# Royal Bank of Canada Investor Presentation

Q1/2024



RBC®

# 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 document, in other filings with Canadian regulators or the SEC, in reports to shareholders, and in other communications. In addition, our representatives may communicate forward-looking statements orally to analysts, investors, the media and others. Forward-looking statements in this document include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals, the economic, market and regulatory review and outlook for Canadian, U.S. and European economies and the expected closing of the transaction involving HSBC Bank Canada (HSBC Canada), including plans for the combination of our operations with HSBC Canada and the financial, operational and capital impacts of the transaction, such as expected synergies, cross-sell opportunities and acquisition and integration costs. The forward-looking statements contained in this document represent the views of management and are 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, strategic goals and priorities and anticipated financial performance, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “suggest”, “seek”, “foresee”, “forecast”, “schedule”, “anticipate”, “intend”, “estimate”, “goal”, “commit”, “target”, “objective”, “plan”, “outlook”, “timeline” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “might”, “should”, “could”, “can” or “would” or negative or grammatical variations thereof.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, 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 financial performance, 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 our forward-looking 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, but are not limited to: the possibility that the proposed transaction does not close when expected or at all because of the occurrence of any event, change or other circumstances, the possibility that the anticipated benefits from the proposed transaction, including creating cross-sell opportunities are not realized, the possibility that the business of RBC and HSBC Canada may not perform as expected or in a manner consistent with historical performance, the ability to promptly and effectively integrate HSBC Canada, our ability to achieve our capital targets, our ability to cross-sell more products to customers, the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events, credit, market, liquidity and funding, insurance, operational, 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, legal and regulatory environment, competitive, model, systemic risks and other risks discussed in the risk sections of our annual report for the fiscal year ended October 31, 2023 (the 2023 Annual Report), including business and economic conditions in the geographic regions in which we operate, Canadian housing and household indebtedness, information technology, cyber and third-party risks, geopolitical uncertainty, environmental and social risk (including climate change), digital disruption and innovation, privacy and data related risks, regulatory changes, culture and conduct risks, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency, and our ability to anticipate and successfully manage risks arising from all of the foregoing factors. 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 2023 Annual Report and the Risk management section of our Q1 2024 Report to Shareholders, as may be updated by subsequent quarterly reports.

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, as well as the inherent uncertainty of forward-looking statements. Material economic assumptions underlying the forward-looking statements contained in this document 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 2023 Annual Report and outlook section of our Q1 2024 Report to Shareholders, as such sections may be updated by subsequent quarterly reports. Assumptions about RBC's and HSBC Canada's current and expected financial performance, expected closing date of the proposed transaction, expected expense synergies (and timing to achieve), acquisition and integration costs and future regulatory capital requirements were considered in making the forward-looking statements in this document including the expected capital impact to RBC. 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 2023 Annual Report and the Risk management section of our Q1 2024 Report to Shareholders, as may be updated by subsequent quarterly reports.

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

# About RBC

# The RBC story

| | |
|---|---|
| **Diversified business model with scale and market-leading franchises** | ▪ Well-diversified across businesses, geographies and client segments<br>▪ Able to capitalize on opportunities created by changing market dynamics and economic conditions<br>▪ A full suite of products, advice and services to meet our clients' financial needs and build deep, long-term relationships |
| **Leading presence in Canada and an established multi-platform U.S. strategy** | ▪ #1 or #2 market share in all key product categories in Canadian Banking with superior cross-sell ability<br>▪ Largest branch network, the most ATMs and one of the largest mobile sales forces across Canada<br>▪ 10th largest global investment bank [1], #1 in Canada and #1 Canadian investment bank in the U.S.[2]<br>▪ Largest retail mutual fund company in Canada based on assets under management (AUM)[3]<br>▪ 6th largest full-service wealth advisory firm in the U.S. as measured by assets under administration (AUA)[3]<br>▪ #1 High Net Worth and Ultra High Net Worth market share in Canada<br>▪ City National is a U.S.-based relationship bank serving the entertainment industry, mid-market businesses, High Net Worth individuals and other clients who value personalized banking relationships<br>▪ One of the largest Canadian bank-owned insurance organizations[4] |
| **Differentiated tech and innovation investments that go beyond banking** | ▪ Long history of innovation and proven ability to adapt to industry trends; ongoing investments in technology to deliver exceptional experiences and differentiated value for clients<br>▪ Focused on simplifying, digitizing and personalizing our products to make it easier for clients and employees to do business, and to lower costs<br>▪ RBCx™ supports 3,500+ tech and innovation clients and in-house ventures like Mydoh® (used by 140,000+ Canadians to build financial literacy), Ownr® (trusted by 130,000+ Canadian businesses), Houseful™ (formerly OJO Canada®, supporting 11 million+ of Canadians in their home ownership journey) and Dr. Bill® (serving 14,000 physicians since 2020) |
| **Premium ROE and disciplined expense management** | ▪ Track record of earnings and dividend growth while maintaining a disciplined approach to risk and cost management<br>▪ 16%+ ROE[5] medium-term objective |
| **Strong balance sheet and prudent risk management** | ▪ Strong capital position and a high-quality liquid balance sheet; 40-50% dividend payout ratio[6] medium-term objective<br>▪ Credit ratings amongst the highest globally<br>▪ A disciplined approach and diversification have underpinned credit quality<br>▪ Leading Canadian core deposit franchise that serves as a stable source of funding |

*(1) Dealogic, based on global investment banking fees LTM Q1/24. (2) Based on market share (fiscal 2023), Dealogic. (3) Refer to the Glossary on slides 58-59. (4) On a total revenue basis. (5) Return on Equity (ROE) is calculated as net income available to common shareholders divided by average common equity for the period. For further information refer to slide 61. (6) Dividend payout ratio is calculated as common dividends as a percentage of net income available to common shareholders.*

# 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 29 countries

## >17 Million Clients

Served by 94,000+ 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

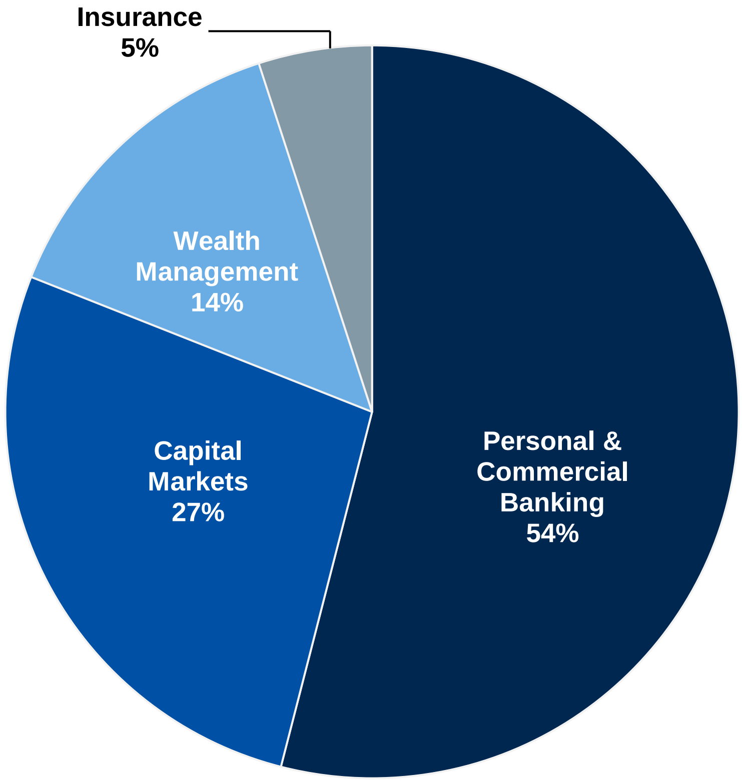
**In the United States:** To be the preferred partner to corporate, institutional and high net worth clients and their businesses

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

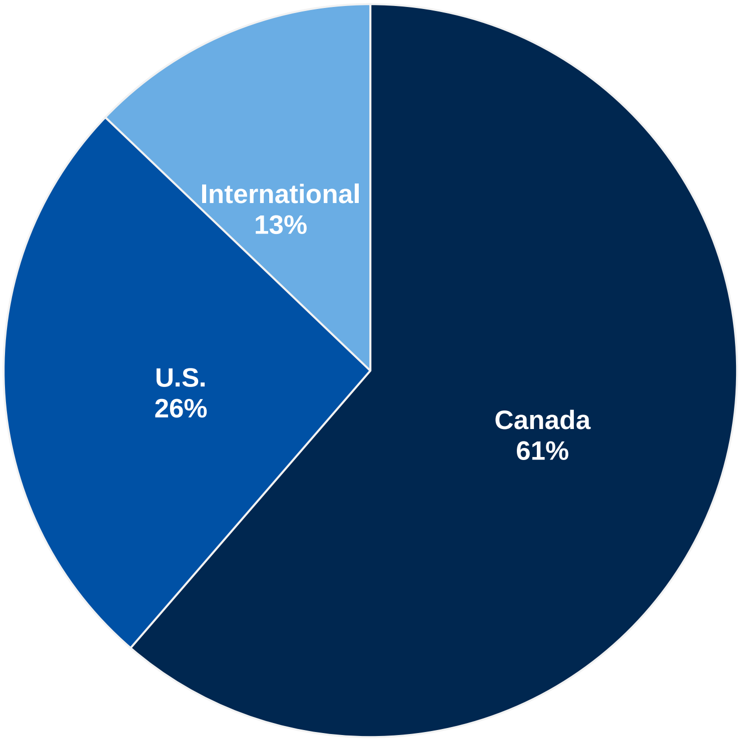
*(1) Based on market capitalization as at January 31, 2024.*

# Diversified business and geographic model with client-leading franchises

**Earnings by Business Segment(1)(2)**
***Last 12 months ended January 31, 2024***




**Revenue by Geography**
***Last 12 months ended January 31, 2024***



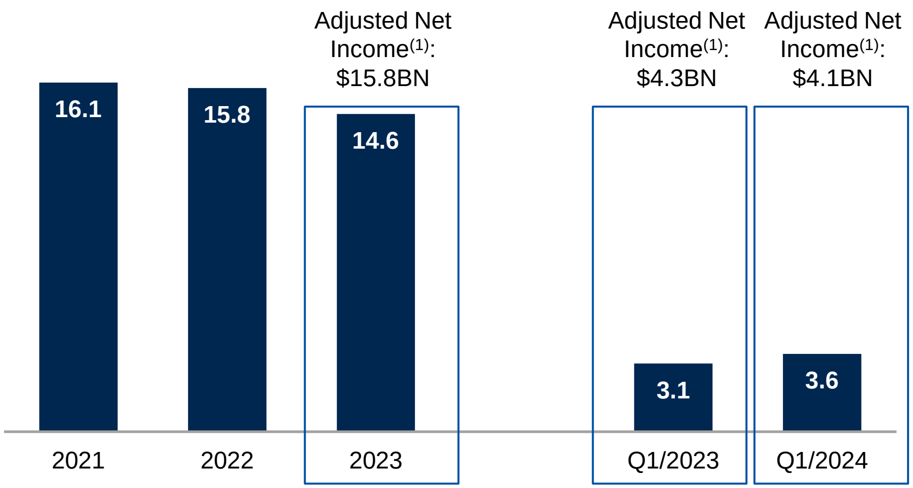

*(1) Amounts exclude Corporate Support. (2) Certain amounts have been revised from those previously presented to conform to our new basis of segment presentation. For more information, refer to the about Royal Bank of Canada section of our 2023 Annual Report.*

# Strong financial profile

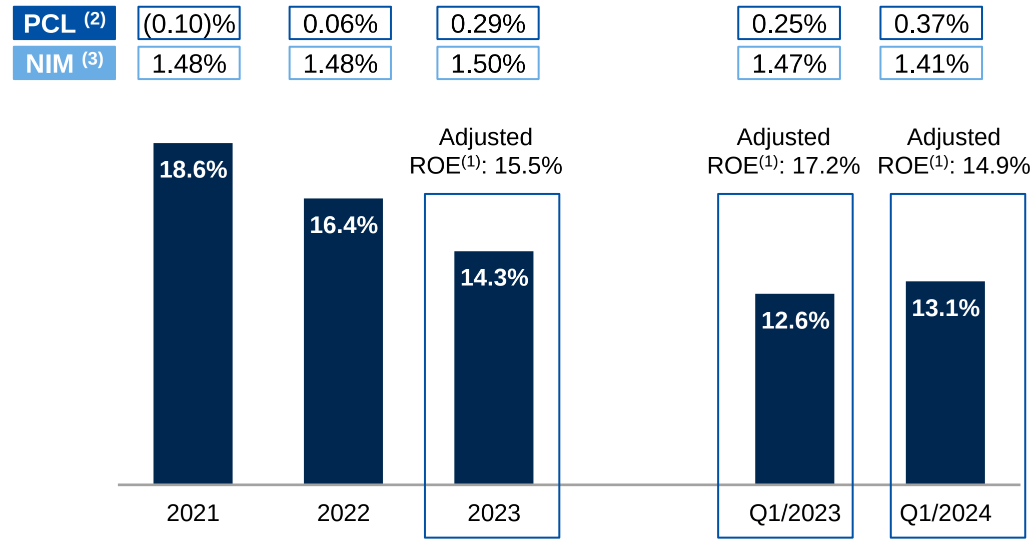
**Maintaining a strong capital position with a disciplined approach to risk**

## Resilient Earnings

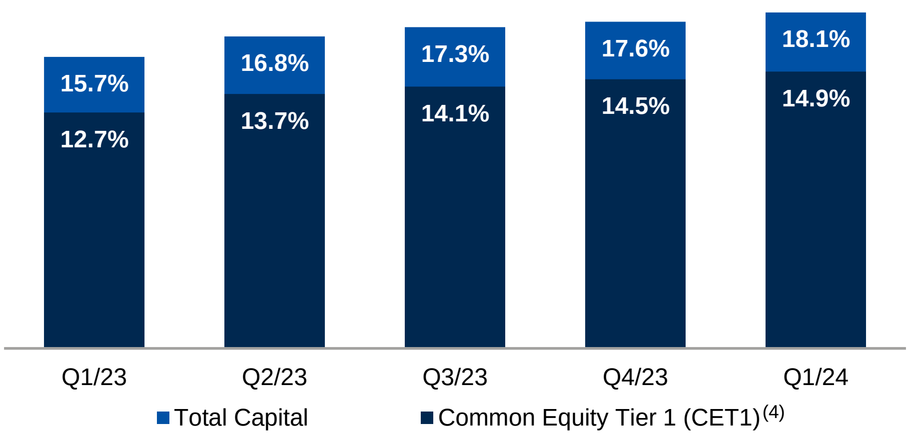
*Net income ($ billions)*




## Premium Return on Equity




## Strong Capital Position




## Strong Leverage and Liquidity Ratios

| | |
|---|---|
| **Leverage Ratio(4)** | **4.4%** |
| **Liquidity Coverage Ratio(4)** | **132%** |

## Credit Ratings Amongst the Highest Globally

| | Moody's‡ | S&P‡ | DBRS‡ | Fitch‡ |
|---|---|---|---|---|
| **Legacy senior long-term debt(5)** | **Aa1** | **AA-** | **AA (high)** | **AA** |
| **Senior long-term debt(6)** | **A1** | **A** | **AA** | **AA-** |
| *Outlook* | *Stable* | *Stable* | *Stable* | *Stable* |

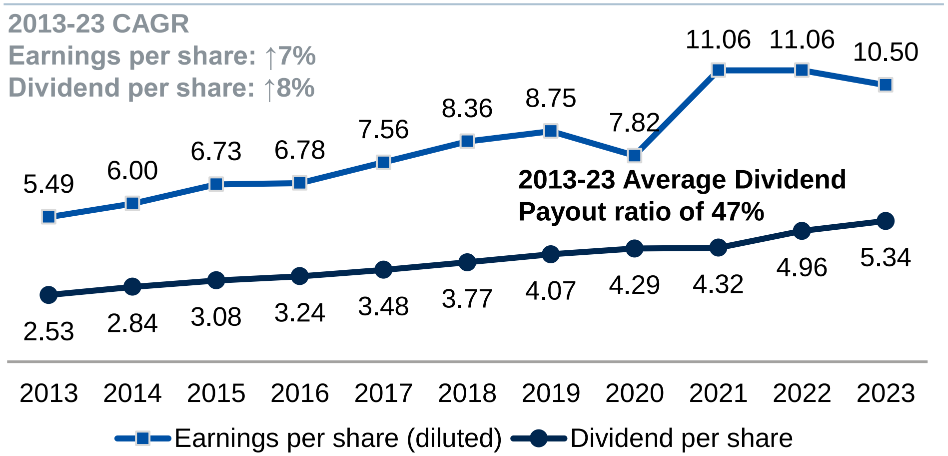
*(1) Adjusted net income is calculated by adding back to net income the after-tax amount of amortization of intangibles, any goodwill impairment, and other significant items that may impact a given period. Adjusted ROE is calculated as adjusted net income available to common shareholders divided by average common equity. These are non-GAAP measures. Refer to slide 60 for reconciliation and slide 61 for more information. (2) Provision for credit losses (PCL) on loans as a % of average net loans and acceptances. (3) Net interest margin (NIM) (average earning assets, net). Refer to the Glossary on slides 58-59. (4) The leverage ratio is calculated using OSFI's LR guideline. The Liquidity Coverage Ratio is calculated using OSFI's LAR guideline. The CET1 ratio is calculated using OSFI's CAR guideline. (5) Ratings (as at February 27, 2024) 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. (6) Ratings (as at February 27, 2024) for senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Bail-in regime.*

# FY2023: Track record of delivering value to our shareholders*

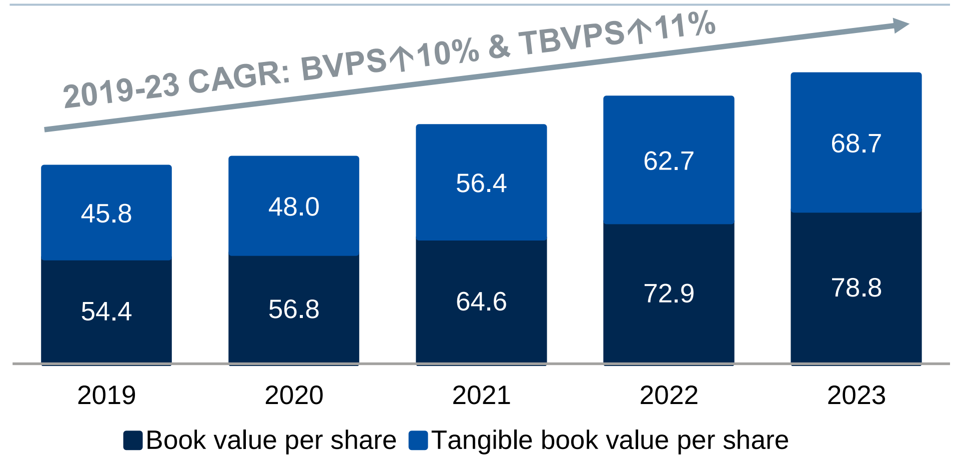
**Financial performance objectives measure our performance against our goal of maximizing total shareholder returns**

| | Medium-Term Objectives[1] | | | Average as of 2023[2] 3-Year | 5-Year |
|---|---|---|---|---|---|
| Profitability | Diluted EPS growth | 7%+ | ✓ | 10% | 5% |
| | ROE[3] | 16%+ | ✓ | 16.4% | 16.0% |
| Capital Management | Capital ratios (CET1 ratio)[3] | Strong | ✓ | 13.6% | 13.1% |
| | Dividend payout ratio | 40% – 50% | ✓ | 45.0% | 47.2% |

## Dividend[4] and Earnings per Share ($)




## Book Value[5] & Tangible Book Value Per Share ($)[6]




**Note above amounts have not been restated from those previously presented as part of the adoption of IFRS 17, effective November 1, 2023. These are presented in accordance with previous accounting policies (IFRS 4).*

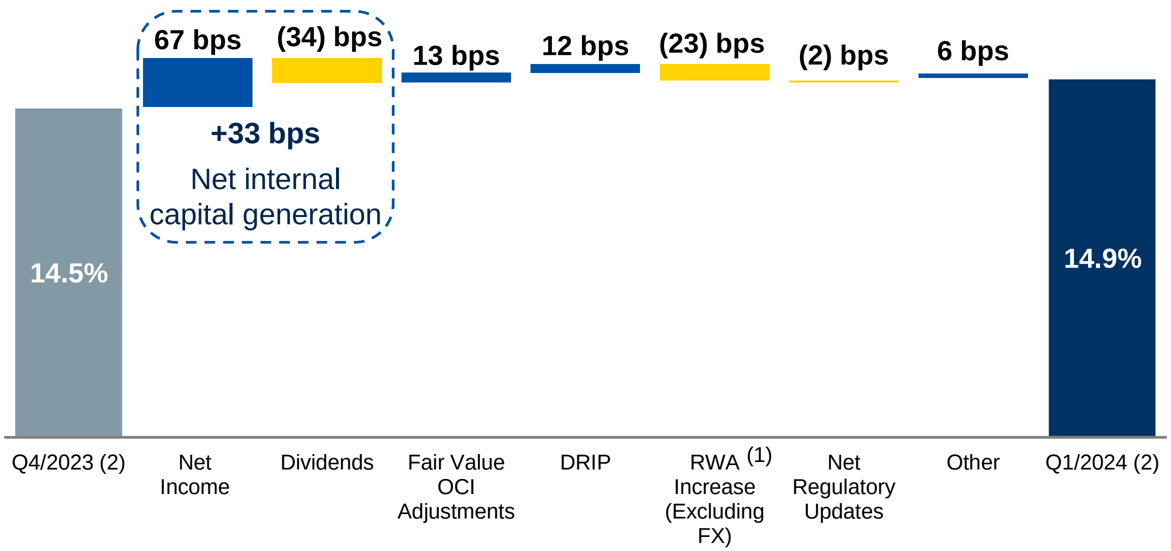
## Achieved Solid Total Shareholder Return (TSR)[7] Performance

| | 3-Year | 5-Year | 10-Year | 20-Year |
|---|---|---|---|---|
| RBC | 13% | 10% | 9% | 11% |
| Peer Average | 13% | 9% | 7% | 9% |

*(1) A medium-term (3-5 year) objective is considered to be achieved when the performance goal is met in either a 3- or 5-year period. These objectives assume a normal business environment and our ability to achieve them in a period may be adversely affected by the macroeconomic backdrop. (2) Diluted Earnings Per Share (EPS) growth is calculated using a Compound Annual Growth Rate (CAGR). ROE, CET1 and dividend payout ratio are calculated using an average. (3) The CET1 ratio is calculated using OSFI's CAR guideline. ROE is calculated as net income available to common shareholders divided by average common equity for the period; for further information refer to slide 61. (4) Our quarterly dividend declared per common share is $1.38. (5) Book Value Per Share (BVPS) is calculated as common equity divided by common shares outstanding. (6) Tangible Book Value Per Share (TBVPS) is calculated as common equity excluding goodwill and other intangibles (excluding software) net of deferred tax on spot basis divided by common shares outstanding. This is a non-GAAP measure. Refer to slide 60 for reconciliation and slide 61 for more information. (7) Annualized TSR is calculated based on the TSX common share price appreciation plus reinvested dividend income. Source: Bloomberg, as at January 31, 2024. RBC is compared to our global peer group. The peer group average excludes RBC; for the list of peers, please refer to our 2023 Annual Report.*

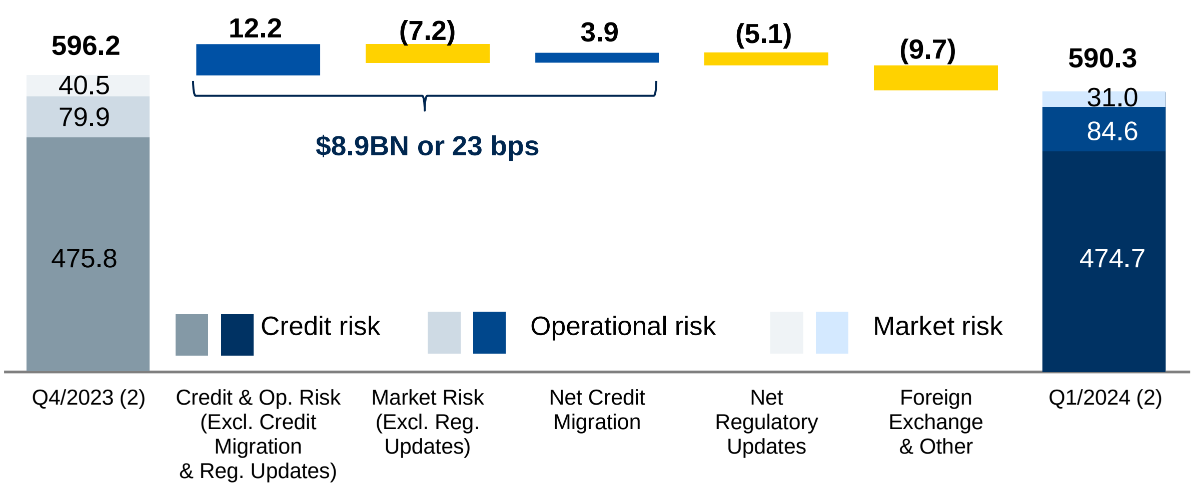
# Capital: Strong position supports strategic deployment and shareholder returns

## CET1[1] Movement




- CET1 ratio[1] of 14.9%, up 40 bps QoQ, reflecting:
  - \+ Net internal capital generation
  - \+ Unrealized mark-to-market gains on OCI securities
  - \+ DRIP shares issued from treasury
  - – Higher RWA[1] (excluding FX) from business growth and net credit migration
- Leverage ratio[1] of 4.4%, up 10 bps QoQ, reflecting net capital accretion, unrealized mark-to-market gains on OCI securities

## RWA[1] Movement ($ billions)




- RWA[1] decreased $6.0BN, mainly reflecting:
  - \+ Favourable FX translation of $6.0BN
  - \+ Lower RWA[1] from net regulatory updates, primarily Basel III reforms, mainly in trading portfolios
  - – Net credit migration, mainly in wholesale portfolios
  - – Operational RWA increase from continued revenue growth
  - – Loan growth in Canadian Banking
  - \+ Lower RWA[1] from credit card securitization
  - \+ Lower market risk driven by reduced inventories

*(1) The CET1 ratio and RWA are calculated using OSFI's CAR guideline. The leverage ratio is calculated using OSFI's Leverage Requirements (LR) guideline. (2) For more information, refer to the Capital Management section of our Q1/2024 Report to Shareholders.*

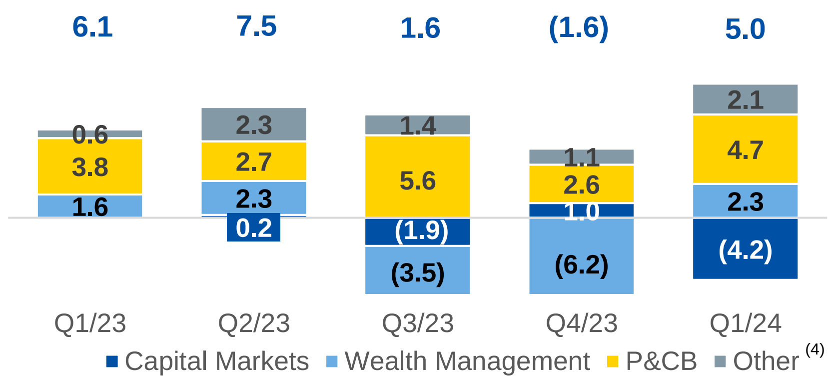
# Balanced capital deployment driving sustainable long-term shareholder value

**Strong capital ratio (CET1)(1)**
Medium-term objective

**ROE(2) of 16%+**
Medium-term objective

**10%**
3-Year BVPS(2) **CAGR**

## Diversified **organic growth**(1)(3) (RWA $BN)




## Committed to sustainable **dividend growth** (Q1/24)

Common share dividends
**$1.9BN**
**+6%** YoY

Dividend payout Ratio(2)
**55%** reported | **49%** adjusted(5)

## Capital generation creates **optionality**

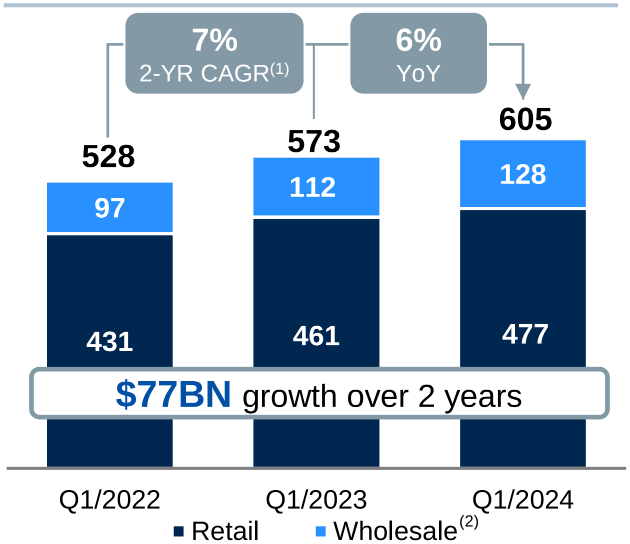
**RBC Brewin Dolphin**
£1.6BN
completed acquisition

**HSBC Canada**
$13.5BN
announced acquisition(6)

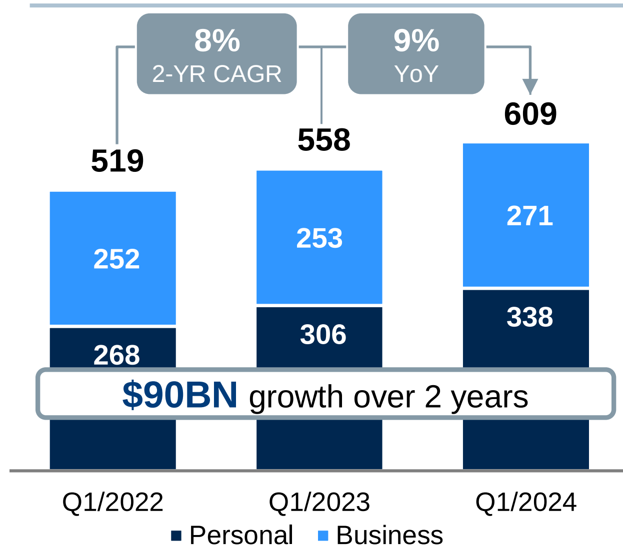
*(1) The CET1 ratio and RWA are calculated using OSFI's CAR guideline. (2) Refer to Glossary on slides 58-59 for explanation of composition of this measure. (3) Organic growth reflects growth in RWA excluding impacts of model & methodology updates, asset quality, acquisitions & disposals, FX and intercompany transfer of deferred tax assets. (4) Includes Insurance and Corporate Support. (5) Calculated as common share dividends ($1,944 million) divided by adjusted net income available to common shareholders ($4,006 million). This is a non-GAAP measure. For more information, see slide 61. (6) Cash purchase price at announcement for acquisition of 100% of the common shares of HSBC Bank Canada (HSBC Canada).*

# Client assets and activity: Momentum in market sensitive businesses

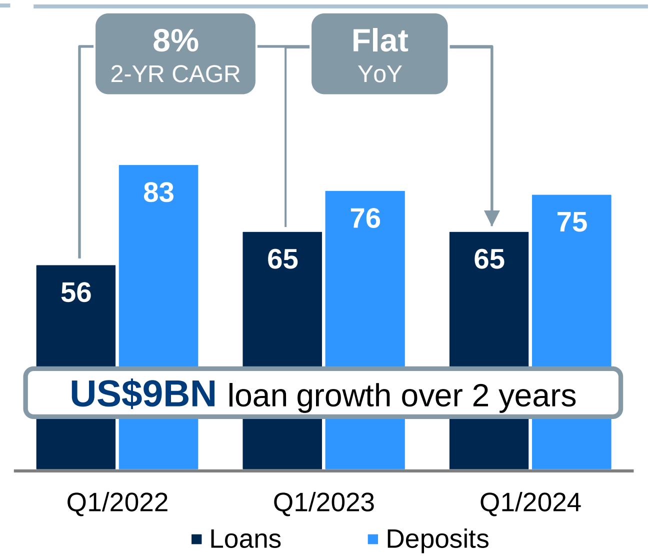
## Canadian Banking average gross loans and acceptances ($ billions)



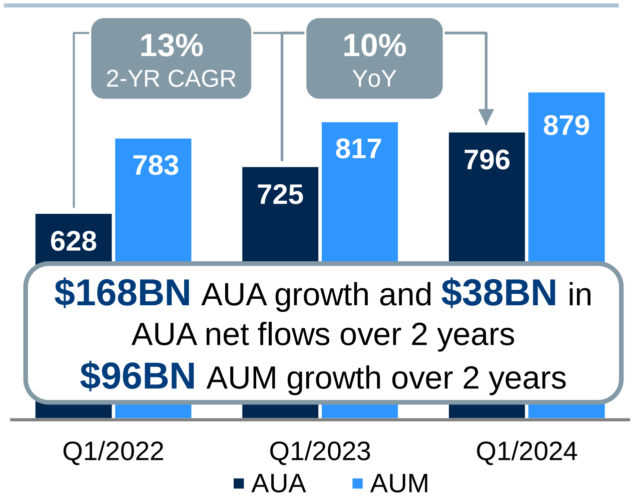

## Canadian Banking average deposits ($ billions)



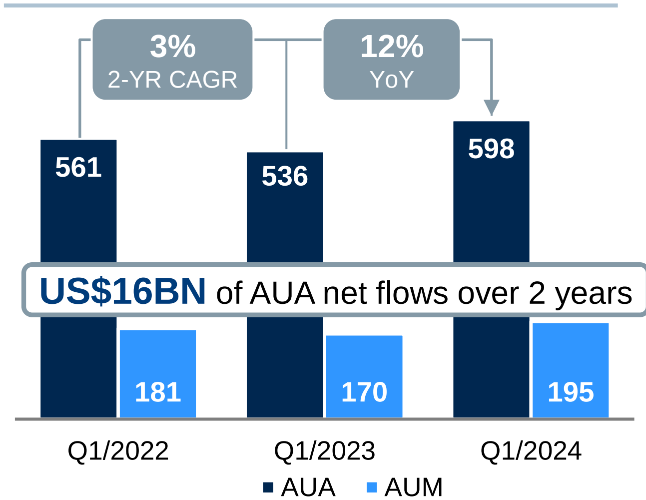

## City National (CNB) average loans and deposits (US$ billions)



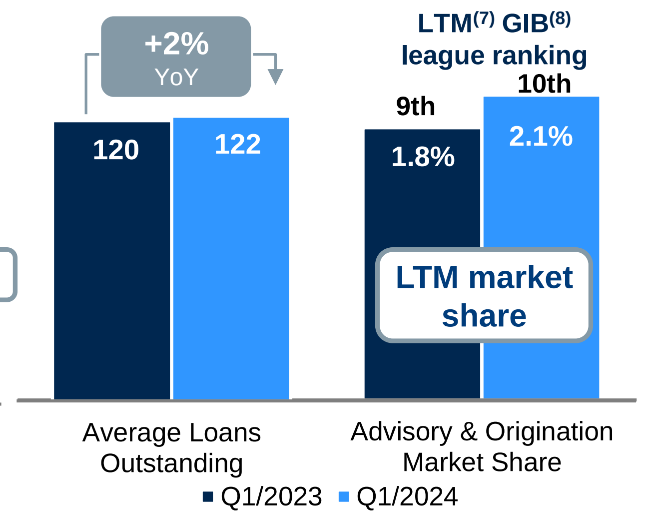

## Wealth Management (non-U.S.) AUA(3)(4) and AUM (3)(4)($ billions)




## U.S. Wealth Management (incl. CNB) AUA (4) and AUM (4) (US$ billions)




## Capital Markets loans and market share ($ billions; %)(5)(6)




*(1) Compound Annual Growth Rate. (2) Wholesale includes small business. (3) Refer to Glossary on slides 58-59 for explanation of composition of these measures. AUA and AUM reflect the inclusion of $79.8BN and $72.4BN, respectively, related to the acquisition of RBC Brewin Dolphin, which closed on September 27, 2022. Excludes IS. (4) Spot balances. (5) Dealogic market share for Equity Capital Markets (ECM), Debt Capital Markets (DCM), loan syndications, and Advisory. (6) Average loans outstanding includes wholesale loans, acceptances, and off balance sheet letters of credit and guarantees for our Capital Markets portfolio, on a single name basis. Excludes mortgage investments, securitized mortgages and other non-core items. (7) Last twelve months (LTM). (8) Global Investment Banking (GIB).*

# Business Segments

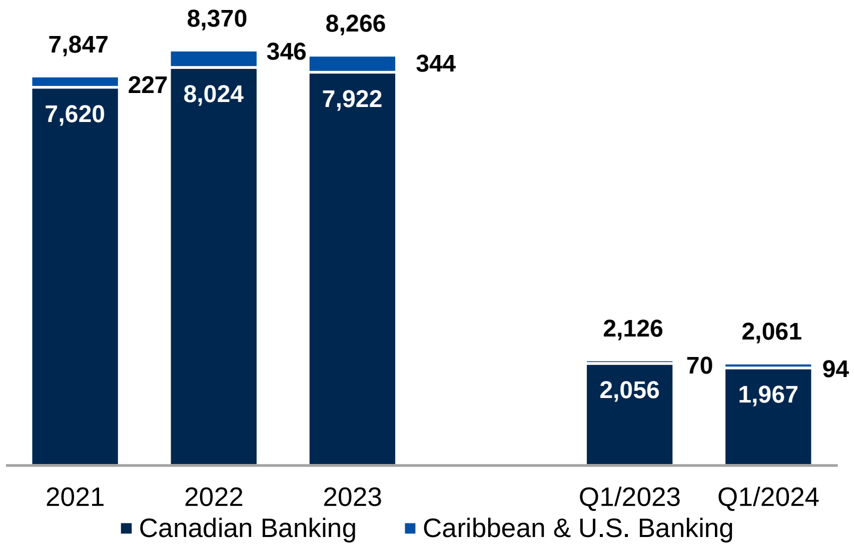
# Personal & Commercial Banking

- The financial services leader in Canada
  - #1 or #2 market share in all key retail and business product categories
  - Largest branch network, the most ATMs and one of the largest mobile sales forces across Canada
  - Superior cross-sell ability
- In 9 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 further digitize our banking channels

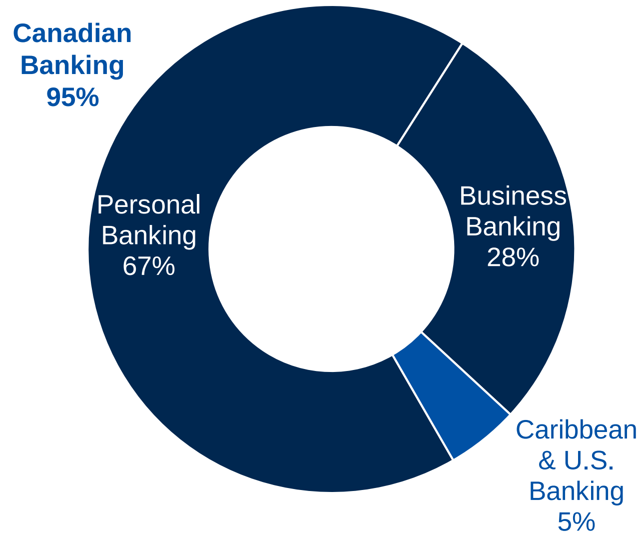
## Q1/2024 Highlights

| | |
|---|---|
| Clients (MM) | ~15 |
| Branches | 1,184 |
| ATMs | 4,275 |
| Active Digital (Online and Mobile) Users[2] (MM) | 9.2 |
| Employees (FTE) | 37,373 |
| Net Loans & Acceptances[3] ($BN) | 614.1 |
| Deposits[3] ($BN) | 630.6 |
| AUA[4] ($BN) | 362.7 |

## Net Income ($ millions)




## Revenue by Business Line[5]




*(1) Based on spot balances. For Caribbean Banking, ranking based on annual peer review (completed April 30, 2023; peers include Republic Bank, BNS and CIBC). (2) This figure represents the 90-day active customers in Canadian Banking only. (3) Based on average balances. (4) AUA represents period-end spot balances and includes securitized residential mortgages and credit card loans as at January 31, 2024 of $14 billion and $6 billion, respectively. (5) For quarter ended January 31, 2024.*

# Personal & Commercial Banking

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

| | |
|---|---|
| **Accelerate Client Growth and Deepen Relationships** | ▪ Grow commercial market share through delivering world-class capabilities to business clients<br>▪ Grow personal market share and deepen relationships through expansion of Avion Rewards program, expanding access to all Canadians regardless of where they bank or shop<br>▪ Continue to increase client acquisitions including key segments: such as youth and young adults, newcomers, business owners, healthcare professionals, retirees, and High Net Worth clients |
| **Transform sales, advice and service, while digitizing to unlock productivity** | ▪ Continue to deliver leading digital capabilities and functionality through our award-winning mobile app<br>▪ Create partnerships to innovate, making it easier to bank with RBC<br>▪ Change or eliminate products and processes that do not add economic or client value |
| **Build Sustainable Communities** | ▪ Contribute to EV market expansion through launch of RBC EV cost calculator and established exclusive relationships with two EV manufacturers<br>▪ Continued support to key client segments, including the path to prosperity of Black Entrepreneurs |
| **Attract, grow, and retain future-ready talent** | ▪ Invested in future skills development, elevating performance and fostering a culture of inclusive leadership<br>▪ Helped employees achieve their work and life goals and supported health and wellbeing |

## Recent Awards

**RBC maintained #1 position; for the third consecutive year, RBC was the big 5 leader sweeping all 11 award categories and awarded solo wins in 5 of 11 categories (1)**

**"International Loyalty Program of the Year" and "Best Loyalty/Benefits in a Financial Product" for Avion Rewards(2)**


**Digital Banker Digital CX Awards, recognizing pioneering innovation in Digital Customer Experience in Financial Services ecosystem: "Best Use of AI for Customer Experience" for NOMI Forecast (3)**

**RBC #1 in Customer Satisfaction for Retail Banking Advice, 2023 (4)**

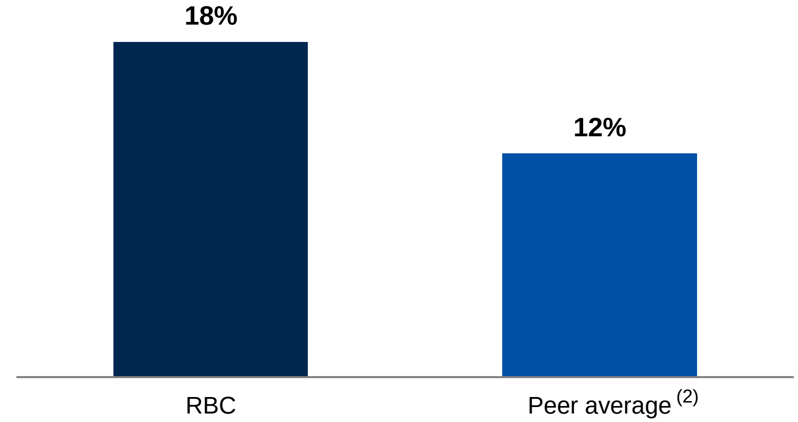
*(1) Ipsos, 2023. (2) ILA, 2023 (3) Digital Banker Digital CX Awards 2023 (4) JD Power, 2023.*

# Personal & Commercial Banking – Canadian Banking

## Canadian Banking client acquisition[1]


## Superior Cross-Sell Ability

Percentage of clients with transaction accounts, investments, borrowing and credit card products[2]



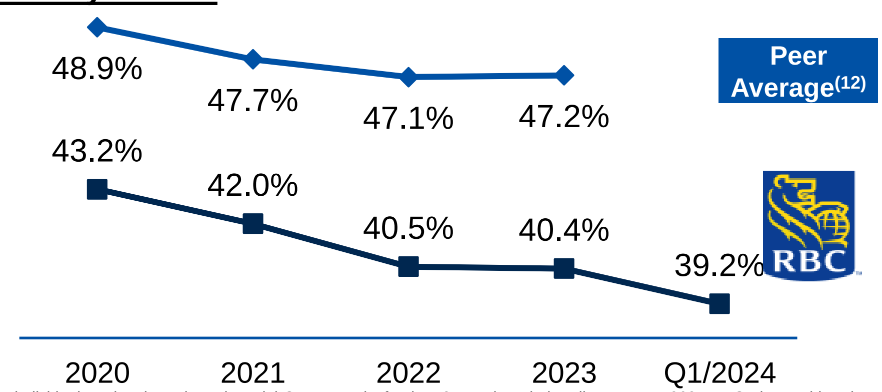

## Top Market Share in All Key Categories[3]

| Product | Market share | Rank |
|---|---|---|
| Personal Lending[4] | 24.7% | 1 |
| Personal Core Deposits + Guaranteed Investment Certificates (GICs) | 21.6% | 1 |
| Credit Cards[5] | 27.0% | 1 |
| Long-Term Mutual Funds[6] | 32.0% | 1 |
| Business Loans ($0-$25MM)[7] | 25.9% | 1 |
| Business Deposits[8] | 24.1% | 1 |

## Continued Efficiency Improvements While Investing For Growth

| NIE CAGR [9] | | FTE CAGR[10] | |
|---|---|---|---|
| RBC | Peer Average | RBC | Peer Average |
| 5.4% | 6.6% | 2.3% | 3.0% |

**Efficiency ratio[11]**




(1) 2018 Investor Day Target: 2.5MM net new Canadian Banking clients by 2023. (2) Canadian Financial Monitor by Ipsos – approx. 18,000 Canadian individuals – data based on Financial Group results for the 12-month period ending January 2024. TFSA is considered an investment. Peers include BMO, BNS, CIBC, TD, National Bank, Desjardins and HSBC Canada. (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 as at November 2023 and September 2023 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 September 2023, excludes Credit Cards. (5) Credit cards market share is based on 6 banks (RBC, BMO, BNS, CIBC, TD and NA) as at November 2023. (6) Long-term mutual fund market share is compared to 7 banks (RBC, BMO, BNS, CIBC, TD, NA, and HSBC) and is at November 2023. (7) Business Loans market share is of 6 Chartered Banks (RBC, BMO, BNS, CIBC, TD and NA) on a quarterly basis and is as at June 2023. (8) Business Deposits market share excludes Fixed Term balances and is as at November 2023. (9) Non-interest expense representing FY20 to FY23 CAGR. Peers include BMO, BNS, CIBC and TD. (10) Number of employees (full-time equivalent) representing FY20 to FY23 CAGR. Peers include BMO, BNS, CIBC and TD. (11) Refer to the Glossary on slides 58-59. (12) Peers include BMO, BNS, CIBC, TD and NA; 2020 through 2023 reflects annual numbers.

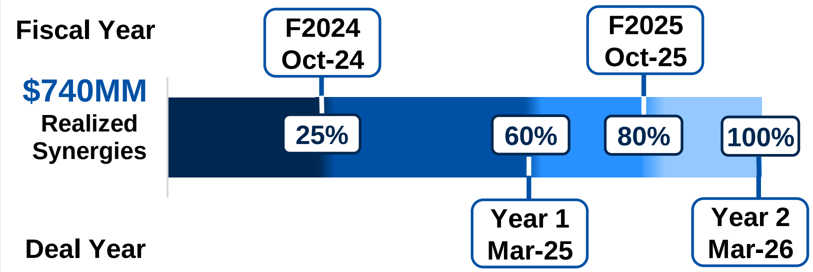
# Planned acquisition of HSBC Canada: Updated transaction expectations

## Expense Synergies

**Transaction Assumptions at Announcement**

- $740MM of estimated **expense** synergies
  - 20% realized in Year 1 (2024)
  - >95% realized in Year 2 (2025)

**Updated Expectations**




- Given the close-and-convert nature of the acquisition, shared services, functions and IT costs drive ~60% of the realized synergies in F2024, and are largely realized in Year 1
- Synergies related to distribution, product support and other direct costs are largely realized in F2025

## Revenue Synergies

**Transaction Assumptions at Announcement**

- Cross-sell opportunities identified

**Updated Expectations**

- Cross-sell opportunities identified

## Integration Costs

**Transaction Assumptions at Announcement**

- Pre-tax acquisition and integration costs of ~$1.0BN
  - Expected to incur 25% by close; remaining 75% in Year 1

**Updated Expectations**

- Pre-tax acquisition and integration costs of ~$1.5BN
  - Have incurred ~$650MM of pre-tax acquisition and integration costs to-date (~40%)
  - Expected to incur ~65% by close and ~90% by the end of 2024

## Capital Impact

**Transaction Assumptions at Announcement**

- Pro forma CET1 ratio expected to exceed 11.5% at close

**Updated Expectations**

- Pro forma CET1 ratio expected to be ~12.5% at close

## Approvals & Timing

**Transaction Assumptions at Announcement**

- Anticipated closing by late-2023 subject to customary closing conditions including regulatory approvals

**Updated Expectations**

- Received regulatory approvals, including by the Competition Bureau and the Finance Minister
- Targeted close date of March 28, 2024

# Wealth Management

## Strategic Priorities

- **Global Asset Management:** Deliver investment performance and extend leadership position in Canada, while continuing to build and grow internationally
- **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
- **International Wealth Management:** Successful integration of RBC Brewin Dolphin to enhance client value proposition and consolidate position in local market. Continue to drive growth in Asia's global families by leveraging the global strengths and capabilities of RBC
- **Investor Services:** Grow relationships with Canadian asset managers, investment counsellors, pension funds and insurance companies, deliver new products to meet growing client demand and enhance our core capabilities in Canada to improve the client experience

## Recent Awards

**Outstanding Global Private Bank – North America**
*(PBI Global Wealth Awards, 2023)*

**Best Private Bank for Digitally Empowering RM's in N. America**
(*Financial Times PWM Wealth Tech Awards, 2023)*

**Best Private Bank in N. America**
(*Family Wealth Report Awards, 2023)*

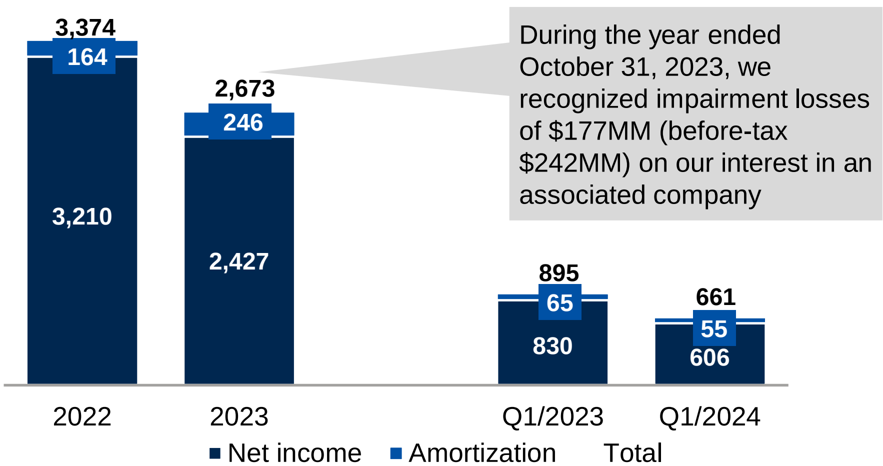
**Best for HNW Individuals in N. America**
(*Euromoney Global Private Banking Awards, 2023)*

**Best Private Bank in Canada – 12th consecutive year**
*(PWM/The Banker Global Private Banking Awards, 2023)*

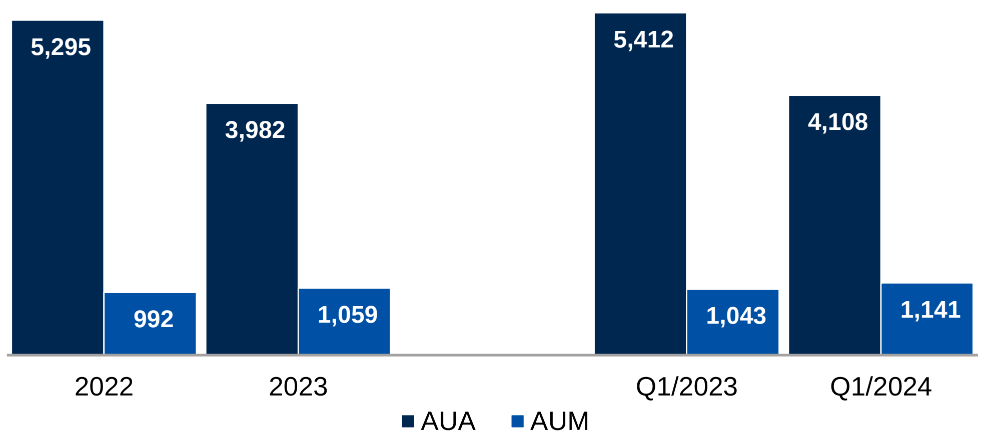
**Best Fund Recognition in 6 Refinitiv Individual Categories**
*(Refinitiv Lipper Fund Awards Canada, 2023)*

**RBC DS was rated #1 in advisor satisfaction amongst all bank-owned full-service brokerage firms**
*(Investment Executive Brokerage Report Card, 2023)*

## Cash Earnings ($ millions)(1) (2)




## AUA and AUM ($ billions)(3) (4)



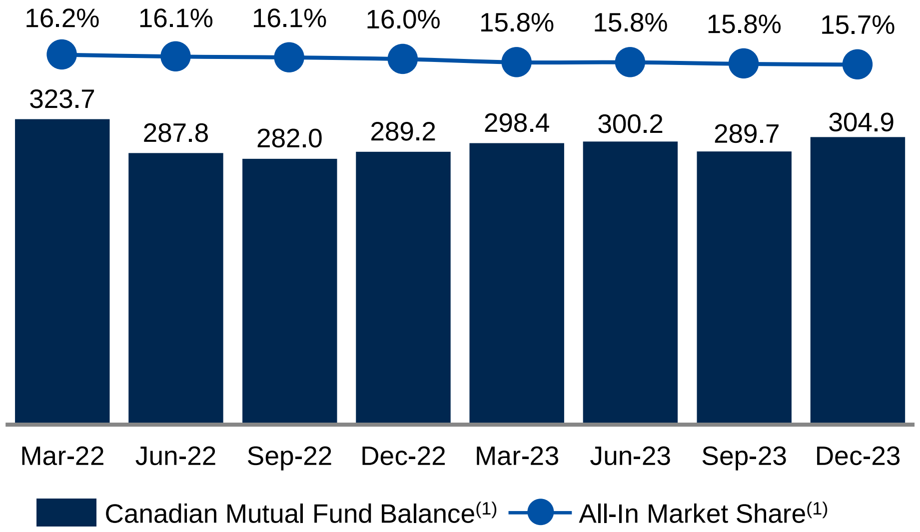

*(1) Cash earnings exclude the after-tax effect of amortization of intangibles. This is a non-GAAP measure. Refer to slide 60 for reconciliation and slide 61 for more information. (2) Effective the fourth quarter of 2023, we moved the Investor Services lending business from our Wealth Management segment to our Capital Markets segment. Therefore, comparative adjusted results for the three months ended January 31, 2023 have been revised from those previously presented. We completed the partial sale of RBC Investor Services operations in Europe (other than U.K.) and Jersey to CACEIS on July 3, 2023 and December 1, 2023, respectively. (3) Spot Balances. (4) Decline in AUA this quarter includes the impact from the partial sale of RBC Investor Services operations which closed on July 3, 2023.*

# Wealth Management – Global Asset Management

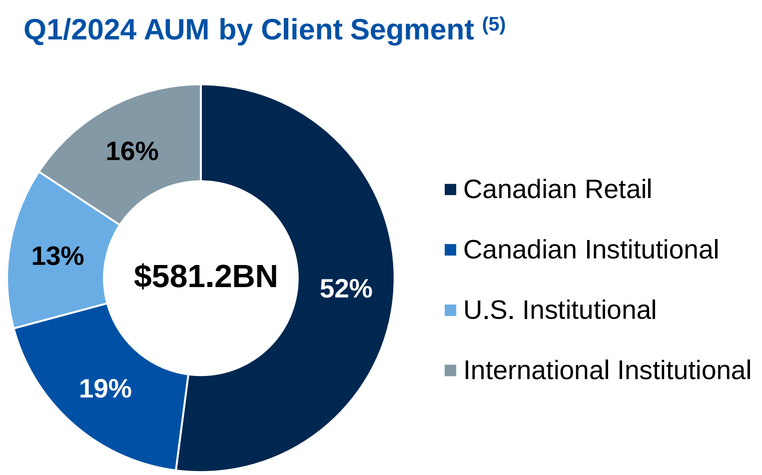
**Building a high-performing global asset management business**

- **Driving top-tier profitability in our largest Wealth Management business**
  - $581.2BN in client assets (as at Q1/24)
  - Investor asset mix of 52% retail / 48% institutional client assets
- **Extending our lead in Canada**
  - Largest retail mutual fund company in Canada, ranked #1 in market share capturing 32.0% amongst banks and 15.7% all-in(1)(2)
  - Strategic alliance between RBC Global Asset Management and BlackRock Canada connects clients to the largest and broadest ETF lineup in Canada
  - 4th largest institutional manager of Canadian pension assets(3)
- **Delivering strong investment capabilities to support growth**
  - Top performing investment firm with ~79% of AUM outperforming the benchmark on a 3-year basis(4)
  - Continued growth of investment capabilities and innovative solutions for both institutional clients and retail investors

## Canadian Retail Mutual Fund AUM ($ billions)




## Diversified Asset Mix



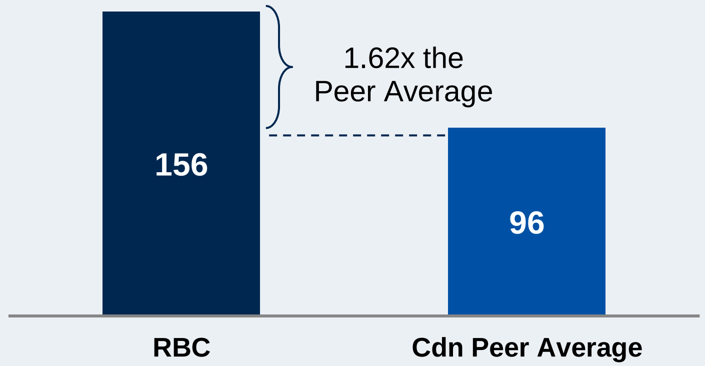

*(1) Investment Funds Institute of Canada (IFIC) in December 2023 and RBC reporting. Comprised of long-term funds and money market prospectus-qualified mutual funds sold to Retail and Institutional clients. (2) Market share amongst entire industry (i.e. all fund companies in Canada that report to IFIC). (3) Benefits Canada, published in November 2023. (4) As at December 2023, gross of fees. (5) 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 $2.0MM per year, 32% above Canadian industry average(1)
- Strong asset growth complemented by favourable market conditions
- Leveraging enterprise linkages to extend market share gains

**RBC Dominion Securities: Fee-based Assets per Advisor(1)** *($ millions)*




## U.S. Wealth Management (including City National)

**RBC Wealth Management-U.S.**

- 6th largest U.S. full-service wealth advisory firm ranked 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, as well as new clearing relationships for our Clearing & Custody business, while enhancing advisor productivity and operational efficiency

**City National**

- A premier U.S. private and commercial bank
- Operates with a high-touch, branch-light client service model in select markets, including: Los Angeles, the San Francisco Bay area, Orange County, San Diego, New York, Washington D.C., Atlanta and Las Vegas
- Launched a National Corporate Banking division in 2021 that specializes in meeting the complex banking and corporate finance needs of mid-corporate-sized companies across the country

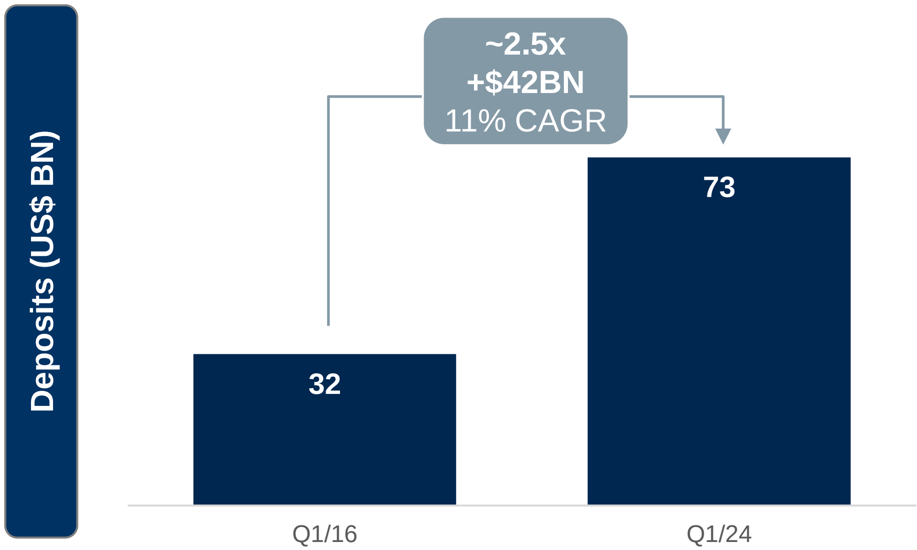
## International Wealth Management

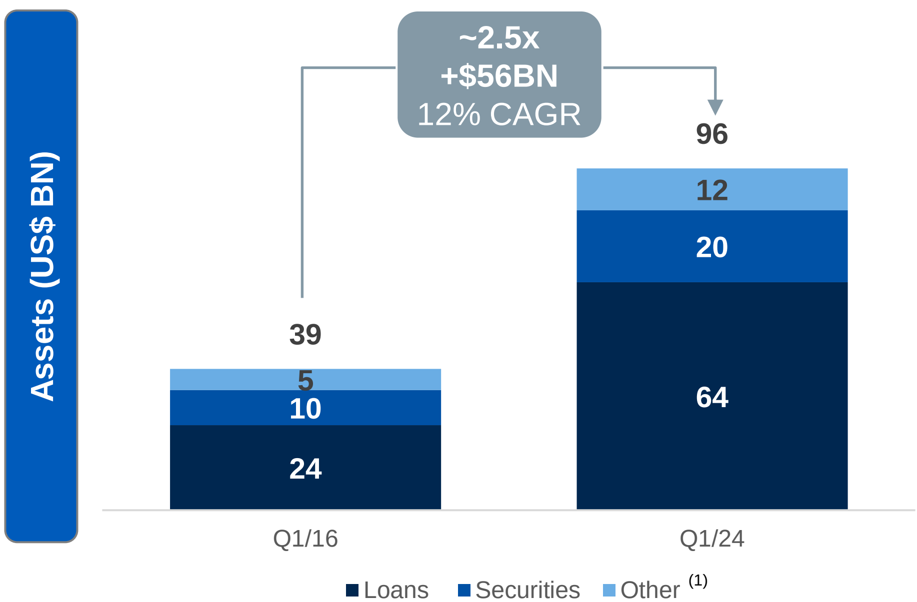
- Growing market share in target markets by being advice-led and creating maximum value for clients with a broad suite of solutions
- Enhancing talent capabilities by unlocking meaningful career opportunities for our people and embedding an inclusive culture of trust and pride
- Enhancing business effectiveness and efficiency through digital enablement, including developing market-leading digital capabilities

*(1) Investor Economics, September 2023. (2) Source: U.S. wealth advisory firms quarterly earnings releases (10-Q).*

# CNB: Strengthening CNB's operational infrastructure remains a top priority

**City National's balance sheet has more than doubled in size since the acquisition in Q1 / 2016**




**Investments to remediate certain non-financial risks and standards to strengthen operational infrastructure**

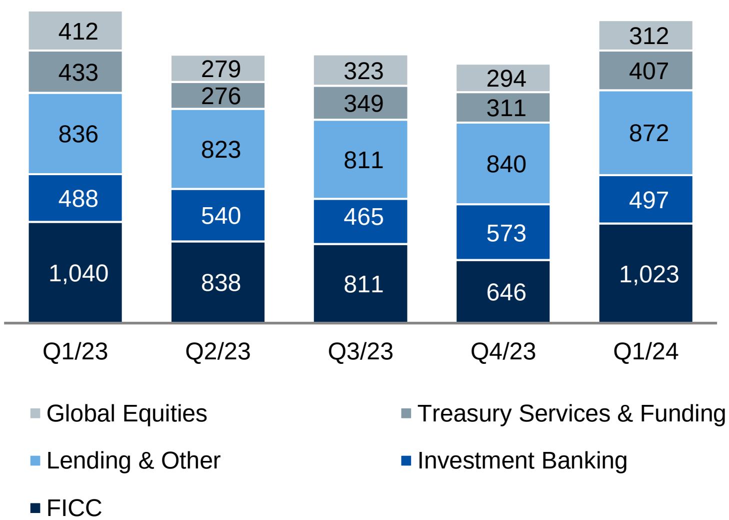
- Over the course of the last few years, CNB has put in place a new management team with a depth of experience from larger U.S. financial institutions, including:
  - Executive Chair
  - President & Chief Executive Officer
  - Chief Financial Officer
  - Chief Risk Officer
- Governance, Risk, and Controls (GRC) Program was established in 2022 to strengthen CNB's operating environment, commensurate with the bank's size and complexity, resulting in significant investments in technology, staff and support services
  - ~25% of the growth in RBC's professional fees over the last 2 years was attributed to CNB
    - CNB's LTM professional fees are ~3x higher than in 2021
  - Risk Management, Compliance and Internal Audit staff more than doubled in size through this period to over 800 FTE

*(1) Reflects all other assets on CNB's Balance Sheet including Interest-bearing balances due from depository institutions.*

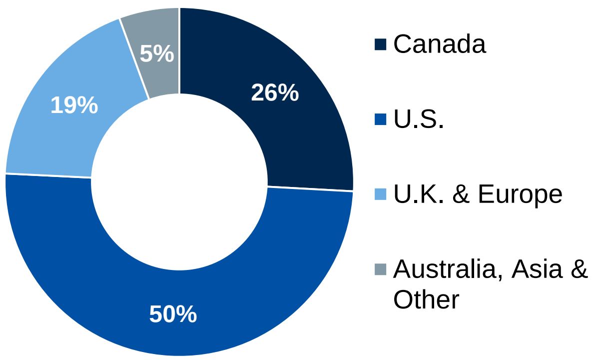
# Capital Markets

- A premier global investment bank with core operations across Canada, the U.S., the U.K., Europe and Asia-Pacific
  - 10th 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 ~81% of the global investment banking fee pool[(1)]
- Recognized by the most significant corporations, institutional investors, asset managers, private equity firms and governments around the globe as an innovative, trusted partner with in-depth expertise in capital markets, banking and finance

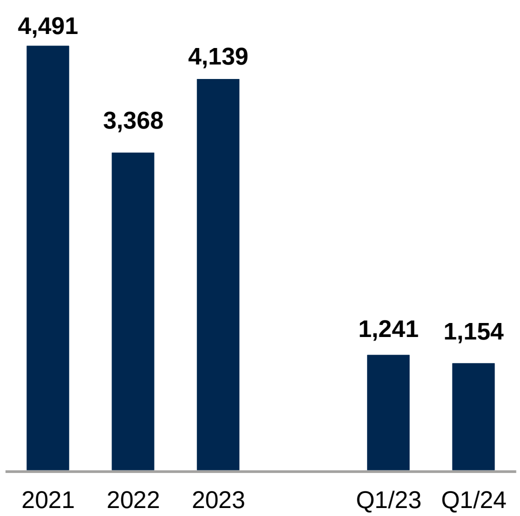
## Revenue by Business ($ millions) [(3)]




## Revenue by Geography [(2)]




## Net Income ($ millions) [(3)]




*(1) Dealogic, based on global investment banking fees LTM Q1/24. (2) For three months ended January 31, 2024. (3) Certain amounts have been revised from those previously presented to conform to our new basis of segment presentation. For more information, refer to the About Royal Bank of Canada section of our Q1 2024 Report to Shareholders.*

# Capital Markets

## Strategic Priorities

| | |
|---|---|
| **Grow and deepen client relationships** | ▪ Deliver holistic coverage to clients and drive multi-product client relationships<br>▪ Expand client coverage in underpenetrated sectors and products |
| **Lead with advice and extend capabilities** | ▪ Grow Advisory & Origination capabilities inclusive of structured solutions<br>▪ Advance Sustainable Finance, Energy Transition and Private Capital solutions |
| **Leverage digital and data to deliver innovative solutions** | ▪ Enhance Sales and Trading client value from scaled electronic and digital strategy<br>▪ Generate differentiated insights and thought leadership leveraging data and analytics |
| **Prioritize and align for impact** | ▪ Strategically deploy talent, technology and financial resources to areas of greatest opportunity<br>▪ Align business and functional strategies to improve execution, build scale and maximize impact |
| **Drive agility and ease of doing business** | ▪ Simplify functional processes to improve client and employee experience<br>▪ Drive cross-platform and geographic collaboration across businesses and asset classes |
| **Engage, enable and empower our talent** | ▪ Invest in talent through scaled development programs, increased mobility, senior hiring and promotions<br>▪ Deepen our culture of inclusion and accelerate progress on diverse representation |

## Notable Awards

THE BOND BUYER 2023 Deal of the Year

**Awarded for 4 RBC led deals, including Deal of the Year Award**

**#1 Senior Manager of negotiated municipal bonds[1]**

IR magazine

**#1 Broker for in-person roadshows, and**

**Joint #2 for virtual roadshows for North American companies**

## Notable Deal Highlights

THE J.M. SMUCKER Co / Hostess BRANDS

**Lead Financial Advisor and Committed Financing on J.M. Smucker Co. US$5.6Bn Acquisition**

KFW

**Joint Lead Manager on A$1.5Bn 5.5-Year Green Bond**

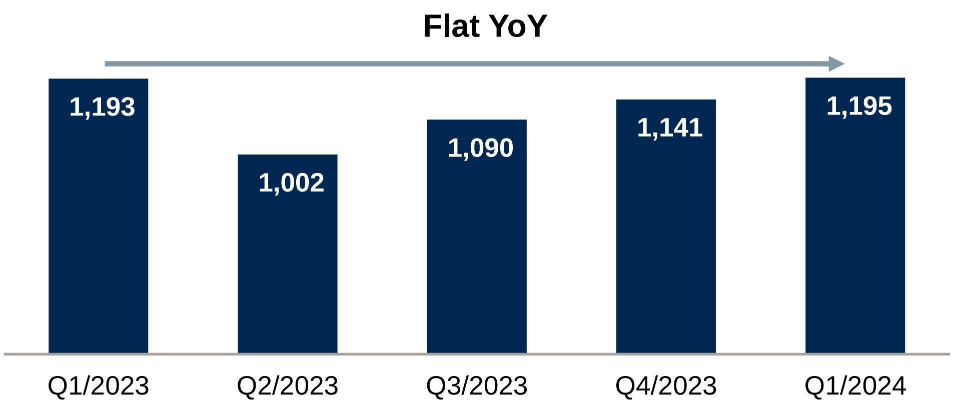
BainCapital / BRP

**Sole Underwriter on BRP's C$182MM Registered / Prospectus Block Trade**

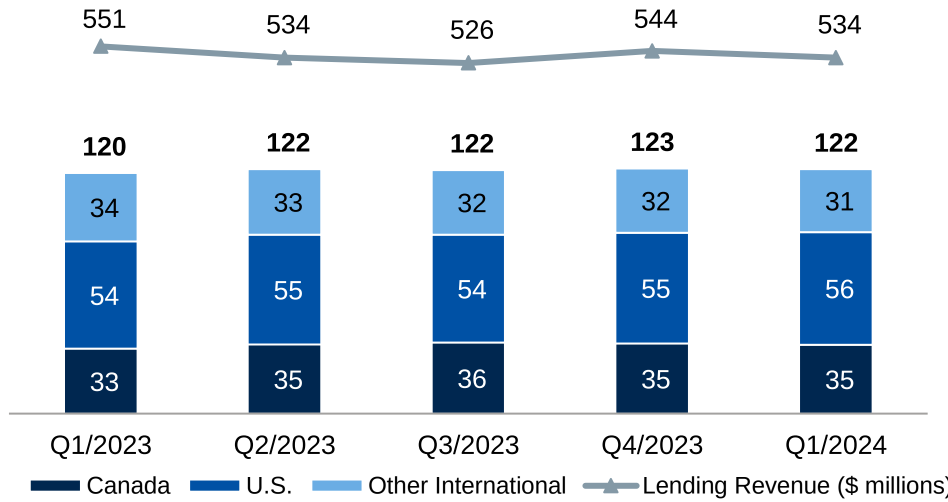
*(1) Source: Bloomberg, as at Dec 31, 2023*

# Capital Markets

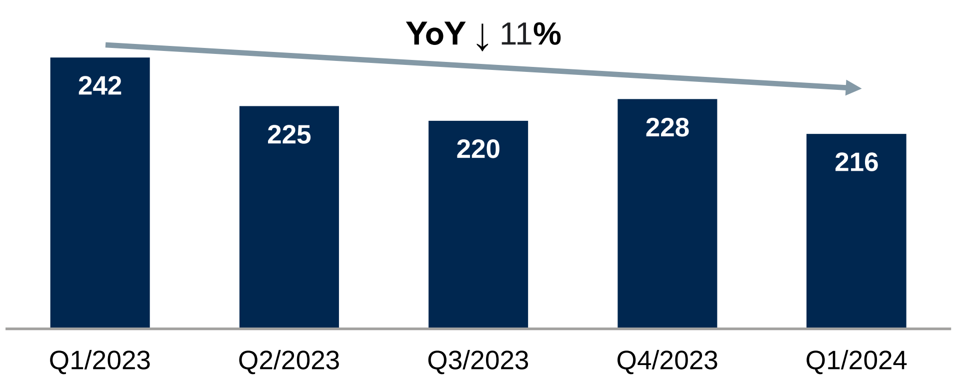
## Capital Markets Total Average Assets($ billions)[3]



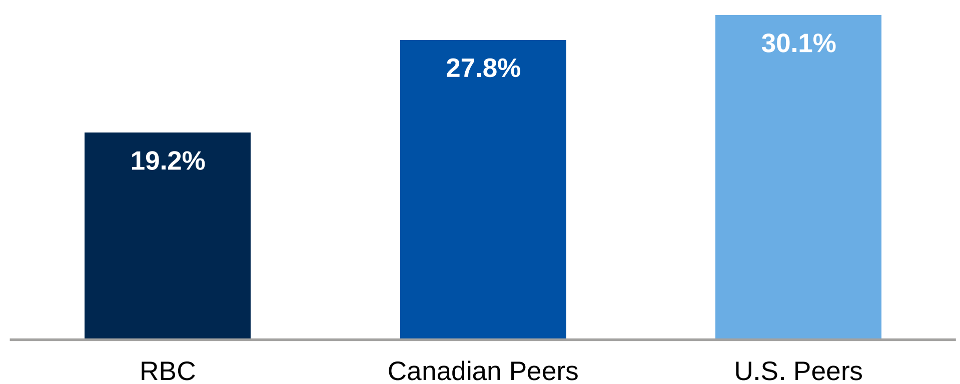

## Geographic Diversification Across Loan Book Average Loans Outstanding by Region ($ billions)[(1)(3)]




## Risk-Weighted Assets, Spot ($ billions)[3]




## 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. (2) Reflects pre-provision, pre-tax earnings, which is revenue net of PBCAE and non-interest expenses. This is a non-GAAP measure. Canadian peers include BMO, TD, CIBC, BNS and NA, US peers include JPM, GS, BAC, Citi and MS. (3) RWA is calculated in accordance with OSFI's Capital Adequacy Requirements guideline. Certain amounts have been revised from those previously presented to conform to our new basis of segment presentation. For more information, refer to the About Royal Bank of Canada section of our Q1 2024 Report to Shareholders.*

# Insurance

## Strategic Priorities

- Harness the **power of RBC and the RBC Brand** to grow our Insurance business
- Deliver a **market-leading client experience**
- Lead in **digital, data** and **technology**
- Drive **operational excellence** through automation and streamlined processes
- Attract, develop and retain **future-ready talent**

## Highlights

One of the largest Canadian bank-owned insurance organizations (1) serving 4.8 million clients

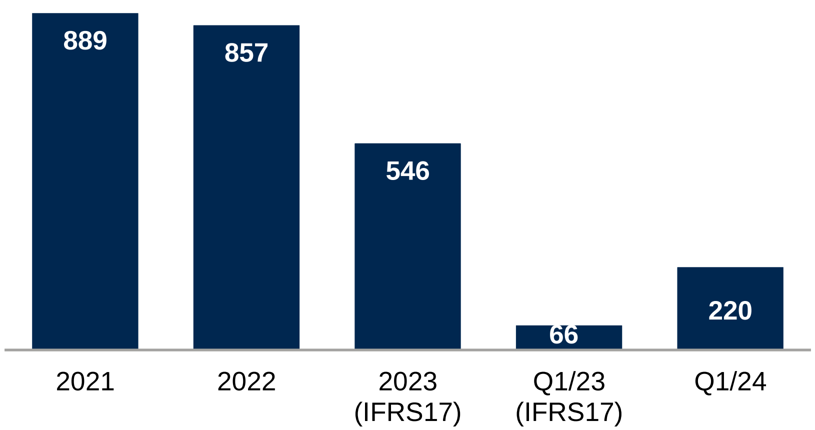
#2 in individual disability new business sales (2)

#2 in group annuity new business sales (2)

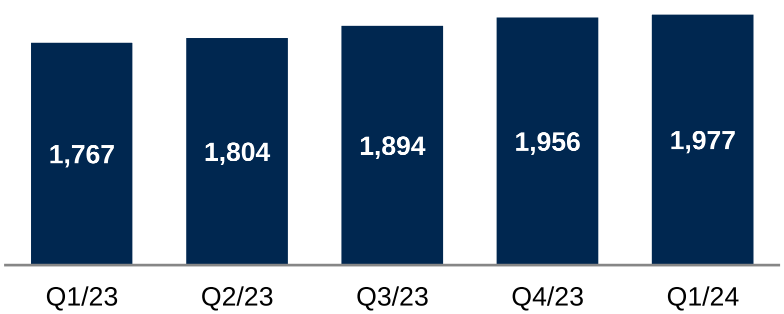
#1 in creditor protection (3)

#5 in term new business sales (2)

## Net Income ($ millions)




## Contractual Service Margin ($ millions)



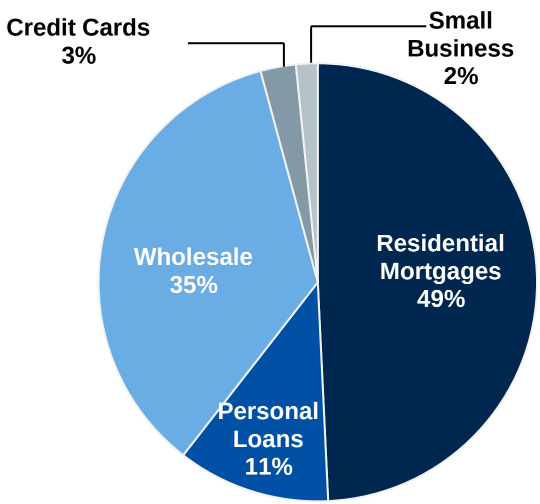

*(1) On a total revenue basis. (2) As measured by insured balance reported by CAFII and Supplementary Financial Reports. (3) LIMRA Canadian Insurance Survey, YTD 3rd Quarter 2023.*

# Risk Review

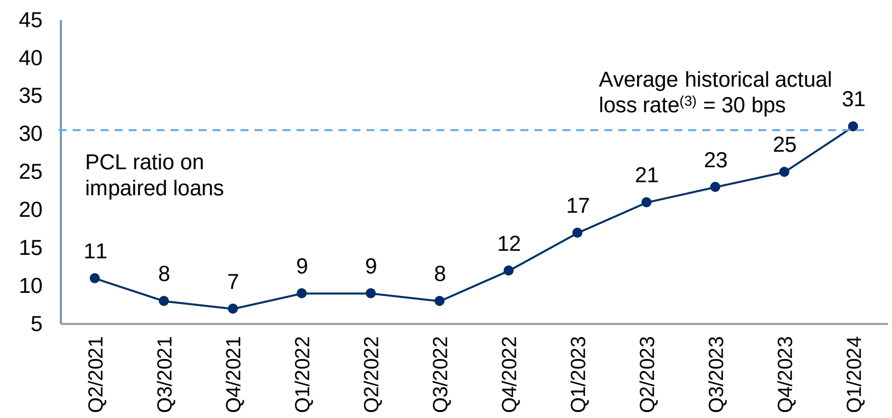
# Prudent risk management

**A disciplined approach and diversification have underpinned credit quality**

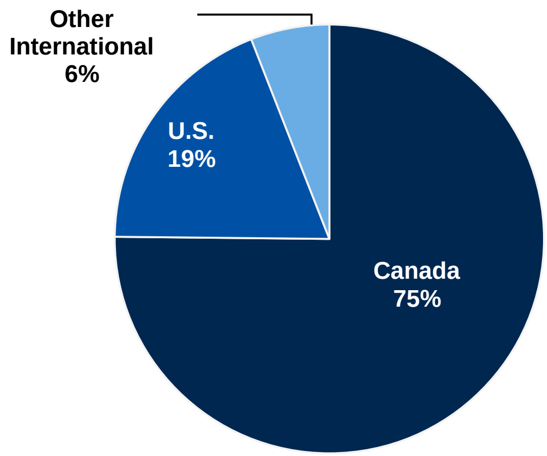
## Loan Book Diversified by Portfolio[1]



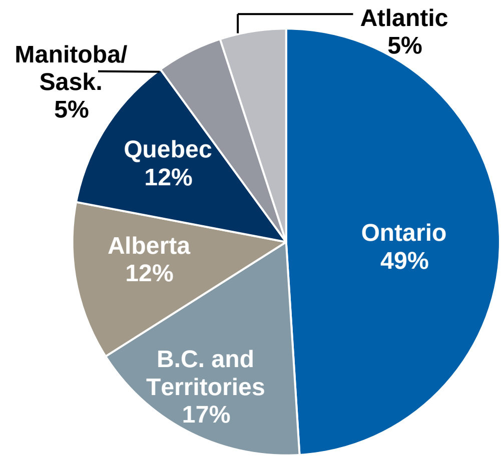

## PCL Ratio on Impaired Loans (bps)[2]




## Breakdown by Region of Total Loans and Acceptances[1]



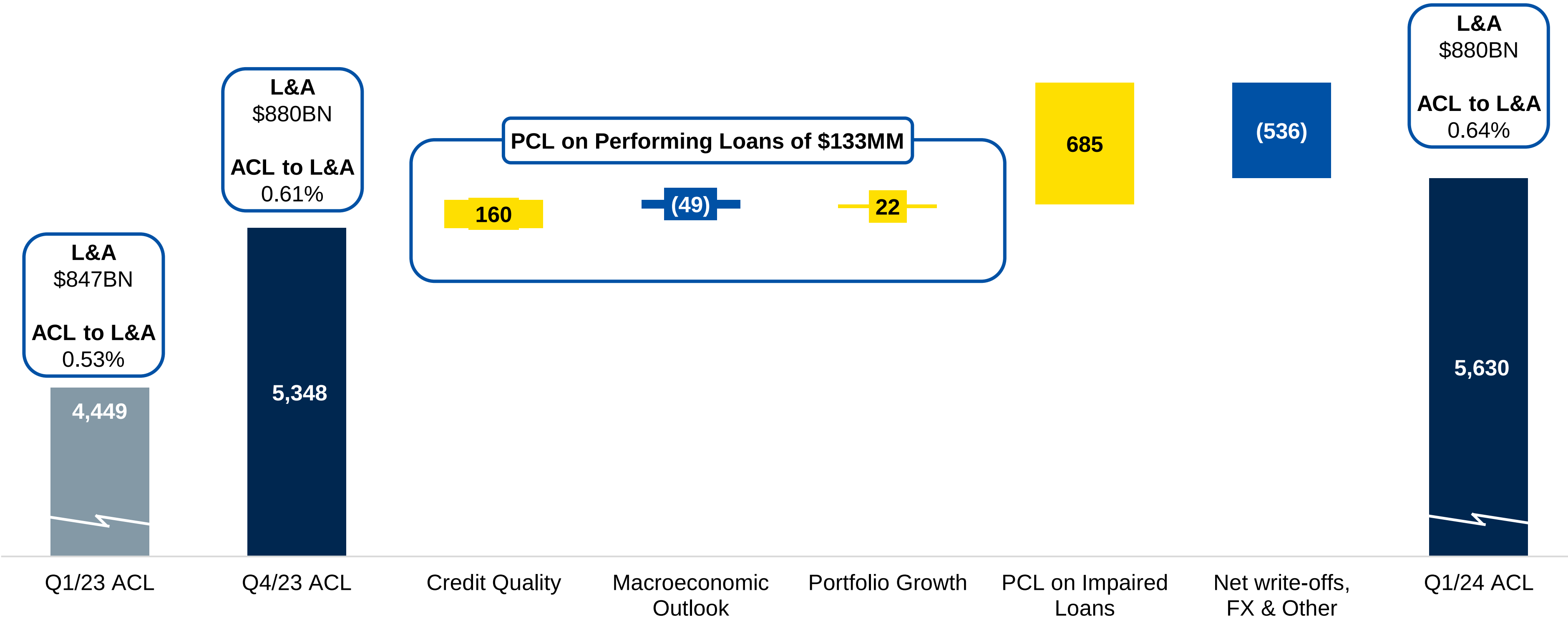

## Breakdown of Canadian Total Loans and Acceptances[1]




*(1) Loans and acceptances outstanding as at January 31, 2024. Does not include letters of credit or guarantees. (2) PCL on impaired loans represents Stage 3 PCL under IFRS 9 and PCL on impaired loans under IAS 39. Stage 3 PCL under IFRS 9 is comprised of lifetime credit losses of credit-impaired loans, acceptances and commitments. (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.*

# Allowance for Credit Losses: Prudent reserve increases on performing loans

## Allowance for Credit Losses (ACL) on Loans & Acceptances (L&A) ($ millions)

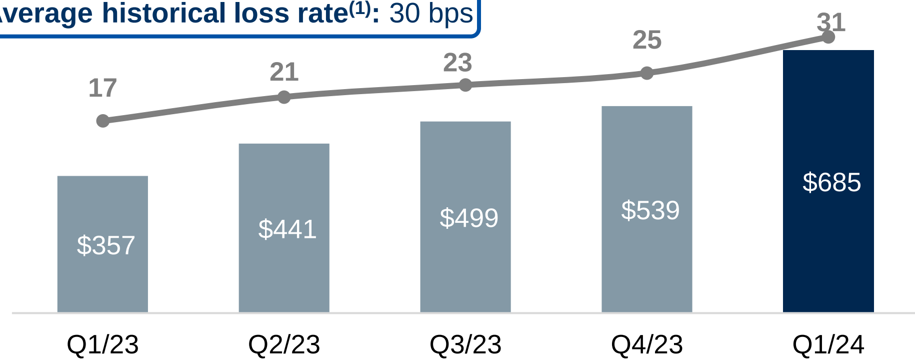



- ACL on loans and acceptances increased $282MM or 3 bps QoQ
  - ACL on performing loans of $4.3BN has increased $1.2BN or 37% since Q2/22, with reserve additions in 7 consecutive quarters
- We took $133MM of provisions on performing loans this quarter (down $61MM QoQ)
  - Provisions were primarily in Canadian Banking, driven by increasing delinquencies and lower Canadian housing price forecasts
  - Capital Markets took modest provisions this quarter, while Wealth Management released reserves, reflecting improvement to our macroeconomic outlook in the U.S.

# PCL on impaired loans: Trending higher, as expected

## **Total RBC** ($ millions, bps)

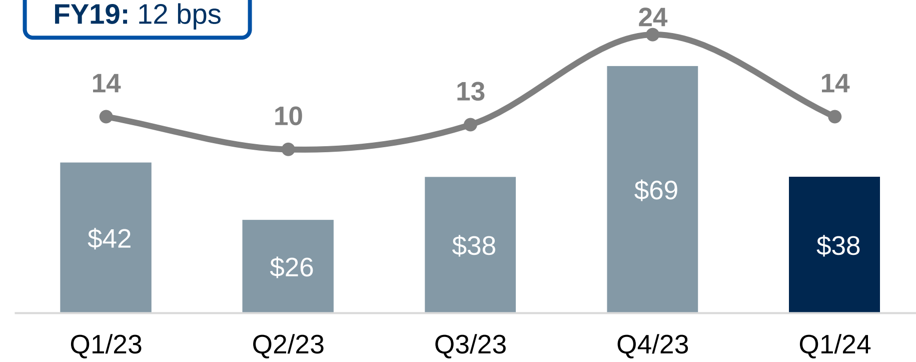
**Average historical loss rate(1):** 30 bps




- Provisions were up $146MM QoQ due to higher provisions in Canadian Banking and Capital Markets, partially offset by lower provisions in Wealth Management

## **Wealth Management** ($ millions, bps)

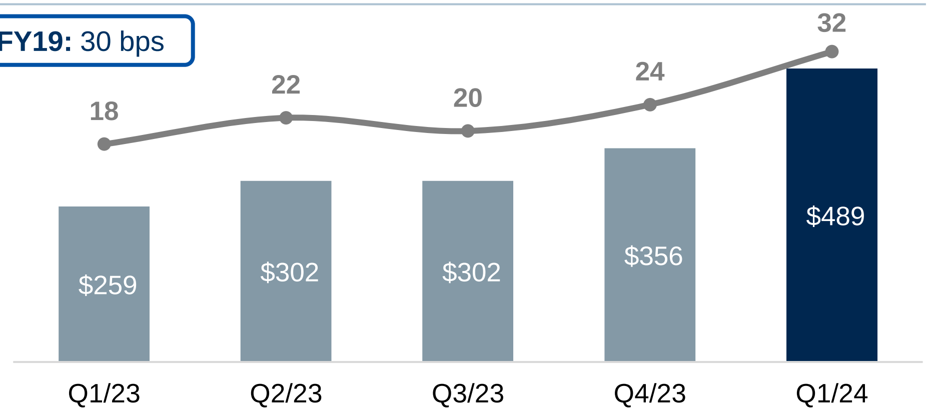
**FY19:** 12 bps




- Provisions were down $31MM QoQ, due to the partial reversal of a provision in the Telecom and Media sector taken last quarter
- This quarter, provisions were primarily in Real Estate and Related, with a large provision on a previously impaired office loan

## **Canadian Banking** ($ millions, bps)

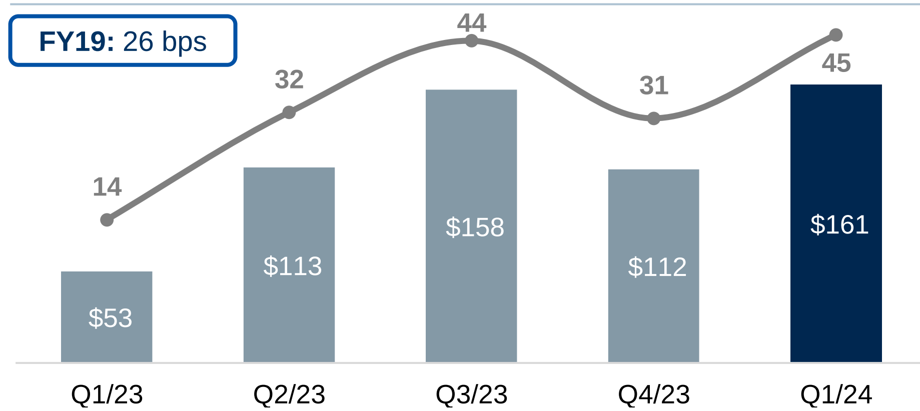
**FY19:** 30 bps




- **Retail:** Provisions of $363MM were up $74MM QoQ, with higher provisions across all products
- **Commercial:** Provisions of $125MM were up $58MM QoQ, due primarily to a large provision taken this quarter on a loan in the Automotive sector

## **Capital Markets** ($ millions, bps)

**FY19:** 26 bps

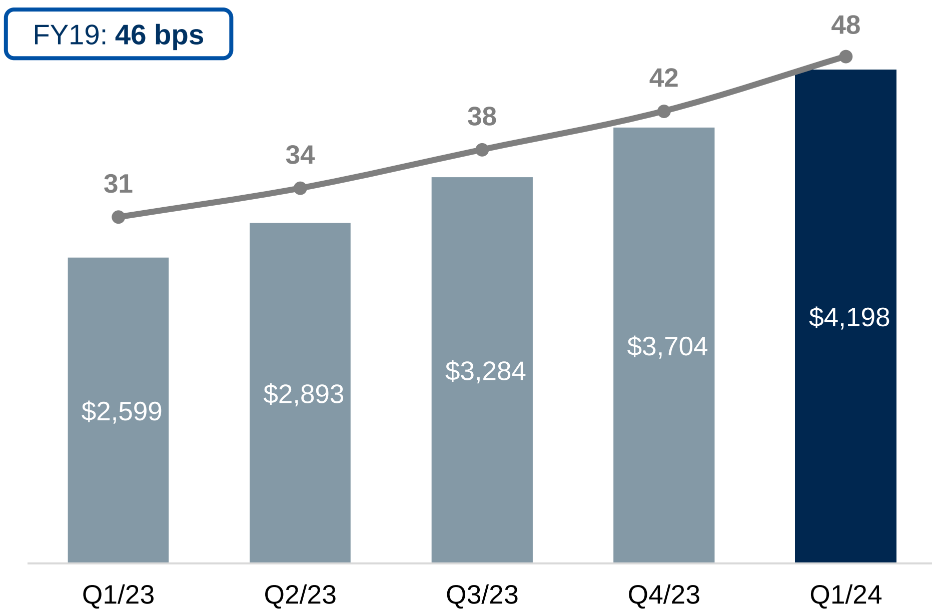



- Provisions were up $49MM QoQ
- This quarter, provisions were primarily in Real Estate and Related, with large provisions taken on a newly impaired office loan and on a previously impaired multi-family loan, both in the U.S.

*(1) 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.*

# Gross Impaired Loans: New formations higher in Canadian Banking

## Gross Impaired Loans (GIL) ($ millions, bps)




## Key Drivers of GIL (QoQ)

- Total GIL increased $494MM (up 6 bps QoQ)

### Canadian Banking

- GIL of $2,103MM increased $519MM QoQ, with higher new formations
  - Commercial new formations were primarily in Automotive (driven by 1 large impairment) and Real Estate and Related
  - Retail GIL and new formations were higher across all products

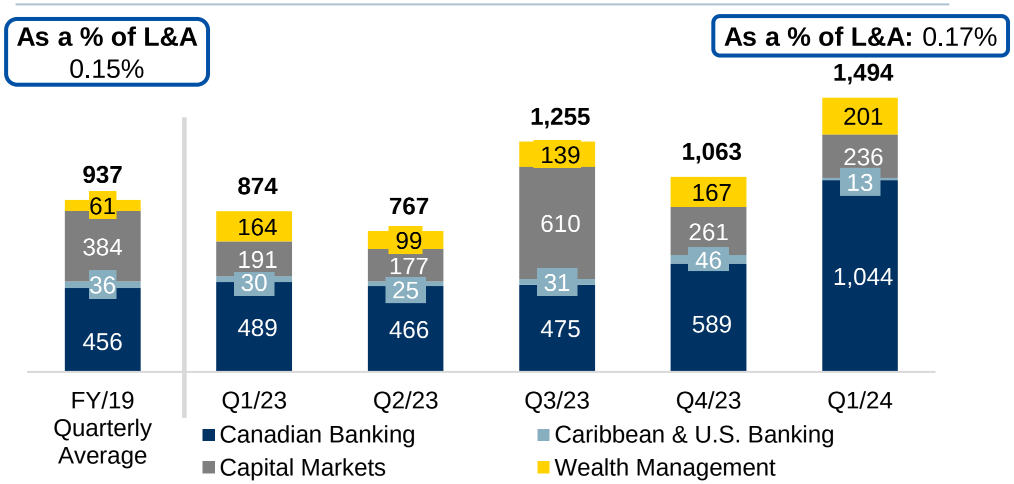
### Capital Markets

- GIL of $1,242MM decreased $43MM QoQ. GIL balances remain concentrated in Real Estate and Related, and during the quarter, new formations were largely due to impairment of a loan secured by office properties in Houston

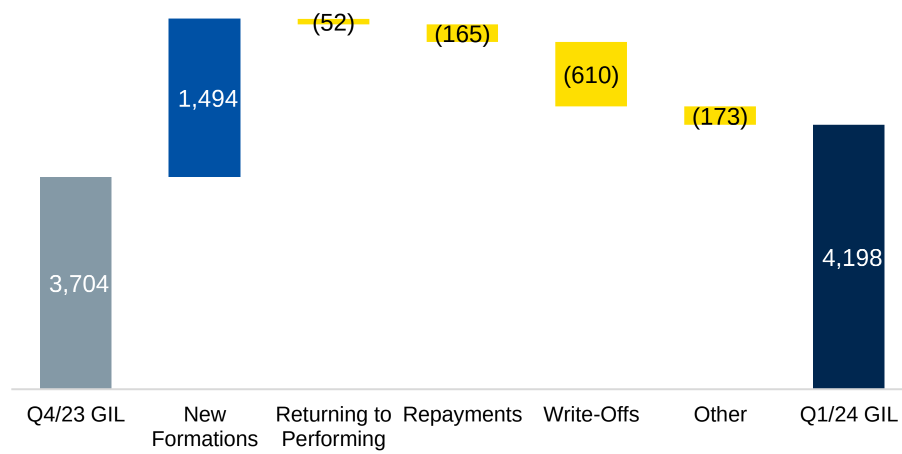
### Wealth Management (including CNB)

- GIL of $554MM increased $40MM QoQ. New formations increased across several sectors as well as residential mortgages (at CNB)

## New Formations ($ millions)[1]




## Net Formations ($ millions)




*(1) New formations for collectively assessed portfolios in Canadian Banking and Caribbean Banking are net of amounts returned to performing, repayments, sales, FX, and other movements, as amounts are not reasonably determinable.*

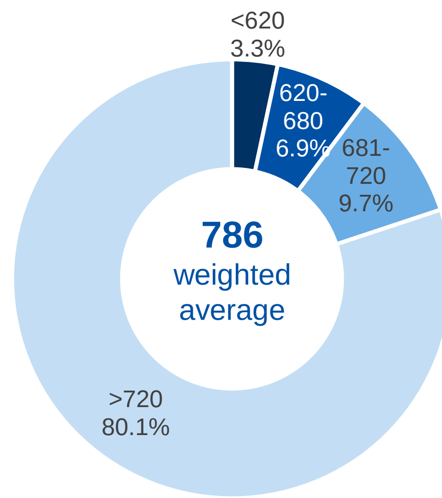
# Canadian Banking: Credit outcomes impacted by higher rates, as anticipated

## Canadian Banking (CB) PCL on Impaired Loans and Gross Impaired Loans

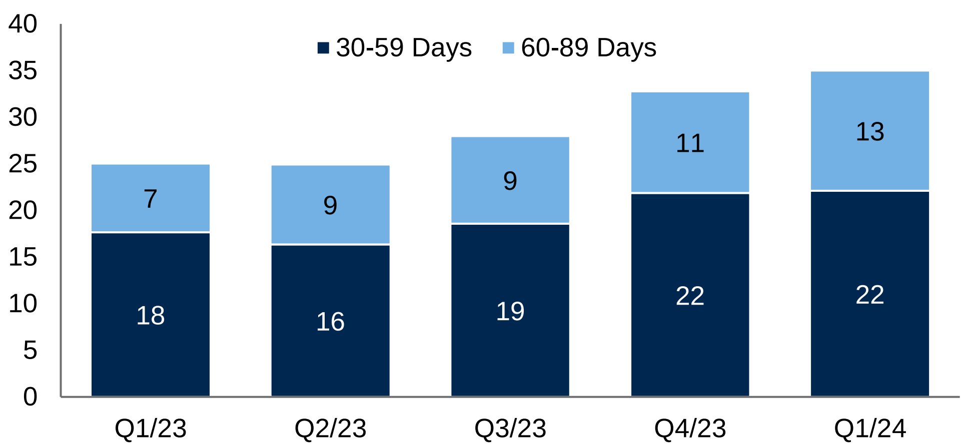
| | Q1/24 Avg Loan Balances ($BN) | PCL on Impaired Loans (bps) [1] | | | Gross Impaired Loans (bps) | | | Avg FICO Score (Q1/24) |
|---|---|---|---|---|---|---|---|---|
| | | Q1/23 | Q4/23 | Q1/24 | Q1/23 | Q4/23 | Q1/24 | |
| Residential Mortgages [2] | **377.6** | 1 | 3 | **3** | 11 | 13 | **16** | **791** |
| Personal Lending[3] | **77.1** | 52 | 72 | **78** | 26 | 31 | **35** | **774** |
| Credit Cards | **22.5** | 199 | 223 | **260** | 75 [4] | 78 [4] | **90 [4]** | **735** |
| Small Business | **13.9** | 63 | (15) | **81** | 132 | 178 | **191** | **n.a.** |
| Commercial | **114.0** | 10 | 25 | **45** | 44 | 56 | **81** | **n.a.** |
| **Total** | **605.1** | **18** | 24 | **32** | **21** | **26** | **35** | **786[5]** |

- In Q4/23, the PCL ratio in Small Business benefitted from a reversal of provisions taken on government guaranteed HASCAP[6] loans

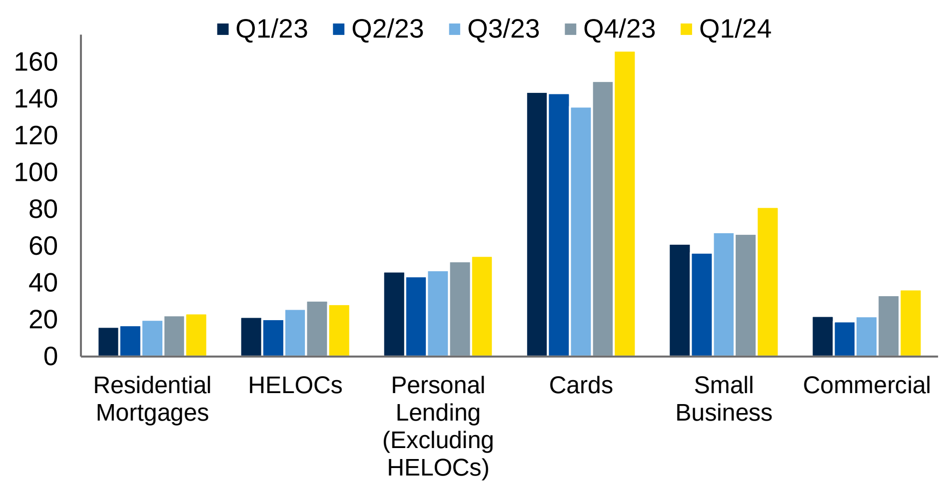
## CB Retail FICO Score Distribution (Q1/24)




## CB Delinquencies by Days Past Due (bps) [7]



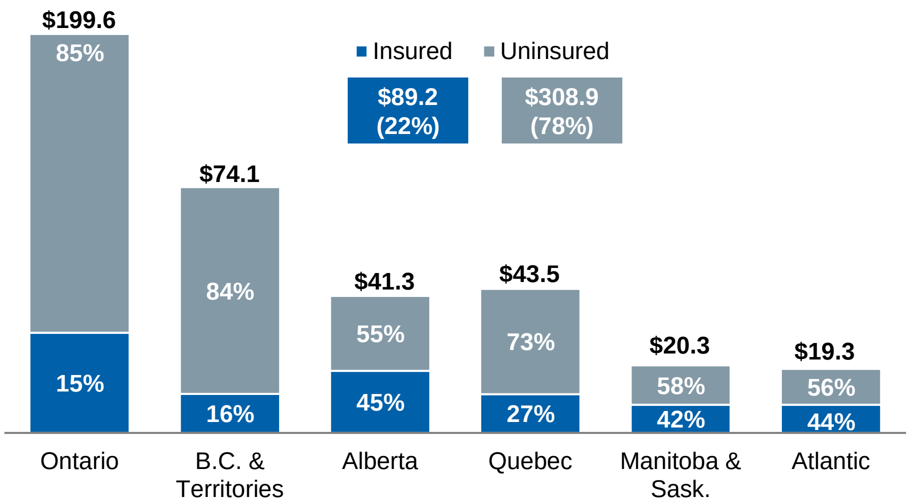

## CB 30-89 Day Delinquencies by Product (bps) [7]




*(1) Calculated using average loans and acceptances, net of allowance. (2) Includes $11.7BN of mortgages on multi-unit residential buildings originated in P&CB Business Banking. (3) Personal Lending includes Indirect Lending, Overdraft, Personal Loans and HELOC. (4) Represents 90+ Days Past Due, as there are no GIL balances for Credit Cards. (5) Average FICO is balance weighted for all retail products. (6) HASCAP - Highly Affected Sectors Credit Availability Program (7) Includes restrained accounts, where loans 30-59 days past due resulting from administrative processes, such as mortgage loans, where payments have been restricted pending payout due to sale or refinancing.*

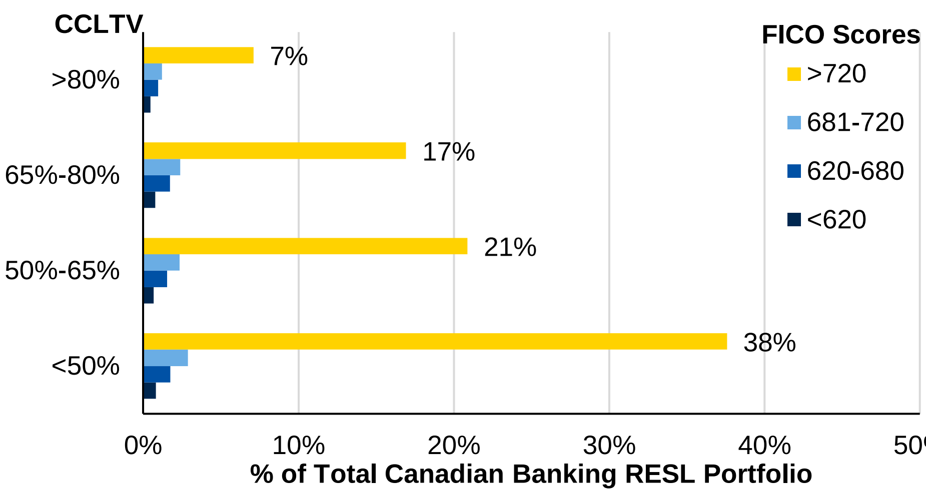
# Canadian residential portfolio: Strong underlying credit quality

## Canadian Residential Mortgage Portfolio(1) ($ billions)




| CCLTV – Canadian Banking Residential Lending Portfolio only(2) | | | | | |
|---|---|---|---|---|---|
| 51% | 48% | 55% | 52% | 54% | 53% |

## Canadian Banking RESL Portfolio(2)




## Canadian Banking RESL Portfolio(2)

| | Total $401BN | Uninsured $339BN |
|---|---|---|
| **Mortgage Balance** | **$366BN** | **$304BN** |
| HELOC Balance | $35BN | $35BN |
| **LTV at Origination** | **71%** | **68%** |
| **CCLTV** | **51%** | **50%** |
| GVA | 47% | 47% |
| GTA | 51% | 51% |
| **Average FICO Score** | **802** | **806** |
| FICO > 800 | 51% | 52% |
| CCLTV > 80% & FICO < 680 | 1.42% | 0.75% |
| **90+ Days Past Due(3)** | **19 bps** | **17 bps** |
| GVA | 13 bps | 13 bps |
| GTA | 17 bps | 16 bps |
| **Average Duration** | | |
| Remaining Mortgage Amortization(4) | **24 years** | **26 years** |
| Original Term(5) | 41 months | 39 months |
| Remaining Term | 25 months | 25 months |
| **Portfolio Mix** | | |
| Variable Rate Mortgage | 27% | 30% |
| Fixed Rate Mortgage | 73% | 70% |
| Owner Occupied | 86% | 83% |
| Non-Owner Occupied | 14% | 17% |
| Detached | 72% | 73% |
| Condo | 12% | 12% |

*(1) Canadian residential mortgage portfolio of $398BN comprised of $366BN of residential mortgages in Canadian Banking, $3BN in other Canadian business platforms, $12BN of mortgages with commercial clients ($9BN insured) and $18BN of residential mortgages in Capital Markets held for securitization purposes (all insured). (2) Real estate secured lending includes residential mortgages and HELOCs. Based on $366BN in residential mortgages with non-commercial clients and $35BN in HELOC in Canadian Banking. Based on spot balances. Weighted by mortgage balances and adjusted for property values based on the Teranet-National Bank National House Price Index‡. (3) The 90+ day past due rate includes all accounts that are either 90 days or more past due or are in impaired status. (4) Excluding interest only mortgages. (5) Original term for booking during the quarter.*

# Commercial Real Estate (CRE): Well-diversified portfolio

- Total CRE exposure of $85.3BN represents 9.7% of total L&A
- The portfolio was originated with sound lending standards, and remains well-diversified by geography, business and property type

**Impairments and losses are manageable**

Since the start of the current rate-hiking cycle (Q3/22):

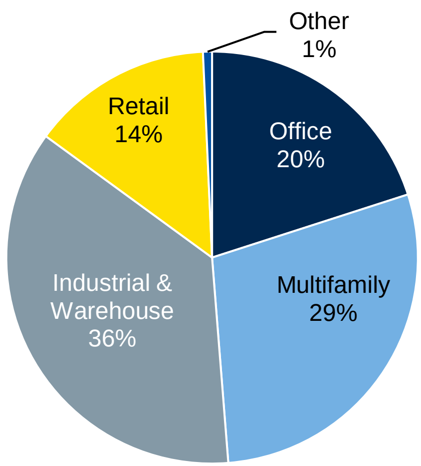
- Cumulative **new formations** of impaired loans of $1.35BN represent < 2% of CRE L&A and < 0.2% of Total L&A
- Cumulative **PCL on impaired loans** of $373MM represent 1% of PPPT Earnings
- The implied **loss rate** on impaired loans is 28%, as tangible collateral and guarantees help mitigate losses

**The portfolio is well provisioned**

- The CRE ACL ratio on performing loans is ~3x higher than pre-pandemic levels and ~4x higher in the U.S. than in Canada
- Our downside provisioning scenarios account for a reduction in CRE prices of 25% to 40%

## Spotlight on U.S. CRE Exposure ($28BN or 3% of total L&A)

- 57% of exposure is in Wealth Management, where loans are typically smaller (average < US$15 MM) and benefit from amortization and additional recourse outside of the asset (e.g. guarantees or other collateral)
- The remaining 43% is in Capital Markets, where loans are larger (average < US$75MM) and exposure is backed by strong financial sponsors




### U.S. Office[1] Exposure (0.6% of total L&A)

- The Office segment continues to be impacted by supply/demand imbalance and has accounted for a majority of our PCL on impaired CRE loans since Q3/22

### U.S. Multifamily Exposure (0.9% of total L&A)

- Segment generally performing well with pockets of geographic weakness
- Since Q3/22, provisions on impaired loans have been largely limited to loans secured by a portfolio of properties in San Francisco
- No material exposure to rent-stabilized apartments in New York

*(1) Office exposure includes traditional office and life sciences buildings.*

# Technology @ RBC

# Investors value RBC for its industry-leading franchises and innovative approach

## Creating More Value for Clients

- **9.2MM** active digital users(1)
- **4.1MM** clients have activated their personalized plans through **MyAdvisor**(2)
- **7.0MM** 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
- **4.4BN+** insights viewed by clients on **NOMI®** in the **RBC Mobile** app(3)

## Driving Efficiency & Operational Excellence

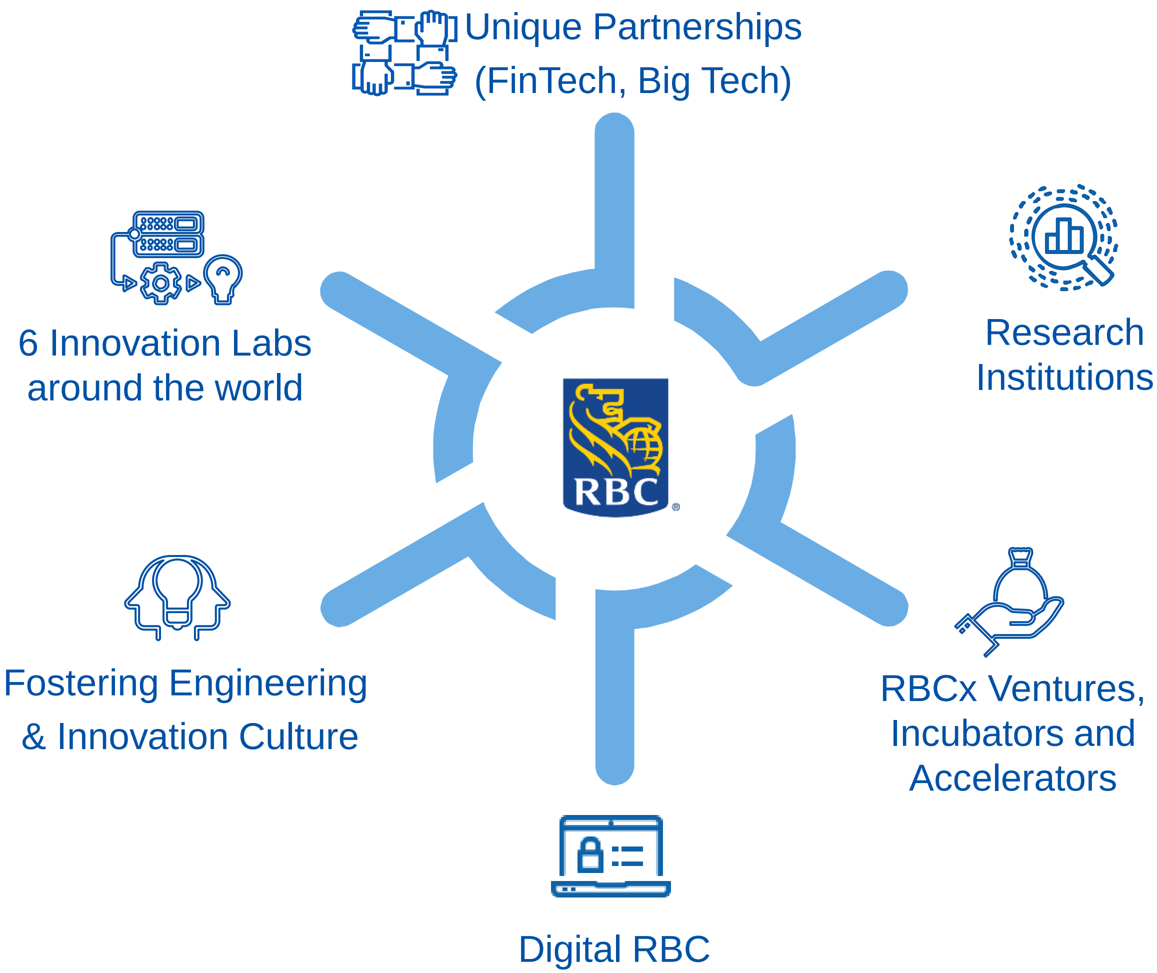
- **711MM** Transactions volumes (4)

## Innovation Ecosystem & Partnerships

- **6** innovation labs globally
- RBCX **Ventures,** including Ownr®, Dr.Bill®, Mydoh® and Houseful™
- **Among Canada's Top 100** Employers and Best Workplaces in 2023(5) (6)

*(1) These figures (in millions) represent the 90-Day Active customers in Canadian Banking only and are spot values. (2) As of January 31, 2024. (3) Insights read on a launch-to-date basis. (4) Represent the count of the system level transactions. (5) MediaCorp Canada Inc. (6) Great Place to Work Institute.*

# We have developed a rich innovative ecosystem that attracts top talent




Toronto Metropolitan University ‡

Western University · Canada ‡

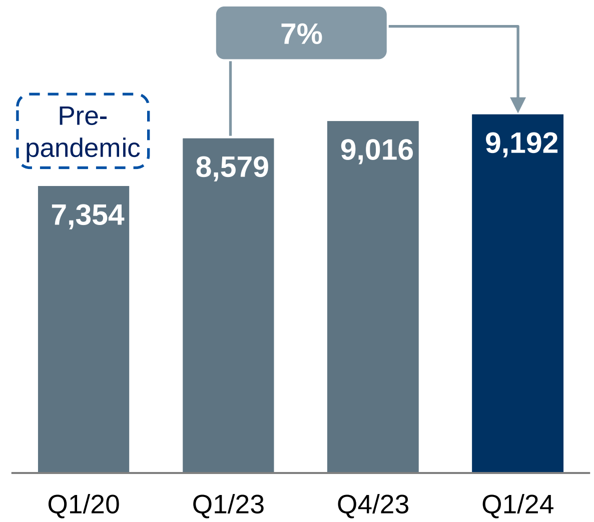
University of Toronto | Entrepreneurship ‡

Vector Institute ‡

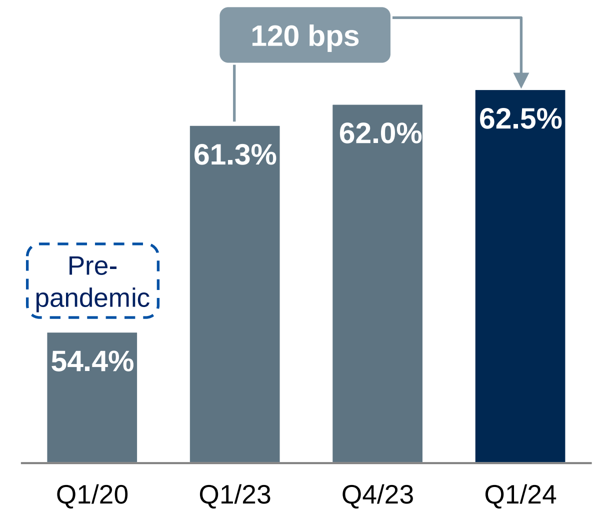
Creative Destruction Lab Montreal ‡

# Canadian Banking: Our ~15MM clients continue to adopt our digital channels

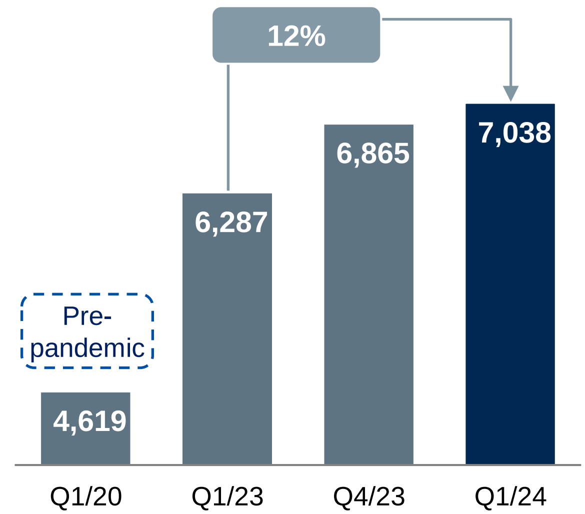
## Active Digital Users (000s)[1]



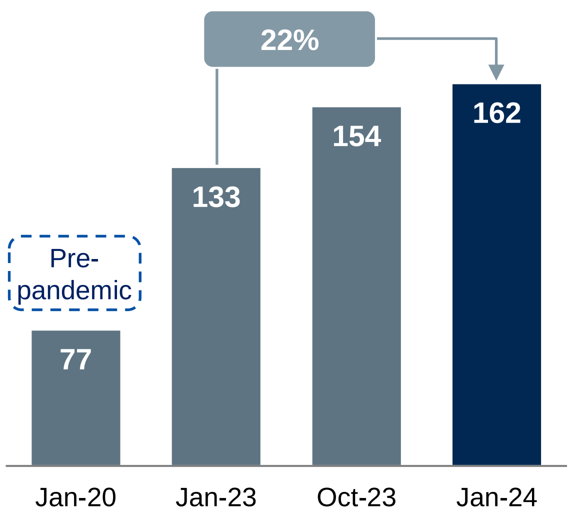

## Digital Personal Adoption Rate[2]



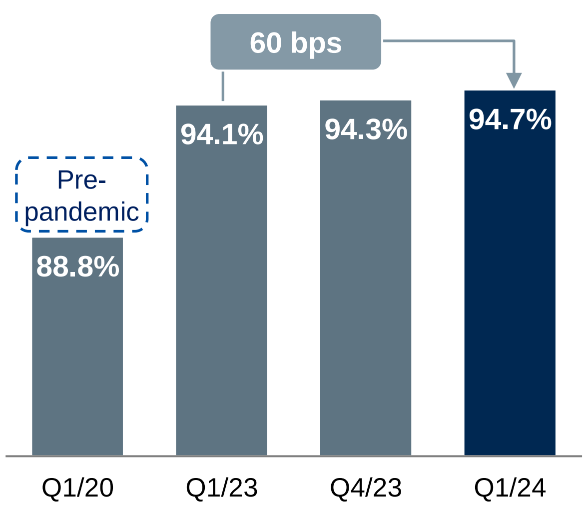

## Active Mobile Users (000s)[1]



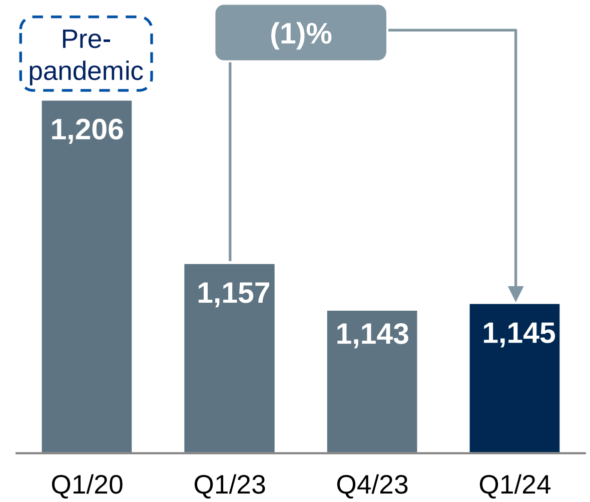

## Mobile Sessions (millions)[3]




## 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 Personal Adoption rate calculated using 90-day digital active personal clients. (3) These figures represent the total number of application logins using a mobile device. (4) Financial transactions only.*

RBCX™

RBC®

# RBCX fuels innovation in Canadian tech ecosystem through four business pillars

**Our expertise and network in the innovation ecosystem spans four distinct areas to be the go-to source for tech founders and investors.**

## Banking

Our suite of financial products, services, and expertise is tailored for tech companies—from startup to IPO—to help manage your day-to-day needs, scale alongside your business, and propel you to the next phase in growth.

3,500+
Tech clients, from startups to scale ups in areas such as fintech, cleantech, agtech and more

100+
Experienced Relationship Managers located coast-to-coast

## Capital

Through our investment management and fund finance arm, we build strategic partnerships with leading venture capital funds and growth firms that power innovation across tech, life sciences and climate sectors.

18
VC fund investments in Canadian-focused software, life sciences and climate funds, among other areas

30+
Specialized fund finance facilities administered to leading Canadian-focused venture capital firms

## Platform

Our network of specialists advises on your company's growth operations and strategy and helps sharpen your competitive edge with access to insights, webinars and offers throughout your company lifecycle.

150+
Engineers, architects and developers

75+
Growth marketers, CX researchers and product designers

50+
SMEs[1] in data science, sales, finance and operations

## Ventures

As founders and builders of our own tech companies, we acquire and scale businesses strategically important to RBC, providing a reservoir of real-world entrepreneurial experience for other startups to tap into.

ownr®
Registered or incorporated 130,000+ Canadian businesses since inception

Dr.Bill®
Processed $4.1 billion in medical billings for 14,000+ physicians since 2020

MYDOH™®
Helped 140,000+ Canadians build financial literacy

houseful™
(formerly OJO Canada)
Supporting over 11 million Canadians annually on their home ownership journey

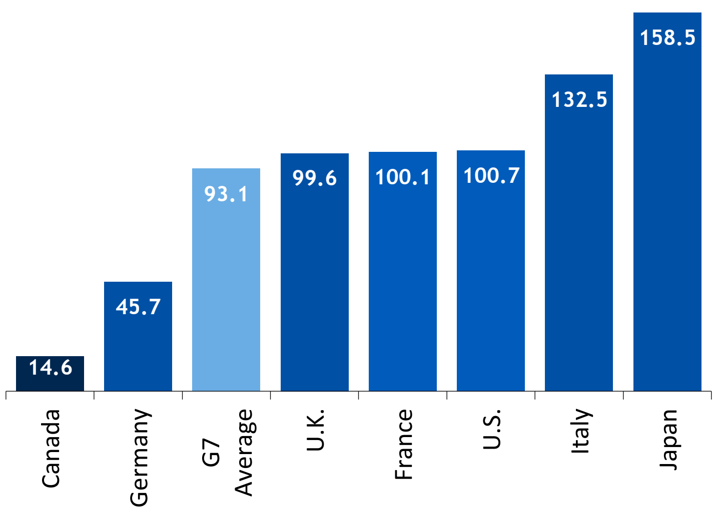
(1) SME stands for small and midsize enterprise.

# Economic Backdrop

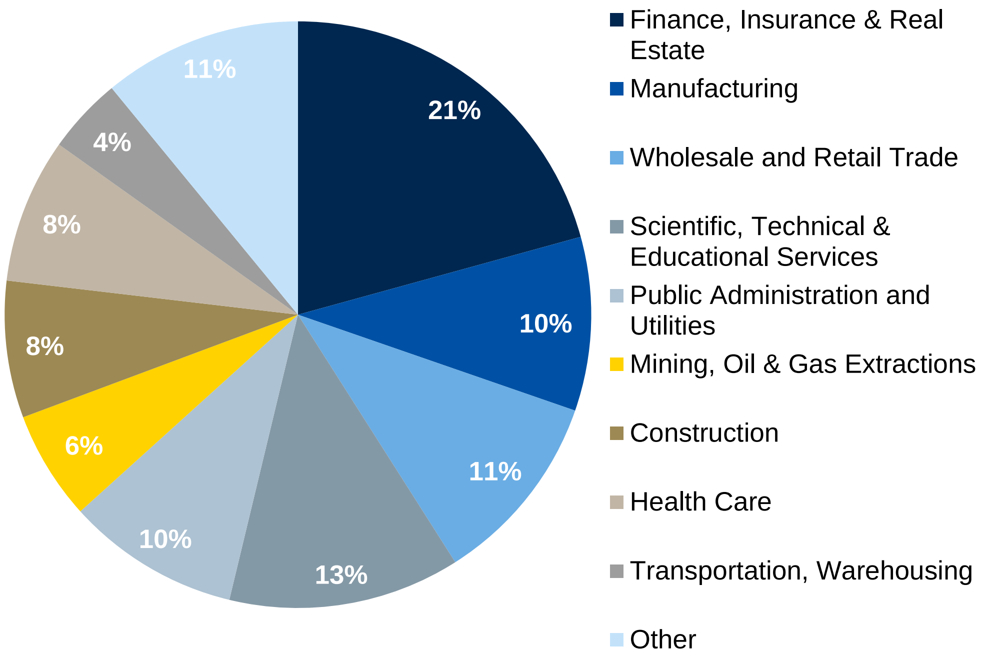
# Canada's strong fiscal position

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

**Net Debt as % of GDP[(1)]**
*(2024 forecast as of October 2023)*




**Canadian GDP by Industry[(2)]**
*(November 2023)*

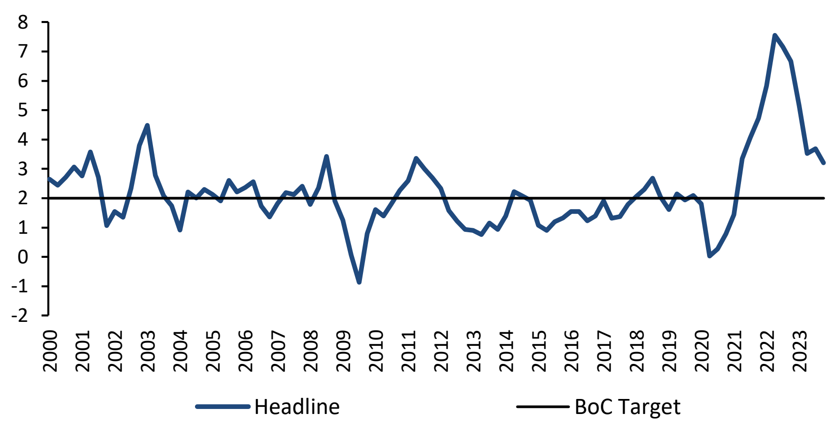



*(1) Net debt refers to General Government net debt. International Monetary Fund October 2023 World Economic Outlook database. (2) Statistics Canada, RBC Economics.*

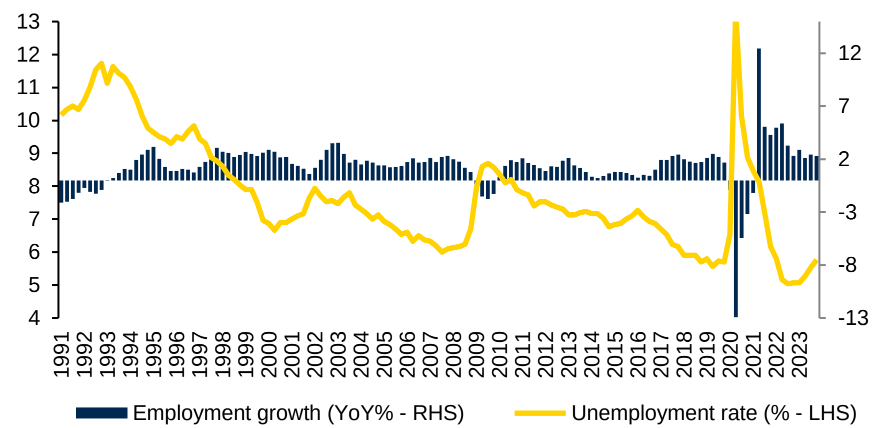
# Central bank interest rate hikes to slow consumer and business spending

- Inflation is still running above the Bank of Canada's (BoC) 2% target, but the pace has slowed and the breadth of price growth has narrowed after peaking earlier in calendar 2022. Global inflation pressures have dissipated on lower commodity prices and easing supply chain pressures. Three-month average growth in the BoC's preferred median and trim inflation measures are still running above the BoC's 1% to 3% target range.
- The BoC held the overnight rate steady at 5% in January, extending a pause after the last hike in July 2023. But a softening economic backdrop signals further easing in inflation pressures. With the Canadian population growing rapidly, GDP is tracking a sixth consecutive quarterly decline in per-capita output in calendar Q4 2023. The unemployment rate has edged higher over the last calendar year with increased employment counts no longer keeping up with surging population growth. Interest rates are already at levels that are high enough to restrict economic activity, and we expect slower price growth alongside a weakening economic backdrop will push the BoC to start the rate cuts by mid-year.
- High interest rates are exerting a growing toll on Canada's housing markets. The uptick seen in early results from local estate boards was from depressed levels in most cases and did little to alter the generally soft state of affairs in the housing sector (with a few key exceptions). But it suggests the downturn that started in the spring of 2022 may have run its course.
- GDP growth is expected to slow in the U.S. in the first half of Calendar 2024, and to remain low in Canada. Contingent on slow economic growth and further easing in inflation pressures, the BoC and U.S. Federal Reserve are expected to pivot to gradual interest rate cuts by mid-year.

### 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.*

# 2024 Economic Outlook

**Projected Economic Indicators for 2024[1]**

| | GDP Growth | Inflation | Unemployment Rate | Interest Rate (3 mth T-bills) | Current Account Balance/GDP[2] | Budget Surplus/GDP[3] |
|---|---|---|---|---|---|---|
| **Canada** | 0.7% | 2.4% | 6.5% | 3.85% | (1.0)% | (0.6)% |
| **U.S.** | 1.8% | 2.6% | 4.2% | 3.98% | (3.0)% | (7.4)% |
| **Euro Area** | 0.2% | 2.4% | 7.5% | N.A. | 1.2% | (2.7)% |

## Canada

- Canadian headline inflation increased to 3.4% in December (from 3.1% in November) on rising energy inflation, but the scope of inflation pressures continues to narrow, suggesting on balance that price pressures were still gradually easing.
- We expect the BoC to start gradually lowering the policy rate by middle of calendar year 2024, contingent on further slowing in inflation and a weakening economic backdrop.
- GDP is expected to tick up 0.5% and 0.3% in Q4 of 2023 and Q1 of 2024, respectively, following a negative growth of 1.1% in the third quarter of 2023. But that implies further declines on a per-capita basis with population still growing rapidly.

## U.S.

- The U.S. unemployment rate held steady at 3.7% in January, unchanged since November last year. Inflation remains above the Federal Reserve's 2% objective but is expected to slow further as lower job openings bring labour markets into better balance. We continue to expect higher interest rates will slow labour demand, pushing unemployment rate moderately higher this year.
- We anticipate growth in the U.S. economy will slow into the first half of 2024, and gradually bounce back during the second half. We expect the Federal Reserve to pivot to interest rate cuts by the middle of calendar year 2024, contingent on inflation pressures continuing to subside.

## Euro Area

- GDP in the Euro area is expected to grow but at a slow pace in calendar 2024 with higher interest rates adding to growth headwinds from inflation and disruptions from the war in Ukraine. We expect GDP to increase 0.2% in calendar 2024. The European Central Bank left the deposit rate unchanged at 4% at its January meeting and we expect the ECB to pivot to interest rate cuts by the middle of calendar year 2024.

*(1) RBC Economics as of February 13, 2024 and reflects forecasts for calendar 2024. (2) RBC Economics Research, IMF WEO (October 2023). (3) IMF Fiscal Monitor (October 2023).*

# Canadian Housing Market

# Structural backdrop to the Canadian and U.S. housing markets

| | Canada(1) | U.S.(1) |
|---|---|---|
| **Regulation** | ▪ Government influences mortgage underwriting policies primarily through control of insurance eligibility rules<br>▪ Fully insured if loan-to-value (LTV) is over 80%<br>– Must meet 5-year fixed rate mortgage standards<br>– Government-backed, on homes under $1MM<br>– Down-payment over 20% on non-owner occupied properties<br>– 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<br>▪ Re-financing cap of 80% on non-insured | ▪ Agency insured only if conforming and LTV under 80%<br>▪ No regulatory LTV limit – can be over 100%<br>▪ Not government-backed if private insurer defaults |
| **Consumer Behaviour** | ▪ Mortgage interest not tax deductible<br>▪ Greater incentive to pay off mortgage | ▪ Mortgage interest is tax deductible<br>▪ Less incentive to pay down mortgage |
| **Lender Behaviour** | ▪ Strong underwriting discipline; extensive documentation<br>▪ Most mortgages are held on lenders' balance sheet<br>▪ Conservative lending policies have historically led to low delinquency rates | ▪ Wide range of underwriting and documentation requirements<br>▪ Most mortgages securitized |
| **Lenders' Recourse** | ▪ Ability to foreclose on non-performing mortgages, with no stay periods<br>▪ Full recourse against borrowers(2) | ▪ Stay period from 90 days to one year to foreclose on non-performing mortgages<br>▪ 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 Canadian housing market

### February 2024 – Government of Canada

- Ban on foreign buyers of non-recreational residential properties extended to January 2027.

### September 2023 – Government of Canada

- Enhancement to the GST New Residential Rental Property rebate, raising the rebate percentage to 100% and eliminating the ceiling on qualified rental units' value
- The move was matched by New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario and PEI on their portion of the HST

### January 2023 – Government of Canada

- Two-year ban on foreign buyers of non-recreational residential properties came into effect
- Anti-flipping tax applying to capital gains made on principal residences bought and sold within less than 12 months came into effect

### October 2022 – Government of Ontario

- Raised the non-resident speculation tax from 20% to 25%

### April 2022 – Government of Canada

- All assignment sales of newly constructed homes became fully taxable for GST/HST purposes on May 7, 2022
- Federal government will engage with provinces and territories to develop and implement a buyer's bill of rights

### March 2022 – Government of Ontario

- Expanded the non-resident speculation tax to the entire province and raised the rate from 15% to 20%

### March 2022 – Government of Nova Scotia

- Introduced a 5% non-resident provincial deed transfer tax (effective April 1, 2022)

### June 2021 – OSFI, Department of Finance

- The stress test qualifying rate for insured and uninsured mortgages changed to the client rate plus 2 percentage points or 5.25%, whichever is greater

# Legislation and policies – promoting a healthy Canadian 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

## February 2018 – Government of British Columbia

- The BC 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 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

## 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

# Legislation and policies – promoting a healthy Canadian housing market

## 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

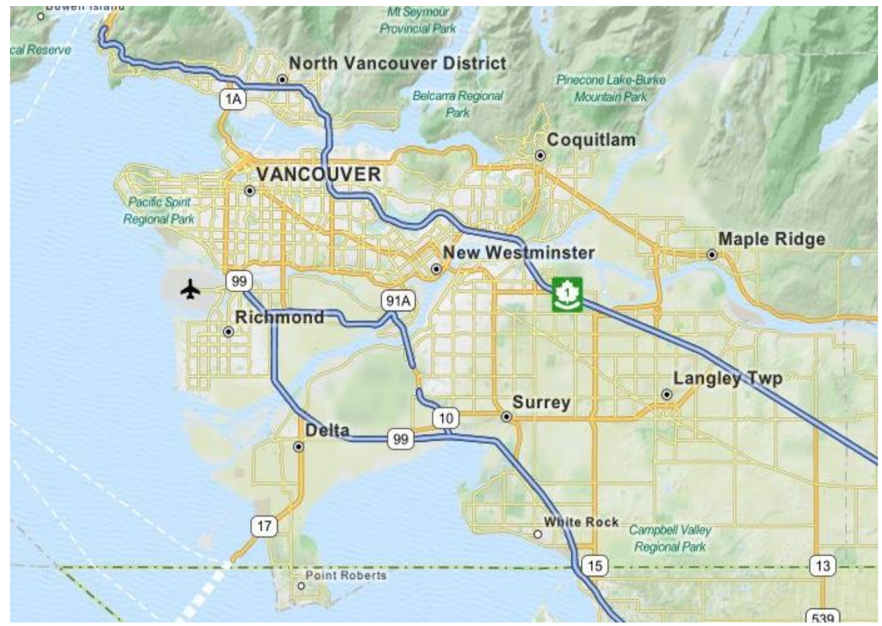
- Maximum amortization on government-backed insured mortgages reduced to 35 years from 40 years
- A minimum 5% down payment is required in order to qualify for government-backed insured mortgages
- Minimum credit score requirements, new loan documentation standards, setting a maximum of 45% on borrowers' 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)]
  - In 2021, 8.3+ million people, or almost one-quarter (23.0%) of the population, were, or had ever been, a landed immigrant or permanent resident in Canada – the highest among the G7[(1)]
  - 53.4% of recent immigrants to Canada settled in Toronto, Montreal or Vancouver[(1)]
- RBC’s exposure to condo development is limited – about 4.7% of our Canadian commercial loan book[(2)]
  - Condo exposure is 12% of Canadian residential lending portfolio[(2)(3)]

**“Green Belt” Surrounding Greater Toronto Area**


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

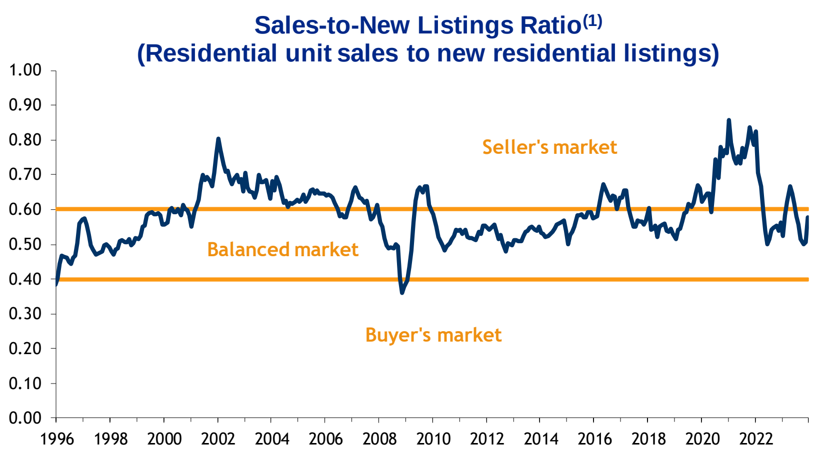



*(1) Statistics Canada, 2021 Census. (2) As at January 31, 2024. (3) Based on $366BN in residential mortgages with non commercial clients and $35BN in HELOC in Canadian Banking. Based on spot balance.*

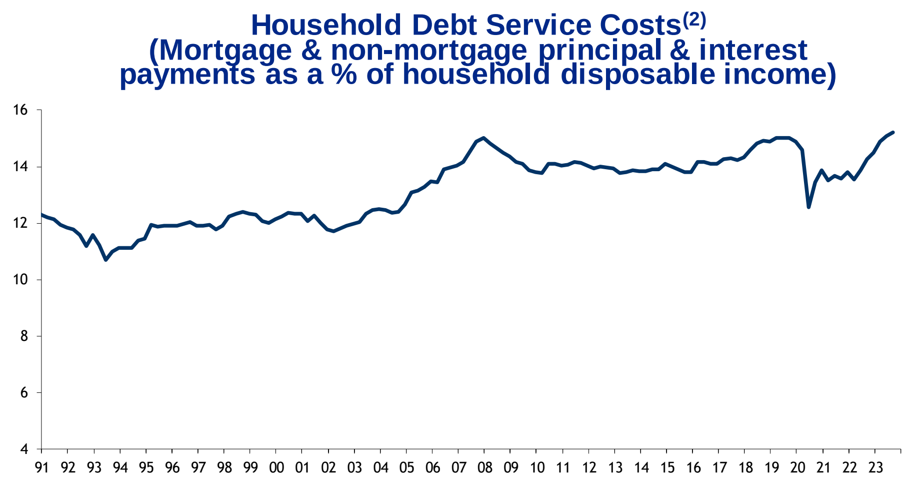
# Canada's housing market: still adjusting to high interest rates

- The market cooled again in the fall of 2023 after the Bank of Canada's additional rate hikes in June and July—as well as expectations that it will keep rates high for longer—sent many buyers to the sidelines. Home resales have softened back to historically low levels in most markets (with some exceptions in the Prairies). They are likely to stay weak until interest rates come down materially (RBC Economics expects our central bank to start cutting around mid-2024). That said, early signs of an upturn have emerged as 2024 rolled in, which suggests the correction may have run its course. The sharp loss of affordability during the pandemic, however, continues to weigh on property values. RBC Economics expects them drift lower over the first half of 2024.
- Canada's longer-term housing market fundamentals remain solid. Immigration (for which targets will rise to 500,000 annually by 2025 and 2026) will be a major driver of housing demand for years to come. Already-low housing inventories could fall further if homebuilding continues lag demand. Significantly boosting housing supply will be a challenge amid skilled trade shortages, lengthy (and costly) project approval processes and often restrictive zoning regulations across Canada.
- 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 have rebalanced



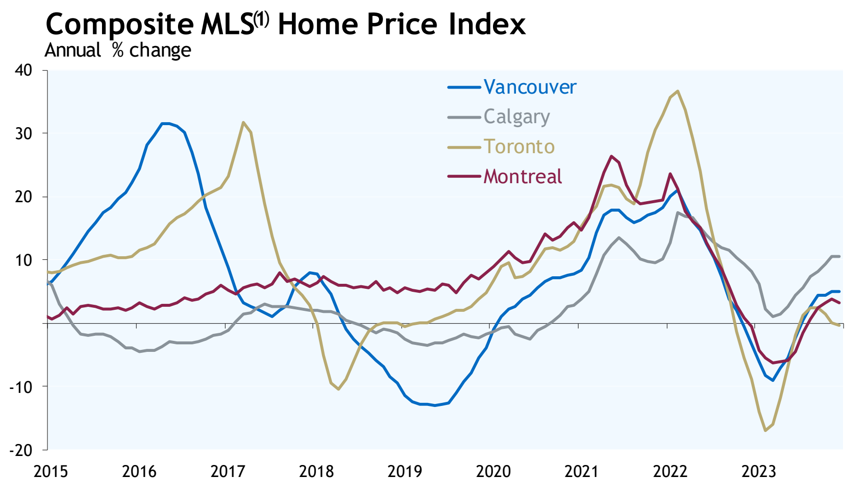

## Higher rates are keeping debt service costs elevated




*(1) Canadian Real Estate Association, RBC Economics. (2) Statistics Canada, RBC Economics.*

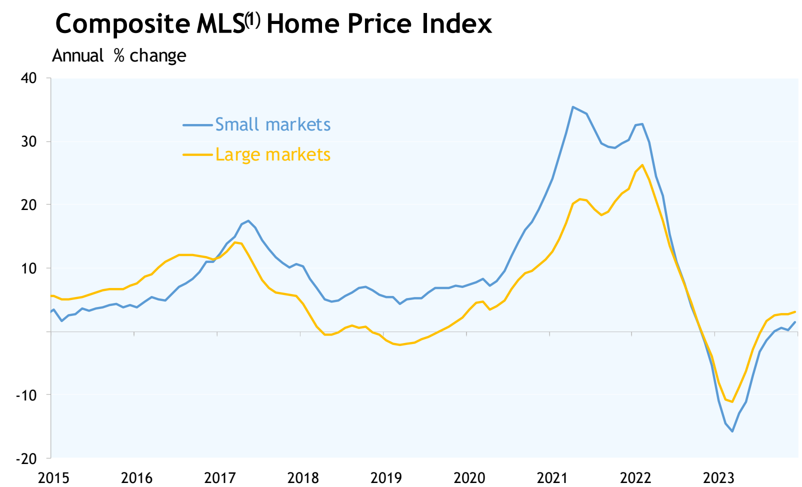
# Recovery in property values to stall temporarily

## Home prices are back above year-ago levels…



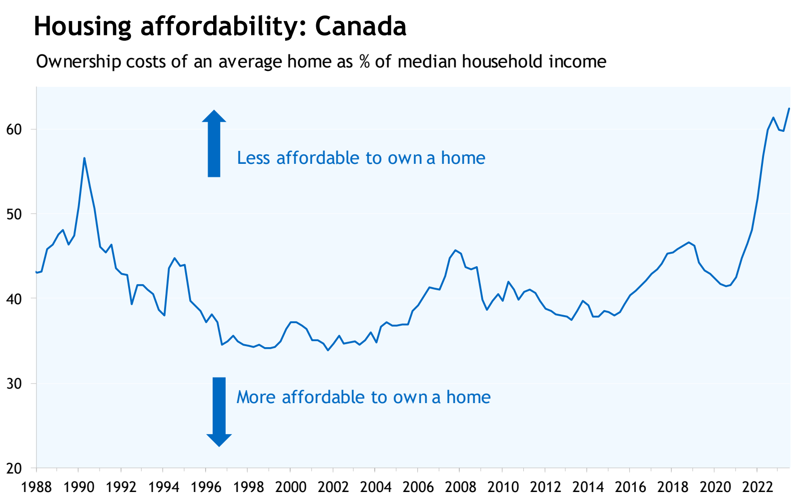

Source: Canadian Real Estate Association, RBC Economics

## …in most markets



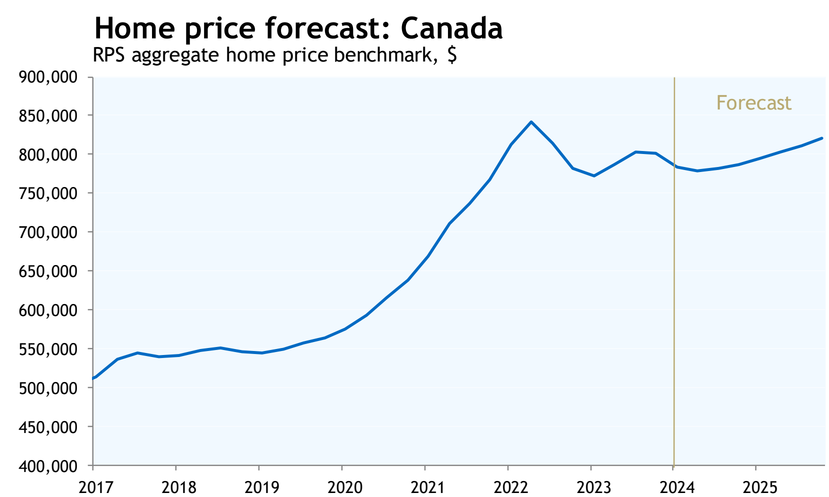

Source: Canadian Real Estate Association, RBC Economics

## Poor affordability is poised to restrain demand growth…




Source: RPS, Statistics Canada, Bank of Canada, RBC Economics

## …and keep prices stagnant near term



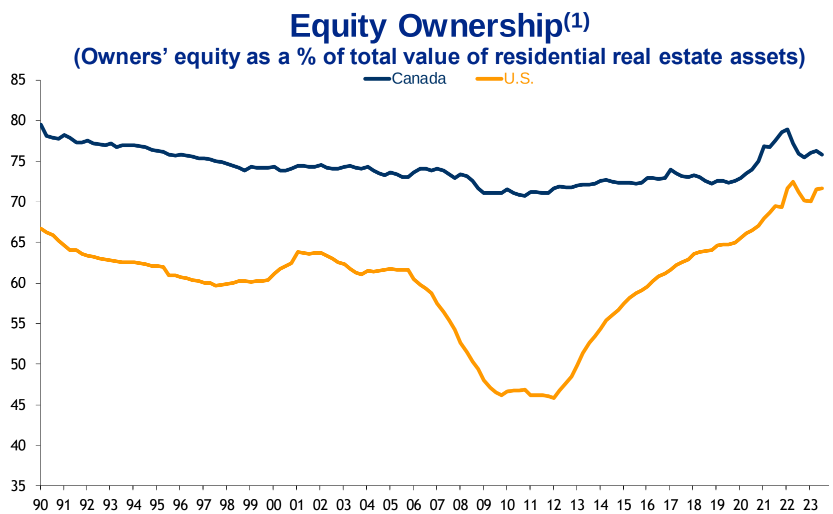

Source: RPS, RBC Economics

*(1) MLS: Multiple Listing Service.*

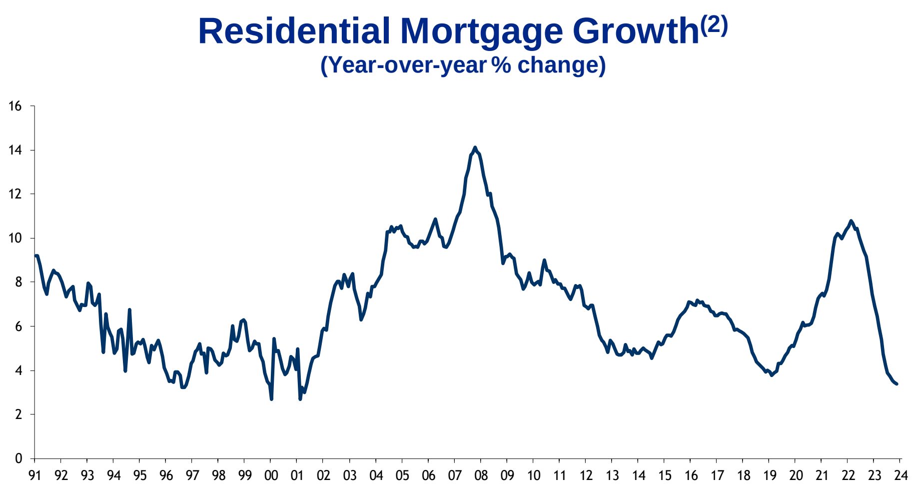
# Canadians have significant equity ownership in their homes

- Canadians carry a significant share of equity in their homes.
- Growth in residential mortgages reached a 14-year high in the early months of 2022, but the housing market downturn has since moderated the pace materially.
- Mortgage delinquency rates remain exceptionally low in Canada and have been stable through recent credit cycles.
- 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.

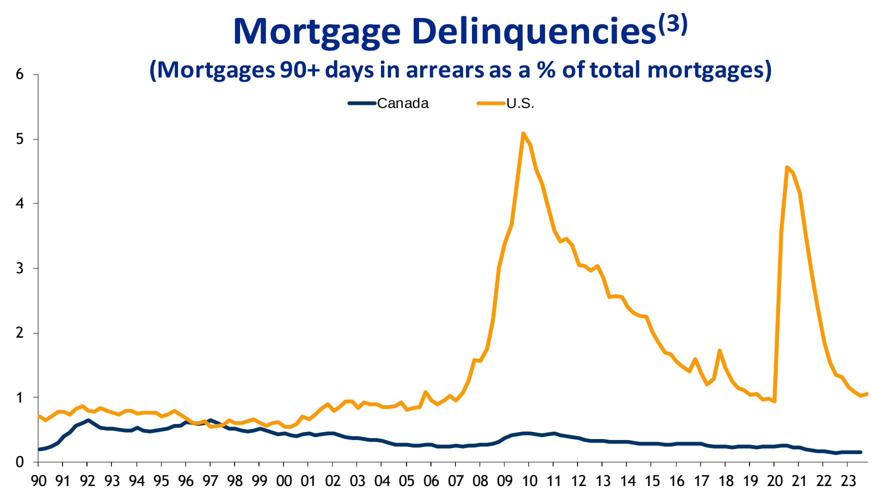
## Canadians maintain high levels of equity in their homes




## Growth in residential mortgages is slowing again




## The mortgage delinquency rate still near a 30-year low in Canada



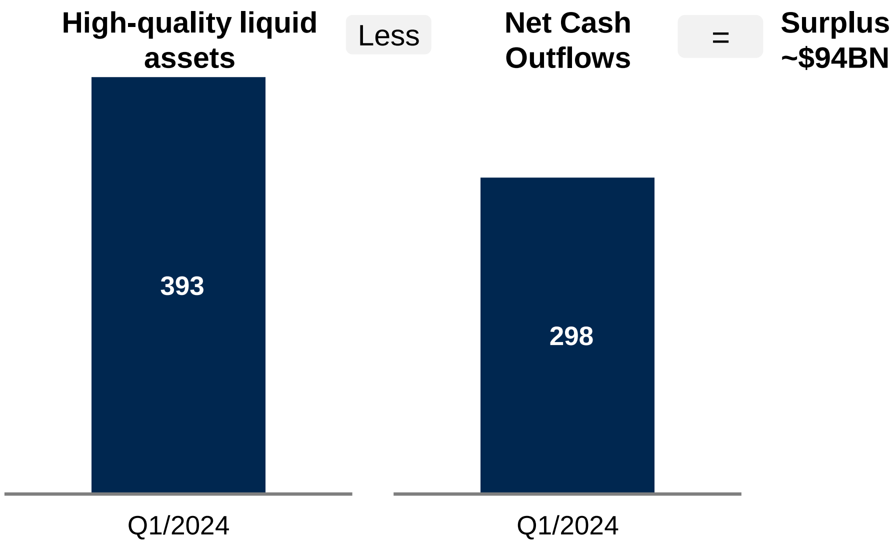

*(1) Statistics Canada, Federal Reserve Board, RBC Economics. (2) Bank of Canada, RBC Economics. (3) Canadian Bankers Association, Mortgage Bankers Association, RBC Economics.*

# Appendix – Liquidity & Funding

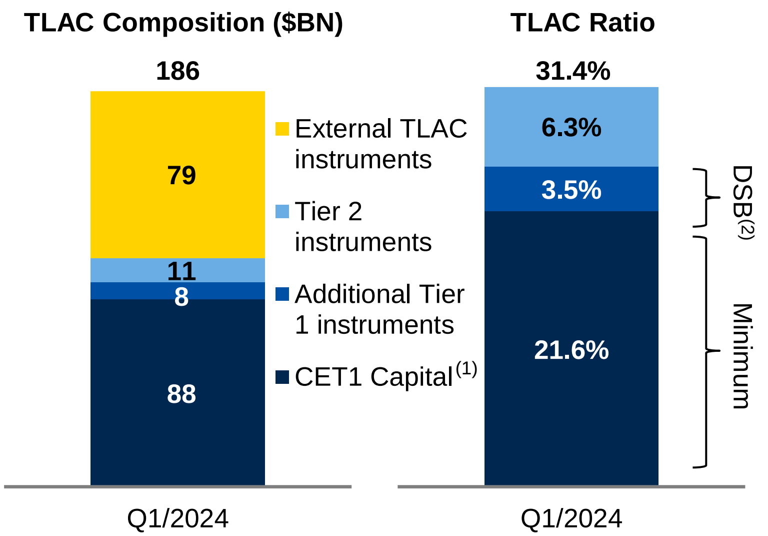
# Funding: Well-diversified

- As at January 31, 2024, relationship-based deposits, which are the primary source of funding for retail and commercial lending, were **$847 billion or 52% of our total funding** (including short-term repo funding)
- **Short and long-term wholesale funding comprises 35% of the total liabilities & capital** in both unsecured and secured formats
- Wholesale funding generally supports capital markets activity
- Wholesale funding is well-diversified across products, currencies, investor segments and geographic regions

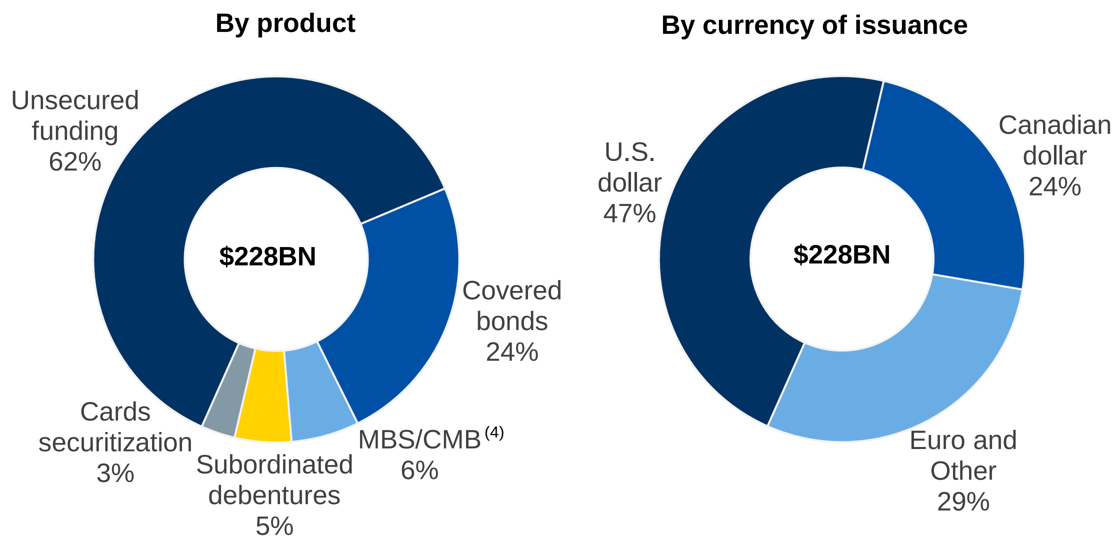
## LCR[1] (total adjusted value, $BN)




## Total Loss Absorbing Capacity[1]




## Long-term debt [3] – funding mix




*(1) The CET1 Capital is calculated using OSFI's CAR guideline. The Liquidity Coverage Ratio is calculated using OSFI's LAR guideline. The TLAC Ratios are calculated using OSFI's TLAC guideline. (2) Domestic Stability Buffer (DSB). OSFI's DSB can range from 0% to 4% of total RWA and is currently set at 3.5%. (3) Includes unsecured and secured long-term funding and subordinated debentures with an original term to maturity greater than 1 year. (4) Mortgage-backed securities (MBS) and Canada Mortgage Bonds (CMB).*

# Net Interest Income: Net interest margins and Interest rate sensitivity

**All-Bank: Impact of 100 bps change across the curve[(1)]**

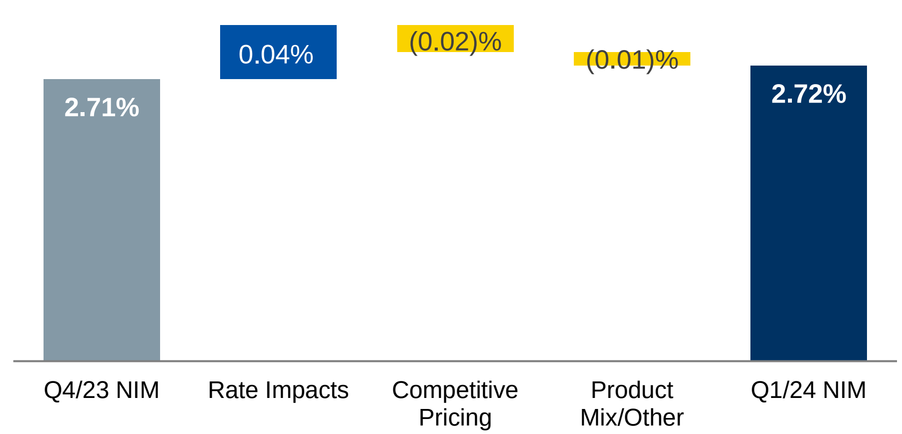
| Net interest income ($MM) | Increase | Decrease |
|---|---|---|
| **Canada** | $296 | $(331) |
| **U.S.** | $239 | $(291) |
| **Total** | **$535** | **$(622)** |

**Impact of 25 bps decrease[(2)]**

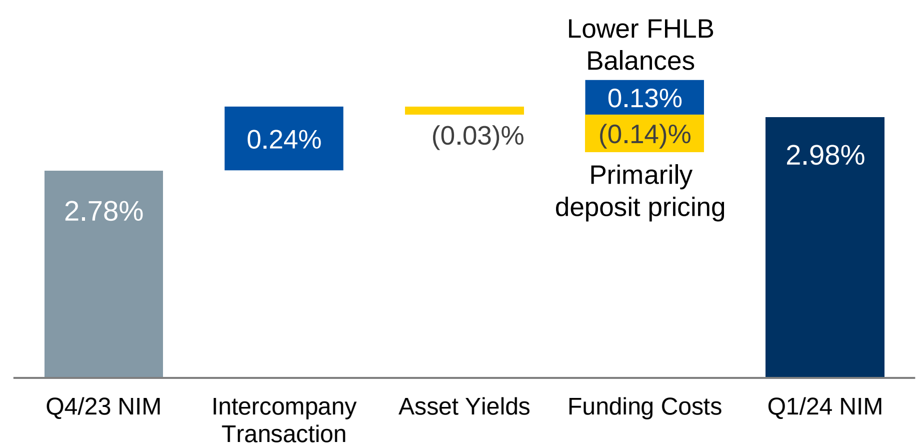
| Revenue ($MM) | Short-term rates[(2)] | | Across the curve[(2)] | |
|---|---|---|---|---|
| | Q4/23 | **Q1/24** | Q4/23 | **Q1/24** |
| **Canadian Banking** | $(40) | **$(40)** | $(120) | **$(110)** |
| **U.S. Wealth Management (incl. CNB)** | ~US$(55) | **~US$(50)** | ~US$(60) | **~US$(65)** |

- Sensitivity for Canada includes segments other than Canadian Banking
- Interest rate risk measures are based on current on and off-balance sheet positions which can change over time in response to business activity and management actions

## Canadian Banking NIM on Average Earning Assets[(3)]



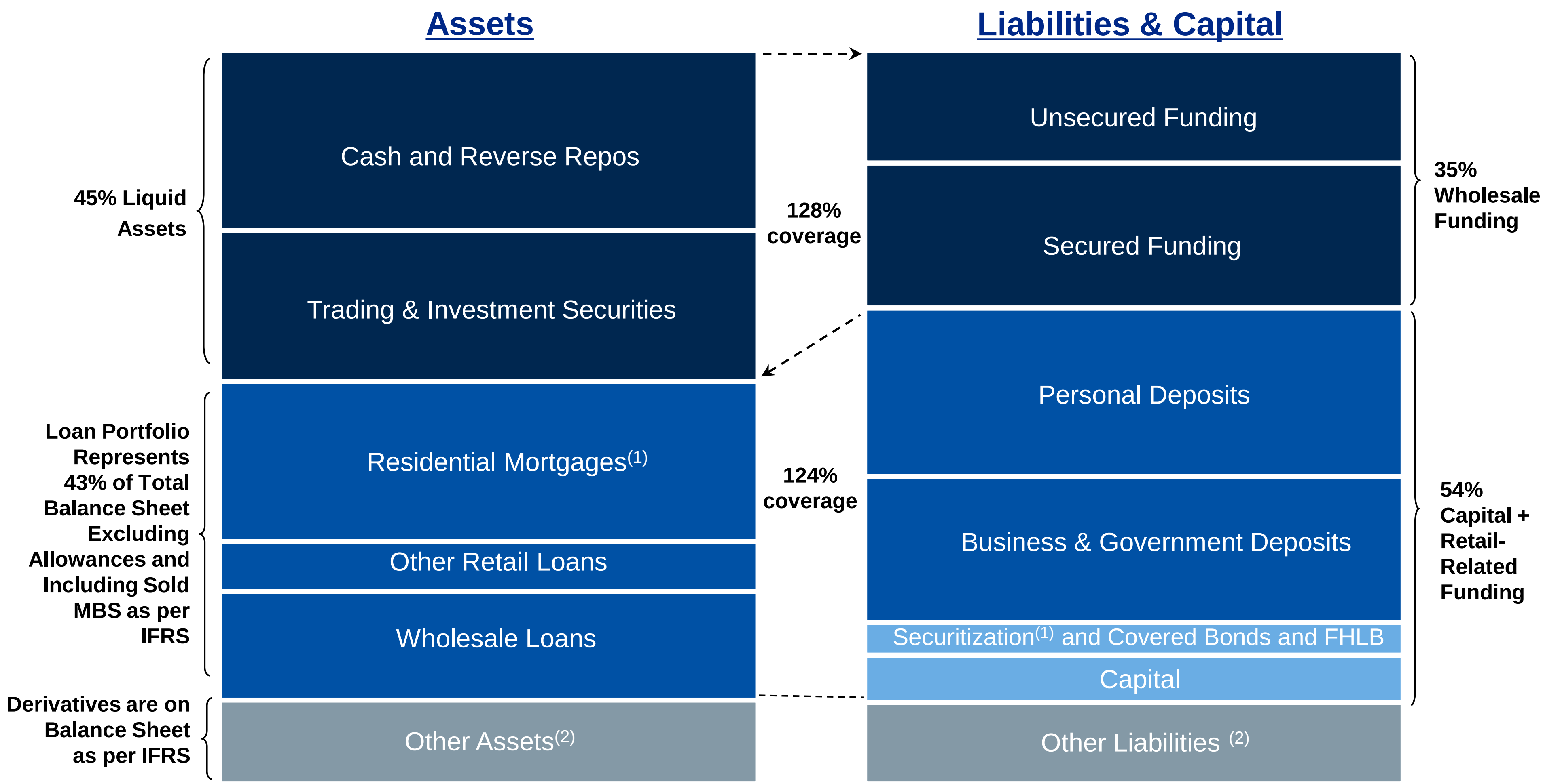

## CNB NIM on Average Earning Assets




*(1) Represents the 12-month revenue exposure (before-tax) to a 100 bps immediate and sustained shift in interest rates. (2) Represents the 12-month revenue exposure (before-tax) to a 25 bps immediate and sustained shift in interest rates. (3) Refer to Glossary on slides 58-59 for explanation of composition of this measure.*

# Strength of a high-quality liquid balance sheet

## $1,974 Billion
## (as at January 31, 2024)



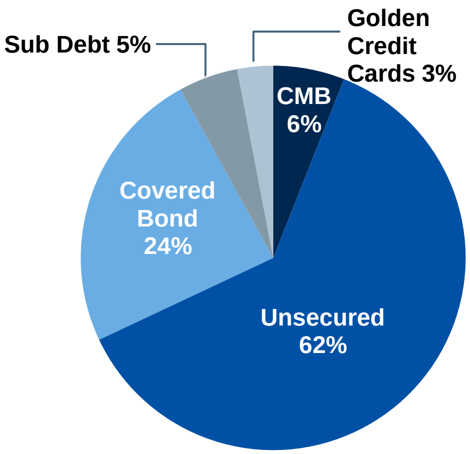

*(1) Securitized agency mortgage-backed securities (MBS) are on balance sheet as per IFRS. (2) Other assets include $105BN of derivative-related assets, largely offset by derivative-related liabilities in Other liabilities. Under IFRS derivative amounts without master netting agreements cannot be offset and the gross derivative assets and liabilities are reported on balance sheet.*

# Well-diversified wholesale funding platform

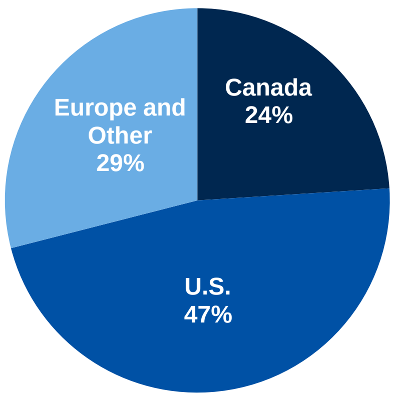
- Well-diversified across products, currencies, investor segments and geographic regions
- Raise majority of funding in international markets, preserving significant domestic capacity which can be more readily tapped in stressed market conditions
- Regular issuance in all major markets to promote investor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

| Canada | U.S. | Europe and Asia |
|---|---|---|
| Canadian Shelf (C$25BN)<br>Securitizations (Canadian mortgage bonds, NHA MBS[1] and credit cards) | SEC Registered Shelf (US$75BN) | European Debt Issuance Program (US$75BN)<br>Covered Bond Program (EUR 75BN)<br>Japanese Issuance Programs (JPY 1 trillion) |

## Well Diversified by Product[2]




## Diversified by Geography[2]




## Recent Deals

- USD $1.75 Billion 3 year unsecured at UST+77bps / SOFR+95bps
- USD $1 Billion 5 year unsecured at UST+100bps / SOFR+126bps
- USD $1.25 Billion 10 year unsecured at UST+115bps / SOFR+151bps
- CAD $2 Billion 3 year Covered Bond at GOC+76bps / SOFR+76bps
- USD $2 Billion 3 year Covered Bond at UST+53bps / SOFR+78bps

*(1) National Housing Act Mortgage Backed Securities. (2) As at January 31, 2024.*

# RBC Covered Bond Program

## Globally Active

- Active program in six different currencies: EUR, CAD, USD, CHF, AUD and GBP
  - C$68.2BN 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$26.1BN across twelve deals since September 2012
  - Trace eligible

# Glossary

**Assets under administration (AUA):**

- Assets administered by us, which are beneficially owned by clients. Services provided in respect of assets under administration are of an administrative nature, including safekeeping, collecting investment income, settling purchase and sale transactions, and record keeping.

**Assets under management (AUM):**

- Assets managed by us, which are beneficially owned by clients. Services provided in respect of assets under management include the selection of investments and the provision of investment advice. We have assets under management that are also administered by us and included in assets under administration.

**Average balances (assets, loans and acceptances, deposits, risk capital etc.):**

- Calculated using methods intended to approximate the average of the daily balances for the period, as applicable.

**Average earning assets, net:**

- Average earning assets include interest-bearing deposits with other banks, securities, net of applicable allowance, assets purchased under reverse repurchase agreements and securities borrowed, loans, net of allowance, cash collateral and margin deposits. Insurance assets, and all other assets not specified are excluded. The averages are based on the daily balances for the period.

**Book value per share (BVPS):**

- Calculated as common equity divided by the number of common shares outstanding at the end of the period.

**Common equity tier 1 (CET1) ratio:**

- A risk-based capital measure calculated as CET1 capital divided by risk-weighted assets. CET1 capital is a regulatory Basel III capital measure comprised mainly of common shareholders' equity less regulatory deductions and adjustments for goodwill and intangibles, defined benefit pension fund assets, shortfall in allowances and other specified items.

**Dividend payout ratio:**

- Common dividends as a percentage of net income available to common shareholders.

**Efficiency ratio:**

- Non-interest expense divided by total revenue.

**Leverage ratio:**

- A Basel III regulatory measure, the ratio divides Tier 1 capital by the sum of total assets plus specified off-balance sheet items. Tier 1 capital comprises predominantly of CET1 capital, with additional Tier 1 items such as preferred shares, limited recourse capital notes and non-controlling interests in subsidiaries Tier 1 instruments. The leverage ratio is a non-risk based measure.

**Liquidity coverage ratio (LCR):**

- The Liquidity Coverage Ratio is a Basel III metric designed to ensure banks hold a sufficient reserve of high-quality liquidity assets to allow them to service a period of significant liquidity stress lasting 30 calendar days.

# Glossary

**Net interest margin (NIM):**

- Calculated as net interest income divided by average earning assets, net.

**Net yield:**

- Net yield is calculated as total repo revenue as a percentage of average reverse repo balances.

**Reported diluted earnings per share (EPS):**

- Calculated as net income available to common shareholders divided by the average number of shares outstanding adjusted for the dilutive effects of stock options and other convertible securities.

**Return on common equity (ROE):**

- Net income available to common shareholders, expressed as a percentage of average common equity.

**Risk-weighted assets (RWA):**

- Assets adjusted by a regulatory risk-weight factor to reflect the riskiness of on and off balance sheet exposures. Certain assets are not risk-weighted, but deducted from capital. The calculation is defined by guidelines issued by OSFI.

**Total loss absorbing capacity (TLAC); TLAC ratio:**

- The aggregate of Tier 1 capital, Tier 2 capital, and external TLAC instruments, allow conversion in whole or in part into common shares under the Canada Deposit Insurance Corporation Act and meet all of the eligibility criteria under the guideline. The risk-based TLAC ratio is defined as TLAC divided by total risk-weighted assets.

**Total shareholder return (TSR):**

- TSR is a concept used to compare the performance of our common shares over a period of time, reflecting share price appreciation and dividends paid to common shareholders.

# Reconciliation for non-GAAP financial measures

| Calculation of Tangible Book Value Per Share[(1)]<br>$ millions (unless otherwise stated) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Common equity - end of period | 77,816 | 80,719 | 91,983 | 100,746 | 110,347 |
| Less: Goodwill and Intangibles net of tax - end of period | 12,370 | 12,375 | 11,664 | 14,019 | 14,175 |
| Tangible common equity - end of period | 65,446 | 68,344 | 80,319 | 86,727 | 96,172 |
| Common shares outstanding (000s) - end of period | 1,430,096 | 1,422,473 | 1,424,525 | 1,382,911 | 1,400,511 |
| Tangible Book Value Per Share | $ 45.76 | $ 48.05 | $ 56.38 | $ 62.71 | $ 68.67 |

| Calculation of Cash Earnings for Wealth Management[(2)]<br>$ millions (unless otherwise stated) | 2022 | 2023 | Q1/23 | Q1/24 |
|---|---|---|---|---|
| Net Income | 3,210 | 2,427 | 830 | 606 |
| Add: After-tax effect of amortization of other intangibles | 164 | 246 | 65 | 55 |
| Cash Earnings | 3,374 | 2,673 | 895 | 661 |

| Calculation of Adjusted Net Income and Adjusted ROE<br>$ millions (unless otherwise stated) | 2023 | Q1/23 | Q1/24 |
|---|---|---|---|
| **All-bank** | | | |
| Net income | 14,612 | 3,133 | 3,582 |
| Less: Non-controlling interests (NCI) | (7) | (2) | (2) |
| Less: Dividends on preferred shares and distributions on other equity instruments | (236) | (44) | (58) |
| Net income available to common shareholders | 14,369 | 3,087 | 3,522 |
| Adjusting items impacting net income (before tax) | | | |
| Amortization of other intangibles (A) | 341 | 86 | 80 |
| HSBC Canada transaction and integration costs (B) | 380 | 11 | 265 |
| Impairment losses on our interest in an associated company (C) | 242 | - | - |
| Management of closing capital volatility related to the planned acquisition of HSBC Canada (D) | - | - | 286 |
| Income taxes for adjusting items impacting net income | | | |
| Amortization of other intangibles (E) | (75) | (15) | (21) |
| HSBC Canada transaction and integration costs (F) | (78) | (3) | (47) |
| Impairment losses on our interest in an associated company (G) | (65) | - | - |
| Canada Recovery Dividend (CRD) and other tax related adjustments (H) | 1,050 | 1,050 | - |
| Certain deferred tax adjustments (I) | (578) | - | - |
| Management of closing capital volatility related to the planned acquisition of HSBC Canada (J) | - | - | (79) |
| Adjusted net income | 15,829 | 4,262 | 4,066 |
| Adjusted net income available to common shareholders | 15,586 | 4,216 | 4,006 |
| Average common equity | 100,400 | 97,300 | 107,100 |
| ROE | 14.3% | 12.6% | 13.1% |
| Adjusted ROE | 15.5% | 17.2% | 14.9% |

*(1) Note these amounts have not been restated from those previously presented as part of the adoption of IFRS 17, effective November 1, 2023. These are presented in accordance with previous accounting policies (IFRS 4). (2) Effective the fourth quarter of 2023, we moved the Investor Services lending business from our Wealth Management segment to our Capital Markets segment. Therefore, comparative adjusted results for the three months ended January 31, 2023 have been revised from those previously presented. We completed the partial sale of RBC Investor Services operations in Europe (other than U.K.) and Jersey to CACEIS on July 3, 2023 and December 1, 2023, respectively.*

# 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:

- Measures which exclude the amount of amortization of intangibles (excluding amortization of software), any goodwill impairment, and other significant items that may impact a given period enhances comparability as transaction specific intangible assets and/or goodwill can differ widely between organizations, and impairments and other significant items can give rise to volatility in a particular period.
- Measures which exclude the impact of amortization and write down of other intangibles (excluding software) and goodwill enhance comparability as these excluded items can lead to volatility that could obscure trends in underlying business performance and reduce comparability with prior periods.
- Pre-provision, pre-tax earnings is used to assess our ability to generate sustained earnings growth outside of credit losses, which are impacted by the cyclical nature of the credit cycle.

Readers are cautioned that key performance measures, such as ROE and non-GAAP measures, including adjusted basis measures, pre-provision, pre-tax earnings, cash earnings and tangible book value per share, 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 2023 Annual Report dated November 29, 2023 and Q1 2024 Report to Shareholders dated February 28, 2024, which sections are incorporated by reference herein and available on the Canadian Securities Administrators’ website at sedar.com, as well as in our Q1 2024 Supplementary Financial Information.

Definitions can be found under the “Glossary” sections in our Q1 2024 Supplementary Financial Information and our 2023 Annual Report.

**Investor Relations Contacts**


| | |
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