Royal Bank of Canada Investor Presentation

Q3/2020

All amounts are in Canadian dollars unless otherwise indicated and are based on financial statements prepared in compliance with International Accounting Standard 34 *Interim Financial Reporting*, unless otherwise noted. Our Q3 2020 Report to Shareholders and Supplementary Financial Information are available on our website at: http://www.rbc.com/investorrelations.

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 other filings with Canadian regulators or the SEC, in reports to shareholders, and in other communications, including statements by our President and Chief Executive Officer. Forward-looking statements in this presentation include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals, investment activity in the oil & gas sector, and the potential continued impacts of the coronavirus (COVID-19) pandemic on our business operations, financial results and financial condition, and on the global economy and financial market conditions, including projected economic indicators for 2020 with respect to Canada, the United States and the Euro Area. 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 risk sections of our 2019 Annual Report and the Risk management and Significant Developments: COVID-19 sections of our Q3 2020 Report to Shareholders; including information technology and cyber risk, privacy, data and third party related risks, geopolitical uncertainty, Canadian housing and household indebtedness, regulatory changes, digital disruption and innovation, climate change, 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, environmental and social risk and the emergence of widespread health emergencies or public health crises such as pandemics and epidemics, including the COVID-19 pandemic and its impact on the global economy and financial market conditions and our business operations, financial results and financial condition.

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 Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook headings in our 2019 Annual Report, as updated by the Economic, market and regulatory review and outlook and Significant Developments: COVID-19 sections of our Q3 2020 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 2019 Annual Report and the Risk management and Significant Developments: COVID-19 sections of our Q3 2020 Report to Shareholders.

Information contained in or otherwise accessible through the websites mentioned does not form part of this presentation. All references in this presentation to websites are inactive textual references and are for your information only.

About RBC

The RBC story

Diversified business model with leading client franchises	▪ Well-diversified across businesses, geographies and client segments ▪ Able to capitalize on opportunities created by changing market dynamics and economic conditions ▪ Wide breadth of products and capabilities to meet our clients' financial needs and build deep, long-term relationships
Market leader with a focused growth strategy	▪ Market leader in Canada and one of the largest financial institutions globally(1) ▪ Clear strategy for continued long-term growth in Canada, the U.S. and select global markets
Financial strength underpinned by prudent risk and cost management	▪ Track record of earnings and dividend growth while maintaining a disciplined approach to risk and cost management ▪ Credit ratings amongst the highest globally ▪ Strong capital position and a high-quality liquid balance sheet
Innovation is in our DNA	▪ Long history of innovation and proven ability to adapt to industry trends ▪ Investments in technology allow us to drive efficiencies and deliver an exceptional client experience ▪ Focused on simplifying, digitizing and personalizing our products to make it easier for clients and employees to do business, and to lower costs
Leading corporate citizen	▪ Committed to accelerating clean economic growth – contributed $25.9 billion(2) of our $100 billion sustainable financing target by 2025 to help support a transition to a low-carbon economy ▪ Signed a long-term renewable energy Power Purchase Agreement (PPA) that will provide RBC with clean energy from a new 39 MW solar project in Alberta – one of the largest PPAs in Canadian history and first for a Canadian bank. ▪ Through RBC Tech for Nature, we are providing $10 million in donations to 120 partners to develop technology based solutions to solve pressing environmental challenges ▪ Released RBC's inaugural 2019 Enterprise D&I(3) Report, first stand-alone TCFD(4) Report, 2019 ESG Report and SASB(5) Index, as well as, an enhanced Modern Slavery Act Statement ▪ Donated $130 million in FY2019 to nearly 5,000 charitable organizations globally ▪ Launched RBC Future Launch at Home – a new, online resource hub that provides access to virtual programming and learning opportunities for youth across Canada. This hub will deliver utility for youth and help them navigate and exit the COVID-19 pandemic better prepared for the future of work

(1) Based on market capitalization as of July 31, 2020. (2) 2019 ESG (Environment, Social and Governance) Report. (3) Diversity & Inclusion. (4) Task Force on Climate-related Financial Disclosures. (5) Sustainability Accounting Standards Board.

Market leader with a focused strategy for growth

Largest in Canada[1]

A market leader across all key businesses

Top 10 Globally[1]

One of the 10 largest global banks by market capitalization with operations in 36 countries

17 Million Clients

Served by 86,000+ employees worldwide

Purpose

Help clients thrive and communities prosper

Vision

To be among the world's most trusted and successful financial institutions

Strategic Goals

In Canada: To be the undisputed leader in financial services

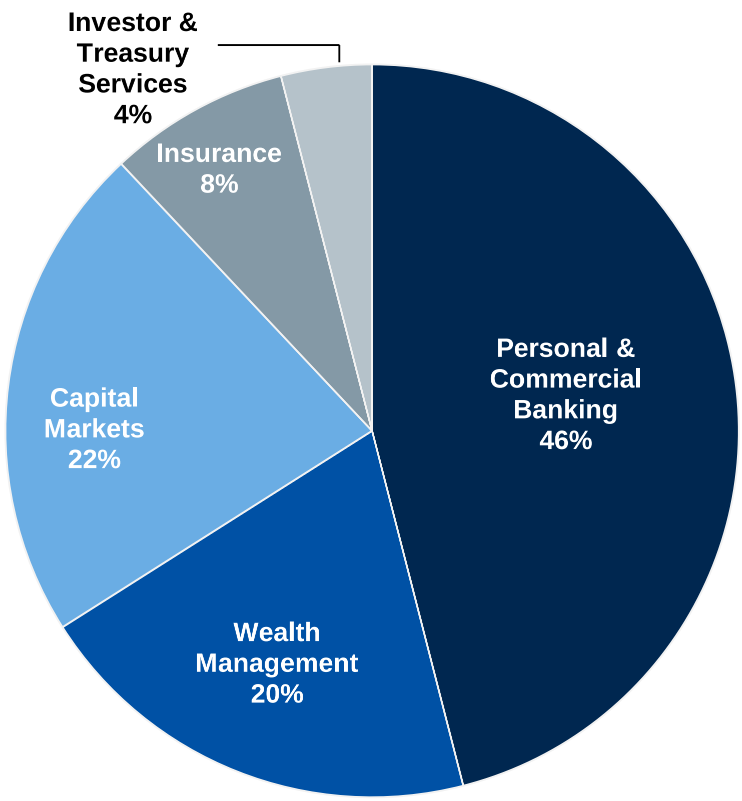
In the United States: To be the preferred partner to corporate, institutional and high net worth clients and their businesses

In Select Global Financial Centres: To be a leading financial services partner valued for our expertise

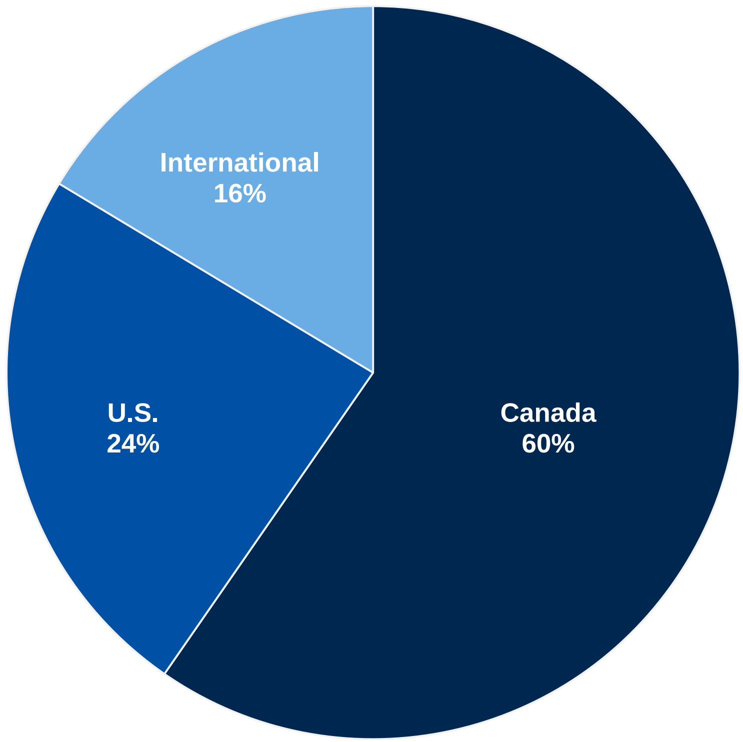
(1) Based on market capitalization as at July 31, 2020.

Diversified business and geographic model with client-leading franchises

Earnings by Business Segment(1)
Latest twelve months ended July 31, 2020



Revenue by Geography(1)
Latest twelve months ended July 31, 2020



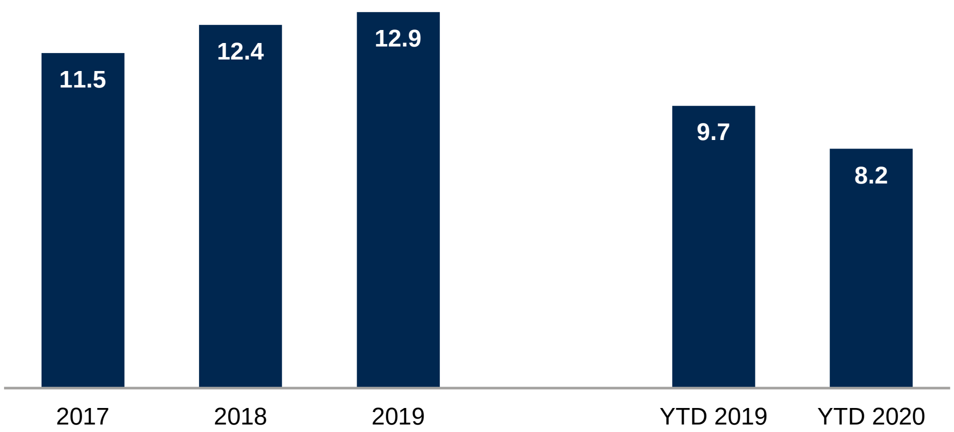
(1) Amounts exclude Corporate Support. These are non-GAAP measures. For more information, refer to Results by business segment section of our 2019 Annual Report and slide 60.

Strong financial profile

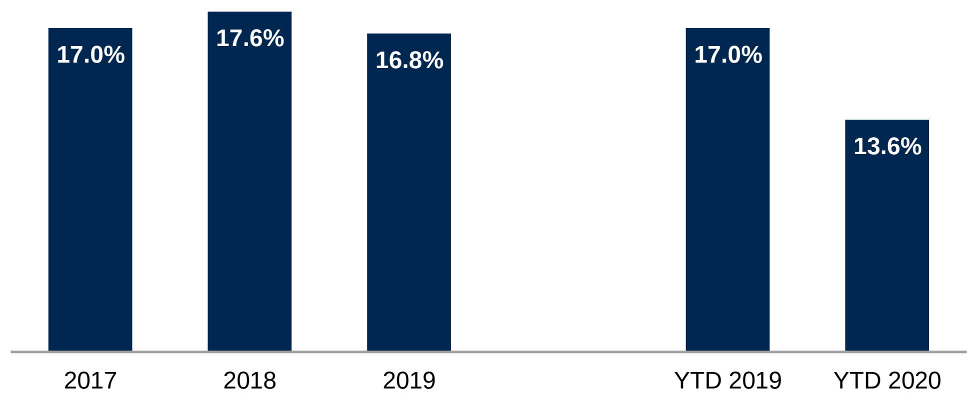
Maintaining a strong capital position with a disciplined approach to risk

Resilient Earnings

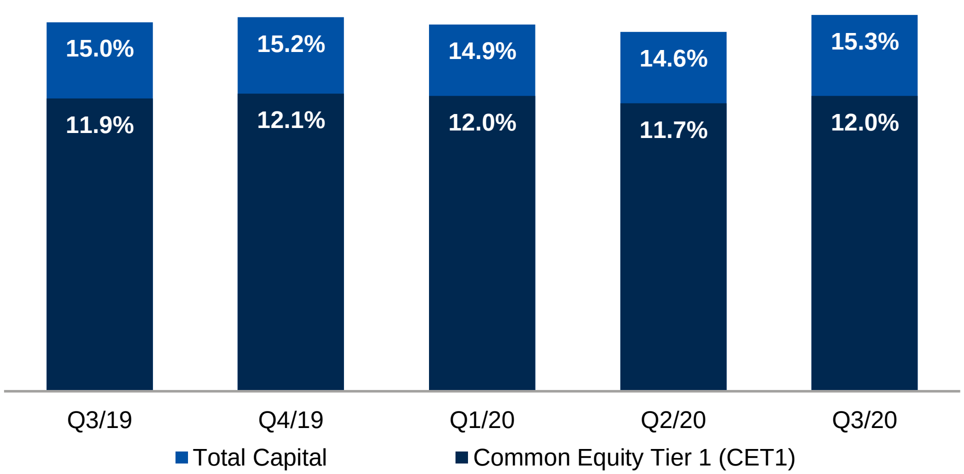
Net income ($ billions)



Premium Return on Equity[1]



Strong Capital Position



Strong Leverage and Liquidity Ratios

Leverage Ratio	**4.8%**
Liquidity Coverage Ratio	**154%**

Credit Ratings Amongst the Highest Globally

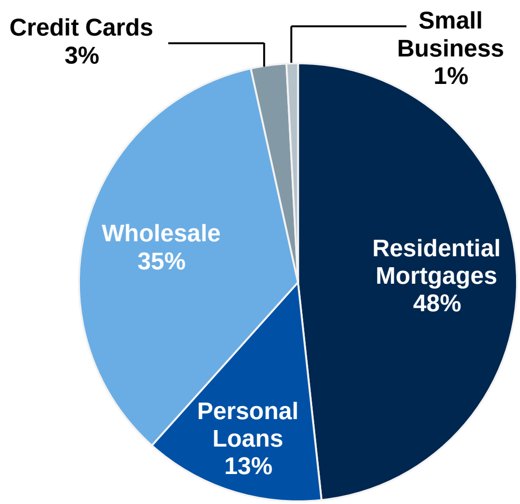
	Moody's	S&P	DBRS	Fitch
Legacy senior long-term debt[2]	**Aa2**	**AA-**	**AA (high)**	**AA+**
Senior long-term debt[3]	**A2**	**A**	**AA**	**AA**
Outlook	*Stable*	*Stable*	*Stable*	*Negative*

(1) Return on Equity (ROE). This measure does not have a standardized meaning under GAAP. For further information, refer to the Key performance and non-GAAP measures section of Q3 2020 Report to Shareholders. (2) Ratings (as at August 25, 2020) for senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018, which is excluded from the Canadian Bank Recapitalization (Bail-in) regime. (3) Ratings (as at August 25, 2020) for senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Bail-in regime.

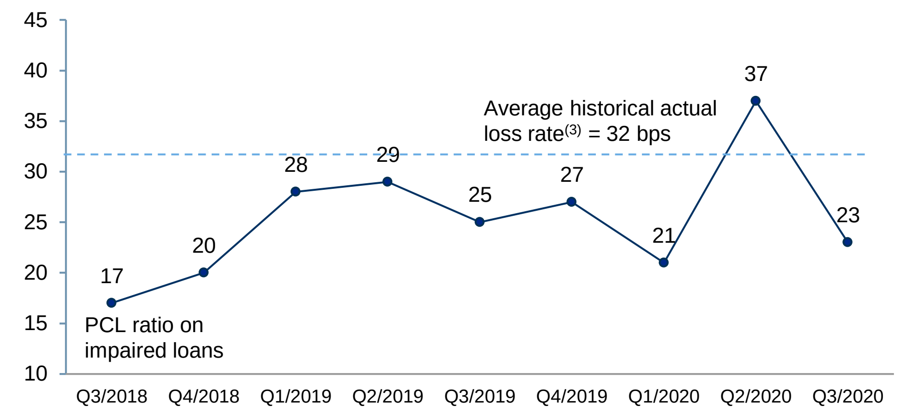
Prudent risk management

A disciplined approach and diversification have underpinned credit quality

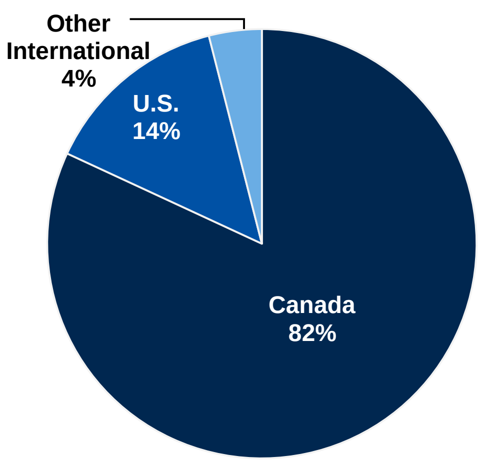
Loan Book Diversified by Portfolio(1)



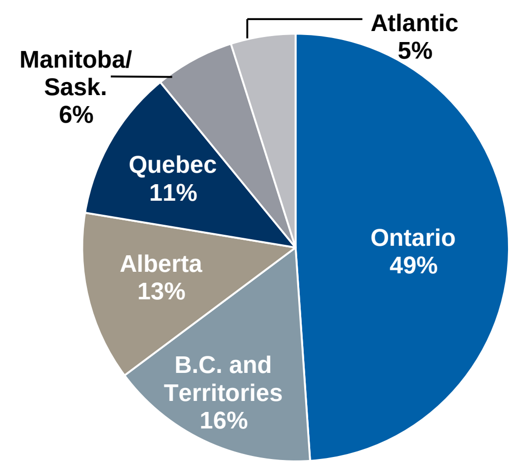
PCL Ratio on Impaired Loans(2) (bps)



Breakdown by Region of Total Loans and Acceptances(1)



Breakdown of Canadian Total Loans and Acceptances(1)



(1) Loans and acceptances outstanding as at July 31, 2020. Does not include letters of credit or guarantees. (2) Effective November 1, 2017, we adopted IFRS 9, which introduced a three-stage expected credit loss impairment model that differs significantly from the incurred loss model under IAS 39. Stage 3 allowances are held against impaired loans and effectively replace the allowance for impaired loans under IAS 39. Provision for Credit Losses (PCL) ratio is PCL as a percentage of average net loans & acceptances (annualized). (3) Average annual actual loss rate from fiscal 2003 through to the most recent full year. The information is updated on an annual basis and is based on consolidated results. The Average historical actual loss rate on a continuing operations basis is 0.32%.

Track-record of delivering value to our shareholders

Financial performance objectives measure our performance against our goal of maximizing total shareholder returns

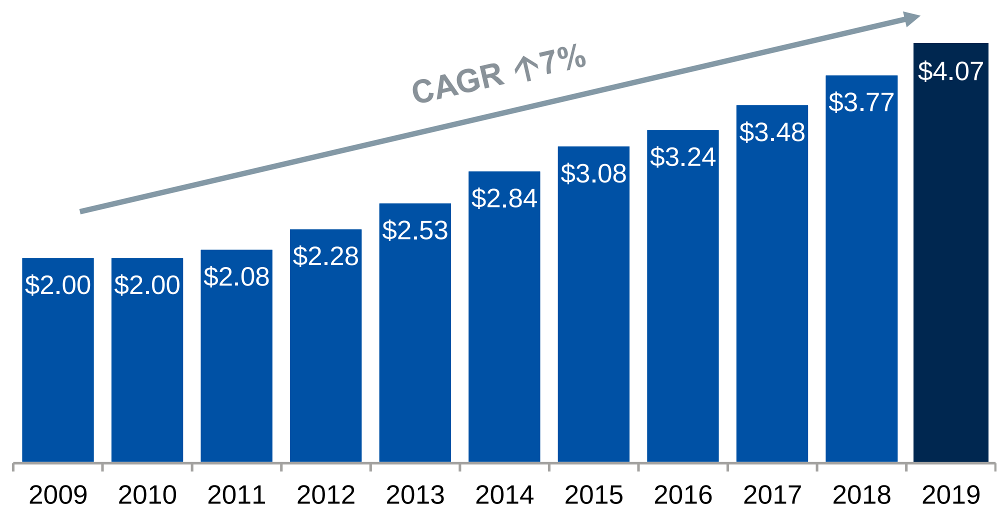
Medium-Term Financial Performance Objectives (3-5 years)

Diluted EPS Growth(1)	7%+
Return on Equity(2)	16%+
Capital Ratios (CET1)	Strong
Dividend Payout Ratio	40% - 50%

Achieved Solid TSR(3) Performance

	RBC	Peer Average
3 Year	4%	(4)%
5 Year	8%	2%
10 Year	10%	7%

Strong Dividend Growth(4)



(1) Compound annual growth rate. (2) Average. (3) Annualized TSR is calculated based on the TSX common share price appreciation plus reinvested dividend income. Source: Bloomberg, as at July 31, 2020. RBC is compared to our global peer group. The peer group average excludes RBC for the list of peers, please refer to our 2019 Annual Report. Peer average excludes Power Financial Corporation, common shares of which were delisted from the TSX effective as of the close of business on February 18, 2020. (4) Dividends declared per common share. Our current quarterly dividend is $1.08.

Business Segments

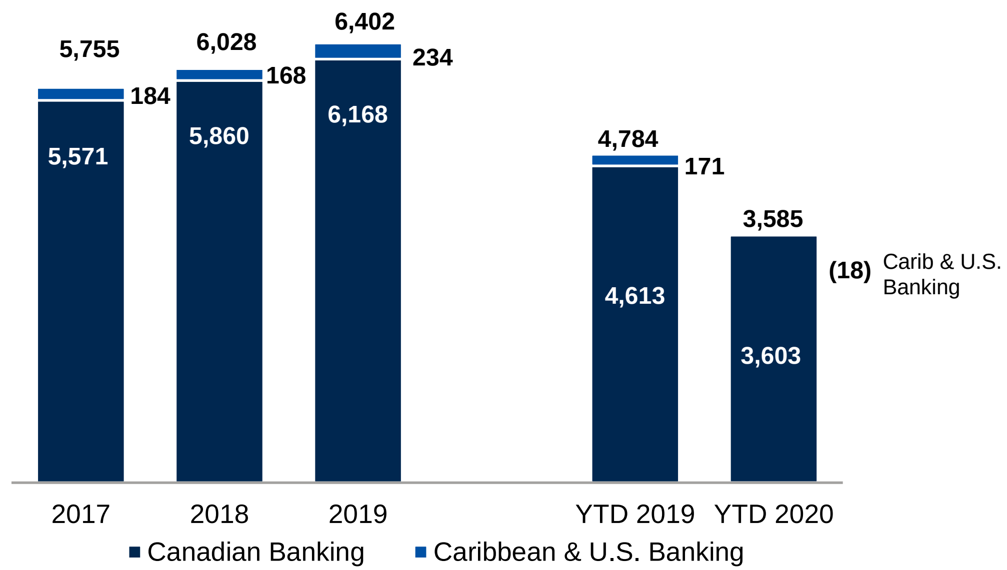
Personal & Commercial Banking

- The financial services leader in Canada
  - #1 or #2 market share in all key product categories
  - Most branches and one of the largest mobile sales networks across Canada
  - Superior cross-sell ability
- In 16 countries and territories in the Caribbean
  - 3rd largest bank by assets[1] in English Caribbean
- Innovative direct banking to U.S. cross-border clients
- Ongoing investments to digitize our banking channels

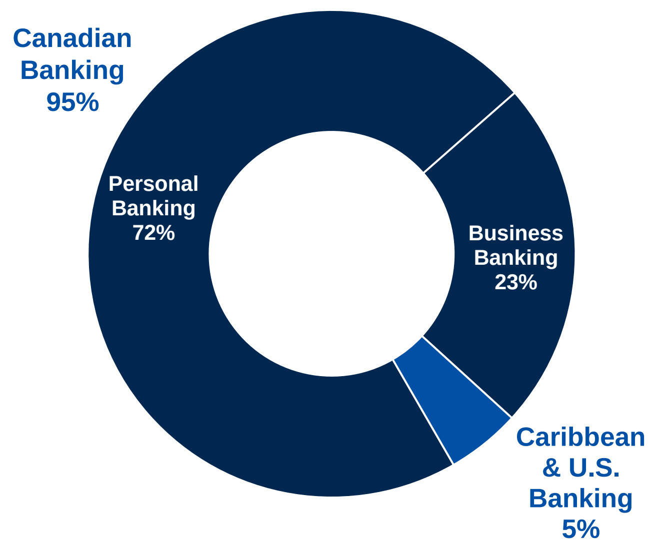
Q3/2020 Highlights

Clients (MM)	14.0+
Branches	1,256
ATMs	4,487
Active Digital (Online and Mobile) Users[2] (MM)	7.5
Employees (FTE)	35,000+
Net Loans & Acceptances[1] ($BN)	473.4
Deposits[1] ($BN)	465.1
AUA[1] ($BN)	286.0

Net Income ($ millions)



Revenue by Business Line[3]



(1) Based on average balances. (2) This figure represents the 90-day active customers in Canadian Banking only. (3) For the quarter ended July 31, 2020.

Personal & Commercial Banking

Strategic Priorities – *Building A Digitally-Enabled Relationship Bank™*

Transform How We Serve Our Clients	▪ Make it easier for clients to access products and services digitally ▪ Create capacity and capability to focus on advice, complex servicing and sales, and problem resolution ▪ Focus on innovating our branch network
Accelerate Client Growth	▪ Grow commercial market share through industry-specific credit strategies ▪ Target high-growth retirement segment and business succession planning ▪ Continue to increase client acquisitions including key segments: high net worth, newcomers, students, and young adults while deepening existing client relationships
Rapidly Deliver Digital Solutions	▪ Continue to deliver leading digital capabilities and functionality through our award-winning mobile app ▪ Create partnerships to innovate, making it easier to bank with RBC ▪ Invest in research and development to understand and meet rapidly changing client expectations
Innovate to Become a More Agile and Efficient Bank	▪ Accelerate investments to simplify, digitize and automate for clients and employees ▪ Change or eliminate products and processes that do not add economic or client value ▪ Invest in employees to enhance digital, agile and change capabilities

Recent Awards

RETAIL BANKER INTERNATIONAL

North American Retail Bank of the year for the 3rd consecutive year; Best Latin/Caribbean Bank of the Year; Best Loyalty and Rewards Strategy for the 2nd consecutive year(1)

J.D. POWER

Highest in Customer Satisfaction Among the Big Five Retail Banks, a position RBC has held for 4 out of the past 5 years(2)

THE INTERNATIONAL BUSINESS AWARDS®

Stevie Award for Innovation of the Year for RBC Rewards(3)

Ipsos 2019 Customer Service Excellence CSI

For the second year in a row, RBC is an award winner for all 11 Ipsos Financial Service Excellence Awards among the Big 5 Banks, including Customer Service Excellence(4)

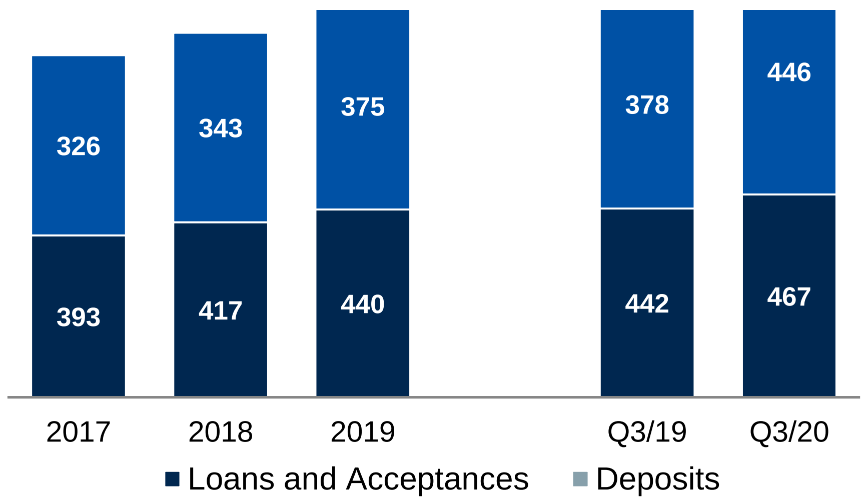
CELENT MODEL BANK

Awarded 'Celent Model Bank of the Year 2020' in recognition of RBC's digital strategy and capabilities; it is the top global award bestowed by Celent(5)

(1) Retail Banker International, 2020. (2) J.D. Power, 2020. (3) The International Business Awards, 2019. (4) Ipsos, 2019. (5) Celent Model Bank, 2020.

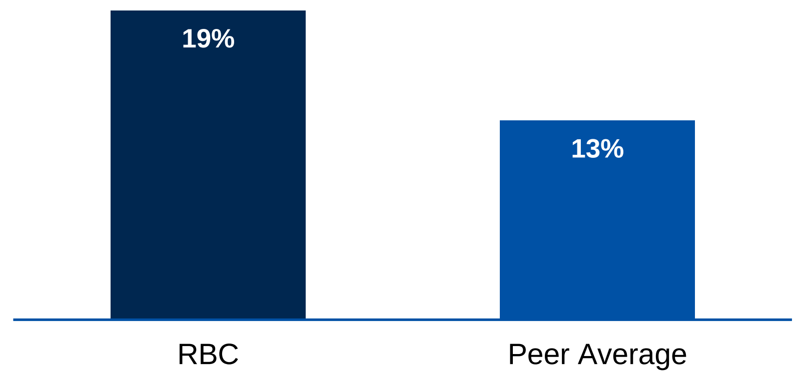
Personal & Commercial Banking – Canadian Banking

Solid Volume Growth ($ millions)[1]



Superior Cross-Sell Ability

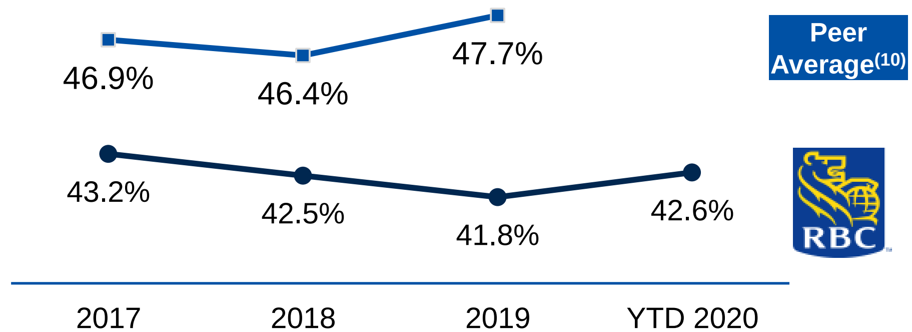
Percent of clients with transaction accounts, investments and borrowing products[2]



#1 or #2 Market Share in All Key Categories[3]

Product	Market share	Rank
Personal Lending[4]	24.2%	1
Personal Core Deposits + GICs	20.1%	2
Credit Cards[5]	28.1%	1
Long-Term Mutual Funds[6]	32.2%	1
Business Loans ($0-$25MM)[7]	27.0%	1
Business Deposits[8]	24.8%	1

Continue to Improve Our Efficiency Ratio[9]



(1) Based on average balances. (2) Canadian Financial Monitor by Ipsos – 18,000 Canadian individuals – data based on Financial Group results for the 12-month period ending July 2020; Cross-sell calculation methodology has been updated from previous quarters since Q2/19.TFSA is considered an Investment. Peers include BMO, BNS, CIBC and TD. (3) Market share is calculated using most current data available from OSFI (M4), Investment Funds Institute of Canada (IFIC) and Canadian Bankers Association (CBA), and is at April 2020 and February 2020 except where noted. Market share is of total Chartered Banks except where noted. (4) Personal Lending market share of 6 banks (RBC, BMO, BNS, CIBC, TD and NA) and includes residential mortgages (excl. acquired portfolios) and personal loans as at February 2020, excludes Credit Cards. (5) Credit cards market share is based on 6 banks (RBC, BMO, BNS, CIBC, TD and NA) as at February 2020. (6) Long-term mutual fund market share is compared to 7 banks (RBC, BMO, BNS, CIBC, TD, NA, and HSBC) and is at April 2020. (7) Business Loans market share is of 6 Chartered Banks (RBC, BMO, BNS, CIBC, TD and NA) on a quarterly basis and is as of March 2020. (8) Business Deposits market share excludes Fixed Term, Government and Deposit Taking Institution balances. (9) 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. (10) Peers include BMO, BNS, CIBC and TD; 2017 through 2019 reflects annual numbers.

Wealth Management

Strategic Priorities

- **Global Asset Management:** Deliver investment performance and extend leadership position in Canada, while continuing to build and grow in the U.S. and other key global markets
- **Canadian Wealth Management:** Continue to deepen client relationships and deliver a differentiated client experience that is increasingly digitally-enabled and supported by data-driven insights
- **U.S. Wealth Management:** Leverage the combined strengths of City National Bank, RBC Wealth Management U.S. and Capital Markets to accelerate growth in the U.S.
- **International Wealth Management:** In the British Isles, accelerate organic market share growth to be a top-tier wealth manager, providing solutions and insight to successful wealth creators. In Asia, continue to drive growth in Asia's global families by leveraging the global strengths and capabilities of RBC

Recent Awards

Best Private Bank for Innovative Client Solution
(Family Wealth Report Awards, 2020)

Best Private Bank for Digitally Empowering Relationship Managers, North America
(PWM's Global Wealth Tech Awards, 2020)

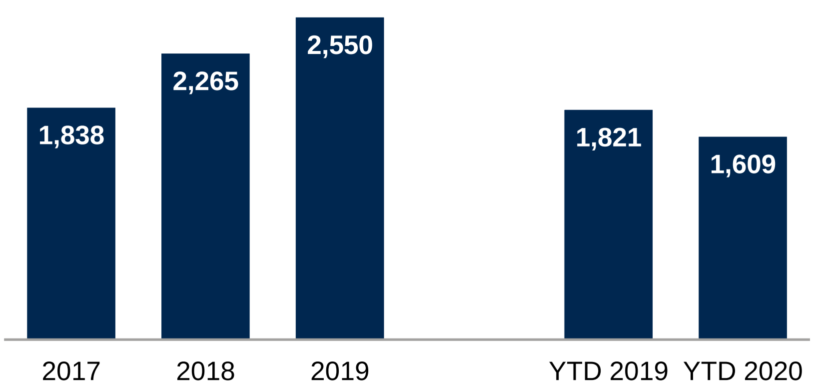
RBC Dominion Securities Highest-Rated, Bank-Owned Investment Brokerage
(Investment Executive Brokerage Report Card, 2020)

#1 in Investor Satisfaction with U.S. Full-Service Brokerage Firms
(J.D. Power, 2020)

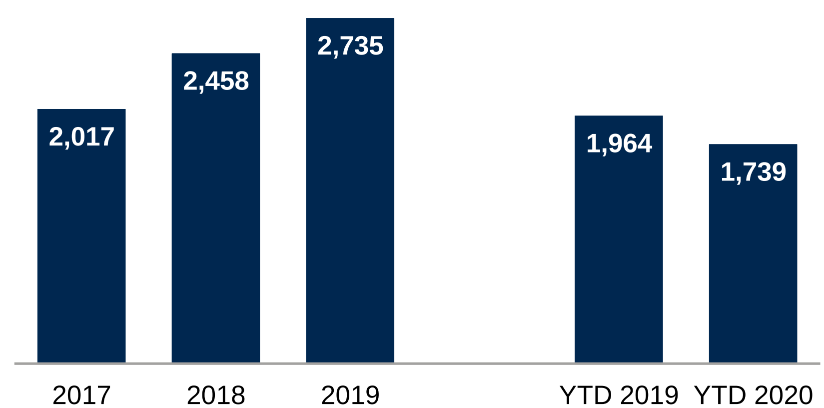
Philips, Hager & North Investment Management – 2019 Greenwich Quality Leader
(Greenwich, 2019)

Outstanding Global Private Bank – North America
(Private Banker International Global Wealth Awards, 2019)

Net Income ($ millions)(1)



Cash Earnings ($ millions)(2)



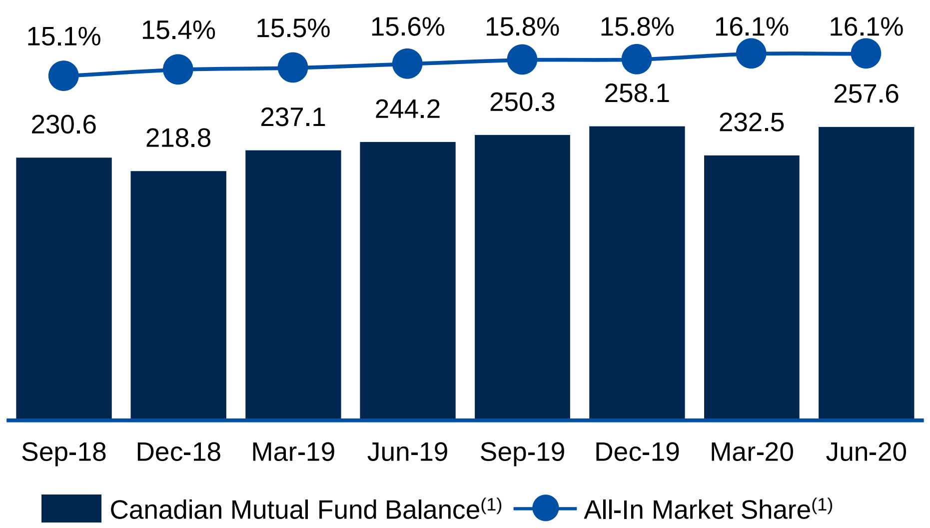
(1) 2019 net income includes the gain on sale of the private debt business of BlueBay ($134 million after-tax). (2) Cash earnings exclude the after-tax effect of amortization of intangibles. This is a non-GAAP measure. For more information see slide 60.

Wealth Management – Global Asset Management

Building a high-performing global asset management business

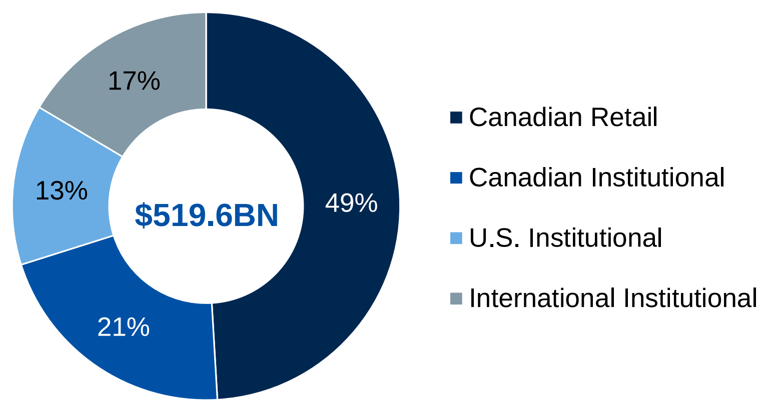
- **Driving top-tier profitability in our largest Wealth Management business**
  - $519.6BN in client assets
  - Investor asset mix of 49% Retail / 51% Institutional client assets
- **Extending our lead in Canada**
  - Largest retail fund company in Canada, ranked #1 in market share capturing 32.4% amongst banks and 16.1% all-in[(1)]
  - Strategic alliance between RBC Global Asset Management and BlackRock Canada connects clients to the largest and broadest ETF lineup in Canada
  - 3rd largest institutional pension asset manager in Canada[(2)]
- **Delivering strong investment capabilities to support growth**
  - Top performing investment firm with ~70% of AUM outperforming the benchmark on a 3-year basis[(3)]
  - Continued growth of investment capabilities and innovative solutions for both institutional clients and retail investors

Canadian Retail AUM ($ billions)



Diversified Asset Mix

Q3/2020 AUM by Client Segment ($ billions)[(4)]

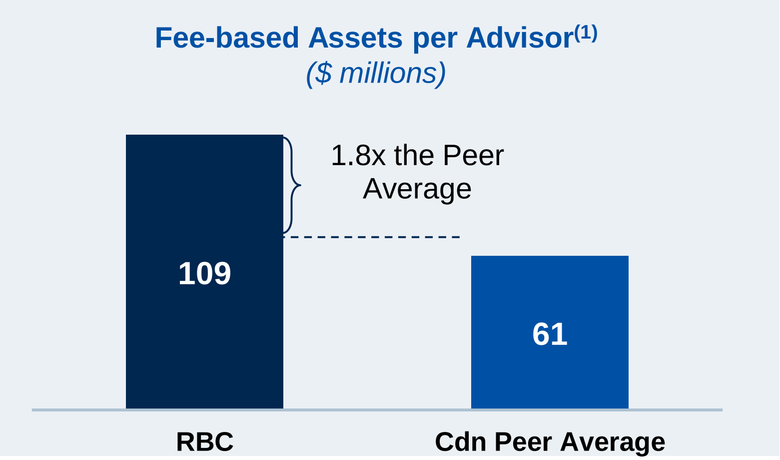


(1) Investment Funds Institute of Canada (IFIC) as at June 2020 and RBC reporting. Comprised of long-term funds and money market funds. (2) Benefits Canada as at May 2020. (3) As at June 2020, gross of fees. (4) RBC GAM, based on period-end spot balances.

Wealth Management

Canadian Wealth Management

- Maintain profitable growth with strong pre-tax margin
- #1 High Net Worth and Ultra High Net Worth market share in Canada[(1)]
- Canadian leader in fee-based assets per advisor[(1)]
- Consistently driving revenue per advisor of over $1.6MM per year, 28% above Canadian industry average[(1)]
- Strong asset growth complimented by favourable market conditions
- Leveraging enterprise linkages to extend market share gains



U.S. Wealth Management (including City National)

RBC Wealth Management U.S.

- 7th largest full-service wealth advisory firm in the U.S. as measured by number of financial advisors and 6th largest by assets under administration[(2)]
- Enhancing the client-advisor experience through a digitally-enabled, goals-based planning approach, and strengthening the range of advisory solutions and product offerings
- Continuing to attract and onboard new advisors and clearing relationships while improving advisory productivity and operational efficiency

City National

- A premier U.S. private and commercial bank with a platform for long-term growth in the U.S.
- Operates with a high-touch, branch-light client service model in selected high-growth markets, including: Los Angeles, the San Francisco Bay area, Orange County, San Diego, New York, Boston, and Washington DC
- Expanding the CNB business model to selected high-growth markets

International Wealth Management

- Growing market share in target markets
- Enhancing "One RBC" cross-platform connectivity
- Focusing on client service excellence
- Increasing business effectiveness and talent capabilities

(1) Strategic Insight (formerly Investor Economics), April 2020. (2) Source: U.S. wealth advisory firms quarterly earnings releases (10-Q).

Insurance

Strategic Priorities

- **Improve Distribution Effectiveness and Efficiency:** By enhancing our proprietary distribution channels, and focusing on the delivery of technology and operational solutions
- **Deepen Client Relationships:** By continuing to be an innovative, client-focused provider of a full suite of insurance solutions for mass underserved, mass affluent and high net worth clients
- **Simplify. Agile. Innovate.:** By accelerating our digital initiatives' time-to-market, improving quality and cost effectiveness
- **Pursue Select International Opportunities:** By continuing to grow our core reinsurance business within our risk tolerance

Highlights

Among the largest Canadian bank-owned insurance organizations, serving more than five million clients globally

#2 in individual disability sales with 21%(1) market share

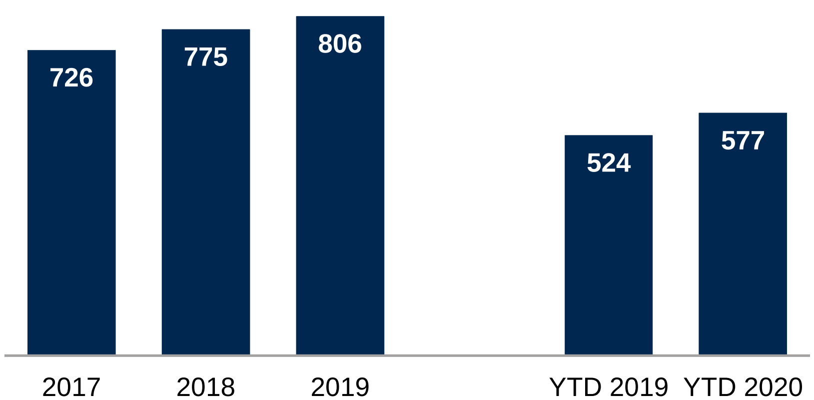
#2 in Segregated fund net sales(2)

RBC Guaranteed Investment Funds continue to be one of the fastest growing segregated fund providers in Canada with a YoY growth of 16.5%(2)

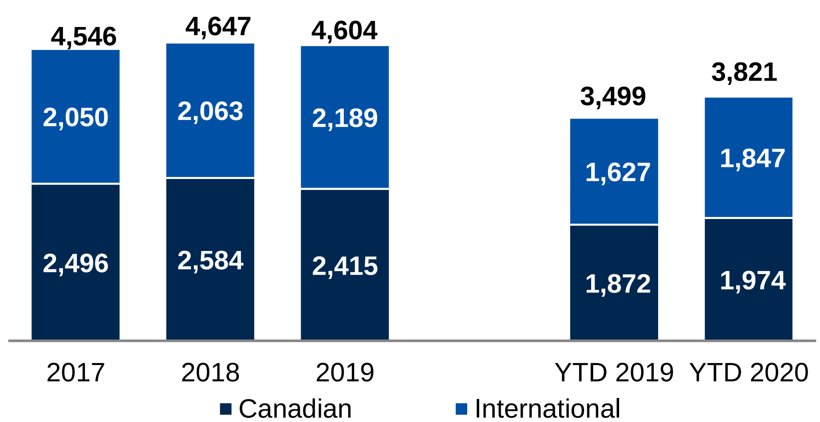
#2 best performing segregated fund family for CY2019(3)

#4 in sales in the Canadian group annuity market in Apr-Jun 2020(4)

Net Income ($ millions)



Premiums and Deposits



(1) LIMRA Canadian Insurance Survey, 1st Quarter, 2020. (2) Strategic Insights, Insurance Advisory Service Report, July 2020. (3) Investment Executive, April 2020 Edition. (4) LIMRA Canadian Pension Market Survey, Q2 2020.

Investor & Treasury Services

- Specialist provider of asset services, a leader in Canadian cash management and transaction banking services, and a provider of treasury services to institutional clients worldwide
  - Ranked #1 Asset Servicer in North America[1] for the second consecutive year
  - Ranked #1 ETF Service Provider[2] in Canada
  - Named Best Trade Finance Bank in Canada for the eighth consecutive year[3]
- Short-term funding and liquidity management for RBC

Strategic Priorities

Grow income and market share among Canadian asset managers, investment counsellors, pension funds, insurance companies, and transaction banking clients

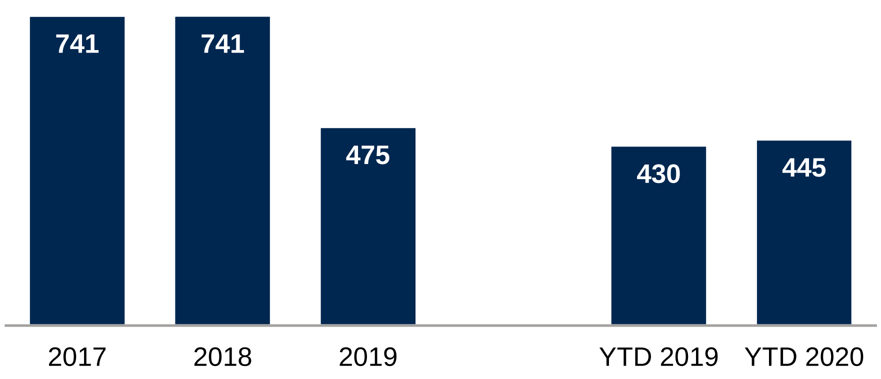
Compete in segments and markets which offer the highest risk-adjusted returns

Provide our clients seamless digital journeys and secure, robust and continuous service

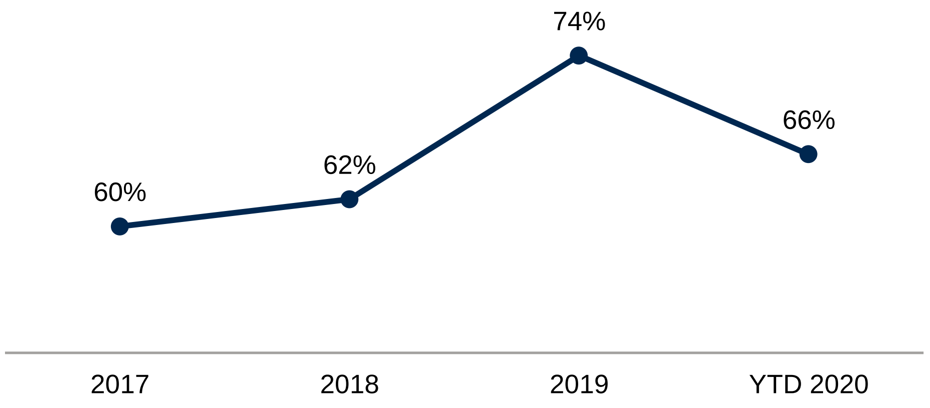
Design and re-engineer our services to improve client satisfaction, efficiency and risk controls

Use technology and data insights to solve our clients' current and future challenges

Net Income ($ millions)



Efficiency Ratio

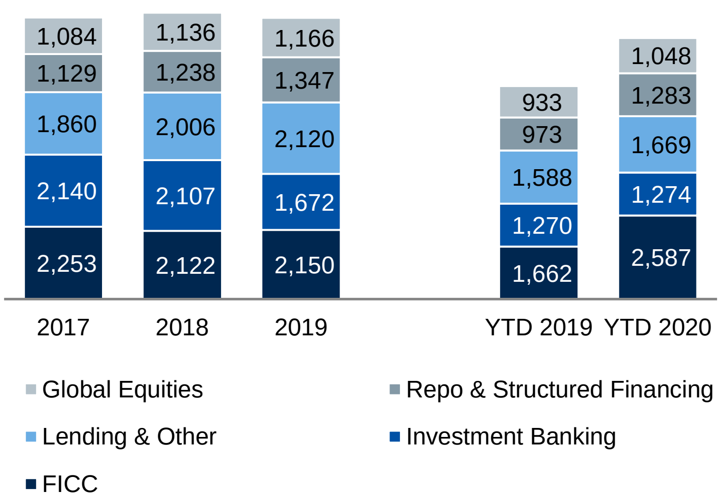


(1) R&M Investor Services Survey, 2020. (2) Global Custodian, 2020. (3) Global Finance, 2020.

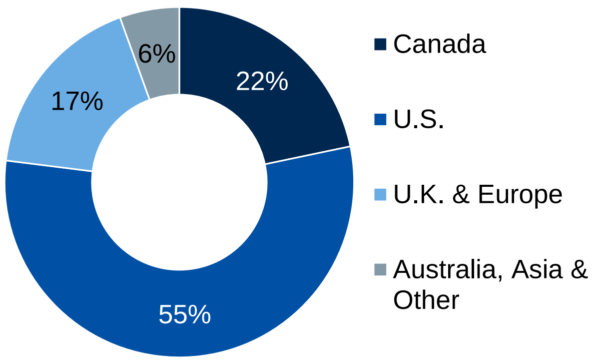
Capital Markets

- A premier global investment bank with core operations across Canada, the U.S., the U.K./Europe, and APAC
  - 12th largest global investment bank by fees(1)
- Strategically positioned in the largest financial centres, focused on the world's largest and most mature capital markets encompassing ~80% of the global investment banking fee pool(1)
- RBC Capital Markets is recognized by the most significant corporations, institutional investors, asset managers, private equity firms, and governments around the globe as an innovative, trusted partner with an in-depth expertise in capital markets, banking and finance

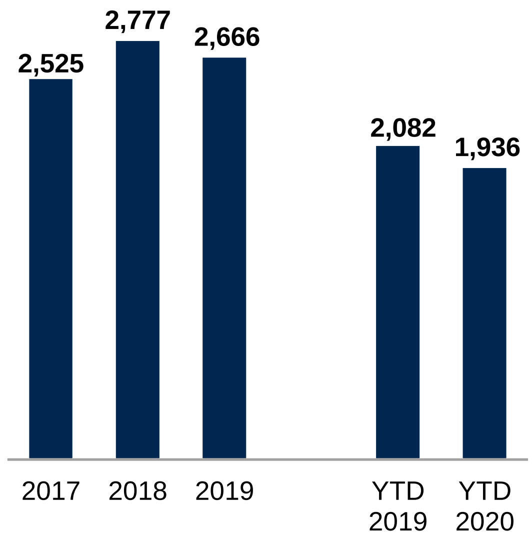
Revenue by Business ($ millions)(2)



Revenue by Geography(3)



Net Income ($ millions)



(1) Dealogic – July 31, 2020 fiscal year-to-date. (2) Global Markets segment revenue has been restated to align select portfolios previously disclosed in Repo and Secured Financing to FICC and Global Equities. Revenue by business only includes Corporate & Investment Banking and Global Markets, excluding CM Other. (3) For three months ended July 31, 2020.

Capital Markets

Strategic Priorities

To be among the world's most successful investment banks by serving clients in the most attractive markets	▪ Maintain our leadership position in Canada ▪ A leader in the U.S., our largest market with the best opportunity for growth ▪ A leader in the U.K., Europe and Asia-Pacific in targeted areas aligned with our global expertise
Deepen client relationships as an innovative, trusted partner	▪ Support our clients by partnering with them to understand their strategic objectives and delivering solutions to achieve their goals ▪ Continue to grow and strengthen our senior coverage teams ▪ Focus on long-term client relationships aligned with our global capabilities ▪ Continue to drive technology innovations through our data strategy, electronification and artificial intelligence initiatives
Drive collaboration, simplify our business and optimize capital use to earn high risk-adjusted returns on assets and equity	▪ Collaborate to deliver clients our full suite of global products and services ▪ Continue to focus on deepening client relationships by driving cross business collaboration with U.S. Wealth Management (incl. City National) ▪ Continue disciplined approach to managing costs and risk, maintain a balance between investment banking and trading revenue, and align our resources around top client opportunities

Recent Awards

EUROMONEY AWARDS FOR EXCELLENCE 2020

Best Investment Bank in Canada - 13th consecutive year(1)

Institutional Investor

Top 10 in the All-American Research Survey(2)

REFINITIV

Top 25 Most Diverse & Inclusive Companies (3)

Recent Big Deals

thyssenkrupp

RBC Capital Markets acts as Mandated Lead Arranger / Joint Bookrunner on ~€10.3Bn financing for Advent and Cinven's acquisition of Thyssenkrupp Elevator

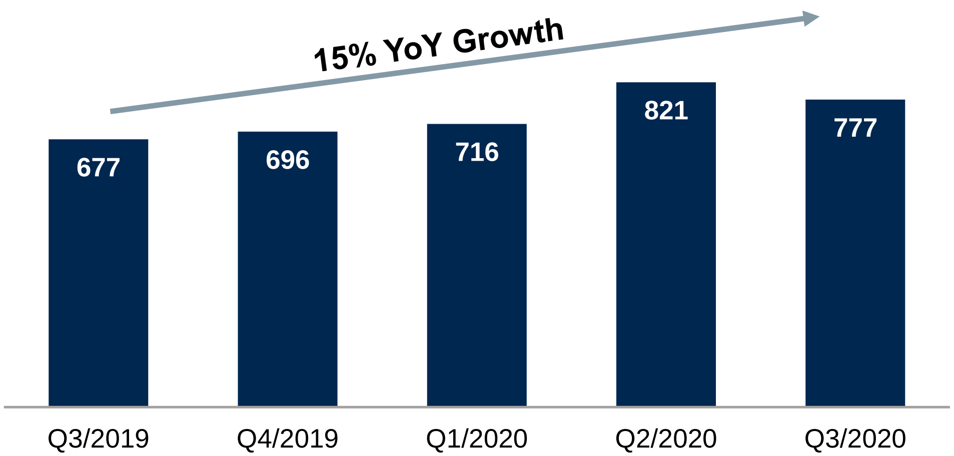
Palantir

RBC Capital Markets acts as Private Placement Agent and Capital Structure Advisor to Palantir

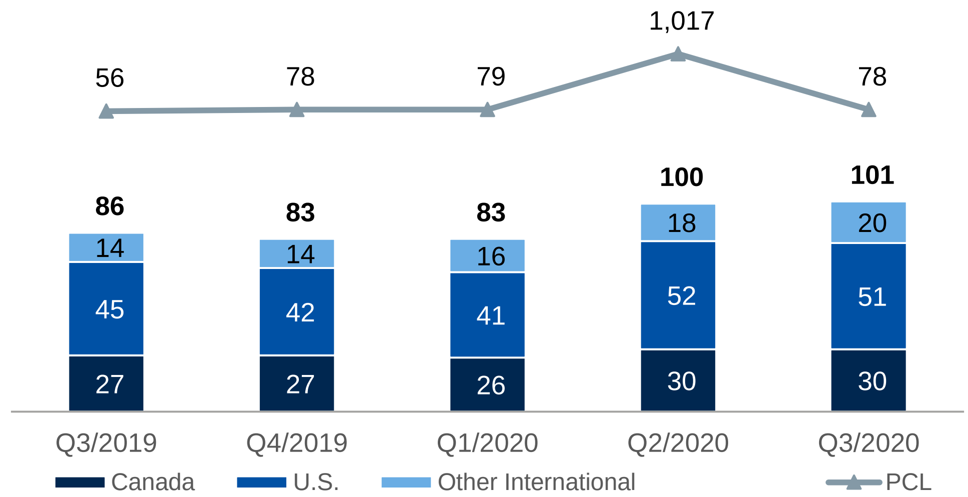
(1) Euromoney, 2020 (2) Institutional Investor, 2019. (3) Refinitiv, 2019

Capital Markets

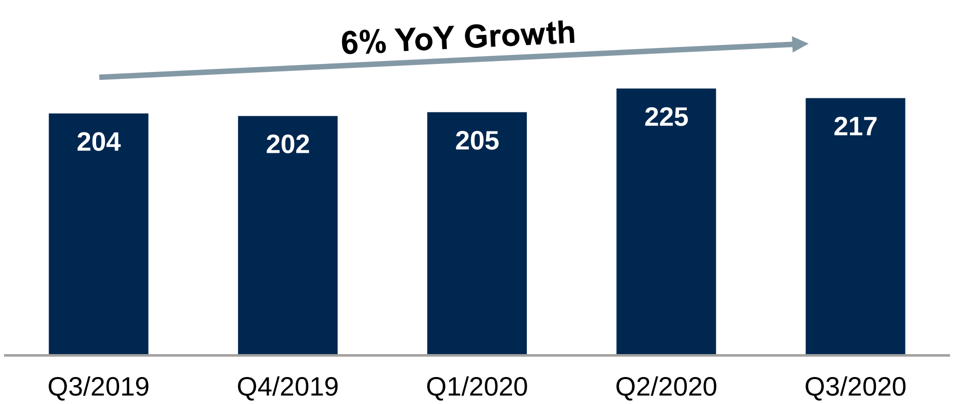
Capital Markets Total Average Assets ($ billions)



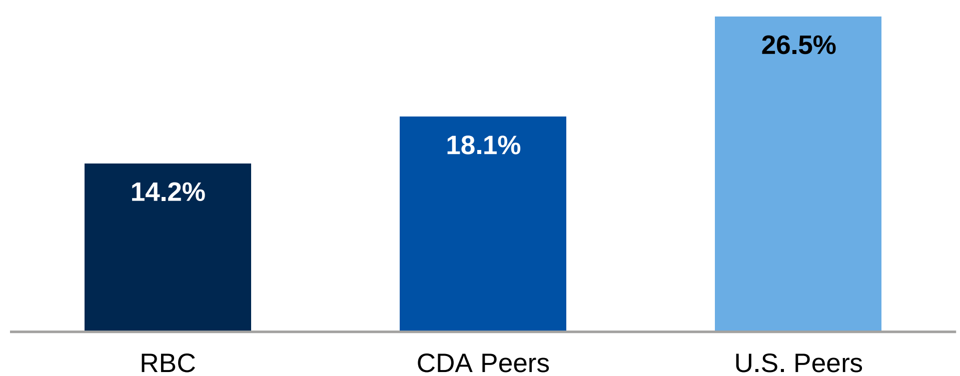
Geographic Diversification Across Loan Book Average Loans Outstanding by Region ($ billions)(1)



Risk-Weighted Assets, Spot ($ billions)



Earnings Volatility vs. Canadian and U.S. Peers (Standard Deviation / Avg Earnings)(2)

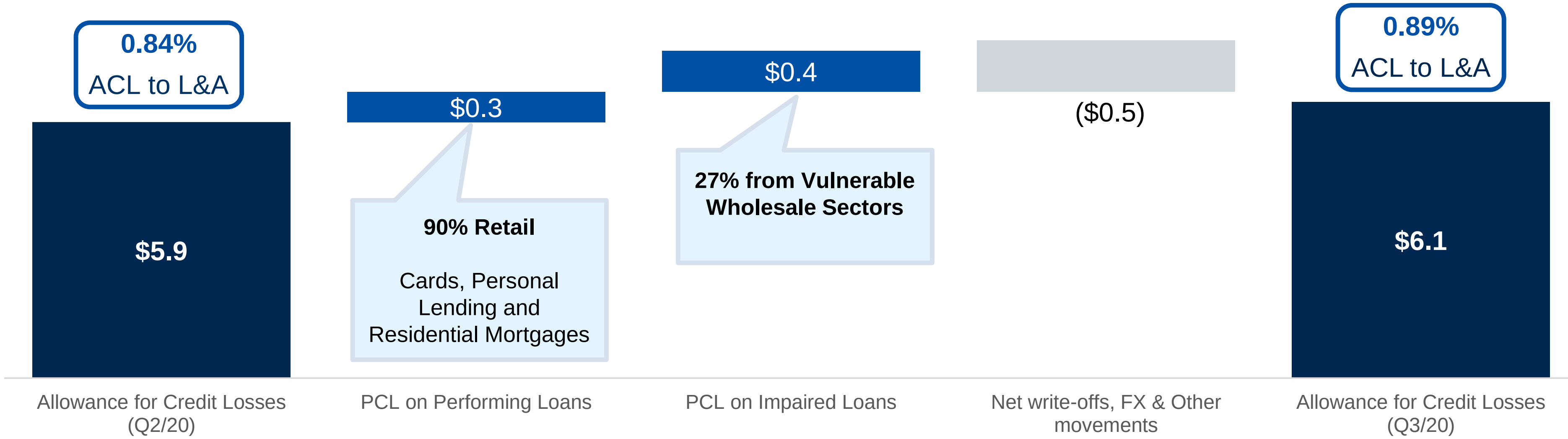


(1) Average loans outstanding includes wholesale loans, acceptances, and off balance sheet letters of credit and guarantees for our Capital Markets portfolio, on single name basis. Excludes mortgage investments, securitized mortgages and other non-core items. This chart has been restated to exclude certain intergroup exposures that are not part of the corporate lending business. This is a non-GAAP measure. For more information see slide 60. (2) Reflects pre-provision, pre-tax earnings, which is revenue net of PBCAE and non-interest expenses. This is a non-GAAP measure. For more information, please refer to slide 60. Canadian peers include BMO, TD, CIBC, BNS and NA, US peers include JPM, GS, BAC, Citi and MS.

Risk Review

Evolving impact of COVID-19 continues to be reflected in our provisions

Movement in Allowance for Credit Losses on Loans ($ billions)



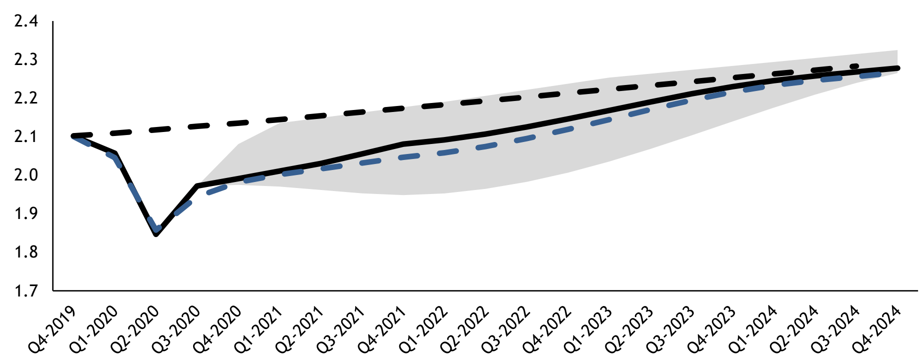
Maintaining our prudent approach to provisioning

- Top-down model driven analysis coupled with bottoms-up analysis by client and sector and the application of expert credit judgment
- Macroeconomic forecasts used for Q3/2020 were generally in line with those of Q2/2020, with favourable changes to equities, oil price and housing price forecasts
- Updated scenario weights to put greater emphasis on the downside scenario
- Incorporated changes in the credit outlook as a result of the evolving nature of COVID-19, including the expected roll-off of client support programs over the coming months
  - Impact of client support programs has resulted in lower delinquencies; we expect delinquencies to resume as programs roll-off

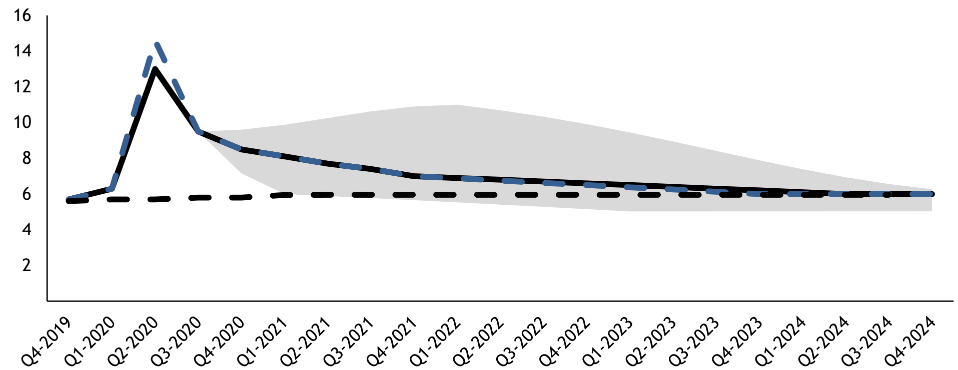
IFRS 9 range of macroeconomic scenario assumptions (as of July 31)

Range of alternative scenarios (July 31, 2020) — Base case (July 31, 2020) — Base case (April 30, 2020) — Base case (October 31, 2019)

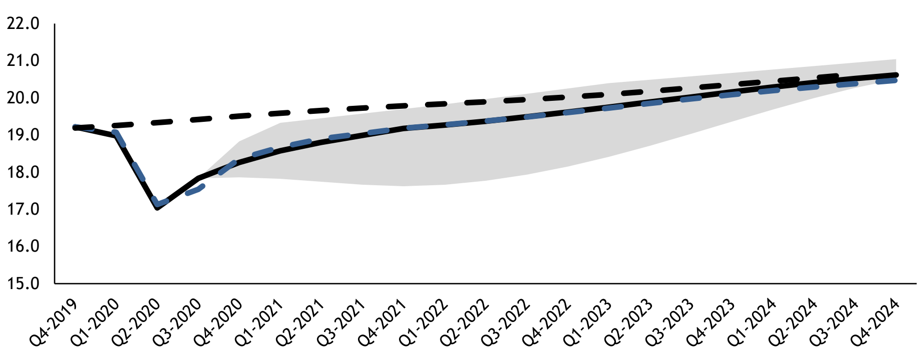
Canada Real GDP ($ Trillions)[1]



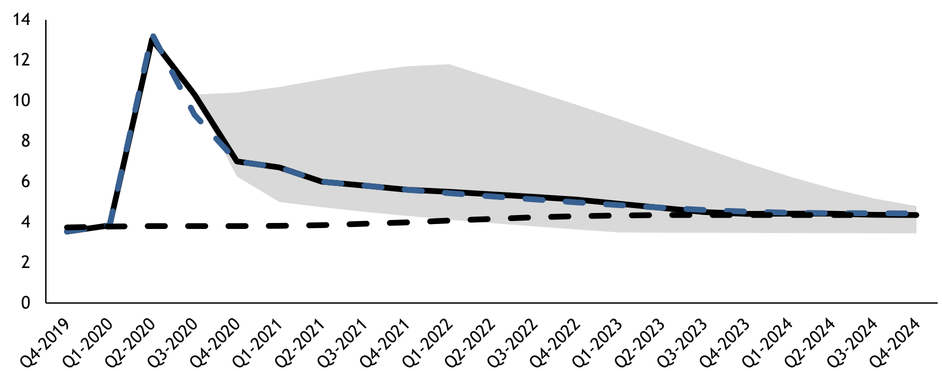
Canada Unemployment Rate (%)[3]



U.S. Real GDP (US$ Trillions)[2]



U.S. Unemployment Rate (%)[3]



Oil price (West Texas Intermediate in US$)

In our base forecast, we expect oil prices to recover from trough prices in April 2020 to an average price of $42 per barrel over the next 12 months and $48 per barrel in the following 2 to 5 years. The range of average prices in our alternative downside and upside scenarios is $22 to $48 per barrel for the next 12 months, and $35 to $49 per barrel for the following 2 to 5 years.

Canadian housing price index

In our base forecast, we expect housing prices to contract by 4.1% over the next 12 months, with a compound annual growth rate of 4.8% for the following 2 to 5 years. The range of annual housing price growth (contraction) in our alternative downside and upside scenarios is (29.6)% to 6.1% over the next 12 months, and 2.3% to 11.1% for the following 2 to 5 years.

For further details, refer to Note 5 of our Q3 2020 Report to Shareholders. (1) Represents the seasonally-adjusted annual rate indexed to 2012 Canadian dollars. (2) Represents the seasonally-adjusted annual rate indexed to 2012 U.S. dollars. (3) Represents the average quarterly unemployment level over the period.

Allocation of ACL by product: Lower-risk mortgages a large part of our balance sheet

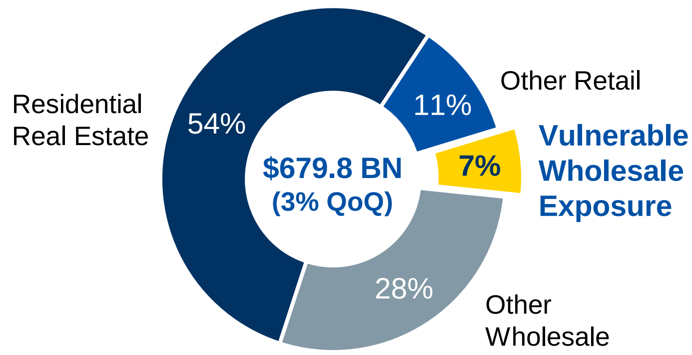
	Q2 / 2020					Q3 / 2020				
	% of Loans & Acceptances					% of Loans & Acceptances				
Product	**Stage 1**	**Stage 2**	**Stage 1 & 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 1 & 2**	**Stage 3**	**Total**
Residential mortgages	0.0%	0.8%	**0.1%**	**21.9%**	**0.15%**	0.1%	1.1%	**0.1%**	**22.3%**	**0.16%**
Other Retail	0.6%	12.4%	**2.0%**	**46.5%**	**2.19%**	0.8%	12.7%	**2.2%**	**39.2%**	**2.34%**
Personal	0.4%	8.7%	**1.2%**	**47.7%**	**1.39%**	0.5%	9.2%	**1.3%**	**40.3%**	**1.44%**
Credit cards	1.8%	25.7%	**6.6%**	**-**	**6.58%**	2.4%	24.3%	**7.1%**	**-**	**7.06%**
Small business	1.3%	1.7%	**1.4%**	**41.1%**	**1.87%**	1.2%	1.7%	**1.3%**	**35.7%**	**1.92%**
Retail	**0.2%**	**4.7%**	**0.6%**	**31.2%**	**0.68%**	**0.2%**	**5.8%**	**0.7%**	**28.7%**	**0.72%**
Wholesale	**0.6%**	**2.5%**	**0.9%**	**30.0%**	**1.15%**	**0.6%**	**3.3%**	**1.0%**	**26.1%**	**1.26%**
Total ACL	**0.3%**	**3.7%**	**0.7%**	**30.4%**	**0.84%**	**0.3%**	**4.6%**	**0.8%**	**26.8%**	**0.89%**

(1) Items not subject to impairment are loans held at FVTPL: Residential mortgages (Q3/20: $256MM, Q2/20: $405MM); Wholesale (Q3/20:$8.3BN, Q2/20: $10.1BN).

Exposure to wholesale sectors most vulnerable to COVID-19 impacts

- Our most vulnerable wholesale exposure represents $43 billion or 7% of total loans & acceptances outstanding
  - The majority of this exposure is secured by assets or guarantees
  - QoQ decrease mainly reflects pay down of credit facilities
- Our wholesale sectors with vulnerable exposure contributed to:
  - 27% of PCL on impaired loans this quarter (down 15% QoQ)
  - 46% of GIL this quarter (up 5% QoQ)
- Total wholesale ACL represents 1.3% of wholesale loans & acceptances outstanding, nearly twice the level in Q1/2020

Total Loans & Acceptances (Q3/20)

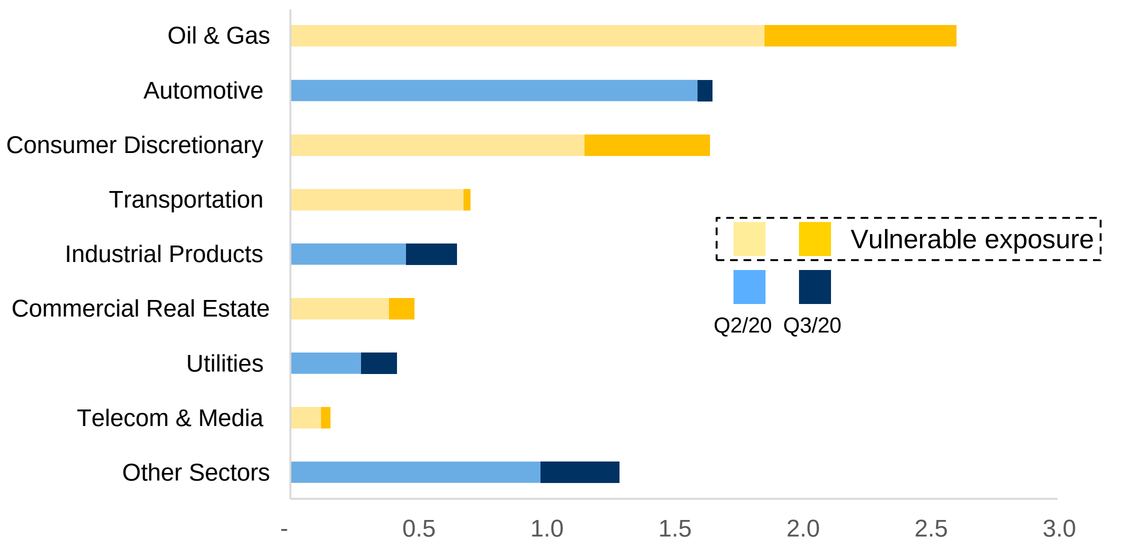


Select Wholesale Sectors	Loans & acceptances outstanding ($BN) Q3/20	QoQ Growth	Portion of Sector Exposure most Vulnerable to COVID-19 *(Vulnerable Wholesale Exposure)* [1]	PCL on Impaired Loans ratio		GIL ratio	
				Q3/20	QoQ	Q3/20	QoQ
Commercial Real Estate	**$55.7**	(3%)	19%	**27 bps**	+25 bps	**73 bps**	+10 bps
Consumer Discretionary	**$17.9**	(11%)	84%	**21 bps**	(125 bps)	**212 bps**	+15 bps
Oil & Gas	**$8.5**	(9%)	100%	**191 bps**	(743 bps)	**985 bps**	+278 bps
Transportation	**$8.2**	(4%)	87%	**72 bps**	+105 bps	**175 bps**	+166 bps
Telecommunications & Media	**$5.2**	(30%)	38%	**6 bps**	(1 bp)	**11 bps**	+6 bps
Total	**$95.2**	**(7%)**	**45%**	**43 bps**	**(64 bps)**	**186 bps**	**+47 bps**

(1) Commercial Real Estate (Retail: 19%); Consumer Discretionary (Restaurants: 32%; Retail: 28%; Recreation; 12%; Hotels: 9%; Textiles & Apparel: 3%); Oil & Gas (Exploration & Production: 73%; Drilling & Services: 12%; Refining, Marketing & Distribution: 8%; Integrated: 7%); Transportation (Air: 53%; Ground: 34%); Telecommunications & Media (Media: 38%).

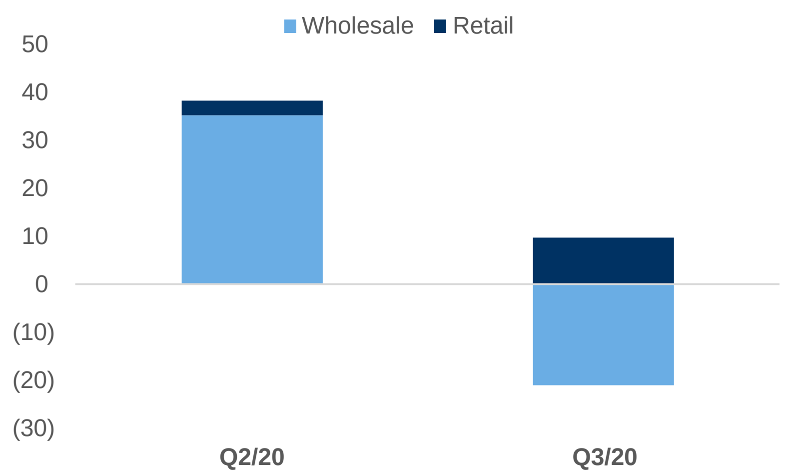
Credit RWA downgrades underpinned by COVID-19 vulnerable exposures

Wholesale Lending-Related Credit RWA Net Credit Downgrades (Q2/20 & Q3/20) ($ billions)



- Cumulative impact from net credit downgrades of $11.6 billion over last two quarters
  - Majority of credit downgrades were in our Capital Markets loan book in Q2/20
  - Net credit RWA downgrades include impact from counterparty credit risk
- Majority of net wholesale lending credit downgrades were related to COVID-19 vulnerable exposures

Total Loan Growth (QoQ, excl. FX impact) ($ billions)

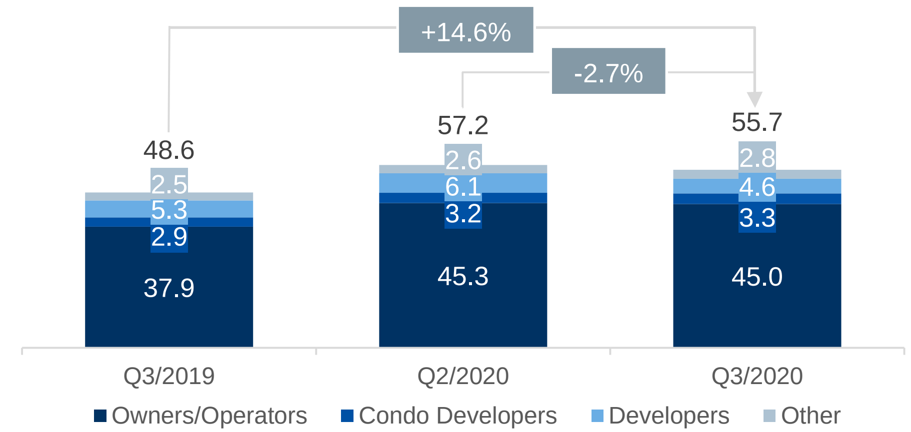


- Our corporate clients have been paying down credit facilities in Q3/20 given increased access to capital markets
- Underlying loan growth largely in Canadian Banking and U.S. Wealth Management (including City National)
- Q2/20 saw unprecedented levels of draws, particularly from our investment grade clients in Capital Markets

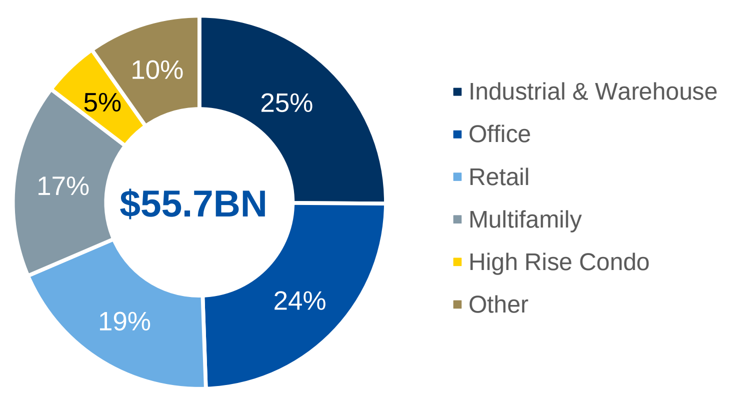
Well diversified Commercial Real Estate (CRE) portfolio

- CRE-Retail exposure represents 1.6% of total loans & acceptances outstanding
  - A significant portion of our CRE-Retail portfolio is comprised of Class-A malls and grocery-anchored Retail
- CRE-Office exposure represents 2.0% of total loans & acceptances outstanding
  - Rent collections have been strong during the pandemic
  - Average lease term is 5-10 years
  - Less than 2% of our office portfolio has LTV > 75% and debt service coverage ratio < 1.25x
- Low LTVs, guarantees and debt service coverage built to withstand high vacancy rates serve as mitigants

CRE Exposure by Borrower Type
Loans and acceptances ($ billions)

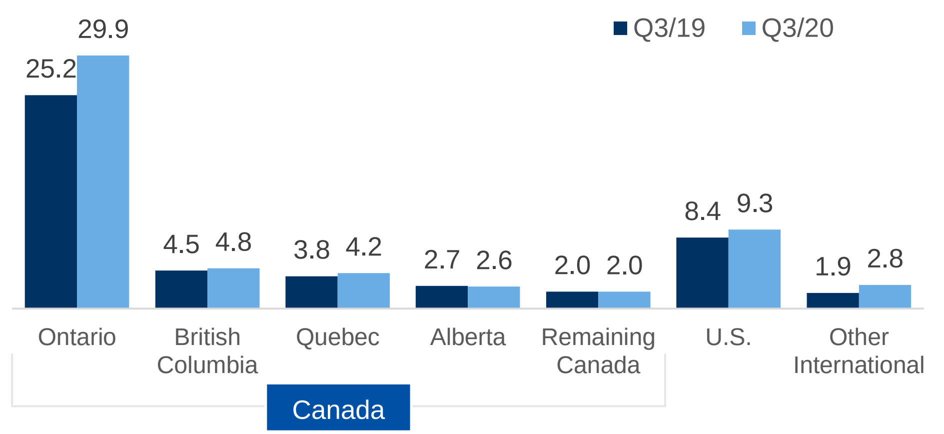


CRE Exposure by Industry Segment
Loans and acceptances as at Q3/2020 ($ billions)



- Our CRE exposure is well diversified across industry segments

CRE Exposure by Region
Loans and acceptances ($ billions)

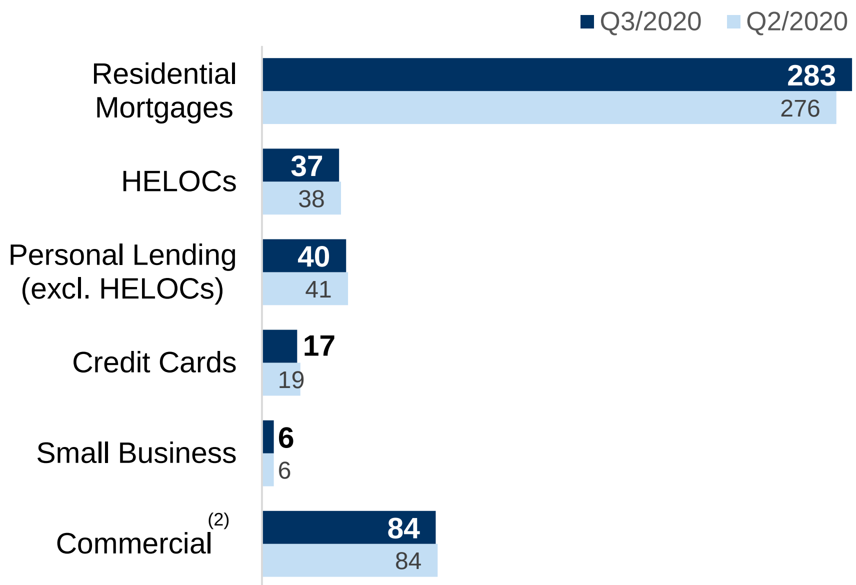


- Growth in Ontario and the U.S. has been primarily in the Industrial & Warehouse and Multifamily industry segments

Strong underlying credit quality in Canadian Banking

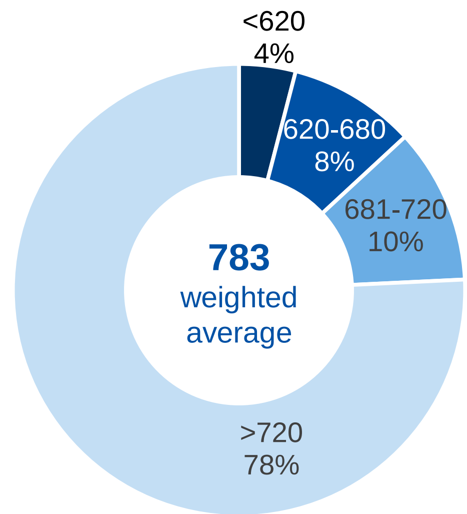
Canadian Banking Outstanding Lending Exposure[1]

(Average balances, $ billions)



Canadian Banking FICO Score Distribution – Retail

(As of Q3/2020)



	PCL on Impaired Loans ($MM)			PCL on Impaired Loans (bps)[1]			90+ Days Past Due (bps)[3]			Average FICO Score
	Q3/19	Q2/20	Q3/20	Q3/19	Q2/20	Q3/20	Q3/19	Q2/20	Q3/20	Q3/20
Residential Mortgages	$7	$9	**$6**	1	1	**1**	17	17	**17**	**788**
Personal Lending	$118	$138	**$84**	57	70	**42**	29	36	**34**	**774**
Credit Cards	$128	$139	**$106**	262	307	**250**	70	96	**66**	**734**
Small Business	$11	$14	**$14**	79	102	**100**	96	128	**172**	
Commercial[2]	$50	$39	**$54**	25	19	**26**	66	57	**70**	
	$314	**$339**	**$264**	**28**	**30**	**23**				

(1) Calculated using average net of allowance on impaired loans. (2) Commercial excludes Small Business. (3) The 90+ day past due rate includes all accounts that are either 90 days or more past due or are in impaired status.

Canadian residential portfolio has strong underlying credit quality

Q3/2020 Highlights

- Strong underlying quality of uninsured residential mortgage portfolio(2)
  - 53% of uninsured portfolio have a FICO score >800
- Greater Toronto Area and Greater Vancouver Area average FICO scores remain above the Canadian average
- Only 2% of our residential lending portfolio has an LTV >80% and FICO score of 720 or lower, and is predominantly all insured

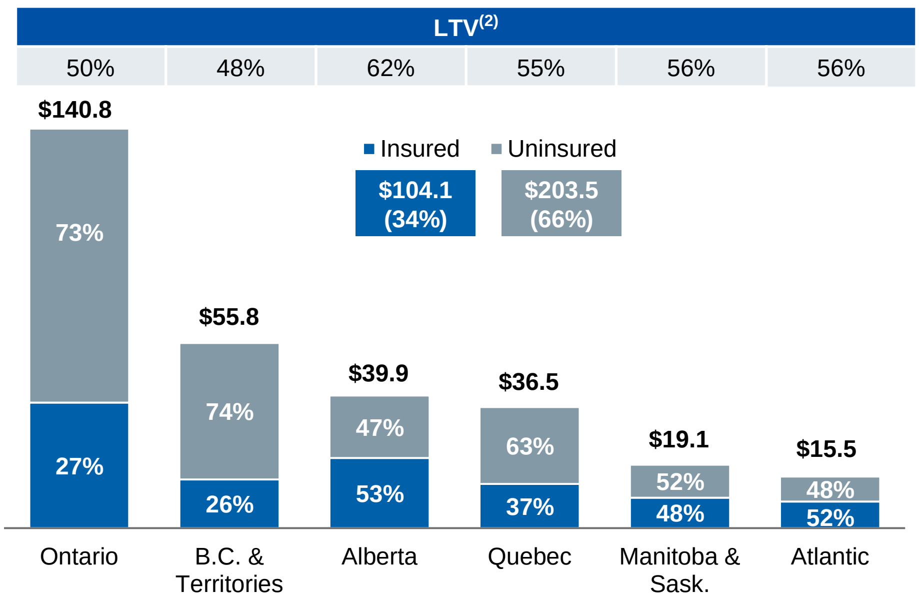
Canadian Banking Residential Lending Portfolio(2)

As at Q3/2020

	Total ($318BN)	Uninsured ($241BN)
Mortgage	**$281.0BN**	**$203.5BN**
HELOC	**$37.1BN**	**$37.1BN**
LTV (2)	**52%**	**51%**
GVA	47%	47%
GTA	48%	48%
Average FICO Score(2)	**798**	**804**
90+ Days Past Due(2)(3)	**18 bps**	**15 bps**
GVA	11 bps	10 bps
GTA	8 bps	9 bps

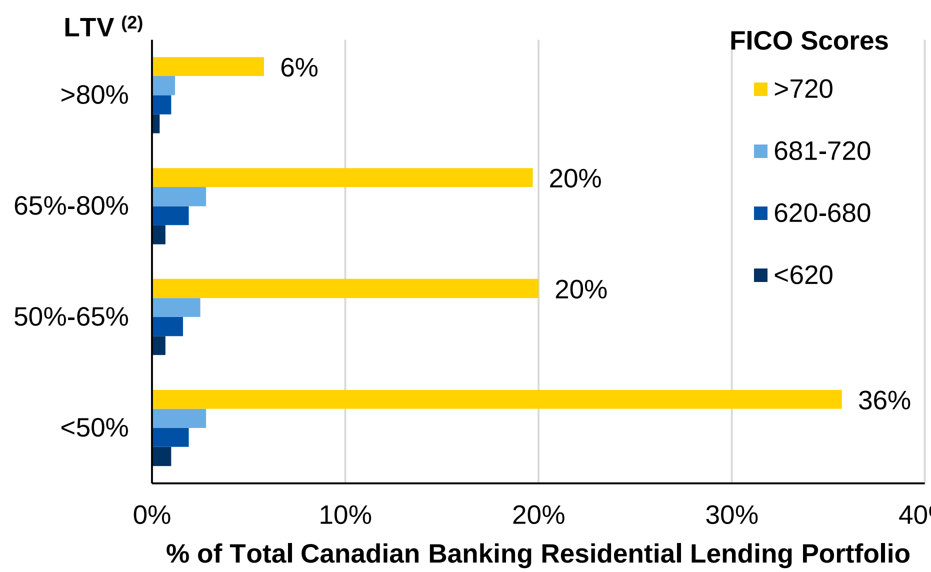
Canadian Residential Mortgage Portfolio(1)

As at Q3/2020 ($ billions)



Canadian Banking Residential Mortgage Portfolio(1)

As at Q3/2020



(1) Canadian residential mortgage portfolio of $308BN comprised of $281BN of residential mortgages, $9BN of mortgages with commercial clients ($6BN insured) and $18BN of residential mortgages in Capital Markets held for securitization purposes. (2) Based on $281BN in residential mortgages and HELOC in Canadian Banking ($37BN). Based on spot balances. Totals may not add due to rounding. (3) The 90+ day past due rate includes all accounts that are either 90 days or more past due or are in impaired status.

Canadian Banking payment deferral programs(1)

- Since the onset of the pandemic, RBC has approved over 500 thousand clients globally to participate in its various payment deferral programs
  - Of the clients supported to date, ~70% were in Canadian Banking
- Active deferral balances for Canadian Banking totaled $55 billion at Q3/20 or 12% of total Canadian Banking loans
  - Retail portfolios (excluding small business): declined 17% QoQ
  - Commercial & small business portfolios: declined by 7% QoQ, with deferral balances beginning to roll-off primarily in July
- Large portion of Canadian Banking deferrals continue to make payments through the deferral period

Payment Deferral Programs by Product in Canadian Banking (Q3/2020)

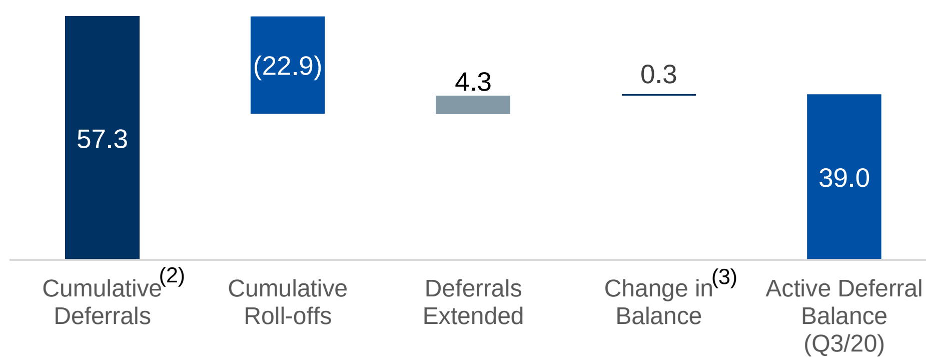
Loan Deferrals	% of Accounts with Active Deferrals	Active Deferral Balances ($BN)	% of Balances With Active Deferrals	% of Accounts		Deferral Details (4)
				Current or < 30 Past Due at time of Deferral Request	With ≥ 1 Payment during Deferral Period	
Home Equity Finance(2)	10%	$36.1	12%	99%	5%	Account for 44% of all Canadian Banking consumer deferrals, but over 93% of consumer balances
Insured	11%	$11.2	14%	99%	5%	**Avg. FICO:** 728; **Avg. LTV:** 66%
Uninsured	10%	$24.5	13%	99%	5%	**Avg. FICO:** 758; **Avg. LTV:** 56%
HELOCs	0%	$0.4	1%	95%	25%	**Avg. FICO:** 730; **Avg. LTV**: 51%
Credit cards	1%	$0.9	6%	96%	76%	**Avg. FICO:** 674
Personal loans(3)	2%	$2.0	5%	98%	14%	**Avg. FICO:** 691
Commercial & Small business loans(2)	7%	$16.1	18%	99.7%	3%	**Top industry concentrations**: Commercial Real Estate, Other Services and Consumer Discretionary

(1) Deferral statistics presented throughout the slide do not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. Numbers are approximate and as at July 31, 2020. (2) Canadian commercial and small business loan deferrals include $1BN of retail residential mortgage deferral balances with commercial clients. (3) Personal Loans includes personal direct lending and auto loans (4) LTV and FICO are as of Q3/2020.

Canadian Banking retail payment deferral summary(1)

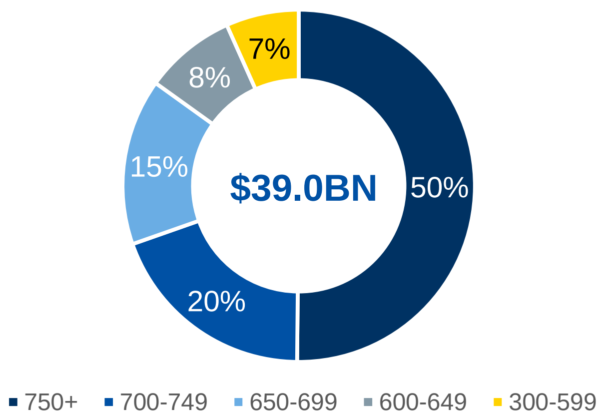
- To date, $57 billion(2) of our retail portfolio exposure was deferred
  - ~$6 billion new deferrals were added in Q3/20
  - ~$14 billion in deferrals rolled-off in Q3/20
- 83% of active deferral balances at July 31st are expiring in Q4/2020
  - Average remaining term on all active deferrals is ~2.5 months
- ~$23 billion in payment deferrals that expired between March through July
  - 80% have resumed regular payments
  - 19% have extended their deferral period further (within a 6 month cap)
  - 1% became delinquent
- 96% of active deferral balances are secured products (e.g. mortgages, auto loans)

Retail Deferral Balance Continuity ($ billions)
March 18 to July 31, 2020



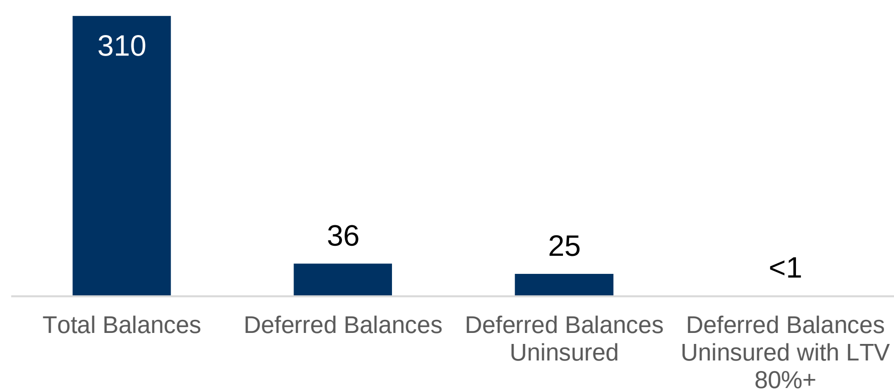
- 89% decline in deferrals processed from April peak

Deferral Balance By FICO Score (Q3/2020)



- Average FICO for active deferrals in the retail portfolio is 741

Deferral Balance for Residential Real Estate Portfolio ($BN)(4)



- ~0.2% of our residential real estate portfolio is deferred, uninsured and has an LTV 80% or greater

(1) Deferral statistics presented throughout the slide do not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. Numbers are approximate. Excludes small business loans; (2) Cumulative deferral balances include all deferrals made to-date including payment deferrals that have expired as well as payment deferrals that expired and were subsequently extended; (3) Net of payments, draws and accrued interest on active deferral accounts; (4) Excludes minor non-retail, mixed collateral, and other portfolios.

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- **2.0MM** clients on-boarded onto **MyAdvisor** with a personalized plan
- **4.9MM** active mobile clients(1) on the **RBC Mobile** app

Data & Artificial Intelligence Insights

- **4 Borealis AI** labs connected with top universities across Canada, with **40+** PhDs
- **1.2BN+** insights read by clients on **NOMI** in the **RBC Mobile** app(2)

Driving Efficiency & Operational Excellence

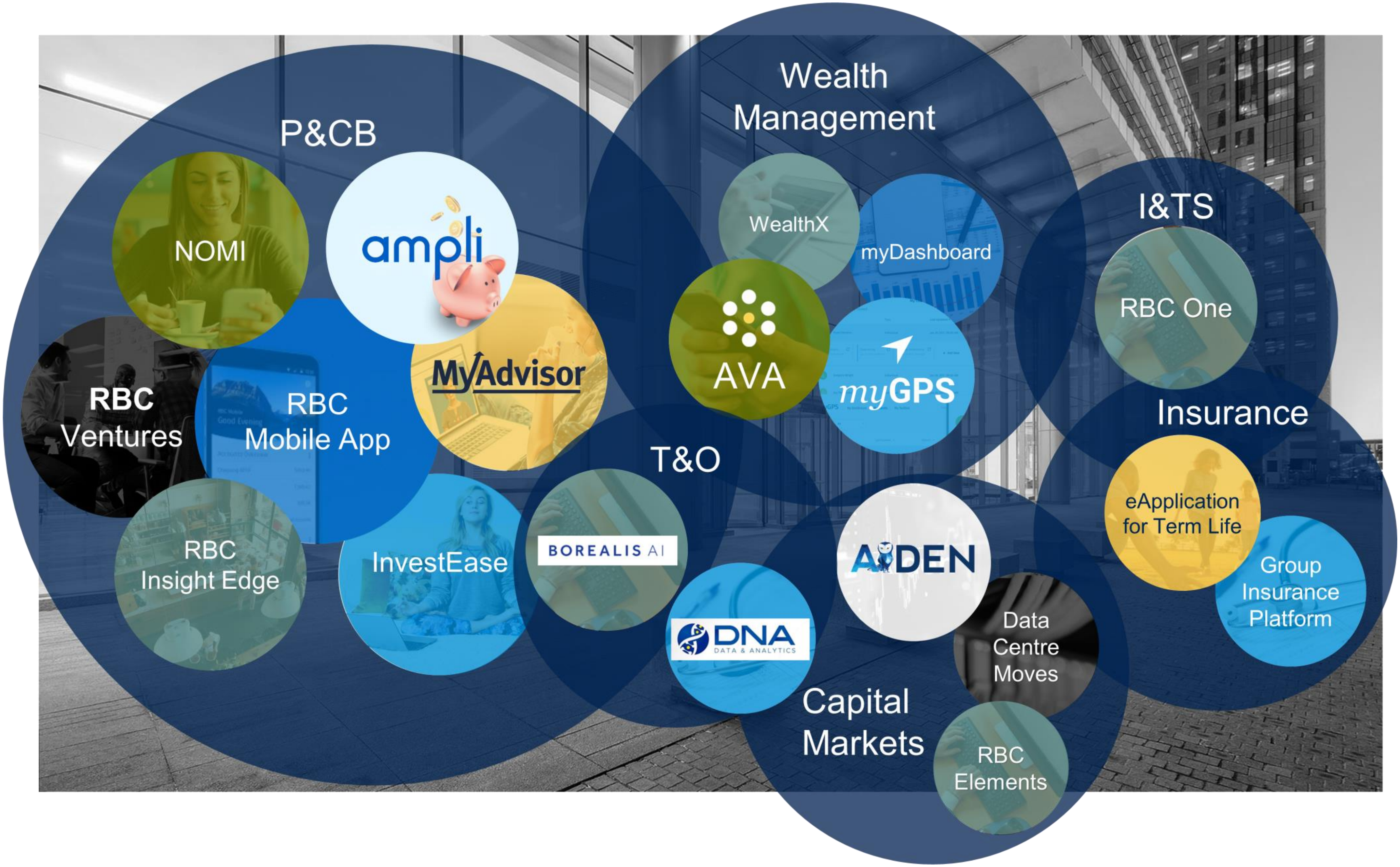
- **687MM** client transactions daily

Innovation Ecosystem & Partnerships

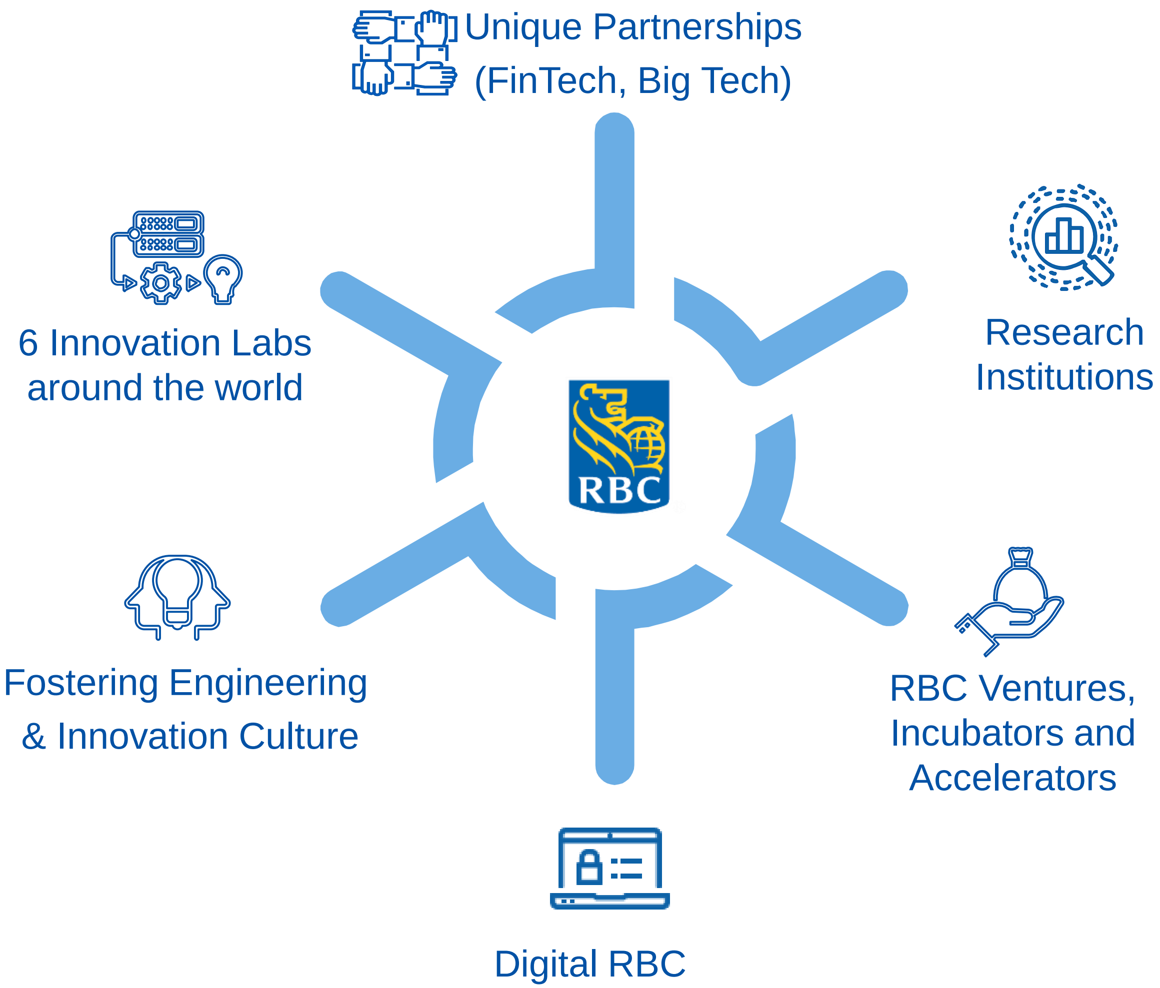
- **6** innovation labs globally
- **17 RBC Ventures** in market
- **Top 3** for places to Work in Tech in Toronto(3)

(1) These figures (in 000s) represent the 90-Day Active customers in Canadian Banking only and are spot values. (2) 1.2BN insights read on a launch to date basis. (3) Based on HIRED's 2019 Global Brand report.

Our technology platforms are enabling all businesses to exceed client expectations

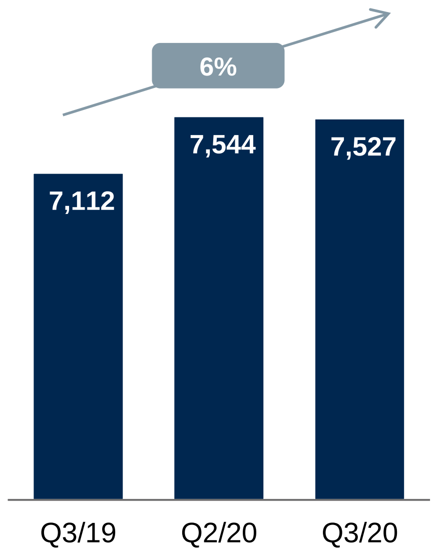


We have developed a rich innovative ecosystem that attracts top talent

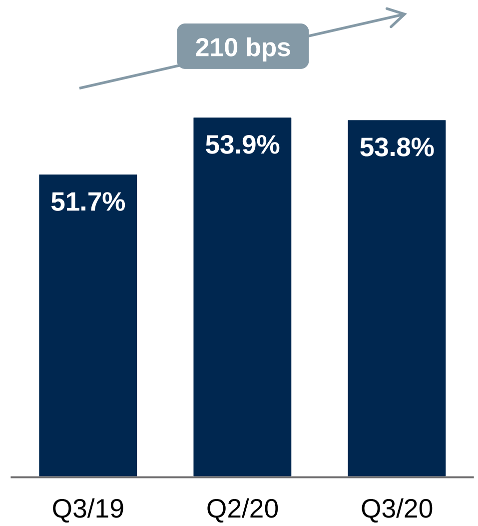


Our 13MM+ Canadian Banking clients are increasingly using our digital channels

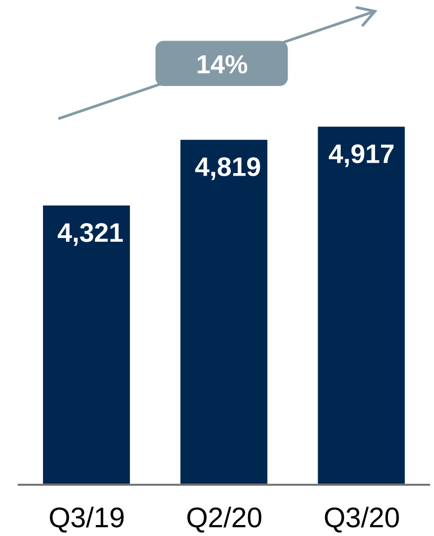
Active Digital Users(1)



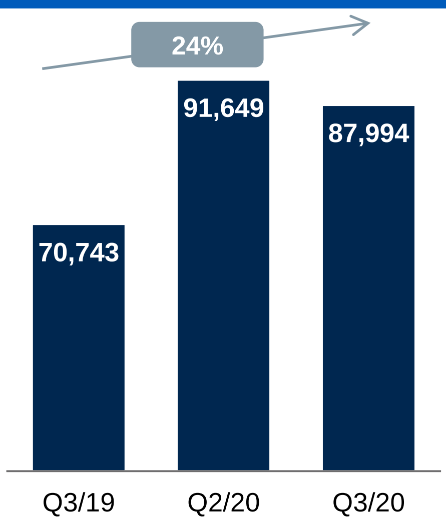
Digital Adoption Rate(2)



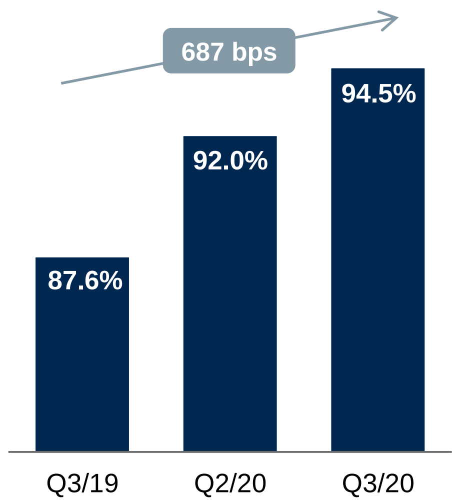
Active Mobile Users(1)



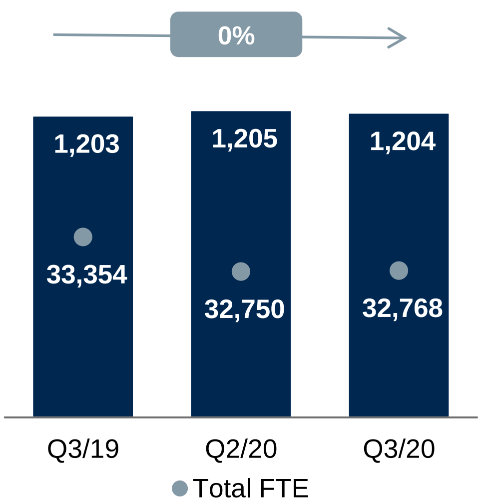
Mobile Sessions(3)



Self-Serve Transactions(4)



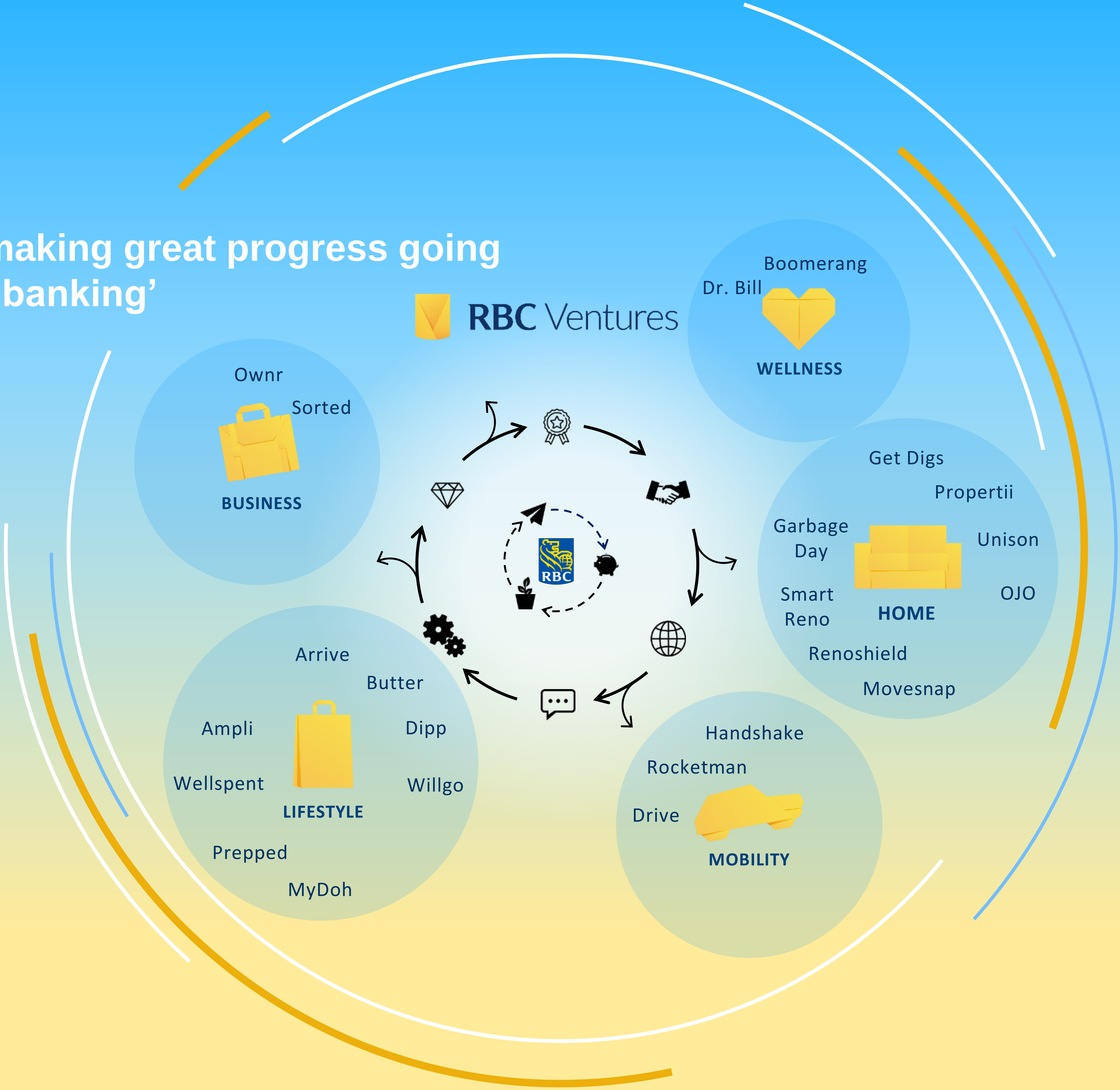
Branches



(1) These figures (in 000s) represent the 90-Day Active customers in Canadian Banking only and are spot values. (2) Digital Adoption rate calculated using 90-day active users. (3) These figures (in 000s) represents the total number of application logins using a mobile device. (4) Financial transactions only.

RBC Ventures

We are making great progress going ‘beyond banking’



Environmental, Social & Governance (ESG)

ESG Performance Highlights: Putting our Purpose into Practice

Royal Bank of Canada is a **purpose-driven**, **principles-led** organization

How we deliver value

Building & attracting talent and driving a diverse & inclusive culture

- **46%** women executives[1] and of 13 Board members, **43%** are women[1]
- **19%** minority executives[1][2]
- **#3** globally in the Refinitiv Diversity & Inclusion Index, ranking over **7,000** listed companies
- Increasing our staffing goals for BIPOC executives from 20% to **30%** with a focus on increasing Black and Indigenous representation to accelerate the diversity of our leadership pipeline for senior executive roles[4]

Sustainable finance and responsible investment

- Commitment to **$100 billion** in sustainable finance by 2025
- Inaugural **€500 million** Green Bond issued in 2019
- Dedicated Sustainable Finance Group established in Capital Markets
- Total value of socially responsible investments and impact assets under management grew to **$7.7 billion** in 2019 ($7.0 billion in 2018)

Climate change: accelerating clean economic growth

- Enterprise climate change strategy, RBC Climate Blueprint, aims to support clients in the low-carbon transition
- Annual TCFD[3] aligned disclosures
- Carbon neutral in our global operations since 2017
- Through RBC Tech for Nature, investing **$10 million** annually to use technology to solve pressing environmental challenges

Preparing youth for the future of work

- Through RBC Future Launch, we are dedicating **$500 million** over the next **10 years** to help young people gain meaningful employment through work experience, skills development and networking; we have reached over **1.9 million** Canadian youth through **500+** partner programs since 2017
- Committing to invest **$50** million from 2020 to 2025 to create meaningful and transformative pathways to prosperity for **25,000** BIPOC youth[4]

Governance & Integrity

Responsible governance, a strong risk conduct and culture, and effective risk management underpin our business and are integral to our ESG performance. ESG performance improvement is also factored into CEO and Group Executive compensation.

(1) Represents data as at October 31, 2019 for our businesses in Canada governed by the Employment Equity Act; Board composition is reflective as of February 11, 2020. (2) Based on employee self-identification and aligned to the definitions of the Employment Equity Act in Canada and the U.S. Equal Employment Opportunities Commission; (3) Task Force on Climate-related Financial Disclosures (TCFD); (4) RBC's Actions Against Systemic Racism

Recognized as an ESG leader by third parties

Ratings

RBC is recognized as an **"Outperformer"** or **"Leader"** by our top tier ESG rating agencies[1] and indices, including:

FTSE4Good

2020 banking industry ranking rises to 98th percentile (from 85th percentile in 2019)

SUSTAINALYTICS

"Outperformer"
Overall score 74
83rd percentile

MSCI

"A" Rating

Strengths include:

- ✓ Corporate governance
- ✓ Diversity and inclusion
- ✓ Data security and privacy
- ✓ Environmental leadership

Recognition

Our leadership has resulted in being named to multiple indices and awards, including:

Dow Jones Sustainability Indexes
North American Index

FTSE4Good

EURONEXT vigeo eiris INDICES WORLD 120

PRIX EG AWARDS

Best Overall Governance, 2019 Governance Professionals of Canada

Governance

2019 Bloomberg Gender-Equality Index

Making Progress Towards Gender Equality — EQUILEAP TOP 100 — 2019

Diversity and inclusion

REFINITIV
TOP 100 COMPANY 2019
Diversity and Inclusion Index

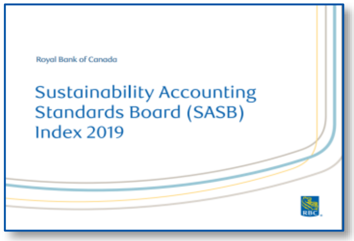
2019 CANADA'S GREENEST EMPLOYERS

(1) Includes Sustainalytics, FTSE4Good, MSCI, VigeoEIRIS and S&P Corporate Sustainability Assessment.

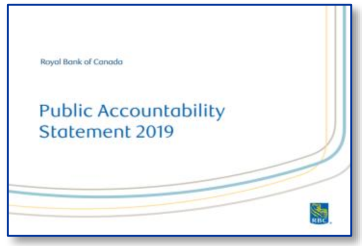
Our suite of ESG disclosures

Annual voluntary and regulatory ESG performance disclosures

ESG Performance Report

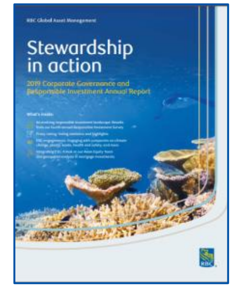


SASB Index



Public Accountability Statement (PAS)

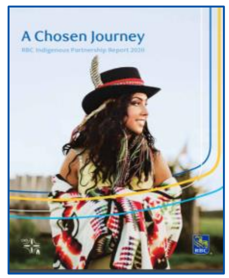
City National CSR Report



Corporate Governance and Responsible Investment Annual Report

RBC Green Bond Report

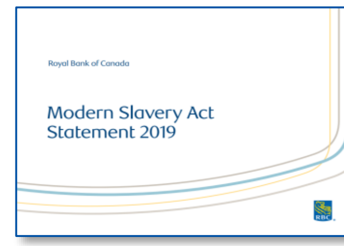
RBC Enterprise Diversity & Inclusion Report



A Chosen Journey Report

Employment Equity Report

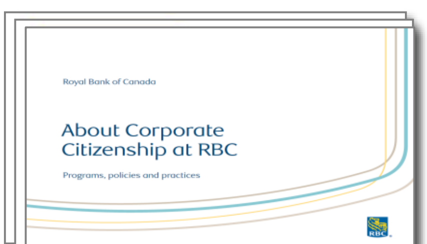
TCFD Report



Modern Slavery Act Statement

Position statements and policy and program "backgrounders"

RBC Climate Blueprint



About Corporate Citizenship suite of policy and program "backgrounders"

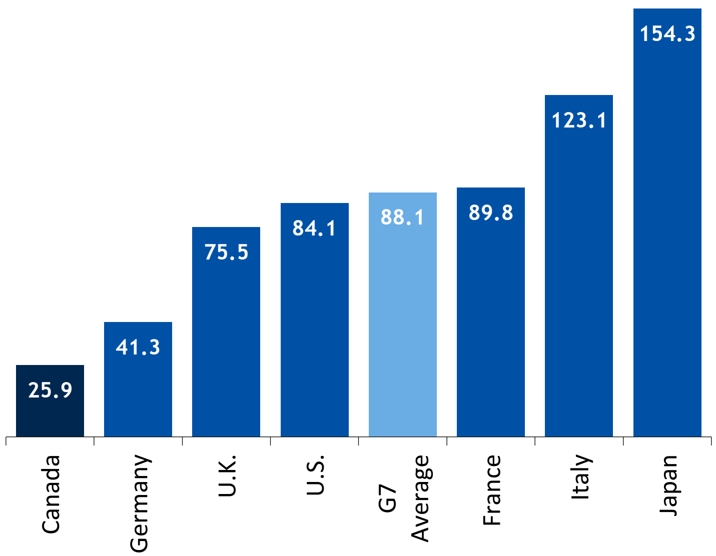
For more details, see our suite of ESG disclosures on our Corporate Citizenship Reporting website.

Economic Backdrop

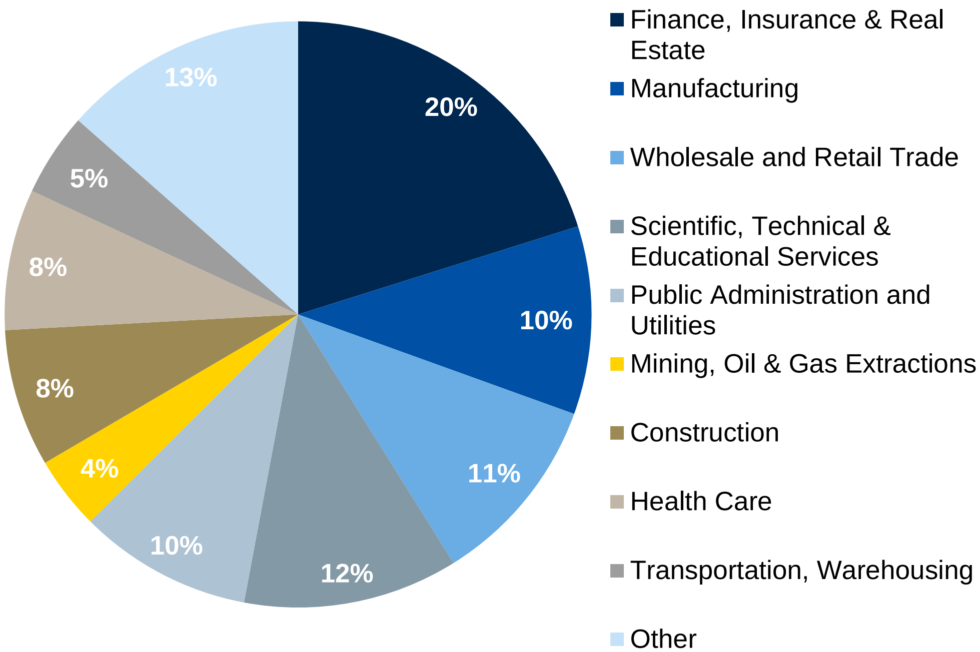
Canada's pre-shock fiscal position strong

- Strong rating as a result of fiscal prudence, conservative bank lending practices and a solid economy
- Lowest net debt-to-GDP ratio (pre-COVID shock) among G7 peers(1)

Net Debt as % of GDP(1)
(2019)



Canadian GDP by Industry(2)
(February 2020)

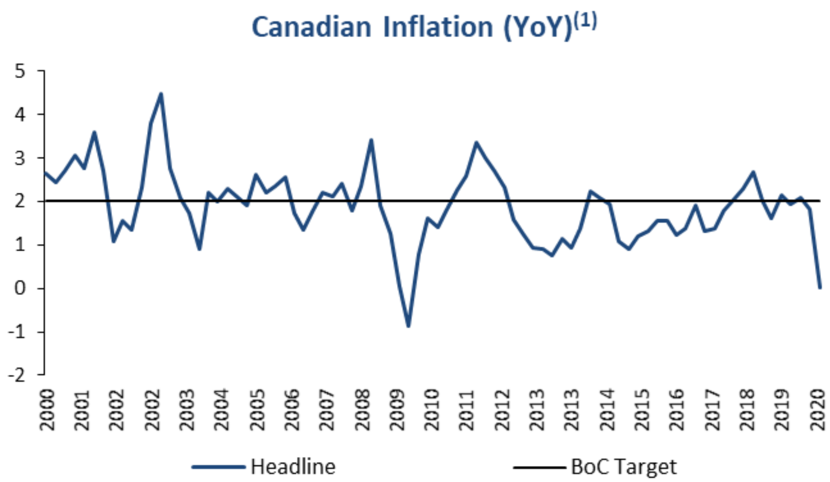


(1) Net debt refers to General Government net debt. International Monetary Fund April 2020 Fiscal Monitor. (2) Statistics Canada, RBC Economics Research.

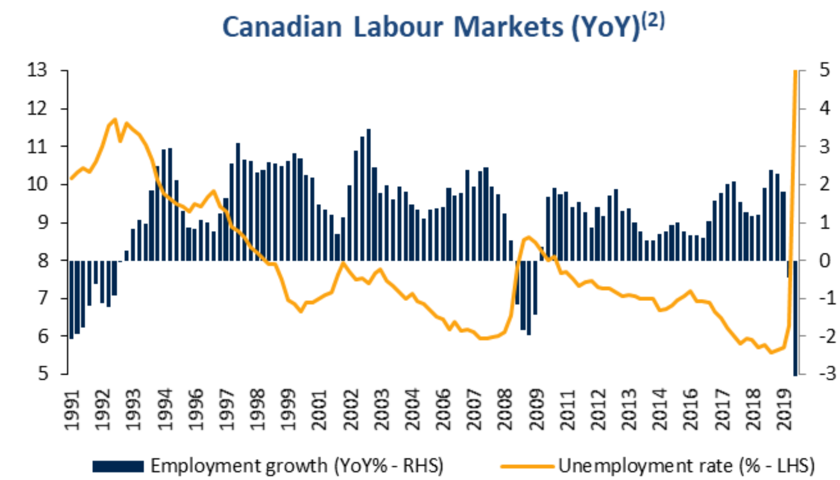
Unprecedented economic weakness in Q2, partial bounce-back under way

- COVID-19 containment measures caused an unprecedented decline in economic activity in Q2 2020. Fiscal/monetary policy measures have also been unprecedented and provided a significant offset to household incomes from wage losses. The initial bounce-back from the plunge in broader economic activity in the spring has been somewhat stronger-than-expected, but labour markets are still exceptionally weak. The economy, and labour markets, will likely still be running well-below long-run capacity limits at the end of the year when some exceptional income supports are set to end.
- Global demand and supply-chain disruptions have also eased. International trade flows have begun to recover, along with the Canadian manufacturing sector. Oil prices have increased, but investment in the oil & gas sector is still exceptionally depressed. The continued proliferation of cases of COVID-19 in the United States in Q3 2020 is expected to stunt the pace of recovery there, and by extension slow the pace of recovery in the Canadian manufacturing sector.
- We expect Canadian GDP to contract 6.0% in 2020 and bounce back 4.0% in 2021. Annual headline inflation will fall to 0.4% for 2020 by our count, due to broad-based decline in demand and lower oil prices. Employment has retraced a little more than half of the 3 million jobs lost over March and April to-date through July. We expect the unemployment rate to end 2020 still elevated at 8.5% in Q4 – and average over 9% for the year as a whole.

Canadian Inflation (YoY)(1)



Canadian Labour Markets (YoY)(2)



(1) Statistics Canada, RBC Economics Research. (2) Statistics Canada, Bureau of Labor Statistics, RBC Economics Research.

2020 Economic Outlook

Projected Economic Indicators for 2020[1]

	GDP Growth	Inflation	Unemployment Rate	Interest Rate (3 mth T-bills)	Current Account Balance/GDP[2]	Budget Surplus/GDP[3]
Canada	(6.0%)	0.6%	9.3%	0.20%	(2.8%)	(15.9%)
U.S.	(5.5%)	0.8%	8.5%	0.15%	(1.4%)	(17.9%)
Euro Area	(8.7%)	NA	8.2%	NA	2.6%	NA

Canada

- The Canadian economy is forecast to contract by 6.0% in 2020. GDP declined 8.2% in Q1 (annualized, quarter-over-quarter rate) and our projections assumed an unprecedented 35% decline in Q2. Weakness was heavily concentrated in March and April. The economic recovery began as containment measures eased with a 4.5% GDP increase in May.
- Early reports are pointing to a stronger-than-expected initial bounce-back in household spending, both on consumer goods and homes. But spending on some services is still exceptionally low – particularly travel-related sectors. Investment in the oil & gas sector is still very weak. And labour market weakness is still expected to outlive exceptional current income supports for those losing work. The initial bounce-back in economic activity has been somewhat stronger than expected, but the economy is still expected to be running well-below capacity, and unemployment elevated, at the end of the year.
- The Bank of Canada is expected to hold the overnight rate at current near-zero levels for the foreseeable future.

U.S.

- U.S. GDP declined 5.0% in Q1 (annualized, quarter-over-quarter rate) and an unprecedented -32.9% in Q2. Employment rose sharply May through July as containment measures eased, but only 42% of total job losses over March and April have been recovered to-date. A resurgence in virus spread is expected to stunt the pace of growth in Q3 but not cause the economy to re-test exceptionally low levels of activity in Q2.
- Unprecedented government income supports for those losing work helped support a quicker-than-expected recovery in household spending through July, but unemployment is still exceptionally high, and difficulty passing additional stimulus measures through Congress represent a downside risk to the growth outlook for the second half of the year.

Euro Area

- As in other regions, Euro area economies have partially recovered from unprecedented declines in the second quarter. GDP declined 20.4% (non-annualized, quarter-over-quarter) in the UK in Q2, and 12% in the Euro area.
- The Euro area composite PMI bounced back to 54.9 in July in the Euro area and 57.0 in the UK from lows of 13.6 and 13.8 in April for those regions, respectively.
- Both the Euro area and the UK economies are expected to bounce-back over the second half of 2020, but remain well-below pre-shock levels at the end of the year.

(1) RBC Economics Research as of July 14, 2020 and reflect forecasts for calendar 2020. (2) RBC Economics Research, IMF WEO (April 2020). (3) Canada Department of Finance, Congressional Budget Office

Canadian Housing Market

Structural backdrop to the Canadian and U.S. housing market

	Canada(1)	U.S.(1)
Regulation	▪ Government influences mortgage underwriting policies primarily through control of insurance eligibility rules ▪ Fully insured if loan-to-value (LTV) is over 80% – Must meet 5-year fixed rate mortgage standards – Government-backed, on homes under $1MM – Down-payment over 20% on non-owner occupied properties – CMHC last increased mortgage loan insurance premiums in 2017 by ~15% for new mortgages with LTV over 90% – Minimum down payment for new government-backed insured mortgages is 10% for portion of the value of a home being purchased that is between $500,000 – $999,000, and 5% below $500,000 ▪ Re-financing cap of 80% on non-insured	▪ Agency insured only if conforming and LTV under 80% ▪ No regulatory LTV limit – can be over 100% ▪ Not government-backed if private insurer defaults
Consumer Behaviour	▪ Mortgage interest not tax deductible ▪ Greater incentive to pay off mortgage	▪ Mortgage interest is tax deductible ▪ Less incentive to pay down mortgage
Lender Behaviour	▪ Strong underwriting discipline; extensive documentation ▪ Most mortgages are held on balance sheet ▪ Conservative lending policies have historically led to low delinquency rates	▪ Wide range of underwriting and documentation requirements ▪ Most mortgages securitized
Lenders' Recourse	▪ Ability to foreclose on non-performing mortgages, with no stay periods ▪ Full recourse against borrowers(2)	▪ Stay period from 90 days to one year to foreclose on non-performing mortgages ▪ Limited recourse against borrowers in key states

(1) Current regulation and lenders recourse. (2) Alberta and Saskatchewan have some limited restrictions on full recourse.

Legislation and policies – promoting a healthy housing market

July 2020 – CMHC

- Minimum credit score for CMHC insured mortgages raised from 600 to 680
- Gross debt service ratio reduced to 35%; total debt service ratio reduced to 42% to qualify for CMHC insured mortgage
- CMHC tightened rules on admissible down payment sources

April 2020 (postponed due to COVID-19) – Department of Finance

- The benchmark rate used in the insured mortgage qualification stress test changing to the median contract rate on all insured mortgages, making the stress test more responsive to actual market rates. OSFI is considering a similar change for uninsured mortgages

February 2018 – Government of British Columbia

- The B.C. government introduced a 30-point plan to address housing affordability issues. It included a new speculation tax (2% of assessed value) on homeowners who do not pay income tax in the province and increased in the foreign buyer tax to 20% from 15%

January 2018 – OSFI

- Qualifying rate for uninsured mortgages raised to 2 percentage points above the contract rate or the five-year posted rate, whichever is higher

April 2017 – Government of Ontario

- Introduced the ‘Fair Housing Plan’: 16 measures to address risks in the housing market including a 15% speculation tax on non-residents purchasing homes in the Greater Golden Horseshoe region

January 2017 – City of Vancouver

- Vancouver introduced a tax of 1% of the assessed value of each home which is vacant (principal residence is exempt)

October 2016 – Department of Finance

- Qualifying rate for high-ratio mortgages with a term of five years or more is changed to the 5-year posted rate
- Portfolio-insured low-ratio mortgage loans must meet the eligibility criteria of high-ratio insured mortgage
- A principal residence sale must be reported in the seller’s tax return, even if any capital gain is protected by the principal residence exemption

Legislation and policies – promoting a healthy housing market

July-August 2016 – OSFI & the Government of British Columbia

- OSFI increased scrutiny on mortgage underwriting standards: greater emphasis on internal controls, risk management practices and market developments
- BC government introduced a property transfer tax of 15% on foreign buyers registering the purchase of a home in Metro Vancouver

December 2015 – Department of Finance

- Minimum down payment for new government-backed insured mortgages increased from 5% to 10% for portion of the value of a home being purchased that is between $500,000 and $999,999 (came into effect February 2016)

April 2014 – CMHC

- Discontinued offering mortgage insurance on 2nd homes and to self-employed individuals without 3rd party income validation

July 2012 – CMHC

- Maximum amortization on government-backed insured mortgages reduced to 25 years from 30 years
- Maximum amount that can be borrowed on a mortgage refinancing lowered to 80% from 85%
- CMHC insurance availability is limited to homes with a purchase price of <$1 million lowered from $3.5 million
- Set the borrower's maximum gross debt service ratio at 39% and maximum total debt service ratio at 44%

March 2011 – CMHC

- Maximum amortization on government-backed insured mortgages reduced to 30 years from 35 years
- Maximum amount that can be borrowed on a mortgage refinancing lowered to 85% from 90%

February 2010 – Department of Finance

- Borrowers with insured mortgage terms of less than five years must meet the standards for a five-year fixed rate mortgage
- Maximum amount that can be borrowed on a mortgage refinancing lowered to 90% from 95%
- Minimum 20% down payment is required in order to qualify for government-backed mortgage insurance on non-owner-occupied properties

July 2008 – Department of Finance

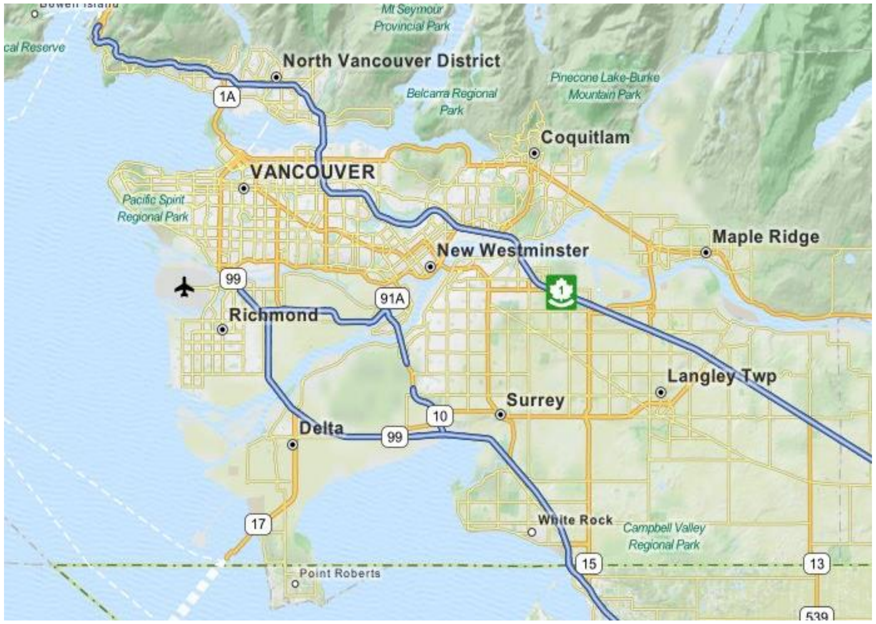
- Maximum amortization on government-backed insured mortgages reduced to 35 years from 40 years
- A minimum 5% down payment is required in order to qualify for government-backed insured mortgages
- Minimum credit score requirements, new loan documentation standards, setting a maximum of 45% on borrowers total debt service ratio

The Toronto and Vancouver downtown condo markets

- Constraints on undeveloped land around Toronto / Vancouver have contributed to a shift to higher-density condo housing
  - Provincial growth plan, including ‘Green belt’ surrounding Toronto, contains urban sprawl and favours condo development
  - Vancouver is restricted in its ability for urban sprawl due to land constraints away from the city centre
- Canada has one of the highest per capita rates of permanent immigration in the world[(1)]
  - 22% of Canada’s population is foreign born (7.5 MM), highest proportion among the G8 nations[(1)]
  - 56% of all new immigrants to Canada move to Toronto, Vancouver or Montreal[(1)]
- RBC’s exposure to condo development is limited – about 3.3% of our Canadian commercial loan book[(2)]
  - Condo exposure is 10.9% of Canadian residential lending portfolio[(2)(3)]

“Green Belt” Surrounding Greater Toronto Area

Vancouver Limited by Mountains, Sea, U.S. Border

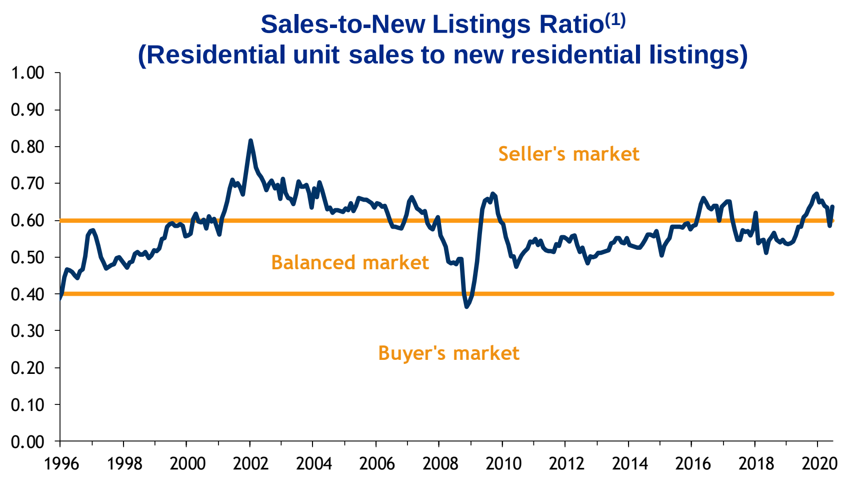


(1) Statistics Canada, 2016 Census. (2) As at July 31, 2020. (3) Based on $281BN in residential mortgages and HELOC in Canadian Banking ($37BN).

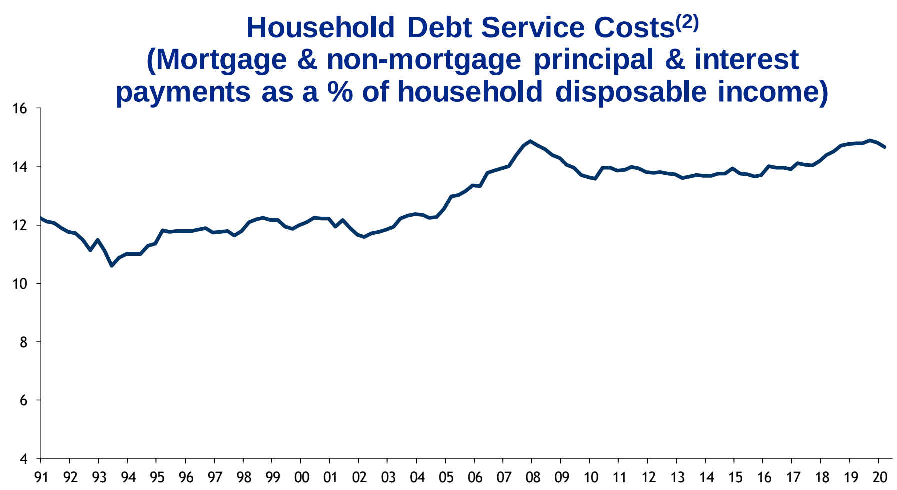
COVID-19 recession poses a material risk to Canada's housing market

- Social distancing measures to combat the COVID-19 pandemic severely disrupted housing markets across the country. Home resales plunged this spring (per Canadian Real Estate Association). However, activity rebounded strongly this summer as mobility restrictions were eased, and as pent-up demand and exceptionally low interest rates drew in more buyers and sellers. Activity is expected to cool later this year once pent-up demand has been largely run down.
- Local markets generally entered the pandemic crisis on a strong footing. Demand-supply conditions had tightened considerably in several local markets, including Toronto, since the spring of 2019, and prices were rising at an accelerating pace. The main exceptions were oil-producing regions where demand was soft and inventories were elevated.
- Generally strong initial market positions and the fact that sellers also moved to, or stayed on, the sidelines at the height of the pandemic, provided protection against an erosion of property values. The longer the COVID-19 economic shock lasts, however, the greater the odds downward price pressure will emerge.
- Canada's longer-term housing market fundamentals continue to be favourable despite near-term turbulence. Immigration will be a major driver of housing demand once a likely short-term in-migration pullback runs its course.
- Lenders maintain strong underwriting discipline and require extensive documentation.
  - Most mortgages held on balance sheet and conservative lending policies have led to low delinquency rates.

Demand-supply conditions are generally tight



Debt service ratio eased this year



(1) Canadian Real Estate Association, RBC Economics. (2) Statistics Canada, RBC Economics. PDI: Personal Disposable Income.

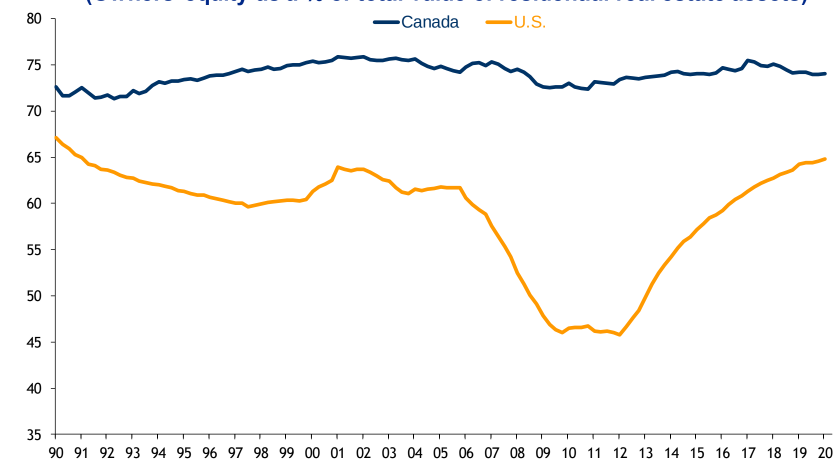
Canadians have significant equity ownership in their homes

- Canadians carry a significant and stable amount of equity in their homes
- The pace of residential mortgage accumulation re-accelerated since mid-2019 after slowing to a 17-year low
- Mortgage delinquency rates remain very low in Canada and have been stable through recent credit cycles. They are likely to rise near term due to COVID-19
- RBC monitors its residential mortgage and broader retail portfolios closely, and performs stress tests for dramatic movements in house prices, GDP, interest rates, and unemployment rates

Canadians maintain high levels of equity in their homes

Equity Ownership(1)

(Owners' equity as a % of total value of residential real estate assets)



Growth in residential mortgages is moderate

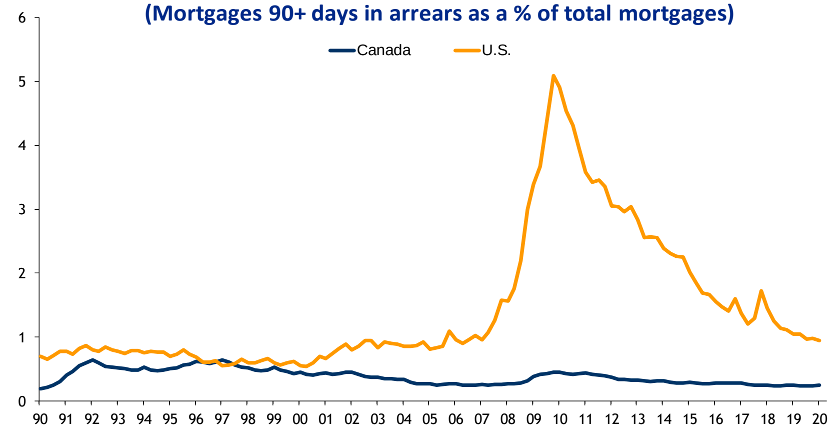
Residential Mortgage Growth(2)

(Year-over-year % change)

The mortgage delinquency rate is at a 30-year low in Canada

Mortgage Delinquencies(3)

(Mortgages 90+ days in arrears as a % of total mortgages)

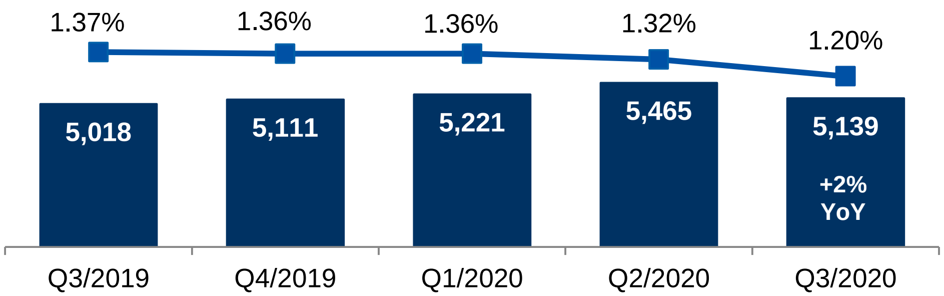


(1) Statistics Canada, Federal Reserve Board, RBC Economics. (2) Bank of Canada, RBC Economics. (3) Canadian Bankers Association, Mortgage Bankers Association, RBC Economics.

Appendix A – Liquidity & Funding

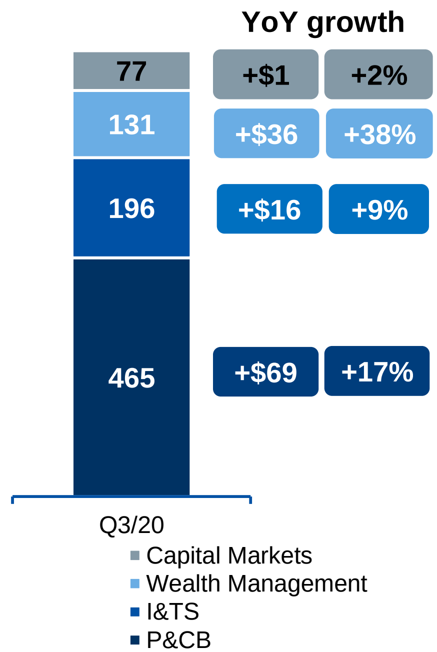
NIM negatively impacted by lower interest rates and strong enterprise liquidity

NIM on Average Assets and Net Interest Income
($ billions)

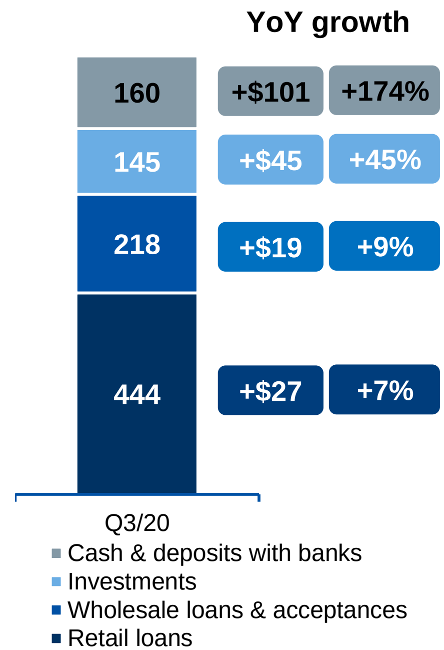


- Net interest income increased 2% YoY, largely due to higher trading revenue in Capital Markets, and strong volume growth in Canadian Banking and City National (CNB)
- All-bank NIM declined 12 bps from Q2/20, primarily due to the impact of lower interest rates, product mix and increased enterprise liquidity
- Lower interest rates negatively impacted deposit margins in Canadian Banking and loan and investment yields at CNB

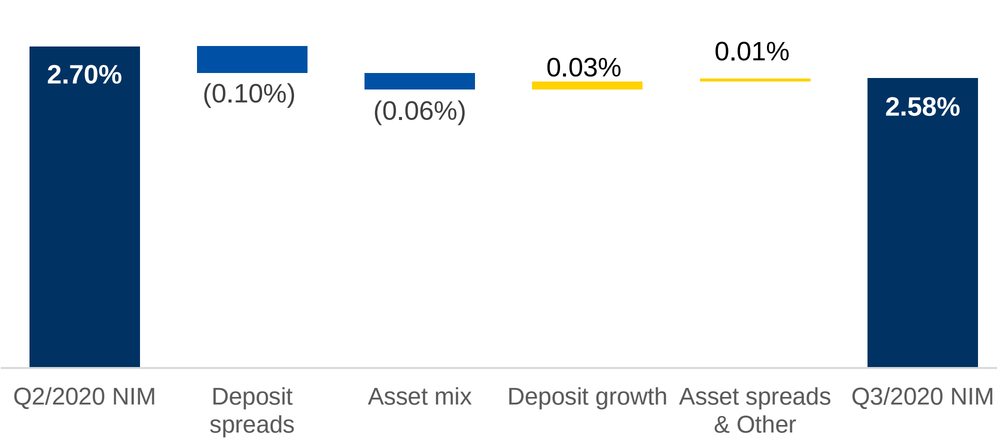
Average deposits
($ billions)



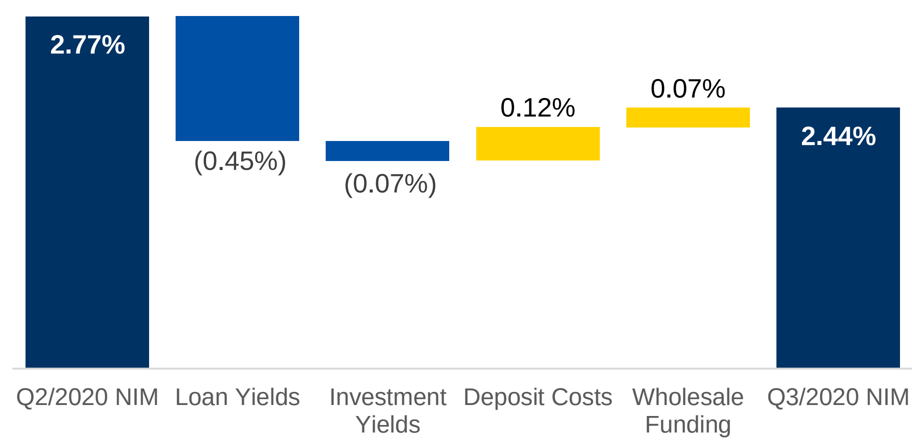
Select assets
($ billions)



Canadian Banking NIM on Average Earning Assets

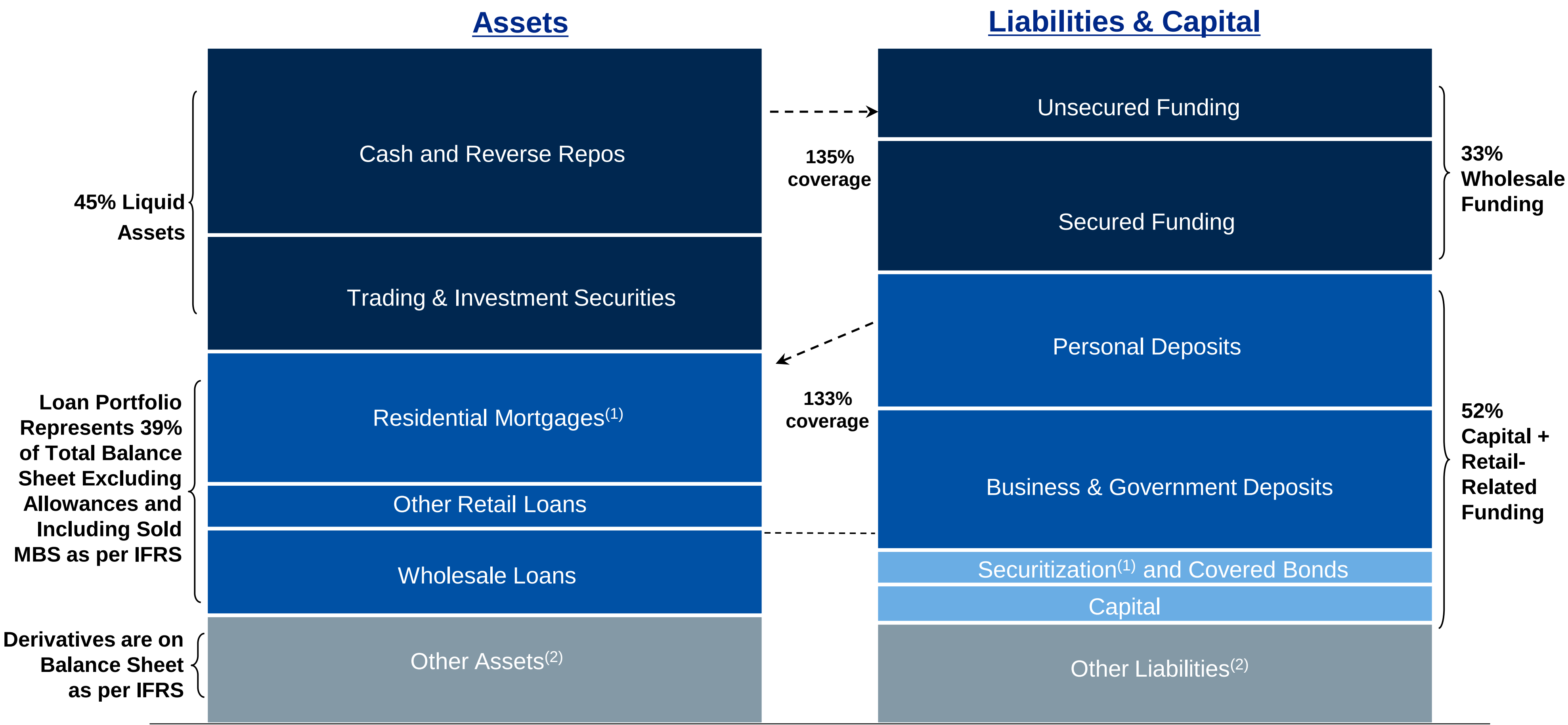


CNB NIM Waterfall on Average Earning Assets



Strength of a high-quality liquid balance sheet

$1,683 Billion
(as at July 31, 2020)



(1) Securitized agency mortgaged back securities (MBS) are on balance sheet as per IFRS. (2) Other assets include $157BN of derivatives related assets, largely offset by derivatives related liabilities in Other liabilities. Under IFRS derivative amounts with master netting agreements cannot be offset and the gross derivative assets and liabilities are reported on balance sheet.

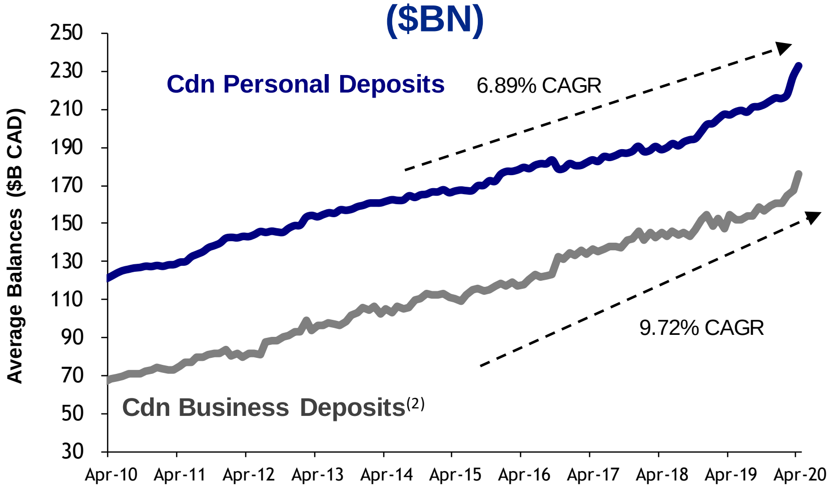
Strong deposit growth

Leveraging the strength of our distribution channels and successful deposit initiatives to drive growth

Canadian relationship deposits

- Initiated successful strategies to grow relationship deposit base
- Canadian relationship deposits continue to grow at accelerated rate
- RBC Canadian personal deposit market share is at 20.1% as of Apr 2020
- RBC Canadian commercial demand deposit market share is at 24.8 % as of Apr 2020

RBC Canadian Deposits[(1)] ($BN)



RBC Relationship Deposits ($BN)

	Q3 2020	Q3 2019
HISA [(3)]	$40	$35
Advisory Channel Deposits [(4)]	$38	$30
Other Personal Deposits	$259	$223
Business Deposits	$353	$290
Total Deposits	$691	$578

(1) Sourced from Canadian deposit market share, which is based on OSFI (M4 report). The volume change in Oct'16 was mainly due to a re-class of personal deposit to business deposits.
(2) Canadian Business deposits reflect all platform demand deposits and Canadian Banking term deposit balances only. (3) High Interest Savings Account; Includes CAD and USD deposits. (4) Sourced largely from RBC Wealth Management network.

Well-diversified wholesale funding platform

- Well-diversified across products, currencies, investor segments, and geographic regions
- Raise majority of funding in international markets, preserving significant domestic capacity which can be more readily tapped in stressed market conditions
- Regular issuance in all major markets to promote investor engagement and secondary market liquidity

Canada

- Canadian Shelf (C$25BN)
- Securitizations (Canadian mortgage bonds, NHA MBS(1) and credit cards)

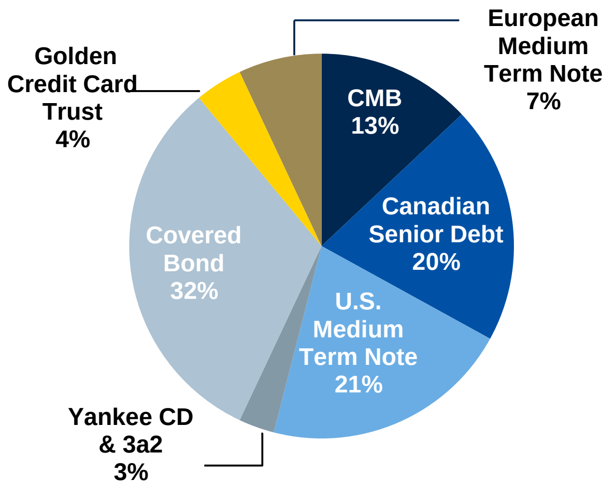
U.S.

- SEC Registered Shelf (US$40BN)

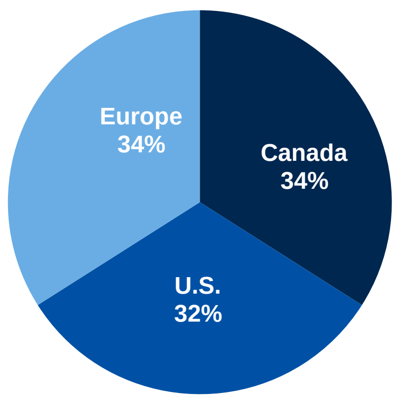
Europe and Asia

- European Debt Issuance Program (US$40BN)
- Covered Bond Program (EUR 60BN)
- Japanese Issuance Programs (JPY 1 trillion)

Well Diversified by Product(2)



Diversified by Geography(2)



Recent Deals

- CAD $1.75 Billion 60nc5 Additional Tier 1 Limited Recourse Capital Notes at a rate of 4.5%.
- CAD $1.25 Billion 10nc5 Subordinated Debentures at CDOR+131bps
- USD $1.5 Billion 5 year unsecured at LIBOR+82bps

(1) National Housing Act Mortgage Backed Securities. (2) As at July 31, 2020.

RBC Covered Bond Program

Globally Active

- Active program in six different currencies: EUR, CAD, USD, CHF, AUD and GBP
  - C$75BN currently outstanding

Strong Issuer

- Largest Canadian bank by market capitalization
- Strong credit ratings
- Well capitalized and consistent historical profitability
- Well diversified business mix

Canadian Legislative Changes

- Canadian legislation protects claims of covered bond investors and overrides any other conflicting law related to bankruptcy and insolvency
  - Extensive regulatory oversight and pool audit requirements
  - Mandatory property value indexation

U.S. Market

- Active U.S. dollar covered bond issuer
- Several benchmark bonds outstanding
- Broad U.S. investor base
  - Issued US$18.7BN across eleven deals since September 2012
  - Trace eligible

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 and non-GAAP measures, including amounts excluding Corporate Support, pre-provision, pre-tax earnings, average loans and acceptances excluding certain items, and cash earnings excluding the after-tax effect of amortization of intangibles, 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 2019 Annual Report and Q3 2020 Report to Shareholders, as well as in our Q3 2020 Supplementary Financial Information.

Definitions can be found under the "Glossary" sections in our Q3 2020 Supplementary Financial Information and our 2019 Annual Report.

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