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Welcome to the Fall/Winter 2020 issue of Keeping in Touch. We hope you and your families are staying well and adjusting to our new routines and safety measures in this challenging and most unusual year.

In this issue, we are pleased to celebrate successes achieved in the face of adversity by both RBCers and RBC. Dave McKay provides his thoughts on the future and Dr. K talks about the added importance of Flu shots this year. RBC’s Corporate Citizenship group brings us some useful tips on volunteering in the face of a pandemic. And from Corporate Archives, a fascinating story from nearly 65 years ago about two unlikely pen pals.

Also included in this issue is a Message from the Chair of the Pension Plan Management Committee (PPMC). The PPMC helps protect the interests of RBC pension plan members by ensuring that the pension and savings plans have a strong governance and compliance structure in place.

We will continue to publish an online version of Keeping in Touch (at least twice a year), as well as quarterly listings of Retirement and In Memoriam announcements. These can be viewed at rbc.com/pensioners/keeptouch.

Please remember to send your stories or story ideas to us at keepingintoucheditor@rbc.com.

Happy reading and please stay safe!

Keeping in Touch will return in the spring.

The KIT team

Support Your Community Today with the RBC Employee Giving Campaign

It goes without saying that 2020 has been a year of unprecedented change. Since the beginning of the COVID-19 pandemic, we have each faced unique challenges and disruptions in our lives. And through all of this RBCers have relied on one another and our communities, knowing that we are all connected even when we are apart. Proving that even in the face of crisis we know the important difference we can each make in our communities’ recovery.

Our communities and charitable partners are struggling to meet increasing needs while facing disruptions to their funding and resources and that’s why there’s the RBC Employee Giving Campaign. This is your chance to make a difference and celebrate your community. You can join us today by making a gift to your Charity of Choice! Use your myCommunity login to donate and join RBCers across the Country for our Campaign.

Sign in to your myCommunity account at rbc.benevity.org today.

Did you know you can also start tracking any of your volunteer hours? Track today for hours completed after September 2 as part of the RBC Employee Volunteer Program grant program!

Don’t have a myCommunity login? Visit the RBC Pensioner site to register for myCommunity to make a donation to a charity of your choice in support the campaign, track volunteer hours and apply for your volunteer grant. Register at https://www.rbc.com/pensioners/pensioners-web-form.html
Dear friends,

I’ve been reflecting a lot about how our world has changed since the global pandemic started eight months ago – including the impact on RBC’s strategy and journey forward.

As I expressed to investors on our 3rd quarter earnings call, society is moving toward a future that remains unclear. It’s too early to know exactly what long-term impacts the pandemic will have on how we live and work. Despite the uncertainty, what I do know is we’ll continue learning and adapting with the changing needs and expectations of our clients, colleagues and communities.

I have strong confidence RBC is well-positioned to create value for our stakeholders and respond to whatever the future holds.

The resilience of our business model was clearly reflected in our third quarter results. We reported earnings of $3.2 billion despite elevated provisions and the negative impact from lower interest rates. Strong client activity across our businesses showcased how we’re meeting client needs and strengthening market share. Our diversified client franchises, balance sheet, risk management and earnings power throughout the cycle continues to enable RBCers to deliver on our Purpose, while also supporting our commitment to over one million retail and institutional shareholders.

We’ve already seen significant economic recovery, with almost half the economy coming back from pre-COVID levels. But I expect the second half – or next phase – of that recovery to be much tougher and more prolonged as we continue to combat the virus and the financial hardships it has caused.

The question of how to best prepare for an uncertain future is the only one that will matter to so many of the clients we serve.

Knowing this, the way we live our Purpose and support our clients will have a defining impact on the strength of our franchises for years to come. That’s why I believe we must view nearly every decision we make through the lens of helping our clients and communities navigate this economic shock and the road to recovery.

At the same time, we can’t miss the unique opportunity to create a very different future for our society – building more inclusion and equality, combatting climate change, and reimaging the future of work.

It’s imperative that we address longstanding institutional inequalities and social injustices against Black, Indigenous and People of Colour (BIPOC). We recently announced specific actions to address this problem in our society and at RBC. A key aspect of our ongoing commitment is to better support economic growth and wealth creation for BIPOC youth, communities and entrepreneurs. This not only addresses the systemic racism that has disproportionately set back these groups for far too long, it also encourages a more inclusive economic recovery in the markets we serve.

Also critical is our commitment to climate action. We continue to push forward with our Climate Blueprint, and we recently became the first Canadian bank to sign a long-term renewable energy power purchase agreement.

Globally, we have an important responsibility to help restart our economies and support clients and communities through the recovery. This is undoubtedly one of the biggest challenges any of us have ever faced.

At a time when community partners most need our support, I am proud of the thousands of RBCers, past and present, who support their communities through volunteering, service, and supporting charities of their choice. Thank you for the important and positive role you have played in your communities.

And as 2020 draws to a close, I wish you and your loved ones a happy holiday season and a safe and healthy New Year.

Thank you,

Dave McKay
President & Chief Executive Officer
Volunteering online? Quick tips to make your experience better!

RBCers are well known for their generosity and creativity when it comes to helping our communities prosper. Volunteering took on new meaning under the impact of the COVID-19 pandemic. Around the world, we saw how needs were increasing – and with individuals either having increased free time or looking for ways to help, charitable organizations started moving their programming and resources online. This created an opportunity for volunteers from far and wide to find new ways to provide or continue their support of causes close to their hearts.

“There is a whole lot of good that can come from virtual volunteering,” says Valerie Chort, Vice President, Corporate Citizenship. “It can be a one-time, short-term or ongoing activity, with a charity in your own community or even around the world. All you need is a WIFI connection – and there are many impactful and exciting volunteer projects and roles available to explore.”

Interested?
To help you make the most of virtual volunteering opportunities, RBC’s Citizenship Engagement team has a few tips:

DO find a fit for your virtual volunteering

1. Consider the types of skills and talents you would like to share
Volunteering can take many forms, so it’s important to ensure you are matching your desired giving approaches with the needs of a charitable organization.

For example, do you have any of the following expertise or passions?
• Administration or board support
• Marketing, communications and social media
• Mentoring or tutoring
• Research and report writing
• Website design or support

These are often skill-sets that we take for granted – but that charities are always looking for to help them with tactical and strategic support!

2. Decide how much of a time commitment you can make.
If you have some time this month only, consider working on a one-off event, like a virtual gala. If you can commit to weekly virtual volunteering, consider e-mentoring programs – many of which exist for newcomers or youth!

Make sure you know what you are open to or willing to give – and communicate it clearly to the charity facilitating your volunteering. It is important to ensure both sides of a volunteering opportunity are clear about what is being offered!

3. Log in to myCommunity, our one-stop-shop for all things giving at RBC.
You can find virtual volunteer opportunities through the Browse Volunteer Opportunities page to learn more about organizations around the globe.

4. Track Your Rewards through the RBC Employee Volunteer Program!
For every hour that your track in myCommunity, you can earn rewards to donate to an eligible charity of your choice. So track your hours and make your gift of rewards today!

DON’T volunteer until you have done your research!

1. Volunteering online requires real time commitment.
Ensure you are clear on what the time commitment of a volunteering opportunity is before you sign up. Community partners rely on the commitment of their volunteers!

2. Virtual volunteering is more than technology-related tasks.
Through organizations such as Kids Help Phone, you could be interacting with people in need. Through the telephone, facilitating online chats, or engaging with staff at a charity to advise on business plans, fundraising, or doing research – you can make a difference in many ways!

3. Online volunteering is more personal than you might think!
In our increasingly virtual world, people are increasingly willing to share information and connect through online volunteering. Invite your friends or family members to take part and make a meaningful experience of giving back as a group!
A flu shot is more important than ever this year

By Khalil Sivjee, MD, FCCP, FRCPC
RBC Chief Medical Director, RBC
Cleveland Clinic Canada

As we head into the fall and winter of this unique year where COVID-19 has dominated our thinking, we have to now face the usual seasonal viruses. Common cold viruses as well as the influenza virus are around the corner. This potential double whammy, what some are calling the “twindemic”, has the potential to cause very serious illness and to challenge the capacity of acute care hospitals. Despite this frightening thought, there is some good news.

For starters, most winter viruses, including influenza, is transmitted in much of the same ways that SARS CoV2 (the virus that causes COVID-19) does. Therefore, all the interventions we have now incorporated into our lives, may substantially reduce the incidence and the impact of the other seasonal viruses. When we analyze data from countries in the Southern hemisphere (Australia, Chile, and South Africa) we find that there was substantially lower influenza activity from June to August 2020 compared with prior years. Continuing the same risk mitigation strategies for COVID-19 may result in a similar phenomenon in the Northern Hemisphere this season.

The second piece of good news is that most jurisdictions have ordered more than their usual doses of influenza vaccine. For example, the Province of BC has ordered 13 million doses of the flu vaccine compared with 11.2 million doses last year. Of course, having the extra doses and administering those doses are different things. Challenges in delivering the doses (because many doctor’s offices have shifted to virtual care) and getting people to get vaccinated (only 4 in 10 Canadians get the flu shot every year) will need to be addressed.

Vaccinating those at highest risk for serious illness (those over 65 years of age and with chronic medical conditions) is especially important this year to reduce the chance they will become seriously ill and require hospitalization. For those over 65, it is recommended that they get a high dose quadrivalent vaccine called Fluzone. A study published in the New England Journal of Medicine looking at High dose versus regular dose vaccine in seniors showed the high dose vaccine reduced the chance of getting the flu by 24%. Another study in the journal Lancet showed that seniors that received the high dose vaccine were much less likely to be hospitalized than those that received the regular flu vaccine dose or no vaccine at all.

It certainly has been a difficult year for us all due to COVID-19 and the prospects of entering the cold and flu season are certainly daunting. Keep in mind, however, that we know how to reduce the risk of spread with behaviours like avoiding crowded gatherings, washing your hands, keeping your distance from those outside your household, and wearing a mask when you are outside the home. With these practices and getting the flu shot, working together, we will be able get through to the other side of this pandemic.

Dr. K
RBC named ‘North American Retail Bank of the Year’ for third consecutive year

RBC has been recognized with multiple awards by Retail Banker International (RBI). The accolades include North American Retail Bank of the Year, Best Loyalty/Rewards Strategy, and Best Latin/Caribbean Bank of the Year. During the annual awards ceremony in June, RBC’s Neil McLaughlin, Group Head, Personal and Commercial Banking, was also recognized with the award for Best Retail Banker.

RBI is one of the leading global retail banking news and information services. Their annual awards recognize banks from around the world that have set new standards in advancement and performance. RBC’s recognition as a leading retail bank in North America and the Caribbean was based on the bank’s proven track record of industry firsts and relentless commitment to making banking easy, convenient and helpful for clients.

In addition to the bank’s strong client focus, RBI recognized RBC’s loyalty program, RBC Rewards, as a differentiator in the marketplace, sighting RBC’s ability to deliver significantly more value to customers than any other program in the country.

This is the third consecutive year RBC has been named North American Retail Bank of the Year and its second consecutive win for Best Loyalty/Rewards Strategy.

RBC takes top honours for Financial Services excellence in Canada

RBC took a clear and substantial lead at this year’s Financial Service Excellence awards from Ipsos – winning a total of 10 out of 11 awards among the big 5 banks in Canada.

RBC Royal Bank also took the overall Customer Service Excellence award.

RBC ranked as the undisputed leader on four key awards: Customer Service, Recommend to Friends or Family (Net Promoter Score), Financial Advice and Online Banking.

“I want to congratulate and thank all of our employees for their incredible efforts that have made this possible. These awards speak to the unwavering commitment to customer service excellence at all touchpoints during this challenging time,” says Neil McLaughlin, Group Head, P&CB.

The awards cover activity from November 2019 to September 2020, and provide an ongoing view into customer perceptions during these unprecedented times.

In addition to the rankings, Ipsos also reported an overall positive response from Canadians about how their banks have handled the crisis, with significantly more individuals feeling comfortable doing their banking digitally.

“I can’t say enough about the extraordinary efforts of our frontline employees and our digital enablement partners during this time. They have stepped up in unimaginable ways and this external recognition confirms what we already know – we have an incredible team that’s unmatched across the industry,” says McLaughlin.
The National Institute on Ageing and RBC Wealth Management Partner to Serve Older Canadians

Partnership will raise awareness on the need to educate, assist and empower older Canadians with personal and financial planning for the future.

The National Institute on Ageing (NIA) at Ryerson University and RBC Wealth Management have announced a strategic partnership designed to help older Canadians effectively prepare for, navigate and implement sound personal finance, investment, and planning decisions in the wake of COVID-19 and beyond. The partnership is with RBC’s Royal Trust, which provides flexible and customized estate and trust solutions to families and businesses who wish to protect their assets and transfer their wealth for generations.

“The NIA has led the way in showing just how vulnerable older Canadians are to the health consequences of COVID-19, but we can’t overlook that many have also experienced a significant erosion of personal financial stability and a loss of well-being due to mounting concerns about what the future holds,” said Michael Nicin, Executive Director of the NIA. “Shocks to personal finances and health are by their nature unpredictable. With RBC Wealth Management as our lead partner, we can provide effective public outreach, accessible resources, and expert guidance to help Canadians better future-proof their lives with sound financial and planning strategies.”

“Canadians who are approaching retirement or already retired must understand their financial goals, their sources of income, how to manage their current finances, and how to detect the signs of potential financial abuse in order to protect themselves and those most vulnerable,” says Leanne Kaufman, President and CEO, RBC Royal Trust. “We are also committed to increasing awareness about issues related to advance care planning, incapacity, and ultimately estate planning and administration. Our professionals are often the first to notice if something is not right with our older clients and this partnership will enhance our ongoing mission to educate Canadians of all ages on the need for sound, long-term financial planning.”

Even before COVID-19 hit, the NIA showed that older Canadians need to secure their futures against unexpected shocks to health and finances. The NIA’s National Seniors Strategy notes that a vast majority (86 per cent) of Canadians have not even heard about Advanced Care Planning, over 80 per cent had no form of written plan, and less than 50 per cent have had a conversation with a trusted family member or friend about their preferred health care treatments should they unexpectedly become incapacitated. RBC Wealth Management further notes that 71 per cent of Canadian adults do not have a signed Power of Attorney to enable responsive, planned action by a trusted individual in cases of personal emergency. COVID-19 has only added urgency to the need to plan.
Canadians answer the call to be kind during RBC’s Random Acts of Canadian campaign

Earlier this summer, RBC introduced Random Acts of Canadian, a kindness movement to rally employees and the general public to share their uplifting stories and inspire community good in their neighbourhoods as they cope with the ongoing stress of living through a global pandemic.

Between May and September, more than 350 acts of kindness were shared with us, touching the hearts of communities coast to coast.

In some cases, the pandemic shone a light on vulnerable communities that needed the most help, such as the elderly, small businesses, newcomers, and children.

Canadians of all ages responded by making masks, feeding their neighbours and strangers alike, and created pop-up concerts and dance recitals (physically distanced, of course). Along the way, there were costumes donned (a T-Rex that lawn bowled and a Spiderman was in the neighbourhood), painted rocks, signs with encouraging messages, and lots of fundraising for local hospitals and food banks.

“Kindness goes a long way and reminds us about the power of humanity during a global pandemic,” says Mike Dobbins, Head of RBC Ventures. “We set out to inspire our communities to get involved in this kindness movement. We’re proud that so many Canadians answered our call to spread a little more joy and hope in these challenging times.”

Although the Random Acts of Canadian program is no longer taking submissions, please enjoy the stories and watch the celebration video at https://randomactsofcanadian.com.

Unofficial world record: 10,000 volunteers across Windsor Essex County collected more than 2 million pounds of food items for local food banks. As a result of their efforts, 28,000 families will have food for a year.

Random Acts of Kindness

**Challenging times inspire creative solutions**

Random Acts of Canadian is an example of cross-team, cross-functional collaboration between RBC Ventures and Personal & Commercial Banking that showed the One RBC approach at its best, and one of many across RBC to support those hit hard by the COVID-19 pandemic. The team built the program in less than two months and launched a website to showcase what people were doing in their communities.

Free portraits of doctors and nurses working at Montreal’s McGill University Health Centre (MUHC) ER department.

“Random Acts of Kindness” By the numbers:

- 49 acts included people producing masks
- 81 acts involved feeding their community, neighbours, essential workers and more
- 5 - 87 - age range of those who sent in their stories
- 95 - number of random acts that RBC “surprised and delighted” to help Canadians extend their kindness
- 1 unofficial world record: 10,000 volunteers across Windsor Essex County collected more than 2 million pounds of food items for local food banks. As a result of their efforts, 28,000 families will have food for a year.

Free portraits of doctors and nurses working at Montreal’s McGill University Health Centre (MUHC) ER department.
Emergency Out-of-Province/Country Medical and Travel Assistance and COVID-19

The best advice from government and health officials is that Canadians should defer all non-essential travel until further notice.

However, a number of readers have asked if RBC’s retiree benefits program covers them from COVID-19 sickness in the event they must travel during the pandemic.

Keeping in Touch referred this question to RBC’s benefits group and here is the response we received:

The Out-of-Province/Country Medical and Travel Assistance for eligible RBC pensioners currently includes COVID-related care during the first 31 days. There is no pre-existing COVID-19 exclusion at the present time, provided the insured pensioner did not travel knowing they would require treatment.

What about other RBC travel insurance products?

Here’s the response we received from RBC Insurance:

The pandemic remains fluid and we believe the risks associated with protecting clients is really unknown. Because of this, we continue to follow the recommendations put forth by the Government of Canada advising against non-essential travel outside of Canada. With the current travel advisory still in-place, RBC Insurance does not cover medical treatments related to COVID-19. If clients choose to travel to a destination outside of Canada at this time, our Emergency Medical Insurance will provide coverage only for those medical conditions unrelated to COVID-19.

Because every reader’s situation is different and coverage is based on a number of factors, they should contact an RBC pensions and benefits advisor or an RBC Insurance advisor for answers to their specific insurance needs.

Stay safe!

Legal Disclaimer - All products and services are subject to the terms and conditions of the applicable insurance contract. In the event of any conflict, the terms and conditions of the insurance contract will govern.

Further Questions?

Please refer questions regarding your specific insurance coverage or needs to the following centres of expertise:

RBC Human Resources Service Centre (HRSC) at hrsctensions@rbc.com or 1-800-545-2555.

RBC Travel Insurance – Call 1-800-769-2528 or refer to https://www.rbcinsurance.com/employee/travel-insurance-discount.html

RBC Avion Visa Infinite/Infinite Platinum - Please call the Enrollment Centre at 1-800-565-3129
RBC Retirees on Facebook

There is a new private Facebook group for RBC retirees. The Facebook group provides a forum for RBC retirees to share memories and pictures about RBC, including stories about RBC employment, RBC history, events, co-workers and post-RBC activity. Any retirement-related information is also on topic.

Since its inception in May, over 1,700 RBC retirees have joined the Facebook group.

According to the group’s page, there are two ways to join. Retirees can request membership if your Facebook profile shows you are a former RBC employee, and you correctly answer three questions to confirm eligibility. If invited to join by an existing member, your approval is automatic.

For more information about the RBC Retirees Facebook group, please check out https://www.facebook.com/groups/247261009880101/

Editor’s Note: Please note the RBC Retirees Facebook group is not affiliated with RBC or Keeping in Touch.

2020 RBC Race for the Kids raises record amount

Over the weekend of October 17-18, 2020, more than 26,000 participants (including RBCers, their family members, and friends) took part in the 2020 RBC Race for the Kids from over 130 countries – more locations than ever before.

Over $5 million was raised for 36 charity partners and the youth they support.

“By all measures, this was our best event yet”, said Dave McKay, RBC President and CEO. “I want to congratulate and thank all the team captains, fundraisers, participants and donors on their incredible efforts and going the extra mile in this most challenging year. At a time when community partners most need our support, I am incredibly proud of our proactive decision to pivot the 2020 RBC Race for the Kids into a global, virtual event to continue supporting youth around the world – as the Race series has for the last decade.”

The RBC Race for the Kids series has now raised over $62 million through the support of 286,000 participants since it began in 2009.
A young girl asks RBC - what use is an education?

Ask 10 people how to achieve a successful and happy life and you’ll likely get 10 different answers. Start a conversation about the value of a good education to get the job of your dreams, and you’ll likely enter a wider discussion about critical factors like access, opportunities, life circumstances, skill sets, continuous learning, and more.

Twelve year-old Linda Seright of Kingston, ON, wrote to then RBC chairman and president James Muir asking, “why do you think I should continue school and get an education?” This letter writing campaign was part of a school project. Linda’s teacher asked her students to choose a prominent leader and obtain a response. Linda received a thorough and thoughtful reply from RBC’s president.

Mr. Muir’s letter to Linda turned 64 years old this year. “I would like to meet Linda today if that were possible,” says Sarah, “and find out how this historic advice from then president of Canada’s largest bank affected the course of this young student’s life.

I also wonder what Mr. Muir would say about RBC Future Launch, and the many ways RBC is helping young people today to prepare for the future world of work.

I imagine he would be proud.”

We reproduce Linda’s letter and Mr. Muir’s reply.

(Continued on page 12)
The Royal Bank of Canada
Head Office, Montreal
James Muir
Chairman and President

January 10, 1956

Miss Linda Seright,
8 Grenville Road,
Kingston, ON

Dear Linda:

Your letter is one to which I am happy to reply and
for two reasons. The first is that I hope I can help
you and the second is that I commend your teacher’s
enterprise in suggesting that you ask your question.

The ordinary commonplace thing for me to do would
be to enlarge upon the material aspects of a good
education and to tell you that the principal benefit
is in helping you to get a good job, etc. I am sure you
already know all about that and that you know that
a boy or girl who does not make the best of all the
learning opportunities of school years will be at a
disadvantage in competition with others in later life.

I am not going to suggest to you that you should
fill yourself chock-full of information, for the real
benefit of your education will be knowledge and
understanding and not a whole list of memorized
facts. The main purpose of education, as I see it, is to
 teach one to think.

It is only in learning how to think and by learning how
to sift things that are worth thinking about that you
can put yourself in the best position for enjoying a
happy life. This is a very important reason for wishing
to continue at school and get an education. The latter,
when of the right sort, helps you to see things clearly,
to distinguish between the essential and the trivial,
and to give you a frame of mind and system of thought
and judgment which will fit you into your place in life
and your ideals.

Unfortunately, without education (1) you could never
hope to really understand the world or its people or
what goes on in it; (2) you could not handle yourself
graciously and with ease in an environment that is not
always so well disposed towards you as your home
and your school; (3) you could never relate yourself
properly to the problems of others, not achieve the
peace of mind and understanding which one must
have to support one through the crises that come to
try all of us.

I believe it is very much worthwhile for you to
study and I hope, Linda, that you will pursue your
education so successfully that you will have a very
happy life. You will realize, I am sure, that everyone
faces problems and difficulties at some time or other
and suffers distress and sorrow. These seem to be
inescapable. But the boy or girl of education is in
a much better position to cope with these things,
to solve these problems and to master some of the
difficulties, and thus in the end, be less disturbed and
grieved by it all.

An educated boy or girl is, I think, entitled to count
upon life holding out prospects of achievement
and security – not the kind of security that is
dependent upon what someone else does, but the
security which comes from within one’s self and
which is based solidly upon one’s ideals, capability
and understanding.

I hope you can make something out of all of the
foregoing. What I am really trying to say is that
education is absolutely essential but that I am not
referring to a mass of what, in an old-fashioned
way, we called “book learning” and nothing else.
What we are after is the education which will teach
you to think and reason, which will improve your
material prospects, which will add to your poise and
deportment, which will develop your judgment and
which, all in all, will round you out for a successful and
happy life. That is the kind of life I wish for you.

Yours sincerely,

James Muir
Chairman and President

Editor’s Note:

It would be interesting to pose 12-year old Linda
Seright’s question to Linda today - why do you think I
should continue school and get an education? If any of
our readers know where Linda might be today, we’d love
to hear from you at keepingintoucheditor@rbc.com
Message from the Chair of the Pension Plan Management Committee

During these challenging times, RBC’s main focus remains on ensuring the health and well-being of our employees, and standing by our clients and communities. Over a history spanning more than 150 years, one thing hasn’t changed for us. Our strength will always be our people. Through the power of our Purpose and the strength of colleagues across RBC, we are focused on supporting the health and wellbeing of our clients, communities and employees to help them plan for the future.

One of the ways we support our employees is through the RBC Retirement & Savings Programs, which provide features for building long- and short-term savings that support them through different phases of life. The Pension Plan Management Committee (PPMC) helps protect the interests of RBC plan members by ensuring that the pension and savings plans have a strong governance and compliance structure in place.

Defined Benefit (DB) Plan Performance

The funded status of the DB plan in Canada remained strong as at January 1, 2020, improving slightly year over year as a result of strong asset performance during 2019. On a going-concern basis¹, our largest plan in Canada, the Royal Bank Pension Plan, was 122% funded as of January 1, 2020. On a solvency basis², the Royal Bank Pension Plan was 98% funded as of January 1, 2020. Since the valuation date there have been significant fluctuations in financial markets which have led to a deterioration of the funded position of DB plans after the valuation date. RBC is making special contributions to the DB plans in 2020 to improve the plans’ funded position.

The PPMC monitors the assets of the DB plan, ensuring an appropriate level of risk is taken in light of the long-term nature of the plan’s obligations while looking for compelling long-term investment returns and opportunities.

Features of the Defined Contribution (DC) Plan

The DC plan includes a variety of features designed to support plan members with their retirement savings objectives, including both automatic and matching contributions from RBC.

In addition, RBC aims to provide a set of investment choices under the DC plan that enable plan members to construct and maintain a well-diversified investment portfolio, in addition to providing solutions for those who prefer a more “hands-off” investment approach.

The plan achieved a 10-year average return of 8.3%, outperforming our benchmark return of 7.1%. This outperformance was attributed to active management of the plan’s investments.

Going-concern funding

122%

Solvency funding

98%

¹ The going-concern funded status is a measure used to determine the plan’s liabilities assuming that both the Royal Bank Pension Plan and RBC continue indefinitely into the future.

² The solvency funded status is another measure that is required by pension regulators. It determines the funded status of the DB plan under a hypothetical scenario where the plan is terminated immediately and all benefits are paid to members. Assumptions used to determine the funded status are prescribed by legislation.
Defined Benefit Pension Plan – Asset Mix (December 31, 2019)

The asset mix policy reflects the plan’s long-term investment strategy. As of December 31, 2019 the actual asset mix was within the allowable range of its policy.

Investment Policy vs. Actual Asset Mix

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Policy Allowable Range</th>
<th>Strategic Policy</th>
<th>Actual Dec 31, 2019</th>
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<tbody>
<tr>
<td>Equity</td>
<td>25% to 55%</td>
<td>34%</td>
<td>35.1%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>25% to 55%</td>
<td>44%</td>
<td>42.8%</td>
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<tr>
<td>Alternative Investments¹</td>
<td>5% to 30%</td>
<td>22%</td>
<td>21.6%</td>
</tr>
<tr>
<td>Cash</td>
<td>0% to 5%</td>
<td></td>
<td>0.5%</td>
</tr>
</tbody>
</table>

¹ Alternative investments include infrastructure, private equity, hedge funds, commodities, real estate, and any other investment that does not fall in the traditional asset classes of stocks, bonds or cash. Because alternatives tend to behave differently than typical stock and bond investments, adding them to a portfolio may provide broader diversification, reduce risk, and enhance returns.

Royal Bank Pension Plan – Annual Performance

Our active management strategy continues to be effective, with long-term returns consistently outperforming our benchmarks. In 2019, the DB pension plan assets earned a strong annual return of 14.2%, marginally below the benchmark return of 14.3%.
## Statement of Changes in Net Assets Available for Benefits, for the year ended December 31

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Defined Contribution Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>1,164,240</td>
<td>1,125,942</td>
</tr>
<tr>
<td>Increase (decrease) in net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions by the employer</td>
<td>85,119</td>
<td>73,327</td>
</tr>
<tr>
<td>Contributions by members</td>
<td>71,800</td>
<td>62,528</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>221,432</td>
<td>(29,749)</td>
</tr>
<tr>
<td>Withdrawals</td>
<td>(71,047)</td>
<td>(67,808)</td>
</tr>
<tr>
<td><strong>Net assets at end of year</strong></td>
<td>1,471,544</td>
<td>1,164,240</td>
</tr>
</tbody>
</table>

| **Defined Benefit Fund** | | |
| Net assets at beginning of year | 12,314,478 | 12,412,002 |
| Investment income (loss) | | |
| Interest income | 185,081 | 179,040 |
| Dividend income | 158,874 | 151,264 |
| Income (loss) on derivatives | 9,545 | (19,157) |
| Other investment income | 45,644 | 73,964 |
| Change in market value of investments | 1,287,130 | (341,207) |
| Transaction costs | (1,710) | (2,401) |
| **Net assets at end of year** | 1,684,564 | 41,503 |

| **Contributions** | | |
| Contributions by the employer | 331,032 | 357,822 |
| Contributions by members | 47,947 | 48,846 |
| **Total contributions** | 378,979 | 406,668 |
| | 2,063,543 | 448,171 |

| **Benefits and Expenses** | | |
| Pension benefits | (454,041) | (431,740) |
| Termination benefits | (72,780) | (72,243) |
| Management and other professional fees | (41,345) | (41,712) |
| **Total benefits and expenses** | (568,166) | (545,695) |
| Increase (decrease) in net assets | 1,495,377 | (97,524) |
| **Net assets at end of year** | 13,809,855 | 12,314,478 |

<table>
<thead>
<tr>
<th>Management and Other Professional Fees (in thousands of Canadian dollars)</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment management fees(^1)</td>
<td>27,057</td>
<td>26,754</td>
</tr>
<tr>
<td>Professional fees</td>
<td>1,983</td>
<td>2,315</td>
</tr>
<tr>
<td>Trustee fees</td>
<td>4,424</td>
<td>4,328</td>
</tr>
<tr>
<td>Administration fees</td>
<td>7,255</td>
<td>7,939</td>
</tr>
<tr>
<td>Other</td>
<td>626</td>
<td>376</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41,345</td>
<td>41,712</td>
</tr>
</tbody>
</table>

\(^1\) Investment management fees shown represent direct expenses (billed to the plan explicitly), in line with the expenses disclosed on the plans' financial statements. Indirect expenses (expenses that are deducted directly from the funds by the asset manager) in 2019 totaled $67.3 million.

For a complete list of the PPMC Committee members, please see pages 4/5 at [https://www.rbc.com/pensioners/pensionplanupdate.pdf](https://www.rbc.com/pensioners/pensionplanupdate.pdf)

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## Defined Contribution Investments

<table>
<thead>
<tr>
<th>Year ended December 31, 2019 (in thousands of dollars)</th>
<th>Fair Value ($ millions)</th>
<th>DC Assets (% of plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PH&amp;N Money Market Fund</td>
<td>56.381</td>
<td>3.8</td>
</tr>
<tr>
<td>PH&amp;N Total Return Bond Fund</td>
<td>28.155</td>
<td>1.9</td>
</tr>
<tr>
<td>Blackrock Canadian Bond Index Fund</td>
<td>39.694</td>
<td>2.7</td>
</tr>
<tr>
<td>Blackrock Balanced Index Fund</td>
<td>77.183</td>
<td>5.2</td>
</tr>
<tr>
<td>RBC Balanced Fund</td>
<td>109.358</td>
<td>7.4</td>
</tr>
<tr>
<td>Blackrock CDN Equity Index Fund</td>
<td>90.597</td>
<td>6.2</td>
</tr>
<tr>
<td>RBC Canadian Equity Fund</td>
<td>140.379</td>
<td>9.5</td>
</tr>
<tr>
<td>Blackrock US Equity Index Fund</td>
<td>243.342</td>
<td>16.5</td>
</tr>
<tr>
<td>Blackrock International Equity Index Fund</td>
<td>81.717</td>
<td>5.6</td>
</tr>
<tr>
<td>Capital Global Equity Fund</td>
<td>158.103</td>
<td>10.7</td>
</tr>
<tr>
<td>Capital International Emerging Markets Opportunity Fund</td>
<td>9,144</td>
<td>0.6</td>
</tr>
<tr>
<td>PH&amp;N Life 2015 Fund</td>
<td>3,222</td>
<td>0.2</td>
</tr>
<tr>
<td>PH&amp;N Life 2020 Fund</td>
<td>14,592</td>
<td>1.0</td>
</tr>
<tr>
<td>PH&amp;N Life 2025 Fund</td>
<td>35,866</td>
<td>2.5</td>
</tr>
<tr>
<td>PH&amp;N Life 2030 Fund</td>
<td>47,084</td>
<td>3.2</td>
</tr>
<tr>
<td>PH&amp;N Life 2035 Fund</td>
<td>61,664</td>
<td>4.2</td>
</tr>
<tr>
<td>PH&amp;N Life 2040 Fund</td>
<td>68,974</td>
<td>4.7</td>
</tr>
<tr>
<td>PH&amp;N Life 2045 Fund</td>
<td>131,885</td>
<td>9.0</td>
</tr>
<tr>
<td>PH&amp;N Life 2050 Fund</td>
<td>71,233</td>
<td>4.8</td>
</tr>
<tr>
<td>PH&amp;N Life 2055 Fund</td>
<td>3,571</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>1,471,544</td>
<td>100.0</td>
</tr>
</tbody>
</table>

## Defined Benefit Investments

### Counterparty Distribution: Debt Investments

<table>
<thead>
<tr>
<th>(in thousands of dollars)</th>
<th>2019 (% of category)</th>
<th>2018 (% of category)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of Canada</td>
<td>5.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Provinces and municipalities</td>
<td>44.0</td>
<td>42.9</td>
</tr>
<tr>
<td>Corporate and other</td>
<td>50.2</td>
<td>53.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### Geographical Distribution - Equity Investments

<table>
<thead>
<tr>
<th>Geographical Distribution</th>
<th>2019 (% of category)</th>
<th>2018 (% of category)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>33.1</td>
<td>31.5</td>
</tr>
<tr>
<td>United States</td>
<td>37.0</td>
<td>36.7</td>
</tr>
<tr>
<td>Europe (excluding UK)</td>
<td>14.5</td>
<td>14.1</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>7.5</td>
<td>7.9</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4.9</td>
<td>6.3</td>
</tr>
<tr>
<td>Japan</td>
<td>2.3</td>
<td>2.7</td>
</tr>
<tr>
<td>Asia (excluding Japan)</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### Sectoral Distribution - Equity Investments

<table>
<thead>
<tr>
<th>Sectoral Distribution</th>
<th>2019 (% of category)</th>
<th>2018 (% of category)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial services</td>
<td>21.7</td>
<td>21.8</td>
</tr>
<tr>
<td>Energy</td>
<td>6.9</td>
<td>7.5</td>
</tr>
<tr>
<td>Information technology</td>
<td>13.2</td>
<td>10.5</td>
</tr>
<tr>
<td>Consumer discretionary</td>
<td>14.2</td>
<td>13.5</td>
</tr>
<tr>
<td>Materials</td>
<td>4.7</td>
<td>4.5</td>
</tr>
<tr>
<td>Industrial</td>
<td>10.6</td>
<td>9.9</td>
</tr>
<tr>
<td>Health Care</td>
<td>7.7</td>
<td>9.4</td>
</tr>
<tr>
<td>Consumer staples</td>
<td>5.0</td>
<td>5.7</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>11.2</td>
<td>12.6</td>
</tr>
<tr>
<td>Utilities</td>
<td>2.6</td>
<td>2.5</td>
</tr>
<tr>
<td>Real estate</td>
<td>2.2</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Stay Connected to Your Retirement Benefits

From benefits plans updates to exclusive offers, RBC makes it easy to stay informed on everything related to your retirement.

Please be sure to notify us of any changes to your contact information. You can call the Human Resources Service Centre at 1-800-545-2555 or send an email to hrscpensions@rbc.com to update your information.

4 Key Resources for RBC Retirees

1. My Pension and Benefits Portal
This site gives you easy access to your defined benefit pension plan information. You can view your annual defined benefit pension plan statements, update your address online, and more. Visit https://service.royalbank.com/rbcdb and enter the same log in information you used to access your DB pension portal as an active member to get started. If you can’t remember your log in information, just follow the online prompts.

2. Pensioners Website
This site contains a wealth of information, such as quick links to RBC retiree benefits booklets and forms, Frequently Asked Questions about RBC pension and benefits programs, important notices, and exclusive offers and discounts for RBC retirees. Visit rbc.com/pensioners to learn more.

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Be sure to check out Keeping in Touch at rbc.com/pensioners/keeptouch on the pensioners website above. The Keeping in Touch newsletter provides information of interest to RBC pensioners, such as RBC business news, stories submitted by fellow pensioners, product and service enhancements, and information regarding the pension plan. You will also find a link to recent Retirement and In Memoriam listings.

4. Pensioners Clubs/Associations
As a retiree, staying social is key. The associations listed at rbc.com/pensioners/associations send out periodic communications advising of upcoming retiree events or sharing stories of interest. Please contact the representative in your area to be added to their distribution list.