our 2017 Annual Report and the Risk management section of our Q2 2018 Report to Shareholders.
CREATING MORE VALUE FOR CLIENTS

Dave McKay
President & Chief Executive Officer
Creating more value for clients

Ventures & Partnerships

Market Leading Retail Bank

Market Leading Wealth Manager

Technology & Data
Our Purpose
Helping clients thrive and communities prosper

Our Vision
To be among the world’s most trusted and successful financial institutions

Our Story

- Diversified business model with leading client franchises
- Financial strength underpinned by prudent risk and cost management
- Leading corporate citizen
- Innovation is in our DNA
- Market leader with a focused growth strategy
Attracting and retaining the best talent

Evolving our Culture

Building Talent for Growth

Always Learning

Modernized Performance Enablement

Leaders in Driving Sustainable Growth

Future Ready

Exceptional Employee Experience

New Leadership Model

Intrapreneurship

Voice of our People

Innovative Recruitment Practices

81,000+ employees

1,000 digital hires in 2 years

94% of employees are proud to be part of RBC
Our responsibilities

Inherent in our vision is a promise to contribute to a better and more sustainable future – for the economy, society, and the environment

- Committing to young people
- Supporting a clean economy
- Using our capabilities for public good
- Fostering diversity and inclusion
Market leader in Canada

**Domestic Leadership**

- #1 or #2 market share across Canadian Banking\(^{(1)}\)
- Largest full-service wealth advisory business\(^{(2)}\)
- Largest fund company\(^{(3)}\) and leader in high net worth market share\(^{(4)}\)

**Scale and Reach**

- Largest distribution network in Canada\(^{(1)(5)}\)
- 13MM Canadian Banking clients

**Service Excellence**

- Recognized as Canada’s most valuable brand\(^{(6)}\)
- #1 in Customer Satisfaction

- Highest in customer satisfaction among the big five retail banks
  - J.D. Power, 2016, 2017, 2018

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\(^{(1)}\) Market share of 6 banks (RBC, BMO, BNS, CIBC, TD and NA). \(^{(2)}\) Strategic Insights (formerly Investor Economics). \(^{(3)}\) Investment Funds Institute of Canada (IFIC). \(^{(4)}\) Strategic Insight (formerly Investor Economics). \(^{(5)}\) By number of branches. \(^{(6)}\) Brand Finance
Our long standing differentiators

Largest Reach & Distribution

Payments & Transactions

Largest Proprietary Loyalty Program

Largest Deposit Base

Largest Bank for Business

Largest Wealth & Asset Manager

Client Growth
The world is changing

- Platform Disruption
- Cybersecurity
- Fraud & Identity
- Societal Changes
- Climate Change
- Shifting Consumer Expectations
- Data, Innovation & Technology
- Regulatory Changes
- Economic Cycles
- Geopolitical Tensions
Changing business value chains and customer value propositions

Socialize  Shop  Build  Watch  Search  Work  Play
Digitally Enabled Relationship Bank creates value

Deep understanding of clients ➤ Payments franchise + loyalty programs + partners

Providing relevant advice ➤ Best people + Data & Analytics + Artificial Intelligence

Best in class services and products ➤ Avion + RBC Rewards + Homeline + Investments

Providing convenience ➤ Traditional distribution + integrated digital and mobility

Expanding client relationships & value creation ➤ New value chains + ventures & partners
Creating more value

Strong Technology & Data Foundation

Ventures & Partnerships

Largest Reach & Distribution

Payments & Transactions

Largest Client Growth

Largest Depository Base

Reciprocity Program

Largest Bank for Business

Largest Proprietary Loyalty Program

Business Ecosystems

Digital Advice

Largest Wealth & Asset Manager

Goal to grow clients at up to 3x our current rate

Deepen existing client relationships by providing more value

Leverage our operational scale for improved efficiency & better credit profile

Creating more value
LEVERAGING UNIQUE ASSETS TO DRIVE MARKET SHARE SHIFT IN CANADIAN BANKING

Neil McLaughlin
Group Head, Personal & Commercial Banking
We have built the market leading Canadian retail bank

1,221 locations
Largest branch network

>2,900
Contact centre professionals

2,600+
Business Bankers

>5,800
Expert relationship and specialist advisors

Leading
Online and mobile banking capabilities

Payments & Transactions

Client Growth

Core Deposits
GIC and Savings

Banking and Cards

Home Equity Financing

Business Financial Services

Insurance

Mutual Funds and ETFs

Dominion Securities

#1 Travel Rewards
Credit card (1)

#1 Mobile App
in client satisfaction
by J.D. Power

>80%
AUM outperforming the benchmark (2)

(1) Recognized by Rewards Canada (2) As at March 2018, gross of fees, on a 3-year basis
Our privileged assets cannot be easily replicated

Scale & Leading Client Base

#1 Deposit & Payments Business

Data & Insights

Proprietary Rewards
Our scale means we can invest more

Key Product Market Share\(^{(1)}\)

<table>
<thead>
<tr>
<th>Product</th>
<th>#1</th>
<th>#2</th>
<th>#1</th>
<th>#1</th>
<th>#1</th>
<th>#1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Equity</td>
<td>21.4%</td>
<td></td>
<td>27.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Loans</td>
<td>20.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Cards</td>
<td></td>
<td></td>
<td>20.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Core</td>
<td></td>
<td></td>
<td></td>
<td>18.8%</td>
<td></td>
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<tr>
<td>Deposits</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Personal GICs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>32.8%</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Loans</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Business Deposits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26.4%</td>
</tr>
</tbody>
</table>

\(~$15\text{BN}\) in revenue enabling us to invest more

\(^{(1)}\) Personal Core, GICs, MF and business deposits as at February 2018, Home Equity, Personal Loans, Credit Cards and Business Lending as at December 2017. All figures above reflect reported balance sheet volumes only. Auto Finance is included in Personal and Business Lending. (2) Mortgages and Home Equity Line of Credit. (3) Credit cards market share is based on 6 banks (RBC, BMO, BNS, CIBC, TD and NA) as at December 2017. (4) ‘Long-Term Funds’ and ‘Money Market’ market share of 6 banks (RBC, BMO, BNS, CIBC, TD and NA) as at March, 2018. (5) $0-$25MM loans market share is of 6 Chartered Banks (RBC, BMO, BNS, CIBC, TD and NA) on a quarterly basis and is as of December 2017. (6) Business Deposits market share excludes Fixed Term, Government and Deposit Taking Institution balances as at February 2018.
Canada’s leading deposit and payment franchise

9MM personal banking transaction accounts

(1) Debit and credit card transaction accounts.

>2BN transactions per year

(3) Debit and Credit card transactions in 2017

4-5x more likely to consolidate their business with RBC

(2) More products compared to non-transaction account holders.
Transactions provide data to fuel the business…

More Relevant Offers = Deeper Relationships

<table>
<thead>
<tr>
<th>% of households with broad product suite(2)</th>
<th>‘Next Best Offer’</th>
</tr>
</thead>
<tbody>
<tr>
<td>RBC: 18%</td>
<td>13% lift in net response rate across all channels(3)</td>
</tr>
<tr>
<td>Peer Average: 11%</td>
<td></td>
</tr>
</tbody>
</table>

Leading Digital Marketing

<table>
<thead>
<tr>
<th>Click through rates(4)</th>
<th>Cost per click(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015: 1/4</td>
<td>2015: (26%)</td>
</tr>
<tr>
<td>2017: +2.4x</td>
<td>2017:</td>
</tr>
</tbody>
</table>

(1) Debit and credit card transactions in 2017. (2) Canadian Financial Monitor by Ipsos – 10,000 Canadian households - Percent of households with transaction accounts, investments and borrowing products (borrowing includes cards) – data based on Financial Group results for the 12-month period ending January 2018; TFSA is considered an investment. Peers include BMO, BNS, CIBC and TD. (3) RBC Data & Analytics. (4) Kenshoo – 3rd Party Programmatic Marketing Platform.
NOMI: Financial insights for individuals
Award-winning digital money management platform
with 3.4MM active users(1)(2)

Insights for Businesses

...and AI powered insights for our clients

(1) As of Q2 2018.  (2) Recognized by Celent’s Model Bank Award.  (3) Since launch in October 2017 to April 2018
RBC Rewards – Canada’s leading loyalty program

We have a highly engaged and growing membership base

5MM
active members\(^{(1)}\)

$1BN+
in value delivered from our rewards program and partnerships\(^{(2)}\)

We have built partnerships that offer members robust redemption options

7% growth in points redeemed\(^{(3)}\)

86% redemptions are digital\(^{(2)}\)

150+ brands to choose from and growing every day

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(1) As of Q2/2018. (2) FY2017. (3) YoY in FY2017
RBC Rewards – Delivering more value to clients

We are well-positioned to issue more points than our peers by 2019

RBC Reward members…(2)

- are 1.7x more digitally engaged
- have 1.5x more RBC products
- are 2x more profitable

(1) Using company reported data and internal estimates. (2) Relative to RBC customers
Creating more value

Attract new clients

Deepen existing client relationships

Drive efficiencies

1,221 locations
Largest branch network

>2,900
Contact centre professionals

2,600+
Business Bankers

>5,800
Expert relationship and specialist advisors

Payments & Transactions

Payments & Transactions

Online and mobile banking capabilities

Strong Technology & Data Foundation

Client Growth

Attract new clients

Deepen existing client relationships

Drive efficiencies
Our Digitally-Enabled Relationship Bank strategy is driving shareholder value.
Our Digitally-Enabled Relationship Bank strategy is driving shareholder value.

- Attract new clients
- Deepen existing client relationships
- Drive efficiencies
Branches remain an important channel for client acquisition

**200k**
clients visit a branch everyday\(^{(1)}\)

**2-YR CAGR of**
\[ 8\% \]
in sales dollar volumes\(^{(1)}\)

**2-YR CAGR of**
\[ 5\% \]
in expert appointments\(^{(1)}\)

**Evolving our branch format to increase customer relevancy**

**2x**
Client acquisition rate compared to standard branch format\(^{(2)}\)

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\(^{(1)}\) 2015 to 2017 figures. \(^{(2)}\) In the 21 month period since launch versus an average DeNovo benchmark for a traditional branch.
We are driving digital adoption...

Active Digital Users\(^{(1)}\)

- 6.5MM
- +8% YoY

49% adoption
+6 pts since 2015

Digital clients are more engaged and have more products

Mobile and Online Banking

1x interaction every 2 days
(versus 1x per month in branch)

Digital clients have 2x more products\(^{(2)}\)

(1) 90-day active customers as of Q2 2018 in Canadian Banking only, (2) Compared to non-digitally active customer
Higher digital sales as % sales
(Cards, Personal Deposit Accounts, and Personal Loans)

- 2015: Personal Deposit Accounts Sales 38%
- 2017: Credit card sales 35%

Target of >50% by 2021

Digital mass-marketing example

Approved new-to-RBC Credit Card Applications

- H1/16: +5%
- H2/16
- H1/17
- H2/17
- H1/18 +3x

…and are leading in digital sales and marketing
RBC credit cards are growing at 2-3x the rate of our competitors

- Attracting more premium customers – Awarded #1, #3 and #4 in premium travel
- 35% of Avioners are new to RBC, up 15 pts from 2015
- New Business Avion accounts up 8% since 2015
- Spend up ~20% since 2015

Broad suite of credit card products

<table>
<thead>
<tr>
<th>Year</th>
<th>RBC</th>
<th>Peer Bank Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>7.1%</td>
<td>5.0%</td>
</tr>
<tr>
<td>2016</td>
<td>6.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td>2017</td>
<td>6.3%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Q2/18</td>
<td>7.3%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

Growth within risk appetite: Average cards FICO score of ~780

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Iconic partners bring more value to clients and more clients to RBC

~115k new accounts\(^{(1)}\)  
50% new to RBC\(^{(1)}\)  

>500k linked accounts\(^{(2)}\)

\(^{(1)}\) In F2017 (2) Since launch on October 31, 2017
Market leading growth with business clients

Innovating for Small Business

Over 40 curated apps providing key business metrics and insights in one place

Investing in expert Commercial Account Managers

Driving growth in Business lending

(1) Average balances, including Small Business as at Q4 2017.
New banking accounts provide the foundation to deepen relationships

Success in key growth segments

Youth market share

2016: 25%
2017: 28%

Youth market share (1) (2)

+3 pts

YoY increase in everyday banking account acquisition (3)

13%

Newcomer YoY growth (2)

Canadian newcomer population: 1%
RBC's Newcomer Client Segment: 4%

+3 pts

(1) Youth defined as 18 – 24 Years old. (2) YTD as of Q2 2018. Based on internal estimates. (3) YoY as of Q2 2018.
Our Digitally-Enabled Relationship Bank strategy is driving shareholder value.

- Attract new clients
- Deepen existing client relationships
- Drive efficiencies

Market Leading Retail Bank
Leveraging scale and reciprocity to drive share of wallet

Industry leading products per customer

<table>
<thead>
<tr>
<th>Year</th>
<th>RBC</th>
<th>Peer Bank Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>18.0</td>
<td>11.5</td>
</tr>
<tr>
<td>2016</td>
<td>17.0</td>
<td>11.5</td>
</tr>
<tr>
<td>2017</td>
<td>18.0</td>
<td>11.3</td>
</tr>
</tbody>
</table>

Expanding our Reciprocity program

(1) 2017 Canadian Financial Monitor by Ipsos – >12,000 Canadian households – % of clients of each financial group holding Transaction accounts (Chequing and/or Savings), Investments (GIC and/or Bond and/or Stock and/or Mutual Fund and/or TFSA Savings), Borrowing (Mortgage and/or Loan and/or Line of Credit) products and Credit Cards. Peers include BMO, BNS, CIBC and TD.
Enhancing our digital advice capabilities to drive investment share of wallet

MyAdvisor – Digital financial advisor solution

32.8% Market share in mutual funds

~1,600 Financial Planners

~8,400 Other registered advisors

37% higher AUM per client for MyAdvisor versus traditional clients

+7,000 investment advice appointments booked

$1.2BN AUM for clients that are engaging remotely

(1) ‘Long-Term Funds’ and ‘Money Market’ market share of 6 banks (RBC, BMO, BNS, CIBC, TD and NA) as at March, 2018. (2) Since launch in April 2017 up to Q2 2018
Expanding mortgage share of wallet through the home ownership journey

Neighbourhood Explorer
True House Affordability Tool
Mortgage Pre-Approval
Mortgage Renewal Hub

>35% increase in digital leads generated since launch of the home ecosystem tools

(1) In 2017 on a YoY basis.
Our Digitally-Enabled Relationship Bank strategy is driving shareholder value

- Attract new clients
- Deepen existing client relationships
- Drive efficiencies
Mobile is enabling lower cost and more convenient servicing

Transactions by channel

Mobile adopters are driving efficiencies in everyday banking

E-Transfers

- Mobile: 94%
- Branch: N/A

Bill payments

- Mobile: 69%
- Branch: -28%

Account transfers

- Mobile: 70%
- Branch: -16%

Credit card payments

- Mobile: 77%
- Branch: -17%

Mobile Users

- 3.5MM
- +19% YoY

(1) 90-day Active users as of Q2 2018
(2) YoY increase in usage of mobile and branch channel by following a cohort of 110k clients on their mobile adoption journey, from 2017 to 2018
(3) Includes all client fund transfers to any RBC account, including RBC Cards
Our branch strategy increases relevancy while reducing cost

Reduced service FTE in line with migration to digital

Since 2015, branch count is down 4%, with branch square footage down 6%

~75% of branch leases are due for renewal within the next 5 years

Expect 20% reduction in square footage over 5 years

Branch service FTE 4-YR CAGR of (3%)

(1) Generalists include Banking and Financial Advisors. (2) Experts include Financial Planners, Commercial & Business Account Managers, IRPs and Mortgage Specialists.
Simplified and streamlined our internal operations to drive greater efficiencies

Operations expenses ($MM)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operations expenses</th>
<th>Operations expenses as a % of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,013</td>
<td>7.6%</td>
</tr>
<tr>
<td>2016</td>
<td>978</td>
<td>7.0%</td>
</tr>
<tr>
<td>2017</td>
<td>977</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

Efficiency and cost management are part of our DNA

- **Document preparation**
  
  70% of documents are being submitted to operations through digital capture

- **eStatement Adoption**
  
  70% of clients have migrated to eStatements

- **Mortgage adjudication**
  
  Process improvements have reduced average processing time by 12%
Highest in Overall Customer Satisfaction for a 3rd consecutive year (1)

Highest in customer satisfaction among Mobile Banking Apps for a 2nd consecutive year (1)

Highest satisfaction in Advice & Onboarding (1)

(1) J.D Power, 2018
Canadian Banking

Goals

Up to $3x$ our current client acquisition rate leading to $2.5\text{MM}+$ new clients by 2023$^{(1)}$

Drive efficiency ratio lower to $<40\%$ by 2021

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$^{(1)}$ Includes contribution from RBC Ventures
Leveraging Unique Assets to Drive Market Share Shift

Key Takeaways

Best-in-class value propositions coupled with significant distribution advantage

Deeper digital engagement as client expectations and behaviours change

Leveraging our advantage in Payments and Data to accelerate growth

Creating more value and advice through RBC Ventures and partnerships

Building relationships with core clients to deliver premium returns
EXTENDING MARKET LEADERSHIP POSITION

Doug Guzman
Group Head Wealth Management & Insurance
Extending Market Leadership Position

Wealth Management – Key Takeaways

• Sustainable advantage of scale, talent and infrastructure
  – A self reinforcing system

• Track record of premium growth vs. industry

• External disruption magnifies our advantage
Full spectrum of investment advice models to address different client needs

Advice Model

- Self-Directed Investing: No Advice, Digital
- Automated Advice: Algorithm-based Advice, Digital
- Hybrid Advice – Untethered: Team-based / Advisor Pools, Digital
- Hybrid Advice – Tethered: Personal / Dedicated Advisor, Digital
- Full Service Advice: Personal / Dedicated Advisor + Access to Teams of Specialists, Digital
- Full Service Discretionary WM: Personal / Dedicated Advisor + Access to Teams of Specialists, Digital

Investment Product

- Open Architecture
- Portfolios of ETFs
- Proprietary Fund Solutions
- Proprietary and 3rd-party Fund Solutions
- Open Architecture (discretionary and non-discretionary)
- Firm-led Discretionary Portfolios

Aligning clients to propositions based on what they value and prefer (versus by wealth bands)
High Net Worth Distribution – Canada’s market leader

**Investments**

1. **#1**
   - full-service brokerage by assets, revenue and profit
   - (1)

2. **#2**
   - private investment counsel by assets
   - (2)

**Banking & Credit**

- **#1**
  - private bank by revenue, profit, deposits and loans
  - (4)

- 11th year in a row
  - rated as Canada’s top private bank by industry peers in the Euromoney PB and WM Survey
  - (5)

**Other WM Solutions**

- **#1**
  - estate & trust business by assets
  - (2)

- **#1**
  - IIROC insurance agency by revenue
  - (6)

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HNW Distribution – Significant lead over our competitors

**Market Share of Full-Service Brokerage Assets**

- **RBC DS (rank 1)**: 25%
- **Next-Closest Competitor**: 14%
- **$310BN**: ~80% larger

**RBC Dominion Securities’ Gross Revenue**

- **2012**: $1.6BN
- **2017**: $2.5BN
- **Share of Industry Revenue**:
  - **2012**: 25.7%
  - **2017**: 28.4% 
  - **+10% CAGR**

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(1) Strategic Insight (Retail Brokerage and Distribution Reports, Winter 2013 to Winter 2018). (2) RBC Wealth Management internal data. Note: “Industry” here refers to the full-service brokerage industry in Canada.
HND Distribution – Outpacing market growth

RBC Dominion Securities’ AUA Market Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Big 6 Banks</th>
<th>Share of Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2007</td>
<td>21.6%</td>
<td>28.4%</td>
</tr>
<tr>
<td>Dec 2009</td>
<td>22.4%</td>
<td>29.0%</td>
</tr>
<tr>
<td>Dec 2011</td>
<td>23.1%</td>
<td>29.7%</td>
</tr>
<tr>
<td>Dec 2013</td>
<td>24.2%</td>
<td>30.4%</td>
</tr>
<tr>
<td>Dec 2015</td>
<td>25.0%</td>
<td>31.5%</td>
</tr>
<tr>
<td>Dec 2017</td>
<td>25.3%</td>
<td>32.5%</td>
</tr>
</tbody>
</table>


- Industry: +5.5%
- Big 6 Bank Brokerages ex. RBC: +5.1%
- RBC Dominion Securities: +7.2%

Source: Strategic Insight (Retail Brokerage and Distribution Reports, Winter 2008 to Winter 2018). Note: “Industry” here refers to the full-service brokerage industry in Canada.
HNW Distribution – Scale, capabilities and innovation

1. Investment in Industry-Leading Capabilities
2. Better Client Outcomes & Experiences
3. Better Advisor Recruitment & Retention
4. Higher Productivity
5. Increased Market Share, Margins & Cashflow
6. Greater Scale

Our Sustainable Competitive Advantage
HNW Distribution – A wealth planning ecosystem

**Holistic Wealth Planning Advice**

- Charitable giving
- Financial planning
- Tax planning
- Business succession planning
- Estate & trust planning
- Holding companies
- Insurance planning
- Cross-border planning

**Best-in-Class Wealth Planning Talent**

- 200+ accredited wealth specialists (industry’s largest team of wealth planning professionals)
- 1,700+ years of collective service with RBC
- +12% YoY increase in gross revenue from opportunities identified by wealth specialists

Source: RBC Wealth Management
HNW Distribution – Most attractive employer to investment advisors

How Investment Advisors Rated Their Firms

Support for:

- Products & support for HNW clients: 9.6
- Technology tools & advisor desktops: 8.8
- Mobile technology: 9.0
- Fee-based models: 9.4
- Financial planning: 9.2
- Wills & estate planning: 9.4
- Insurance planning: 9.3
- Discretionary portfolio mgmt.: 8.9
- Quality of equities research: 9.1
- Quality of firm’s product offering: 9.5

Source: Investment Executive’s 2018 Brokerage Report Card
Share of Industry’s Investment Advisors (1)

Fee-Based Assets per Advisor (2) ($ millions)

Revenue per Advisor (2) ($ millions)

(1) Strategic Insight (Retail Brokerage and Distribution Reports, Winter 2013 to Winter 2018). (2) Strategic Insight (Brokerage Profitability – RBC Dominion Securities, January 2018). Note: “Industry” here refers to the full-service brokerage industry in Canada.
HNW Distribution – Continued momentum in focusing on HNW families

Percentage of Households by Wealth Band for RBC Dominion Securities

Source: RBC Wealth Management
HNW Distribution – Forces of change

External changes…

Changing Client Expectations
Changing Technology
Changing Regulation

…provide a tailwind to RBC’s leadership

Advice Models
Breadth of Solutions
Client Discovery & Planning
Digital
Scale to Invest
HNW Distribution – Innovating with digital to widen our lead

Nora Bot

Advisor’s Virtual Assistant (AVA)

Robotics Process Automation

Processes automated globally since 2017

100+

~100K Hours of capacity freed up to focus on higher value activities for our clients

Portfolio Insights

Drop by our booth to learn more

Source: RBC Wealth Management
HNW Distribution – Key takeaways

1. Investment in Industry-Leading Capabilities
2. Better Client Outcomes & Experiences
3. Better Advisor Recruitment & Retention
4. Higher Productivity
5. Increased Market Share, Margins & Cashflow
6. Greater Scale

Our Sustainable Competitive Advantage
Extending Market Leadership Position

HNW Distribution – Key Takeaways

- Sustainable advantage of scale, talent and infrastructure
  - A self reinforcing system
- Track record of premium growth vs. industry
- External disruption magnifies our advantage
Global Asset Management – Canada’s largest money manager

Total Assets Under Management
(in C$ billions)

<table>
<thead>
<tr>
<th></th>
<th>RBC GAM (Dec.2017)</th>
<th>Next-Closest Big 6 Asset Manager(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUM</td>
<td>422</td>
<td>355</td>
</tr>
</tbody>
</table>

~20% larger

AUM by Client Segment

- **Retail**: 48%
- **Institutional**: 52%

$424.5BN (as of Q2/2018)

\(^{(1)}\) Based on competitor company’s website as of December 31, 2017. Note: “Canada’s Largest Money Manager” based on ranking from Strategic Insight (Managed Money Advisory Service – Canada, Spring 2018)
Global Asset Management – Scale, capabilities and innovation

- Scale
- Investment in Industry-Leading Portfolio Management Talent & Capabilities
- Retail Asset Management
- Increased Market Share, Margins & Cashflow
- Better Client Outcomes
- Pricing Flexibility
- Canada’s Leading Distribution

Institutional Asset Management
Global Asset Management – Industry-leading strengths in Canadian retail

Top-Tier Distribution with Unmatched Scale

- Canada’s largest retail branch network with 7,000+ licensed branch-based advisors(1)
- 1,700+ investment advisors (largest full-service brokerage)(1)

Strong-Performing & Wide-Ranging Solutions

- 21 specialized investment teams across Canada, the U.S., Europe and Asia
- Award-winning investment management

Exceptional Client Service

- New digital branch investment experience
- Redemption rates lower than industry average by(2) 10%-20%

Operational Excellence

- Fee leader with average management fees >15% below industry median(3)
- Passing on scale and operations efficiencies to clients

---

(1) RBC GAM’s distribution partners also include 3rd-party dealers. (2) Based on average monthly redemption rates of the past 6 years (2012-2017) for RBC GAM’s long-term mutual fund assets. Calculation of RBC GAM’s redemption rates excludes activity by institutional clients in retail funds. Based on IFIC and internal RBC GAM data. (3) Series F MER for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the full-year period, January 1 to December 31, 2017, expressed on an annualized basis. Industry median based on Canadian Investment Funds Standards Committee (CIFSC) categories with data provided by Morningstar Research Inc. as of December 31, 2017.
Global Asset Management – Delivering persistently strong performance

RBC GAM Canadian Retail Performance
3-Year Performance, Gross of Fees

<table>
<thead>
<tr>
<th>Year</th>
<th>% of funds beating the benchmark</th>
<th>% of assets beating the benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-14</td>
<td>74%</td>
<td>77%</td>
</tr>
<tr>
<td>Apr-15</td>
<td>92%</td>
<td>85%</td>
</tr>
<tr>
<td>Apr-16</td>
<td>92%</td>
<td>72%</td>
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<tr>
<td>Apr-17</td>
<td>81%</td>
<td>78%</td>
</tr>
<tr>
<td>Apr-18</td>
<td>84%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Award-Winning Investment Management

- Best Overall Funds Group for 7 of the past 10 years
- Best Bond Funds Group for 8 of the past 10 years

Morningstar Canada 2016 Steward of the Year

(1) The percentage of assets in funds beating the benchmark represents performance of RBC GAM Canadian retail mutual funds, excluding index funds. Past performance is no guarantee of future results. Benchmarks used are total return indices. Performance is based on gross of fees returns. Source: RBC GAM. (2) Please see end of presentation for more disclosure information related to these awards.
Global Asset Management – Track record of superior net flows

Cumulative Long-Term Mutual Fund Net Sales\(^{(1)}\)
Apr.2008 – Apr.2018, in C$ billions

Average Monthly Redemption Rates of LT Funds\(^{(3)}\)
Calendar Year 2012 – 2017

\(^{(1)}\) Based on reported mutual fund net sales by IFIC. \(^{(2)}\) Peer group consists of TD, CIBC, Scotia, BMO, National Bank, HSBC, IGM Financial, C.I. Investments, Fidelity Canada, Manulife and AGF Investments. \(^{(3)}\) Based on the average monthly redemption rates of long-term funds of the indicated calendar year. Calculation of RBC GAM’s redemption rates excludes activity by institutional clients in retail funds. Based on IFIC and internal RBC GAM data.
Global Asset Management – Achieving outsized market share in Canadian retail

RBC GAM’s Mutual Fund Market Share\(^{(1)}\)
Dec. 2003 – Apr. 2018

- Dec. 2003: 7.4%
- Apr. 2018 (#1 rank): 32.8%
- Next Closest Competitor\(^{(2)}\): 10.0%

\(\sim 50\%\) larger

RBC GAM’s Share of Industry Long-Term Net Sales\(^{(3)}\)
Calendar Year 2012 – 2017

- 2012: 23.6%
- 2013: 17.5%
- 2014: 17.7%
- 2015: 15.9%
- 2016: 27.8%
- 2017: 22.4%

\(1\) Based on reported mutual fund AUM by IFIC. \(2\) Competitor’s IFIC-reported AUM as at April 2018. \(3\) Long-term net sales based on trailing 12 months (i.e., January to December of indicated year); based on IFIC and internal RBC GAM data.
Global Asset Management – Enhancing our investment capabilities

- “New Active” & Quantitative Investment Capabilities
- Environmental, Social and Governance (ESG) Investing
- Next-Gen Investment Solutions and Services
- Exchange-Traded Funds (ETFs)
Global Asset Management – Becoming a digitally-powered asset manager

Digitally-enabling employee & advisor experience

Delivering advisor investment tools & services

Leveraging quantitative investment tools & analytics for portfolio managers

Laying the foundation for a best-in-class operations model

Source: RBC GAM. Note: Portfolio Review Service is still in development and the final version of the application may differ.
Global Asset Management – Key takeaways

- Increased Market Share, Margins & Cashflow
- Institutional Asset Management
- Investment in Industry-Leading Portfolio Management Talent & Capabilities
- Pricing Flexibility
- Retail Asset Management
- Canada’s Leading Distribution
- Better Client Outcomes

Scale
Global Asset Management – Key Takeaways

- Sustainable advantage of scale, talent and infrastructure
  - A self reinforcing system
- Track record of premium growth vs. industry
- External disruption magnifies our advantage
Growing shared client relationships across platforms

35% of HNW Canadian Banking clients also have a relationship with Canadian Wealth Management\(^{(1)}\)

16% of Canadian Banking clients invest in GAM mutual funds\(^{(2)}\)

Significant opportunity to deepen client relationships

---

\(^{(1)}\) Based on confirmed HNW Canadian Banking population and excludes potential HNW Canadian Banking clients. \(^{(2)}\) Based on GAM long-term mutual funds. Source: RBC internal data
STRONG TECHNOLOGY & DATA FOUNDATION

Bruce Ross
Group Head, Technology & Operations
Creating More Value

Client Growth

Largest Reach & Distribution

Goal to grow clients at up to 3x our current rate

Payments & Transactions

Deepen existing client relationships by providing more value

Largest Deposit Base

Leverage our operational scale for improved efficiency & better credit profile

Mobile Banking

Largest Proprietary Loyalty Program

Reciprocity Program

Largest Bank for Business

Business Ecosystems

Largest Wealth & Asset Manager

Digital Advice

Ventures & Partnerships

Strong Technology & Data Foundation
Key Takeaways

Leveraging the scale of our global technology investment to create market leading operational efficiency and the leading Digitally Enabled Relationship Bank

- Next-Gen delivery platform to deliver exceptional client experience at speed
- World-class AI and analytics built on a rich data environment to deliver unparalleled insights
- Highly skilled global talent and a differentiated innovation platform
Leveraging our scale in technology to deliver superior business outcomes

Global Scale and Reach
- 11,000 professionals in 37 countries
- 1,700 clients providing IT outsourcing services
- More data ingested in last 6 months than previous 20 years
- 9 Innovation Labs

Supporting Business Growth
- 6.5MM digital banking clients
- $75BN in payments transactions processed every day
- 500MM client transactions daily
- >99.99% critical systems availability

Creating Value for Clients
- Leading digital franchise
- AI-powered insights: 120MM+ insights read by customers on NOMI
- J.D. Power award: ranked highest in customer satisfaction for mobile banking apps
- 150 patent filings in four years
Growing investments to support the Digitally Enabled Relationship Bank

Spend on technology is growing...
Technology spend ($BN)

- 2015: $2.6BN
- 2017: $2.9BN
- 2018E: $3.2BN

+7.5% CAGR

... in targeted areas over the last four years to support our clients

Cumulative $1.1BN investments made in digital application development growing at a 25% CAGR

Infrastructure and support costs relatively flat

2x increase in cybersecurity spend

$520MM moved from ‘Run’ to ‘Change’
Driving operational efficiencies while supporting significant business growth

We have driven operational efficiencies

![Graph showing accumulated cost savings and projected accumulated cost savings from 2015 to 2023E.](Image)

- $430MM
- +$1 BN

Efficiency gains achieved through:
- Increased automation
- System consolidation
- Re-use

...while investing $400MM in technology capability

- Next-Gen delivery platform
- AI and data platform
- Modular systems using API’s
- Infrastructure platform and cloud

...and supporting increased business volumes

- 33% YoY growth in mobile transactions
- 8% YoY growth in core systems transactions
Built a Next-Gen development platform, delivering high quality solutions at speed

**Agile**
- Rapid iteration

**DevOps and automation**
- Continuous Integration & Deployment
- Automated quality testing

**Reusable services and components**
- APIs, Analytics, Business and Interaction Services

**On-demand environment**
- Scalable, flexible provisioning, cloud compute and storage

Next-Gen development platform

- 30% higher productivity
- Over 75% of testing fully automated
- 60% improvement in release cycle time
- 10-15x more frequent deployments

Generating **$250MM** in productivity gains through 2021
Our delivery platform is enabling all businesses to exceed client expectations.
Our world class AI and Analytics platform is giving us better customer insights.

**RBC data differentiators**

- World-class data platform
- Data acquisition engine
- Data and AI scientists
- Culture & alignment

**Our investments in AI are creating leading-edge capabilities and delivering benefits**

- Invested **$225MM** over 4 years in our AI and data analytics platform
- Expect our data lake to grow **10x** in the next 2 years
- We are rapidly scaling through our **32 data labs** focused on delivering client value
Leveraging AI and data capabilities to create tangible value for our clients

- Improves the accuracy of RBC’s internal credit risk scorecards

  Improved credit risk measurement with potential benefits of **$50MM** annually when scaled over next 3-5 years

Merchant intelligence on customer catchment area improved

  Improved understanding of catchment area allows targeted customer segmentation and offers
Drop by our booth to learn more
Significant investments in cybersecurity to protect the bank and our clients

Identify

Protect

Detect

Respond

Recover

Doubled investment in cybersecurity in the last 4 years

42% improvement in control efficacy through automation

3x faster threat detection of cyber attacks leveraging AI

Enhanced capabilities through strategic partnerships
We have developed a rich innovation ecosystem

- Unique Partnerships (FinTech, Big Tech)
- Research Institutions
- RBC Ventures, Incubators and Accelerators
- Digital RBC
- Fostering Engineering & Innovation Culture
- 9 Innovation Labs around the world
Attracting and developing the best talent is a strategic focus for RBC

Continuing to build RBC’s brand

Redesigning our talent practices

Redesigning our working environment

Investing in upskilling talent and growing leaders

Spreading new ways of working

3,000+ employees upskilled with digital capabilities

700 hires in emerging skills areas (in the last 18 months)

1,000 student interns from top schools per year

~70% of hires sourced from non-financial services

Drop by our booth to learn more
Strong technology foundation fuels business growth
MOVING BEYOND BANKING

Mike Dobbins
Chief Strategy & Corporate Development Officer
Creating More Value

Ventures & Partnerships

Largest Reach & Distribution

Payments & Transactions

Strong Technology & Data Foundation

Client Growth

- Largest Proprietary Loyalty Program
- Mobile Banking
- Largest Deposit Base
- Reciprocity Program
- Largest Bank for Business
- Business Ecosystems
- Digital Advice
- Largest Wealth & Asset Manager

Goal to grow clients at up to 3x our current rate

Deepen existing client relationships by providing more value

Leverage our operational scale for improved efficiency & better credit profile

Ventures & Partnerships
RBC Ventures
MOVING BEYOND BANKING
These innovative companies have achieved considerable scale by creating useful and frictionless services for client segments that banks compete for everyday…

Houzz
40 Million+
Homeowners and Professionals

Shopify
600 Thousand
Shopify Stores

Credit Karma
80 Million
Members in the U.S. and Canada

Showcasing and offering solutions to improve homes

Helping businesses grow, innovate and simplify their operations

Providing consumers tools to improve their personal finances

Sources: Houzz.com; Shopify.ca; Creditkarma.com
... and none of them were created by a bank!

**BUT WHY NOT?**
Historically, banks store, lend, move and invest your money.
RBC’s digitally-enabled relationship bank delivers considerably more value for clients.
RBC Ventures goes beyond banking to deliver unique value for all Canadians.
RBC Ventures is engaging Canadians in new and innovative ways.

**REIMAGINING ...**

1. ... where the relationship with the client begins
   Engagement
   Early in the Journey

2. ... the services we provide and the frequency they are used
   Always-on
   Solutions

3. ... how we define and serve the client
   Open to Everyone
Introducing Ownr – Engaging clients earlier in the journey

ownr
Enables aspiring entrepreneurs to launch their businesses

Launch your business today.

The simplest and most convenient way to make it official

Better Insights
Connect apps to track marketing campaigns, web traffic, sales activity and more

Registration and Incorporation
Straightforward, hassle-free and affordable

“SO easy, SO simple, and SO effective”
Dane Fader, Owner, GreenerBins

Logos in Minutes
Create stunning business logos instantly
Introducing Ownr – Engaging clients earlier in the journey

First to serve

Where OWNR Starts

- Business Insights and Tools
- Logo Design and Branding
- Registration and Incorporation
- Banking
- Accounting / Invoicing
- Mobile / Web Presence
- Scaling

Crowded landscape

“SO easy, SO simple, and SO effective”
Dane Fader, Owner, GreenerBins
Introducing DRIVE – Always-on solutions for Canadians

Delivering value to car owners every day

Vehicle Value
Just enter the license plate number and get the car’s value, instantly

Peace of Mind
Recall notices and vehicle history

Exclusive Offers
Relevant and exclusive

Document Storage
A digital glovebox for all your important docs

Powerful Services
Book dealer services and at-home tire changes, find gas stations and much more

800+ Dealers Signed
50,000+ Autos Registered
Introducing DRIVE – Always-on solutions for Canadians

Where most banks focus

DRIVE focuses

Always-on, differentiated

- Notifications
  - (e.g., recalls, car value)
- Regular Service
- Major Repairs
- Search
- Buy / Sell
- Finance and Lease

coming soon

coming soon

episodic, crowded

800+
Dealers Signed

50,000+
Autos Registered
Introducing Finfit – Making RBC’s trusted advice open to everyone

Finfit
Financial advice, free credit score and personalized insights

Free Credit Score
And free credit simulations

All in One Place
Link and manage all your bank accounts

Spend Trends
Simple and clear views of your spending history

Personalized Insights
Real-time notifications of changes in your spending habits

Credit Score
Your Score: 739
Simulation Score: -

Simulation Factors
Reset parameters

Add a New Credit Card
Enter Amount: $1,000

Add a Loan

Manage Bank Accounts

RBC
http://www.footballbank.com/personal...

RBC Day to Day Banking
$1,205.76 CAD

RBC Savings
$1,788.25 CAD

Auto Loan
$22,900.23 CAD

You have spent $772.43. By this time each month, you typically spend $930.26.

Spending through May

Total Spend
$772.43

Shopping
$371.85

Your Insights (3 new)

You have $431.23 available until Jan 31. That excludes $774.43 going towards your regular expenses.

Spend Trends

All Accounts

On average, you spend $930.26 by this time this month.

Spent
$772.43

Typical Spend
$930.26

Here is the breakdown of your top spending categories from this account.

50,000+
Users on waiting list prior to launch
Introducing Finfit – Making RBC’s trusted advice open to everyone

**WHO Finfit Serves**

- All Canadians

**Education and Advice**

**Personal Financial Management**

**Credit Score and Simulation**

**Banking Solutions**

**Savings Goals and Progress Tracking**

**Spend Benchmarking**

**Clients only**

Coming soon

50,000+ Users on waiting list prior to launch
Introducing Arrive: Making your move to Canada stress free

“By 2036 100 per cent of Canada’s population growth will be as a result of immigration”

Ahmed D. Hussen
Minister of Immigration, Refugees and Citizenship
We’ve accomplished a lot … and we’re only getting started

<table>
<thead>
<tr>
<th>7</th>
<th>12+</th>
<th>12</th>
<th>20+</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ventures launched</td>
<td>New Ventures under development</td>
<td>Strategic investments</td>
<td>New strategic partnerships</td>
<td>Acquisition (MoveSnap)</td>
</tr>
</tbody>
</table>
Strong partnerships are key to delivering new capabilities, distribution and value

**Capabilities**
Differentiated experiences delivered in part through select partners

**Value**
Incremental value through targeted offers and more

**Distribution**
Access to engaged customer bases
Our aspiration

A relationship with EVERY CANADIAN

... with an option to go beyond our borders

Our goal

Engaging millions of Canadians earlier, more often and in more compelling ways, will result in significant growth to our RBC client base.

Grow and Convert Approach

Acquire 5MM+ Venture users to start > Actively convert 10% to RBC clients

Converting at 10% will result in 500,000+ new or deeper RBC relationships by 2023, contributing to our overarching client growth objective
Combined, our strategies fuel each other and make it difficult for others to replicate
Your Rewards. Amplified.

COMING LATE 2018
EVOLUTION OF FINANCIAL TARGETS

Rod Bolger
Chief Financial Officer
Creating More Value

Client Growth

Largest Proprietary Loyalty Program
Largest Bank for Business
Largest Deposit Base
Reciprocity Program
Mobile Banking
Business Ecosystems
Largest Wealth & Asset Manager
Digital Advice

Ventures & Partnerships

Goal to grow new clients at up to 3x our current rate
Deepen our existing relationships by providing more value
Leverage our operational scale for improved efficiency & better credit profile

Largest Reach & Distribution
Payments & Transactions

Strong Technology & Data Foundation

Financials
### Consistent performance above medium-term financial objectives

<table>
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</thead>
<tbody>
<tr>
<td>Diluted EPS Growth</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td>✗</td>
<td>✓</td>
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<tr>
<td>Return on Equity(1)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Dividend Payout Ratio</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Capital Ratios (CET1)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

- Total Shareholder Returns of **14%** over the last 5 years, and **12%** over the last 10 years
- Consistently high level of performance, high returns and low volatility
- EPS growth was lower than objective in 2016 due to shares issued for our acquisition of City National
- Achieved medium-term EPS objective in both three-year periods encompassing 2016
  - 2014-2016: **+7.3%**
  - 2015-2017: **+8.0%**

(1) Return on Equity (ROE) objective was **18%+** prior to Q4 2016. ROE may not have a standardized meaning under generally accepted accounting principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions. For further details see slide 135.
Sustained earnings growth with consistent returns to shareholders

EPS & DPS 5-YR CAGR: 9%

5-YR Average Dividend Payout Ratio of 47%

Tangible Book Value & Book Value Per Share

5-Yr CAGR
BVPS 12% TBVPS 12%

Over $35BN dividends returned to investors over the past 10 years

(1) Canadian peers include BMO, BNS, CIBC, NA and TD.
Diversified business mix and disciplined approach to risk management

Track record of stable earnings and resilience through the cycle

1. Improvement in geographic mix
2. Portfolio diversification
3. Focused on prime Retail loans
4. Mortgage loans originated through proprietary channels
5. Data capabilities support credit decisions, early warning signs
6. Increasingly stringent Canadian regulatory environment

Expect run-rate NIBT benefit of ~$50MM in 3-5 years

Declining earnings volatility\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>Q2/14</th>
<th>Q2/15</th>
<th>Q2/16</th>
<th>Q2/17</th>
<th>Q2/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>16%</td>
<td>16%</td>
<td>9%</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Coefficients of Variation:
- \(1\) Volatility defined as standard deviation divided by average earnings over a three-year period. Peer average include BMO, BNS, CIBC, and TD.

Market risk and volatility continue to decline

<table>
<thead>
<tr>
<th></th>
<th>Market Risk RWA ($BN)</th>
<th>Market Risk VaR ($MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>30.1</td>
<td>27.6</td>
</tr>
<tr>
<td></td>
<td>(8%)</td>
<td>(62%)</td>
</tr>
</tbody>
</table>

Diversified business model with client leading franchises

2017

Canada Revenue
- NIAT: $8.2BN
- 5-Yr CAGR: CANADA 8%
- Revenue: 61%

U.S. Revenue
- NIAT: $9.2BN
- 5-Yr CAGR: U.S. 16%
- Revenue: 23%

International Revenue
- NIAT: $6.8BN
- 5-Yr CAGR: INTERNATIONAL 17%
- Revenue: 16%

Revenue
- Canada: $24.7BN (61%)
- U.S.: $9.2BN (23%)
- International: $6.8BN (16%)

*All figures exclude Corporate Support and discontinued operations.
We continue to save...

**Canadian Banking Operations Costs**
- Operations costs trending lower with Canadian Banking revenue increasing **11%** from 2015 to 2017
- RPA, process re-engineering and multi-skilling

**Wealth Management Operations Costs**
- Wealth Management non-U.S. Revenue was **up 5%** from 2015 to 2017, while non-interest expense was **down 2%**
- WM Canada Operations Efficiency ratio **improved by 8.5%** between 2015 to 2017 driven by automation and process re-design
- Costs/AUA(2) **declined 9.4%** in the same period

**Business Simplification**
- Enabled **savings of $430MM** through automation, consolidation and optimization
- International Wealth Management: Optimized our business to key centres where we have scale
- Insurance: Sale of home and auto insurance manufacturing business

**Efficiency Ratio Across the Bank**
- Investor & Treasury Services: 77% in 2012 ➔ 60% in 2017
- Caribbean Banking: 85% in 2012 ➔ 76% in 2017
- Exited Caribbean Wealth

---

(1) Effective Q4/2017, service fees and other costs incurred in association with certain commissions and fees earned are presented on a gross basis in non-interest expense. Comparative amounts have been reclassified to conform with this presentation. (2) Includes DI AUA and costs.
…to invest in our future

Investing in Ventures & Partnerships

Since Inception…

Ventures
7 New Ventures launched, 12+ under development

Partnerships
20+ New Strategic Partnerships

Growing Digital & App Dev

Application Development
+25% CAGR in digital application development and transformation in past 4 years

New Systems
Investing $300MM in Investor & Treasury Services in the medium-term

Growing U.S. Franchises

Since Acquisition…

City National
+850 City National colleagues in the U.S.
+3 new offices
+2 new markets
+14% loan CAGR (in US$)

Maintaining a focus on Security

Cybersecurity
2x cybersecurity spend in past 4 years
All business segments have improved efficiency

Efficiency **improved in all five segments** by an average of **3 pts** though all-bank efficiency ratio increased due to business mix

Earnings have increased from $7.6BN to $11.5BN – up 52% over the five years

(1) Insurance revenue and efficiency ratio excluding Insurance policyholder benefits, claims and acquisition expense (PBCAE) is a non-GAAP measure. For further details see slide 135. (2) Revenue and efficiency ratio net of Insurance fair value change of investments backing policyholder liabilities is a non-GAAP measure. For further details see slide 135.
A good business profile for premium returns

All segments returning above the cost of capital

*Size of bubble represents earnings size.

Cost of Capital

RBC ROE (2)

Wealth Management

ROA

Return on Assets

0%
1%
2%
3%
4%
5%
6%

0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

ROE

Industry-leading returns

2012 2013 2014 2015 2016 2017 2018 H1

RY

Canadian Bank Average

Issued equity for CNB acquisition

2012 2013 2014 2015 2016 2017 2018 H1

RY

Canadian Bank Average

(1) ROE may not have a standardized meaning under generally accepted accounting principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions. For further details see slide 135.

(2) Return on tangible common equity (ROTCE) is computed by dividing net earnings applicable to common shareholders by average tangible common shareholders’ equity (common shareholders’ equity less goodwill and intangibles). ROTCE may not have a standardized meaning under generally accepted accounting principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions. For further details see slide 135.
Strong capital accretion and return of capital

Growing Capital Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>8.9%</td>
</tr>
<tr>
<td>2013</td>
<td>9.6%</td>
</tr>
<tr>
<td>2014</td>
<td>9.9%</td>
</tr>
<tr>
<td>2015</td>
<td>10.6%</td>
</tr>
<tr>
<td>2016</td>
<td>10.8%</td>
</tr>
<tr>
<td>2017</td>
<td>10.9%</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

Deployment of Earnings

- **CET1 ratio Accretion**: $3.7BN
- **G-SIB Surcharge**: $2.9BN
- **Capital Buffer**: $1.0BN
- **OSFI Minimum**: $4.5BN

- **Returned** $20BN or 60% of earnings to shareholders over the last 3 years
- **Investment in Business**: $9.1BN
- **Share Buybacks**: $4.6BN
- **Dividends**: 15.7BN

Targeting CET1 ratio at higher end of **10.5% – 11.0%** range

Expect to generate **$13-14BN** of discretionary capital by end of 2021
Continued benefits expected from rising interest rates

Canada

 Incremental NII by 2021\(^{(1)}\)
~C$1.4BN

U.S.

 Incremental NII by 2021\(^{(1)}\)
~US$400MM

(1) Incremental net interest income (NII) includes (i) the expected benefit from the past 5 recent Fed funds rate hikes; (ii) the past 3 recent Bank of Canada rate hikes; and (iii) two future increases to come.

2017 2018 2019 2020 2021

Next 2 Rate Increases

First 3 Rate Increases

2017 2018 2019 2020 2021

Next 2 Rate Increases

First 5 Rate Increases
Improved efficiency while investing to create more value for clients

- **Net Interest Margin**: 13 bps
- **Volume Growth CAGR**:
  - Retail: 6%
  - Commercial: 6%
  - AUA: 8%
  - Nominal GDP: 4%
  - S&P500: 11%
  - Bond ETF: 1%
- **Revenue Growth CAGR**: ~5%
- **Operating Leverage**: ~1%
- **Clients**: ~1.5MM new clients
- **2010 Canadian Banking Efficiency Ratio**: 47%
- **2017 Canadian Banking Efficiency Ratio**: 43%
- **Canadian Banking Net Income**: $3.0BN → $5.6BN (~2X)

Raising the bar – Opportunities to drive growth and efficiencies in Canadian Banking

2017 Canadian Banking Efficiency Ratio 43%

Net Interest Income
+$1.4BN for Canadian Banking

Macro Tailwinds
Nominal GDP: 3.5%
Equities: 6%
Bonds: 2%

2023 Client Targets
2MM+ new clients from organic growth
Converting new RBC Venture relationships into 500K more clients
Improved cross-sell of existing clients

Efficiencies
Digital Adoption
Network Transformation
RPA & Operational Excellence
Management of Discretionary Spend

2021 Canadian Banking Efficiency Ratio <40%
Well positioned for future growth in Wealth Management

Driving Net Sales & Net New Assets
- One RBC
- Deepen client relationships
- Strong Investment Performance

Macro Tailwinds
- Nominal GDP: 3.5%
- Equities: 6%
- Bonds: 2%

Innovation
- + Digital Investment
- + Products & Services

Efficiencies
- Growing Sustainable Advantage of Scale
- Digital Adoption / RPA
- Management of Discretionary Spend

Revenue Growth

2017 WM non-U.S. Efficiency Ratio 69%

2021 WM non-U.S. Efficiency Ratio <65%

Dependent on market performance and other factors such as business mix and relative product sales.
Well Positioned to Create More Value for Clients and Shareholders

Track Record of Exceeding Our High Financial Bar

The Future: Creating More Value from Strategic Initiatives

1) Revenue growth
   – C$1.9BN of revenue growth from interest rates by 2021
   – Enhanced volume growth

2) Driving efficiency ratio lower
   – Saving & Investing
   – Growing client base faster

3) Going down the risk curve, not up

4) Strong TSR to date, and our approach to risk should continue to position us for outperformance, including during a downturn
CLOSING REMARKS

Dave McKay
President & Chief Executive Officer
Creating more value

Goal to grow clients at up to 3x our current rate

Deepen existing client relationships by providing more value

Leverage our operational scale for improved efficiency & better credit profile

Strong Technology & Data Foundation

Largest Reach & Distribution

Payments & Transactions

Largest Proprietary Loyalty Program

Largest Bank for Business

Reciprocity Program

Mobile Banking

Largest Deposit Base

Business Ecosystems

Largest Wealth & Asset Manager

Digital Advice

Ventures & Partnerships

Client Growth

Creating more value
APPENDIX – SPEAKERS
David I. McKay
President & Chief Executive Officer

Dave McKay is President and CEO of RBC. Dave is credited with helping transform the bank’s retail division and introduce new technology that has enabled RBC to adapt and evolve to rapidly-changing consumer demands. Appointed President and CEO in 2014, he led the acquisition of City National Corporation, creating a diverse platform for continued growth in the U.S.

Dave started his career at RBC in 1988 as a computer programmer before moving to the organization’s retail banking arm. He then held progressively senior roles in Canada and Japan in retail and business banking, group risk management, and corporate banking, ultimately becoming Group Head, Personal & Commercial Banking in 2012. Dave was named ‘Retail Banker of the Year’ in 2012 and 2015 by Retail Banker International.

An unwavering champion for Canada’s innovation ecosystem, Dave is leading RBC’s support for and partnerships with universities, start-ups and accelerators, particularly in transformational technologies such as artificial intelligence and blockchain. He is also a passionate advocate for youth, promoting the benefits of work-integrated learning and supporting the development of RBC Future Launch, a 10-year, $500 million commitment to help young people build the skills and capabilities required to succeed in a changing world.

Dave holds a Bachelor of Mathematics from the University of Waterloo, an MBA from the Richard Ivey School of Business at the University of Western Ontario and an honorary Doctor of Laws degree from Ryerson University. He serves on the Board of Trustees for the Hospital for Sick Children (Sick Kids) and is a member of the U.S. Financial Services Roundtable Board, the Business Higher Education Roundtable, the Business Council of Canada, and the Catalyst Canada Advisory Board. In 2016, Dave chaired the United Way Toronto and York Region’s record-breaking fundraising campaign.
Rod Bolger  
Chief Financial Officer

As Chief Financial Officer, Rod Bolger is responsible for Finance, Taxation, Corporate Treasury, Investor Relations and the Law Group. Together with other members of Group Executive, he is responsible for setting the overall strategic direction of RBC. In addition, Rod chairs RBC’s Asset-Liability Committee.

Prior to his current role, Mr. Bolger was Executive Vice-President Finance & Controller for RBC and was responsible for all external, board and management reporting, accounting policy, performance management, financial management systems and finance operational risk. In addition, Rod had finance responsibility for Wealth Management, Insurance and Investor & Treasury Services.

In 2011, Mr. Bolger joined RBC bringing with him significant financial services experience from Bank of America and Citigroup. At Bank of America, he served as the CFO for Global Technology & Operations, Global Corporate Bank, Global Product Solutions and Premier Banking and Investments. At Citigroup, he was Deputy CFO and Controller for the domestic retail bank, and head corporate accounting policy for mergers, acquisitions and divestitures, globally. Prior to that, he spent over a decade with PricewaterhouseCoopers in the U.S. and the U.K.

Mr. Bolger serves as Chair of Dixon Hall Neighbourhood Services, a multi-service not-for-profit agency that offers a wide range of supportive programs and services to several Toronto communities. He was a member of the Enhanced Disclosure Task Force established by the Financial Stability Board in Basel.

He is a graduate of Georgetown University in Washington, D.C., with a degree in Accounting. He also earned a M.B.A. from Columbia University in New York City. He is married with three children and lives in Toronto, Canada.
Neil McLaughlin  
Group Head, Personal & Commercial Banking

As Group Head, Personal & Commercial Banking, Neil McLaughlin is responsible for RBC’s banking businesses in Canada and the Caribbean, including personal and commercial financial services, credit cards and payments, digital solutions, as well as RBC’s sales and branch distribution, operations and advice centres. Together with other members of Group Executive, Mr. McLaughlin is responsible for setting the overall strategic direction of RBC.

Immediately prior to this position, as Executive Vice President, Business Financial Services for RBC’s Canadian Banking division, Neil was responsible for setting the strategic direction and leading all lines of business that serve small business and commercial clients through an extensive business banking network.

Neil joined RBC in 1998 and has held a wide range of senior management and executive positions within Canadian Banking, including roles in the Credit Card and Personal Lending lines of businesses and distribution and operations. As well, Neil was Senior Vice President Marketing & Channel Strategy, responsible for leading Brand, Marketing, Advertising and Sponsorship, with direct accountability for digital channels, the physical distribution network, client knowledge and insights and the client information management team. He also served as Senior Vice President, Risk Operations within Canadian Banking Operations, responsible for credit adjudication, fraud, collections, operational risk and the Commercial Advisory Group.

Neil holds a Bachelors of Commerce degree and an MBA. He lives in Toronto with his wife and their two children and currently serves on the board of the Children’s Wish Foundation, Ontario Chapter.
Douglas A. Guzman  
Group Head, Wealth Management & Insurance

As Group Head, Wealth Management & Insurance, Doug Guzman leads the RBC businesses that serve the needs of affluent and high net worth clients globally, and teams that provide asset management and trust products. He also oversees RBC Insurance, which provides a wide range of travel, life, health, home, auto, wealth and reinsurance products and solutions, as well as creditor and business insurance services, to individual, business and group clients. Along with other members of Group Executive, Mr. Guzman is responsible for setting the overall strategic direction of RBC.

Mr. Guzman has also assumed the role of Deputy Chair, RBC Capital Markets, where he continues to act as the lead relationship manager with a select number of key clients.

Prior to this appointment, Mr. Guzman was Managing Director and Head of Global Investment Banking, Capital Markets, responsible for the firm's Investment Banking teams globally, as well as U.S. Municipal Finance. He had senior client coverage responsibility for a number of RBC Capital Markets' most important clients and was a member of the firm's Operating Committee and Loan Commitments Committee.

In his 14 years with RBC, Mr. Guzman has become known for his focus on clients and relationships, while delivering strong business results. Before joining RBC in 2005, he was a Managing Director at Goldman Sachs in New York and Toronto, where he had co-head responsibility for each of the Global Metals and Mining and the Canadian Investment Banking businesses.

In 2014, Mr. Guzman co-led the RBC Employee Giving Campaign, inspiring employees to go above and beyond in their personal donations and driving record results. In addition, he is a member of the Board of Directors of St. Michael's Hospital, the Advisory Board of the Richard Ivey School of Business Administration at The University of Western Ontario and the Board of Trustees of the Upper Canada College Foundation.

Mr. Guzman has an Honours BA (Business Administration) from Ivey at the University of Western Ontario and an MBA with high distinction (Baker Scholar) from Harvard Business School. He is married with two children and lives in Toronto, Canada.
Bruce Ross
Group Head, Technology & Operations

As Group Head, Technology & Operations, RBC, Bruce Ross is responsible for the strategy and overall management of global technology and operations for RBC, which includes applications development, infrastructure and enterprise operations. In addition, as a member of Group Executive, he is one of nine executives responsible for setting the overall strategic direction of RBC.

Bruce is a seasoned executive with more than 28 years of technology and business experience. Prior to joining RBC, he was the General Manager, Global Technology Services, North America at IBM. He was a member of IBM's Performance Team setting the operational direction of the corporation. He was also a member of IBM's Strategy Team which set the long term direction for the business including its investments in emerging markets, Cloud, and Analytics. His prior roles included General Manager, Global Technology Services, Europe for IBM, General Manager and President, IBM Canada, General Manager, Global Technology Services UK, Ireland, and South Africa. Bruce's areas of responsibility have included providing thought leadership and services to financial institutions globally.

Bruce is active in a number of business and community organizations in Canada, serving as a Board Member for both the International Board of Advisors as well as the University of Western Ontario. He is also a member of the 2017 Toronto & York Region United Way Campaign Cabinet. In recent years, he served as the Chair of the Ontario Brain Institute Liaison Council. He also sat on the Board of Directors of the Conference Board of Canada, and was a member of the Canadian Council of Chief Executives.

Bruce is a professional engineer and a graduate of the University of Western Ontario. He is married with two children and lives in Toronto, Canada.
As Chief Strategy & Corporate Development Officer, Mike is responsible for working with Group Executive to develop RBC’s overall strategic plan as well as providing leadership for mergers and acquisitions. Mike also chairs RBC’s Innovation Council which, in addition to overseeing investments in strategic partnerships, has responsibility for coordinating RBCs Innovation Labs which focus on research and the development of advanced capabilities in the areas of data, security and client experience. Mike is also Chairman of RBC Bank U.S., a director of City National Bank and is responsible for RBC’s auto finance business. As a member of Group Executive, he is one of nine executives responsible for setting the overall strategic direction of RBC.

Prior to this position, Mike served as Executive Vice President of Personal Financing Products, RBC’s largest banking segment. In addition, he had responsibility for U.S. strategy where he led both the acquisition and integration of City National Bank – RBC’s largest ever acquisition.

Mike joined RBC in 2010 from Capital One in the U.S. where he served as Executive Vice President, Consumer Banking Segment. Mike also held executive positions with Charter One Bank and Citibank during his 25 year career. Mike is a graduate of the University of Delaware.

Mike and his family are active supporters and fundraisers for WE and other local charities. Mike also sits on the board of directors for Futurpreneur Canada. Mike, his wife Nikki and their two sons live in Toronto.
Dr. Foteini Agrafioti is the Chief Science Officer at RBC and Head of Borealis AI, RBC’s Research Institute in Artificial Intelligence. She is responsible for RBC’s intellectual property portfolio in the fields of AI and machine learning.

Prior to that, Dr. Agrafioti founded and served as CTO at Nymi, a biometrics security company and maker of the Nymi wristband. Dr. Foteini is an inventor of HeartID, the first biometric technology to authenticate users based on their unique cardiac rhythms. She is also a TED speaker and serves on the editorial review boards of several scientific journals. Dr. Foteini was named “Inventor of the Year” in 2012 by the University of Toronto, where she received her PhD in Electrical and Computer Engineering. She was also named as one of Canada’s “Top 40 under 40” in 2017.
Sean Amato-Gauci
Executive Vice President, Cards, Payments & Banking

As Executive Vice President, Cards, Payments & Banking, Sean Amato-Gauci is responsible for the strategic direction and operational performance for cards (credit, debit, prepaid, commercial) retail payments, personal banking, rewards and loyalty programs, merchant payment partnerships, and payments innovation.

Prior to assuming his current position Sean led the Home Equity Financing business. He led a team responsible for managing all aspects of residential lending, including developing the strategic plan to drive profitable market leading growth, acquisition and distribution strategy, product and performance management, pricing, policy and regulatory management, client segmentation and innovation.

Sean joined RBC in 1995 and has held increasingly senior positions in Finance, Personal Lending, Commercial Account Management, Credit Cards, Group Risk Management, and Home Equity Financing.

Sean has a Bachelor of Commerce degree and is a CPA, is active in several leadership, diversity and mentorship programs and is a board member of the Prince’s Charity Responsible Business Network. Sean lives in Toronto with his wife and son.
Note to users

We use a variety of financial measures to evaluate our performance. In addition to generally accepted accounting principles (GAAP) prescribed measures, we use certain key performance and non-GAAP measures we believe provide useful information to investors regarding our financial condition and result of operations. Readers are cautioned that key performance measures, such as ROE, ROTCE, and non-GAAP measures, including revenue and efficiency ratio net of Insurance fair value change of investments backing our policyholder liabilities, Insurance revenue and efficiency ratio excluding Insurance policyholder benefits, claims and acquisition expense (PBCAE), and Wealth Management non-U.S. measures do not have any standardized meanings prescribed by GAAP, and therefore are unlikely to be comparable to similar measures disclosed by other financial institutions.

Additional information about our ROE and non-GAAP measures can be found under the “Key performance and non-GAAP measures” sections of our Q2 2018 Report to Shareholders and our 2017 Annual Report.

Definitions can be found under the “Glossary” sections in our Q2 2018 Supplementary Financial Information and our 2017 Annual Report.


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