Royal Bank of Canada Investor Presentation

Q2/2024

All amounts are in Canadian dollars unless otherwise indicated and are based on financial statements prepared in compliance with International Accounting Standard 34 Interim Financial Reporting, unless otherwise noted. Effective November 1, 2023, we adopted IFRS 17 Insurance Contracts (IFRS 17) and comparative amounts have been restated from those previously presented. Totals may not add and percentage changes may not reflect actual changes due to rounding. For an explanation of defined terms used in this presentation, refer to the Glossary on slides 57-58. Our Q2 2024 Report to Shareholders and Supplementary Financial Information are available on our website at: http://www.rbc.com/investorrelations.

Caution regarding forward-looking statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities legislation. We may make forward-looking statements in this 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, anticipated economic conditions and the expected impacts of the HSBC Bank Canada (HSBC Canada) acquisition, including operational and capital impacts such as expected synergies, cross-sell opportunities, new client acquisition 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: 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 Q2 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 Q2 2024 Report to Shareholders, as such sections may be updated by subsequent quarterly reports. 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 Q2 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 ▪ Able to capitalize on opportunities created by changing market dynamics and economic conditions ▪ 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 ▪ The acquisition of HSBC Bank Canada (HSBC Canada or HBCA) (completed on March 28, 2024) gives us the opportunity to enhance our existing businesses in line with our strategic goals and better positions us to be the bank of choice for commercial clients with international needs, newcomers and globally connected clients ▪ Largest branch network, the most ATMs and one of the largest mobile sales forces across Canada ▪ 10th largest global investment bank [(1)], #1 in Canada and #1 Canadian investment bank in the U.S.[(2)] ▪ Largest retail mutual fund company in Canada based on assets under management (AUM)[(3)] ▪ 6th largest full-service wealth advisory firm in the U.S. as measured by assets under administration (AUA)[(3)] ▪ #1 High Net Worth and Ultra High Net Worth market share in Canada ▪ 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 ▪ 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 ▪ Focused on simplifying, digitizing and personalizing our products to make it easier for clients and employees to do business, and to lower costs ▪ RBCx™ supports 3,500+ tech and innovation clients and in-house ventures like Mydoh® (used by 142,000+ Canadians to build financial literacy), Ownr® (trusted by 160,000 Canadian businesses), Houseful™ (formerly OJO Canada®, supporting 11 million+ of Canadians in their home ownership journey) and Dr. Bill® (serving 16,500+ 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 ▪ 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 ▪ Credit ratings amongst the highest globally ▪ A disciplined approach and diversification have underpinned credit quality ▪ Leading Canadian core deposit franchise that serves as a stable source of funding

(1) Dealogic, based on global investment banking fees LTM Q2/24. (2) Based on market share (fiscal 2023), Dealogic. (3) Refer to the Glossary on slides 57-58. (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 15 Globally[1]

One of the 15 largest global banks by market capitalization with operations in 29 countries

>18 Million Clients

Served by 98,000+ 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

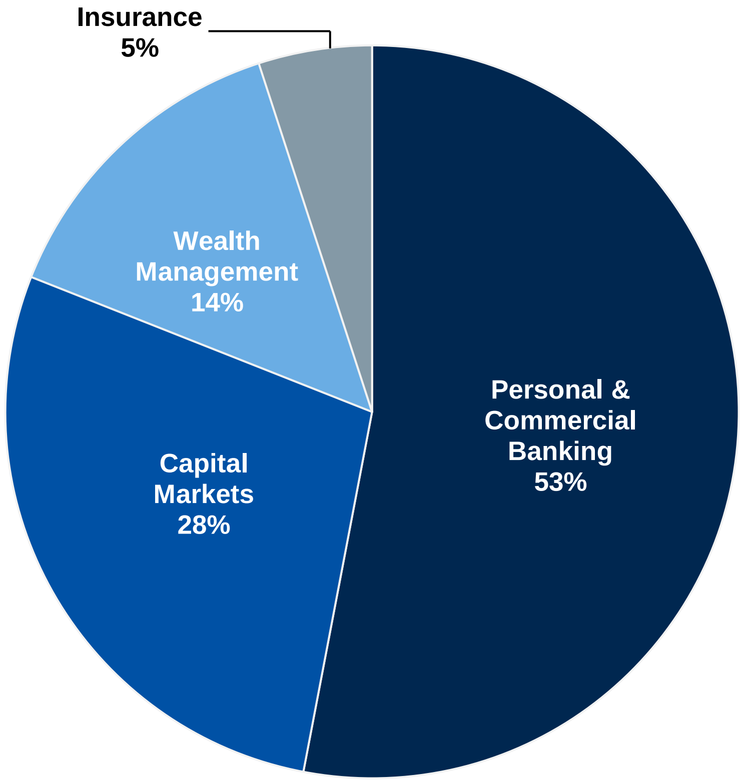
In the United States: To be the preferred partner to corporate, institutional and high net worth clients and their businesses

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

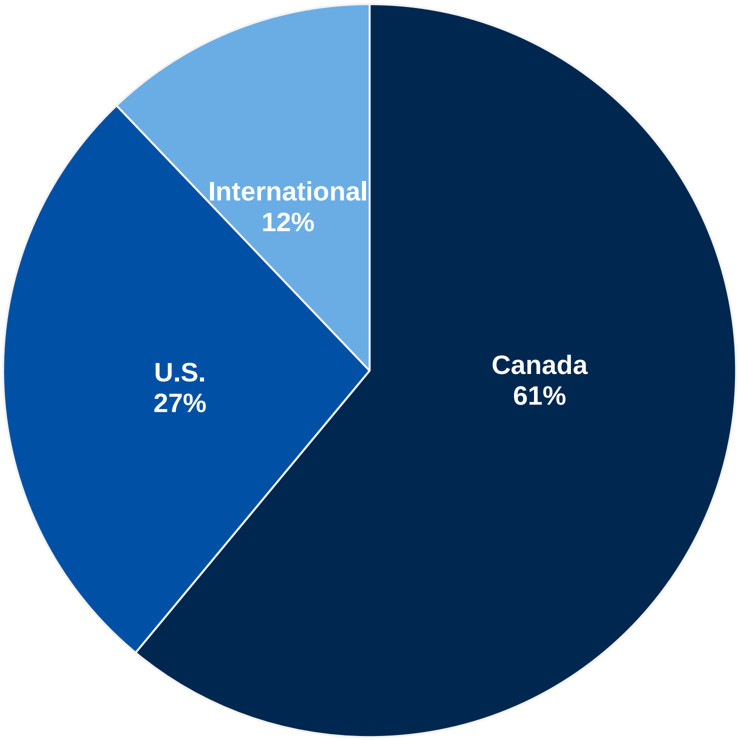
(1) Based on market capitalization as at April 30, 2024.

Diversified business and geographic model with client-leading franchises

Earnings by Business Segment[1][2]
Last 12 months ended April 30, 2024



Revenue by Geography
Last 12 months ended April 30, 2024



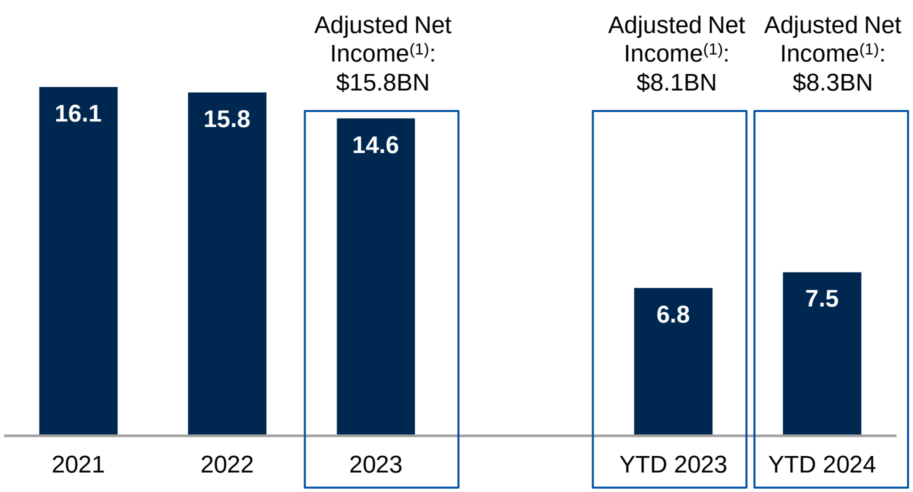
(1) Amounts exclude Corporate Support. (2) Certain amounts have been revised from those previously presented to conform to our new basis of segment presentation. For more information, refer to the about Royal Bank of Canada section of our 2023 Annual Report.

Strong financial profile

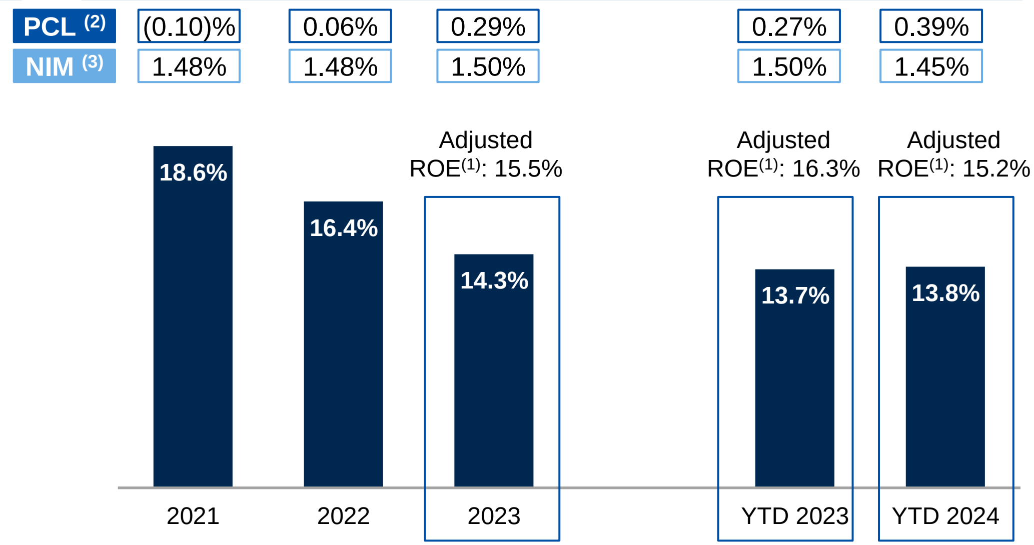
Maintaining a strong capital position with a disciplined approach to risk

Resilient Earnings

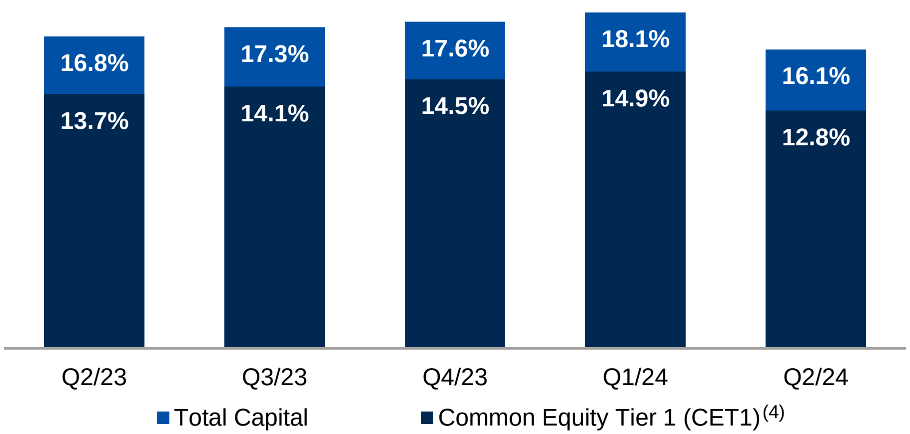
Net income ($ billions)



Premium Return on Equity



Strong Capital Position



Strong Leverage and Liquidity Ratios

Leverage Ratio[4]	**4.2%**
Liquidity Coverage Ratio[4]	**128%**

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*

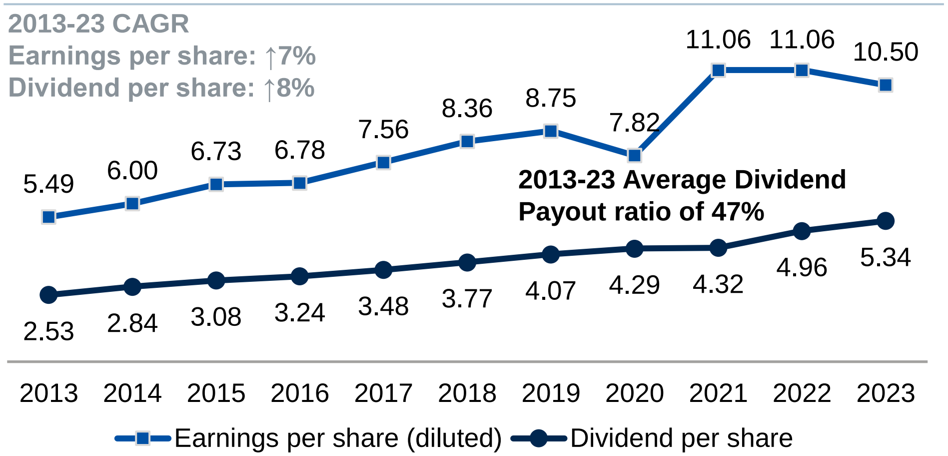
(1) Adjusted net income is calculated by adding back to net income the after-tax amount of amortization of intangibles, any goodwill impairment, and other significant items that may impact a given period. Adjusted ROE is calculated as adjusted net income available to common shareholders divided by average common equity. These are non-GAAP measures. Refer to slides 59-60 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 57-58. (4) The leverage ratio is calculated using OSFI's Leverage Requirements (LR) guideline. The Liquidity Coverage Ratio is calculated using OSFI's Liquidity Adequacy Requirements (LAR) guideline. The CET1 ratio is calculated using OSFI's Capital Adequacy Requirements (CAR) guideline. (5) Ratings (as at May 29, 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 May 29, 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*

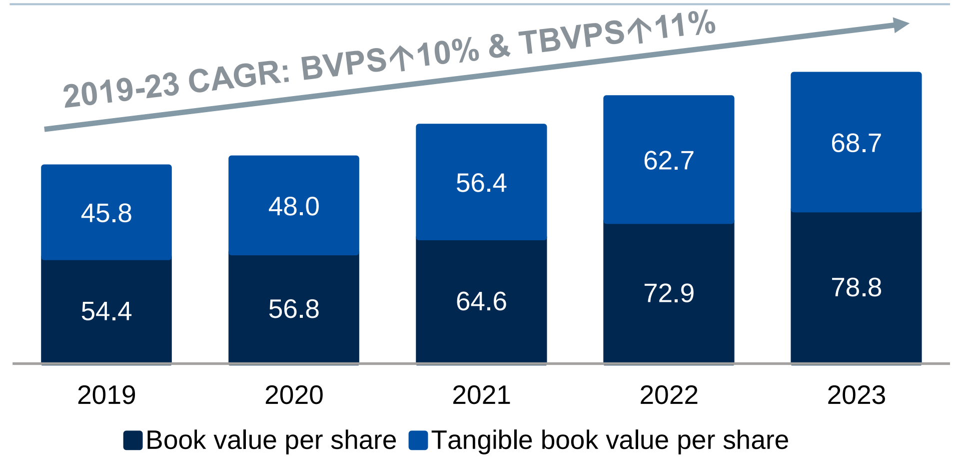
Financial performance objectives measure our performance against our goal of maximizing total shareholder returns

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	9%	9%	10%	12%
Peer Average	8%	9%	9%	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 $1.42. Quarterly dividend payment on May 24, 2024 was $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 slides 59-60 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 April 30, 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.

Q2/24 Key Messages: Accelerating value creation

Strong results across our businesses underpinning sustainable earnings growth	Reported | Adjusted[1] **$2.74 | $2.92** Earnings Per Share	Reported | Adjusted[1] **5% | 9%** EPS growth

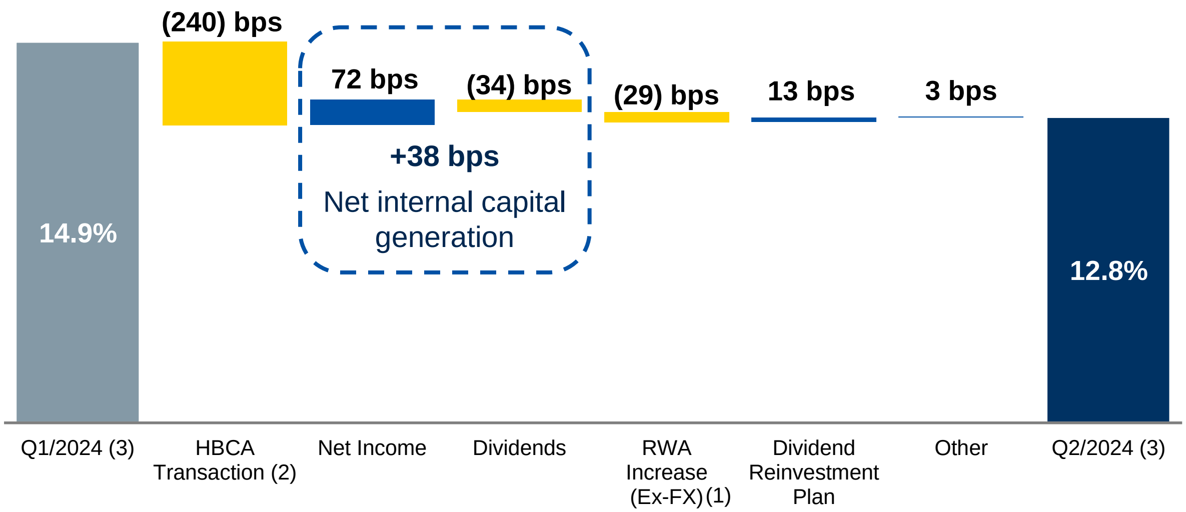
Strong, diversified client-driven growth across our largest businesses	**+6%** Canadian Banking (ex-HBCA) loan growth (YoY)	**$3.2BN** Record Capital Markets revenue	**+13%** Wealth Management client asset growth (YoY)[2]
Disciplined cost management driving positive all-bank operating leverage and leading Canadian Banking efficiency	Reported | Adjusted[1] **+1.4% | +4.5%** All-bank operating leverage	**39%** Canadian Banking efficiency ratio	**6%** ~2% YoY ex-VC Core expense growth[3] (YoY)
Strong funding profile creates a foundation for loan growth	**+9%** Canadian Banking (ex-HBCA) deposit growth (YoY)	**98%** Canadian Banking LTD[4] Ratio	**128%** Liquidity Coverage Ratio[5]
Sound capital position well above regulatory minimums and consistent return of capital to shareholders	**12.8%** CET1[5] Ratio	**$0.04** or **3%** Dividend increase (QoQ)	**30MM shares** Intent to commence NCIB[6]
HSBC Bank Canada to provide differentiated source of highly profitable growth	**$740MM** Targeted cost synergies	Remain on track to achieve cost synergies	

Premium ROE[7] underpinning strong organic capital generation and shareholder value	Reported | Adjusted[1] **14.5% | 15.5%** Return on Equity	**8%** BVPS[7] growth (YoY)

(1) This is a non-GAAP measure. Refer to slides 59-60 for reconciliation and slide 61 for more information. (2) Represents the combination of AUA (excluding Investor Services) and AUM growth. (3) This is a non-GAAP measure. Refer to slides 59-60 for reconciliation and slide 61 for more information. (4) Loan to Deposit. (5) The Liquidity Coverage Ratio is calculated using OSFI's LAR guideline. The CET1 ratio is calculated using OSFI's CAR guideline. (6) Normal course issuer bid (NCIB). Subject to the approval of the Toronto Stock Exchange and the OSFI. (7) Refer to Glossary on slides 57-58 for explanation of composition of these measures.

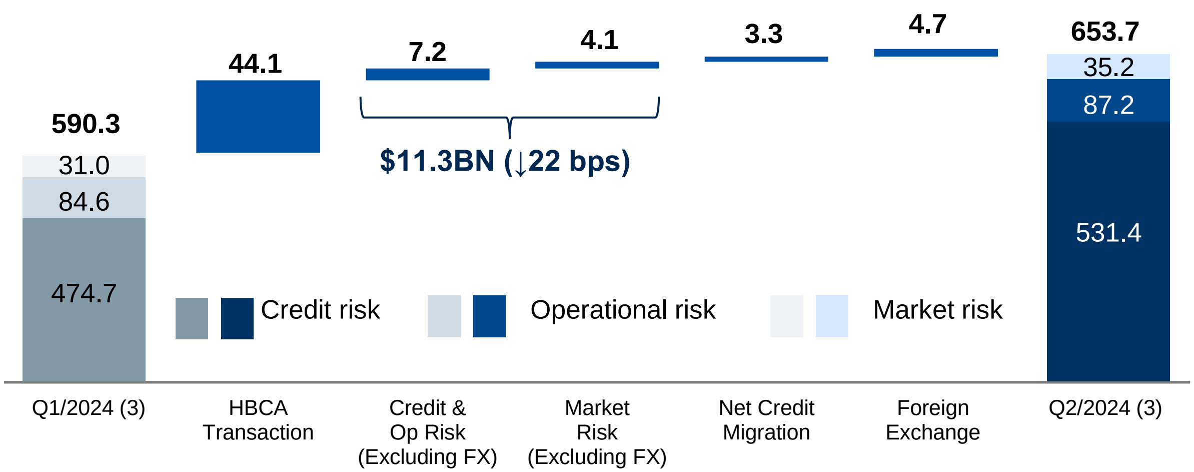
Capital: Strong CET1 ratio well-above regulatory requirements post-HBCA closing

CET1[(1)] Movement



- CET1 ratio[(1)] of 12.8%, down 210 bps QoQ, reflecting:
  - – Closing of the HBCA transaction[(2)]
  - – Higher RWA[(1)] (excluding FX) from business growth and net credit migration
  - + Net internal capital generation
- Leverage ratio[(1)] of 4.2%, down 20 bps QoQ
- Announced a $0.04 or 3% dividend increase to $1.42 per common share
- Announced intention, subject to the approval of OSFI and the TSX, to commence a normal course issuer bid and to repurchase for cancellation up to 30MM of common shares

RWA[(1)] Movement ($ billions)

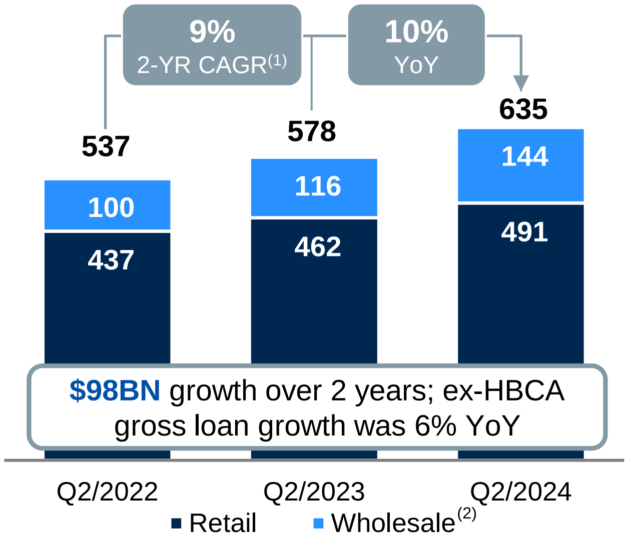


- RWA[(1)] increased $63.4BN, mainly reflecting:
  - – RWA[(1)] from the HBCA transaction, mainly in credit and operational risk
  - – Growth in wholesale lending, and personal lending in Canada
  - – Higher market risk, driven by movement in risk levels
  - – Unfavourable FX translation
  - – Net credit migration, mainly in wholesale portfolios

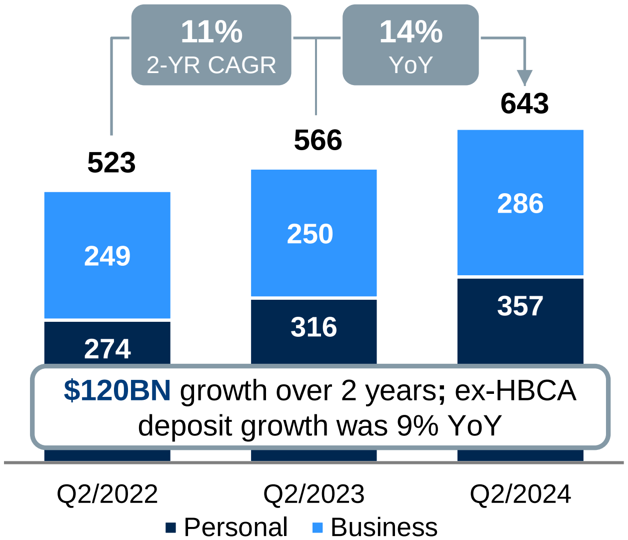
(1) The CET1 ratio and RWA are calculated using OSFI's CAR guideline. The leverage ratio is calculated using OSFI's Leverage Requirements (LR) guideline. (2) HBCA transaction impact includes capital deductions for goodwill and intangible assets, initial provision for credit losses on the purchased performing loan portfolio, RWA / Leverage exposures resulting from the transaction, and LRCN issuance. (3) For more information, refer to the Capital Management section of our Q2/2024 Report to Shareholders.

Client assets and activity: Solid momentum in market-related businesses

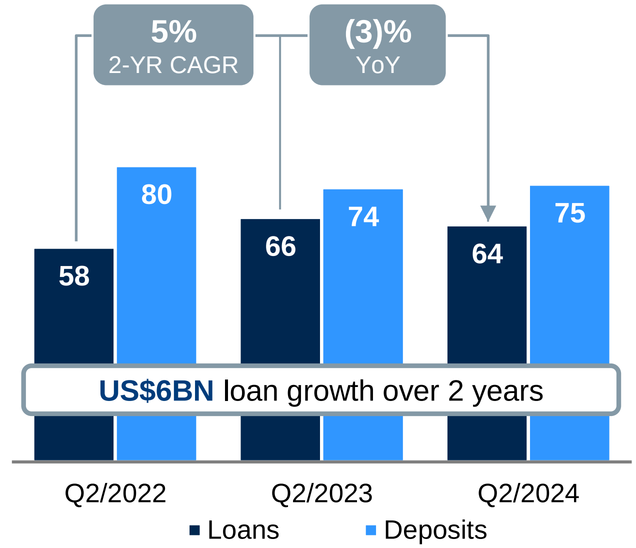
Canadian Banking average gross loans and acceptances ($ billions)



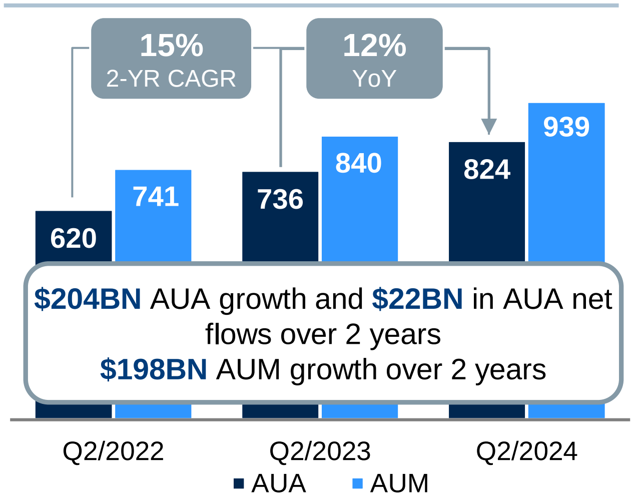
Canadian Banking average deposits ($ billions)



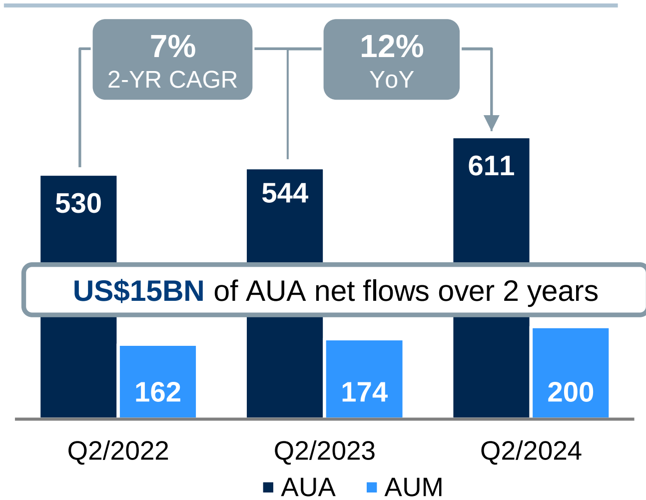
City National (CNB) average loans and deposits (US$ billions)



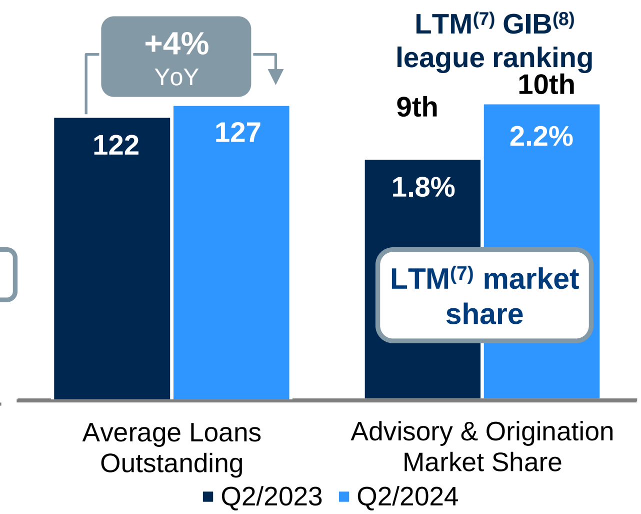
Wealth Management (non-U.S.) AUA[3][4] and AUM [3][4] ($ billions)



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 57-58 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 Investor Services. (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

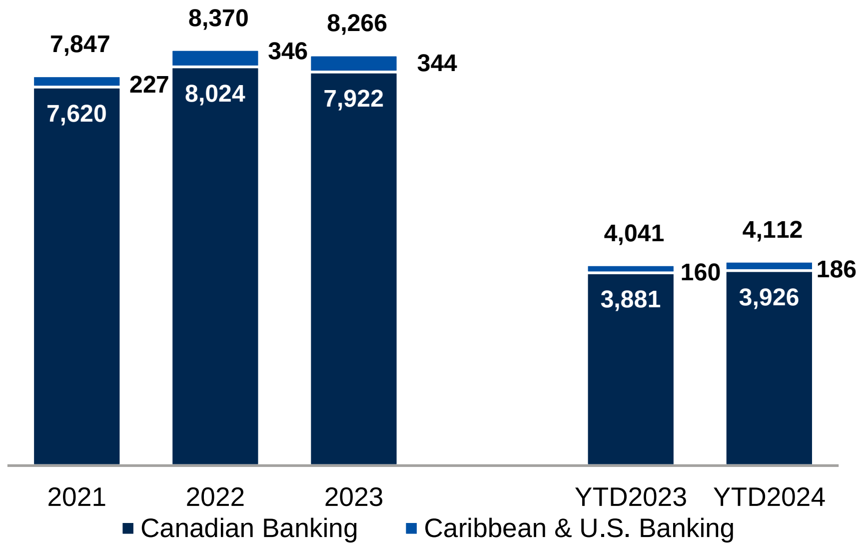
Personal & Commercial Banking

- 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

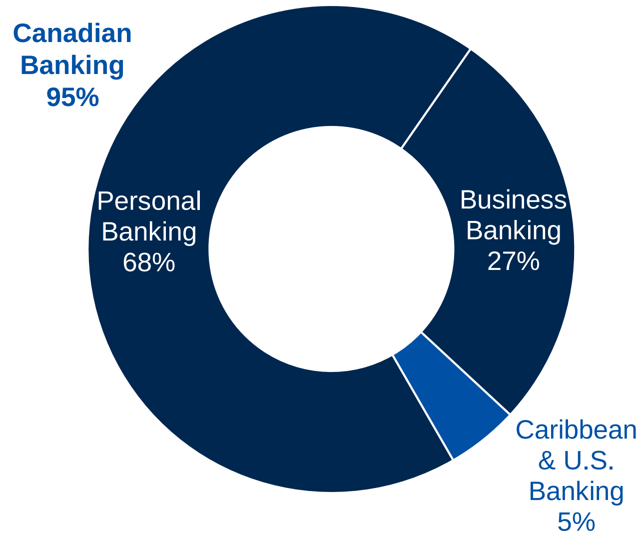
Q2/2024 Highlights

Clients (MM)	~16.2
Branches	1,284
ATMs	4,381
Active Digital (Online and Mobile) Users[2] (MM)	9.7
Employees (FTE)	40,622
Net Loans & Acceptances[3] ($BN)	643.5
Deposits[3] ($BN)	664.8
AUA[4] ($BN)	405.4

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, 2024; 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 April 30, 2024 of $16 billion and $6 billion, respectively. (5) For quarter ended April 30, 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 ▪ 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 ▪ 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 ▪ Create partnerships to innovate, making it easier to bank with RBC ▪ 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 ▪ 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 ▪ 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)

Recognized for the second year in a row as "Loyalty Program of the Year (Americas)" for Avion Rewards(2)

Digital Banker Digital CX Awards, recognizing pioneering innovation in Digital Customer Experience: "Excellence in Omni-Channel Customer Experiences"(3)

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

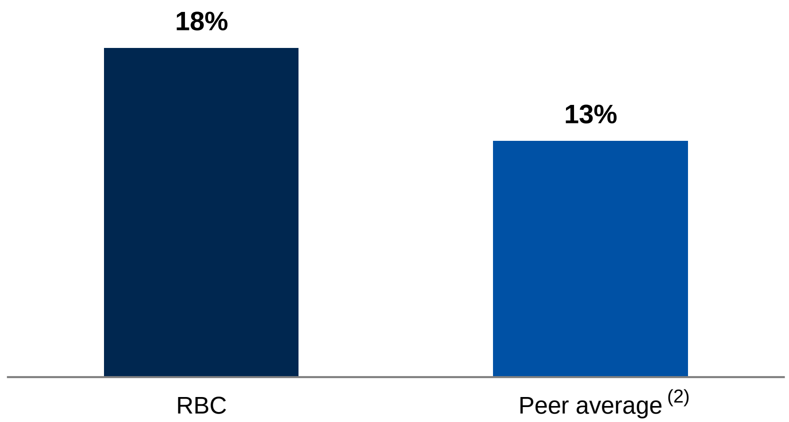
(1) Ipsos, 2023. (2) ILA, 2024 (3) Digital Banker Digital CX Awards 2024 (4) JD Power, 2023.

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]



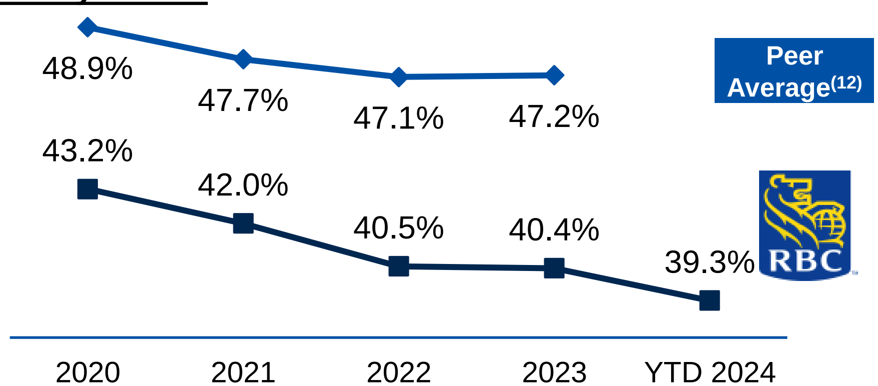
Top Market Share in All Key Categories[3]

Product	Market share	Rank
Personal Lending[4]	24.7%	1
Personal Core Deposits + Guaranteed Investment Certificates (GICs)	21.7%	1
Credit Cards[5]	26.8%	1
Long-Term Mutual Funds[6]	31.9%	1
Business Loans ($0-$25MM)[7]	26.2%	1
Business Deposits[8]	25.2%	1

Continued Efficiency Improvements While Investing For Growth

NIE CAGR [9]		FTE CAGR[10]	
RBC	Peer Average	RBC	Peer Average
5.4%	6.4%	1.6%	2.8%

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 April 2024. TFSA is considered an investment. Peers include BMO, BNS, CIBC, TD, National Bank and Desjardins. RBC's figure is not reflective of HSBC Bank 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 February 2024 and December 2023 except where noted. Market share is of total Chartered Banks except where noted. RBC's market share figures are not reflective of HSBC Bank Canada. (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 December 2023, excludes Credit Cards. (5) Credit cards market share is based on 6 banks (RBC, BMO, BNS, CIBC, TD and NA) as at February 2024. (6) Long-term mutual fund market share is compared to 7 banks (RBC, BMO, BNS, CIBC, TD, NA, and HSBC) and is at February 2024. (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 September 2023. (8) Business Deposits market share excludes Fixed Term balances and is as at February 2024. (9) Non-interest expense representing FY20 to LTM Q1/24 CAGR. Peers include BMO, BNS, CIBC and TD. (10) Number of employees (full-time equivalent) representing FY20 to Q1/24 CAGR. Peers include BMO, BNS, CIBC and TD. (11) Refer to the Glossary on slides 57-58. (12) Peers include BMO, BNS, CIBC, TD and NA; 2020 through 2023 reflects annual numbers.

HSBC Canada: Creating long-term value for clients and shareholders

Close-and-convert nature of the transaction brings forward expense synergies

Fiscal Year: F2024 Oct-24; F2025 Oct-25

$740MM Realized Synergies Target: 25% | 60% | 80% | 100%

Deal Year: Year 1 Mar-25; Year 2 Mar-26

- Expect shared services, functions and IT cost synergies to be largely realized in Year 1
- Expect distribution, product support and other direct cost synergies to be largely realized in F25

Strong start to earnings accretion. Integration activities on track. Balances within expectations.

($MM)		Pre-tax
Underlying Q2/24 NIAT [3]	63	
Realized cost synergies	22	$30
PPA accretion [4]	33	$45
Other	(6)	$(8)
Day 1 PCL	(145)	$(200)
Adjusted Q2/24 NIAT	(33)	
Amortization of intangibles	(18)	$(24)
Reported Q2/24 NIAT	(51)	

Results represent approximately one month of HBCA earnings

Complementary capabilities allowing for cross-sell opportunities

(i) Cross-sell of RBC products and services to HBCA clients, (ii) Cross-sell of new products and services to existing RBC clients and (iii) New clients

RBC | HBCA

Small Business & Commercial Banking

- SME[1] products and relationship managers; Cash management platform → HBCA clients to benefit from data-driven insights
- Deepened value proposition set for Business Banking clients ← Trade Finance; Global cash management

Wealth Management & Personal Banking

- Avion Rewards; RBC Vantage → HBCA clients to benefit from new client value propositions
- RBC Wealth Management Dominion Securities → Suite of investment services valued by affluent clients
- Expanded offering for newcomers and international clients ← Multi-currency accounts

% of clients with transaction, investments, borrowing & card products[2]

RBC 18% | > 2x | HBCA 7%

(1) Small and medium enterprise. (2) Canadian Financial Monitor by Ipsos. (3) This is a non-GAAP measure. HBCA underlying NIAT is defined as Reported NIAT excluding the after-tax impacts of realized cost synergies: $22MM; PPA accretion $33MM; Other $(6)MM; Day 1 PCL: $(145)MM); and Amortization of other intangibles: $(18)MM. For more information, see slide 61. (4) Purchase accounting accretion of fair value adjustments from HSBC Canada transaction.

HSBC Canada: Shift in balance sheet mix; attrition within expectations

HBCA Assets ($ billions)

$ millions unless otherwise stated	Sep-22	Apr-24	Change	
			$	%
Residential lending	34.4	32.6	(1.8)	(5)%
Other Personal	2.4	2.3	(0.1)	(3)%
Wholesale	42.0	40.4	(1.6)	(4)%
Loans & acceptances	**78.8**	**75.3**	**(3.5)**	**(4)%**
Ex-fair value adjustment on loans	78.8	76.3	(2.5)	(3)%

- **Loan balances have been resilient**, down $3.5BN or 4% since September 2022
  - Fair value adjustment on loans (includes interest mark and credit mark) reduced Day 1 loan balances by $1BN (1% of the decline)
- HBCA had a securities portfolio of $21BN at the close of the HBCA transaction which comprised mainly government securities. These securities were amalgamated into Corporate Support

HBCA Liabilities ($ billions)

$ millions unless otherwise stated	Sep-22	Apr-24	Change	
			$	%
Personal Deposits	**42.2**	**42.4**	**0.3**	**1%**
Demand & notice	22.7	14.4	(8.4)	(37)%
Term	19.4	28.0	8.6	45%
Wholesale Deposits	**39.3**	**32.6**	**(6.7)**	**(17)%**
Demand & notice	33.0	27.6	(5.5)	(17)%
Term	6.3	5.1	(1.3)	(20)%
Deposits	**81.5**	**75.0**	**(6.5)**	**(8)%**

Personal deposits: Demand & notice accounts for 34% of total personal deposits (-20pts YoY)

- Since announcing the HBCA transaction, HBCA's balance sheet has been impacted by an industry-wide shift in deposit mix in both Personal and Wholesale deposits
- Attrition has been within expectations
  - **Wholesale deposits** (down $6.7BN since September 2022) have also been impacted by other factors, including repayment of non-interest bearing EDC-administered CEBA deposits and clients moving to RBC ahead of the close of the transaction
    - Reductions have resulted in minimal revenue impact
  - **Personal deposits** (down $0.3BN since September 2022)
- HBCA wholesale funding sources included preferred shares, which were redeemed at the close of the transaction, as well as ~$10BN of debt securities which were assumed by RBC and incorporated into Corporate Support

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

North America's Best Chief Investment Office, Canada's Best Domestic Private Bank, Canada's Best for Ultra High-Net-Worth, Canada's Best for High-Net-Worth, Canada's Best for Digital Solutions, Canada's Best for Discretionary Portfolio Management
(*Euromoney Global Private Banking Awards, 2024)*

Winner International Private Bank, Winner Impact Investing (Product)
(*Family Wealth Report Awards, 2024)*

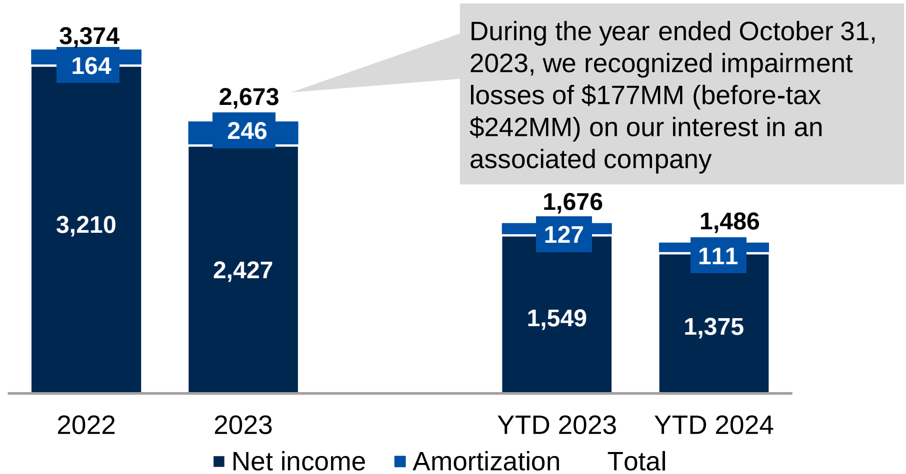
Outstanding Global Private Bank – North America
(PBI Global Wealth Awards, 2023)

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

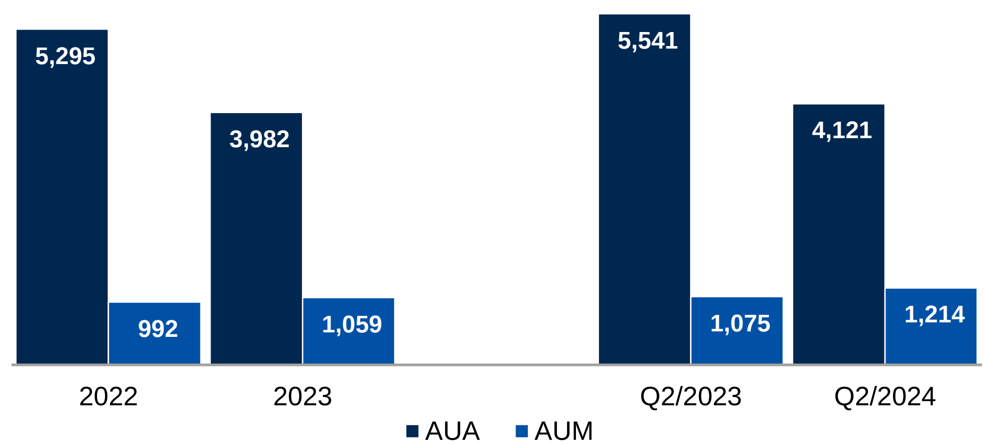
Best Private Bank in Canada – 12th consecutive year
(PWM/The Banker Global Private Banking Awards, 2023)

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

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



AUA and AUM ($ billions)(2)(3)



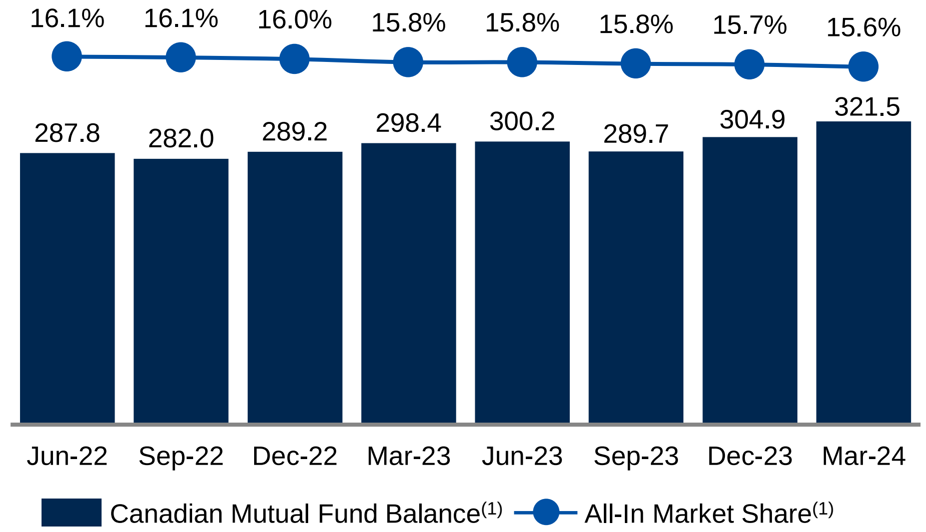
(1) Cash earnings exclude the after-tax effect of amortization of intangibles. This is a non-GAAP measure. Refer to slides 59-60 for reconciliation and slide 61 for more information. (2) Effective the fourth quarter of 2023, we moved the Investor Services lending business from our Wealth Management segment to our Capital Markets segment. We completed the sale of RBC Investor Services operations in Europe, Jersey and the U.K. to CACEIS on July 3, 2023, December 1, 2023 and March 25, 2024, respectively. (3) Spot Balances.

Wealth Management – Global Asset Management

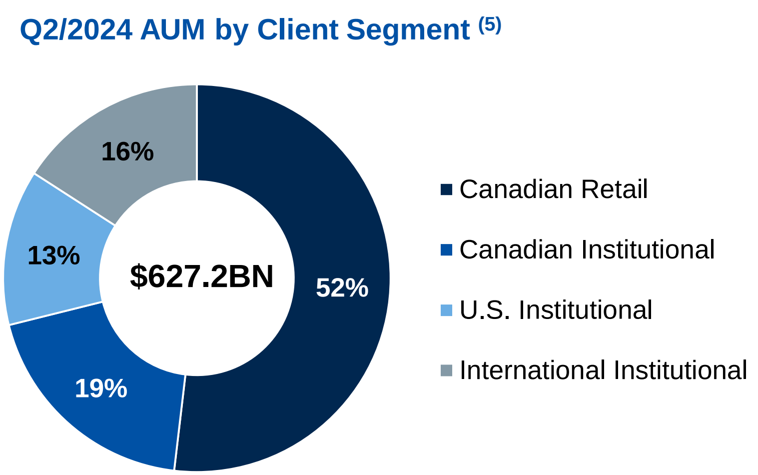
Building a high-performing global asset management business

- **Driving top-tier profitability in our largest Wealth Management business**
  - $627.2BN in client assets (as at Q2/24)
  - 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 31.9% amongst banks and 15.6% 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 ~81% 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



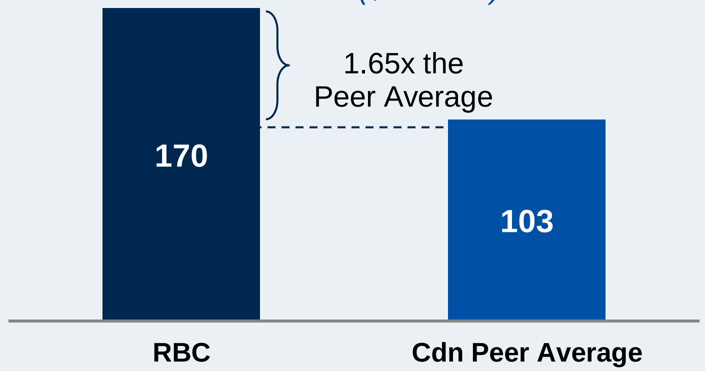
(1) Investment Funds Institute of Canada (IFIC) in March 2024 and RBC reporting. Comprised of long-term funds and money market prospectus-qualified mutual funds sold to Retail and Institutional clients. Figures not reflective of RBC Indigo. (2) Market share amongst entire industry (i.e. all fund companies in Canada that report to IFIC). (3) Benefits Canada, published in November 2023. (4) As at March 2024, gross of fees. Figure not reflective of RBC Indigo. (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, 33% 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

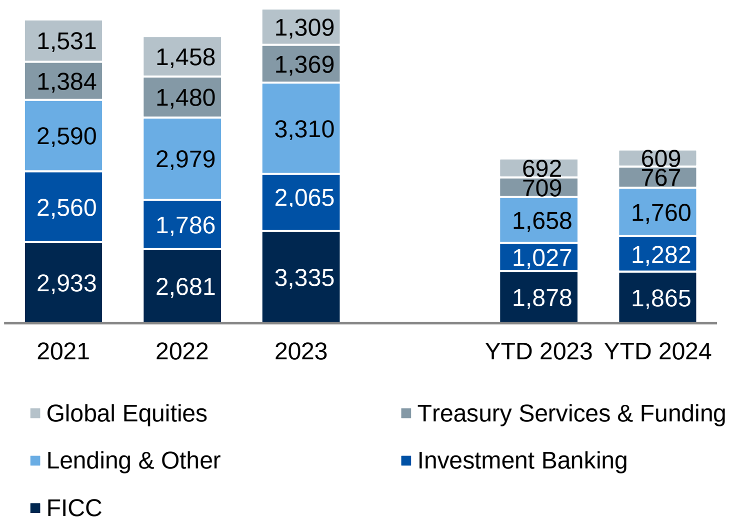
- Growing market share in target markets by being advice-led and creating maximum value for clients with a broad suite of solutions
- Enhancing talent capabilities by unlocking meaningful career opportunities for our people and embedding an inclusive culture of trust and pride
- Enhancing business effectiveness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

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

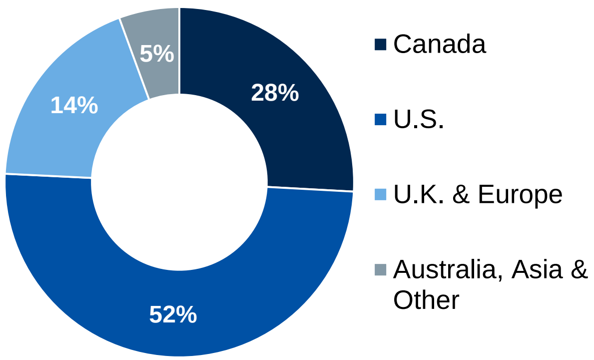
Capital Markets

- 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 ~88% of the global investment banking fee pool(2)
- 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

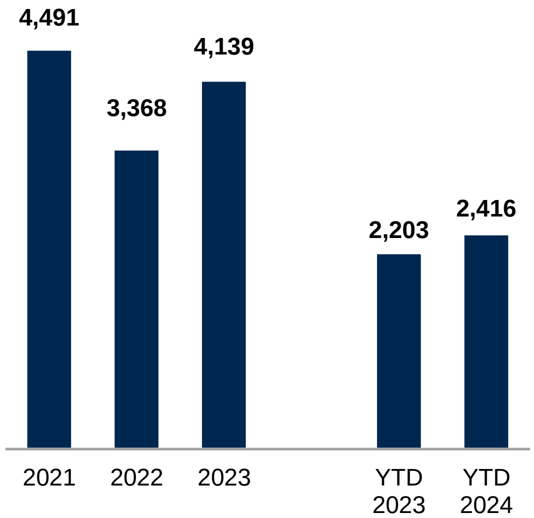
Revenue by Business ($ millions) (3)



Revenue by Geography (2)



Net Income ($ millions) (3)



(1) Dealogic, based on global investment banking fees LTM Q2/24. (2) For three months ended April 30, 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 2023 Annual Report.

Capital Markets

Strategic Priorities

Grow and deepen client relationships	▪ Deliver holistic coverage to clients and drive multi-product client relationships ▪ Expand client coverage in underpenetrated sectors and products
Lead with advice and extend capabilities	▪ Grow Advisory & Origination capabilities inclusive of structured solutions ▪ 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 ▪ 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 ▪ 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 ▪ 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 ▪ Deepen our culture of inclusion and accelerate progress on diverse representation

Notable Awards

The Digital Banker Digital CX Awards 2024

Awarded **Best Wholesale Transaction Bank for Digital CX in the U.S.** & **Outstanding Digital CX Cash Management Platform**

Notable Deal Highlights

Rocket software / opentext / BainCapital

Lead Left Arranger & Left Bookrunner on $2Bn Financing and Buyside Advisor to Rocket Software

GFL Green for Life environmental

Sole Underwriter on US$723MM Registered Block Trade of Secondary Shares

Vattenfall / RWE

Exclusive Financial Adviser to Vattenfall on the £963MM Sale of the Norfolk Offshore Wind Zone to RWE

orion / Capstone Copper

Lead Left Bookrunner on Capstone & Orion's C$431MM Bought Deal;

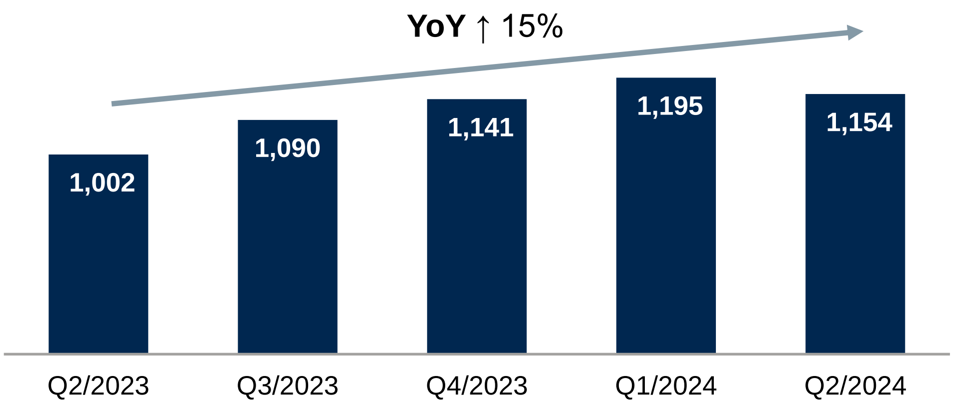
Joint Lead Manager, Underwriter and Bookrunner on Orion's A$593MM Secondary Offering

Bell

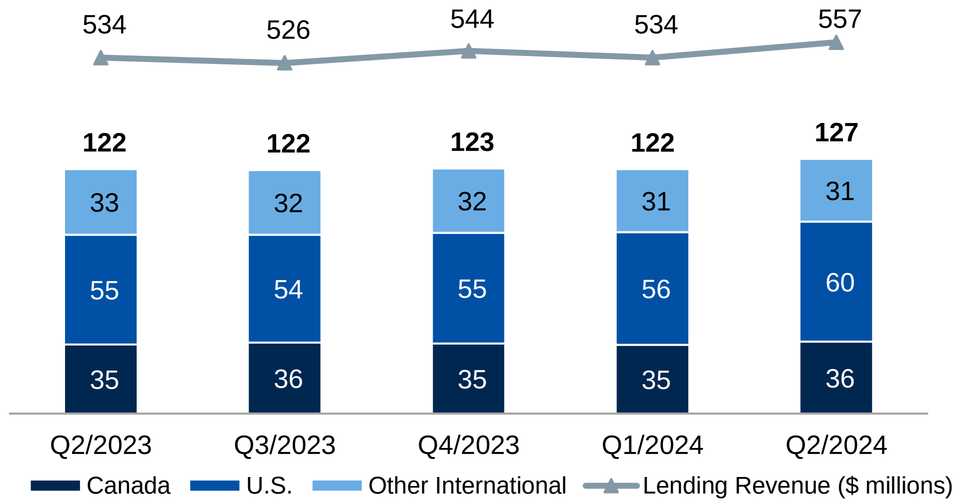
Joint Active Bookrunner on US$1.45Bn Dual Tranche Offering

Capital Markets

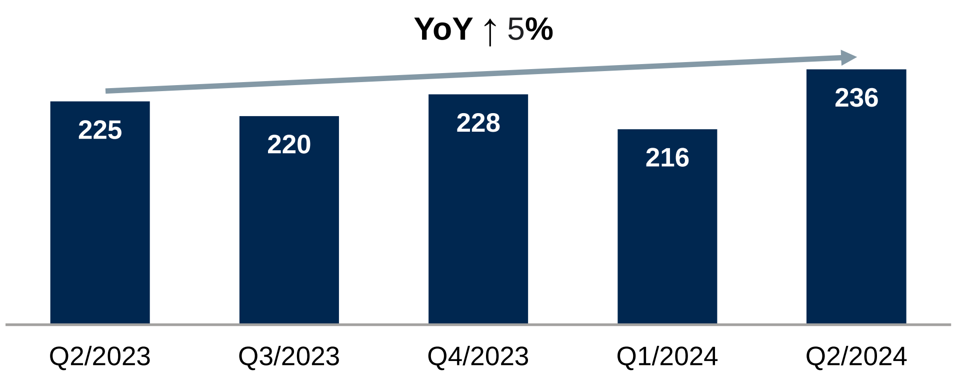
Capital Markets Total Average Assets($ billions)(3)



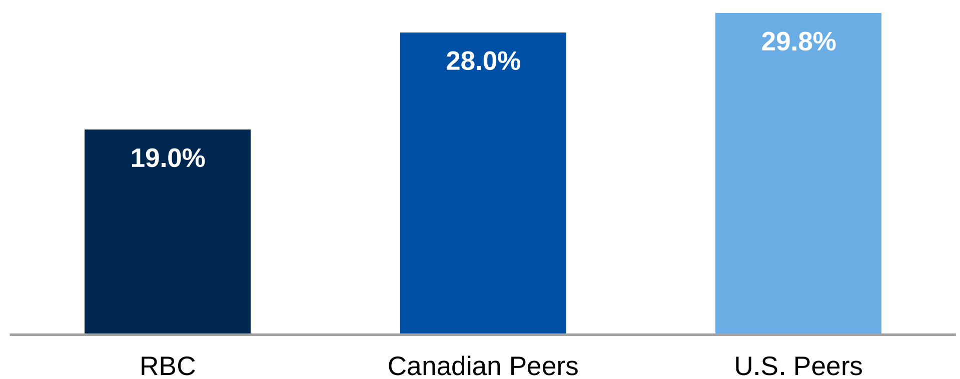
Geographic Diversification Across Loan Book Average Loans Outstanding by Region ($ billions)(1)(3)



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 Q2 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

#1 in creditor protection (2)

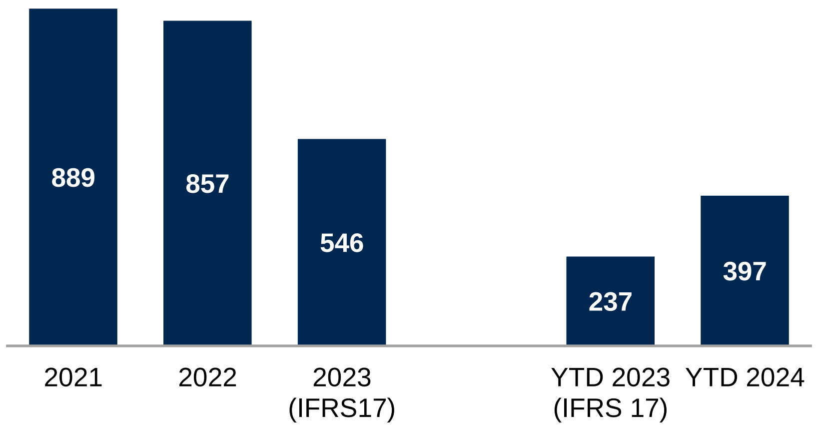
#1 in individual disability new business sales (3)

#2 in group annuity new business sales (4)

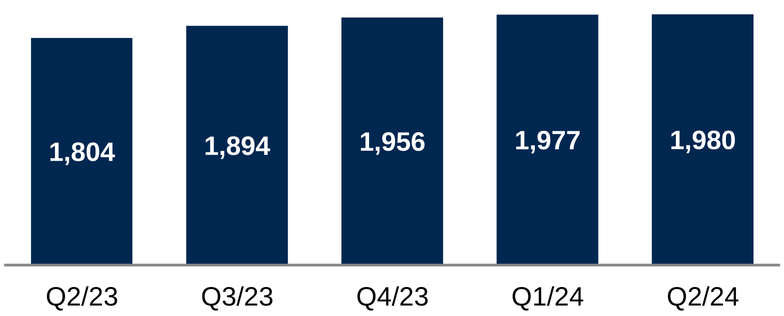
#3 in term new business sales (3)

#5 in Payout Annuities new business sales (4)

Net Income ($ millions)



Contractual Service Margin ($ millions)

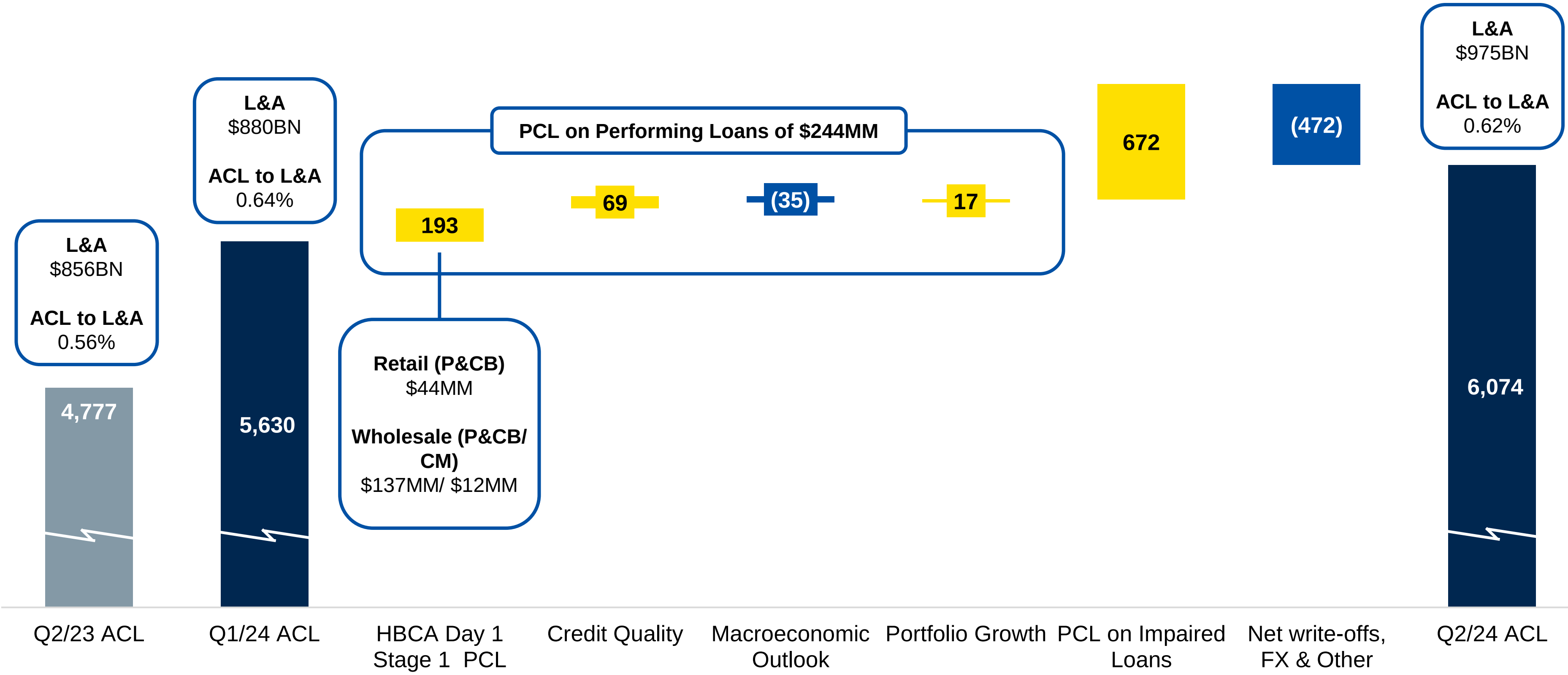


(1) On a total revenue basis. (2) As measured by insured balance reported by CAFII and Supplementary Financial Reports. (3) Latest Available LIMRA Canadian Insurance Survey, 1st Quarter 2024. (4) Latest Available LIMRA Canadian Insurance Survey, YTD 4th Quarter 2023.

Risk Review

Allowance for Credit Losses: Prudent reserve increases on performing loans

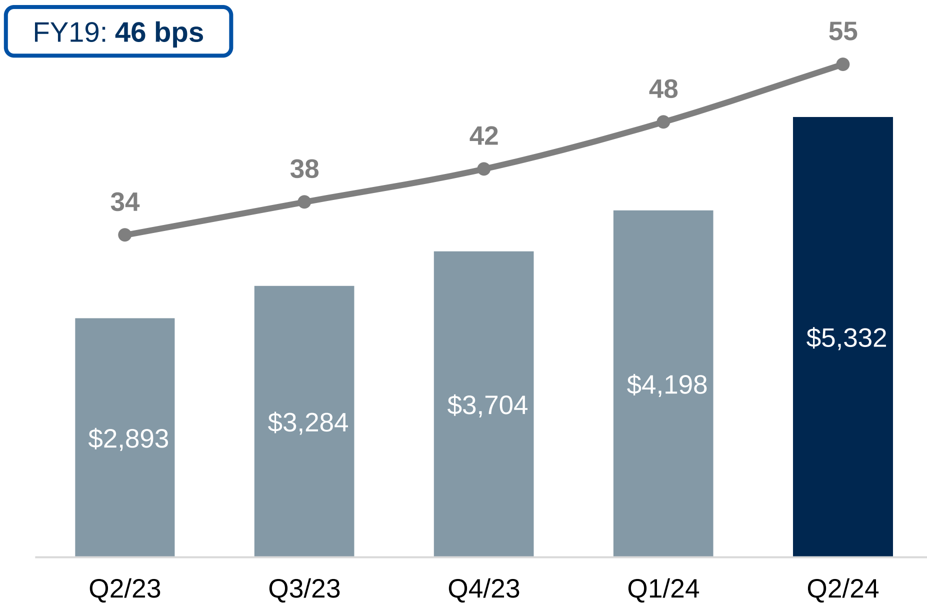
Allowance for Credit Losses (ACL) on Loans & Acceptances (L&A) ($ millions)



- ACL on loans and acceptances increased $444MM QoQ. ACL ratio of 0.62% was down 2 bps QoQ due primarily to the inclusion of HBCA loans and acceptances. No ACL was recognized on acquired impaired loans upon transaction close
  - ACL on performing loans of $4.6BN has increased $1.4BN or 44% since Q2/22, with reserve additions in 8 consecutive quarters
- We took $244MM of provisions on performing loans this quarter (up $111MM QoQ)
  - Provisions were primarily in Canadian Banking, driven by initial PCL on performing loans relating to the HBCA transaction, and continued increases in delinquencies, partially offset by favourable changes to our forecast for the Canadian unemployment rate

Gross Impaired Loans: New formations higher in Capital Markets

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



Key Drivers of GIL (QoQ)

- Total GIL increased $1,134MM (up 7 bps QoQ)

Canadian Banking

- GIL of $2,601MM increased $498MM QoQ, which includes gross impaired loans of $320MM purchased in the HBCA transaction brought onto the balance sheet at $173MM
  - New formations were lower QoQ in the Commercial portfolio and across all retail products

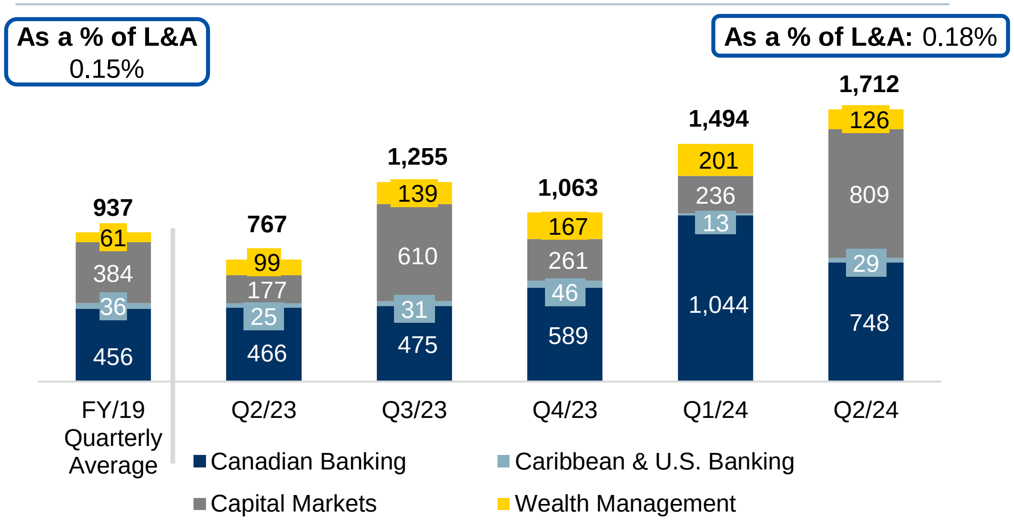
Capital Markets

- GIL of $1,838MM increased $596MM QoQ
  - New formations were up $573MM QoQ, primarily due to a large impairment in each of the Real Estate and Related and Financing Products sectors

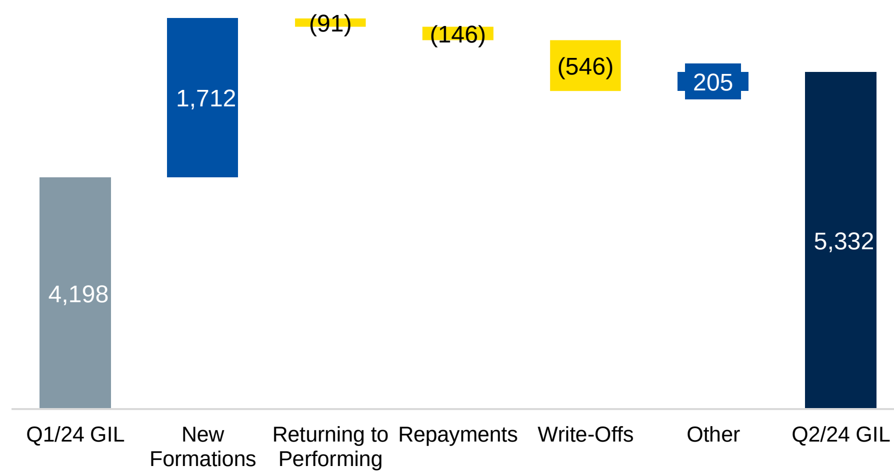
Wealth Management (including CNB)

- GIL of $586MM increased $32MM QoQ, while new formations were down $75MM QoQ

New Formations ($ millions)[(1)]



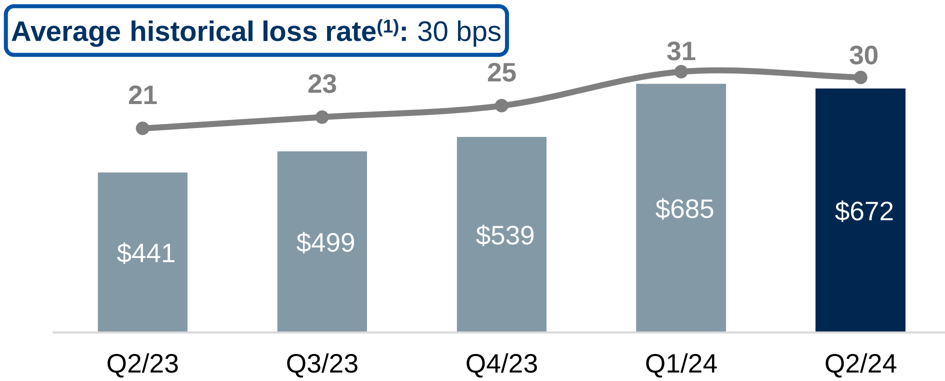
Net Formations ($ millions)



(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.

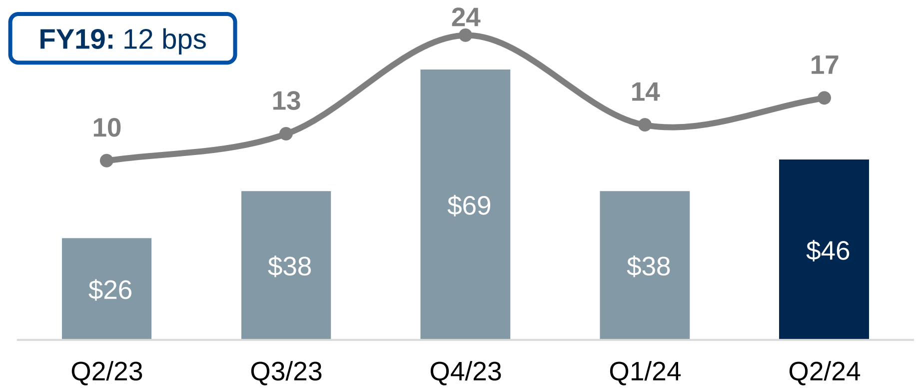
PCL on impaired loans: Trended down but remains elevated

Total RBC ($ millions, bps)



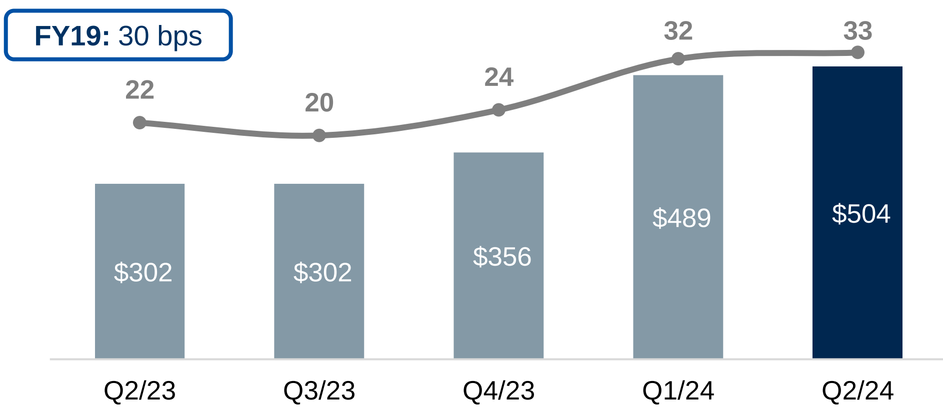
- Provisions were down $13MM QoQ due to lower provisions in Capital Markets, partially offset by higher provisions in Wealth Management and Canadian Banking

Wealth Management ($ millions, bps)



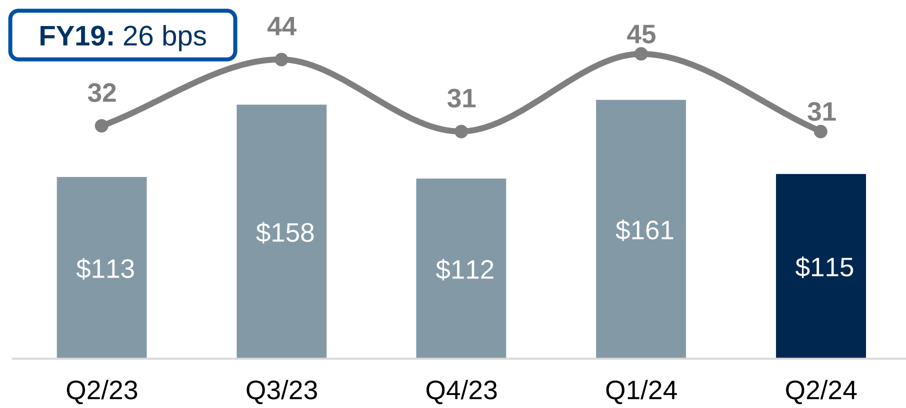
- Provisions were up $8MM QoQ, with higher provisions in a number of sectors including Consumer Staples and Telecom and Media, partially offset by lower provisions in Real Estate and Related

Canadian Banking ($ millions, bps)



- **Retail:** Provisions of $389MM were up $24MM QoQ, driven by higher provisions in Credit Cards
- **Commercial:** Provisions of $115MM were down $9MM QoQ. This quarter, provisions were taken across several sectors, led by Consumer Discretionary and Industrial Products

Capital Markets ($ millions, bps)



- Provisions were down $46MM QoQ, primarily due to a reversal on a previously impaired loan in the Oil and Gas sector
- This quarter, provisions were primarily taken in the Real Estate and Related sector in the U.S.

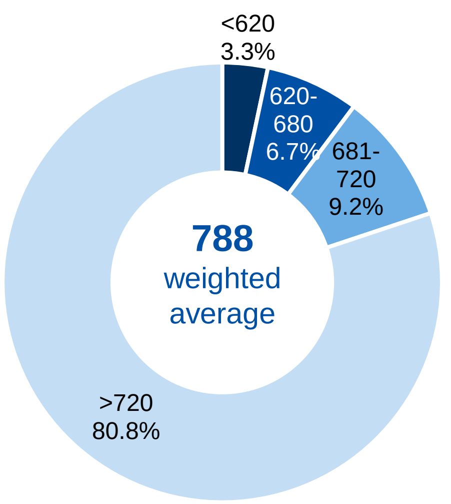
(1) Average annual actual loss rate from fiscal 2003 through to the most recent full year. The information is updated on an annual basis and is based on consolidated results.

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

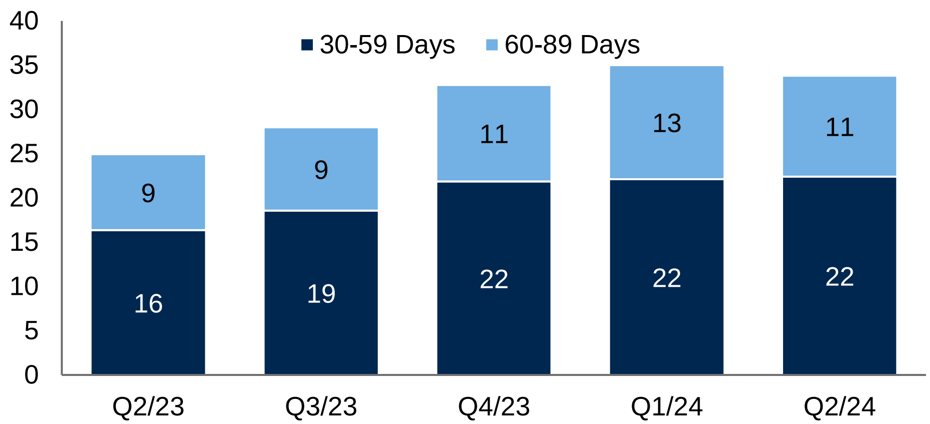
Canadian Banking (CB) PCL on Impaired Loans and Gross Impaired Loans

	Q2/24 Avg Loan Balances ($BN)	PCL on Impaired Loans (bps) [1]			Gross Impaired Loans (bps)			Avg FICO Score (Q2/24)
		Q2/23	Q1/24	Q2/24	Q2/23	Q1/24	Q2/24	
Residential Mortgages [2]	**389.5**	1	3	**2**	10	16	18	**793**
Personal Lending[3]	**78.6**	54	78	**76**	29	35	39	**776**
Credit Cards	**22.6**	231	260	**324**	70 [4]	90 [4]	106 [4]	**739**
Small Business	**14.5**	74	81	**94**	162	191	197	**n.a.**
Commercial	**129.5**	23	45	**37**	49	81	81	**n.a.**
Total	**634.7**	**22**	**32**	**33**	**23**	**35**	**38**	**788[5] [6]**

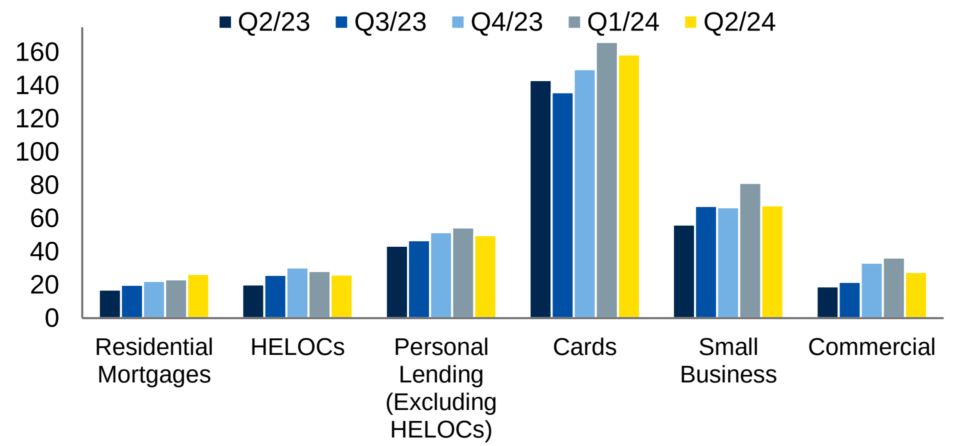
CB Retail FICO Score Distribution[6] (Q2/24)



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



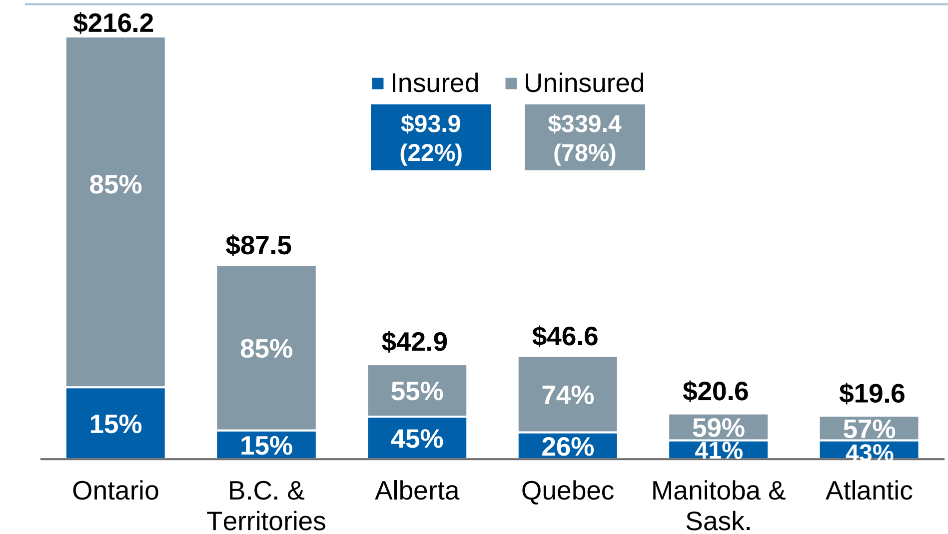
CB 30-89 Day Delinquencies by Product (bps) [7]



(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) FICO scores for HBCA are based on March data. (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.

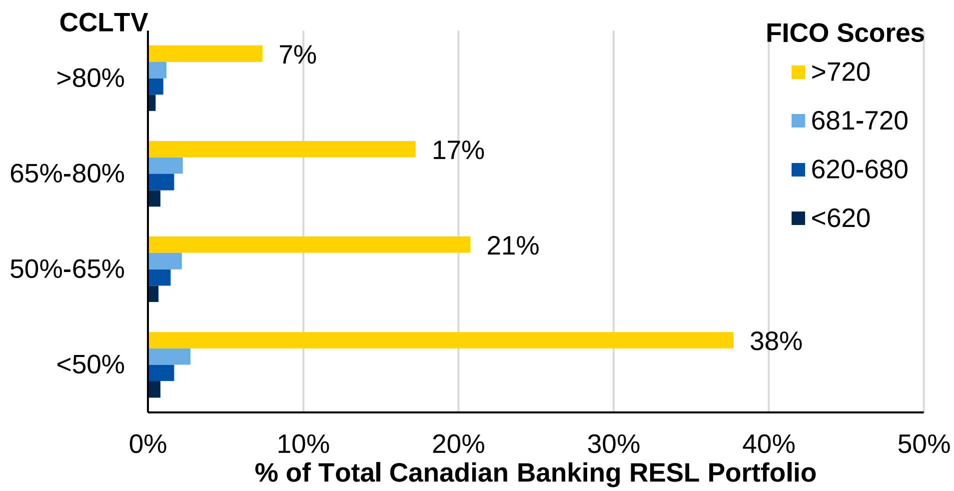
Canadian residential portfolio: Strong underlying credit quality

Canadian Residential Mortgage Portfolio[1] ($ billions)



CCLTV – Canadian Banking Residential Lending Portfolio only[2]					
51%	48%	54%	53%	55%	54%

Canadian Banking RESL Portfolio[2]



Canadian Banking RESL Portfolio[2]

	Total $438BN	Uninsured $374BN
Mortgage Balance	**$401BN**	**$337BN**
HELOC Balance	$37BN	$37BN
LTV at Origination	**71%**	**68%**
CCLTV	**51%**	**50%**
GVA	47%	47%
GTA	52%	52%
Average FICO Score [3]	**809**	**812**
FICO > 800	53%	54%
CCLTV > 80% & FICO < 680	1.46%	0.83%
90+ Days Past Due[4]	**20 bps**	**19 bps**
GVA	19 bps	19 bps
GTA	19 bps	18 bps
Average Duration		
Remaining Mortgage Amortization[5]	**24 years**	**25 years**
Original Term[6]	40 months	38 months
Remaining Term	24 months	24 months
Portfolio Mix		
Variable Rate Mortgage	29%	31%
Fixed Rate Mortgage	71%	69%
Owner Occupied	86%	83%
Non-Owner Occupied	14%	17%
Detached	72%	72%
Condo	13%	13%

(1) Canadian residential mortgage portfolio of $433BN comprised of $401BN of residential mortgages in Canadian Banking, $3BN in other Canadian business platforms, $12BN of mortgages with commercial clients ($12BN 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 $401BN in residential mortgages with non-commercial clients and $37BN 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) FICO scores for HBCA are based on March data. (4)The 90+ day past due rate includes all accounts that are either 90 days or more past due or are in impaired status. (5) Excluding interest only mortgages. (6) Original term for booking during the quarter.

Commercial Real Estate (CRE): Well-provisioned portfolio

- Total CRE exposure of $98.6BN represents 10.1% of total loans and acceptances (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

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

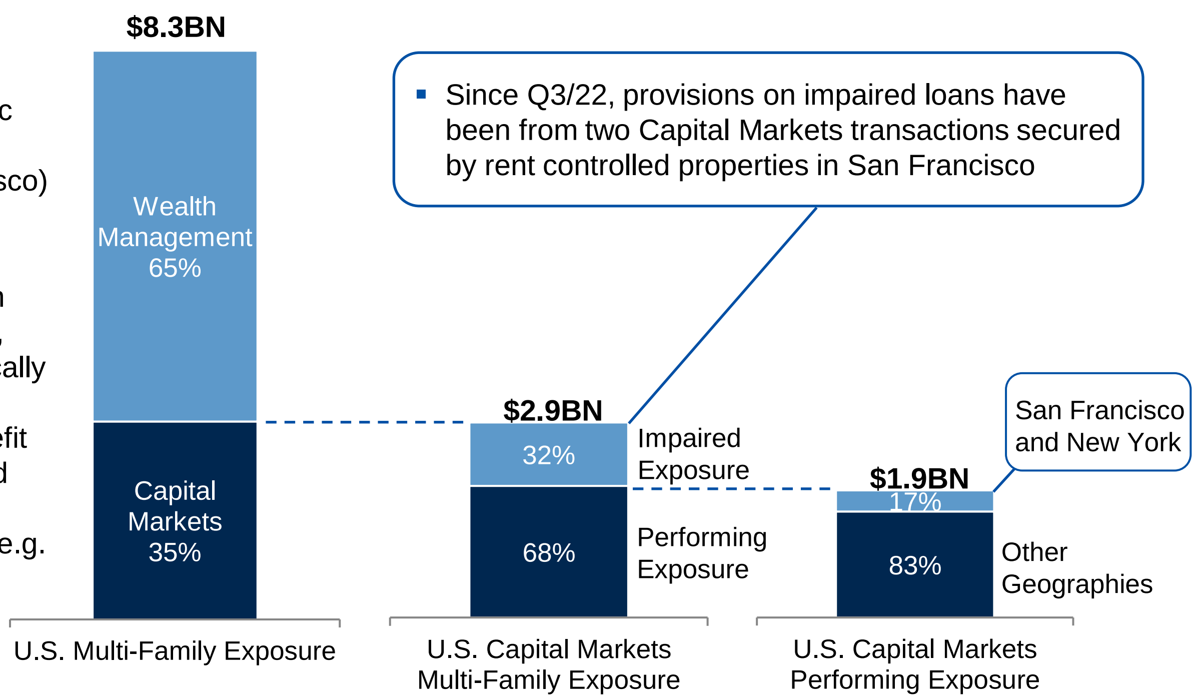
- Cumulative CRE **new formations** of impaired loans of $1.8BN represent < 2.5% of CRE L&A and < 0.2% of Total L&A
- Cumulative CRE **PCL on impaired loans** of $464MM represent 1.1% of PPPT Earnings(1)
- The CRE implied **loss rate** on impaired loans is 26%, as tangible collateral and guarantees help 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. Multi-Family Exposure ($8.3BN or 0.8% of Total L&A)

- Segment generally performing well with pockets of geographic weakness (e.g. New York and San Francisco) on rent controlled properties in the U.S.
- 65% of exposure is in Wealth Management, where loans are typically smaller (average < US$15MM) and benefit from amortization and additional recourse outside of the asset (e.g. guarantees or other collateral)



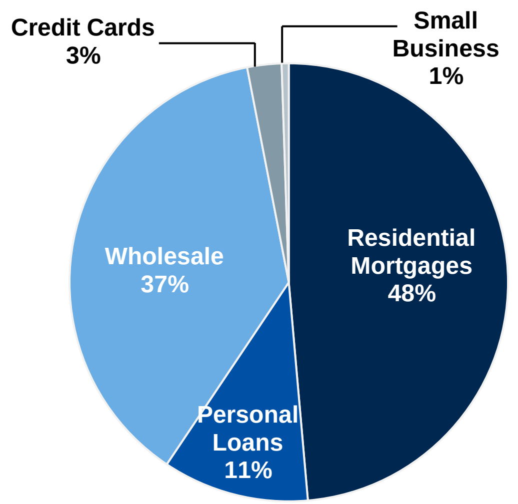
- No further impairments expected in the Capital Markets Multi-Family portfolio
- Remaining performing exposure in New York and San Francisco ($323MM or 0.03% of Total L&A) benefits from strong occupancy and debt service coverage, supportive sponsors and substantial repayments since origination

(1) Pre-provision, pre-tax earnings is calculated as income before income taxes and PCL. This is a non-GAAP measure.

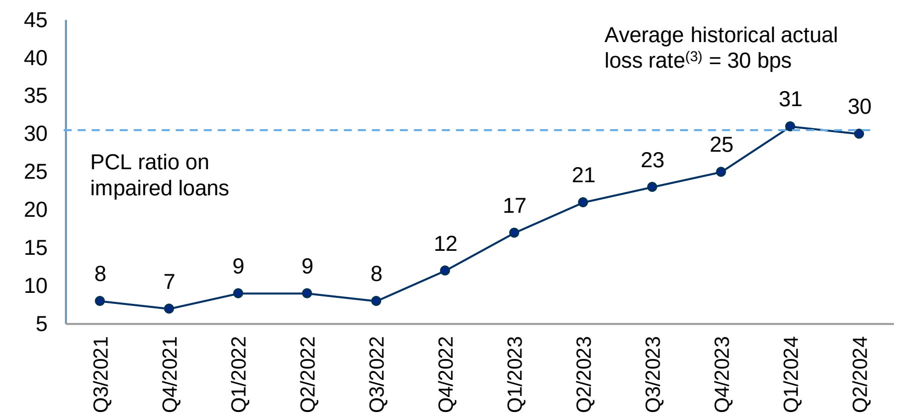
Prudent risk management

A disciplined approach and diversification have underpinned credit quality

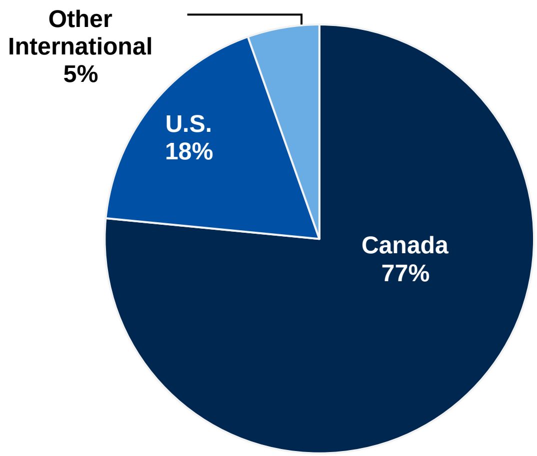
Loan Book Diversified by Portfolio[1]



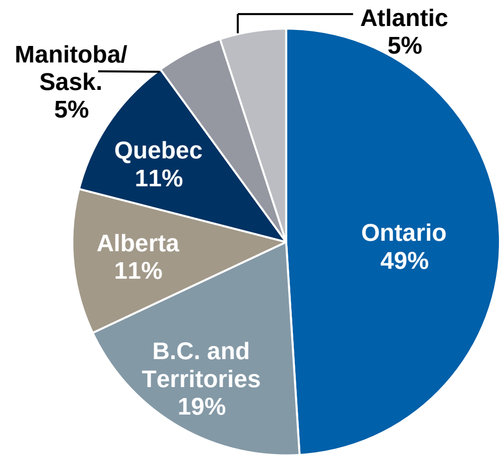
PCL Ratio on Impaired Loans (bps)[2]



Breakdown by Region of Total Loans and Acceptances[1]



Breakdown of Canadian Total Loans and Acceptances[1]



(1) Loans and acceptances outstanding as at April 30, 2024. Does not include letters of credit or guarantees. (2) PCL on impaired loans represents Stage 3 PCL under IFRS 9. 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.

Technology @ RBC

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

Creating More Value for Clients

- **9.7MM** active digital users[(1)]
- **4.2MM** clients have activated their personalized plans through **MyAdvisor**[(2)]
- **7.4MM** 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
- **4.6BN+** insights viewed by clients on **NOMI®** in the **RBC Mobile** app[(3)]
- **Ranked #1** in Canada on the **Evident AI Index**

Driving Efficiency & Operational Excellence

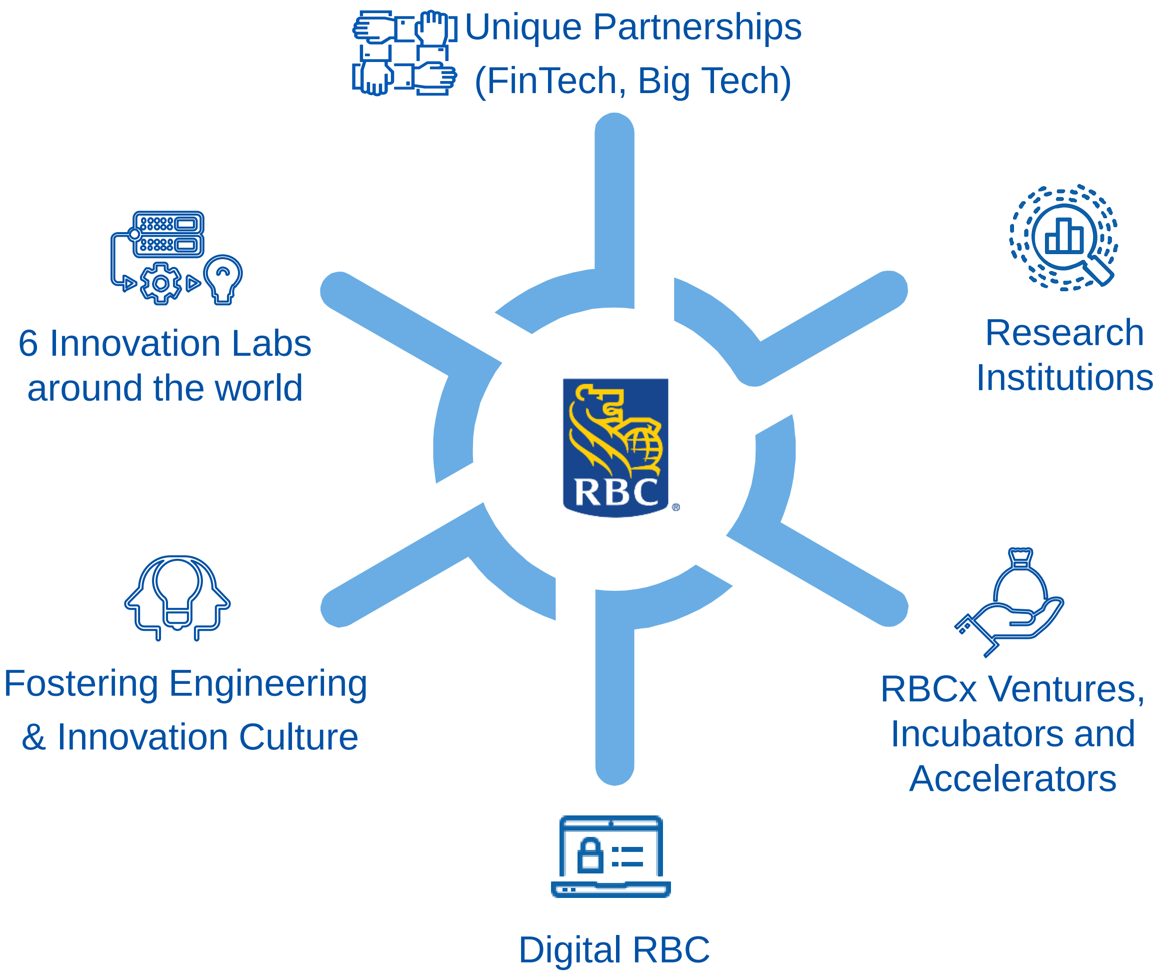
- **771MM** transactions volumes [(4)]

Innovation Ecosystem & Partnerships

- **6** innovation hubs globally
- RBCX **Ventures,** including Ownr®, Dr.Bill®, Mydoh® and Houseful™
- **Among Canada's Top 100** Employers and Best Workplaces in 2024[(5) (6)]

(1) These figures (in millions) represent the 90-Day Active customers in Canadian Banking only and are spot values. (2) As of April 30, 2024. (3) Insights read on a launch-to-date basis. (4) Represent the count of the system level transactions - supporting business transaction (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 ‡

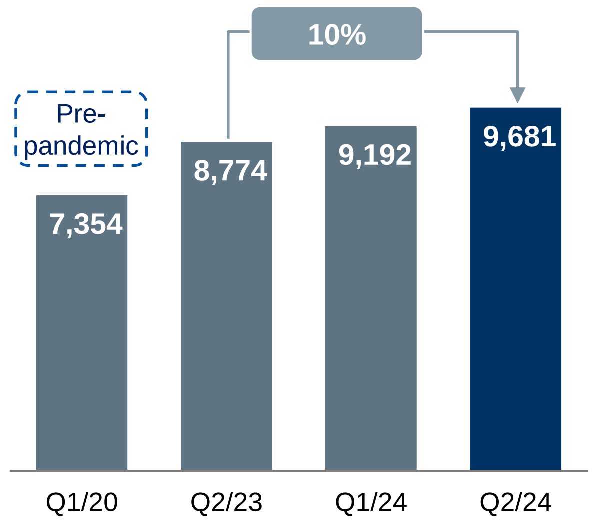
University of Toronto | Entrepreneurship ‡

Vector Institute ‡

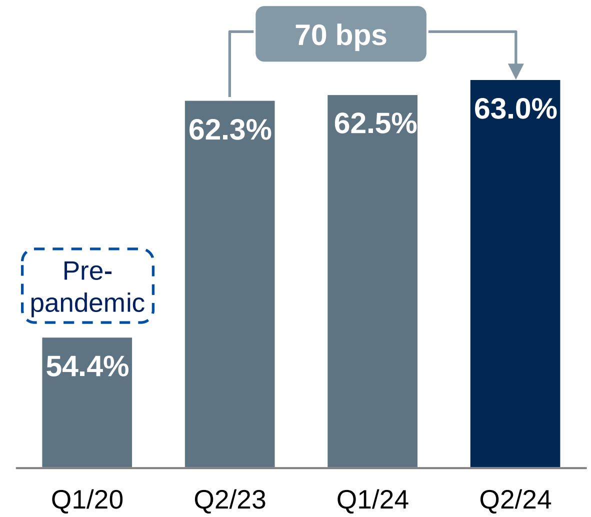
Creative Destruction Lab ‡

Canadian Banking: Our ~16MM clients continue to adopt our digital channels

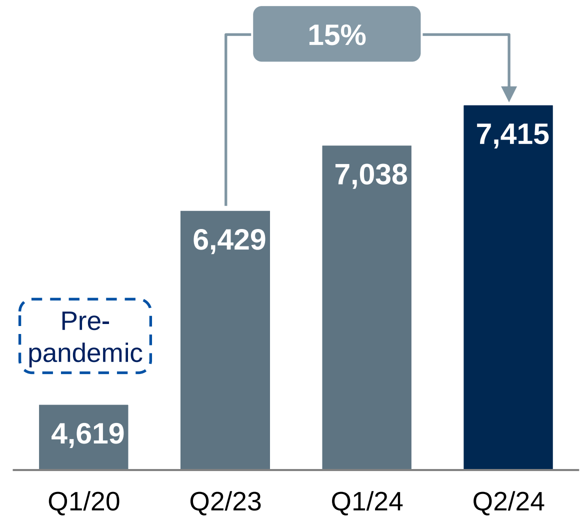
Active Digital Users (000s)[1]



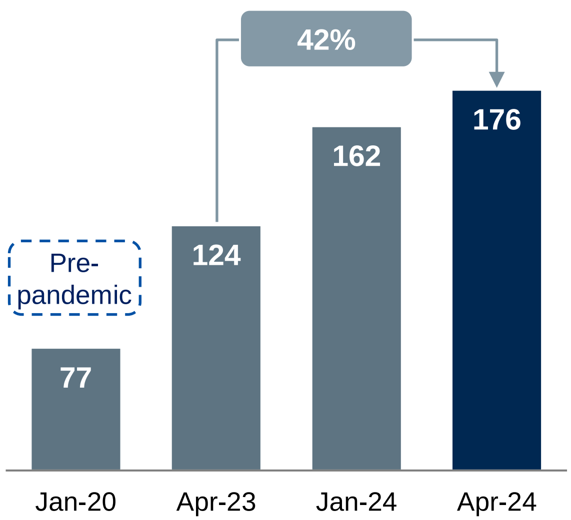
Digital Personal Adoption Rate[2]



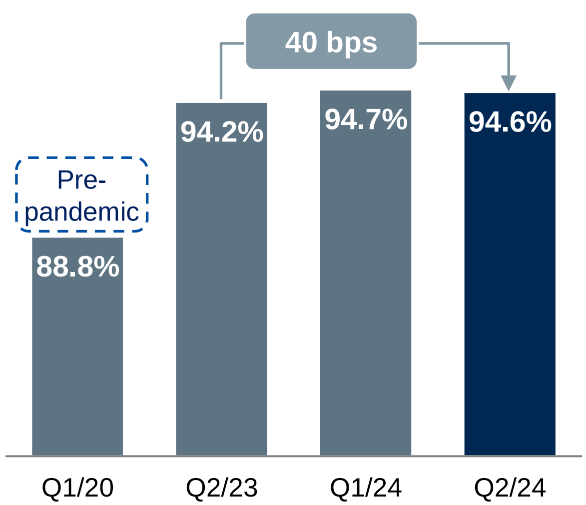
Active Mobile Users (000s)[1]



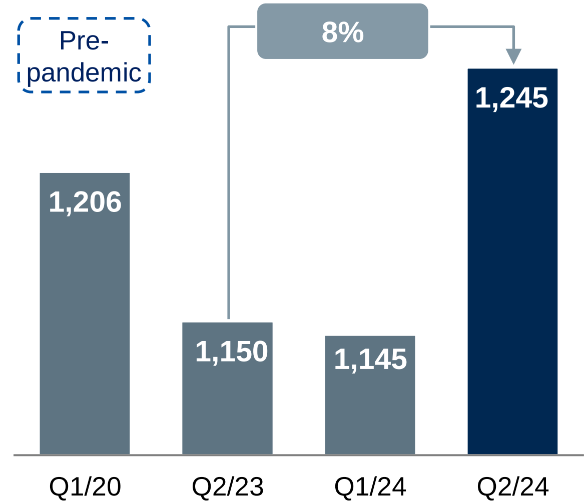
Mobile Sessions (millions)[3]



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+
Banking professionals 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.

21
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®
Crossed major milestone and registered its 160,000th Canadian business

Dr.Bill®
Processed $4.9 billion in medical billings for 16,500+ physicians since 2020

MYDOH®
Helped 142,000+ Canadians build financial literacy

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

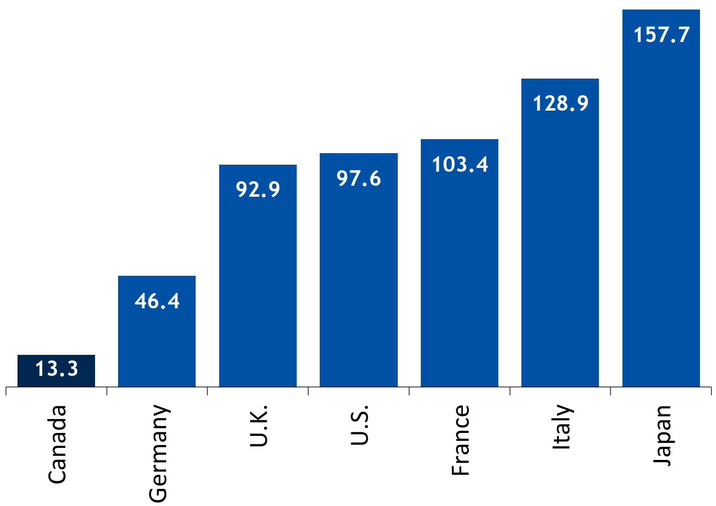
(1) SME stands for small and midsize enterprise.

Economic Backdrop

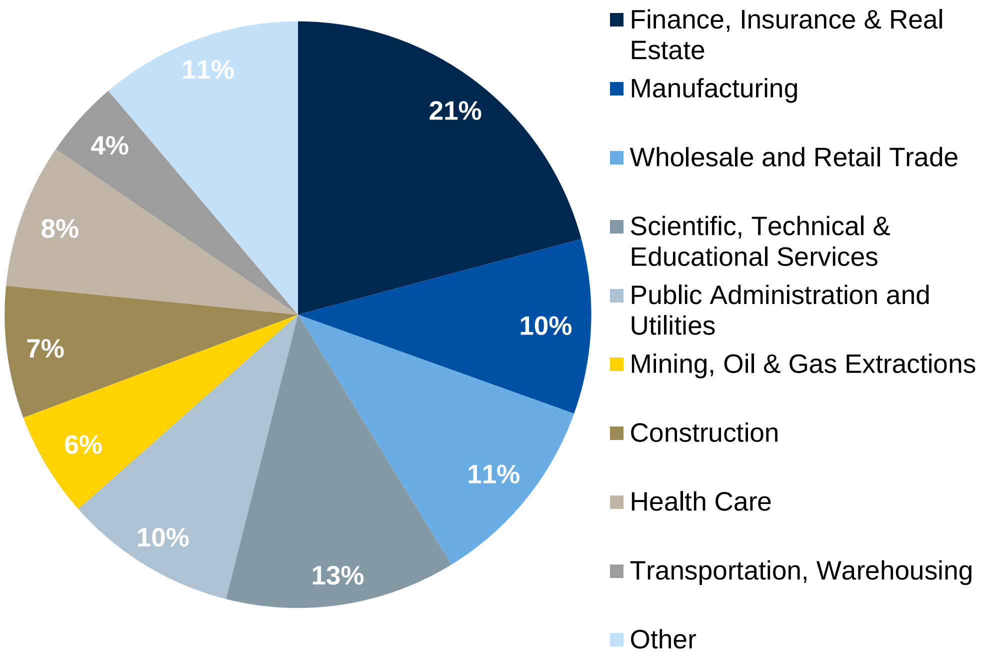
Canada's strong fiscal position

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

Net Debt as % of GDP[1]
(2024 forecast as of April 2024)



Canadian GDP by Industry[2]
(February 2024)

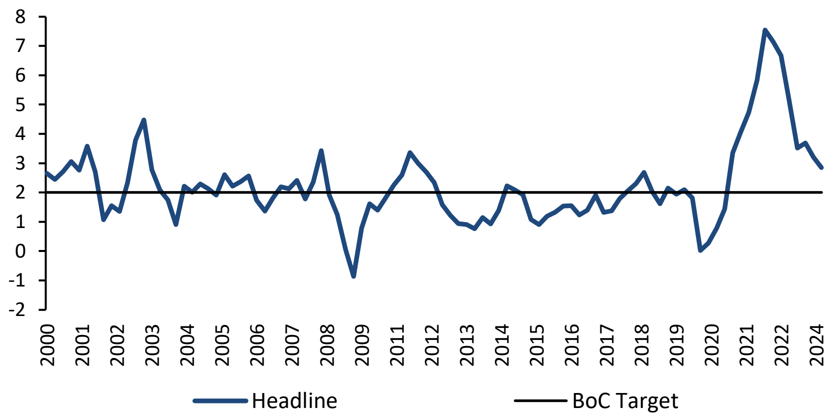


(1) Net debt refers to General Government net debt. International Monetary Fund April 2024 World Economic Outlook database. (2) Statistics Canada, RBC Economics.

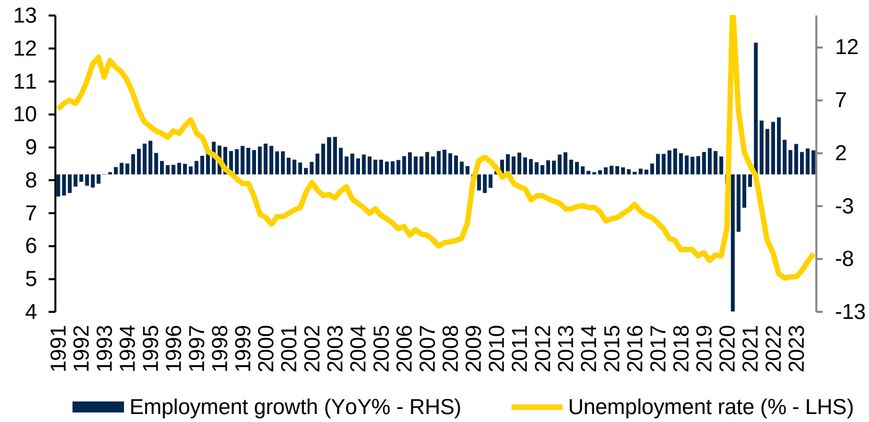
Central bank interest rate hikes are slowing Canadian economy and inflation

- 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. But domestic inflation pressures have also slowed with growth in the BoC's preferred median and trim inflation measures both easing further towards the top end of the inflation target range.
- The BoC held the overnight rate unchanged at 5% in April, extending a pause after the last hike in July 2023. But a softening economic backdrop is increasing confidence among policymakers that inflation will continue to ease. 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 slower price growth alongside a weakening economic backdrop is expected to push the BoC to start the rate cuts by mid calendar year.
- Canadian housing market reports have been mixed with home resales little changed from the end of calendar 2023 but the number of available homes for sale rising. Home prices have stabilized after declining over the winter. High interest rates and poor affordability continue to weigh heavily on buyers. We expect such pressure to persist until the BoC begins cutting interest rates.
- The U.S. economy continues to outperform, with a 1.6% increase in GDP in calendar Q1 2024 building on a 3.4% rise in Q4. The U.S. unemployment rate has edged higher from low levels a year ago, but job growth has remained solid. April saw a small relief in the U.S. CPI growth after a string upside surprises in early 2024. The combination of strong economic growth and higher price growth has made near-term U.S. Fed interest rate hikes less likely. We expect the U.S. Federal reserve to cut the fed funds target range just once this year in December.

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	1.3%	2.4%	6.3%	3.95%	0.3%	(1.1)%
U.S.	2.4%	4.1%	4.0%	4.98%	(2.5)%	(6.5)%
Euro Area	0.6%	2.4%	6.9%	N.A.	2.3%	(2.9)%

Canada

- Canadian headline inflation ticked up to 2.9% year-over-year in March on higher energy prices, from the 2.8% in the prior month. But the BoC's preferred measures of core inflation have all decelerated in recent months and the breadth of inflation pressures has narrowed.
- GDP growth is tracking the strongest increase in a year in Q1 2024, but with Canada's population still rising rapidly, per-capita GDP likely will post a seventh consecutive decline in the quarter. The unemployment rate was unchanged at 6.1% in April from March but was still up by a full percentage point from a year ago.
- We expect the BoC to start gradually lowering the policy rate by middle of calendar year 2024, that is contingent on further slowing in inflation, but a weaker economic backdrop means price growth is likely to continue to slow.

U.S.

- The U.S. unemployment rate ticked back up to 3.9% in April from 3.8% in March. That is still historically low but is up half a percent from a year ago. We continue to expect high interest rates will slow labour demand further and push the unemployment rate moderately higher, but to a 4.2% peak rate by end of this year that is still low by historical standards.
- Inflation pressures moderated slightly in April after upside surprises in calendar Q1. But we expect a higher unemployment rate and slower GDP growth will ultimately allow inflation pressures to subside. We expect the Federal Reserve to pivot to interest rate cuts but not until a 25 basis point cut in December 2024.

Euro Area

- GDP in the Euro area is expected to grow but at a slow pace in calendar 2024 with high interest rates adding to growth headwinds from inflation and disruptions from the war in Ukraine. We expect GDP to increase 0.6% in calendar 2024. The European Central Bank left the deposit rate unchanged at 4% at its April meeting and we expect the ECB to pivot to interest rate cuts by the middle of calendar year 2024.

(1) RBC Economics as of May 8, 2024 and reflects forecasts for calendar 2024. (2) RBC Economics Research, IMF WEO (April 2024). (3) IMF Fiscal Monitor (April 2024).

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

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

Legislation and policies – promoting a healthy Canadian housing market

March-April 2024 – Government of Canada

- Decrease temporary resident population from 6.5% at the end of 2023 to 5% by 2027
- New $6 billion housing infrastructure fund
- $15 billion top-up to apartment construction loan program
- New $1.5 billion rental protection fund

February 2024 – Government of Canada

- Ban on foreign buyers of non-recreational residential properties extended to January 2027.
- New cap on international study permits

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%

Legislation and policies – promoting a healthy Canadian housing market

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

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

Legislation and policies – promoting a healthy Canadian housing market

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

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

December 2015 – Department of Finance

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

April 2014 – CMHC

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

July 2012 – CMHC

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

March 2011 – CMHC

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

February 2010 – Department of Finance

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

July 2008 – Department of Finance

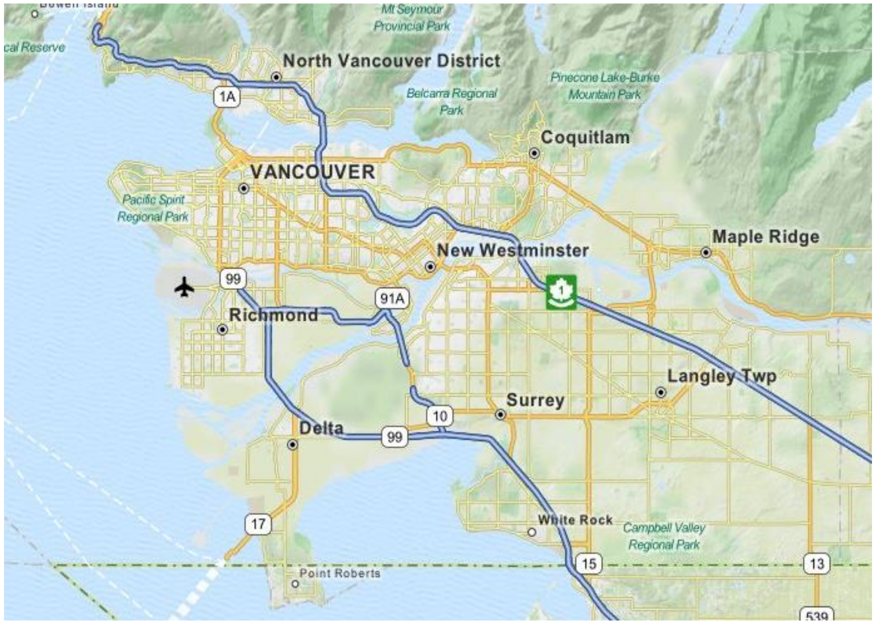
- Maximum amortization on government-backed insured mortgages reduced to 35 years from 40 years
- A minimum 5% down payment is required in order to qualify for government-backed insured mortgages
- Minimum credit score requirements, new loan documentation standards, setting a maximum of 45% on borrowers'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

The Toronto and Vancouver downtown condo markets

- Constraints on undeveloped land around Toronto / Vancouver have contributed to a shift to higher-density condo housing
  - Provincial growth plan, including 'Green belt' surrounding Toronto, contains urban sprawl and favours condo development
  - Vancouver is restricted in its ability for urban sprawl due to land constraints away from the city centre
- Canada has one of the highest per capita rates of permanent immigration in the world[(1)]
  - 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 4.8% of our Canadian commercial loan book[(2)]
  - Condo exposure is 13% of Canadian residential lending portfolio[(2)(3)]

"Green Belt" Surrounding Greater Toronto Area

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

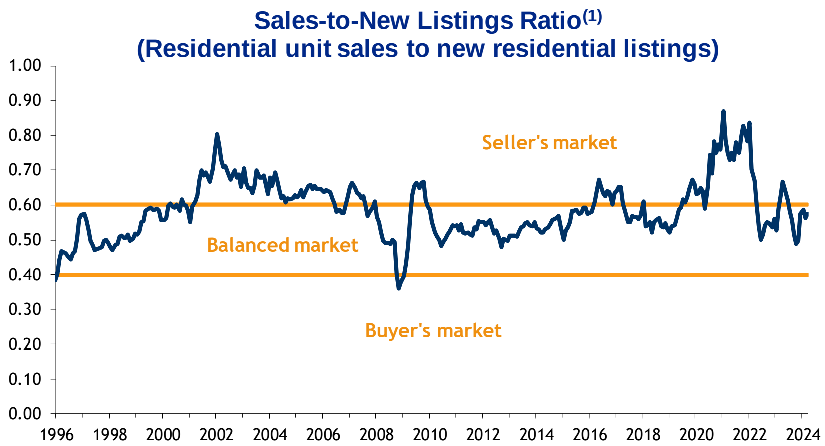


(1) Statistics Canada, 2021 Census. (2) As at April 30, 2024. (3) Based on $401BN in residential mortgages with non-commercial clients and $37BN in HELOC in Canadian Banking. Based on spot balances.

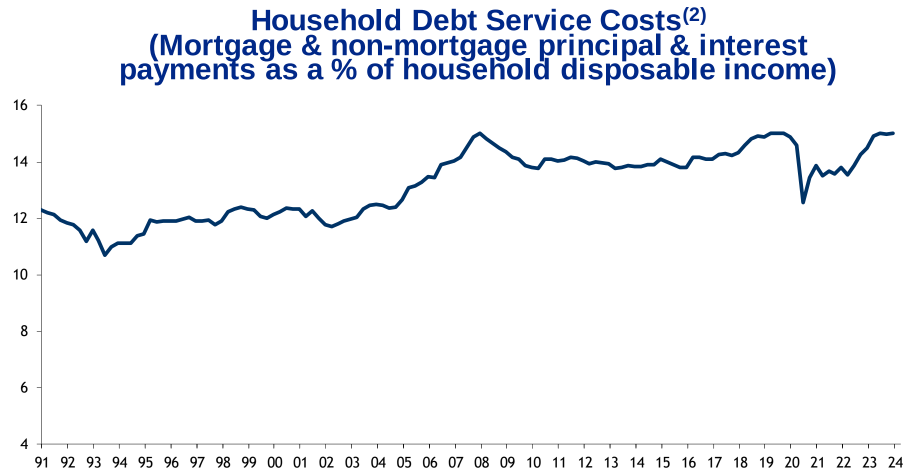
Canada's housing market: correction has ended

- A cyclical bottom was reached in the latter stages of 2023, as home resales and prices edged up slightly as 2024 rolled in. The recovery is unlikely to heat up quickly in most markets, though, as affordability remains a major obstacle for potential buyers. Interest rate cuts expected to start mid-year should support a gradual pick up in activity at first. It will take a sizable rate relief over many months to make a meaningful difference for most buyers.
- Canada's longer-term housing market fundamentals are solid despite recent immigration cap announcements by the federal government. High levels of permanent 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. A decrease in temporary immigration (including international students) by 2027, however, should temper recent explosive growth in the intervening years. 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



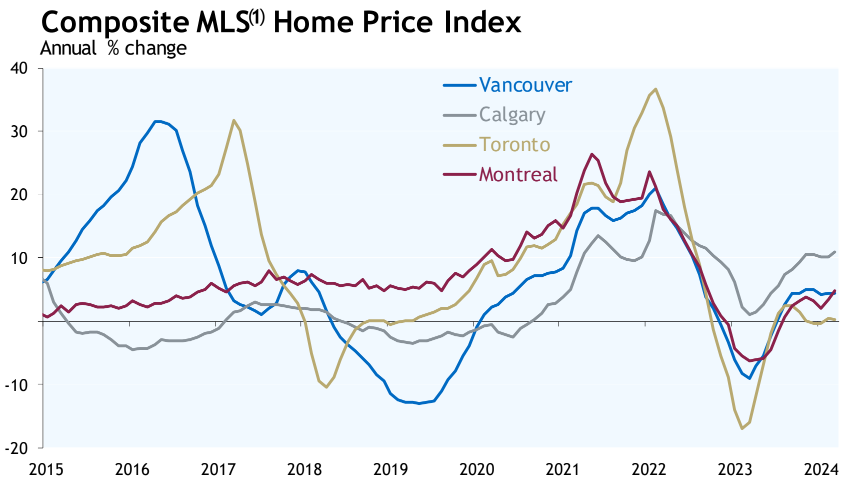
Higher rates are keeping debt service costs elevated



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

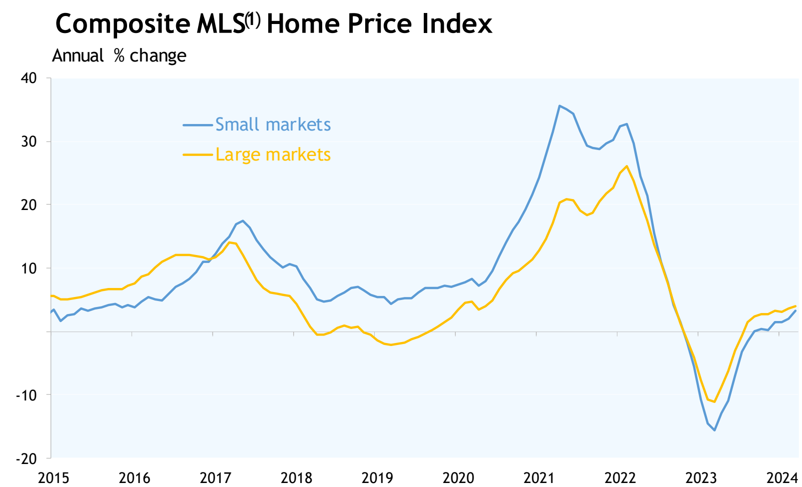
Property values are picking up gradually

Home prices are back above year-ago levels…



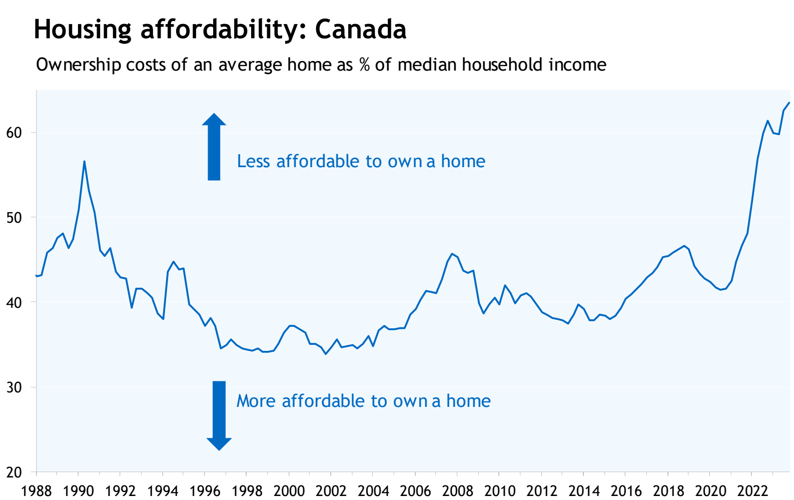
Source: Canadian Real Estate Association, RBC Economics

…in most markets



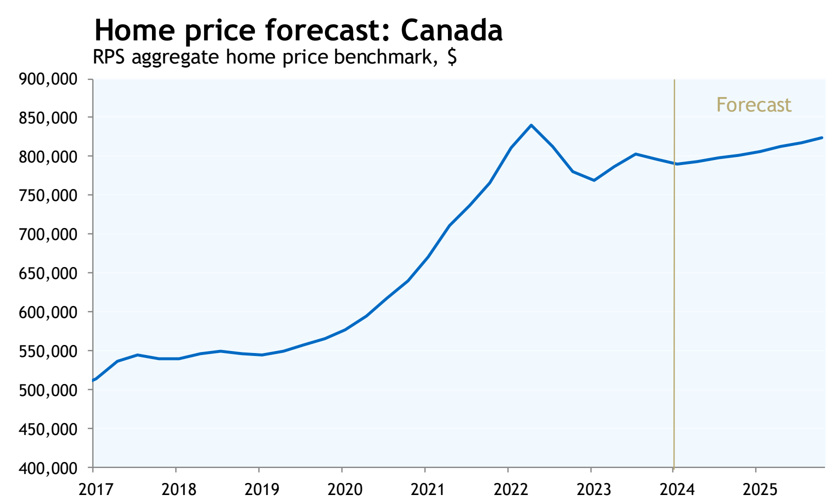
Source: Canadian Real Estate Association, RBC Economics

Poor affordability is poised to restrain demand growth…



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

…and keep prices sticky near term



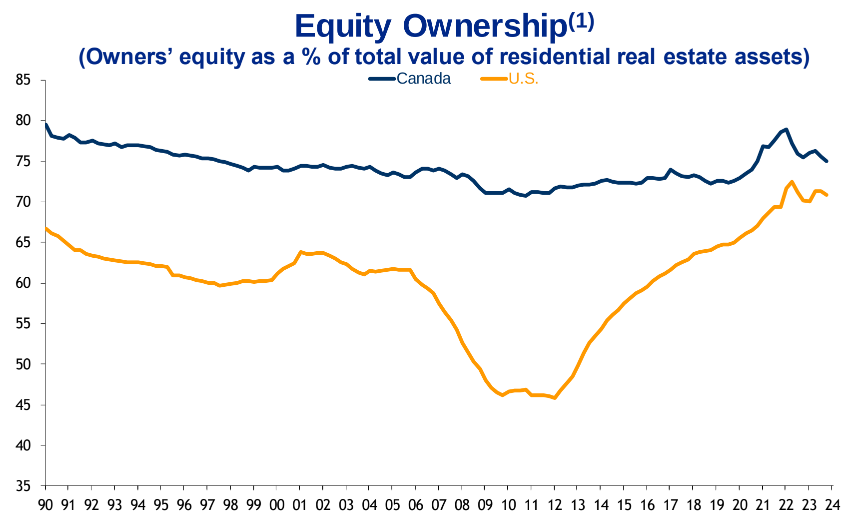
Source: RPS, RBC Economics

(1) MLS: Multiple Listing Service.

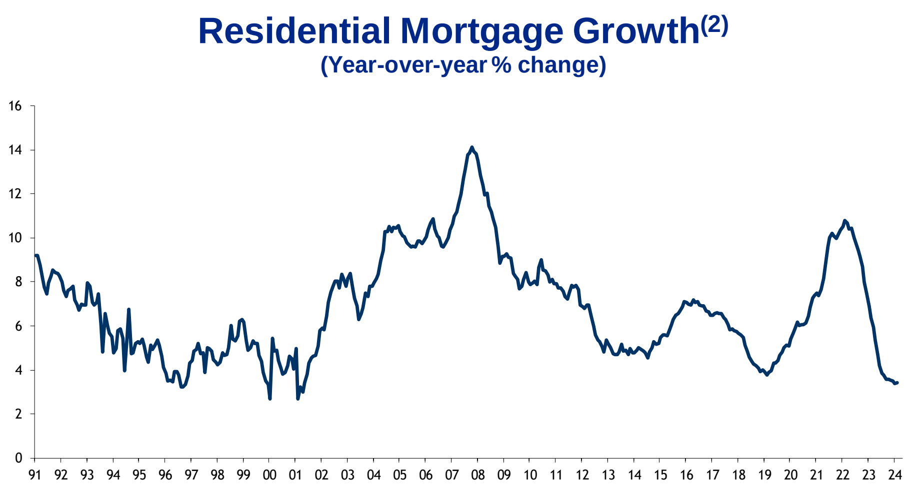
Canadians have significant equity ownership in their homes

- 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.

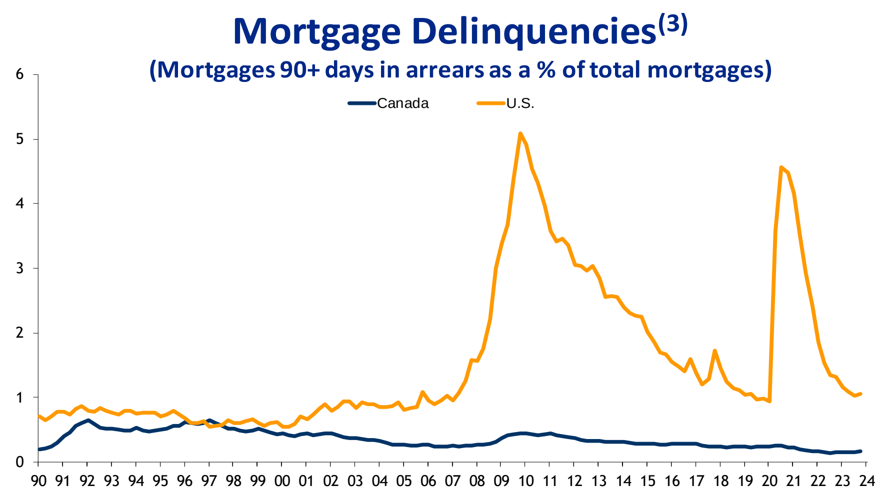
Canadians maintain high levels of equity in their homes



Growth in residential mortgages is slowing again



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



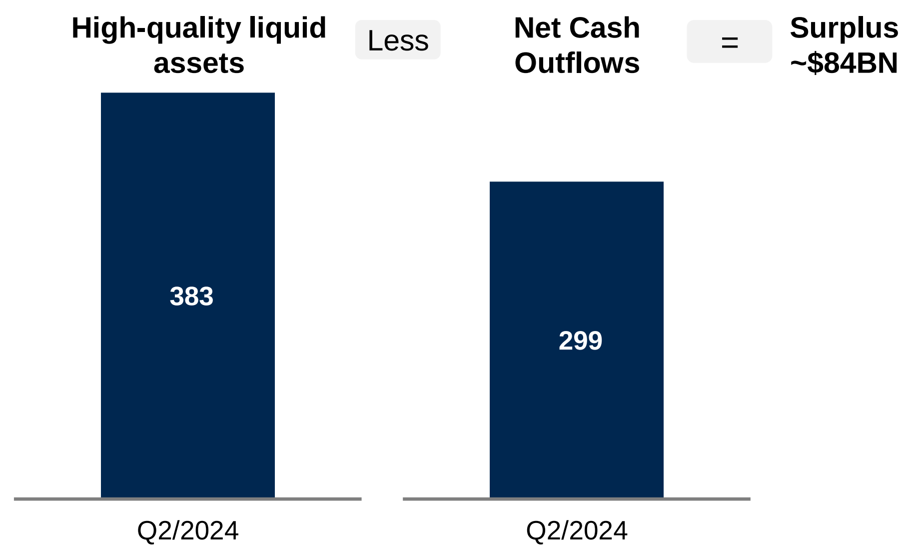
(1) Statistics Canada, Federal Reserve Board, RBC Economics. (2) Bank of Canada, RBC Economics. (3) Canadian Bankers Association, Mortgage Bankers Association, RBC Economics.

Liquidity & Funding

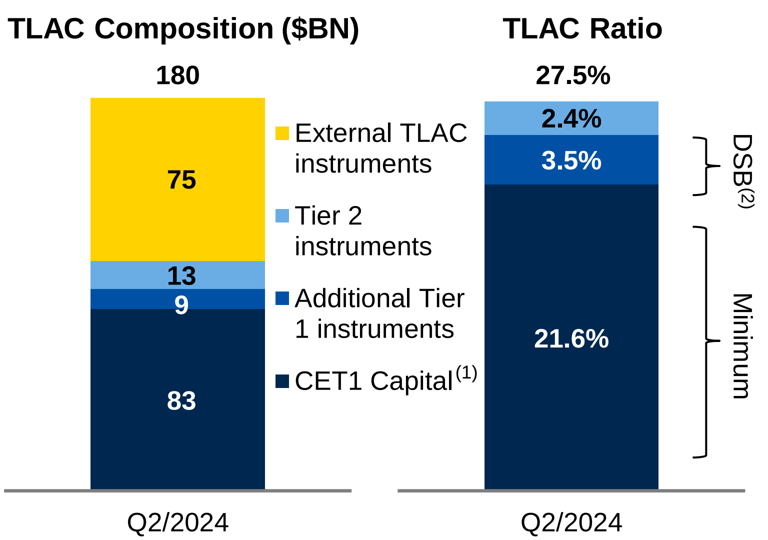
Funding: Well-diversified

- As at April 30, 2024, relationship-based deposits, which are the primary source of funding for retail and commercial lending, were **$943 billion or 57% of our total funding** (including short-term repo funding)
  - Relationship-based deposits attributable to the HBCA transaction were $75 billion, or 5% of our total funding
- **Short and long-term wholesale funding comprises 30% 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

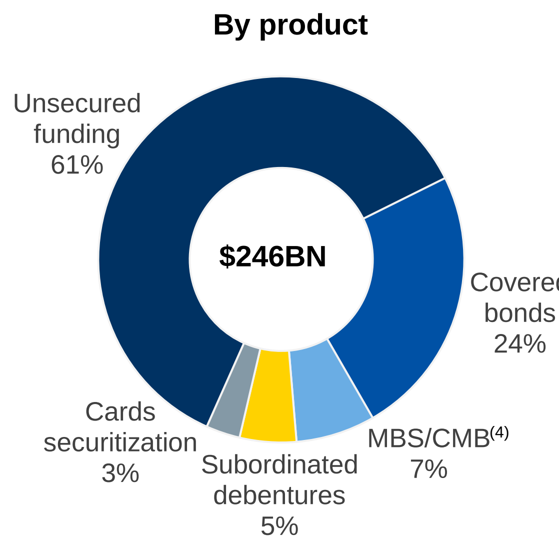
LCR[1] (total adjusted value, $BN)

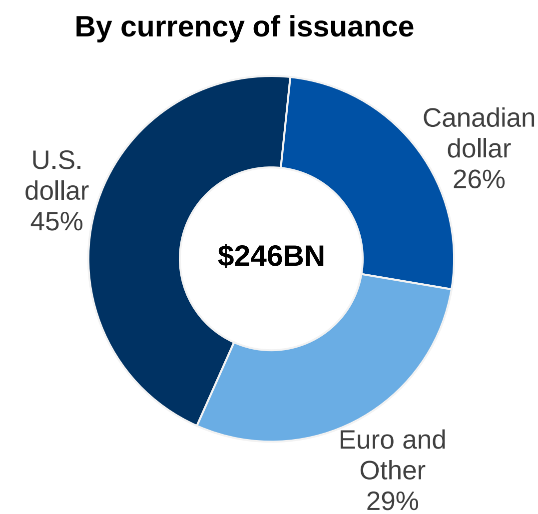


Total Loss Absorbing Capacity[1]



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]

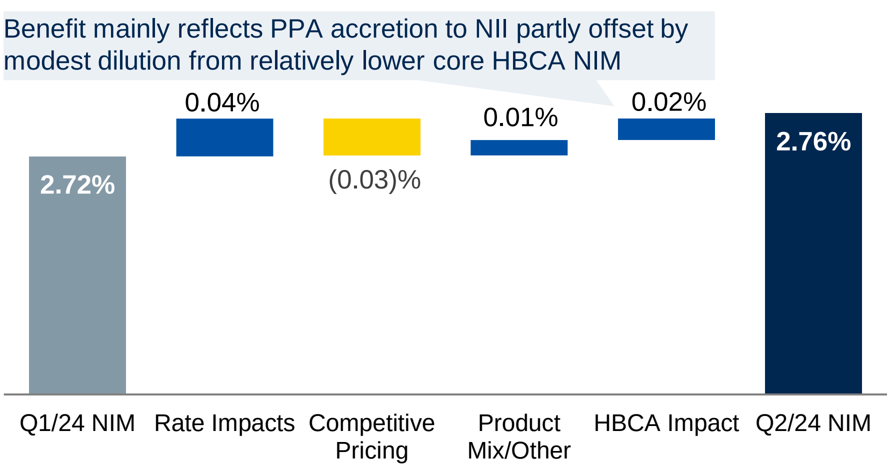
Net interest income ($MM)	Increase	Decrease
Canada	$134	$(190)
U.S.	$191	$(268)
Total	**$325**	**$(458)**

Impact of 25 bps decrease[2]

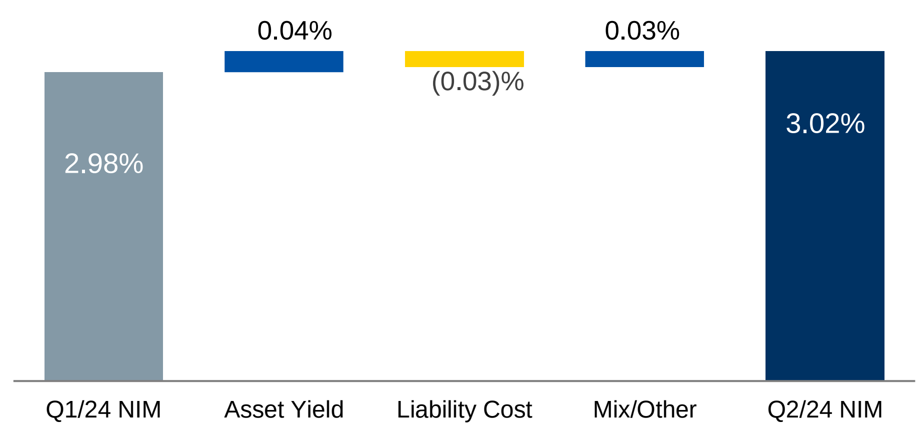
Revenue ($MM)	Short-term rates[2] Q1/24	Short-term rates[2] Q2/24	Across the curve[2] Q1/24	Across the curve[2] Q2/24
Canadian Banking	$(40)	**$(25)**	$(110)	**$(90)**
U.S. Wealth Management (incl. CNB)	~US$(50)	**~US$(30)**	~US$(65)	**~US$(35)**

- 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]

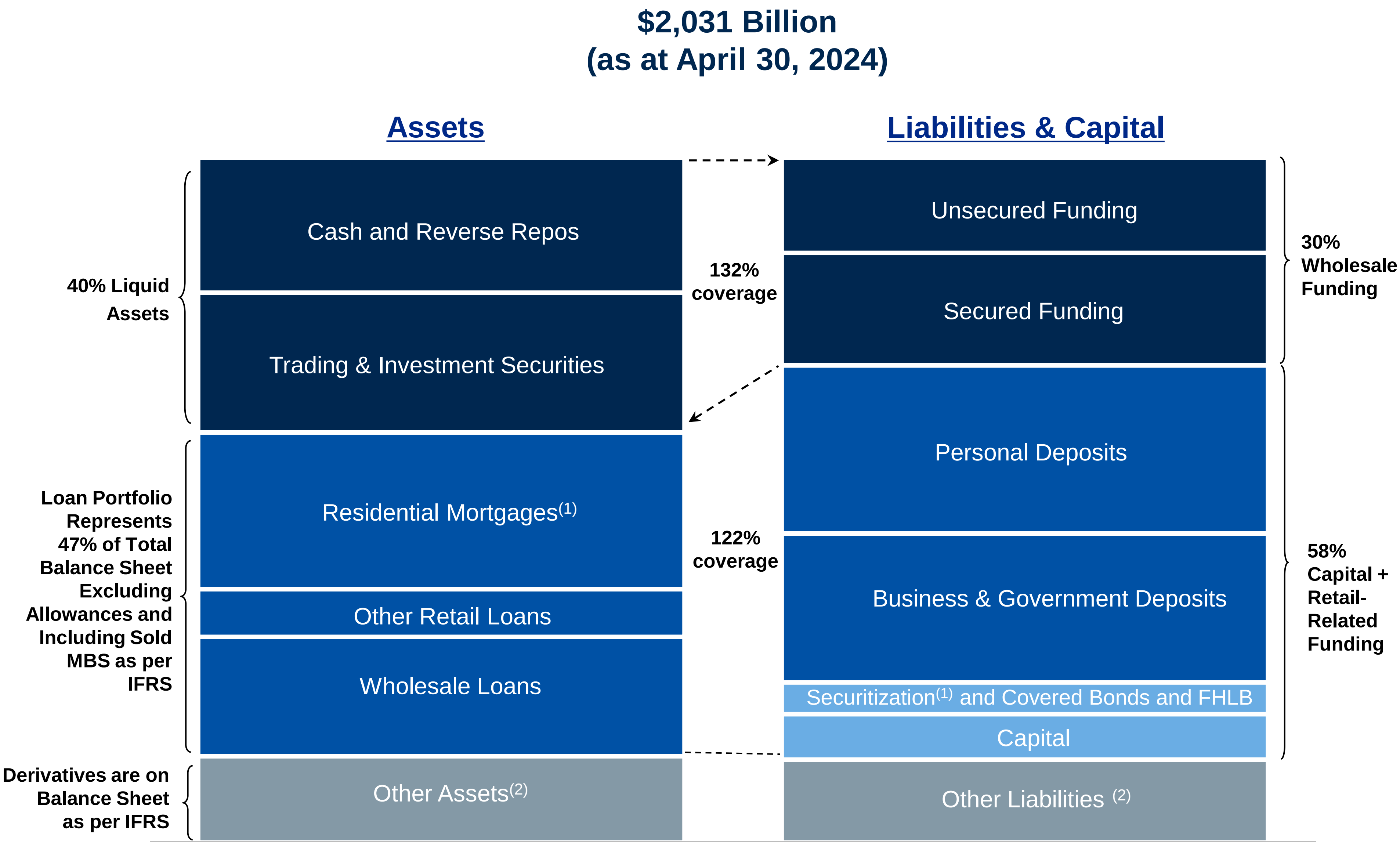


CNB NIM on Average Earning Assets



(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 57-58 for explanation of composition of this measure.

Strength of a high-quality liquid balance sheet



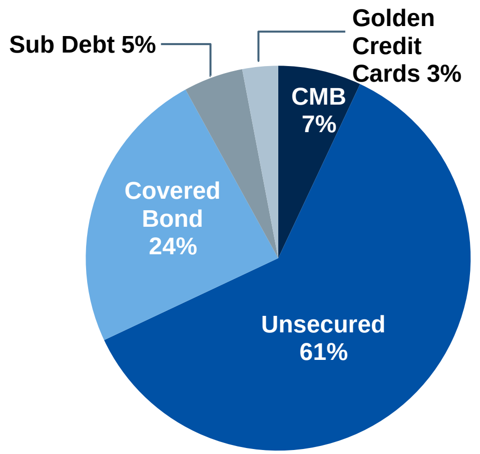
(1) Securitized agency mortgage-backed securities (MBS) are on balance sheet as per IFRS. (2) Other assets include $130BN of derivative-related assets, largely offset by derivative-related liabilities in Other liabilities. Under IFRS derivative amounts without master netting agreements cannot be offset and the gross derivative assets and liabilities are reported on balance sheet.

Well-diversified wholesale funding platform

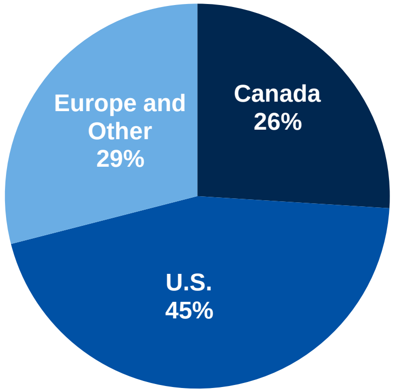
- Well-diversified across products, currencies, investor segments, and geographic regions
- Raise majority of funding in international markets, preserving significant domestic capacity which can be more readily tapped in stressed market conditions
- Regular issuance in all major markets to promote investor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

Canada	U.S.	Europe and Asia
▪ Canadian Shelf (Preferred Shares, LRCNs[1], Subordinated Debt) ▪ Senior Unsecured Notes ▪ Securitizations (Canadian mortgage bonds, NHA MBS[2], Covered Bonds and credit cards)	▪ SEC Registered Shelf (Senior Unsecured, LRCNs[1], Subordinated Debt) ▪ Golden Credit Card Securitization (144A format) ▪ Covered Bond (144A format)	▪ European Debt Issuance Program (US$75BN) ▪ Covered Bond Program (EUR 75BN) ▪ Japanese Issuance Programs (JPY 1 trillion)

Well Diversified by Product[3]



Diversified by Geography[2]



Recent Deals

- USD $1 Billion LRCNs at UST+288.7bps
- CAD $2 Billion Sub-debt at CORRA+156bps
- CAD $750 Million Preferred Shares at GoC+390bps
- USD $1.25 Billion 10 year unsecured at UST+115bps / SOFR+151bps

(1) Limited Recourse Capital Notes that qualifies as Additional Tier 1 Capital (2) National Housing Act Mortgage Backed Securities. (3) As at April 30, 2024.

Glossary

<u>Assets under administration (AUA):</u>

- Assets administered by us, which are beneficially owned by clients, unless otherwise noted. 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.

<u>Assets under management (AUM):</u>

- Assets managed by us, which are beneficially owned by clients, unless otherwise noted. 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.

<u>Average balances (assets, loans and acceptances, deposits, risk capital etc.):</u>

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

<u>Average earning assets, net:</u>

- 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.

<u>Book value per share (BVPS):</u>

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

<u>Common equity tier 1 (CET1) ratio:</u>

- 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. The CET1 capital is calculated in accordance with OSFI's Capital Adequacy Requirements (CAR) guideline.

<u>Dividend payout ratio:</u>

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

<u>Efficiency ratio:</u>

- Non-interest expense divided by total revenue.

<u>Leverage ratio:</u>

- A Basel III regulatory measure, the ratio divides Tier 1 capital by the sum of total assets plus specified off-balance sheet items after certain adjustments. 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 and is calculated in accordance with OSFI's Leverage Requirements (LR) guideline.

<u>Liquidity coverage ratio (LCR):</u>

- The LCR is a Basel III standard that aims to ensure that an institution has an adequate stock of unencumbered high-quality liquidity assets that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs for a 30 calendar day liquidity stress scenario. The LCR is calculated in accordance with OSFI's Liquidity Adequacy Requirements (LAR) guideline

Glossary

Net interest margin (NIM) on average earning assets, net:
- 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 OSFI's CAR guideline.

Return on common equity (ROE):
- Net income available to common shareholders, expressed as a percentage of average common equity.

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. The TLAC ratio is calculated in accordance with OSFI's TLAC guideline.

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 (1/2)

Calculation of Tangible Book Value Per Share [1] $ 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] $ millions (unless otherwise stated)	2022	2023	YTD 2023	YTD 2024
Net Income	3,210	2,427	1,549	1,375
Add: After-tax effect of amortization of other intangibles	164	246	127	111
Cash Earnings	3,374	2,673	1,676	1,486

Calculation of Adjusted Net Income and Adjusted ROE $ millions (unless otherwise stated)	2023	YTD 2023	YTD 2024
All-bank			
Net income	14,612	6,813	7,532
Less: Non-controlling interests (NCI)	(7)	(3)	(4)
Less: Dividends on preferred shares and distributions on other equity instruments	(236)	(111)	(125)
Net income available to common shareholders	14,369	6,699	7,403
Adjusting items impacting net income (before tax)			
Amortization of other intangibles	341	168	186
HSBC Canada transaction and integration costs	380	67	623
Impairment losses on our interest in an associated company	242	-	-
Management of closing capital volatility related to the HSBC Canada transaction	-	-	131
Income taxes for adjusting items impacting net income			
Amortization of other intangibles	(75)	(31)	(49)
HSBC Canada transaction and integration costs	(78)	(16)	(123)
Impairment losses on our interest in an associated company	(65)	-	-
Canada Recovery Dividend (CRD) and other tax related adjustments	1,050	1,050	-
Certain deferred tax adjustments	(578)	-	-
Management of closing capital volatility related to the HSBC Canada transaction	-	-	(36)
Adjusted net income	15,829	8,051	8,264
Adjusted net income available to common shareholders	15,586	7,937	8,135
Average common equity	100,400	98,350	107,850
ROE	14.3%	13.7%	13.8%
Adjusted ROE	15.5%	16.3%	15.2%

(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. We completed the sale of RBC Investor Services operations in Europe, Jersey and the U.K. to CACEIS on July 3, 2023, December 1, 2023 and March 25, 2024, respectively.

Reconciliation for non-GAAP financial measures (2/2)

Calculation of Adjusted Net Income and Adjusted Diluted EPS $ millions (unless otherwise stated)	Q2/23	Q1/24	Q2/24
All-bank			
Net income	3,680	3,582	3,950
Less: Non-controlling interests (NCI)	(1)	(2)	(2)
Less: Dividends on preferred shares and distributions on other equity instruments	(67)	(58)	(67)
Net income available to common shareholders	3,612	3,522	3,881
Adjusting items impacting net income (before tax)			
Amortization of other intangibles	82	80	106
HSBC Canada transaction and integration costs	56	265	358
Management of closing capital volatility related to the HSBC Canada transaction	-	286	(155)
Income taxes for adjusting items impacting net income			
Amortization of other intangibles	(16)	(21)	(28)
HSBC Canada transaction and integration costs	(13)	(47)	(76)
Management of closing capital volatility related to the HSBC Canada transaction	-	(79)	43
Adjusted net income	3,789	4,066	4,198
Adjusted net income available to common shareholders	3,721	4,006	4,129
Diluted EPS	$ 2.60	$ 2.50	$ 2.74
Adjusted diluted EPS	$ 2.68	$ 2.85	$ 2.92
Common shares outstanding (000s) - average (diluted)	1,390,149	1,407,641	1,414,166

Calculation of Adjusted ROE $ millions (unless otherwise stated)	Q2/23	Q1/24	Q2/24
All-bank			
Net income available to common shareholders	3,612	3,522	3,881
Adjusted net income available to common shareholders	3,721	4,006	4,129
Average common equity	99,450	107,100	108,650
ROE	14.9%	13.1%	14.5%
Adjusted ROE	15.3%	14.9%	15.5%

Calculation of Core NIE Growth $ millions (unless otherwise stated)	Q2/23	Q2/24	YoY Change
All-bank			
Expenses	7,400	8,308	908
Less: Amortization of other intangibles			24
Less: HSBC Canada transaction and integration costs impact			302
Less: FX, SBC and cost of the FDIC SA			96
Less: HBCA business expenses			75
Core expense growth			411

Calculation of Adjusted Operating Leverage $ millions (unless otherwise stated)	Q2/23	Q2/24
All-bank		
Revenue	12,445	14,154
Add: Management of closing capital volatility related to the HSBC Canada transaction	-	(155)
Revenue excl. specified item	12,445	13,999
Expenses	7,400	8,308
Less: Amortization of other intangibles	82	106
Less: HSBC Canada transaction and integration costs	56	358
Expenses excl. specified items/Adjusted Expenses	7,262	7,844
Operating leverage		1.4%
Operating leverage excl. specified items/Adjusted operating leverage		4.5%

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, core non-interest expense growth, 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 Q2 2024 Report to Shareholders dated May 29, 2024, which sections are incorporated by reference herein and available on the Canadian Securities Administrators’ website at sedarplus.com, as well as in our Q2 2024 Supplementary Financial Information.

Definitions can be found under the “Glossary” sections in our Q2 2024 Supplementary Financial Information and our 2023 Annual Report.

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