

# Video transcript

Royal Bank of Canada, Annual Report 2017

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## Dave McKay

President & CEO

We've had a very strong 2017 with robust earnings growth, diversified across all our business lines. We saw the strength of our business model across our geographies. We had disciplined risk management and great focus on customer care.

### Sustainable growth

RBC's growth will come from focus on our core markets: Canada, United States and select global financial centres where we have a competitive advantage. We continue to focus on broadening relationships with customers, introducing new products and services and expanding into select markets and cities, particularly in the United States, where we see an ability to add value.

### Exceptional Client Experience

We're very proud to have earned the J.D. Power Award for best customer service for the second year in a row. Having said that, complacency is not part of our culture.

We're constantly thinking about the customer, the customer journey and the customer experience – it's at the centre of everything we do. We're using technology, whether it be AI and insights to be more relevant to a customer, we're working to digitize our organization to give new channel options to a customer, constantly looking to simplify the customer experience using technology and streamlining back office processes.

### Simplify. Agile. Innovate.

We are in an unprecedented time of change and the role of a CEO is to ensure that the cadence of change inside of your organization matches the cadence of change in the world around you. And for RBC that means we have to change the way we work. We have to build in a more agile way. We have to build and make decisions as a team and get products to market, get service to the market in a much quicker way. I think I'm very proud of what we've accomplished over the past two years in changing the way we work at RBC.

AI is important to RBC because it's a powerful, new, predictive technology that allows us to better understand customer needs, predict those needs and meet those needs in different ways, customizing the bank for every one of our 16 million customers.

### Community and Social Impact

We are a purpose-driven company and that means that we take our role very seriously in making a positive impact in our communities.

A great example of this is our \$500 million commitment over ten years to helping youth adapt and get ready for the work place of the future. Helping them build new skills, their development and their networking to enable them to succeed in the future. We call it RBC Future Launch.

### Best Talent

For RBC to be successful, we have to attract and retain the best talent. To do that we have to provide a place to work that allows all employees to contribute the best of their talents. And that means unlocking the potential, leveraging the diversity in the organization. And most importantly, allowing young employees to make a contribution much earlier in their career.

We know we'll attract the best talent by providing meaningful work, engaging our employees, allowing all to contribute their full self. And we've designed our organization to unlock that potential.

#### Disclaimer:

This transcript contains 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 applicable Canadian securities legislation. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. Additional information about our forward-looking statements and risk factors can be found under the Caution regarding forward-looking statements in the Management's Discussion and Analysis in our 2017 Annual Report.

