

Address to Shareholders

by

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to the

154th Annual and Special Meeting of
Royal Bank of Canada

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(Check against delivery)



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 address to shareholders from the 154th Annual and Special Meeting of Common Shareholders of Royal Bank of Canada, in filings with Canadian regulators or the SEC, in reports to shareholders and in other communications. Forward-looking statements in this address to shareholders include, but are not limited to, statements relating to our objectives, vision and strategic goals, expected impacts of the transaction involving HSBC Bank Canada, our approach to managing environmental, social & governance (ESG) matters, including our goals with respect to diversity and inclusion as well as our climate- and sustainability-related beliefs, targets and goals (including our net-zero commitments). The forward-looking information contained in this address to shareholders is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our objectives, vision and strategic commitments, goals and targets, as well as the ways we intend to address ESG matters and may not be appropriate for other purposes.

Forward-looking statements are typically identified by words such as “believe”, “expect”, “expectation”, “aim”, “achieve”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “strive”, “commit”, “target”, “objective”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “might”, “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, that our environmental & social or other objectives, vision and strategic goals will not be achieved and that our actual results may differ materially from such predictions, forecasts, projections, expectations or conclusions.

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: our ability to gather and verify data, our ability to successfully implement various initiatives throughout the bank under expected time frames, the risk that initiatives will not be completed within a specified period or at all or with the results or outcome as originally expected or anticipated by the bank, the compliance of various third parties with agreements, our policies and procedures and their commitments to us, regulatory compliance (which could lead to us being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties and fines), strategic, reputation, competitive, model, legal and regulatory environment, systemic risks and other risks discussed in the risk sections of our annual report for the fiscal year ended October 31, 2022 (the 2022 Annual Report) and in the Risk management section of our Q1/2023 Report to Shareholders. Additional factors that could cause actual results to differ materially from the expectations in such forward-looking statements can be found in the risk sections of our 2022 Annual Report.

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 address to shareholders are set out in the Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook sections in our 2022 Annual Report, as updated by the Economic, market and regulatory review and outlook section of our Q1/2023 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 2022 Annual Report and in the Risk management section of our Q1/2023 Report to Shareholders.

Thank you Katie, and welcome everyone to RBC's annual meeting.

We have the honour of being in Saskatoon—a visit that's given us the opportunity to connect with many people across this wonderful city.

Earlier this week, I spent time with young leaders at the University of Saskatchewan's Indigenous Business Students Society.

They inspired me with a vision of a Canada that has the full and equal participation of Indigenous people—and where Indigenous entrepreneurs and business owners are driving more growth and innovation across the economy.

I also had the chance to catch up with dozens of valued clients, including farmers and food producers from across the province.

Over the past few years, I've been learning everything I can about soil and crop sciences, and I enjoyed many insightful conversations about how Canada can become the net-zero food supplier of the world.

And of course, I had the pleasure of connecting with our incredible local colleagues who serve our clients—and this community—so passionately each day.

Sharing time with them has demonstrated to me yet again that RBC's best moments happen when our people are together and connecting with those we serve.

Saskatoon is known as The City of Bridges for a good reason.

The eight bridges that span the South Saskatchewan River represent this city's growth over time.

Each new bridge has connected more people, places, and things together. And these connections have enabled the passage of ideas, creating opportunities that weren't possible before.

Right now, the world needs good ideas more than ever—and the expertise, relationships, and investments to turn them into a reality.

Canada has no shortage of ideas, but we need greater collaboration in order to make them happen.

These are challenging times for many. Rising food prices and other increases to the cost of living are making it hard for people to make ends meet or save for the future.

At the same time, our society is increasingly polarized. The divisions in society and across generations are deepening at a time when coming together has never been more important.

And we're grappling with all of this in addition to the existential threat of climate change and its impact on every aspect of our lives.

If society is to solve these critical challenges, it will need new bridges of hope and opportunity to restore balance in our economy and in society.

At this moment in history, our bank's Purpose is more important than ever.

The stakeholders we serve across our balanced scorecard—clients, communities, colleagues, and shareholders—are looking to RBC for greater leadership and guidance.

This responsibility is what drives us to support new ideas and opportunities that will help grow our economies, solve the difficult societal challenges we're facing, and make a positive difference.

Great ideas are coming from clients like Precision AI. A Saskatchewan company that is using advanced drones and custom-built artificial intelligence to help farmers make the most sustainable crop production decisions possible—right down to each individual plant in their fields.

Similarly, Deep Earth Energy is building a large-scale geothermal power facility in South Saskatchewan. This first-in-Canada plant will power homes and businesses across the province with clean, renewable energy.

Today, I will talk more about how RBC is putting ideas into action to help balance short-term prosperity with long-term progress for all those we serve.

Before I speak about where we're headed together, let's briefly discuss what's happening in the global financial landscape and why you should feel confident that RBC and the Canadian financial system remains in a position of strength.

The velocity and magnitude of change we've witnessed over the last few years is taking a toll, leaving consumers and businesses with very little time to adjust.

Our economy and society at large need stability and the confidence that comes with it; however, the pandemic has shifted our equilibrium.

In response to the global health crisis, monetary policy was used to inject an enormous amount of liquidity into the global banking system. And as a result, inflation shot up to levels we hadn't seen in decades.

Over the past 12 months, central banks have raised interest rates at a remarkable pace—the steepest climb in more than a generation.

This move is working to get inflation under control but is also leading to some of the unintended consequences we saw play out last month. While a handful of banks were exposed, the moves by regulators and governments have helped ward off contagion risks, and the global financial system does not need a full rewiring.

Our clients and communities can rest assured that the banking system is stable and resilient.

Banking is foundational to the economy, and our job is to effectively balance deposits from savers with loans for borrowers. At its core, we bridge the gap between short- and long-term needs. This is what keeps our economy moving.

At RBC, we manage our bank to support more than 17 million clients through all credit and economic cycles.

We are extremely confident in our bank's financial and strategic strength, our stability, and our ability to manage risk and capital.

RBC has size, scale, and strong liquidity and capital ratios. We are extremely well-diversified across our businesses, geographies, and client segments. And our AA credit ratings are among the highest of banks in the world.

We've also spent years building our core deposit franchise—both on the consumer side and the business side. Together with our balance sheet, this gives us the ability to continue to fund loans in the future and drive long-term growth.

For more than 150 years, we've led by making sure we do right by our clients and communities. That means listening to those we serve, building products and services to meet their needs, and creating meaningful value for them today and tomorrow.

These principles are core to our culture of putting our clients first—something we will never compromise on.

As you've heard me say before, our ambition is to be one of the most respected financial institutions in the world. We ended last year as a top-10 global bank by market capitalization and the highest valued bank on a Price-to-Book Ratio among global banks.

In 2022, we generated earnings of \$15.8 billion and a Return on Equity of more than 16 per cent, and we delivered nearly \$7 billion in dividends to our common shareholders. We also outperformed our global peer average in 3- and 5-year Total Shareholder Return.

To start 2023, we're building on this momentum and demonstrating the ongoing resilience of our client-first franchises and diversified business mix.

Our Canadian retail business welcomed 130,000 clients in the first quarter of 2023 alone, adding to the 400,000 who joined RBC in 2022. We also saw a record quarter in our Global Markets business, and our global Investment Banking ranking moved to its highest place ever.

Across all our key regions, we are an all-weather bank with our sights set on growth.

Our Canadian franchise is the bedrock of our long-term growth story and position as a global competitor.

We have the number 1 or 2 market share in all key product categories—supported by the largest retail network—and we're proud of the deep and trusted client relationships that have helped us get there.

At the same time, we're continuing to prioritize digital experiences that clients truly value, and we've earned industry recognition for it, such as ranking highest in client satisfaction for mobile banking by J.D. Power.

And of course, we're extremely proud of our once-in-a-generation deal to acquire HSBC Canada. This is our largest acquisition ever in a market that we know best and gives us the chance to add a complementary business that will take the combined client experience to the next level.

The acquisition will position us as the bank of choice for newcomers to Canada and globally connected clients. Upon regulatory approval, our intention is to tap into the strengths of each organization, including the exceptional HSBC Canada employee base.

We look forward to welcoming them soon.

This deal is great for RBC because it's great for Canada.

Our country's economic success depends on access to global markets, both for inbound and outbound investment opportunities. This deal supports those connections and puts more of the Canadian financial sector in Canadian hands.

That means more tax revenues will stay in the country and more dividends and capital will go to our clients and shareholders in Canada, including pensioners and retail investors. And because RBC donates 1 per cent of its pre-tax profits each year, more money will go to communities where we live and work.

Moving to our second home market—the U.S.—our differentiated strategy is working, and our reputation for strength and stability continues to build. We have a long runway ahead of us for premium growth through our corporate, institutional, and high-net-worth client franchises.

We're a top-10 Capital Markets business in the U.S. and continue to deliver notable wins in corporate and investment banking as well as Global Markets. We're the 6th largest wealth manager in the country by assets under administration and we continue to add more products and talent to support our growing client base. And at City National, we continue to organically grow our core banking business while reinventing in our client and operational platform.

Finally, in the U.K. and Europe, we have big ambitions for market presence, scale, and value creation for our clients and this has grown with the addition of RBC Brewin Dolphin. Following that successful acquisition, we're now one of the largest wealth managers in the U.K., Ireland and Channel Islands, and we're able to leverage our global capabilities to deliver leading advice and continue to grow in this marketplace.

Across our bank, RBC is in the business of ideas. Building the bank of the future means we're always on the lookout for exciting insights and innovations that will help balance making banking smarter and simpler for our clients.

This is all about going beyond what people expect from a bank—bringing extra value through partnerships with leading brands like Petro-Canada, Rexall, WestJet, and Metro—and continuing to bring forward the best and most personalized client experiences possible.

We do this through the reimagined Vantage banking experience and our Avion Rewards loyalty program—which provides end-to-end digital shopping and commerce that will soon be open to all Canadians, regardless of where they bank.

We also deliver insightful, data-backed advice that helps clients build confidence and make better decisions, including through our NOMI suite of capabilities or our AI-based Aiden trading platform.

And we're continuing to redefine what a bank can do through in-house ventures—including creating services that are changing the future of home buying or making it just a little bit simpler for entrepreneurs to get their ideas off the ground.

I truly believe there's no other large bank in the world that delivers the differentiated client experiences we do at scale.

As a trusted partner to clients and communities around the world, RBC is in a unique position to help make progress possible toward a more inclusive, sustainable, and prosperous future.

We add value by bringing our talents, resources, and connections together with others to make positive change.

To help put ideas into action we're focused in areas where we believe we can make the most difference, including fostering financial wellbeing, advancing diversity and strengthening inclusion,

preparing young people for the challenges they may face tomorrow, and playing a role in the transition to a net-zero future.

That's why, in 2022, we invested more than \$154 million globally through cash donations and community investments.

Since my earliest days as CEO, there has been one topic that I've spoken about almost more than any other—and that's the challenge and opportunity of Canada's climate transition.

There is arguably no area where RBC can have a greater impact on this challenge than by partnering with our clients to reduce their emissions. This includes providing advice and solutions that are focused on clients' specific needs as well as sharing ideas and insights that span the economy and different sectors.

Over the past year, our bank has made progress on a number of fronts—from advising on large renewable energy projects to supporting clean tech companies taking solutions to the market.

A major milestone for RBC last year was the release of our initial set of interim emissions reduction targets in three sectors – oil and gas, automotive, and power generation. These targets will help us track and measure how we're doing in working with our clients on their net-zero goals and keep us accountable along the way.

Canada and the world are at a critical moment on climate change, and it is imperative for business, government, and society to work together with greater ambition, coordination, and focus.

RBC can play a role in this effort, which is why this week, we've launched the RBC Climate Action Institute. The Institute will bring together industry experts and partners to contribute ideas and inspire action for Canada's net-zero journey across sectors like buildings and real estate, energy and agriculture.

We're proud of the progress we've already made working with clients and leaders in the agriculture sector, and we'll continue to engage with these stakeholders to help them apply climate-smart solutions across Canada.

As I detailed in the Globe and Mail this week, this is one of Canada's most strategic sectors and part of our national fabric. Our country exports \$75 billion worth of food to hundreds of countries globally each year, and few sectors will be more critical to our economic and net-zero ambitions in the near and long term.

Canada can become a sustainable food superpower by doing what farmers do best—balancing economy and ecology and making decisions today that will serve us well tomorrow and beyond.

Saskatchewan's farmers are already leading the way on climate-smart agriculture. Now Canada needs to make bigger and longer-term investments in sustainable agriculture to keep our momentum going.

I truly believe that Canada can be the breadbasket for an increasingly hungry world.

The idea that our bank can play a role in potentially world-changing projects is why so many RBCers come to work each day.

We have lived and led through periods of great change. And despite the many challenges around us, we strive to be a stabilizing force for those we serve.

Throughout our more than 150 years of history, we've seen how powerful ideas and partnerships can be to helping our economy and society thrive and prosper.

Fundamentally, we believe that when you turn good ideas into actions, you turn them into something even more powerful—you turn them into progress.

I want to express my heartfelt thanks to our clients, communities, and shareholders for continuing to place their trust and support in us.

I want to thank our entire Board for their support and guidance, and welcome our soon-to-be new Board Chair, Jacynthe Côté, who will continue to bring her deep and diversified corporate governance and strategy experience to our bank.

I also want to extend a heartfelt thank you to Katie Taylor, our outgoing Chair, for her years of hard work and dedicated service.

Good governance is foundational to successful companies, and Katie has been critical in providing this to RBC for nearly two decades.

She's been an incredible coach and counsellor to many across our bank, and a wonderful ambassador for RBC. But most importantly, she's made us better.

Thank you Katie.

And lastly, I want to thank our 97,000+ employees around the world. You serve our clients and communities with passion and excellence. And you continue to make RBC what it is today.

Thank you.